



PARTS iD, Inc.

August 8, 2022



You Are What You Drive™

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Business Overview

PARTS iD is a **tech-enabled platform** on a mission to transform the **\$400B+** US auto aftermarket and **\$100B+** adjacent complex parts markets

							
CARiD	BOATiD	MOTORCYCLEiD	POWERSPORTSiD	CAMPERiD	RECREATIONiD	TRUCKiD	TOOLiD

16.7M+	18M+	5.6K+	63.2	5.86%	27.6%	37.8%
Avg. Monthly Sessions ⁽¹⁾	Product SKUs in Catalog ⁽²⁾	Active Brands ⁽³⁾	Net Promoter Score ⁽⁴⁾	Return Rate ⁽⁵⁾	Repeat Customer Rate ⁽⁶⁾	Repeat Customer Revenue ⁽⁷⁾

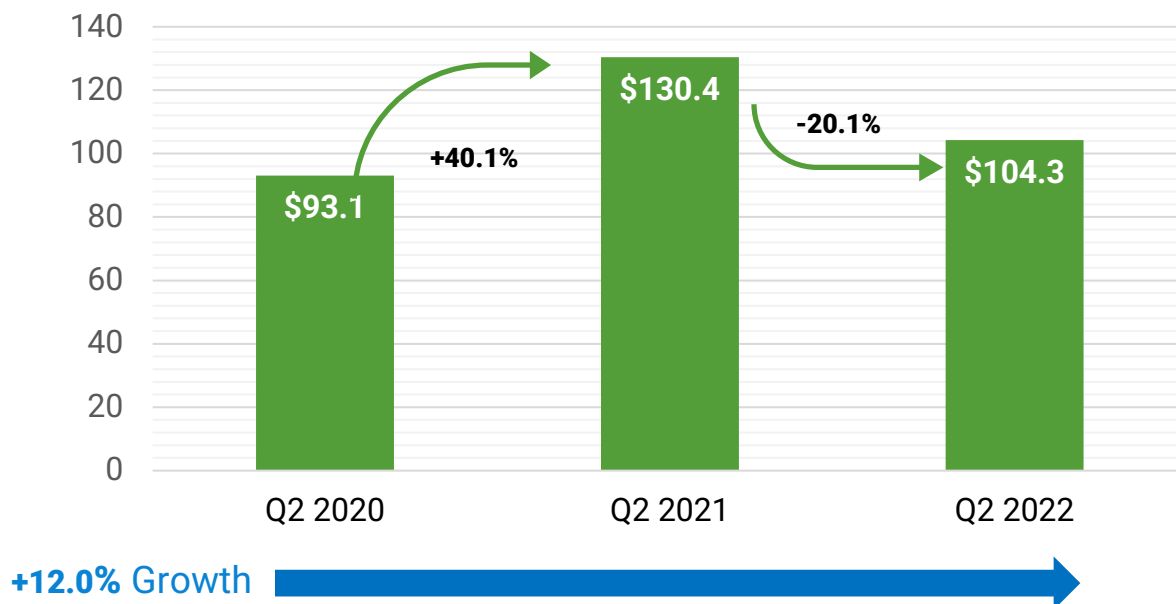
A completely differentiated digital commerce experience facilitated by:

Purpose-built technology for complex, multi-dimensional fitment industries	Comprehensive product database with 14B+ data points powered by AI	Capital-efficient, Just-In-Time (JIT) inventory model with 1,000+ integrated vendor partners
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Source: Company-provided information. | (1) Monthly average in Q2 2022. | (2) Number of SKUs as of June 30, 2022. | (3) Number of active brands as of June 30, 2022 | (4) NPS calculated by the Company for the Q2 2022 period. | (5) Average of April – June 2022 across all verticals | (6) Q2 2022 repeat customers who had made a prior purchase between 2011 – 2022 Q1 | (7) % 2022 Q2 revenue from customers who had made a prior purchase between 2011 – 2022 Q2; also includes repeat revenue from new customers in 2022 Q2 itself, in instances where new customers made multiple purchases in the period.

