# TWIGONET

# Annual Report 2013

TwigoNet Europe, SE

# Letter of the Management Board

Dear shareholders,

During the financial year 2014 our company continued in its mission to build optical networks in the Czech Republic. We have successfully finalize ground works in Brandys na Labem, Olomouc, Pisek and Tabor. Each of these networks has potential to be increased in the future to the neighbouring location. We have also started process of obtaining permissions for ground works in several new locations. All these activities will smoothly continue in the next year.

Extraordinary situation during the passed year evolved in the financial position of the company. According the approval of the General Meeting of the company held in 2013, management allocated the free financial resources of the company into different financial assets. Outcome of this action overcome even the most optimistic expectations, Thanks to general growth of the markets, supported by unexpected devaluation of the Czech Koruna, the company reached extraordinary profit. This situation will likely not repeat in the future and management of the company will act carefully and responsibly.

In the next year the management of the company will continue in its effort to build largest open optical network in the Czech Republic.

Your Sincerely

Ondrej Cibuľa board member

# Accounting unit under review:

TwigoNet Europe, SE

**Legal status:** European company **Corporate ID (IČ):** 292 03 414

Registered office: Svatojánská 431, Praha - Kyje, PSČ 198 00

# Reviewed period:

1 January to 31 December 2013

# Recipient of the Report:

The report is intended for the shareholders and the management of the reviewed company.

## Reviewer:

PAGINA BOHEMIA, spol. s r.o.
Jílovská 1167/71a
142 00 Prague 4, Braník
Corporate ID 251 26 369
Municipal Court in Prague, C 116054
Czech Chamber of Auditors License No. 252

Auditor in Charge: Ing. Jiří Hofman, Czech Chamber of Auditors License No. 1401

We have audited the accompanying financial statements of TwigoNet Europe, SE, which comprise the balance sheet as at 31 December 2013, the profit & loss account for the year ending on 31 December 2013, and notes to these financial statements, including a summary of significant accounting policies and other explanatory information. Data on TwigoNet Europe, SE are disclosed in Note 1 to these financial statements.

# Statutory Body's Responsibility for the Financial Statements

The statutory body of TwigoNet Europe, SE is responsible for the preparation of the financial statements which provide a true and fair view in accordance with accounting regulations effective in the Czech Republic, and for the internal control system as may be required for compiling the financial statements so that they contain no significant (material) inaccuracies caused by fraud or error.

# Auditor's Responsibility and Scope of the Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors, International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from significant (material) misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of significant (material) misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The subject matter of this auditor's report does not include verifying the conformity of the company's Annual Report to the financial statements prepared as at 31 December 2013 or verifying the factual accuracy of disclosures provided in the Report on Relations between the Controlled and Controlling Person and Other Controlled Persons. These documents are subject to a separate audit.

# **Auditor's Opinion**

In our opinion, the financial statements give a true and fair view of assets and liabilities of TwigoNet Europe, SE as at 31 December 2013, and of its income, expenses and results of the company's operations for the year ending on 31 December 2013 in accordance with accounting regulations applicable in the Czech Republic.

Prague, 20 May 2014

PAGINA BOHEMIA, spoi. s r.o.

Jílovská 1167/71a 142 00 Prague 4, Braník Czech Chamber of Auditors License No. 252



Ing. Jiří Hofman Auditor in Charge Czech Chamber of Auditors License No. 1401



Enclosures: One copy of the Balance Sheet as at 31 December 2013

One copy of the Profit and Loss Account as at 31 December 2013

One copy of the Notes to the Financial Statements as at 31 December 2013

Contains a mandatory list of Items stated in the decree of Ministry of Finance No. 500/2002 Col.

The business entity shall deliver statement together with Upon delivery of tax statement For income tax

1x to competent revenue office Office

# BALANCE SHEET in full scope

to	31.12.2013	}
(2,	 • • • / / / / / / / • • • • • •	

(in whole thousands of CZK)

Year Month				tdent. No.							
 201	3	1	2	2	9	2	0	3	4	4007	4.

