QUARTERLY REPORT
2014 Q4

TwigoNet Europe, SE
For the period 1.10.2014 – 31.12.2014

February 23th 2015
Prague, Czech Republic

Contents

1. Selected financial data consolidated for the group

Exchange rate CZK/EUR 27,750. as of December 31, 2014 was used for calculation.
TwigoNet applies standard accounting rules. The rules has not been changed.
TwigoNet has seven full-time employees at the time of this report.

Nonconsolidated Profit and Loss Statement (thousands EUR)

		2014	2013	4Q2014	4Q2013
I	Revenues from merchandise	0	3	0	0
A	Cost of goods sold	0	0	0	0
II	Production	62	5	-40	-2
B	Production consumed	39	99	13	47
C	Personel expenses	69	42	19	13
D	Taxes and fees	1	6	0	2
E	Depreciations	26	13	8	9
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	7	3	2	1
H	Other operating expenses	5	2	1	1
VI	Revenues from sales of securities	4448	430	1904	434
J	Securities sold	4553	390	1881	395
VII	Revenues from long term financial assets	0	0	0	0
VIII	Revenues from short term financial assets	51	15	0	15
K	Expenses asocoated with financial assets	0	0	0	0
IX	Revenue from revaluation of securities an financial assets	2003	1689	-85	1708
L	Expenses from revaluation of securities and derivatives	1419	925	515	935
M	Changes in provisions in financial activity	0	0	0	0
X	Interest revenues	0	25	0	0
N	Interest expenses	131	23	12	23
XI	Other financial revenues	262	4	260	4
O	Other financial expenses	2	28	-68	24
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	74	0	0
XIII	Extraordinary revenues	0	0	0	0
R	Extraordinary expenses	0	2	0	3
S	Income tax on extraordinary items	0	0	0	0
	Operating profit/loss	-71	-152	-80	-73
	Profit ú loss from ordinary activity	588	572	-403	712
	Profit / loss of current accounting period	588	570	-403	712

Consolidated Profit and Loss Statement (thousands EUR)

		2014	2013	4Q2014	4Q2013
I	Revenues from merchandise	0	3	0	0
A	Cost of goods sold	0	0	0	0
II	Production	62	5	-40	-2
B	Production consumed	39	99	13	47
C	Personel expenses	69	42	19	13
D	Taxes and fees	1	6	0	2
E	Depreciations	26	13	8	9
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	7	3	2	1
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	Operating profit/loss	-71	-152	-80	-73
	Profit ú loss from ordinary activity	588	572	-403	712
	Profit / loss of current accounting period	588	570	-403	712

Nonconsolidated Balance Sheet

		2014	2013	4Q2014	4Q2013
	Total assets	2669	2050	-224	820
A	Receivables from subscribed capital	0	0	0	0
B	Fixed assets	490	295	20	130
B I	Intangible fixed assets	9	2	8	-3
BII	Tangible fixed assets	428	279	12	133
BIII	Long term financial assets	53	14	0	0
C	Current assets	2174	1753	-248	688
CI	Inventory	13	43	-45	-26
CII	Long Term receivables	0	0	-462	0
CIII	Short term receivables	56	14	-20	-24
CIV	Short term financial assets	2105	1697	279	-738
D	Accruals	5	1	3	1
	Total liabilities	2669	2050	-224	820
A	Equity	2459	1858	-403	712
AI	Registered capital	470	470	0	0
AII	Capital funds	1079	1079	0	0
AIII	Reserve funds	0	0	0	0
AIV	Net profit or loss from previous years	323	-261	0	0
AV	Net profit or loss from the period	587	570	-403	712
B	Liabilities	210	192	179	108
BI	Provisions	0	0	0	0
BII	Long term payables	169	14	169	35
BIII	Short term payables	21	178	9	73
BIV	Bank loans	21	0	1	0
C	Accruals	0	0	0	0

