KPMG

Investment in the Czech Republic



November 2, 2026

GKP Conference in Seoul

Agenda

I. Investment climate in the Czech Republic

II. Bilateral Trade

III. Corporate structures & Financial support

IV. One KPMG CEE

01
Investment climate in the Czech Republic

Czech Republic in numbers

10.9 mil.

A population

1.4 mil.

Population of capital city Prague

5.3 mil.

A working population

Since 2004

Member of EU

Also member of Schengen(2007~)

Ratings

Moody‘s	Aa3
Fitch	AA-
Standard and Poor‘s	AA-

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Current macroeconomic trends

3.3% Unemployment rate

The unemployment rate remains one of the lowest in the EU (June 2026).

2.0 % GDP

Growth (2Q 2026) was driven mainly by final consumption expenditure and foreign trade, while industry and most service sectors continued to contribute positively.

8 750 Bn. CZK

Nominal GDP (forecast 2026)

1.9 % Inflation

Yearly Inflation, August 2026. Inflation remained close to the Czech National Bank's 2% target.

Lower food, electricity, and natural gas prices helped offset higher transport and fuel costs.

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Current macroeconomics trends

Item	2022	2023	2024	2025	2026(*)
Inflation	15.1%	10.7%	2.4%	2.5%	1.9%
Real GDP growth Rate	2.8%	0.0%	1.2%	2.1%	2.0%
Unemployment Rate (Czechia)	2.2%	2.6%	2.6%	2.7%	3.3%
Unemployment Rate (EU)	6.2%	6.1%	6.0%	6.0%	6.0%
Nominal GDP per capita (Czechia) (USD)	28,282	31,762	31,828	35,917	39,795
Nominal GDP per capita (South Korea) (USD)	34,822	35,674	36,239	36,227	37,412

(*) Forecast as of June 2026
Sources : World Bank, IMF

- Inflation rose sharply in 2022 and 2023, largely due to higher energy prices triggered by Russia's invasion of Ukraine. Inflation stabilized after 2024, supported by the government's efforts to maintain price stability.
- Czechia has one of the lowest unemployment rates in the EU.

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Investment climate in the Czech Republic

- Skilled and well-educated workforce
- Favourable labour costs and price stability
- Safe investment environment
- Stable social and political system
- Strong bilateral relations and economic cooperation with Korea
- Dense and high-quality infrastructure
- Strong focus on R&D
- Wide selection of public support
- Central location in Europe
- High quality of life

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02
Bilateral Trade

Trade Opportunities Arising from the Dukovany Nuclear Project

Current bilateral cooperation

$ 5.3bn

Annual bilateral trade (latest available data, 2025)

- Korea remains one of the most important foreign investors in the Czech Republic.
- More than 70 Korean companies operate in the Czech market.
- Korean companies employ over 16,000 people in the Czech Republic.
- Major Korean manufacturing investors include:

Hyundai Motor
Hyundai Mobis
Nexen Tire Europe
Doosan Skoda Power
Sungwoo Hitech
Hanon Systems

- Following the strategic partnership between the Czech Republic and Korea, cooperation continues to expand beyond industry and energy into research, innovation, advanced technologies, mobility, infrastructure, and people-to-people exchanges.

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Strategic Nuclear Partnership Driving New Bilateral Opportunities

The cooperation between KHNP and ČEZ Group on the new Czech nuclear power units remains a key pillar of Czech-Korean economic relations and a catalyst for long-term bilateral cooperation. The project supports the implementation of the Czech-Korean Strategic Partnership Action Plan for 2025-2027 and is expected to strengthen cooperation in multiple sectors.



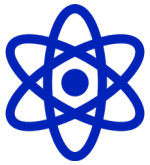
Electric vehicles



Batteries



Artificial intelligence



Nuclear



Defence



K-beauty

$10 bn+

Potential annual bilateral trade volume as Czech-Korean cooperation expands in nuclear energy, advanced manufacturing, technology and infrastructure.

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Dukovany II: Korea's flagship European nuclear project

2 × 1,000 MW
APR1000 units

USD 18.7 bn
EPC contract value

2029
Target start of construction

2037 / 2038
Planned trial operation

Project at a glance

Owner

Elektrárna Dukovany II (EDU II), owned 80% by the Czech State and 20% by ČEZ.

Prime contractor

Korea Hydro & Nuclear Power (KHNP), responsible for EPC delivery, commissioning and initial fuel supply.

Current phase

Four-year preparation phase: design and licensing documentation, permits, infrastructure and supplier localisation.