Businessics, or other name of accounting unit
TwigoNet Europe, SE
place of accounting unit and place of enterprising if differs from place of residence
Svatojánská 431
198.60 Praha - Kyje

ldent.	ASSETS	line	Curre	nt accounting period		Past acc. period
a	b .	C	Gross	Correction	Netto	Netto
	TOTAL ASSETS	001	57 598	-363	57 235	36 23
Α.	Receivables of subscribed capital stock	002			The state of the s	
6.	Long-term assets	003	8 712	-363	8 349	2 92
Ð. i.	Long-term intangible assets	004	80	-27	53	e Printe de al Richard de Andréa de la presenta de Andre Andréa de la Printe de Andréa
8. l. 1.	Establishment expenses	005	and place and a second of the		Politika da kerdin da jarah kili jalah jamba haripa pilah ajarah da kerdina kili sagan jalah kerdina kerang da jalah	efection consequents of define from a definite definition on the expension consequence of the section of the consequence of the expension of t
2.	Intangible results of R & D	006				Marie Labora de MANTO POR EMPENDADA de la compressión de la confesiona de la que especial propriede propriede
3.	Software	007	80	-27	53	TO STREET, AT THE PART OF THE PART OF THE STREET, AND A STREET STREET, AND A STREET, A
4.	Valuable rights	800			orden and a second and a second and a second and a second	to a trade of the state of the
5	Goodwill	009	Marketin III (M. Marketin II o Transchin II o Trans	Andrew Control of the Control of Control of the Con		An inches it is the contract of the state of
6.	Other long-term intang, assets	010		00000000000000000000000000000000000000		2001 C
7.	Unfinished long-term inlang, assets	011				
8.	Advanced payments for long-term intang. assets	012				Alle de esta e y de Balla Ballade esperidaj de pres de tentre la presidente del
3, 11.	Tangible fixed assets	013	8 232	-336	7 896	2 52
3. II. 1.	Lands	014				
2.	Build.	015	6 712	-89	6 623	
3.	Independent movables and movable sets	016	1 305	-247	1 058	54
4.		017	1 000	4.77	1 000	J4
5.	Breeding and draught animals	. 018				Michael Condition and Conditio
6.	Other long-term tang, assets	019	MANAGEMENT OF STREET AND A STREET AND A STREET AND ASSESSMENT OF STREET	***************************************	N1 1997 (2008) - 1 10 N2, 10 10 10 NA	A STATE OF THE STA
7.	Unfinished long-term tang, assets	020	215	**************************************	215	1 97
8.	Advanced payments for long-term lang, assets	021		The second secon		
9.	Valuation difference of the acquired assets	022				te emone had a tille of the all communities in the communities of the
3. III.	Long-term financial assets	023	400		400	400
3. III. 1.	Shares in controlled entities	024	400		400	400
2.	Shares in accounting units under dominant control	025				
3.	Other securities and ownerships shares	026				ACCOMMON TO A TOWN OF TAXABLE PROPERTY OF THE STREET, AND A STREET, AND
4.	Credits and loans - controlling and managing person, significant control	027				
5.	Other long-term (inancial assets	028		1 3000/2 %		
6.	Acquired long-term financial assets	029				normalina sakalifika er 24.1 (e. 1 marina e ilan 1864).
7.	Advance paym, for long-term financ, assets	030		74 3 B		

