



**Interim Financial Statements**  
Index Enterprise LLC and Subsidiaries

01.01.2014  
09.30.2014



The manager of Index Enterprise LLC hereby presents the interim financial statement for the period 1 January 2014–31 March 2014.

The financial report is prepared in US Dollars, USD.

## Administration Report

### OPERATIONS

#### Information regarding operations

Index Enterprise is a limited liability company organized under the laws of the state of Florida. The Company presently owns, develops and invests in properties through its wholly owned subsidiaries together with its US joint venture partners in Florida, New York and Michigan with a primary emphasis on Multi-family Residential Rental Developments in Florida. Although Index Enterprise strategy still rest on the Multifamily Residential Platform, the Company has diversified its Real Estate Portfolio with the acquisition of Commercial Properties (Offices, Restaurant and Industrial Properties) meeting certain specified criteria and is actively engaged in the acquisition and development of Assisted Living Facilities.

#### Ownership structure

Index Enterprise LLC has its principal office in Jupiter, Palm Beach County, Florida in the US and is a jointly-owned company of Bjarne Borg (indirectly via Trust) and Fredrik Alamaa.

### I. Significant events

#### Multifamily Rental Projects

Index Enterprise through its wholly owned subsidiary Index Apartments, LLC, has a current portfolio of seven multi-family rental apartment properties in Florida, which includes: the Dakota at Abacoa; the Bridgewater at Lake Osborne; the River Walk Pointe at Mangrove Bay; the High Ridge; Little Torch Cottages and Sonoma Pointe. Those projects comprise a total of 850 intelligently designed multifamily residential rental apartment units in attractive locations throughout Florida. Index Apartments is developing friendly and attractive rental apartment communities with environmentally sustainable features and excellence in construction, employing elegance in design and sustainable technology. Dakota Phase I and Phase II are completed and leased at 95% and 23% respectively. Bridgewater's construction is completed and leased at 41%. Construction is being performed on Riverwalk and Little Torch Projects with 57% and 84% of completion respectively.

#### Assisted Living Facilities

Index Enterprise through its wholly owned subsidiary Index Senior Living Group became partner with Watercrest Senior Living Group (one of the most well respected assisted living developers/operators in the area). The Index-Watercrest partnership is focused on acquiring land and developing Assisted Living Communities in Florida and throughout the southeastern United States. The current portfolio consists of 3 Florida projects: Lake Nona in Orlando; Sebastian in Indian River County, and East Lake in Tarpon Springs, Pinellas County. The objective is to co-develop and own a portfolio of assisted living projects.

#### Commercial-Industrial Projects

Index Enterprise LLC through its subsidiary Viking Ventures America LLC continues to work on redevelopment of its NY industrial properties which have significant interest from potential tenants. A portion of the Michigan property will be demolished. A long term lease with an AAA credit rated tenant is under negotiation for the rest of the leasable area of the property.

Jupiter Inlet Development LLC (wholly owned by Index Apartments) site plan mixed use reconversion was approved by the Town of Jupiter. Jupiter Inlet is a waterfront property with a restaurant building. The 10,000 sf building will be demolished and rebuilt to include office space on the second floor. Lease agreement is under negotiation for the restaurant. Construction/Redevelopment is expected to commence September 2014 and be fully operative by June 2015.

Jupiter Harbour Office LLC (wholly owned by Index Enterprise) acquired a 12,000 sf office building located in the desirable area by the inlet in Jupiter, Florida. Building is 100% leased.

With this acquisition Index Enterprise through its 100% owned affiliated companies will control the whole commercial area of Jupiter Harbour with redevelopment opportunities. The property also has certain construction rights for a medical facility center, which likely will be developed in the future.

### II. Significant events after the end of the financial period

Index Enterprise LLC continues to see opportunities to invest in real estate for residential use in the southeastern US. Another Multifamily Project is under contract and it is projected to close in May 2014. Tarpon Harbour is a planned 104 unit Class A multifamily rental housing community. The site has extensive ocean frontage and panoramic water views. Construction is projected to start in July 2014 and be completed by June 2015. Lease-up is expected to be completed by January 2016.

Index Enterprise LLC through its subsidiary Viking Ventures LLC continues seeking opportunities to invest in industrial properties in the northeastern US for redevelopment.

Index Enterprise through its wholly own subsidiary Index Senior Living Lake Nona will close in May 2014 the Land Acquisition of the Lake Nona ALF. Construction Loan is expected to close in June 2014. Lake Nona consists of 80 units assisted living and memory care facility located in Orange County, Florida. Lake Nona has secured a construction loan for the development of the Project. Construction is expected to commence right after closing.

Lease-up has increased in Dakota and Bridgewater as well in the industrial properties located in NY.

