



## SUCCESS STORY | VIRTUALSTOCK

### Why Virtualstock chose FirstCapital

Virtualstock is the leading provider of software for dropshipping and marketplaces for retailers and e-commerce providers in Europe. Having received an inbound approach from a US acquirer, Virtualstock's board decided to seek an adviser to support them in a sale of the business. FirstCapital had been introduced to the management by Notion Capital, one of the company's investors, and following a competitive process the board selected them to advise on this transaction.

CEO and founder Ed Bradley reflected on this choice, saying, *"We needed an adviser who truly understood the dynamics of selling a growth stage tech company to a sophisticated US buyer. We knew FirstCapital and we trusted them. Their expertise, market insight, and hands-on approach gave us confidence from day one."*



“*Jason's advice on strategies and tactics for dealing with the acquirer, and his ability to 'translate' the language and detail of the deal into practical terms, was invaluable.*”

Ed Bradley, CEO

### What we did

FirstCapital's SMART approach is optimised to address the unique complexities and aspirations of a growth stage tech company seeking a premium outcome.

At the outset, FirstCapital prioritized understanding the strategic ambitions of Virtualstock, the board and the shareholders and setting this within the market context in order to ensure all parties were aligned around the optimum result.

Given the inbound approach, the FirstCapital team rolled up its sleeves and provided hands-on support to help the company get ready for the transaction. In particular they worked closely with the CFO to refine and position the financial model, ensuring it showcased the company's strengths and provided the depth to address likely queries from the acquirer.

The negotiation process was complex, but FirstCapital's expertise in negotiating with sophisticated acquirers, particularly those backed by private equity, enabled them to anticipate challenges and confidently guide the process. By providing practical, actionable advice and clearly explaining the technical details of the transaction, they empowered the seller to make informed decisions and remain in control of the negotiations.

During the due diligence and closing phase, FirstCapital focused on effective project management, coordinating multiple advisers and ensuring the deal kept moving efficiently. They also took a lead role in negotiating the fine details, such as the closing balance sheet and EV to Equity bridge, ensuring no value was left on the table.

Virtualstock had a range of diverse shareholders, so throughout the process the FirstCapital team made sure it was communicating clearly with all stakeholders, with proactive engagement helping to build consensus, and ensuring continued alignment. As CEO Ed commented *"Jason communicated effectively with all our stakeholders, securing widespread agreement on the transaction, which contributed to streamlining the process and closing the deal in a timely manner"*.

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### Strategic outcome

Logicbroker, backed by US private equity house K1, has developed an Agentic Commerce Orchestration Engine for enterprise retailers, brands, suppliers and distributors, automating the entire process from discovery to delivery.

This transaction is highly strategic for both buyer and seller, unlocking new growth opportunities on both sides. For Virtualstock, the integration with Logicbroker's complementary product suite provides the scale and resources for accelerated international expansion, particularly into the US market. For the buyer, acquiring Virtualstock meant gaining access to innovative technology and deep domain expertise in European e-commerce.

Bringing Virtualstock and Logicbroker together creates a global leader for the world's largest retailers and brands to support their multi-party commerce orchestration needs.

Combined, they form one of the largest international dropship supplier networks with more than 15,000 retail and brand partners worldwide, with a GMV of over \$13 billion.

In reflecting on his experience working with FirstCapital, Ed said *"FirstCapital responded effectively to every challenge, consistently providing trustworthy and sound advice and support. Jason was always available to discuss matters, offering practical solutions and insights whenever needed. Our experience with FirstCapital was overwhelmingly straightforward and positive. Jason, David, and the wider team were excellent collaborators. We enjoyed working with them and achieved a successful outcome, and we would certainly recommend them to founders seeking a strategic exit."*