Ident. ASSETS		line	Cur	rent accounting per	od	Past acc. period		
a	ъ	b c Gross		Correction	Netto	Netto		
c. c	Furrent assets	031	48 846		48 846	33 304		
C. I. Ir	wentory	032	1 349	anamata maga ya a o o o o o o o o o o o o o o o o o	1 349	94		
C. I. 1. N	faterial	033	359		359	94		
2. V	Vork-in-progress and semi limished products	034	990	med littlere mensi siste namas men me especiale escendens escendes	990	***************************************		
3. P	roducts	035		**************************************				
4. A	nimals	036		HIROS HARLES		THE MATERIAL STATE OF STATE OF THE STATE OF		
5. M	lerchandise	037				and the second of the second s		
6. A	dvances provided for inventory	038				Managaran and Albert State of the Comment of the Co		
C. II. La	ong-term receivables	039	The state of the s					
C. II. 1. Tr	rade relations receivables	040	as perfect on parameters for their consecutive section (see a section ).			CHIPP A MARKET LA FEET TO THE PERSON OF THE ACT OF THE		
2. R	eceivables - controll and managing person.	041	THE STATE A AMERICAN STATE OF STATE STATE STATE OF STATE STATE OF STATE	of the solution distribution in regard , a record regard growing matter forms and organized the solution of th				
3. R	eceivables - significant control	042		**************************************		ene dia propriata da la graza comercia de mendio de la comercia de la graza de la comercia de la graza de la c		
4. Re	eceivables due from partners, co-operative	043			V A Shahit I An In Edditory on while decrease a consumption of the same of the	THE RELEASE OF THE PROPERTY OF		
	ociety members and corporation members ong-form advance payments	044		Middle and Association and Company of the Company o				
6. Es	slimated receivables	045	AMBERT STATE - Michigan (Michigan Andreas Anno 1984), and a series of the control	PROPERTY IN STREET, AS A SECURE WAS ASSESSED AS A PROPERTY SECURIOR CONTRACTOR OF SECURIOR CONTRACTOR CONTRACT		A half of the control		
7. Ot	ther receivables	046		The book is already with the book of the b		· Marie Marie Marie Marie Anna de Carte de Marie Marie de La Companya de La Carte de		
8. De	eferred tax receivable	047		<b>*************************************</b>		t A Marin A, coping a grant agram the second and a second process of grant a second as		
C. III. Sh	nort-term receivables	048	387	TEST CARROLLING AS IN A AS IN A ST TO ALL CONTRACTED AND	387	580		
C. III. 1. Tra	ade relations receivables	049		PPT 17 . 1 No. 5 . Et a consistention output former consequentions		hadhanna marai Emana ann an amainge, amain an marmain is a dhaidh an dh		
2. R	eceivables - controll.and managing person	050		homometrican, i., e.i. y		Committee of the committee of the second		
3. Ro	eceivables - significant control	051		and the first of the second se		The second secon		
4. Re	eceivables due from partners, co-operative ociety members and corporation members	052		1995 to 100 and the second second second second second				
-	ocial security and medical instrance	053		TO STRONG THE PROPERTY OF THE				
6. Du	ue from State - fax receivables	054	130		130	446		
7. Sh	ort-term advance payments	055	140	T.P. EPT ATTO PER FEMILIA COMPANIAN AND ANALYSIS AND	140	116		
8. Es	stimated receivables	056				The second secon		
9. 01	iher receivables	057	117	rifordin commence and control	117	18		
C. IV. Sh	orl-term financial assets	058	47 110	A STATE OF THE STA	47 110	32 630		
C. IV. 1. Ca	sh	059	1 896	**************************************	1 896	1 529		
2. Ba	nk accounts	060	42 808	ATT ANTITION (I. V. ) - in an amount of the stop of the state of the s	42 808	31 101		
3. Sh	ort-term securities and shares	061	2 406	. They have an arrangement and the second second second	2 406			
4. Ac	quired short-term financial assets	062		ENGLANDAR A COMPANIANT				
D. I. Acı	rruals	063	40	The second secon	40	3		
D. I. 1. Del	ferred expenses	064	90	180 CAN 3 M	50 40	3		
2. Cor	mplex prepaid expenses	065		- 13 3 3 4 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	20			
3. Ac	crued revenues	066						
					1.0000			

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ldent.	LIABILITIES b	line c	State of curr. acc. period	State of prov. acc. period
	TOTAL LIABILITIES	967	57 235	36 234
Α.	Equity capital	068	51 879	35 687
A. I.	Registered cap.	069	13 022	13 022
A. I. 1.	Registered cap.	070	13 022	13 022
2.	Treasury slock and owner's shares (-)	071	A CONTRACTOR OF THE BEST OF THE BEST OF THE STATE OF THE	
3.	Changes in fixed assets	072		en er entrette det til til film en
A. II.	Capital funds	073	29 912	29 912
A. II. 1.	Share premium	074	29 912	29 912
2.	Other capital funds	075		y m. y
3.	Differences of valuation assets and liabilities	076		
4.	Appreciation gains or losses from overvaluation with transformation	077	AL THE THE CONTRACT OF THE PERSON OF THE PER	
5.	Differences of company transformations	078		
6.	Differences from the valuation of the company transformations	079		
A. III.	Reserves, indivisible fund and other funds from profit	080		
A. III.1.	Legal reserves / indivisible fund	081	A CONTRACT OF THE PROPERTY OF	
2.	Statutory and other funds	082		
A. IV.	Profit/loss of the previous years	083	-7 246	-858
A. IV.1.	Retained profits of previous years	084		
2.	Profit/loss of the past years	085	-7 246	-858
3.	Other profit/loss of the previous years	086	A 1,000 III	
A. V.	Profit/loss of current accounting period (+/-)	087	16 191	-6 389
В.	Not-own capitals	088	5 352	547
B. I.	Reserves	089	5	2 A 2 A 2 A 2 A 2 A 2 A 2 A 2 A 2 A 2 A
B. l. 1.	Reserves according special legislations	090	THE STATE OF THE S	
2.	Reserves for pensions and similar liabilities	091		
3.	Reserve for income tax	092		ON THE BEST OF THE STATE OF THE
4.	Other reserves	093		
В. н.	Long-term payables	094		The state of the s
8. II. 1.	Trade relations payables	095	A TELEVISION CONTRACTOR OF A TELEVISION OF A SECURITION OF A S	and and Nation that a familiar at 1970 has been assumed in 1988 to 1988 has been depressed assumed assumed assumed to 1988 to
2.	Payables - controlling and managing person,	096		
3.	Payables - significant control	097		
4).	Payables to partners, co-operative society members and corp.ntemb.	098	A STATE OF THE STA	and a second
5.	Long-term advances received	099		
6.	Bonds issued	100	- 1 To 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
7.	Long-term bills of exchange to be paid	101	19 00 80010 Pe	
8.	Estimated payables	102		(0)
9.	Other payables	103		0
10.	Deferred tax obligation	104		
The second secon		**************************************	Stepheni 5:2	Print (c) Atlas consulting spor, s.c. o.