Difficult Year-Over-Year Comparison but Strong Growth on Multi-Year Basis

Quarterly Revenue (\$ Millions)



KPI	2Q22	2Q21	2Q20
	Year-over-Year change		
Traffic "Sessions"	(15.5)%	(22.06)%	37.95%
Average Order Value (AOV)	10.3%	15.4%	(13.0)%
Website Conversion Rate	(15.4)%	9.2%	25.2%
	Percentage for the Quarter		
Repeat Customers	27.6%	24.3%	19.3%
Revenue from Repeat Customers	37.8%	34.9%	30.3%

Performance Drivers:

- Traffic declined from 2Q21 to 2Q22 due to: no 2022 stimulus, lower discretionary demand punctuated by inflation impacted consumer sentiment and better traffic optimization
- Conversion rate declined from 2Q21 (absence of stimulus lowered demand and low consumer sentiments)
- Increased inflation and shipping charges passed to the customer led to increased AOV
- Significant improvement in 2Q22 repeat customers and revenue from repeat customers over 2Q20

Managing through the Turbulence

Supply Chain Disruption

- Leveraging secondary and tertiary vendors within our extensive vendor network to source products
- Establishing direct relationships with suppliers
- Enhanced the Wheels & Tires geo-sourcing algorithm to improve margin and order-to-delivery time

Decline in New Vehicle Production & Sales

- While Accessories sales have moderated, we are building on the Repair parts momentum as consumers are increasingly choosing to hold onto and repair their existing vehicles rather than wait months and pay over MSRP for new vehicles
- We added approximately 100 new Repair brands and 30 suppliers that did not exist in 2Q21
- Launched a Repair parts house brand 'iD Select' which is now a top 10 Repair brand by revenue
- Original Equipment (OE) revenue increased more than 100% compared to 2Q21

Inflation

- Raising prices judiciously
- Leveraging our extensive catalog of over 18 million products to assist customers who are amenable to trading up or down the value spectrum (i.e., good, better, best) with alternative brands and/or products

Ukraine

- Many key teammates have successfully migrated to other regions and countries
- No physical assets including technology infrastructure are in Ukraine
- While the situation is complex and dynamic, currently moderate impact on operations and productivity
- Business continuity planning and disaster recovery planning underway

Cash Management

- Global reduction in force, optimized advertising investments, right-sizing strategic and nonstrategic spending
- Evaluating opportunities to reduce shipping costs
- Focused on gross margin improvements
- Prudent CapEx decision-making and planning



