



PRESS RELEASE

E-commerce scale-up Dwarfs raises another €30 million in new growth capital

A successful new equity raise (Series B) to acquire & grow online brands across Europe

Amsterdam – November 29, 2022 | European e-commerce scale - up Dwarfs (www.dwarfs.io) has raised over €30 million in new growth capital from new and existing investors, which will be used to fund new acquisitions. The financial reinforcement follows the €30 million debt financing that the company raised in August 2021 to keep up the fast pace of acquisitions.

Demian Beenakker, CEO and co-founder of Dwarfs says “We are very pleased with this successful financing round, Dwarfs is now very well positioned to take advantage of the acquisition opportunities arising in the current e-commerce market. Market conditions changed throughout the year due to rising energy & commodity prices, inflation, the war in Ukraine and the post-covid return of consumers to physical stores. However, against this backdrop, Dwarfs has managed to successfully weather the storm. Our resilience has been rewarded with a successful fundraise through continued investor confidence. Now we find new opportunities arising for well capitalized aggregators to acquire good brands at low prices. As a first- mover in the Benelux and still the only aggregator that, in addition to Amazon, also focuses on Bol.com, Dwarfs is in a great position to take advantage of this”.

In the short term, Dwarfs will also continue to focus on revenue and margin growth of the existing portfolio of 10 brands and c.€40m of revenue acquired so far. Over the past year and a half, the company has developed its own in-house technology, constructing a bespoke operational platform on which all existing brands have now been integrated. This benefits not only the current brands, but also the integration and operation of new acquisitions. The acquisition pipeline is well filled and amounts to approximately €100 million with €10 million in near-term opportunities. According to Beenakker. “We are very confident that we can continue our growth in the coming years. We see that consumers have been gradually returning to online shopping and we expect online retail growth rates to return to pre-covid levels soon. Furthermore, transport costs are now considerably lower than what we saw earlier this year which is already having a positive impact on our margins. Given these wider trends and our successful fundraise, Dwarfs is excellently positioned to benefit from the steady online marketplace growth in Europe projected over the coming decade”.

Beenakker further indicated that, “we are in a strong position where we have our organisation well on track with, amongst other elements, our in-house developed tech platform and centralised European infrastructure allowing us to scale brands efficiently and effectively across Europe. With all this in mind, we are now excited to move quickly on the exciting brands we see in the market targeting niche dominant businesses with an annual net profit of at least €500k”

Dwarfs currently has 35 employees. The online brands that are part of the company include: Amco International, Kristies Kitchen, Litollo, Calmzy , Kalm, Vita5, Hanky , Globetrade24, Gadgy and Dealtraders.

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This press release in the Dutch language is a translation of the message in the English language. In the unlikely event that both language versions deviate from each other, the version in the English language will prevail.

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Note for editors

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About Dwarfs

E-commerce scaleup Dwarfs acquires successful brands on marketplaces such as Bol.com and Amazon with annual turnover between €500,000 and €20 million and are active in the field of home, garden and kitchen (Garden & Outdoor), tools (Tools & Home Improvement) and pets (Pet Supplies). The scale -up does not focus on sellers who trade in products that have high return flows (such as fashion and lifestyle) and that are sensitive to maintenance or repair (such as electronics, smart home and computers).

Dwarfs is the first e-commerce scale-up in the Netherlands that focuses on acquiring and consolidating sellers who are growing fast via the Bol.com partner platform (LVB - Logistics via bol.com) and possibly also doing so in other countries through Amazon (FBA – Fulfillment by Amazon), but at the same time are reaching the limits of their rapid growth. Think of scaling up production, purchasing & logistics, customer care and marketing, which is often accompanied by significant cost increases, including the administrative hassle of international expansion and cross-border sales.

The new growth capital in Dwarfs has been raised by Harlan Capital Partners, Solid Ventures and angel investors. Harlan Capital previously provided growth capital to the American Thrasio, a pioneer in the consolidation battle that is now underway in the American FBA segment.