

BERLIN

U.S. INSIGHTS

FINTECH

Berlin Business Office, USA

BERLIN





We had the opportunity to interview Ellen Kraft, Senior Business Development Manager at the Georgia Department of Economic Development, about what makes Atlanta such a desirable location for FinTech companies.

How has Atlanta become the number one FinTech hub in the US?

Over the decades, Atlanta has grown from a check-processing hub for the region to the headquarters for industry leaders such as Global Payment, Equifax, InComm, NCR, Invesco, and International Continental Exchange just to name a few. Today, 70% of all U.S. transactions are handled by payment processing firms located in Georgia.

The state's "Transaction Alley" is comprised of more than 200 companies offering banking, blockchain, information security, and data analytics services. As check processing became more and more digital, companies evolved to keep pace. Atlanta's diverse and highly skilled talent pipeline and existing industry knowledge laid a strong foundation for companies of all sizes.

Can you name any initiatives that focus on FinTech? Are there any funding programs for FinTech startups?

There are many groups active in Atlanta that focus on different aspects of our FinTech ecosystem.

[FinTech Atlanta](#) is a coalition of companies working to advance Atlanta as the recognized global capital of financial technology. This group includes an impressive list of local industry executives who want to make sure the industry continues to grow and thrive in Georgia. Through the FinTech Atlanta webpage, visitors can access numerous local venture capital funds focused on FinTech, as well as incubators, accelerators, and other industry groups relevant for startups.

To ensure the region has a strong pipeline of FinTech talent, the Georgia FinTech Academy, a collaboration between the region's fintech industry and the 26 public institutions of the University System of Georgia, was created in 2019. The Academy is the first of its kind in the nation and allows students to access specialized educational experiences in banking, information security, data analytics, financial technologies, and payments.

[FinTech South](#) is the premiere industry gathering for the FinTech ecosystem every year in Atlanta. This year's event will be in September and is hosted by the [Technology Association of Georgia](#).

What are helpful partners or initial contacts that can help Berlin FinTech startups with their expansion to Atlanta?

First and foremost are my colleagues at the Georgia Department of Economic Development in Atlanta. Startups that are considering a U.S. expansion will be assigned a Project Manager to help walk them through all of the steps of an international expansion - from legal and tax needs to finding the right office space, as well as hiring tips and ecosystem introductions.

They are truly a one-stop resource and work closely with the team at the Metro Atlanta Chamber of Commerce to facilitate a successful expansion customized to the specific needs of the company.

How do you think Atlanta will maintain its position as a FinTech hotspot in the future, or are there already concrete plans to expand the FinTech scene in Atlanta?

Atlanta in general continues to grow not only as a FinTech hotspot, but also as a technology hub, and this excitement will continue to attract both companies and talent to the area. In the past few years alone, companies like Microsoft, Google, Airbnb, Visa, and Cisco have announced significant investments in technology

hubs in Atlanta. Since 1980, Georgia Tech's Advanced Technology Development Center (ATDC) has been an incubator for Georgia's technology entrepreneurs. ATDC is headquartered in Midtown's Tech Square, a technology hub for entrepreneurs, investors, nonprofits, and strategic partners.

As FinTech continues to be a key part of daily life for individuals and companies, Georgia will also grow as the FinTech industry evolves. Georgia's great business climate, as well as being an attractive place to live, will also continue to support this growth.



GEORGIA: FACTS & FIGURES

With a population of over 10 million, Georgia is the 8th -largest state in the nation with a labor force of more than 5.3 million; and millennials make up 40% of that total. Georgia is also one of the top states for domestic inbound migration in the U.S. Employment in the FinTech sector has grown 7% in the last two years, with more than 42,000 Georgians working in the sector.



We were delighted to talk to Hillery Champagne, Director of FinTech Atlanta, about the status quo as well as (future) trends in the US FinTech sector.

In your current position at FinTech Atlanta, what problems do you deal with on a daily basis (and how do you and your team approach solving them)?

I wouldn't call them problems, but FinTech Atlanta has always focused on making sure that our region continues to have a diverse talent base, collaboration between small and large companies, opportunities to tell the story of all that we have to offer, and fintech friendly public policies in place.