Construction works have a higher percentage of completion in Little Torch and Riverwalk Projects. Certificate of Occupancy is expected for June 2014 and August 2014 respectively.

## Consolidated Balance Sheet

<b>ASSETS</b>	<b>\$</b>
INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED INVESTEES	\$ 39,953,053
ASSETS HELD FOR DEVELOPMENT	4,067,302
RENTAL PROPERTY	8,377,078
CASH AND CASH EQUIVALENTS	4,109,769
RESTRICTED CASH	1,231,143
LOANS TO MEMBERS	1,000,000
DUE FROM AFFILIATES	10,359
OTHER ASSETS	19,587
	<b>\$ 58,768,291</b>
<b>LIABILITIES AND MEMBERS' DEFICIT</b>	<b>\$</b>
LONG-TERM DEBT AND ACCRUED INTEREST- RELATED PARTIES	\$ 65,689,826
LONG-TERM DEBT – UNRELATED PARTIES	1,332,157
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	1,410,177
COMMITMENTS AND CONTINGENCIES	
MEMBERS' DEFICIT OF INDEX ENTERPRISE, LLC	(8,971,797)
NONCONTROLLING INTEREST	(692,072)
	<b>\$ 58,768,291</b>

## Consolidated Statement of Operations

### Nine months ended September 30, 2014

Rental income	\$ 361,975
<b>OPERATING EXPENSES</b>	
Utilities	890,223
Professional fees	271,465
Real estate taxes	25,799
General and administrative	270,154
Depreciation	75,150
<b>Total operating expenses</b>	<b>1,532,791</b>
<b>LOSS FROM OPERATIONS</b>	<b>(1,170,816)</b>
<b>OTHER INCOME (EXPENSE)</b>	
Interest expense	(3,431,952)
Deficit in earnings of unconsolidated investees	(565,899)
Guarantee income	97,375
Other income	16,819
Interest income	59,853
<b>Total Other Income (Expense)</b>	<b>(3,823,804)</b>
<b>NET LOSS</b>	<b>(4,994,620)</b>
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	(432,244)
<b>NET LOSS ATTRIBUTABLE TO INDEX ENTERPRISE, LLC</b>	<b>\$ (4,562,376)</b>

## Consolidated Statement of Changes In Members' Deficit Nine months ended September 30, 2014

	<b>Members' Deficit</b>	<b>Non-controlling Interest</b>	<b>Total</b>
Members' deficit as of december 31, 2013	\$ (4,409,421)	\$ (259,828)	\$ (4,669,249)
Net loss	(4,562,376)	(432,244)	(4,994,620)
Members' deficit as of september 30, 2014	\$ (8,971,797)	\$ (692,072)	\$ (9,663,869)

## Consolidated Statement of Cash Flows

### Nine months ended September 30, 2014

#### CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (4,994,620)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	75,150
Deficit in earnings of unconsolidated investees – net	565,899
Unpaid accrued interest expensed on long-term debt – related parties	4,551,993
Changes in operating assets and liabilities:	
Other assets	(10,767)
Accounts payable and accrued liabilities	382,008
Total adjustments	5,564,283
<b>Net cash provided by operating activities</b>	<b>569,663</b>

#### CASH FLOWS FROM INVESTING ACTIVITIES:

Restricted cash	222,591
Investments in assets held for development	1,509,947
Investments in and advances to unconsolidated investees	(16,485,274)
Purchase of real property	(5,839,555)
Advances to affiliates	53,617
<b>Net cash used in investing activities</b>	<b>(20,538,674)</b>

#### CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds/Repayments long-term debt, net – related parties	17,902,577
Proceeds/Repayments long-term debt, net – unrelated parties	1,332,157
<b>Net cash provided by financing activities</b>	<b>19,234,734</b>

NET DECREASE IN CASH AND CASH EQUIVALENTS	(734,277)
CASH AND CASH EQUIVALENTS – BEGINNING	4,844,046
<b>CASH AND CASH EQUIVALENTS – END</b>	<b>\$ 4,109,769</b>

#### Supplemental Disclosure of Cash Flow Information:

<b>Interest paid</b>	<b>\$ 42,755</b>
<b>Income taxes paid</b>	<b>\$ -</b>

#### Supplemental Disclosure of Noncash Financing and Investing Activities:

<b>Unpaid interest expense capitalized as assets held for development</b>	<b>\$ -</b>
<b>Unpaid real estate taxes capitalized as assets held for development</b>	<b>\$ -</b>

Stockholm 2014-05-28

A handwritten signature in black ink, consisting of several fluid, overlapping loops and strokes, positioned above the printed name and title.

**Bjarne Borg**  
Manager

