

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): November 2, 2023

PARTS iD, Inc.
(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38296
(Commission File Number)

81-3674868
(IRS Employer
Identification No.)

1 Corporate Drive
Suite C
Cranbury, New Jersey 08512
(Address of Principal Executive Offices, including Zip Code)

(609) 642-4700
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of exchange on which registered
Class A Common Stock	ID	NYSE American

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry Into a Material Definitive Agreement.

On November 2, 2023, PARTS iD, Inc., a Delaware corporation (the "Company") entered into a Note Purchase Agreement (the "Purchase Agreement") whereby the Company agreed to issue and sell to 2642186 Ontario Inc. ("Ontario"), in a private placement, a junior secured promissory note in the aggregate principal amount of \$1,000,000 (the "Note"). The Note bears interest at the rate of 7.75% per annum, compounded semi-annually, and matures on November 2, 2024.

The Note is (A) secured by a junior security interest in any potential proceeds from the Company's currently pending litigation matters (i) in the District of Massachusetts and captioned as Parts iD, Inc. v. ID Parts, LLC (Case No. 1:20-cv-1253-RWZ) and (ii) in the District of New Jersey and captioned as Onyx Enterprises, Int'l Corp. v. Volkswagen Group of America, Inc. (Case No. 20-9976) (collectively, the "Litigation") and (B) strictly subordinated in right of payment to the prior payment in full of all of the Litigation funding provided by Pravati Capital, LLC to the Company pursuant to that certain Litigation Funding Agreement, dated as of September 29, 2023. The Note also provides that the Company and Ontario intend for the Note to be an emergency loan advance to bridge the Company to a possible debtor-in-possession financing facility and for such advance to be included as part of that facility (if and when applicable).

The Company intends to use the proceeds from the issuance of the Note for working capital purposes and the repayment of current indebtedness.

The Note was issued by the Company in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act and has not been registered under the Securities Act.

The foregoing descriptions of the Purchase Agreement and the Note thereby are not complete and are subject to, and qualified in their entirety by reference to, the full

text of the Purchase Agreement and the form of Note, which are included as Exhibits 10.1 and 10.2 to this Current Report on Form 8-K, respectively, and are incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are filed as part of this report:

Exhibit No.	Description
10.1	Note Purchase Agreement, dated as of November 2, 2023, by and between the Company and 2642186 Ontario Inc.
10.2	Form of Junior Secured Promissory Note, dated as of November 2, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PARTS ID, INC.

Date: November 8, 2023

By: /s/ Lev Peker

Name: Lev Peker

Title: Chief Executive Officer

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Note Purchase Agreement

This NOTE PURCHASE AGREEMENT (this “**Agreement**”) is made as of the 2nd day of November, 2023 (the “**Effective Date**”) by and among PARTS iD, Inc., a Delaware corporation (the “**Company**”), and the purchaser listed on Exhibit A attached hereto (the “**Purchaser**”, and individually, a “**Purchaser**”). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Note (as defined below).

RECITALS

Subject to the terms of this Agreement, the Purchaser (i) has advanced loans to the Company in the amount of Five Hundred Thousand Dollars (\$500,000) on October 9, 2023, subject to the continued negotiation of definitive agreements between the Company and the Purchaser and (ii) now desires to advance loans (the “**Loans**”) to the Company in the amount of Five Hundred Thousand Dollars (\$500,000), and the Company desires to borrow from the Purchaser up to a total aggregate principal amount of One Million Dollars (\$1,000,000), evidenced by a junior secured promissory note, the form of which is attached hereto as Exhibit B (the “**Note**”).

The parties hereby agree as follows:

1. Amount and Terms of the Note.

1.1 The Closing. The closing of the purchase and sale of the Note (the “**Closing**”) shall be held on the Effective Date or at such other time as the Company and the Purchaser have mutually agreed upon (the “**Closing Date**”).