We have programs to address all of these areas (and more). A few examples are:

- The Georgia FinTech Academy, a diversity talent development initiative for the fintech industry that was incubated with the help of FinTech Atlanta and is now its own hugely successful operation. Students from across the University System of Georgia participate in classes, events, and projects to prepare for jobs in the fintech industry. This is just one of the ways that we're developing our future experts and leaders in fintech by building focused skills, expertise, and recruitment opportunities during their college experience.
- Our Run it by the Buyers events that foster commercial collaboration between promising fintech companies and large corporations in Atlanta. We generally have 3 of these events each year and would love to invite any Berlin startups to attend as our guests!

- Supporting world-class events like Georgia's own FinTech South, taking place in Atlanta this September, where we can showcase all the reasons why Atlanta is a global fintech hub.
- Working with our partners like the American Transaction Processors Coalition, Metro Atlanta Chamber, and Technology Association of Georgia on "Payments 101" sessions for newly elected legislators to help them understand the impact of our region's fintech ecosystem.

What is one area of focus that has shifted over the years in the FinTech sector?

One of Georgia's fastest-growing industries is FinTech, and historically, people think of us as being particularly strong in payments processing. That is for good reason as 70% of all US credit, debit, and gift/pre-paid payments go through Georgia-based companies, earning us the nickname "Transaction Alley."

The shift that everyone might not know is that our focus extends far beyond payment processing. We've seen significant investment in other sub-clusters like blockchain and cryptocurrency, financial markets (did you know that Intercontinental Exchange which owns the New York Stock Exchange is HQ in Atlanta?), insurtech, insurance and reinsurance, credit and risk, loyalty and affinity programs, wealth management, embedded finance, authentication, compliance, financial inclusion, and the list goes on.

What trend in FinTech are you most excited about?

Probably the implications and practical use cases AI is having on the industry. In fact we had Christine Livingston, Managing Director - Innovation, AI and IoT at Protiviti come and speak to our board members at our last meeting to share her expertise on the history and future of AI, and how companies are using generative AI today. We're hugely excited by the opportunities (e.g., rapid innovation, speed to market, hyper-tailored marketing, automation / efficiency gains) but also mindful of the challenges (e.g., intellectual property rights, privacy issues, data security concerns, model biases).

Is there anything in particular that companies and startups from Berlin should keep in mind when looking at the US FinTech sector?

Yes! Where do I begin? The biggest thing that I'd say is a bit intangible but true - we have an incredibly welcoming community here. Atlanta is a small, big town, and people are always shocked at how willing our ecosystem is to welcome new folks, get them connected, and help them have the best chance at success possible.

I'd also say that our region has all of the critical components needed for a company to be successful:

- Talent - Our higher education scene is top notch. The metro Atlanta area is home to 97 higher education institutions, including 54 two- and four-year colleges that enroll over 330,000 students. Not to mention the Georgia Fintech Academy that I shared before.
- A thriving and supporting startup scene with world-class incubators, accelerators, innovation centers, and co-working communities (think Atlanta Tech Village, ATDC, Russell Innovation for Entrepreneurs, etc.)
- The big players - 6 of the 10 largest U.S payment processing firms being Georgia based and 31 Fortune 500/1000 businesses are headquartered here
- Industry organizations, like FinTech Atlanta and many others, that provide programs, events, and resources for the ecosystem to come together
- The fact that Georgia has been voted the #1 state for doing business for 9 consecutive years by Area Development Magazine and has the #1 busiest global airport putting 80% of U.S. metros within a 2-hour flight

As for as the US overall, I'd say a few things:

- We have similar but different regulatory / tax regimes between countries and even between states (with Atlanta being very favorable), so it's important for German companies considering a US presence to get advice early.
- In smaller/startup US fintechs, equity tends to be granted to more people and further down in the organization than in Europe. It's a very important compensation tool to attract and retain the best and brightest talent in fintech.

