

GERMANY

A Global Connector

As Europe's leading economic powerhouse and the world's fourth-largest economy, Germany has shown the world its winning formula: strong investment, low interest rates and high consumer spending. At the heart of that strength is Frankfurt, which is positioning itself as Europe's next financial capital to replace London in the post-Brexit era.

"We have close partnerships with financial sectors across Asia, including close and cordial working relationships with Tokyo and Singapore. And that is something which we are very happy about because we believe the future belongs to Asia," **Frankfurt Main Finance Managing Director Hubertus Vöth** said.

Aside from Frankfurt, the federal state of Bavaria, home to some of the world's biggest global brands, continues to assert its dominance over the German economy.

"The GDP per capita of Munich is 72,000 euro, while Germany's is 40,000 euro. And if you look at the figures from the south of the country, this part of the Germany has become synonymous to Bavaria," said **Bavarian Chamber of Commerce and Industry President Eberhard Sasse**.

To maintain its leadership in Germany and the world, the public and private sectors in the region must work much closely together, according to Sasse.

In fact, Munich has already begun to diversify its economy beyond its traditional industrial sector and has ventured beyond Germany's national borders.

"Business and success should always be people driven and not just technology driven. Locally and globally, communication, transparency, respect and care is key to everything. Doing cross-border business and building global companies requires passion, partnerships and most of all, people," **CM-Equity Founder and CEO Michael Kott** said.

Over the past decades, German en-

gineering has become the benchmark across the globe. Many have attributed this competitive edge to the ability of German companies to adapt quickly to market requirements and their openness to customer feedback.

ChipGlobe, a German consulting company in the semiconductor industry, embodies this strategic and logical approach and combines it with a commitment to the success of its customers.

Founded by **Volker Frisch** in Munich in 2014, ChipGlobe hires highly experienced engineers who can design completely customizable solutions for its clients. This mission forms ChipGlobe's corporate culture and is the foundation of its success.

"You can only be successful if you have the right vision and value system," stressed **Business Development Director Dieter Rudolf**.

Detecting growth opportunities in Asia early on, ChipGlobe set up a subsidiary in Singapore in 2015. And after opening an outsource design center (ODC) in Belgrade in 2017, the company has begun construction of a new ODC in Ho Chi Minh City, Vietnam.

"We combine the strengths of German and Asian systems of quality, culture and values. If you look at the large companies in Germany, they try to reduce costs, sometimes through offshoring. If you look at places like Serbia,

you have a lower cost structure but still have quality talent. The same applies to Vietnam. The long-term trend is to focus on Asia and that's why we're opening a new ODC and investing there," Rudolf added.

Software giant **SAP** is another southern German company that recognizes that its success came only by prioritizing its customers.

"We aim to look at business challenges through the eyes of our customers first and how they are doing in servicing their own customers," explained **CEO Bill McDermott**.

With experience across 25 industries and operations in 193 countries, SAP closes the gap between the application of innovative technologies, such as machine learning and artificial intelligence, and the availability of predictive applications, process and insights that are in value chains to drive up productivity.

"SAP is the one company that can put it all together in a highly coherent, altruistic, purpose-driven way," McDermott said.

Looking ahead, Germany will continue to set the pace of European growth and develop closer ties with the Asia-Pacific. With its robust financial sector, political stability and well-developed infrastructure, the country will continue to be an ideal destination for Asian investment. ■

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From Small-Scale PV to Utility 2.0

Look at the numbers: In 2017, new solar power projects around the world reached a total of 98 gigawatts. That was more than the net addition from coal, gas and nuclear plants combined. Many of these new projects were small-scale photovoltaic (PV) installations, which are increasing because of lower prices, cheaper equipment, government subsidies and power purchase agreements (PPAs). Take Germany for example. A mature market, the average cost-per-watt has fallen below \$1.68. With all of these incentives, shouldn't every roof have a PV system by now?

ENVIRIA CEO and Co-founder Melchior Schulze Brock points out that current arrangements are flawed: "They target owners of surfaces suitable for PV projects, such as real estate funds, agricultural or manufacturing companies. But the return on investment is low. On top of that, the complexity involved—buying the technology, outsourcing installment and operating the system—simply doesn't justify such a non-core investment."

On the other hand, there are private and institutional investors who are looking for safe ways to invest their money but do not own a space or structure to place a PV system.

"Those types of investors appreciate low yields because cash flows are often guaranteed by the government or a large rated utility. You have different entities with complementary wishes and objectives, and that's a lot of untapped potential," explained Partner Ronny Thorenz.

Using their investment banking expertise, Schulze Brock and Thorenz set up ENVIRIA to bridge that gap. Their revolutionary concept rests on a specialized solar investment manager, who leases a space from the property owner for a fee—typically over a 20-year period—and installs the technology at their own cost, supplies the owner with electricity, while feeding excess power into the grid and making a return.

Under the arrangement, the property owner reaps the benefits without the hassle. All liability lies with the operator, who takes care of the entire process, installs state-of-the-art PV and energy storage systems, delivers ancillary services, such as operation and management solutions, and provides comprehensive insurance for all systems.

In 2014, Schulze Brock and Thorenz founded ENVIRIA's predecessor, MeinSolarKonzept. With its innovative approach, the company was adept at securing commercial rooftop space and



ENVIRIA founders Ronny Thorenz (left) and Melchior Schulze Brock (right). ENVIRIA's Müllheim 1 Project in southern Germany.

attracting investments from banks and private investors. Last year, they incorporated their preferred engineering, procurement and construction subcontractor and formed ENVIRIA, based in downtown Frankfurt, Germany.