1.2 At the Closing, with respect to the Purchaser, (i) the Purchaser will deliver to the Company wire transfer funds in the amount of the sum of the Purchaser’s Loan Amount, as set forth next to the Purchaser’s name on Exhibit A attached hereto; and (ii) the Company shall issue and deliver to the Purchaser a Note in favor of the Purchaser in the principal amount of the Purchaser’s Loan Amount.

2. Representations, Warranties and Covenants of the Company.

The Company hereby represents and warrants to the Purchaser that the following representations and warranties are true and complete as of the Effective Date and the Closing Date, except as otherwise indicated:

2.1 Organization; Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as presently conducted and as proposed to be conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a material adverse effect on the business, assets (including intangible assets), liabilities, financial condition, property or results of operations of the Company.

2.2 Capitalization.

(a) As of June 30, 2023, the authorized capital of the Company consists of:

(i) 110,000,000 shares of common stock, \$0.0001 par value per share, including 100,000,000 shares of Class A common stock (the “**Common Stock**”) and 10,000,000 shares of Class F common stock, with 34,825,971 shares of Class A common stock and no shares of Class F common stock issued and outstanding immediately prior to the Effective Date. All of the outstanding shares of common stock have been duly authorized, are fully paid and nonassessable and were issued in compliance with all applicable federal and state securities laws. The Company holds no common stock in its treasury; and

(ii) 1,000,000 shares of preferred stock, \$0.0001 par value per share, none of which are outstanding immediately prior to the Effective Date.

(b) As of immediately prior to the Effective Date, the Company has reserved:

(i) 3,212,078 shares of Common Stock for future issuance to officers, directors, employees, consultants and advisors of the Company pursuant to its 2020 Equity Incentive Plan duly adopted by the board of directors (the “**Board of Directors**”) and approved by the Company’s stockholders, of which 2,580,445 shares of Common Stock are subject to outstanding equity awards; and

(ii) 2,043,582 shares of Common Stock for future issuance to officers and employees of the Company pursuant to its 2020 Employee Stock Purchase Plan duly adopted by the Board of Directors and approved by the Company’s stockholders.

2.3 Subsidiaries. Except as set forth on Schedule 2.3 attached hereto, the Company does not currently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association, or other business entity. The Company is not a participant in any joint venture, partnership or similar arrangement.

2.4 Corporate Power. The Company has all requisite corporate power to execute and deliver this Agreement and the Note and any other document provided for herein or by any of the foregoing (collectively, as the same may from time to time be amended, modified, supplemented or restated, the “**Loan Documents**”) and to carry out and perform its obligations under the terms of the Loan Documents.

2.5 Authorization. All corporate action on the part of the Company, its directors and its stockholders necessary for the authorization, execution, delivery and performance of the Loan Documents by the Company and the performance of the Company’s obligations thereunder, including the authorization for the issuance and delivery of the Note, has been taken or will be taken prior to the issuance of such equity securities. The Loan Documents, when executed and delivered by the Company, shall constitute valid and binding obligations of the Company enforceable in accordance with their terms, subject to laws of general application relating to equitable principles, bankruptcy, insolvency, the relief of debtors and, with respect to rights to indemnity, subject to federal and state securities laws. The issuance of the Note (and the underlying securities) pursuant to the provisions of this Agreement will not give rise to any preemptive rights or rights of first refusal granted by the Company, and the Note (and the underlying securities) will be issued in compliance with all applicable federal and state securities laws, and will be free of any liens or encumbrances, other than any liens or encumbrances created by or imposed upon the holders through no action of the Company; provided, however, that the Note may be subject to restrictions on transfer under state and/or federal securities laws as set forth herein or as otherwise required by such laws at the time the transfer is proposed.

2.6 Offering. Assuming the accuracy of the representations and warranties of the Purchaser contained in Section 3 hereof, the offer, issue, and sale of the Note is and will be exempt from the registration and prospectus delivery requirements of the Securities Act of 1933, as amended (the “**Securities Act**”), and have been registered or qualified (or are exempt from registration and qualification) under the registration, permit, or qualification requirements of all applicable state securities laws.