Hillery Champagne is director of FinTech Atlanta, a coalition of companies working to advance Atlanta as the recognized global capital of financial technology. Led by seasoned industry executives, the group's priorities are to drive fintech industry growth, talent expansion, innovation acceleration, and public policy influence in Atlanta and across the state of Georgia. Hillery is an Atlanta native who is passionate about building the future of her city for the better, especially for her two children.





We had the pleasure of talking to Daniel Seifert, Vice President and Regional Managing Director, EMEA at Coinbase, about the company's expansion to Berlin in 2021 and what the city offers as an attractive location for FinTech companies.

Coinbase was founded in San Francisco in 2012, can you briefly explain from which need the company was born and what mission Coinbase pursues?

We are building the cryptoeconomy - a more fair, accessible, efficient, and transparent financial system enabled by crypto. We started in 2012 with the radical idea that anyone, anywhere, should be able to easily and securely send and receive Bitcoin. We weathered periodic Bitcoin bubbles to become the go-to place for everyone to buy so-called digital gold and other blockchain tokens. We are now the biggest cryptocurrency exchange in the U.S., and leading in markets across the globe.

When did Coinbase expand to Germany and what factors influenced the location decision in Germany? How did the decision fall on Berlin?

In June 2021, the German Federal Financial Supervisory Authority (BaFin) awarded Coinbase Germany GmbH a license for crypto custody and trading, under the new licensing regime introduced in January 2020. The BaFin licensing framework is one of the first of its kind in the European Union, and Coinbase Germany was the first company to be issued such a license.

The licensure of Coinbase Germany has been an exciting and logical next step in

Coinbase's international expansion journey. Germany is the world's fourth largest economy by GDP and is one of the only EU member states to have introduced a full regulatory framework for cryptocurrency platforms. There has already been a thriving blockchain scene, with Germany being the second ranking country, only after the US, in terms of the number of Bitcoin nodes being run.

Coinbase Germany officially launched in 2021 to serve both new and existing German customers more effectively, including by localizing our service and increasing our product offering. To achieve this, we have ramped up our German customer support team and also launched new features and products. Numerous universities and research facilities are found in Berlin, and the talent pool is highly educated in the technology and fintech fields, which made it an attractive place for us to locate.

