



Interim Financial Statements
Index Enterprise LLC and Subsidiaries

January– September 2015



Riverwalk Pointe, Jupiter, FL

The Manager of Index Enterprise LLC hereby presents the interim financial statement for the period July 1st, 2015 – September 30th, 2015.

The financial report is prepared in US Dollars, USD.

Administration Report

OPERATIONS

Index Enterprise, LLC (the “Company”) is a limited liability company organized under the laws of the state of Florida. The Company holds a diversified Real Estate Portfolio and presently owns, develops and invests in properties through its wholly owned subsidiaries together with its US joint venturers mainly in Florida. The Company’s investment strategy rests primarily on the multi-family residential platform but is also actively engaged in the acquisition for development of assisted living facilities throughout the Southeastern United States as well as the acquisition of commercial properties with some kind of residential/living development component.

OWNERSHIP STRUCTURE

The Company has its principal office in Jupiter, Florida and is a jointly-owned company of Vector Holdings, LLC and Fredrik Alamaa.

I. – SIGNIFICANT EVENTS

Multifamily Rental Projects

The Company through its wholly owned subsidiary Index Apartments, LLC has a current portfolio of eight (8) multi-family rental apartment properties in Florida which include: the Dakota at Abacoa; the Bridgewater at Lake Osborne; River Walk Pointe at Mangrove Bay; High Ridge Landing; Little Torch; Sonoma Pointe; Marathon Ocean and Monterey Pointe. Those projects comprise a total of 1106 intelligently designed multi-family residential rental apartment units in attractive locations throughout Florida.

Index Apartments is developing desirable rental apartment communities with environmentally sustainable features and sustainable technology.

- Dakota, Bridgewater and Little Torch Projects keep a stabilized occupancy.
- Riverwalk Pointe leasing activity is performing according to plan.
- Tarpon Harbour construction started in April, 2015 and performing according to plan. Leasing activity is expected to start in Q1, 2016.
- Monterey Pointe construction Loan closed on September 4th, 2015.

Condo Projects

Index Enterprise through its wholly owned subsidiary Index Riva, LLC and joint venturer Premier Developer V, LLC acquired two acres of property with extensive frontage on the Middle River of Fort Lauderdale, Florida. The property is under development with 100 luxury condominium units for sale. Substantial completion and closing on individual units is projected by Q2, 2017.

Assisted Living Facilities

The Company through its wholly owned subsidiary Index Senior Living Group and joint venturer Watercrest Senior Living Group (a respected assisted living developer/operator based in Florida) is focused on acquiring and developing assisted living and memory care facilities throughout the southeastern United States.

The objective of the joint venture is to develop and own a portfolio of high end assisted living facilities in the Southeastern United States. The current portfolio consists of two (2) Florida projects: Lake Nona in Orlando and Viera in Brevard County.

- Lake Nona construction is completed. Leasing activity is above projections.
- Viera Construction is on track and expected to be completed by Q3, 2016.

Industrial Projects

The Company through its subsidiary Viking Ventures America, LLC continues to work on redevelopment of its industrial properties located in New York and Michigan. The Company has been marketing the commercial properties for long-term lease. A portion of the Michigan property will be demolished for salvage value and the real estate owning entity is presently negotiating a long term lease with an AAA credit rated tenants for the remaining area.

Commercial Projects

Index Enterprise through its wholly owned affiliated companies controls the entire commercial area known as Jupiter Harbour.

- Jupiter Inlet Development, LLC is a waterfront property with a restaurant building. The 10,000 sf building will be demolished for redevelopment opportunities. Lease agreement is under negotiation.
- Jupiter Harbour Office, LLC (wholly owned by Index Enterprise, LLC) acquired a 12,000 square foot office building located in the desirable area by the inlet in Jupiter, Florida. Building is 100% leased.

Mixed Use Projects

- Index Enterprise acquired the Florida Keys Country Club, a 120 acre property located in the Florida Keys through their subsidiary Index Resort Development, LLC. Phase I redevelopment is currently underway and consists of a complete cutting edge redesign of the golf course and tennis courts, the construction of a 90 units hotel, 15 cottages and a marina.

II. – SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL PERIOD.

- Index Enterprise LLC continues to source residential real estate developments and continues to optimistically view the real estate market in the southeastern US.
- Dakota, Bridgewater and Little Torch Projects maintain a stabilized occupancy above 90%.
- Riverwalk Pointe Project reached stabilization.
- Lake Nona Grand Opening is scheduled for January, 2015
- Sonoma Pointe Grand Opening is scheduled for December, 2015.
- Sonoma Pointe and Lake Nona leasing activities are both above projections.
- High Ridge construction loan closed on October, 2015. Construction started right after closing.
- Riva Project continues pre-selling luxury condominium units.

Sincerely

Bjarne Borg, *Manager*

Consolidated Balance sheet September 30, 2015

ASSETS

RENTAL PROPERTY	\$ 119,942,724
ASSETS HELD FOR DEVELOPMENT	46,186,119
CASH AND CASH EQUIVALENTS	7,543,035
RESORT PROPERTY	4,790,004
DUE FROM RELATED PARTIES	1,344,186
RESTRICTED CASH	1,105,256
DEFERRED COSTS, NET	865,051
PREPAIDS AND OTHER	490,389
ACCOUNTS RECEIVABLE, NET OF ALLOWANCE FOR DOUBTFUL ACCOUNTS OF \$ 214,576	218,134
INVESTMENT IN UNCONSOLIDATED INVESTEE	179,981
PRE-ACQUISITION COSTS	104,478
	\$ 182,769,357

LIABILITIES AND MEMBERS' DEFICIT

LONG-TERM DEBT	\$ 101,986,410
LONG-TERM DEBT – RELATED PARTIES	87,710,660
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	8,171,247
FAIR VALUE OF INTEREST RATE SWAPS	1,165,396
CONVERTIBLE DEBT	500,000
TENANT SECURITY DEPOSITS	236,716
UNEARNED RENT	206,638
DEFICIT IN UNCONSOLIDATED INVESTEES	182,792
MEMBERS' DEFICIT OF INDEX ENTERPRISE, LLC	(23,026,214)
NONCONTROLLING INTEREST	5,635,712
	\$ 182,769,357

Consolidated Statement of Operations

Nine Months ended September 30, 2015

INCOME

Rental income	\$ 6,696,685
Tenant expense recovery	719,344
Resort income, net	569,803
Total income	7,985,832

OPERATING EXPENSES

Depreciation	3,184,305
Common area maintenance	2,066,994
Management fees	1,903,397
Real estate taxes	1,545,588
Professional fees	422,393
Other operating expenses	2,418,699
Total operating expenses	11,541,376
LOSS FROM OPERATIONS	(3,555,544)

OTHER INCOME (EXPENSE)

Interest expense	(5,959,719)
Equity in loss of unconsolidated investees	(906,924)
Gain on sale of land	2,149,442
Gain on proceeds from casualty insurance claim, net	684,935
Interest income	47,718
Other income	74,632
Total other income (expense)	(3,909,916)
NET LOSS	(7,465,460)

NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	(277,528)
NET LOSS ATTRIBUTABLE TO INDEX ENTERPRISE, LLC	\$ (7,187,932)

Consolidated Statement of Comprehensive Loss Nine Months ended September 30, 2015

NET LOSS ATTRIBUTABLE TO INDEX ENTERPRISE, LLC	\$ (7,187,932)
OTHER COMPREHENSIVE LOSS	
Change in fair value of interest rate swaps	(444,956)
COMPREHENSIVE LOSS ATTRIBUTABLE TO INDEX ENTERPRISE, LLC	\$ (7,632,888)
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	\$ (277,528)
OTHER COMPREHENSIVE LOSS	
Change in fair value of interest rate swaps	(94,385)
COMPREHENSIVE LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	\$ (371,913)
NET LOSS	\$ (7,465,460)
TOTAL OTHER COMPREHENSIVE LOSS	
Change in fair value of interest rate swaps	(539,341)
COMPREHENSIVE LOSS	\$ (8,004,801)