2.7 Compliance with Other Instruments. Neither the authorization, execution and delivery of this Agreement, nor the issuance and delivery of the Note will constitute or result in a default or violation of (a) any law or regulation applicable to the Company, (b) any term or provision of the Company's certificate of incorporation or bylaws, as each may be amended and/or restated from time to time, or (c) any provision of any mortgage, indenture or contract to which it is a party and by which it is bound or of any judgment, decree, order or writ, other than, with respect to clauses (a) and (c), such violations that would not individually or in the aggregate have a material adverse effect on the Company. The execution, delivery and performance of the Loan Documents, and the consummation of the transactions contemplated by the Loan Documents, will not result in any such violation or be in conflict with, or constitute, with or without the passage of time and giving of notice, either a default under any such provision, instrument, judgment, decree, order or writ or an event that results in the creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, impairment, forfeiture, or nonrenewal of any material permit, license, authorization or approval applicable to the Company, its business or operations or any of its assets or properties.

2.8 Governmental Consents. All consents, approvals, orders, or authorizations of, or registrations, qualifications, designations, declarations, or filings with, any governmental authority, required on the part of the Company in connection with the valid execution and delivery of this Agreement, the offer, sale or issuance of the Note or the consummation of any other transaction contemplated hereby shall have been obtained and will be effective at such time as required by such governmental authority, except for filings pursuant to applicable state and federal securities laws, which have been made or will be made in a timely manner.

2.9 Compliance with Laws. The operations of the Company have been conducted in material compliance with all applicable laws, including, without limitation, all applicable laws promulgated by any governmental authority of competent jurisdiction. The Company has not received written notice of any violation (or of any investigation, inspection, audit, or other proceeding by any governmental authority involving allegations of any material violation) of any applicable law, and to the knowledge of the Company, no investigation, inspection, audit, or other proceeding by any governmental authority involving allegations of any violation of any applicable law has been threatened.

2.10 Litigation. Except as set forth on Schedule 2.10, (A) there is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or to the Company's knowledge, currently threatened (i) against the Company or any officer or director of the Company, or (ii) to the Company's knowledge, that questions the validity of this Agreement, the Note, or the Loan Documents or the right of the Company to enter into them, or to consummate the transactions contemplated by this Agreement, the Note, or the Loan Documents, or (iii) to the Company's knowledge, that would reasonably be expected to have, either individually or in the aggregate, a material adverse effect on the Company; (B) neither the Company nor, to the Company's knowledge, any of its officers or directors is a party or is named as subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality (in the case of officers or directors, such as would affect the Company); and (C) there is no action, suit, proceeding or investigation by the Company pending or which the Company intends to initiate. The foregoing includes, without limitation, actions, suits, proceedings or investigations pending or threatened in writing (or any basis therefor known to the Company) involving the prior employment of any of the Company's employees, their services provided in connection with the Company's business, any information or techniques allegedly proprietary to any of their former employers or their obligations under any agreements with prior employers.

2.11 Intellectual Property. Except as set forth on Schedule 2.11, (i) the Company (A) solely and exclusively owns, free and clear of all liens or encumbrances, all right, title and interest in and to any and all trademarks, service marks, domain names, inventions, know how, patents, copyrights, works of authorship, trade secrets, confidential information, software, and other intellectual property (collectively, "**Intellectual Property**") that the Company purports to own (collectively, "**Owned IP**") and (A) owns or has a valid license to use, sell, or license, as the case may be, all other Intellectual Property and information technology rights, systems, and assets (collectively, "**IT Systems**") used in or necessary to conduct its business as currently conducted and proposed to be conducted and none of the foregoing will be adversely impacted by the execution or delivery of this Agreement or the consummation of the transactions contemplated hereby; (ii) the Company and the conduct of the Company's business (including its products and services) did not and do not infringe, misappropriate, or otherwise violate the Intellectual Property rights of any third party nor constitute unfair competition or trade practices and the Company has not received any written notices (including offers to license) and there are no claims, actions or proceedings pending (or to the knowledge of the Company, threatened), in each case, alleging any of the foregoing or contesting the ownership, use, validity, or enforceability of any Owned IP; (iv) to the knowledge of the Company, no third party has infringed, misappropriated or otherwise violated any Owned IP; (v) the Company takes reasonable steps to maintain, police and protect all Owned IP and the confidentiality of all of its IT Systems and its confidential information and trade secrets, all of which have been maintained in confidence and have not been disclosed other than pursuant to written non-disclosure and confidentiality agreements; and (iv) all source code for any proprietary Company software is in the Company's sole possession and maintained as strictly confidential.