ldent. a	LIABILITIES	iine c	State of curr. acc. period	State of prev. acc. period
8. III.	Short-term payables	105	5 352	547
B. III. 1.	Trade payables	106	1 514	434
2.	Payables - controlling and managing person,	107		A CASE - MESTER MAN ET STEER V. SE MONTHE ET ST. A LANGUAGE MAN ET ST. SE STEER MAN EN ST.
3.	Payables - significant control	108		in fan de de de de geste ferste ferste fan de skripe fan de de ferste ferste ferste ferste ferste ferste ferst
4.	Payables to partners, co-operative society members and corp.memb.	109		11
5.	Payables to employees	110	71	65
6.	Liabilities from social security and medical insurance	!11	41	29
7.	Due to state - laxes and subsidies	112	2 094	8
8.	Short-term advances acquired	113	1 240	e commo escenti a transmissionima conserva de la compositionima de la co
9.	Bonds issued	114	F ( TOTAL OF THE TOTAL COMMON THE AND THE PROPERTY OF THE TOTAL CONTRACT OF THE TOTAL CO	to a north and the second second second to the second seco
10.	Estimated payables	115	392	<b>The Bull and The Control of the Con</b>
11.	Other payables	116		nn en a still stade i stade framenden dels stade gelick fram fra den et a stere plante dels and englick framende
3. IV.	Bank loans and financial assistance	117	111 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	
3. IV. 1.	Long-term bank foans	118		
2.	Short-term bank loans	119	A CONTRACTOR OF THE CONTRACTOR	
3.	Short-term finacial assistances	120	The second substitution of the second specific second seco	
D. I.	Acriuais	121	4	
. l. 1.	Accrued expenses	122	4	
2.	Deferred revenues	123		
	Voem 9 23	and the second s		j

TWIG	<b>O</b> NET
TwigoNet Europe, SE	IČ: 292 03 414
Svetojánská 431/3	DIČ: CZ29203414
198 00 Praha - Kyje	Spis. zn.: H 751

Date of compilation:	Signature of statutory body of accounting unit	1
	or signature of natural person which is accounting unit	
20.5.2014		
legal form of accounting unit	Line of business: Note:	1
European company	production, trade and services	

Contains a mandatory fist of items stated in the decree of Ministry of Finance No. 500/2002 Col.

The business entity shall deliver statement together with Upon delivery of tax statement For income tax

1x to competent revenue office Office

# Profit and loss account in full scope

to	31,12.2013
(in whole th	nousands of CZK)