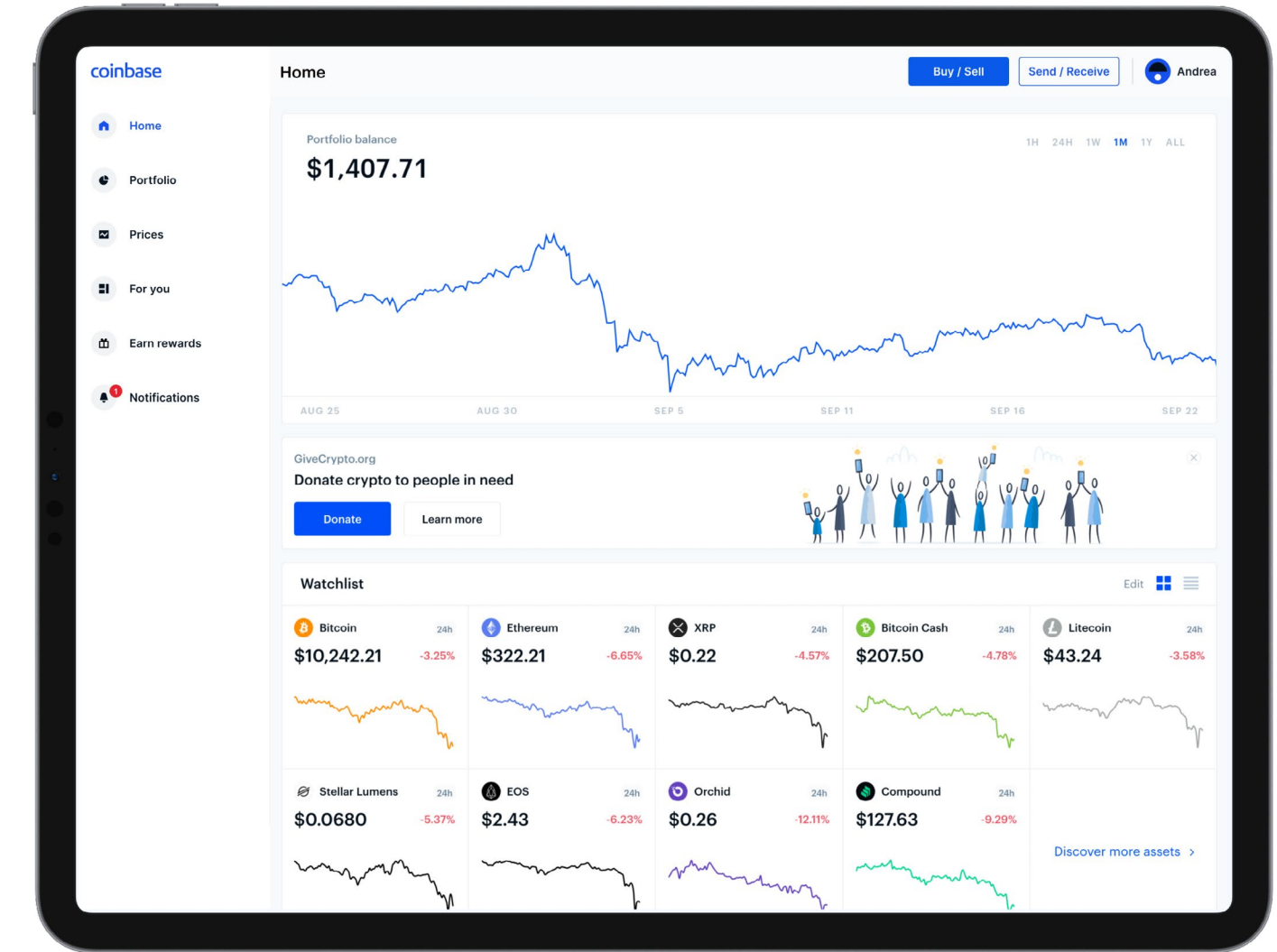
What opportunities do you see in the Crypto/FinTech sector in Berlin? What advantages does Berlin offer as a location for Crypto/FinTech companies?

Germany has an innovative and disruptive fintech landscape, with many exciting fintech companies on the lookout for top talent for available jobs. With its dynamic economy, Germany remains an inspiring location for innovative fintech ideas. Berlin in particular is always seeking executive staff for fintech vacancies. Aside from exceptional job opportunities, the city offers a high quality of life, low cost of living and numerous cultural and educational activities to participate in. This internationally attractive location offers an abundance of personal and professional opportunities for development - especially if you are on the lookout for fintech and blockchain vacancies.

What advice would you give to U.S. companies considering Berlin as a business location?

Coinbase chose to become a public company in the US because we are committed to the market, and to transparency and compliance. We're also focused on bringing the benefits of crypto to the rest of the world with our international expansion strategy. This was one of the reasons that we decided to locate in Berlin. For those considering choosing Berlin as a business location, it is essential to conduct research on the market conditions, local regulations, and business culture in this region.

It is crucial to first assess the demand for your products or services in Germany, and then assess the competition here, before deciding to establish a presence. Berlin has a vibrant startup culture and an innovative business landscape; ensure



your organization gleans the benefits of this. Having a basic understanding of the German language and cultural norms is beneficial in building relationships and navigating day-to-day interactions, however it is not absolutely essential. Finally, embrace Berlin's dynamic and ever-evolving business environment. Being agile and adaptable will help your company thrive amidst changing market conditions.

Remember that each business's circumstances are unique, so it's crucial to tailor your approach to fit your company's specific needs and objectives. Seeking advice from local experts and establishing a strong local presence will go a long way in ensuring success in Berlin's thriving business ecosystem.

NUMBERS & FACTS

Founded: 2012 in San Francisco, California
Employees: 3500+
Area served: 100+ countries
Industry: Cryptocurrency

Coinbase Global, Inc., branded Coinbase, is an American publicly traded company that operates a cryptocurrency exchange platform. It is the largest cryptocurrency exchange in the United States by trading volume.



