



DXO
DIGITAL CROSSOVER

WHAT WE DO



INVEST

We invest in companies that have been slow to adapt to the digital economy



TRANSFORM

We transform them digitally: culture, mindset and talent.



ACCELERATE

We accelerate growth and value.

THE PROBLEM



SPEED

The pace of digital change is exponential.



CAPABILITY

Some companies will not be able to adapt to the change.

Those that don't adapt will fail.

OUR SOLUTION

Create a pipeline of companies to invest in that have been slow to adapt to digital change in their industries.

Select companies within our areas of expertise and track record of success:



ECOMMERCE



INTERNET OF THINGS



CONNECTED VEHICLES

Transform these companies digitally.

Accelerate growth and create value.

INVESTMENT THEMES

We invest in three critical digital trends that are shaping the “new economy”. These trends form the basis of our Investment Themes and align well with our capabilities and the investment opportunities we have identified.



ECOMMERCE

The ability to buy and sell products over the internet.



INTERNET OF THINGS

Commercial or consumer products that are connected and exchange data with other devices and systems over the internet.



CONNECTED VEHICLES

Devices inside a car that communicate with each other connecting the driver to the car and through the internet connect the car to other cars and the road infrastructure.

INVESTMENT THEME: ECOMMERCE

WE'RE IN THE GOLDEN AGE OF ECOMMERCE

What started as a trend will become mainstream in the next five years.

Growth will be exponential – accelerated by COVID and will be mostly sustained in a post-COVID world.

B2C ecommerce will lead - with tremendous opportunity in the B2B space as it catches up.

Industries that have yet to fully adopt digital commerce will present themselves as prime opportunities.

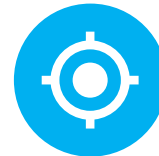


CAPABILITY

Talent with the knowledge required to take advantage of ecommerce opportunities.

Proven history of building successful ecommerce businesses.

Proven track record of businesses we operate today with significantly improved online sales.



OPPORTUNITY

Acquire or build a B2B marketplace solution for a large North American industry that has been slow to adopt digital commerce.

The addressable market size for this industry is \$400B in 2020.

Handful of competitors all in early stages of development have less than three years of experience.

INVESTMENT THEME: INTERNET OF THINGS

THE CLOUD+5G: ACCELERATED GROWTH OF IOT PRODUCTS

The convergence of cloud computing and 5G will significantly accelerate the growth of IOT products.

Growth will be driven by innovations that leverage the marriage of the computational capability of the cloud and the speed and lack of latency of 5G.

Given the speed of growth and change, over the next five years IOT manufacturing supply will not be able to meet demand.

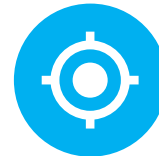


CAPABILITY

Talent and expertise to design, produce and distribute IOT products.

Existing manufacturing capability in Canada and China.

Proven track record of successfully growing an IOT product manufacturing company.



OPPORTUNITY

B2B IOT Market size: \$300B in 2020

Geographic expansion into the United States.

Acquire an available IOT manufacturing facility in California.

Create additional capacity for current and future demand.

INVESTMENT THEME: CONNECTED VEHICLES

THE **TESLA EFFECT** & CONSUMER AUTOMOBILE EXPECTATIONS

The “Tesla Effect” and the advancement of technology in everyday life has dramatically shifted consumer expectations relating to cars.

Connected vehicles with technology driven connectivity, convenience and safety options are now expected as standard features, not luxury options.

To meet the demand for connected vehicles, automotive companies will need to partner with new suppliers that marry technology with the physical aspects of the vehicle.

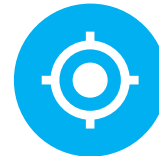


CAPABILITY

The talent and expertise required to build connected solutions for vehicles.

A track record of successfully acquiring and integrating automotive manufacturers.

Experience in leading large automotive supply companies.



OPPORTUNITY

Market size for connected vehicles assemblies: \$225B by 2027, CAGR – 17%.

Acquire two available automotive supply companies: one in Europe and one in Mexico.

Consolidate to gain synergies and create capacity to support the manufacturing of connected vehicles solutions.

DXO PARTNERS



Paul Lacroix

CEO: DXO
Successful Entrepreneur
Business Development Magna



Bob Hakeem

Managing Partner DXO
COO, Walmart CA
SVP, Fidelity US



Peter Schmied

Managing Partner DXO &
President Invotek
Divisional President, Magna



Michael Forhan

Managing Partner DXO &
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Turnaround Lead, PWC



Gino DiGioacchino

Managing Partner DXO &
President CDS
COO & CMO, Walmart CA
Chief Merchant, Home Depot CA



Rod MacIntyre

Managing Partner DXO &
COO Crossover
Head of Supplier Operations, GM
Global

DEAL FLOW



INDUSTRY & PROFESSIONAL RELATIONSHIPS

The networks of our partners are extensive and generate numerous industry leads.



