



A Better Future for Surplus



Environmental, Social, and Governance Report 2023

Forward-Looking Statements

This document contains forward-looking statements. These statements are only predictions. The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance or achievements, to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include, but are not limited to, the factors set forth in our Annual Report on Form 10-K for the year ended September 30, 2022 and subsequent filings with the Securities and Exchange Commission. You can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “would,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continues,” or the negative of these terms or other comparable terminology. Our business is subject to a number of risks and uncertainties, and our past performance is no guarantee of our performance in future periods. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. There may be other factors of which we are currently unaware or deem immaterial that may cause our actual results to differ

materially from the forward-looking statements.

All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date of this document and are expressly qualified in their entirety by the cautionary statements included in this document. Except as may be required by law, we undertake no obligation to publicly update or revise any forward-looking statement to reflect events or circumstances occurring after the date of this document or to reflect the occurrence of unanticipated events.

To supplement our consolidated financial statements presented in accordance with generally accepted accounting principles (GAAP), we use certain non-GAAP measures of certain components of financial performance. These non-GAAP measures include earnings before interest, taxes, depreciation and amortization (EBITDA), Adjusted EBITDA, Adjusted Net Income (Loss) and Adjusted Earnings (Loss) per Share. These non-GAAP measures are provided to enhance investors’ overall understanding of our current financial performance and prospects for the future. We use EBITDA and Adjusted EBITDA: (a) as measurements of operating performance because they assist us in comparing our operating performance on a consistent basis as they do not reflect the impact of items not directly resulting from our core operations; (b) for

planning purposes, including the preparation of our internal annual operating budget; (c) to allocate resources to enhance the financial performance of our business; (d) to evaluate the effectiveness of our operational strategies; and (e) to evaluate our capacity to fund capital expenditures and expand our business. We believe these non-GAAP measures provide useful information to both management and investors by excluding certain expenses that may not be indicative of our core operating measures. In addition, because we have historically reported certain non-GAAP measures to investors, we believe the inclusion of non-GAAP measures provides consistency in our financial reporting. These measures should be considered in addition to financial information prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results. A reconciliation of all non-GAAP measures included in this presentation to the most directly comparable GAAP measures is included in this presentation.

The following discussion should be read in conjunction with our consolidated financial statements and related notes and the information contained in our Annual Report on SEC Form 10-K for the period ended September 30, 2022 and our Quarterly Reports on SEC Form 10-Q for the period ended December 31, 2022 and March 31, 2023.

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Message from Our CEO

Every day at Liquidity Services, we strive to do better for our buyer and seller customers, our communities, and the environment. As our technological, economic, and other service capabilities expand, so too does our commitment to creating a better future for individuals, organizations, and the planet. We are proud to serve as an engine for opportunity, leading by example to make a positive difference in the world. Through our marketplaces and service offerings, we empower organizations and entrepreneurs to achieve their financial and zero-waste goals through sustainable business practices.

Serving as a Force for Good

Since 1999, Liquidity Services has endeavored to inspire organizations and individuals to think differently about surplus. When our organization was in its infancy, the necessity of a circular economy was just beginning to be understood. Today, we are a reverse logistics leader with more than \$10 billion in completed transactions and 5 million registered buyers across our marketplaces. In addition to extending the lives of our customers' assets, we repurpose and recycle millions of pounds of packing, storing, and shipping materials.

Powering Sustainable Processes

As the state of the environment continues to be threatened by the detrimental effects of greenhouse

gas emissions, plastic pollution, and the extraction of natural resources, we are inspired to pioneer more sustainable conventions. Through our large-scale asset recovery programs and thriving marketplaces, we support our clients' monetary and environmental goals, offering resources and guidance to effectively navigate the reverse logistics landscape. Our comprehensive solutions are tailored to our clients' specific needs and designed with longevity in mind. We continually aim higher and search deeper within our hearts and minds for more innovative ways to increase value against an ever-changing global landscape.

Creating a Better Future

As environmental and supply chains continue to challenge businesses to produce and deliver goods, the circular economy becomes increasingly valuable. To meet the growing need to extend the life of assets in all industries and verticals, we have expanded our organization's real estate offerings through the acquisition of Bid4Assets, and increased our B2B and B2C retail offerings through the opening of our Hebron, Kentucky warehouse. We remain steadfast in our aspiration to create a better future for surplus and will continue to scale operations sustainably, deliberately, and ethically.

As you learn about our organization's practices through this report, I hope you gain a deeper understanding of

the circular economy and how our role maximizes the value of surplus assets across all industries to create a better future.