3. Representations and Warranties of the Purchaser.

The Purchaser hereby represents and warrants to, and agrees with, the Company that the following is true and complete as of the Effective Date and the Closing Date:

3.1 Purchase for Own Account. The Purchaser understands that the Note has not been registered under the Securities Act on the basis that no distribution or public offering of the stock of the Company is to be effected. The Purchaser realizes that the basis for the exemption may not be present if, notwithstanding its representations, the Purchaser has a present intention of acquiring the Note for a fixed or determinable period in the future, selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the Note. The Purchaser represents that it is acquiring the Note solely for its own account and beneficial interest for investment and not for sale or with a view to distribution of the Note or any part thereof, has no present intention of selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the same, and does not presently have reason to anticipate a change in such intention.

3.2 Information and Sophistication. Without lessening or obviating the representations and warranties of the Company set forth in Section 2, the Purchaser hereby: (i) acknowledges that it has received all the information it has requested from the Company and it considers necessary or appropriate for deciding whether to acquire the Note, (ii) represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Note and to obtain any additional information necessary to verify the accuracy of the information given to the Purchaser and (iii) further represents that it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risk of this investment.

3.3 Ability to Bear Economic Risk. The Purchaser acknowledges that investment in the Note involves a high degree of risk, and represents that it is able, without materially impairing its financial condition, to hold the Note for an indefinite period of time and to suffer a complete loss of its investment.

3.4 Accredited Investor Status. The Purchaser is an "Accredited Investor" as such term is defined in Rule 501 under the Securities Act.

4. Events of Default; Remedies.

4.1 Events of Default. Each of the following shall constitute an event of default (each, an **“Event of Default”**) under this Agreement and the other Loan Documents:

(a) The Company shall fail to pay (i) when due any principal or interest payment on the due date hereunder or (ii) any other payment required under the terms of the Note or any other Loan Documents on the date due and such payment shall not have been made within five (5) days of the Company’s receipt of the Purchaser’s written notice to the Company of such failure to pay;

(b) Any representation or warranty made by the Company in any of the Loan Documents shall prove, when given, to be false or misleading in any material respect;

(c) The Company shall fail to observe or perform any other covenant, obligation, condition or agreement contained in the Loan Documents (other than those specified in Section 4.1(a)) and (i) such failure shall continue for 15 days, or (ii) if such failure is not curable within such 15-day period, but is reasonably capable of cure within 30 days, either (A) such failure shall continue for 30 days or (B) the Company shall not have commenced a cure in a manner reasonably satisfactory to the Purchaser within the initial 15-day period;

(d) The Company files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any general assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing;

(e) An involuntary petition is filed against the Company (unless such petition is dismissed or discharged within thirty (30) days) under any bankruptcy statute now or hereafter in effect, or a custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of the Company; or

(f) The Company’s stockholders or Board of Directors affirmatively vote to liquidate, dissolve, or wind up the Company or the Company otherwise ceases to carry on its ongoing business operations.

4.2 Remedies. Upon the occurrence of any Event of Default and while it is continuing, all unpaid principal on the Note, accrued and unpaid interest thereon and all other amounts owing under any of the Loan Documents shall, at the option of the Purchaser, and, upon the occurrence of any Event of Default pursuant to Section 4.1(d), (e) or (f) above, automatically, be immediately due, payable and collectible by the Purchaser pursuant to applicable law. In the event of any Event of Default, the Company shall pay all reasonable attorneys’ fees and costs incurred by the Purchaser in enforcing its rights under the Note and the other Loan Documents and collecting any amounts due and payable under the Note. No right or remedy conferred upon or reserved to the Purchaser under this Agreement is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now and hereafter existing under applicable law.