With an established residential portfolio in Germany, Austria and Switzerland, ENVIRIA propelled itself to become an industry powerhouse, with more than 3,000 completed rooftop projects that are generating a total of more than 25 megawatts since the incorporation with its subcontractor last year.

As Germany prepares to shift away from a subsidized feed-in tariff, Schulze Brock and Thorenz are making sure to stay ahead of the game and are expanding abroad to countries where solar deployment is booming. Having opened its new office in Hong Kong last year, ENVIRIA is setting its sights on other countries, such as the U.S., Australia and the Philippines.

In Australia, which has seen a three-fold increase in renewable energy investment and a surge in PV projects in recent years, the firm is in talks with large corporations and city councils attracted by its investment-driven model, and is offering them a pipeline of 10 megawatts worth of projects ready for a quick rollout.

Constantly looking for innovative ways to

streamline the business, the two entrepreneurs keep thinking ahead. The firm's rapid expansion of small scale solar systems, most of which have the capacity to store energy, has a far-reaching goal.

Coupling technology with financial expertise, Schulze Brock and Thorenz aim to transform ENVIRIA into a utility in its own right. Their vision is to facilitate direct green energy trade among its customers. They call it "Utility 2.0," a decentralized system that combines production and storage where customer-to-customer transactions are enabled through blockchain technology.

Within the system, daily electricity surplus produced can be saved for individual future use or directly sold to other ENVIRIA customers. This will create a more efficient electricity marketplace as it provides an individualized solution that allows flexibility based on consumption needs.

Later this year, Schulze Brock and Thorenz are releasing a highly anticipated white paper, which will illustrate the uses of a utility-based cryptocurrency being conceptualized and enumerate its advantages. The cryptocurrency should gain strength with the launch of each new project and simultaneously rebate customers based on production. Funding will go to develop more projects around the world. The ultimate aim is to offer competitive energy pricing, especially in disadvantaged communities where investment is scarce but whose needs are far more significant.

With its inquisitive mindset, sweeping expansion and visionary digital currency, ENVIRIA is clearly one company to watch. ■

www.enviria.energy

CM-Equity AG

A Partner to Bridge Asian and European Markets

CM-Equity AG, a Munich-based investment bank, has become the go-to address for professional, ROI-driven investors, as well as early stage, innovative companies looking for strategic partners to grow their business internationally.

The company was founded in 2002 by **Michael Kott**, who has built an extensive international network as well as comprehensive expertise in investing and global capital markets for more than 25 years. Previously, Kott was heavily involved in designing major parts of the trading system of Germany's capital markets and oversaw secondary listings of hundreds of Asian companies on German stock exchanges.

Since establishing **CM-Equity**, Kott has developed it from a proprietary trading desk into a fully regulated and EU-passported and licenced investment bank with three business units: Asset Management, Corporate Finance and Investment Holdings.

CM-Equity's investment strategy and corporate approach defies convention as it focuses on small to midsize private and publicly listed companies. Its approach requires intensive personal and transparent communication with a network of like-minded associates, whether they are at home or abroad, in the government or in the private sector.

The bank collaborates with leading universities and their attached incubators, as well as with business angels, venture capitalists and public equity firms, and always works solely with decision makers.

"Through our international work, CM-Equity recognized the outstanding opportunities of China's Belt and Road Initiative for investors and companies. The

Belt and Road Initiative, laid out by President Xi Jinping in 2013, will have an impact on the world for the coming decades," Kott explained.

"Our international team is proud and privileged to work as an active contributor to the Belt and Road Initiative. Our corporate selection model enables us to execute ongoing projects in a timely and successful manner as we bridge the cultural gap between Eastern and Western businesses," he said.

As a trusted partner and adviser to

China's central government, CM-Equity offers substantial funding and infrastructure support for qualified companies from Germany and abroad. The bank applies people-centered criteria when screening companies. To reach a global scale and achieve sustainability, it relies on communication, transparency and entrepreneurial talent, social responsibility and trustworthy leadership.

CM-Equity's ongoing projects include the building of international industry hubs in China and in Belt and

Road countries for general aviation, healthcare, medical technology, life science, education and finance, among others.

It is also setting up Innovation World in Shandong Province in China, which could work as template for similar industry ecosystems around the world.

The area will be populated by startups, original equipment manufacturers, university accelerators, incubators,

academic coaches, venture capitalists and funding pools for multiple industries, which include those in Industry 4.0, big data, artificial intelligence, virtual and augmented reality, blockchain technology, high-tech automation and robotics, renewable energy and smart agriculture.

On a continuing basis, CM-Equity is on the lookout for qualified institutional investors, industrial partners and academic institutions from Asia, Germany and the rest of Europe to join its Belt and Road Partner Network. The bank hopes to find the right people who can contribute and support the developing of sustainable products and new markets.

"Ultimately, we will create a better world together," Kott said.

CM-Equity is also setting up a Global Startup Fund, which involves top university accelerators around the world. Professional investors who are interested in any of the mentioned projects can contact Kott at kott@cm-equity.de. ■



Kott with Li Xiaocang, representative of the private sector in China



Kott with Shen Yazhi (left) and Xu Yiqiu (right), representatives of state-owned enterprises in China