Thank you for investing the time to learn more about Liquidity Services.

William P. Angrick, III

CEO and Chairman
of the Board of Directors



About Liquidity Services

As operators of the world's largest B2B e-commerce marketplace platform for surplus assets, we are on a mission to build a better future for people, organizations, and the planet. With a deep commitment to superior service, our surplus management solutions and marketplaces empower our clients to make informed, sustainable decisions that generate meaningful, measurable results. Through our global reach, multichannel sales capabilities, and unparalleled scope of services, we simplify clients' operations to enhance their productivity while helping them achieve their sustainability goals.

Liquidity Services plays an integral role in many of our clients' zero-waste initiatives, working closely with corporations, federal agencies, and state and municipal governments, to pioneer some of the largest green initiatives to date. By extending the lives of thousands of products in hundreds of categories, we help reduce the environmental degradation, carbon emissions, and other environmental hazards caused by extracting raw materials and manufacturing new items, ensuring that recyclable materials and usable products avoid incineration or landfill disposal.

As an industry leader driving the circular economy since 1999, Liquidity Services has been contributing to environmental solutions that lessen waste and pollution for more than two decades. We continually strive to improve our systems and processes to increase our ability to solve some of the world's greatest challenges.

15,000+

trusted clients worldwide

\$10 Billion+

in completed transactions

5 Million+

registered buyers

1 Million+

transactions completed annually

600+

asset categories

130+

global fortune 1000 clients

Our Core Values

Our leadership in powering the circular economy is based on principles inherent in who we are. We founded our company on deeply held beliefs that we stay true to them today.



Integrity

Our partners and colleagues know they can trust us to always keep our promises, be transparent, and adhere to the highest ethical standards.



Shared Success

Everyone in our organization acts as leaders with a shared sense of pride in our accomplishments.



Customer Focus

Buyer and seller satisfaction are key to our continued success. We seek to exceed our customers' expectations every day.



Doing Well and Doing Good

By continuing to positively impact our clients and the environment, we make Liquidity Services a rewarding place to work.



Relentless Improvement

We embrace change and are motivated to constantly improve our individual and collective performance.



Innovation to Support Leadership

We continually seek out, develop, and implement new ideas to enhance our position as industry leader.



Mutual Trust and Accountability

Our collaborative environment focuses on open communication, mutual respect, teamwork, and acknowledging our successes and failures.



Material Topics

The issues material to Liquidity Services which guide this report reflect the areas in which we play a significant role.

Our mission to **create a better future** cannot be fully realized without acknowledging the stakeholders who are or may be impacted by our actions. In assessing our organizational goals, we have established programs that prioritize people, organizations, and the planet.

Environmental: The Planet

We power the circular economy to transform the current "take-make-waste" linear model into one that extends the life of assets to their fullest capacity. Our marketplace platforms foster zero-waste value chains. We strive to use those trusted marketplaces along with our service offerings to help organizations harness the power of their surplus to create value where so many others see none. Our mission is to empower businesses to unleash the full value of their unwanted goods, with the goal of shifting the entire economic system into one in which unnecessary waste is prevented, usable assets stay out of landfills, and unusable goods are disposed of in a sustainable manner.

Social: People and Communities

We recognize the far-reaching impact of our global business, and work to serve as a force for good within the communities we operate. We believe it is our responsibility to serve as an example of inclusivity by creating a diverse environment that supports learning and rewards innovation. By investing in our employees and global communities, we strive to create a better future for all.

Governance: Business Organizations

We strive to ensure our trusted marketplaces serve as paragons of successful circular commerce connecting buyers with sellers of surplus assets around the globe. We go above and beyond basic industry guidelines to foster a safe and secure environment in which businesses of all sizes, from budding entrepreneurs to major retailers, can confidently exchange goods.



Environmental: The Planet

Sustainability is in our DNA

Liquidity Services was born from a desire to provide reverse logistics alternatives to the outdated, unsustainable, “take-make-waste” business model negatively impacting the environment. From our first successful online auction of a government submarine 23 years ago, to the multiple industries we currently serve today, our surplus management solutions and internal environmental initiatives are helping the world transition to a healthier, more sustainable circular economy. As a reverse logistics leader, we are driven to create meaningful solutions that impact the planet in positive ways.



Powering the Circular Economy

To solve big issues like biodiversity loss, deforestation, waste, and climate change, we need bold ideas. Liquidity Services empowers businesses to more effectively manage their surplus, overstock, and outdated assets while reducing waste, carbon emissions, and the need to extract natural resources.

