



QUARTERLY REPORT
2014 Q1

TwigoNet Europe, SE
For the period 1.1.2014 – 31.3.2014

May 15th 2014
Prague, Czech Republic

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1. Selected financial data consolidated for the group

Exchange rate CZK/EUR 27,440. as of March 31, 2014 was used for calculation.
TwigoNet applies standard accounting rules. The rules has not been changed.
TwigoNet has five full-time employees at the time of this report.

Consolidated Profit and Loss Statement

		2014	2013	1Q2014	1Q2013
I	Revenues from merchandise	0	3	0	3
A	Cost of goods sold	0	0	0	0
II	Production	0	2	0	2
B	Production consumed	10	23	10	23
C	Personel expenses	15	8	15	8
D	Taxes and fees	0	0	0	0
E	Depreciations	6	2	6	2
III	Revenue from sales of fixed assets	0	0	0	0
F	Net book value of fixed assets sold	0	0	0	0
G	Changes in provisions	0	0	0	0
IV	Other operating revenues	1	0	1	0
H	Other operating expenses	0	1	0	1
VI	Revenues from sales of securities	0	0	0	0
J	Securities sold	0	0	0	0
VII	Revenues from long term financial assets	0	0	0	0
VIII	Revenues from short term financial assets	0	0	0	0
K	Expenses asocoated with financial assets	0	0	0	0
IX	Revenue fro revaluation of securities an financial assets	0	0	0	0
L	Expenses from revaluation of securities and derivatives	0	0	0	0
M	Changes in provisions in financial activity	0	0	0	0
X	Interest revenues	0	5	0	5
N	Interest expenses	0	0	0	0
XI	Other financial revenues	0	0	0	0
O	Other financial expenses	1	0	1	0
XII	Transfer of financial revenues	0	0	0	0
P	Transfer of financial expenses	0	0	0	0
Q	Income tax on ordinary income	0	0	0	0
XIII	Extraordinary revenues	0	0	0	0
R	Extraordinary expenses	0	0	0	0
S	Income tax on extraordinary items	0	0	0	0
				0	0
	Operating profit/loss	-29	-28	-29	-28
	Profit ú loss from ordinary activity	-30	-24	-30	-24
	Profit / loss of current accounting period	-30	-24	-30	-24

Consolidated Balance Sheet

		2014	2013	1Q2014	1Q2013
	Total assets	1 913	1 290	-159	-30
A	Receivables from subscribed capital	0	0	0	0
B	Fixed assets	289	107	6	15
B I	Intangible fixed assets	2	3	0	3
BII	Tangible fixed assets	288	105	6	13
BIII	Long term financial assets	0	0	0	0
C	Current assets	1 622	1 183	-164	-46
CI	Inventory	44	3	1	0
CII	Long Term receivables	0	0	0	0
CIII	Short term receivables	18	16	3	-5
CIV	Short term financial assets	1 560	1 164	-169	-40
D	Accruals	2	0	0	0
	Total liabilities	1 913	1 290	-159	-81
A	Equity	1 853	1 277	24	-89
AI	Registered capital	475	475	0	0
AII	Capital funds	1 090	1 090	0	0
AIII	Reserve funds	0	0	0	0
AIV	Net profit or loss from previous years	312	-264	576	0
AV	Net profit or loss from the period	-24	-24	552	-204
B	Liabilities	60	13	-135	19
BI	Provisions	0	0	0	0
BII	Long term payables	-1	-3	14	0
BIII	Short term payables	60	16	-119	8
BIV	Bank loans	0	0	0	0
C	Accruals	0	0	0	0

Consolidated Cash Flow Statement

	1Q2014	1Q2013
Cash at the beginig	1560	1189
Cash-flow from main activities	-49	-17
P/L from main activities	-30	-24
Nonfinancial operations	-9	2
Change of operating capital	40	19
Investment activity	12	17
Purchase of assets	12	17
Sale of assets	0	0
Leasing	0	0
Financial activity	0	0
Change of liabilities	0	0
Change of equity	0	0
Difference	-91	-24
Cash at the end	1469	1131

2. Factors and events that affected the financial results:

During the reported period all financial data of the company evolved according plans and expectations of the management of the company.

3. Actions taken by TwigoNet to develop its activities during the period covered by the report, in particular through actions aimed to implement innovative solutions at the enterprise

Because of strategic reasons and NDA conditions, in our reports we do not disclose the names of the our (potential) customers (ISPs), towns where we prepare the building of the network and the names of the existing networks/companies we plan to acquire.

In the first quarter 2014 TwigoNet:

6. Continues optical fibre blowing
7. Continues the indoor FTTH installation
8. Secured permissions to install the internal FTTH installations for another 800 Homes Passed
9. Continues the preparation of AreaPoP in Pisek sidliste JIH
10. Continues the preparation of AreaPoP in Brandys nad Labem
11. Continues the preparation of AreaPoP in Olomouc POVEL
12. Continues the preparation of AreaPoP in Olomouc Dolni Namesti
13. Continues the preparation of AreaPoP in Olomouc Nezvalova
14. Continues the preparation to get the build permission in altogether 40 towns with the coverage of approximately. 100.000 HP
15. Continues the negotiation about cooperation with telecommunication operators (ISP)
16. Finished the selection of the ODF technology and ordered next ODF
17. Continues the selection of the supplier for the indoor distribution boxes
18. Continues in efforts to improve the sales process

The company has made no financial forecasts. All works currently undertaken are in compliance with plans and expectations of management.

4. Structure of the group and structure of the shareholders of the company

The company has two 100% subsidiaries TwigoNet Bohemia s.r.o. and TwigoNet Moravia s.r.o., Each company has equity of 7000EUR and currently perform no activity. Accounts presented in this report are consolidated.

According the change of Commercial Code in the Czech Republic, all bearer shares had been automatically converted to registered shares as of 1.1.2014.

Mr. Cibula, the Member of the Board of Directors, presented 87.2% of shares for registration by the company. Mr. Ilja Čurda holds 7.3% of the shares of the company. All the shares issued by the company have the same voting rights.

5. Informations from current report published by the company during the period and further till the publishing of this report.

The Management Board of TwigoNet Europe, SE informs of dates for providing periodical reports in financial year 2014:

Quarterly reports:

2013 Q4 - 14. February 2014

2014 Q1 - 15. May 2014

2014 Q2 - 15. August 2014

2014 Q3 - 14. November 2014

Annual report

2013 FY – 20. May 2014

Investors Relations contact:

Investor Relations

TwigoNet Europe, SE

Svatojánská 431

198 00 Praha-Kyje

Czech Republic

Phone: +420 603 404 300

E-mail: info@twigonet.com

Web: www.twigonet.com