We Connect
Support
And we innovate.
Ourselves and our clients.
In 2019, we set for ourselves the goal of taking part in the development of our country’s competitiveness and innovative economy. We focused on support for investments in promising sectors, innovation and research and development. We became the guarantor of the National Startup and Spin-off Environment of the Innovation Strategy of the Czech Republic until 2030. And through specialised events, technology missions, programmes, consultations and international conferences, we cultivated and specifically developed cooperation between the business, public and research and development spheres.

Our mission consists in development of innovations and investments with the potential to achieve global success and have a regional impact.

Our motivation is to remain a relevant partner for you.
Annual Report 2019

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new strategy for our agency

Vision, mission, values, target state of clients, sectoral specialisation and key activities in the context of the economy driven by innovations. On twenty pages.

54.7 billion in pledged investments

The largest number of companies planning to invest here are from the Czech Republic, the United States, Germany, Japan and Canada.

168 employees

61% women, 39% men, average age: 37.

94 arranged investment projects

New investment projects were focused particularly on manufacturing and software development.

164 specialised events around the world

Abroad, we most frequently organised or attended events for Czech innovative startups and other events at which we presented key sectors of Czech industry.

1 key amendment to the Investment Incentives Act

A new amendment to the Investment Incentives Act came into force on 6 September 2019. The amendment favours projects with higher value added, which are newly assessed and approved by the government.

479 specialised events in the Czech Republic

The most common event formats included consultation days and the one-stop shop, i.e. comprehensive consulting for small and medium-sized enterprises regarding financial and non-financial support from the state.

389 condition inventories of the business environment

The aim of condition inventories, which are carried out by representatives of our regional offices, is the creation of relevant materials for strategic municipal development planning and for the localisation of suitable companies and investments.

84 supported startups

The largest number of companies planning to invest here are from the Czech Republic, the United States, Germany, Japan and Canada.

115 million in pledged investments

The largest number of companies planning to invest here are from the Czech Republic, the United States, Germany, Japan and Canada.
In the media and on social networks

187 published articles and press releases

456 Facebook posts

The photo gallery from the CzechInvest Startup Challenge was the most popular feature, followed by the video from the Creatinno international conference promoting the cultural and creative industries.

309 tweets

The tweet that received the greatest response gave notice of the presentation of awards for foreign investors that operate in the Czech Republic and their CSR projects helping to develop the Czech economy and society. The second most popular tweet also pertained to investments with high value added and the V4 talks at the International Engineering Fair in Brno.

110 responses to journalists’ enquiries

We most frequently answered questions pertaining to investments. And we emphasised that this no longer involves quantity, but quality with respect to both new investments as well as to the growth and development of existing investments, which we are striving to steer toward research and development, new technologies and innovations.

3,298 media outputs

63 LinkedIn posts
Four main groups of clients

We primarily focus our activities and services on four target groups:

- (6–8) Startups
- (9–11) Small and medium-sized enterprises
- (12–14) Investors with higher value added
- (15–17) Municipalities
Support for startups

We accompany startups on the path to doing business from the very beginning through the introduction of initial prototypes to the market, formulation of a correct business strategy and addressing domestic and foreign partners, customers and investors to establishment of branches and presentation at top technology conferences around the world. Startups are also assisted by our foreign representatives, who are in contact with the local business community, chambers of commerce and diplomatic missions. In 2019, we became the guarantor of the National Startup and Spin-off Environment pillar of the Innovation Strategy of the Czech Republic 2019-2030.

42
specialised events

We organised 24 events for startups in the Czech Republic and 18 abroad. These events included pitch nights, meetings with investors, mentoring and the popular Startup Brunch format. Our programmes offer a combination of these events.

84
supported startups

A supported startup is a startup that has used our services and has signed a contract with us. The startups that we helped in 2019, whether through incubation, mentoring or assistance with expansion to a foreign market, operate primarily in the E-commerce and Big Data sectors.
CzechStarter

The CzechStarter programme helps Czech startups to get established on the Czech market and to prepare themselves for foreign expansion. The seven-month programme is based on intensive mentoring and consulting in the areas of business development, HR, marketing, law, business strategy and market research. It also offers discounted admission to networking events, all in the total maximum value of CZK 800,000.