Consolidated Statement of Changes in Members' Deficit Nine Months ended September 30, 2015

	Members' deficit – Index Enterprise, LLC	Accumulated other comprehensive loss	Non controlling Interest	Total
Members' deficit as of December 31, 2014	\$ (14,876,830)	\$ (516,496)	\$ 2,564,466	\$ (12,828,860)
Capital contributions – cash	–	–	2,378,259	2,378,259
Capital contributions – noncash	–	–	1,237,515	1,237,515
Distributions	–	–	(172,615)	(172,615)
Net loss	(7,187,932)	–	(277,528)	(7,465,460)
Other comprehensive loss	–	(444,956)	(94,385)	(539,341)
Members' deficit as of September 30, 2015	\$ (22,064,762)	\$ (961,452)	\$ 5,635,712	\$ (17,390,502)

Consolidated Statement of Cash Flows

Nine Months ended September 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (7,465,460)
<i>Adjustments to reconcile net loss to net cash provided by operating activities:</i>	
Depreciation	3,184,305
Amortization of deferred costs	139,067
Bad debt expense	112,226
Gain on sale of land	(2,149,442)
Equity in loss of unconsolidated investee	906,924
Accrued interest on long-term debt – related parties	3,450,055
Gain on casualty insurance claim	(684,935)
<i>Changes in operating assets and liabilities:</i>	
Accounts receivable	(192,533)
Prepays and other	(228,286)
Accounts payable and accrued liabilities	1,441,386
Tenant security deposits	110,310
Unearned rent	37,197
Total adjustments	6,126,274
Net cash provided by operating activities	(1,339,186)

CASH FLOWS FROM INVESTING ACTIVITIES:

Decrease in restricted cash	1,098,243
Cash paid for acquired business	(5,310,000)
Investments in assets held for development	(41,742,076)
Investments in rental and resort properties	(5,208,342)
Pre-acquisition costs	(62,257)
Advances to related parties	(163,309)
Repayments from related parties	1,000,000
Transfer of cash upon sale of subsidiary to a related party	(2,851,738)
Proceeds from sale of land	2,725,000
Proceeds from casualty insurance claim	776,058
Net cash used in investing activities	(49,738,421)

CASH FLOWS FROM FINANCING ACTIVITIES:

Capital contributions – noncontrolling interest	2,378,258
Distributions – noncontrolling interest	(172,615)
Proceeds from long-term debt – related parties	18,297,507
Repayments of long-term debt – related parties	(3,305,621)
Proceeds from long-term debt	40,044,804
Repayments of long-term debt	(3,350,502)
Deferred financing costs	(354,638)
Net cash provided by financing activities	53,537,193

NET INCREASE IN CASH AND CASH EQUIVALENTS	2,459,586
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	5,083,449
CASH AND CASH EQUIVALENTS – END OF PERIOD	\$ 7,543,035

Consolidated Statement of Cash Flows (Continued)

Nine Months ended September 30, 2015

Supplemental Disclosure of Cash Flow Information:

Interest paid, net of capitalized interest	\$ 2,528,475
Income taxes paid	\$ -

Supplemental Disclosure of Noncash Financing and Investing Activities:

Unpaid interest capitalized as assets held for development	\$ 591,136
Change in fair value of interest rate swaps recorded in other comprehensive loss	\$ 539,341
Transfers from assets held for development to rental property	\$ 21,231,114
Transfer of related party debt pursuant to sale of subsidiary to a related party	\$ 4,300,444
Transfer of restricted cash pursuant to sale of subsidiary to a related party	\$ 1,448,706
Fair value of assets of acquired business, principally resort property	\$ 5,310,000
Developer fees included in assets held for development recorded as capital contributions	\$ 1,237,515
Amortization of deferred costs capitalized to assets held for development	\$ 95,362

Stockholm, November 16, 2015



Bjarne Borg
Manager

