

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or Section 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **May 25, 2021**

CarLotz, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38818
(Commission
File Number)

83-2456129
(IRS Employer
Identification No.)

611 Bainbridge Street, Suite 100
Richmond, Virginia 23224
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(804) 728-3833**

Not Applicable
(Former name or former address, if changed since last report)

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:

- 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:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Class A common stock, par value \$0.0001 per share	LOTZ	The Nasdaq Global Market
Redeemable warrants, exercisable for Class A common stock at an exercise price of \$11.50 per share	LOTZW	The Nasdaq Global Market

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 2.02. Results of Operations and Financial Condition.

On May 25, 2021, CarLotz, Inc. (the “Company,” “we” or “us”) issued a press release regarding its second fiscal quarter ending June 30, 2021. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information furnished in this Item 2.02 and Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 7.01. Regulation FD.

In connection with the filing of post-effective amendment Number 1 to the Company’s Registration Statement on Form S-1 (File No. 333-252993), the Company disclosed certain updates to its risk factors and related disclosures not previously disclosed that occurred subsequent to the filing of its Form 10-Q for the quarterly period ended March 31, 2021. In mid-May 2021, the corporate vehicle sourcing partner that accounted for more than 60% of the cars we sold during the fourth quarter of 2020 and the three months ended March 31, 2021 informed us that it would be pausing its consignment of vehicles to us, with immediate effect, due to the current strength of the wholesale market for vehicles. We cannot predict when this corporate vehicle sourcing partner will resume consigning vehicles to us, the pricing terms upon which this corporate vehicle sourcing partner will resume consigning vehicles and, if resumed, the volume, types and quality of vehicles that will be made available to us for consignment. If this corporate vehicle sourcing partner does not resume consigning vehicles to us, we will need to increase our sourcing of vehicles from other vehicle sourcing partners, potentially on less favorable terms, and we may need to increase our purchasing of vehicles to maintain optimal inventory levels and mix as we work to increase vehicle supply from other vehicle sourcing partners, which could negatively affect our margins and gross profit per vehicle. There may not be sufficient vehicles available, in number or on reasonable terms, to completely replace the vehicles we had been sourcing from this corporate vehicle sourcing partner, which could adversely affect our business, financial condition and results of operations.

On May 25, 2021, the Company issued a press release regarding its second fiscal quarter ending June 30, 2021. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information furnished in this Item 7.01 and Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 8.01. Other Events.

Pursuant to the Stipulation and Order, dated May 12, 2021, entered by the Court of Chancery of the State of Delaware on May 20, 2021, CarLotz, Inc. (f/k/a Acamar Partners Acquisition Corp., the “Company”) is hereby filing as Exhibit 99.2 to this Current Report on Form 8-K a copy of the Notice of Dismissal of Acamar Partners Acquisition Corp. (n/k/a CarLotz, Inc.) Litigation and Agreement Upon Attorneys’ Fees (the “Notice”). The Notice relates to the resolution of the previously disclosed putative class action lawsuit filed by Cody Laidlaw in the Delaware Court of Chancery against Acamar Partners Acquisition Corp., Acamar Partners Sponsor I LLC, Acamar Partners Sub, Inc., and others (the “*Laidlaw* Action”), alleging that the Board of Directors of Acamar Partners Acquisition Corp. breached its fiduciary duties in connection with the business combination pursuant to which Acamar Partners Sub, Inc, a wholly owned subsidiary of Acamar Partners Acquisition Corp., merged with and into CarLotz Group, Inc. (f/k/a/ CarLotz, Inc.), with CarLotz Group, Inc. (f/k/a CarLotz, Inc.) surviving the merger as a wholly owned subsidiary of Acamar Partners Acquisition Corp. (n/k/a CarLotz, Inc.). The defendants believe that the claims are without merit, and have denied and continue to deny any liability or wrongdoing in connection with the allegations contained in the *Laidlaw* Action.

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Generally, forward-looking statements include statements that are not historical facts, such as statements concerning possible or assumed future actions, business strategies, events or results of operations. Forward-looking statements may be preceded by, followed by or include the words “believes,” “estimates,” “expects,” “projects,” “forecasts,” “may,” “will,” “should,” “seeks,” “plans,” “scheduled,” “anticipates” or “intends” or similar expressions. Such statements are based on management’s current expectations and are not guarantees of future performance. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the results projected, expressed or implied by these forward-looking statements. Factors that could cause such differences include those disclosed in the Company’s filings with the Securities and Exchange Commission. Forward-looking statements speak only as of the date they are made, and the Company is under no obligation, and expressly disclaims any obligation, to update, alter or otherwise revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

See the Exhibit Index below, which is incorporated by reference herein.