CzechDemo

CzechDemo arranges startups’ participation and presentation at renowned events and technology conferences abroad, such as CES Las Vegas, Slush Tokyo and TechCrunch Disrupt San Francisco, with financial support in the amount of approximately CZK 166,000. We also prepare a rich auxiliary programme with representatives of the local business community, chambers of commerce and embassies and consulates.

CzechAccelerator

Within the three-month CzechAccelerator programme, with financial aid in the amount of up to CZK 1.2 million, we help startups to establish themselves on foreign markets. Startups have an opportunity to obtain facilities, mentoring and entry to networking events in Silicon Valley, New York, Singapore and London.

CzechMatch

The one-week CzechMatch acceleration programme prepares startups for negotiations with investors and business partners in Silicon Valley, New York, Singapore and London. The maximum amount of support per startup is CZK 173,000. The aim of the project is to test products and business models on the given market and to expand the portfolio of contacts.

Astropreneurs

The main subject of the Astropreneurs project comprises the space industry and startups. The primary objective consists in mapping the space sector in the Czech Republic and neighbouring countries and subsequent support for selected entities – i.e. support and technical, business, financial and administrative mentoring of startups and entrepreneurs, assistance with facilitating access to financing and increasing cooperation with operators of ESA BIC and other supporting organisations.

Some startups use individual programmes repeatedly or concurrently. Therefore, the total number of supported startups in the Czech Republic and abroad is not the sum of the figures from individual programmes.
At ESA BIC Prague and ESA BIC Brno, we incubate and develop technologically advanced startups that use space technologies or systems in their products or services. Eight out of 21 participating startups received investments in the total value of CZK 75 million.

The CzechLink StartUp project is intended for innovative Czech companies that are seeking a strategic or investment partner. Its purpose is not only to facilitate for Czech startups contact with foreign investors, but also to boost the launch of their business in terms of capital and to increase the inflow of foreign investments to the Czech Republic. At the same time, the project assists small and medium-sized enterprises, global corporations, business angels and private-equity, venture-capital and other funds with seeking out suitable investment targets among Czech innovative projects, thus creating new, mutually beneficial connections.

The Spin-off Guide approved by the Government of the Czech Republic provides science and research entities with instructions and tips on how to establish a spin-off.

Czech Space Week

Prague and Brno, 8-17 November. A team composed of representatives of ESA BIC Prague, CzechInvest and the Ministry of Transportation of the Czech Republic organised the biggest festival of space activities in the Czech Republic. Lectures of scientists, scientific debates and a programme for children were prepared for Czech and foreign fans of space technologies, startups and students, as well as for the expert public.

Support for startups
Development of small and medium-sized enterprises’ potential

Our regional offices daily provide support to small and medium-sized enterprises in the form of financial and non-financial aid from the state and by organising specialised seminars. Their uniqueness consists in detailed knowledge of the regional business environment and its investment opportunities, as well as professional representation in every regional capital. In addition to consultations, the regional offices also offer tailored workshops and consulting on formulation of municipalities’ and regions’ strategic plans. They also connect companies with schools.

1,860 consultations in the regions

In 2019, representatives of small and medium-sized enterprises were most frequently interested in investment incentives, qualified workers, support for science and research, export services, the creative industries, digitalisation and financial and non-financial business support.

13 regional offices

Regional representatives have been providing consultations on CzechTrade’s export services since 2016. We see provision of information about not only our own services, but also about programmes of other state agencies as part of our value added.

13,000 hours of consultations on export services
In 2019, we became the coordinator of the Czech National exposition at the International Engineering Fair in Brno. For the first time in the history of the Czech Republic, the exposition bearing the Czech Republic – The Country for the Future brand combined the presentations and offers of services of 13 state institutions. Businesses found support from the state under one roof, in one place. Finally.

The regional offices most frequently organised specialised seminars and consultation days. The most successful event in terms of visitation rate was the Enterprising Women platform, which included lectures, workshops and mentoring, and was aimed at supporting female entrepreneurs and women who are planning to start a business for the first time. Other successful events included pro-export seminars and seminars with the purpose of supporting science and research and the development of startups, as well as events providing information on the amendment to the Investment Incentives Act.

The total number of participants was 7,124
For Czech technology and innovative companies and research institutions, we organise narrowly focused technology and incoming missions with the aim of establishing long-term partnerships in the area of research and development. The programme of the missions is tailored to the participants and includes state-sponsored visits to selected institutions, research centres and companies, as well as participation in symposia, presentations and closed negotiations.