CONSULTING BUSINESS

Our Consulting business – **Crossover** is a great pipeline of IOT products and connected vehicle opportunities.



FINANCIAL ADVISORS & INSTITUTIONS

Our portfolio companies deal with various advisors and financial institutions giving us a broad base to leverage for deal flow.

FUND OVERVIEW



TARGET FUND SIZE

\$200 MILLION USD



LP MINIMUM INVESTMENT

\$10 MILLION USD



GP COMMITMENT

UP TO \$50 MILLION USD



TERM

10 YEARS
(TWO ONE YEAR EXTENSIONS)



INVESTMENT PERIOD

5 – 7 YEARS



MANAGEMENT FEE

2%



PORTFOLIO COMPANY FEE

5%



GP CARRY

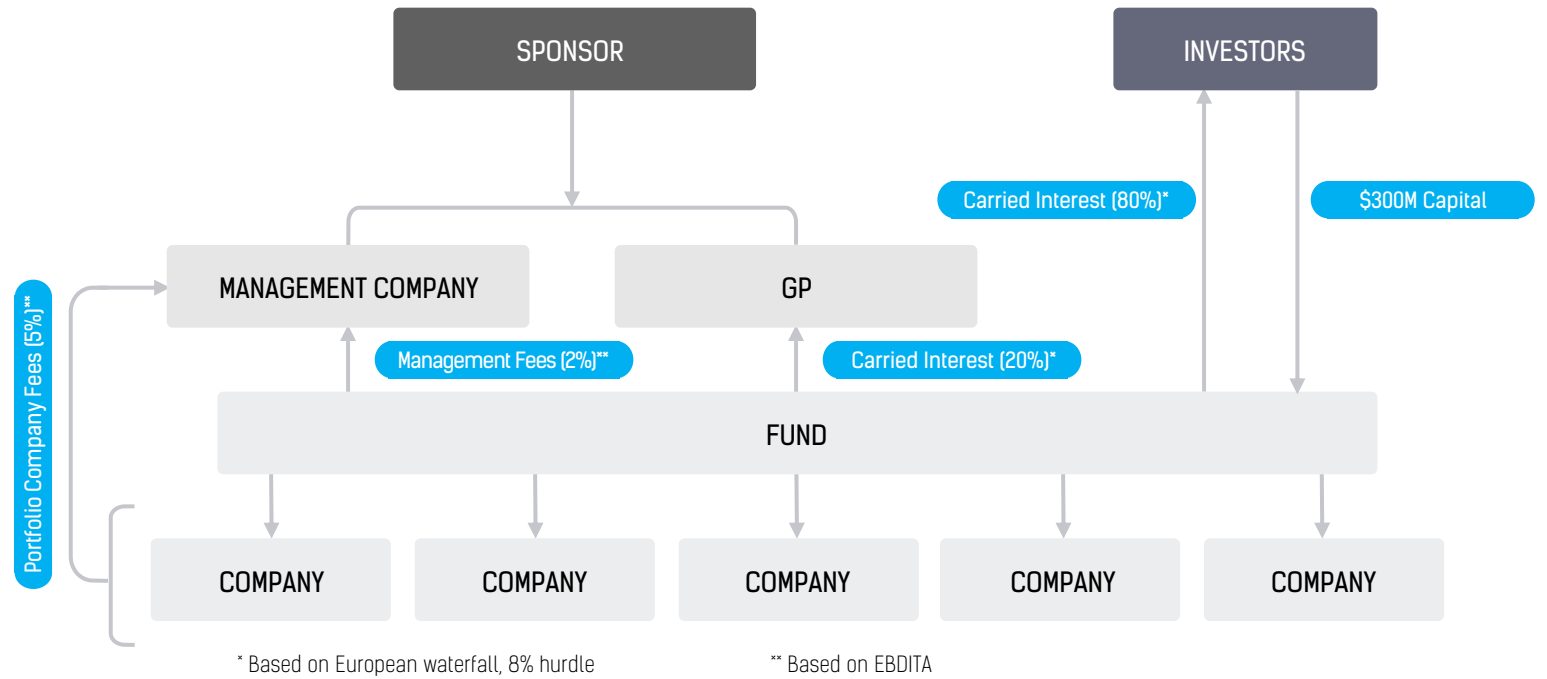
20%



DISTRIBUTIONS

EUROPEAN WATERFALL, 8% HURDLE

ORGANIZATION STRUCTURE



CONTACT

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The logo for DXO, featuring the letters 'D', 'X', and 'O' in a white, sans-serif font. The 'O' is a circle with a diagonal slash through it.

DIGITAL CROSSOVER

HERE'S THE FINE PRINT

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