EHXIBIT INDEX

Exhibit No.	Exhibit Title
99.1	Press release dated May 25, 2021
99.2	Notice of dismissal of litigation and agreement upon attorneys’ fees
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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 hereunto duly authorized.

CARLOTZ, INC.

Dated: May 25, 2021

By: /s/ Rebecca C. Polak

Name: Rebecca C. Polak

Title: Chief Commercial Officer and General Counsel



CarLotz Provides Update on Profit-Sharing Sourcing Partner Arrangement, Timing of New Hub Openings and Updated 2021 Outlook

May 25, 2021 – Richmond, VA – CarLotz, Inc. (“CarLotz” or the “Company”), a leading consignment-to-retail used vehicle marketplace, today filed a Form 8-K with the Securities and Exchange Commission stating that the Company’s profit-sharing corporate vehicle sourcing partner informed the Company that, in light of current wholesale market conditions, it has paused consignments to the Company. During the three months ended March 31, 2021, this sourcing partner accounted for more than 60% of the cars sold and sourced and, for the second quarter to date, accounted for less than 50% of the cars sold and approximately 25% of cars sourced.

Michael Bor, CarLotz’ Chief Executive Officer commented, “The surge in wholesale vehicle prices and the continuing new car chip shortage continues to place limitations on inventory sourcing throughout the industry. This fact, combined with the pause of our profit-sharing account, has created challenges in obtaining our expected inventory levels. Over the last several months, we have been taking steps designed to increase our sourcing from other channels to address the market challenges, and we expect that they will increase our access to vehicles from consumer consignments, trade-ins and consumer purchases and enhance our ability to profitably source vehicles through auctions. In addition, we remain focused on our goal of increasing our non-competitive sourcing through consignment and bulk buys by adding new corporate vehicle sourcing accounts and increasing our penetration with our existing corporate vehicle sourcing partners.”

Bor further stated, “Our new hubs have performed well, our new hub pipeline remains strong and we continue to expect 14 to 16 hub openings this year. Since our last earnings release, however, the makeup and timing of the pipeline rollout has changed as a result of various factors, including negotiations, licensing and zoning. As a result, the grand openings of a few new hub locations will come later in the year than originally planned, and the 2021 contribution from those hubs will be less than previously anticipated due to this timing.”

Updated 2021 Outlook

The Company is updating its 2021 outlook and financial guidance and comments with respect to its expected second quarter 2021 performance previously provided on May 10, 2021 as a result of:

- the current business climate, as impacted by the lack of vehicles from this profit-sharing account, coupled with the unpredictable timeline of the chip shortage for new cars and its impact on the wholesale and retail automotive markets; and
- the slippage in certain hub openings to later than previously expected.

For the full year 2021, the Company expects the following results. This 2021 outlook assumes that, in the second quarter of 2021, the Company will sell greater than 2,000 retail units and will achieve a gross profit per unit of at least \$1,800.

New Hub Openings	14 to 16 hub openings, most of which are expected to open in the back half of the year
Retail Units Sold	13,000 to 15,000, which represents more than a 100% increase over 2020 retail units sold
Net Revenue	\$272 to \$317 million, which represents more than a 125% increase over 2020 net revenue
Gross Profit	\$20 to \$26 million, which represents more than a 75% increase over 2020 gross profit
Retail GPU	\$1,650 to \$1,850
SG&A Expenses	\$98 to \$102 million, excluding non-cash stock compensation expense expected to be approximately \$52 million
Adjusted EBITDA*	\$(82) to \$(72) million
Weighted Average Common Stock Shares Outstanding	111 million shares
Capital Expenditures	\$45 to \$50 million

*A reconciliation of non-GAAP guidance measures to corresponding GAAP measures for our full year 2021 guidance is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, these costs and expenses that may be incurred in the future.

**About CarLotz, Inc.**

CarLotz is a used vehicle consignment and Retail Remarketing™ business that provides our corporate vehicle sourcing partners and retail sellers of used vehicles with the ability to access the previously unavailable retail sales channel, while simultaneously providing buyers with prices that are, on average, below those of traditional dealerships. Our mission is to create the world's greatest vehicle buying and selling experience. We operate a technology-enabled buying, sourcing and selling model that offers a seamless omni-channel experience and comprehensive selection of vehicles, while allowing for a fully contactless end-to-end e-commerce interface that enables no hassle buying and selling. Our proprietary Retail Remarketing™ technology provides our corporate vehicle sourcing partners with real-time performance metrics and data analytics along with custom business intelligence reporting that enables price and vehicle triage optimization between the wholesale and retail channel. Through our marketplace model, we generate significant value for both sellers and buyers through price, selection and experience.

Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Generally, forward-looking statements include statements that are not historical facts, such as statements concerning possible or assumed future actions, business strategies, events or results of operations, including statements regarding CarLotz' expectations or predictions of future financial or business performance or conditions. Forward-looking statements may be preceded by, followed by or include the words "believes," "estimates," "expects," "projects," "forecasts," "may," "will," "should," "seeks," "plans," "scheduled," "anticipates" or "intends" or similar expressions. Such statements are based on management's current expectations and are not guarantees of future performance. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the results projected, expressed or implied by these forward-looking statements. Factors that could cause such differences include those disclosed in CarLotz' filings with the SEC, including those resulting from the impact of the ongoing Covid-19 pandemic on our business and general business and economic conditions and our ability to successfully execute our geographic expansion plans. Forward-looking statements speak only as of the date they are made, and CarLotz is under no obligation, and expressly disclaims any obligation, to update, alter or otherwise revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

Investors:

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**Notice of Dismissal of
Acamar Partners Acquisition Corp. (n/k/a CarLotz, Inc.)
Litigation and Agreement Upon Attorneys' Fees**

NEW YORK, NY – May 25, 2021 – Notice is hereby provided to all persons who held shares of Acamar Partners Acquisition Corp. (n/k/a CarLotz, Inc., and hereinafter the “Company”) common stock at any time during the period from and including October 21, 2020 through January 21, 2021.

The purpose of this Notice is to inform you of developments with respect to the putative class action lawsuit captioned *Laidlaw v. Acamar Partners Acquisition Corp., et al.*, C.A. No. 2021-0016-SG (the “Action”), including the dismissal of the Action and an agreement to pay attorneys’ fees and expenses to counsel for Plaintiff in the Action.

On October 21, 2020, the Company entered into an Agreement and Plan of Merger with Acamar Partners Sub, Inc. (the “Merger Sub”), a wholly owned subsidiary of Acamar Partners Acquisition Corp., and CarLotz Group, Inc. (f/k/a CarLotz, Inc.), pursuant to which the Merger Sub merged with and into CarLotz Group, Inc. (f/k/a CarLotz, Inc.), with the latter surviving as a wholly owned subsidiary of the Company (the “Merger”). On December 30, 2020, the Company filed with the Securities and Exchange Commission (the “SEC”) a Form 424(b)(3) prospectus supplement (the “Prospectus”) to the Company’s Registration Statement on Form S-4 (File No. 333-249723) in connection with the stockholder vote on January 20, 2021 relating to the Merger.

On January 7, 2021, Plaintiff Cody Laidlaw, a stockholder of the Company, filed the Action, and named as Defendants were Acamar Partners Acquisition Corp., Acamar Partners Sponsor I LLC, Acamar Partners Sub, Inc., and certain of their officers and directors. The complaint alleged, among other things, that the Acamar Partners Acquisition Corp. Board of Directors violated its fiduciary duties under Delaware law by failing to provide all material information in the Prospectus required for stockholders to cast an informed vote regarding the Merger. As relief, the complaint sought, among other things, an injunction against the Merger, damages, and an award of attorneys’ and experts’ fees.

Also on January 7, 2021, Plaintiff filed a motion for expedited proceedings and a motion for a preliminary injunction.

The Company and the other Defendants believe that the claims in the Action are meritless, and have denied and continue to deny that they committed any violation of law or engaged in any of the wrongful acts that were or could have been alleged in the Action, and expressly maintain that they diligently and scrupulously complied with their fiduciary and other legal duties.

After the complaint was filed, the Company and its Board of Directors determined to provide additional disclosures to the Prospectus, including projection line items, to address the allegations in the Action in a Form 8-K, filed with the SEC on January 12, 2021 (the “Supplemental Disclosures”). On February 5, 2021, the Court approved a stipulation under which Plaintiff voluntarily dismissed the Action. The Court retained jurisdiction solely for the purpose of adjudicating the anticipated application of Plaintiff’s counsel for an award of attorneys’ fees and reimbursement of expenses in connection with the Action (the “Fee and Expense Application”). Following negotiations, the Company, while denying any and all liability, and maintaining that the Prospectus already contained all material information required for stockholders to cast an informed vote regarding the Merger prior to the Supplemental Disclosures, agreed to pay \$175,000 to Plaintiff’s counsel for attorneys’ fees and expenses in full satisfaction of the anticipated Fee and Expense Application. The Court has not been asked to review, and will pass no judgment on, the payment of attorneys’ fees and expenses or their reasonableness.

Attorneys for Plaintiff and Defendants may be contacted as follows:

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& ASSOCIATES PC**

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