Year	Month			ident. No.						
2013	1	2	2	9	2	0	3	Ą	1	4

ldent.	TEXT	Numb. lines	Reality in accounting period	
			current	previous
<u>a</u>	b	<u> </u>	1	2
l.	Revenues from merchandise	01	92	1
Α.	Costs of goods sold	08		and a first of the analysis of the first first of the fir
+	Sale margin	03	92	15
11.	Production	04	136	والمنافذة
II. 1.	Revenues from own product and services	05	136	
2.	Change of stocks (WIP and Products)	06		
3.	Capitalisation	07		
В.	Output consumption	08	2 514	5 990
8. 1.	Material and energy consumption	09	606	461
2.	Services	10	1 908	5 529
+f+	Added value	11	-2 286	-5 975
C.	Personal expenses	12	1 172	707
C. 1.	Wage and salaries	13	875	529
2.	Renumeration of board members	14	THE PERSON AND A PROPERTY OF A STATE OF THE PERSON AND ADDRESS AND	THE AMERICAN CONTRACTOR OF THE STATE OF THE
3.	Costs of social security and medical insurance	15	297	178
4.	Social expenses	16		PRIP POPUR DE LE CRETA COMPANIA DE LA COMPANIA DEL COMPANIA DEL COMPANIA DE LA COMPANIA DEL COMPANIA DE LA COMPANIA DEL COMPANIA DE LA COMPAN
D.	Taxes and fees	17	74	19
E	Write-offs of long-term inlang, and lang, assets	18	343	19
III.	Revenue from sales of long-term assets & mat.	18		
III. 1.	Revenue from sales of long-term assets	20		Annual Control of the
2.	Revenue from sales of material	21		
F.	Residual cost of sold long-term assets and materials	22	1	The state of the s
F. 1.	Residual cost of sold long-term assets	23		
2.	Material sold	24		
G.	Variat, of reserv, and adjust, entries in the open and compl. prep.exp.	25		
IV.	Other operating revenues OHEM/A	26	75	
Н.	Other operating expenses	27	710	10
V	Transfer of operating revenues	28		- The third party of the tenth
1.	Transfer of operating expenses	29		n. Proposity, and a proposity of the first to a continuous designation and the
	Operating trading income	30	-3 910	-6 730
	dynem 333	- Looks to safery selection	Púnt	(C) Allas consulting spot. s r. o.

ldent.	TEXT	Numb. lines	Reality in accounting period	
a	5		current	previous
VI.	Revenues from sale of securities and ownership interests	C		miki alika (ilimita muusuunga seg gaanna ori iga annusu si Sapinja seesija biraksiya sega, j
			11 916	CAN AT MARKET HARMON OF NEW NEW WORKSHOOT NOT THE PROPERTY OF
J.	Securities and deposits sold		10 820	entropy of the state of the sta
VII.	Revenue from long-term financial assets	ļ		
	Inc.from shares in controlled ent.and in acc.units under domin.control		g de Nord State (1984) and the state of the	
2.	Revenues from other securities and deposits	ļ		a new works with a second control of the second
	Revenue from other long-term financial assets	ļ	THE SECOND IS A SECOND OF THE SECOND	PPARES Administration of the second of the s
VIII.	Revenues from short-form finacial assets		409	e for the second of the color of the second
К.	Financial assets expenses			
IX.	Income from revaluation of securities and derivate investments		46 834	
	Cost of revaluation of securities and derivate investments		25 651	
M.	Variation of reserves and adjusting entries in finance	T COMMAND		
X.	flerests received		701	359
N.	Interests paid		633	
XI.	Other financial revenues		192	2
O.	Other financial expenses		769	20
XII.	Transfer of financial revenues		Committee (Committee Committee Commi	THE RESIDENCE OF THE PROPERTY OF THE PARTY O
P.	Transfer of financial expenses			
•	Financial profit/loss		22 179	341
Q.	Income tax on ordinary income		2 078	
Q. 1.	- due		2 078	A delicated and the second of
2.	- datemed			
••	Profit/loss on ordinary income		16 191	-6 389
XIII.	Extraordinary revenues	constant and the second		
Ft.	Extraordinary expenses		OR THE THE THE THE STATE OF THE	
S.	Income tax from extraordinary income			
S. 1.	· due	• - • • • • • • • • • • • • • • • • • •	and a controlled a controlled a controlled and a controll	BETTEREN BOOK STEATING BARRING BOOK BETTEREN ET BETTEREN ET BARRING BOOK BOOK BARRING BOOK BOOK BARRING BOOK BOOK BOOK BOOK BARRING BOOK BOOK BOOK BOOK BARRING BOOK BOOK BARRING BOOK BOOK BARRING BOOK BOOK BOOK BOOK BOOK BARRING BOOK BOOK BOOK BOOK BOOK BOOK BOOK BOO
2.	-deferred GHEMIK,		A 1 THE TRANSPORTER WAS A TRANSPORT OF A AND AND AND AND AND AND AND AND AND A	and a supplication of the
	Profit/loss on extraordinary income			
T.	Transfer of profit/loss to pariners (+ / -)	- 03 \ 	COMPANIANCE, A PART OF CONTROL OF	
•••	Profit/loss of current accounting period (+ / -)	9	16 191	-6 389
	Profit/ioss before taxation		18 269	-6 389