Within incoming missions, which we annually organise or participate in to a significant extent, specialists and representatives of companies from abroad come to the Czech Republic with focus on a given topic.
Development of investments

Our objective is to support investments with higher value added, i.e. investments that are technologically oriented or related to research and development, sometimes also referred to as high-tech investments, in key sectors (aerospace, automotive industry, life sciences, nanotechnology, ICT, business services, electronics industry and advanced engineering). The other group comprises smart investments, i.e. investments that benefit the given region. In 2019, two-thirds of arranged investments were expansions of the operations of companies already established in the Czech Republic.
In the development of investments, their quality and sustainability are essential for us. We offer investors consultations regarding financial programmes, assistance in the area of HR, visa assistance and activities aimed at attracting talented people. We support them with appropriate suppliers and strategic partners. Services appreciated by investors include preparation of presentations for branches of major foreign parent companies, as well as collection of suggestions and feedback and submission thereof to the Ministry of Industry and Trade.

The trends in the area of investment support on which we focused at home and abroad in 2019 include autonomous driving, electromobility, virtual and augmented reality, cybernetic security, artificial intelligence and advanced materials.

76 investment incentive applications

132 foreign companies and investors among which our foreign network spurred serious interest in investing in the Czech Republic

1 key amendment to the Investment Incentives Act

A new amendment to the Investment Incentives Act came into force on 6 September 2019. The main change involves the preferential treatment of projects with higher value added, particularly technology centres. Another change is the adjustment of conditions for granting incentives to small and medium-sized enterprises, which were reduced by half. The decision that all investment incentive applications would newly be assessed and approved by the government, which especially takes into account the given project’s benefits for the region and the state, was essential for us.

18.9 billion CZK which our clients invested in research and development

This corresponds to nearly 30% of total expenditures on research and development in the business sphere in 2019.

54 companies that we assisted with the visa process

M&A Reports

A magazine about global trends and news in the area of mergers and acquisitions.
An investment is pledged at the moment an investor announces that it has decided to invest a particular amount in a specific type of activity in the Czech Republic and, as the case may be, employ a certain number of people. This usually happens at the very beginning of implementation of the given investment case in the Czech Republic.

### Value of arranged investments by region (CZK million)

- **(A)** 0–1000
- **(B)** 1001–2000
- **(C)** 2001–3000
- **(D)** 3001–4000
- **(E)** 4001–5000
- **(F)** 5001–10000

### Interviews with talented young people from France within the Czech Emploi project

By attracting talented people to technology firms in the Czech Republic, we are striving to increase our country’s competitiveness.

### New investment projects

- Manufacturing and software development

### Supplier database

With the sectoral database of suppliers, we support contact and establishment of partnerships between Czech suppliers and foreign investors.

### Matchmaking platform

The CzechLink project brings together companies that are seeking an investor with investors that are considering capital entry into a local enterprise.

### Arranged investment projects

94

### Supplier database

1

### Matchmaking platform

1

### Interviews with talented young people from France within the Czech Emploi project

843
Development of the regional investment and business environment

The main purpose of cooperation with municipalities is to be able to define the needs of individual regions, learn from examples of good practice in municipalities’ strategic development, better target foreign investments and expansions of Czech companies and to improve the innovation infrastructure. We base this cooperation on the sharing of data and experience, as well as openness and mutual development.

We have been conducting regular condition inventories at the level of municipalities with extended powers since 2017. In 2019, representatives of our regional offices carried out 389 such inventories, this time at the level of municipalities having municipal authority with delegated powers. The objective of inventories of the state, conditions and possibilities of the socioeconomic infrastructure of the given area is to create relevant materials for the strategic planning of municipalities’ development and for localisation of suitable companies and investments. In addition to consultations on aid possibilities, we also offer tailored workshops, connection of schools with companies, consulting on the formulation of strategic plans, etc.
Brownfields compendium and conference

On the beautiful multi-purpose premises of the renovated Boiler House in Libčice nad Vltavou on 31 May 2019, we elaborated on the topic of the developer’s role and addressed the issues of whether the state and municipalities can be good developers, revitalisation of industrial brownfields and financial support thereof and the architecture of conversions. The conference was attended by 260 representatives of municipalities, developers, investors and architects.