Strategic relevance

The largest investment in Czech history and a platform for deeper Czech–Korean industrial cooperation.

Delivery timeline

- **2024** — KHNP selected as preferred bidder
- **Jun 2025** — Main contract signed
- **2026–2028** — Design, licensing and mobilisation
- **2029** — Construction planned to begin

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Team Korea delivery model

KHNP — EPC lead and overall project management

TEAM KOREA

01 KEPCO E&C

Comprehensive nuclear design

02 Doosan Enerbility

Reactor and steam generators; turbine-generator equipment; installation construction

03 Daewoo E&C

Lead construction contractor and construction management

04 KEPCO NF / KPS

Nuclear fuel; commissioning and maintenance

LOCALISATION

toward 60%

Expected Czech participation by completion, including Doosan Škoda Power in Plzeň.

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KPMG enables Korean participants to operate in Czechia

From market entry to long-term project execution

KPMG Czech Republic combines Korean Desk coordination with local tax, legal, accounting, payroll and advisory capabilities.

We support participating companies. KPMG is not part of the EPC consortium.

01 Establishment & licensing

Czech branches, trade licences, registrations and operating set-up.

02 Tax certainty & structuring

Permanent establishment, transfer pricing, binding-ruling support and JV arrangements.

03 Compliance & operations

Corporate tax, VAT, accounting, payroll and reporting processes.

04 Cross-border coordination

Korean Desk interface across HQ, Czech teams and KPMG Korea.

A scalable model for Korean suppliers entering the Czech and wider CEE market

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03
Corporate structures & Financial support

Corporate Establishment Structure in the Czech

CZK 1

Low Incorporation Costs & Simple Setup Process

- The minimum registered capital for establishing a Czech limited liability company (s.r.o.) is CZK 1.
- In general, company incorporation can be completed within approximately 8 weeks.

The Czech Act on Business Corporations recognizes the following business entities:

Main Forms of Market Entry

- Limited Liability Company (s.r.o.)
- Branch Office (odštěpný závod)
- Joint-Stock Company (a.s.)

Other legal Forms

- General Partnership
- Limited Partnership
- Co-operative
- Societas Europaea

In practice, foreign investors most commonly establish either a Limited Liability Company (s.r.o.) or a Branch Office.

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Key Features of a Limited Liability Company (s.r.o.)

Category	Examples	Key Features
유한책임회사 **(Limited Liability Company/s.r.o.)**	▪ Hyundai Motor Manufacturing Czech s.r.o. ▪ Mobis Automotive Czech s.r.o. ▪ Nexen Tire Europe s.r.o.	• Separate legal entity with its own legal personality and capacity. • Minimum registered capital: CZK 1 (although a practical amount of CZK 20,000 is commonly used). • Requires obtaining a Trade License for business activities. • Flexible ownership and shareholding structure. • Managing Director(s) bear statutory responsibility for the management of the company. • Establishment requires preparation of incorporation documents in the prescribed legal form. • Registration of the Ultimate Beneficial Owner (UBO) is required. • Annual financial statements must be prepared and filed with the Commercial Register. • Typical incorporation period: approximately 5-8 weeks.

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Key Features of Branch Office

Category	Examples	Key Features
지사 **(Branch Office, odštěpný závod)**	▪ Hyundai Motor Manufacturing Czech s.r.o. ▪ Mobis Automotive Czech s.r.o. ▪ Nexen Tire Europe s.r.o.	• Not a separate legal entity and legally forms part of the foreign head office. • Establishment is based on a resolution of the head office. • A trade license (business authorization) is generally required. • May conduct business activities in the Czech Republic upon registration in the Czech Commercial Register. • Appointment of a branch manager is required. • No UBO (Ultimate Beneficial Owner) registration obligation.

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Limited Liability Company vs Branch Office

Item	Limited Liability Company (s.r.o.)	Branch Office
Legal Status	Separate legal entity	Not a separate legal entity
Trade License	Required	Required
Statutory Representative	Managing Director	Branch Manager
Contracting Party	Acts in its own name	Acts in the name of the Head Office
Legal Liability	Limited to the company's assets	Direct liability of the Head Office
UBO Registration	Required	Not required
Incorporation Period	Approx. 5–8 weeks	Approx. 4 weeks
Establishment Costs	Approx. CZK 15,000–100,000 (depending on the scope of registration)	Approx. CZK 10,000
Closure Process	Relatively complex	Relatively simple
Advantage	▪ Higher credibility and market recognition than a branch office ▪ Separate legal liability from the parent company ▪ Well suited for long-term business operations	▪ Lower administrative burden and setup costs ▪ Relatively straightforward establishment process ▪ Suitable for initial market entry and early-stage business activities

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Financial support not only for investment

Investors can obtain the following financial benefits:

All benefits are provided according to the law and transparency rules, which are in compliance with EU regulations.