Financial Overview

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Performance : 2Q22 vs. 1Q22

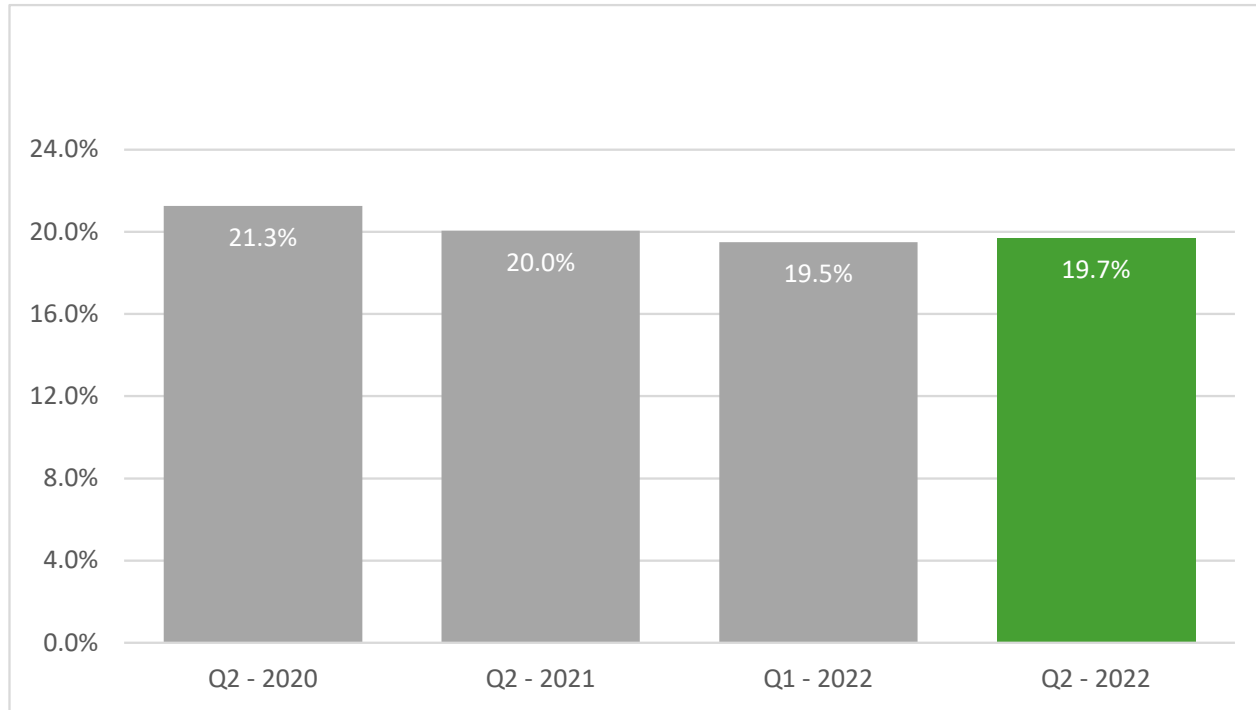
Financial Data			
	2022-Q1	2022-Q2	Improvement
Revenue, net	94,892,148	104,257,478	9,365,330
Operating loss	(4,834,253)	(937,748)	3,896,506
Adjusted EBITDA	(1,700,423)	1,340,899	3,041,323

Adjusted EBITDA Reconciliation	
Adjusted EBITDA for 2022-Q1	\$ (1,700,423)
Increase in Gross profits due to increased Revenue	1,825,278
Increase in Gross profits due to improved gross margin %	263,725
Increase in advertising expenses due to increased revenue	(957,464)
Advertising expense savings due to advertising cost optimization	1,221,099
Decrease in Public company cost	175,148
Decrease in Other SG&A	508,791
Change in Legal & settlement expenses adjustment	5
Adjusted EBITDA for 2022-Q2	\$ 1,340,899

- Revenue increased from 1Q22 in a challenging environment
- Operating loss significantly decreased due to increased revenues, gross margins, advertisement optimization and other SG&A initiatives
- Normalized operating cash flows as measured by Adjusted EBITDA improved by \$3M to \$1.3 million in 2Q22 from \$(1.7) million in 1Q22
- Cost reductions implemented at end of 2Q22 are projected to yield \$12 million in annualized savings

Note: Numbers may not add due to rounding.

Gross Margin



- Gross Margin impacted by a change in the product category mix and supply chain constraints impacting product availability which led to alternate sourcing of products
- While the supply chain challenges persist, we have taken initiatives to positively impact Gross Margin
- Margins increased in the Adjacent Verticals by 23.5% and by 11.4% in Repairs and OE parts when comparing 2Q22 vs. 2Q21
- Margin initiatives reflected in the improvement in Gross Margin from 1Q22

Balance Sheet & Cashflow Highlights

Balance Sheet Data (\$ in millions)		
As at	June 30, 2022	March 31, 2022
Cash	\$7.3	\$15.8
Other current assets	14.0	14.6
Net PP&E & Intangibles	14.3	14.3
Other non-current assets	5.0	4.5
Total	\$40.7	\$49.3
Customer deposits/deferred revenue	10.8	17.9
Other Current liabilities	46.1	47.3
Non-Current liabilities	0.7	0.4
Shareholders deficit	(17.0)	(16.4)
Total	\$40.7	\$49.3