5. Conditions to Closing.

5.1 Conditions to Purchasers’ Obligations at the Closing. The obligations of the Purchaser under the Loan Documents are subject to the fulfillment on or before each Closing of each of the following conditions, which may be waived in writing by the Purchaser:

(a) Representations and Warranties. The representations and warranties of the Company contained in Section 2 shall be true in all material respects on and as of each Closing with the same effect as though such representations and warranties had been made on and as of the date of the Closing.

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(b) Performance. The Company shall have performed and complied in all material respects with all agreements, obligations, and conditions contained in the Loan Documents that are required to be performed or complied with by it on or before the Closing.

(c) Qualifications. All authorizations, approvals, or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Note shall be duly obtained and effective as of the Closing.

(d) Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing and all documents incident thereto shall be reasonably satisfactory in form and substance to the Purchaser’s counsel, which shall have received all such counterpart original and certified copies of such documents as it may reasonably request.

(e) Loan Documents. The Company shall have duly executed and delivered to the Purchaser the following documents:

(i) This Agreement; and

(ii) The Note issued hereunder.

5.2 Conditions to Obligations of the Company. The obligations of the Company under the Loan Documents are subject to the fulfillment on or before the Closing of each of the following conditions, which may be waived in writing by the Company:

(a) Representations and Warranties. The representations and warranties made by the Purchaser in Section 3 shall be true on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the date of the Closing.

(b) Qualifications. All authorizations, approvals, or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Note shall be duly obtained and effective as of the Closing.

(c) Purchase Price. The Purchaser shall have delivered to the Company the Loan Amount (as set forth on Exhibit A attached hereto) in respect of the Note.

6. Miscellaneous.

6.1 Binding Agreement. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, expressed or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

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6.2 Governing Law. The terms of this Agreement shall be construed in accordance with the laws of the State of Delaware, as applied to contracts entered into by Delaware residents within the State of Delaware, and to be performed entirely within the State of Delaware.

6.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, (c) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt or (d) when transmitted by facsimile or electronic mail and receipt is acknowledged during normal business hours, and if not, the next business day after transmission.

6.6 Amendment; Modification; Waiver. No amendment, modification or waiver of any provision of this Agreement or consent to departure therefrom shall be effective unless in writing and approved by the Company and the Purchaser. Any amendment or waiver effected in accordance with this Section 6.6 shall be binding upon the Purchaser and/or holder of any Note at the time outstanding, each future holder of such securities, and the Company.

6.7 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

6.8 Entire Agreement. This Agreement, the Exhibits hereto, and the Loan Documents constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable or bound to any other party in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein and therein.

6.9 Finder's Fee. The Purchaser shall not be obligated for any finder's fee in connection with this transaction.

6.10 Expenses. The Company and the Purchaser shall pay their own costs and expenses incurred with respect to the negotiation, execution, delivery and performance of this Agreement.

[SIGNATURE PAGE TO FOLLOW]

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IN WITNESS WHEREOF, the parties hereto have executed this Note Purchase Agreement as of the day and year first written above.

COMPANY:

PARTS ID, INC.

By: /s/ John Pendleton

Name: John Pendleton

Title: Executive Vice President, Legal & Corporate Affairs

PURCHASER:

2642186 ONTARIO INC.

By: /s/ Matthew Kurtin

Name: Matthew Kurtin

Title: Authorized Signatory

SCHEDULE 2.3

PARTS ID, LLC, a Delaware limited liability company

SCHEDULE 2.10

The information described under the heading "Legal Matters" in Note 7 to the Company's Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed with the SEC on April 17 2023, is incorporated herein by reference.

