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STARTUP TRIO

Frankfurt's Fintech Angels

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Berlin gets all the tech startup headlines, but it's Germany's financial center of Frankfurt where many of the big fintech deals are made. In particular, one trio of ex-bankers is quietly cleaning up with their diverse finance products.

WHY IT MATTERS

Fintechs in Frankfurt concentrate on company-to-bank businesses rather than the usual startup route of business-to-consumer.

FACTS

Moritz von der Linden, Carlo Kölzer and Philip Holzer set up the currency trading platform 360T.

Last year, Deutsche Börse paid €725 million (\$810 million) for 360T.

Their latest product is CRX, a highly successful trading platform for the short-term financing of companies.

When it comes to German startups, it's normally Berlin that gets all the sexy headlines.

The city is home, for example, to Rocket Internet, the incubator founded by the Samwer brothers. It has made plenty of noise in the Ger-

man media with successful investments in firms such as the fashion portal Zalando or food ordering services Lieferheld and Hello Fresh.

Fashion and cooking always offer a bit of glitz and go down well with the general public.

The Frankfurt startup scene, on the other hand, is less glitzy and relatively quiet – but perhaps all the more successful.

The best example is a trio of entrepreneurs: Moritz von der Linden, Carlo Kölzer and Philip Holzer. The

three managed a spectacular coup with the development and sale of 360T, a foreign exchange trading platform. Last year the operator of the Frankfurt stock exchange, Deutsche Börse, shelled out €725 million (\$810 million) for the fintech company.

Their latest baby is called CRX, a complex digital business model that is basically a trading platform for the short-term financing of companies.

CRX already has two big customers, Lufthansa and Swedish energy giant Vattenfall. But the final breakthrough is likely this month when a European consumer goods group is expected to take advantage of its services.

It will be a new dimension for CRX, which will then take on several thousand suppliers. Industry sources say it beat stiff U.S. competition for the major customer.

CRX optimizes how a company's assets are offered for trading. And investors receive higher interest compared to other money market products, certainly not a bad deal in times of minus interest rates.

All three business angels have experience in major banks. Their networking centers around Frankfurt even though CRX is headquartered in Munich.

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Frankfurt's fintech kings: (l-r) Carlo Kölzer, Moritz von der Linden and Philip Holzer. Source: PR

Mr. Kölzer, 43, is a member of 360T's executive management and sits on the supervisory board of CRX. He is the driver and realist in the trio – able to handle whatever comes up.

He is also busy supporting nine other digital businesses, including Orderbird, a point of sale system for the catering industry; Figo, a web banking app; and the mytaxi app, where users can order, track and pay for taxi rides and deliveries.

Mr. Kölzer says the most difficult job is bringing startups to a mature state of development – when hip ideas have to be translated into operating structures, procedures and controls.

Of the three, Mr. Von der Linden, 44, is the most media-savvy.

“Berlin ranks high when it comes to startups,” he said. “But it is mostly about platforms in the business-to-consumer field. Our solutions, on the other hand, bring together companies and banks.”

The Samwer brothers – Marc, Alexander and Oliver – focused on business models like retailer Zalando, which can quickly achieve high sales but require a lot of money in advertising.

The Frankfurt troop saved the expense of costly marketing but they still had to win people over. Both 360T and CRX required long startup phases.

“It takes about five years before you can gain a certain amount of traction on executive floors,” Mr. von der Linden explained.

Before his time with 360T, the managing director of CRX was an associate at Deutsche Bank and earned his MBA at universities in Passau and Helsinki. He is a business angel for five investments, including Tindoco, a financial services provider.

Mr. Holzer, 50, is something like the patron in the trio – a calming and stabilizing presence. He has served as deputy head of U.S. investment bank

Goldman Sachs for German-speaking regions. Now he is always on the go and open to new things as chairman of the supervisory board at CRX.

“With Goldman Sachs, I commuted for many years between London and Frankfurt. Because of that, it is a great privilege to be able to determine where I work from today,” said Mr. Holzer.

Former colleagues from Goldman still come to him with business ideas. For example, the founders of Scal-

able Capital, an online assets manager, asked for his help in furthering its development.

So when CRX lands its megacustomer in the near future, all three will have an abundance of ideas for getting their next fintech ready for takeoff.

Mr. Kölzer, Mr. von der Linden and Mr. Holzer are quietly enjoying their success and making cash – even if most headlines go to the Samwer brothers.

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