Free Cash Flow (\$ in millions)				
	For the three months ended		For the six months ended	
	March 31, 2022	June 30, 2022	June 30, 2022	June 30, 2021
Net cash profits/(loss) from operations	\$(1.8)	\$1.0	\$(0.8)	\$4.9
Changes in Net working Capital	(3.8)	(7.7)	(11.5)	4.2
Total : Net cash (used in)/provided by operating activities	(5.5)	(6.7)	(12.3)	9.1
Purchase of property and equipment (net) & intangibles	(0.0)	(0.0)	(0.0)	(0.3)
Website and software development costs	(1.8)	(1.7)	(3.6)	(3.6)
Total	\$(7.4)	\$(8.5)	\$(15.9)	\$5.2

- Zero Debt
- Decreased customer deposit over December 2021 due to lower revenue and reduction in average unshipped and undelivered days from 11.6 to 9.6 days
- Net cash profits for the three months ended June 30, 2022, was \$1.0M compared to net cash loss of \$1.8M in the three months ended March 31, 2022
- Since June 2022, the Company implemented reductions in both operating and capital expenditures that are intended to stop the cash burn and achieve approximately \$12 million in annualized savings.

Note: Numbers may not add due to rounding.



Looking Ahead

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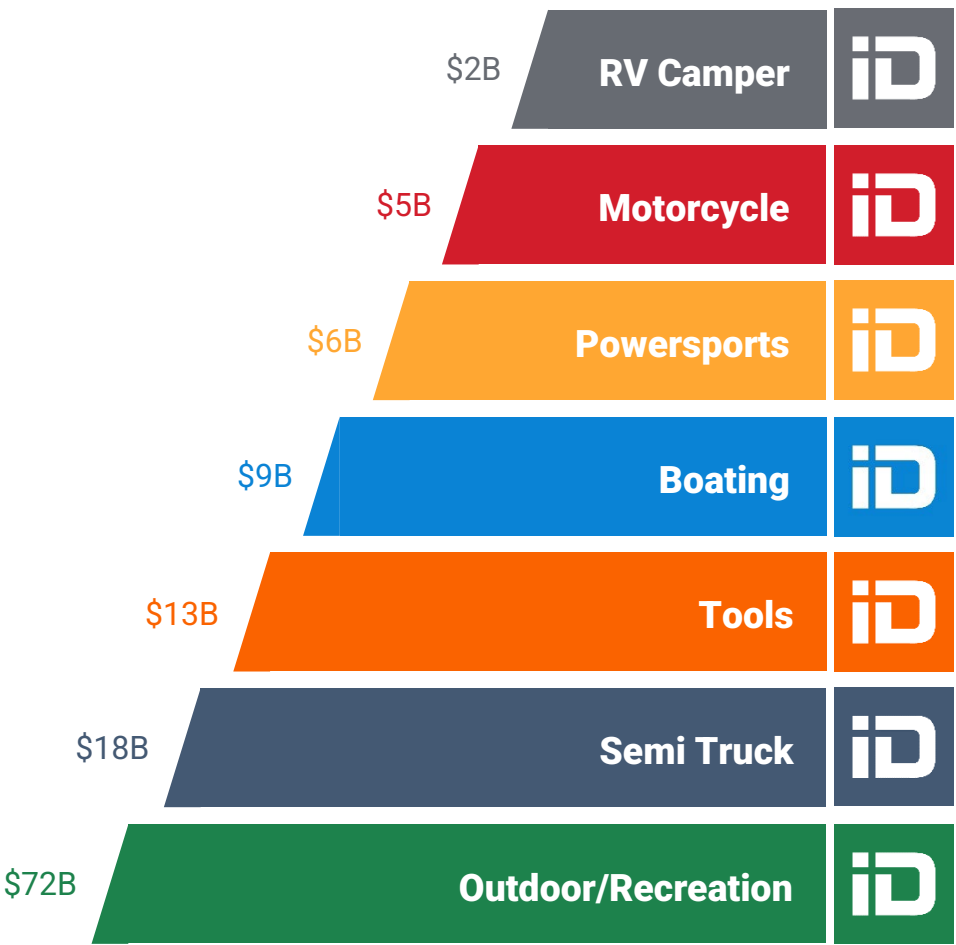
Substantial runway for growth

Massive Automotive Market Opportunity



PARTS iD Core Market PARTS iD Aggregate Automotive Opportunity

\$100B+ Additional Enthusiast Market Opportunity ⁽³⁾



(1) 2022 forecast published by Hedges Company based on Auto Care Association/AASA Channel Forecast Model; | (2) SEMA; reflects 2020 market data. | (3) Outdoor Industry Association, IBIS World, Global Market Insights, Technavio, Freedonia, National Marine Manufacturers Association (2) 52% of specialty-equipment is sold online, 48% sold in physical locations (SEMA; reflects 2020 market data).