SCHEDULE 2.11

Pursuant to the terms of that certain (i) the Security Agreement, by and among the Company and Lind Global Fund II LP (“Secured Party”), (ii) the Security Agreement, by and between PARTS iD, LLC and the Secured Party, (iii) the Pledge Agreement, by and between the Company and the Secured Party and (iv) the Trademark Security Agreement, by and between PARTS iD, LLC and the Secured Party, the Company has granted a senior security interest in all of Company’s right, title, and interest in, to and under all of Company’s property (inclusive of intellectual property), subject to certain exceptions as set forth in such agreements.

The junior secured convertible promissory notes (the “March 2023 Notes”) issued by the Company to certain investors on March 6, 2023 are secured by a junior security interest in all of the Company’s right, title, and interest in and to all of the Company’s assets, subject to the subordination provisions contained in the March 2023 Notes and those certain subordination agreements, dated as of July 14, 2023, entered into between the Secured Party and the holders of March 2023 Notes and July 2023 Notes (as defined below) (the “Subordination Agreements”).

The junior secured convertible promissory notes (the “July 2023 Notes”) issued by the Company to certain investors on July 13, 2023 are secured by a junior security interest in all of the Company’s right, title, and interest in and to all of the Company’s assets, subject to the subordination provisions contained in the July 2023 Notes and the Subordination Agreements.

The junior secured convertible promissory note (the “October 2023 Note”) issued by the Company to Lev Peker, the Chief Executive Officer and a director of the Company, are secured by a junior security interest in all of the Company’s right, title, and interest in and to all of the Company’s assets, subject to the subordination provisions contained in the October 2023 Note and the Subordination Agreement, as amended.

That certain (i) Purchase and Sale of Future Receivables Agreement, dated as of September 11, 2023, by and between the Company and Riverside Capital NY and (ii) Standard Merchant Cash Advance Agreement, dated as of September 11, 2023, by and between the Company and WAVE ADVANCE INC, are secured by a junior security interest in the future receivables and other related collateral under the Uniform Commercial Code in accounts and proceeds of the Company, subordinated to the indebtedness incurred under that certain Securities Purchase Agreement, dated as of July 14, 2023, by and between the Company and the Secured Party, as amended.

That certain Litigation Funding Agreement, dated as of September 29, 2023, by and among the Company, PARTS iD, LLC and Pravati Investment Fund VI LP acting through Pravati Capital, LLC, is secured by a first priority security interest in and to all the proceeds from the Company’s currently pending litigation matters (i) in the District of Massachusetts and captioned as Parts iD, Inc. v. ID Parts, LLC (Case No. 1:20-cv-1253-RWZ) and (ii) in the District of New Jersey and captioned as Onyx Enterprises, Int’l Corp. v. Volkswagen Group of America, Inc. (Case No. 20-9976).

EXHIBIT A

SCHEDULE OF PURCHASERS

NAME	LOAN AMOUNT
2642186 Ontario Inc.	\$ 1,000,000
Total	\$ 1,000,000

EXHIBIT B

**FORM OF JUNIOR SECURED
PROMISSORY NOTE**

THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE. NO SALE OR DISPOSITION MAY BE EFFECTED EXCEPT IN COMPLIANCE WITH RULE 144 UNDER THE ACT OR AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN APPLICABLE EXEMPTION THEREFROM.

JUNIOR SECURED PROMISSORY NOTE

\$1,000,000

November 2, 2023

For value received, PARTS iD, Inc., a Delaware corporation ("Company"), hereby promises to pay to the order of 2642186 Ontario Inc. ("Purchaser"), the principal sum of One Million Thousand Dollars (\$1,000,000) with interest accruing on the outstanding principal amount of this junior secured promissory note (this "Note") at the rate of seven and three-fourths percent (7.75%) per annum, compounded semi-annually, computed on the actual number of days elapsed based on a 365-day year. Interest shall commence with the date hereof and shall continue accruing on the outstanding principal until paid in full. All payments on this Note shall be made by wire transfer of immediately available funds or as otherwise determined by the Company to such account as the Purchaser may from time to time designate by written notice in accordance with the provisions of this Note.

