

## EXPLANATORY NOTES TO ANNUAL REPORT ON FOREIGN DIRECT INVESTMENT ("PRINTU72")

**Direct investment** refers to an enterprise residing in one economy, in which an investor residing in another economy holds 10% or more of the registered capital or voting rights in an incorporated enterprise or the equivalent in an unincorporated enterprise.

**The ultimate controlling unit** is an investor (natural or legal person) who is not controlled (either directly or indirectly) through an interest of more than 50% of its registered capital by another legal or natural person, whether from the Czech Republic or outside the Czech Republic.

The ultimate controlling unit (resident in the Czech Republic or non-resident) holds an interest of more than 50% in the registered capital of the reporting unit (in the case of indirect ownership, it is necessary that in the ownership chain the investor's interest in the investment is always more than 50% of the registered capital) - see below the Chart of FDI relations.

**A subsidiary** is a company in which an investor controls more than 50% of the voting rights.

**An associate** is a company in which an investor controls at least 10% and at most 50% of the voting rights.

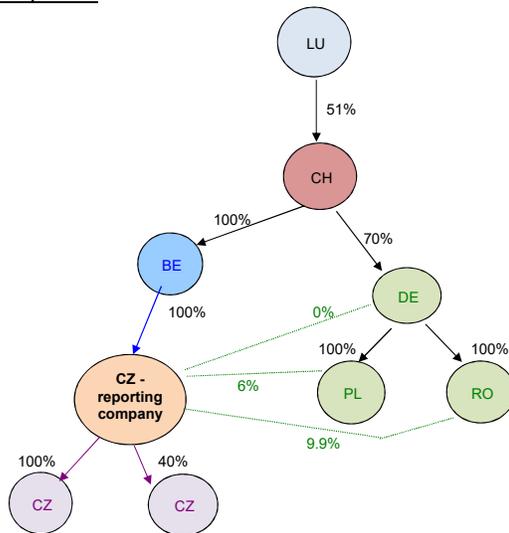
### **A fellow company (having its registered office abroad)**

This is a company abroad within the group (having the same controlling person), but the reporting company and the company abroad directly or indirectly hold interests of less than 10% in each other. This means that the company abroad may not be a subsidiary or an associate company or a direct investor abroad of the reporting company.

Relations with subsidiaries/associates abroad are not included in the report of PRINTU72.

### Chart of FDI relations

#### Example No. 1



**In the above case, the Czech reporting company has:**

1 Ultimate controlling unit (LU); information is filled in the part of the report: PIT72\_10, PIT72\_60 and Type of entity abroad: "10" - Direct investor abroad.

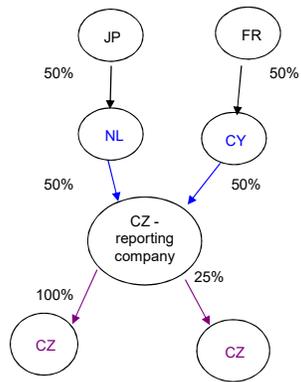
1 Indirect investor abroad (CH) - information is relevant only for PIT72\_60 of the report. Type of entity abroad in the report: "10" - Direct investor abroad.

1 Direct investor abroad – the parent company (BE); data are filled in the parts of the report, as follows: PIT72\_30, PIT72\_40, PIT72\_50, PIT72\_60, PIT72\_70. Type of entity abroad in the report: "10" - Direct investor abroad.

3 Affiliate companies abroad (DE, PL, RO); data are filled in PIT72\_60 of the report - Type of entity abroad in the report: "11" - Affiliate abroad.

1 Domestic subsidiary (CZ) and 1 domestic associate company (CZ), information is relevant only for PIT72\_80 of the report.

**Example No. 2**



**In the above case, the Czech reporting company has:**

**2** Indirect investors abroad and, at the same time, ultimate controlling units (JP, FR). Only one of them is filled in PIT72\_10 of the report.

**2** Direct investors abroad - the parent companies (NL, CY), both of them is filled in PIT72\_30 of the report.

**1** Domestic subsidiary (CZ) and 1 domestic associate company (CZ), information is relevant only for part of the report: PIT72\_80.