



# SHOEPASSION

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## A NICHE SUCCESS STORY: SHOEPASSION.COM REACHES €10M RUN RATE

Berlin, December 2015: SHOEPASSION.com initially concerned itself solely with e-commerce, and still operated as a civil law partnership earlier this year. Now, this rising retailer has published its business statistics for the first time in the company's history. With an impressive run rate of €10 million, the Berliners have proven that a combination of bootstrapping and bank financing is a thoroughly viable alternative to classic venture capital investment.

Since its beginning in 2010, SHOEPASSION.com, a German retailer once limited to an online presence, has focused passionately upon Goodyear-welted and handcrafted full-leather shoes, as well as sophisticated shoe accessories. The company's primary initiative has always been to create a proprietary range of premium shoes offered at affordable prices, a model made possible by doing away with the middleman.



“When we started out in 2008, people called us crazy for using our own capital to bring a new shoe brand to life. We were ahead of our time, since today this proprietary brand strategy is generally considered the best way to go about e-commerce,” says co-founder and CEO Tim Keding about the start-up's beginnings. An enthusiastic, part-time skeleton crew of four supported the founding duo of Keding and Henry Bökemeier during the company's first year. The company's founding motto remains unchanged today: make a lot out of a little.



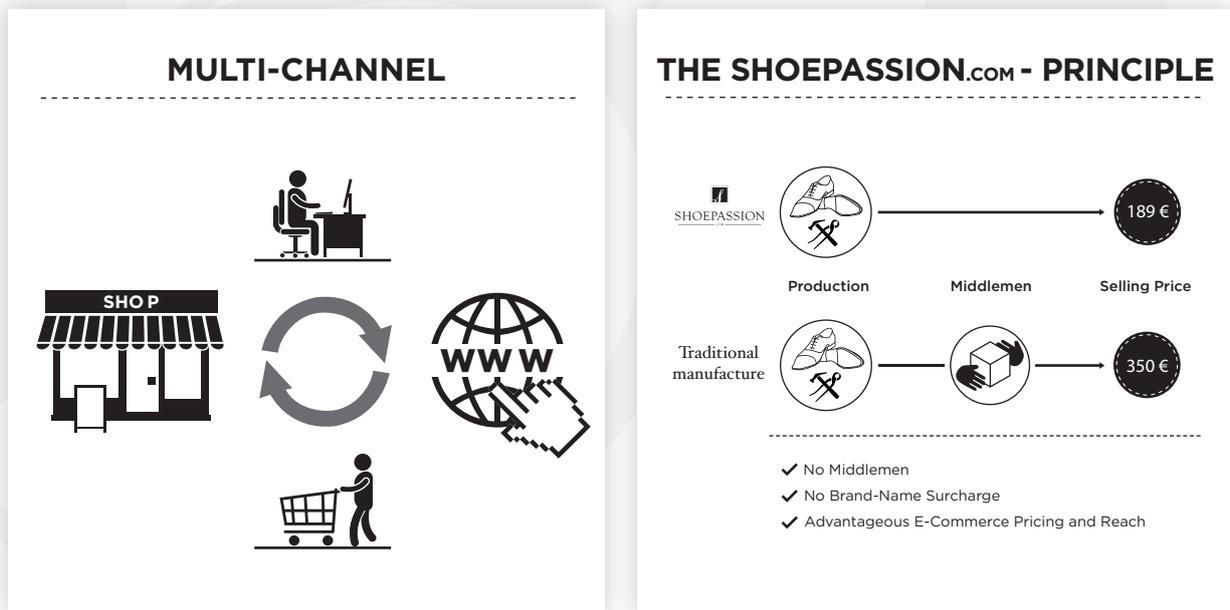
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Unlike comparable start-ups, SHOEPASSION.com has avoided classic venture capital investment to this day. Instead, the young company has opted for bootstrapping, or avoiding outside financing. This supposed competitive disadvantage has actually revealed itself to be an advantage; both founders have been able to carefully consider all investments, and the company has always been free from outside pressure to grow. As a result, the company has been able to hold its own against well-capitalized copycat competitors. Sustainability is deeply rooted in this start-up's DNA. To date, this Berlin brand has not opted for any outsourcing. From the editorial and marketing teams, to logistics, business intelligence, and IT, to multimedia and customer service, all of the departments are 100% in-house.