1. Payment; Maturity.

1.1 This Note is a junior secured promissory note (the "Note") issued pursuant to the terms of that certain Note Purchase Agreement, dated as of November 2, 2023, by and among the Company and the Purchaser, as the same may be amended from time to time (the "Purchase Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Purchase Agreement or other Loan Documents (as defined in the Purchase Agreement).

1.2 All payments of interest and principal in cash shall be in lawful money of the United States of America. All payments shall be applied first to unpaid accrued interest, and thereafter to principal of this Note. If any payments on this Note become due on a Saturday, Sunday or a public holiday under the laws of the State of Delaware, such payment shall be made on the next succeeding business day and such extension of time shall be included in computing interest in connection with such payment. Upon an Event of Default, all amounts of outstanding principal and accrued but unpaid interest of this Note shall be payable in accordance with Section 5 below. If not repaid in full, the outstanding principal and the accrued but unpaid interest of this Note (the "Note Amount") shall become fully due and payable upon November 2, 2024 (such date, the "Maturity Date").

2. Security Interest. As security for the payment and performance of the obligations representing the indebtedness evidenced by this Note, the Company hereby grants to Purchaser a junior security interest in the proceeds from the Existing Commercial Tort Claim (as defined in that certain Security Agreement, dated July 14, 2023, by and between the Company and Lind Global Fund II LP (the "Senior Lender")) up to an aggregate amount equal to the Note Amount (the "Junior Security Interest"). The Junior Security Interest granted to Purchaser hereunder shall be subordinate to and shall rank in right and priority behind the security interest in the proceeds of the Existing Commercial Tort Claim granted to Pravati Capital, LLC (or any affiliate thereof) ("Pravati") to the extent, and in the amount of, granted pursuant to that certain Litigation Funding Agreement, dated as of September 29, 2023, by and among the Company and Pravati; provided, however, such Junior Security Interest shall only remain in full force and effect until the earlier of indefeasible repayment in full of all obligations arising or owing under this Note, or the provision of replacement security reasonably satisfactory to Purchaser granted in any future Insolvency Proceeding of the Company under a court approved debtor-in-possession financing facility under the United States Bankruptcy Code. As used herein, "Insolvency Proceeding" means any proceeding commenced, by the filing of a petition for relief, by or against any person under the United States Bankruptcy Code, as amended, or under any other bankruptcy or insolvency law, including assignments for the benefit of creditors.

3. Postpetition Financing. For the avoidance of doubt, the Company and the Purchaser intend for this Note to be an emergency loan advance to bridge the Company to a possible debtor-in-possession financing facility and for this advance to be included as part of that facility; however, if the Court in any Insolvency Proceeding does not approve the inclusion of the amounts under this Note in a debtor-in-possession financing facility, then (i) Purchaser shall maintain such Junior Security Interest in the proceeds of the Existing Commercial Tort Claim and (ii) the Company shall use reasonable best efforts as permitted under applicable laws and regulations to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper, or advisable to cause this Note (and the obligations arising thereunder) to constitute, as adequate protection or otherwise, an allowed administrative expense claim in any future Insolvency Proceeding of the Company, having priority over any and all administrative expenses, diminution claims and all other priority claims against the Company now existing or hereafter arising, of any kind whatsoever (subject to customary exceptions).

4. Incorporation of Terms. The representations and warranties and rights and obligations of transfer and assignment of Purchaser that are set forth in Section 3 of the Purchase Agreement are hereby made a part of this Note and incorporated herein by this reference.

5. Default; Remedies. The occurrence of any Event of Default described in Section 4 of the Purchase Agreement shall be an Event of Default hereunder and the remedies described in Section 4 of the Purchase Agreement shall be the remedies available hereunder.

6. No Impairment. Subject to the terms and conditions hereof, the obligation of the Company to pay to the Purchaser the principal hereof and interest hereon as and when the same become due and payable shall remain unimpaired, and nothing shall prevent the holder of this Note, upon default hereunder, from exercising all rights, powers and remedies otherwise provided herein or by applicable law.

