

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
Shift Technologies, Inc.		82-5325852	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
Investor Relations, Susan Lewis	(855) 575-6739	IR@shift.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and ZIP code of contact	
290 Division Street, Suite 400		San Francisco, California 94103-4893	
<b>8</b> Date of action		<b>9</b> Classification and description	
December 9, 2022		Common Stock	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
457867109 / 142552108		SFT / LOTZ	

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ See attachment.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See attachment.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See attachment.

**Part II** Organizational Action *(continued)*

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**18** Can any resulting loss be recognized? ▶ See attachment.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶ Kyle Whidden Date ▶ 01/06/2023

<b>Paid Preparer Use Only</b>	Print your name ▶ <u>Kyle Whidden</u>	Preparer's signature	Title ▶ <u>Corporate Controller</u>	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶	
	Firm's address ▶				Phone no.	

**SHIFT TECHNOLOGIES, INC.**

**EIN: 82-5325852**

**ATTACHMENT TO IRS FORM 8937 – PART II**  
**REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES**

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations related to the effects of the Merger (as defined below) on the tax basis of shares of common stock of Shift Technologies, Inc. (“Shift”) received in exchange for shares of common stock of CarLotz, Inc (“CarLotz”). The information contained herein does not constitute tax advice and does not purport to be complete or describe the tax consequences that may apply to particular categories of shareholders. Neither Shift nor CarLotz provides tax advice to its shareholders. Shareholders are encouraged to consult their own tax advisors regarding the particular consequences of the Merger to them (including the applicability and effect of all U.S. federal, state and local tax laws and non-U.S. tax laws) and should carefully read the joint proxy statement/prospectus that Shift filed on November 8, 2022 with the Securities and Exchange Commission, which is part of a Registration Statement on Form S-4 that Shift filed on September 26, 2022 with the Securities and Exchange Commission (as supplemented and amended), noting especially the section entitled “*U.S. Federal Income Tax Consequences of the Merger.*” The information provided herein is subject to such discussion in all respects. The joint proxy statement/prospectus and Registration Statement may be accessed at [www.sec.gov](http://www.sec.gov).

**Line 14 - Describe the organizational action and, if applicable, the date of the action or the date against which shareholders’ ownership is measured for the action.**

On December 9, 2022, pursuant to the terms and conditions of the Agreement and Plan of Merger dated as of August 9, 2022 (the “Merger Agreement”), by and among Shift, Shift Remarketing Operations, Inc., a Delaware corporation and direct wholly owned subsidiary of Shift (“Merger Sub”), and CarLotz, Merger Sub merged with and into CarLotz, with CarLotz continuing as the surviving corporation and a wholly owned subsidiary of Shift (the “Merger”). In the Merger, each outstanding share of Class A common stock, par value \$0.0001 per share, of CarLotz (“CarLotz Common Stock”) (other than CarLotz Common Stock owned or held in treasury by CarLotz, which was cancelled for no consideration) was converted into the right to receive 0.705241 of a share of Class A common stock, par value \$0.0001 per share, of Shift (“Shift Common Stock”), rounded up to the nearest whole share for any fractional shares of Shift Common Stock that would have been issued to any stockholder resulting from the calculation.

The Merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Code. The following descriptions and calculations assume that the Merger so qualifies.

**Line 15 - Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.**

Provided the Merger qualifies as a “reorganization” within the meaning of Section 368(a) of the Code, a CarLotz shareholder who exchanges its shares of CarLotz Common Stock for shares of Shift Common Stock in the Merger generally will not recognize any gain or loss for U.S. federal income tax purposes. Each such CarLotz shareholder’s aggregate tax basis in the shares of Shift Common Stock received pursuant to the Merger will equal such CarLotz shareholder’s aggregate adjusted tax basis in the shares of CarLotz Common Stock surrendered in the Merger.

**Line 16 - Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.**

The aggregate tax basis of the Shift Common Stock received in the Merger will equal the aggregate adjusted tax basis in the shares of CarLotz Common Stock exchanged.

**Line 17 - List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

Sections 354, 358, 368 and 1223 of the Code.

**Line 18 - Can any resulting loss be recognized?**

CarLotz shareholders generally may not recognize any loss for U.S. federal income tax purposes as a result of the Merger.

**Line 19 - Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The Merger was effective on December 9, 2022. For a CarLotz stockholder whose taxable year is the calendar year, the reportable tax year is 2022.