Consolidated Balance Sheet

		2014	2013	4Q2014	4Q2013
	Total assets	2669	2050	-224	820
A	Receivables from subscribed capital	0	0	0	0
B	Fixed assets	476	281	20	130
B I	Intangible fixed assets	9	2	8	-3
BII	Tangible fixed assets	428	279	12	133
BIII	Long term financial assets	39	0	0	0
C	Current assets	2188	1767	-248	688
CI	Inventory	13	43	-45	-26
CII	Long Term receivables	0	0	-462	0
CIII	Short term receivables	56	14	-20	-24
CIV	Short term financial assets	2119	1711	279	-738
D	Accruals	5	1	3	1
	Total liabilities	2669	2050	-224	820
A	Equity	2459	1858	-403	712
AI	Registered capital	470	470	0	0
AII	Capital funds	1079	1079	0	0
AIII	Reserve funds	0	0	0	0
AIV	Net profit or loss from previous years	323	-261	0	0
AV	Net profit or loss from the period	587	570	-403	712
B	Liabilities	210	192	179	108
BI	Provisions	0	0	0	0
BII	Long term payables	169	14	169	35
BIII	Short term payables	21	178	9	73
BIV	Bank loans	21	0	1	0
C	Accruals	0	0	0	0

Nonconsolidated Cash Flow Statement

	4Q2014	4Q2013
Cash at the beginig	505	850
Cash-flow from main activities	-70	-197
P/L from main activities	-72	-7
Nonfinancial operations	125	17
Change of operating capital	15	-6
Investment activity	973	1324
Purchase of assets	-8	0
Sale of assets	0	0
Leasing	0	0
Financial activity	0	0
Change of liabilities	0	0
Change of equity	21	0
Difference	137	212
Cash at the end	1065	2160

Consolidated Cash Flow Statement

	4Q2014	4Q2013
Cash at the beginig	519	864
Cash-flow from main activities	-70	-197
P/L from main activities	-72	-7
Nonfinancial operations	125	17
Change of operating capital	15	-6
Investment activity	973	1324
Purchase of assets	-8	0
Sale of assets	0	0
Leasing	0	0
Financial activity	0	0
Change of liabilities	0	0
Change of equity	21	0
Difference	137	212
Cash at the end	1079	2174

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.

Because of unsatisfactory situation on the term deposit market where interest rates approach zero management of the company decided to use other financial products with higher return. Financial results were influenced by declining prices in some segments of the market.

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 fourth quarter 2014 TwigoNet:

- Continue the constructon work in another town – new 4400 Homes Passed.
- Finished due diligence due to potential buy of metropolitan optical network
- Continues optical fibre blowing in all towns
- Continues the indoor FTTH installation in all towns

- Continues the the ODF preparation in Pisek, Brandys nad Labem, Olomouc POVEL, Dolni Namesti, Olomouc Nezvalova
- Continues the preparation to get the build permission in altogether 40 towns with the coverage of approximately. 140.000 HP
- Continues the negotiation about cooperation with telecommunication operators (ISP)
- Continues in efforts to improve the sales process
- The company has made no financial forecasts. Ground works and internal installation 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 both nonconsolidated and consolidated.

Mr. Cibula, the Member of the Board of Directors, holds 87.2% of shares and 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 company has new Market Maker company NWAI Dom Maklerski S.A.

The company announced dates of publishing periodical reports:
Dates of publishin the quarterly reports

4/2014 23.2.2015 (postponed)
1/2015 15.5.2015
2/2015 14.8.2015
3/2015 13.11.2015
4/2015 15.2.2016
Date of publishing of Annual report
25.5.2015

According the request by the Warsaw Stock Exchange the company is in process of finding new Authorised Advisor.

The Warsaw Stock Exchange suspended the trading with the shares of the company by its Resolution 163/2015 dated February 17, 2015. The company is taking measures to resolve any problem soon and start trading with the shares.

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