Investment incentives

– tax holiday + cash grants

Subsidies from EU funds

– cash grants

R&D tax allowances

Education tax allowances

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Investment incentives Overview

Corporate income tax relief for 10 taxable periods

(the most common form of incentives)

Cash grant for acquisition of tangible and intangible fixed assets for strategic investments

Other incentives:*

- Cash grant for creation of new jobs
- Cash grant for training and staff retraining
- Transfer of land including related infrastructure at a discounted price
- Exemption from real estate tax in selected industrial zones

**incentives available only in selected regions*

Amount of incentive

Size of company	Large	Medium-sized	Small
% of eligible costs (investment in land, buildings, machinery and equipment and selected intangible assets) [1]	15 - 40	25 - 50	35 - 60

[1] *The amount varies depending on the region in which the investment is implemented*

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Investment incentives - supported activities

Manufacturing industry

- Launching new production
- Expanding existing production
- Expanding the product range by the introduction of new products or by fundamental changes in the production process

Technology centers

Launching new technology center, expanding existing technology center, or expanding by introduction of the new products

Strategic service centers

Launching, increasing capacity or expanding of new activities of strategic service centers, center for creation of software, high-tech repair centers, shared service centers, data centers or customer support center

Expansion projects

Due to changes of EU regulations, it is no longer possible to grant incentives for a simple expansion of existing production for the Central Bohemian, Pilsen, South Bohemian, South Moravian and Vysočina Regions. Support is available if there is a completely new activity / type of production for the company (another four-digit NACE code) or the project is located in other regions (mainly northern regions).

The Prague region is not eligible for incentives.

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Investment incentives – main conditions

General conditions

- The main conditions for granting investment incentives differ depending on the supported activity.
- Implementation of investment project in the Czech Republic.
- Work related to an investment project may only start after submitting an application for investment incentives to CzechInvest.
- All activities, buildings or facilities have to be environmentally friendly.
- Retention of the investment at the location of the investment project in the amount and structure corresponding to the claimed state aid.
- A minimum investment or creation of new jobs based on the supported activity (e.g. For a large enterprise, the minimum investment amount is CZK 80 million, of which at least CZK 40 million must be invested in machinery and equipment.)
- All general conditions must be fulfilled within 3 years from the date a decision on granting investment incentives was issued.

Other selected conditions

- Projects in the manufacturing industry must meet the requirement of higher added value activities (in particular, usage of qualified workforce or advanced technologies) with some exceptions.
- Application must include the quantification and justification of the expected benefits of an investment project for the region and the state (the Czech Republic). It is paramount that such benefits be properly documented.

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04
One KPMG CEE

KPMG ONE CEE turns 16 markets into one regional platform

ONE CEE

(Central and Eastern Europe)

One partnership
One market approach
Shared knowledge, resources and investments

→ One regional direction, backed by local relationships and regulatory execution.

16
countries and regulatory regimes

5,200
professionals across CEE

205
partners

€540m
FY25 regional revenue

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ONE CEE: one entry point, local depth in every market

One regional team connects KPMG Korea, CEE specialists and local delivery around a single client agenda.

01

One entry point

A coordinated CEE team connects the client and KPMG Korea to the right markets and specialists.

02

Integrated delivery

Local experts execute one regional plan while addressing country-specific legal, tax and regulatory needs.

03

Regional insight

Cross-country insight supports comparisons of locations, incentives, risks and market-entry options.

04

Scalable support

Support scales from one country to multiple CEE markets as investments, supply chains and operations expand.

Local depth in every market — combined with the scale and coordination of one regional platform.

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ONE CEE coordinates regional complexity, country by country

South Korea is an active strategic corridor for KPMG ONE CEE.

01

CONNECT

Korean client + KPMG Korea

One brief, HQ context and one clear regional entry point.

02

COORDINATE

ONE CEE corridor

Regional planning, specialist mobilisation and delivery oversight.

03

DELIVER

Country teams

Local legal, tax and regulatory execution with consistent communication and accountability.

CONNECTED CAPABILITIES

Audit • Tax & Legal • Advisory • Business Services • Technology-enabled delivery

Sources: One CEE Modus Operandi (Sep 2026); Strategic Corridors update (Sep 2026); CEE selected slides (Sep 2026).

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