Market Tailwinds

eCommerce Automotive Aftermarket Growth

- U.S. automotive parts eCommerce market share is projected at over \$22 billion by 2023 up from \$16 billion in 2020 ⁽¹⁾

Specialty Equipment Retail Sales Growth

- Sales of specialty-equipment parts reached a new high in 2021, increasing to \$50.9 billion in retail sales for the first time in history – up from \$47.9 billion in 2020 ⁽²⁾
- This segment of the industry is forecast to grow to \$55 billion by 2024 from \$48 billion in 2020 ⁽²⁾

Miles Driven Rebounded

- Vehicle miles traveled rebounded to pre-pandemic levels since mid-2021; this is driving strong demand for repair and maintenance products
- Cumulative Travel for 2022 changed by +3.8% (+47.8 billion vehicle miles) ⁽³⁾

Adjacent Verticals (Recreational Vehicles)

- The global powersports market is projected to grow from \$8.76 billion in 2020 to \$12.75 billion in 2027 at a CAGR of 5.5% ⁽⁴⁾
- The North American RV market was valued at \$26.7 billion in 2020 and is anticipated to reach \$35.7 billion by 2026, at a CAGR of about 5% ⁽⁵⁾
- As of early January, NMMA is projecting new boat sales to surpass 2021 totals by as much as 3% ⁽⁶⁾

Accelerating EV Adoption

- Electric vehicle sales are accelerating in the US; while it took almost 8 years for Americans to buy their first million EVs, it took just 2.5 years to reach the next million in sales ⁽⁷⁾
- U.S. EV sales are expected to increase to 26% by 2035 ⁽⁸⁾
- While EV is growing, gas vehicles still represent approximately 280 million vehicles currently on the road ⁽²⁾

(1) Hedges & Company | (2) SEMA US Market Data & Reports | (3) U.S. Department of Transportation | (5) National Marine Manufacturers Association | (4) Fortune Business Insights | (5) Mordor Intelligence | (6) National Marine Manufacturers Association | (7) Argonne National Laboratory, Light Duty Electric Drive Vehicles Monthly Sales Update | (8) SEMA Market Research Forecasts and Estimates

Executing on our Plan

We're orienting the business to succeed across each of these dimensions through a technology-first approach and investing accordingly, positioning our platform to adapt to the ebbs and flows in the macro environment.

AFTERMARKET REPAIR & OE

- Added approximately 100 new Repair brands and 30 new suppliers
- Launched our private label Repair brand 'iD Select'
- OE revenue increased over 100% y/y

ADJACENT VERTICALS

- Launched 'ARC Moto Gear', the first in-house brand for a vertical outside of CARiD.com
- Established 8 direct relationships with suppliers in Camper/RV vertical
- Onboarded nearly 30 new brands across 4 of these verticals as part of a growing vendor partnership

CUSTOMER ACQUISITION & RETENTION

- Piloted and scaled new advertising campaign types with automation technologies across bidding, targeting & budget optimization.
- Launched new email subscriber acquisition program
- Repeat customer rate increased 13.5% to 27.6% and repeat customer revenue increased 8.3% to 37.8%

PRICING & PROFIT OPTIMIZATION

- Margins increased in the Adjacent Verticals by 23.5% and by 11.4% in Repairs and OE parts when comparing 2Q22 vs. 2Q21.
- Overall margin increased 20 bps vs. 1Q22
- Data-driven repricing

Strategic Vision





Q&A



You Are What You Drive™

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