## FROM ONLINE TO OFFLINE

Currently, this Berlin-based shoe company operates online stores geared towards seven different countries. The road to brick-and-mortar retail began with a small showroom opened shortly after the company was founded, then led to a first store at the company's place of business on Berlin's Ackerstraße. Since the Berlin shop and the company's second retail location in Munich (which opened at the end of 2014) exceeded all expectations, 2015 ushered in further expansion. This year, SHOEPASSION.com opened stores in three more German cities as well as in Warsaw, and established a new logistics centre in Berlin's Marzahn neighbourhood.



“As digital natives, we don’t draw inspiration from classic retail. Instead, we consider offline retail from an online perspective and act accordingly. This model has proven to be successful, since each of our stores became profitable within a month,” says Keding of the brand’s offline expansion. When asked about possible issues arising from operating two sales channels, Keding responds: “We do not see any conflict between the two channels. We advertise our retail locations online and advertise our website in our stores.”

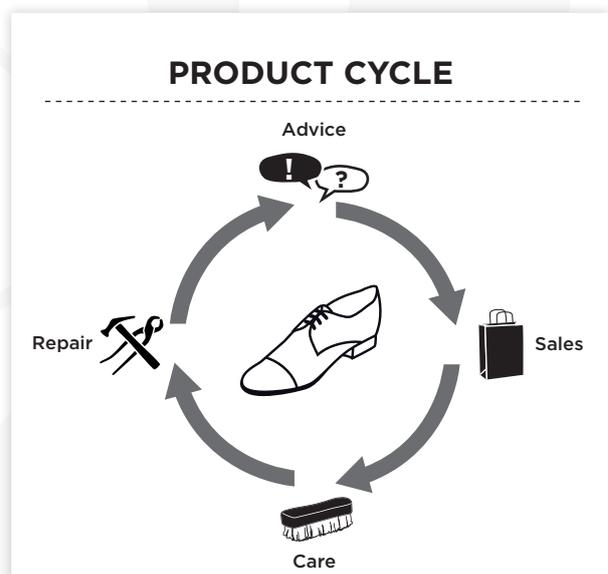
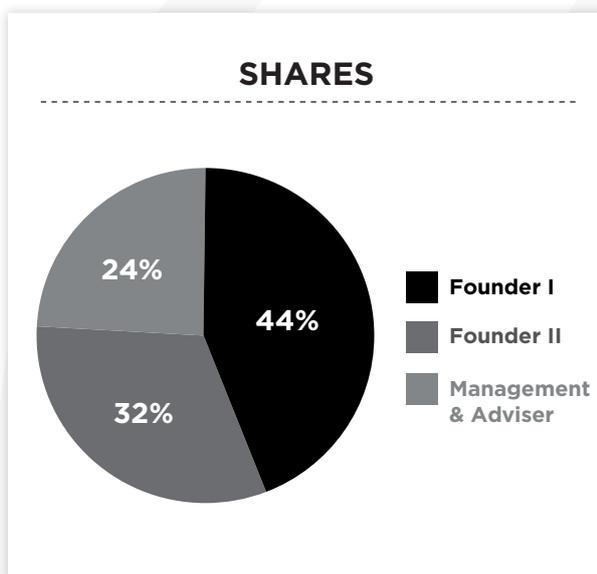


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## A COMPANY MILESTONE - €10 MILLION RUN RATE

SHOEPASSION.com was dubbed the “anti-Zalando” in the February 2013 issue of “Der Handel”. The magazine positioned the company, which focuses passionately upon distributing proprietary products in a quickly profitable manner, as a positive alternative to classic online footwear sales platforms. SHOEPASSION.com has been able to live up to this name. Its six stores generate significant offline revenue. Furthermore, the company was restructured this year, allowing the management and advisory board the opportunity to acquire company shares.



SHOEPASSION.com has been profitable since 2011, and its growth rate has been impressive from the start. Sustainability has always been of crucial importance to the founders. The starting staff became full-time employees, and the team continued to grow. Today, it numbers over 70 employees.

This year, the Berlin shoe brand reached a new milestone: a €10 million run rate. The founders continue to focus on the future: “Because of the financing method we chose, it was clear from the beginning that we had a long road ahead of us. We have learned to make a lot out of a little. Now we have the structures, products, and team that we need in place to create the next phase of our international shoe brand.” Keding is open to new ideas when it comes to long-term planning: “The B2B market is certainly compelling. We are equally interested in overtaking the entire value chain. Online and offline expansion in Asia is also an exciting prospect - at the moment, there are many possible options.”

If you would like more information and printable images, please do not hesitate to contact:



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