		TWIGONET
		Tw/gpNet Europe, SE IC: 292 03 414
Date of compilation:	Signature of statutory to signature of natural	pody of all estimation of the person of the
20.5.2014		
legal form of accounting unit	Line of business:	Note:
European company	production, trade and services	

TwigoNet Europe, SE Svatojánská 431 198 00 Praha – Kyje

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

General Information

Name: TwigoNet Europe, SF

Registered Office: Svatojánská 431, 198 00 Praha - Kyje

Corporate ID (IČO): 29203414 Tax ID (DIČ): CZ29203414

Legal Status: SE

Areas of Operation: Production, trade, and services

Date of Incorporation: 1.5 February 2010 Share Capital: CZK 13 021 554

Statutory Body: Ondrej Cibufa, birth: 30.4.1973

Position: Member of the Board of Directors

Address: Nábrežie Úr. Aurela Stodolu 1747/13, 03101 Liptovský Mikulaš, Slovakia

Since 1 June 2011

Supervisory Board: Jaromír Prokš, birth: 8.11.1964

Position: Member of the Supervisory Beard

Address: U letenského sadu 1296/10, 170 00 Praha 7, Holešovice

Since 3 July 2013

Balance Sheet Date: 31 December 2013

Average Headcount:

Level of Staff Costs: CZK 1 171 408

### Information on the Accounting Principles Followed

- The Company values purchased inventory at acquisition costs and does not have any inventory developed internally
  to which the A method is applied in recording such inventory.
- The Company translates receivables and payables denominated in foreign currencies at the daily foreign exchange rates of the Czech National Bank.

### Additional Information on the Balance Sheet and Profit & Loss Account:

All items material for the assessment of the balance sheet and the profit & loss account have been included in those financial statements in a standard way. The financial statements clearly show the major items that constitute the Company's assets and liabilities and creation of resources.

## RECEIVABLES AND PAYABLES.

Level of trade receivables (accounts 311 and 314): CZK 140 304
Level of receivables from the state (accounts 378): CZK 129 628
Level of trade payables (accounts 321, 324 and 325): CZK 2 753 511
Level of payables from the state (accounts 341, 342 and 345): CZK 2 093 905

Except for the above-mentioned payables, the Company does not have any other cash payables not disclosed in the balance sheet. No assets of the Company are pledged as security.

In Prague on 13 May 2014

– SwigoNet Europe, SF – Svatojánská 431/3 – 133 00 Prana – Kyje IČ: 292 03 414 DIĆ: CZ29203414 Spis. 7n.: H 751

TWIGONET

Ondrej Cibula, Statutory Body

# Selected finnacial information from the Balace Sheet in thousands of EUR

		2013	2012
Total Assets		2 087	1 321
Receivables os su	bscribed capital stock	0	0
Long term assets		304	107
Current assets		1 781	1 214
Accruals		1	0
Total Liabilities		2 087	1 321
Equity Capital		1 892	1 301
Not-own capitals		195	20
Accruals		0	0

Selected financial information from the Profit and Loss Statement in thousands of EUR

	2013	2012
Revenues from merchandise	3	1
Cost of goods sold	0	0
Production	5	0
Output consumption	92	218
Added value	-83	-218
Personal expenses	43	26
Operating trading income	-143	-245
Revenues from sale of securities	434	0
Securities and deposits sold	395	0
Income from revaluation of securities	1 708	0
Cost of revaluation of securities	934	0
Financial profit/loss	809	12
Profit/loss of current accountig period	590	-233
Profit/loss before taxation	666	-233

The company has used international accounting standards.

# Report on the company activities

The Company performs following activities:

- continued building optical networks in several cities in the Czech Republic (Brandys nad Labe, Olomouc, Pisek, Tabor),
- worked on obtaining permissions in new locations
- finalized tenders for suppliers of ducts and optical cables
- worked on esteblishing Central Offices in the selected locations
- started negotiation with potential ISPs about providing services on the network
- secure extraordinary income by investing free cash

# **Declarations**

According to our best knowledge, annual financial statements and comparable data were prepared in accordance with internationally accepted standards and they present a true and fair view of the company's property and financial situation and its financial result and the report on the companys's activities presents a fair view of the company's situation, including a description of basic exposures and risks.

Certified auditors which audited annual financial statements was selected in accordance with legal regulations and they met conditions to express their impartial and independent opinion on the audit, in accordance with relevant regulations of local law.

The company has applied all corporate governance rules, mentioned in the document "Best Practices of NewConnect Listed Companies" applicable to it.

Ondrej Cibuľa member of the board