Creatinno

The objective of this international project is to increase the competitiveness of small and medium-sized enterprises in the creative industries. The partners of the project are the Creative England innovation agency and BEAZ Bizkaia of Spain, with which we share experience and from which we learn.

On 10 December 2019 at CAMP in Prague, we held a conference of the same name packed with inspiring examples from abroad and mapping the current trends in support for and the significance of the cultural and creative industries in the Czech Republic and in the world. Say Yes to the Creative Industries!
The purpose of this conference is primarily to inspire, present Czech and foreign examples of good practice in supporting the local economy and raising the standard of living at the municipal level. In 2019, we held the conference at the Louka Monastery with the subheading of cooperation in building business infrastructure. The programme also included the announcement of the winners of the Region Attractive for Investment competition.

We publish the biannual Region Report, a magazine for cities and towns covering the topics of business, investments and trends in the innovation ecosystem.
In 2019, we improved our **economic result** to CZK 11,167,206.09.

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
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<tbody>
<tr>
<td>Revenues from main activity</td>
<td>303,183,189.35</td>
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<tr>
<td>Costs of main activity</td>
<td>292,015,983.26</td>
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<tr>
<td>Economic result</td>
<td>11,167,206.09</td>
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</table>

CzechInvest is financed from several sources. Contributions to operations from the state budget and from the Business Properties and Infrastructure Support and Regeneration and Business Use of Brownfields programmes are provided from the founder, which is the Ministry of Industry and Trade of the Czech Republic. Other sources include European Union funds, partner projects, revenues from exchange-rate profits, from sales of services, from insurance claims and other revenues.
Costs by individual sources of financing (in CZK)

<table>
<thead>
<tr>
<th>Source of financing</th>
<th>2018</th>
<th>2019</th>
<th>Development of costs</th>
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<tr>
<td>Contribution to activity</td>
<td>241,122,486.45</td>
<td>228,661,885.93</td>
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<td>of which operations</td>
<td>239,382,301.28</td>
<td>227,192,800.02</td>
<td>-12,189,501.26</td>
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<td>of which the BPIS Programme</td>
<td>1,740,185.17</td>
<td>1,469,085.91</td>
<td>-271,099.26</td>
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<td>of which the Brownfields Conference</td>
<td>0.00</td>
<td>60,000.00</td>
<td>60,000.00</td>
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<tr>
<td>Operational Programme Enterprise and Innovation for Competitiveness (OPPIK)</td>
<td>34,815,217.40</td>
<td>45,000,498.31</td>
<td>10,185,280.91</td>
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<tr>
<td>ESA BIC Prague</td>
<td>9,761,769.34</td>
<td>10,988,101.85</td>
<td>1,226,332.51</td>
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<td>ESA BIC Brno</td>
<td>162,088.81</td>
<td>3,421,330.13</td>
<td>3,259,241.32</td>
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<tr>
<td>Data Analytics Platform (DAP)</td>
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<td>0.00</td>
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<td>MY-GATEWAY</td>
<td>638,878.48</td>
<td>1,022,899.74</td>
<td>384,021.26</td>
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<td>Astropreneurs</td>
<td>913,884.52</td>
<td>1,004,540.01</td>
<td>90,655.49</td>
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<td>Copernicus</td>
<td>18,760.00</td>
<td>498,646.01</td>
<td>479,886.01</td>
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<td>Copernicus User Uptake</td>
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<td>171,626.80</td>
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<tr>
<td>Creatinno</td>
<td>0.00</td>
<td>1,186,454.48</td>
<td>1,186,454.48</td>
</tr>
<tr>
<td>Total</td>
<td>289,006,575.56</td>
<td>292,015,983.26</td>
<td>3,009,407.70</td>
</tr>
</tbody>
</table>
And how are we innovating ourselves?

We are developing key topics in diversified working teams (Data, Green and Digital, Process Rationalisation and other teams) and we share the results of joint consideration, questioning and experimentation with all of our colleagues and directly apply those that are appropriate.

We find innovative solutions to complex problems also thanks to hackathons and collaboration with technology startups and partners.

We have research and development close at hand thanks to our own website: [www.czech-research.com](http://www.czech-research.com)
The agency’s new organisational structure,
digitalisation of internal process and services for clients,
new education system for employees,
redefinition of our “green and digital” values, because our motivation is
to remain a relevant partner for you.