7. Waiver: Payment of Fees and Expenses. Company waives presentment and demand for payment, notice of dishonor, protest and notice of protest of this Note, and shall pay all costs of collection when incurred, including, without limitation, reasonable attorneys' fees, costs and other expenses. The right to plead any and all statutes of limitations as a defense to any demands hereunder is hereby waived to the full extent permitted by law. No delay by Purchaser shall constitute a waiver, election or acquiescence by it.

8. Cumulative Remedies. Purchaser's rights and remedies under this Note and the other Loan Documents shall be cumulative. Purchaser shall have all other rights and remedies not inconsistent herewith as provided under the Uniform Commercial Code, by law or in equity. No exercise by Purchaser of one right or remedy shall be deemed an election, and no waiver by Purchaser of any Event of Default shall be deemed a continuing waiver of such Event of Default or the waiver of any other Event of Default.

9. Miscellaneous

9.1 Governing Law. The terms of this Note shall be construed in accordance with the laws of the State of Delaware, as applied to contracts entered into by Delaware residents within the State of Delaware, and to be performed entirely within the State of Delaware.

of the parties. The Company may not assign this Note or delegate any of its obligations hereunder without the written consent of the Purchaser. Provided there is no occurrence of an Event of Default (or such Event of Default has been remedied pursuant to the terms of the Purchase Agreement), the Purchaser may not assign this Note and its rights hereunder without the prior written consent of the Company; provided, however, the Purchaser may assign, without prior written consent of, but with prior written notice to, the Company, this Note and its rights hereunder to any affiliates of the Purchaser.

9.3 Titles and Subtitles. The titles and subtitles used in this Note are used for convenience only and are not to be considered in construing or interpreting the Note.

9.4 Notices. All notices required or permitted hereunder shall be in writing and shall be given in the manner and to the addresses set forth in the Purchase Agreement.

9.5 Amendment; Modification; Waiver. No term of this Note may be amended, modified or waived without the written consent of the Company and Purchaser; provided, however, that no such amendment, waiver or consent shall: (i) reduce the principal amount of this Note without Purchaser's written consent, or (ii) reduce the rate of interest of this Note without Purchaser's written consent. Any amendment or waiver effected in accordance with this Section 9.5 shall be binding upon the Company, the Purchaser, and each transferee, if any, of the Note.

9.6 Usury. In the event any interest is paid on this Note which is deemed to be in excess of the then legal maximum rate, then that portion of the interest payment representing an amount in excess of the then legal maximum rate shall be deemed a payment of principal and applied against the principal of this Note.

9.7 Counterparts; Electronic Signature. This Note may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Note may be executed and delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any signature page so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

9.8 Lost Documents. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Note or any note exchanged for it, and an indemnity agreement reasonably satisfactory to the Company (in case of loss, theft or destruction) or surrender and cancellation of such note (in the case of mutilation), the Company, at its own expense, will make and deliver in lieu of such note a new note of like tenor and unpaid principal amount and dated as of the date to which interest has been paid on the unpaid principal amount of the note in lieu of which such new note is made and delivered.

9.9 Invalidity. If any provision of this Note is invalid, illegal or unenforceable, the balance of this Note shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances. In such an event, the parties will in good faith attempt to effect the business agreement represented by such invalidated term to the fullest extent permitted by law.

9.10 Indemnification. The Company shall pay, indemnify, defend, and hold the Purchaser harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and actual damages, and all out-of-pocket fees and disbursements of attorneys, experts, or consultants and all other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), at any time asserted against, imposed upon, or incurred by the Purchaser in connection with or as a result of or related to the execution and delivery, enforcement, performance, or administration (including any restructuring or workout with respect hereto) of this Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Junior Secured Promissory Note as of the day and year first written above.

PARTS ID, INC.

By: /s/ John Pendleton
Name: John Pendleton
Title: Executive Vice President, Legal & Corporate Affairs

AGREED TO AND ACCEPTED:

2642186 ONTARIO INC.

By: /s/ Matthew Kurtin
Name: Matthew Kurtin
Title: Authorized Signatory

**Parts iD, Inc.
Junior Secured Promissory Note
- Signature Page -**