We had the opportunity to sit down with Ulrich Pietsch, Co-Founder and CEO of ecolytiq, and Andy Shankar, Head of Business at ecolytiq, to talk about the company's roots in Berlin and their expansion plans in the US.

How did the vision to start ecolytiq develop?

ecolytiq's idea was conceived by one of the co-founders David Lais. In 2015, a life-changing event sparked his decision to act on climate change on a larger socioeconomic scale. Finally in early 2020, the founding team Ulrich, David, Friedrich & Mirko came together and co-founded ecolytiq, leveraging publicly available and payments data to enable sustainable banking.

ecolytiq's business vision is a unique blend of business value and business impact - the more we grow, the more positive impact we have. The ecolytiq vision and mission is to educate consumers about their individual impact on the environment and empower them to contribute to a better world. We aim to reach 100 million banking consumers and impact a reduction of 100 million tonnes of CO²e per year by 2025.

Can you explain the service ecolytiq offers in a few sentences?

The ecolytiq Sustainability-as-a-Service[®] solution calculates personalized environmental impact values for each bank transaction in real time. We provide three modules: ecoAware to know our footprint, ecoEngage to understand and pursue eco-friendly lifestyle choices and ecoAction, to offset and become carbon neutral.

You started your business in Berlin, why did you choose Berlin as a business location?

Berlin is the most promising hub for the upcoming and disruptive innovation ideas. With a unique mix of impact-led ideas, brilliant talent, technology and funding infrastructure, Berlin is well suited to build impact-led startups.

Berlin is rated as the most promising European hub for innovative startups and that is enabled by an ecosystem of talent, academics/ research, corporations and investors all coming together. With a welcoming and diverse culture, Berlin gets to become a "home" for bold innovation.

Just for example, at ecolytiq, we are now a team of 60+ people, from 17 different nationalities!

Have you already expanded to other countries?

From the beginning ecolytiq had international expansion plans and a partner-led growth strategy. We built initial trust and relationships with multiple payment industry leaders, that has helped us grow into the US & Canada, LATAM, rest of Europe, and are planning to venture into the Asian markets now.

What are your plans when it comes to expanding to the U.S.? What opportunities do you see in the U.S. FinTech industry?

We consolidated our US entry plans mid of last year as the US provides complimentary conditions of growth. The US banking sector is the most mature and efficient in the world and that is our target market.

As a payment-integration native, ecolytiq works with multiple payment tech providers and fintechs, as we establish our business presence in the US. Some of the leading companies like Visa & TSYS Global payments have helped us put our first steps in the ground.

What factors influence your location decisions in the U.S.?

Our GTM is led by banking and payments industries. Hence, our base location and growth plans are aligned with the usual banking hubs. Also, as a European startup, catering to both East coast and West coast, timezone wise East coast suits us better, at least to get started.

However, apart from clients, one of our biggest partners is based out of California and another one in Atlanta - these may also influence our eventual expansion plans.

Can you recommend what type of partners are helpful in expanding to the U.S. or any other pertinent advice to Berlin companies exploring U.S. markets?

Industry speciality partners and events: any partners that are from your industry and can help you gain recognition and credibility in your target industry.

Product partners and bundles - any partners that could have complementing product proposition, targeting a similar client base could be very helpful.

People and consulting partnerships - the problem we are trying to solve is not new. We can leverage specialist talent and local consulting partners who know the lay of the land helping us avoid mistakes and accelerate growth.

Do you have any advice/tips for emerging businesses in Berlin? What shouldn't they miss when they are about to start their startup journey?

Try to do market testing sooner than later - we tend to invest in creating the perfect product before going to the market; we should not wait for the perfect product.

Try to see your product startup, outside in from a value perspective rather than product-feature perspective.

NUMBERS & FACTS

Founded: March 2020 in Berlin
Employees: 60+
Locations: Berlin, HQ, US, Canada, UK
Industry: FinTech, Sustainability



ecolytiq provides banks and financial institutions with the digital infrastructure for green finance. Their Sustainability-as-a-Service[®] solution enables financial institutions to offer their customers environmental footprinting as well as personalized impact offsetting and ESG investments.