In 1999, we established a circular model that has served as an engine for business and environmental opportunity. By extending the life of thousands of assets, we help reshape the ways people and organizations think and behave around the production and use of goods.

To power the circular economy, we:

- **Manage**, value, and sell surplus across the globe in a broad range of asset categories and conditions
- **Maximize** recovery in an efficient global marketplace
- **Optimize** and execute surplus management strategies to achieve business goals

Extraction



Manufacturing



Commerce

Use



Disposal



Studies show 66% of consumers are concerned about the global supply chain while “nearly 80% of U.S. consumers consider sustainability (of a product, the retailer, or the brand) when making at least some purchases.”¹

Our circular business model addresses this ever-increasing consumer concern and demand for more environmentally friendly products. To respond to this growing demand, our marketplace platforms connect thousands of sellers with millions of buyers, redirecting tons of returned and excess goods away from landfills.

A significant portion of items sold through our marketplaces are unused or in like-new condition, serving as a testament to the profitability and necessity of the circular economy. Without reverse logistics channels, perfectly good assets often become waste.

¹SOURCE: Steve Ashkin, "Do Consumers Think About Sustainability When They Shop?", Published June 1, 2022, The Ashkin Group <https://www.ashkingroup.com/insights-news-media/do-consumers-think-about-sustainability-when-they-shop>



SPOTLIGHT:

Helping Delta Become the First Carbon-Neutral Airline

According to the EPA, “the largest source of greenhouse gas emissions from human activities in the United States comes from burning fossil fuels for electricity, heat, and transportation.”

When Delta Airlines committed to becoming the world’s first carbon-neutral airline with plans to transition 50% of its ground support fleet to electric by 2025, the company turned to Liquidity Services to help it extend the lives of thousands of pieces of ground support equipment (GSE). While replacing gas-powered vehicles and equipment with more environmentally sustainable electric vehicles (EVs) improves our chances for a better future, what we do with those assets is equally important. By extending the lives of thousands of machines, we reduce the

need to extract natural resources and manufacture new equipment, thereby eliminating carbon emissions that would have otherwise been produced in those processes.

Ground support equipment is the workhorse of an airline. Its frequent starts and stops, short distances driven, extensive idle time, and low-end torque make it the perfect sustainability candidate. Converting to a fully electric fleet will not only reduce Delta’s carbon footprint across the globe, it will also improve the working conditions of ground crews who will no longer be exposed to harmful carbon dioxide, nitrogen oxide, and noise pollution.

But the benefits of a GSE transition go beyond removing greenhouse gases from the atmosphere. Although the up-front costs to convert to e-GSE are extensive, with fewer moving parts than those of internal combustion engine (ICE) equipment, regular maintenance like oil changes, antifreeze, fuel filters, and component inspections, is eliminated making e-GSE maintenance cleaner and the cost much lower. By selling Delta’s surplus equipment on Liquidity Services’ AllSurplus marketplace, we are helping companies like Delta achieve their zero waste and net zero objectives.

**\$1.8Million+**

In gross sales in 26 months

26 Airport Locations

Across the United States

SPOTLIGHT:

Finalist, World Sustainability Awards 2022

SUSTAINABILITY LEADERS**WORLD****SUSTAINABILITY****AWARDS 2022**

Liquidity Services is proud to be selected as one of eight finalists for the World Sustainability Awards 2022, Circular Economy category. This award honors the individuals, teams, and organizations driving positive change in the areas of corporate and social responsibility. With more than 150 entries in 11 categories, we feel honored to stand together with so many impactful participants who are truly making a difference in the world.

As a company that operates within the circular economy, we make it our mission to empower organizations to intelligently integrate sustainability initiatives into their core business, capturing and unleashing the intrinsic value of surplus.



Operating Responsibly

At Liquidity Services, we believe transparency and sustainability go hand-in-hand

Our business is built upon the foundation of creating a better future for individuals, organizations, and the planet. We cannot achieve these goals without engaging in sustainable business practices that also further our clients' sustainability initiatives. We are proud to be a leader in the circular economy, driven to relentlessly improve our operations every day.

In 2022, we opened two new U.S. warehouses in Pittston, Pennsylvania and Hebron, Kentucky with sustainability in mind. The Pittston warehouse was strategically located to minimize its environmental impact on the surrounding natural area. Both warehouses utilize proprietary software and technologies that optimize product handling and dispositioning while minimizing waste. We take great pride in the extra measures taken to decrease our carbon footprint and aim to lead by example as reverse logistics innovators.



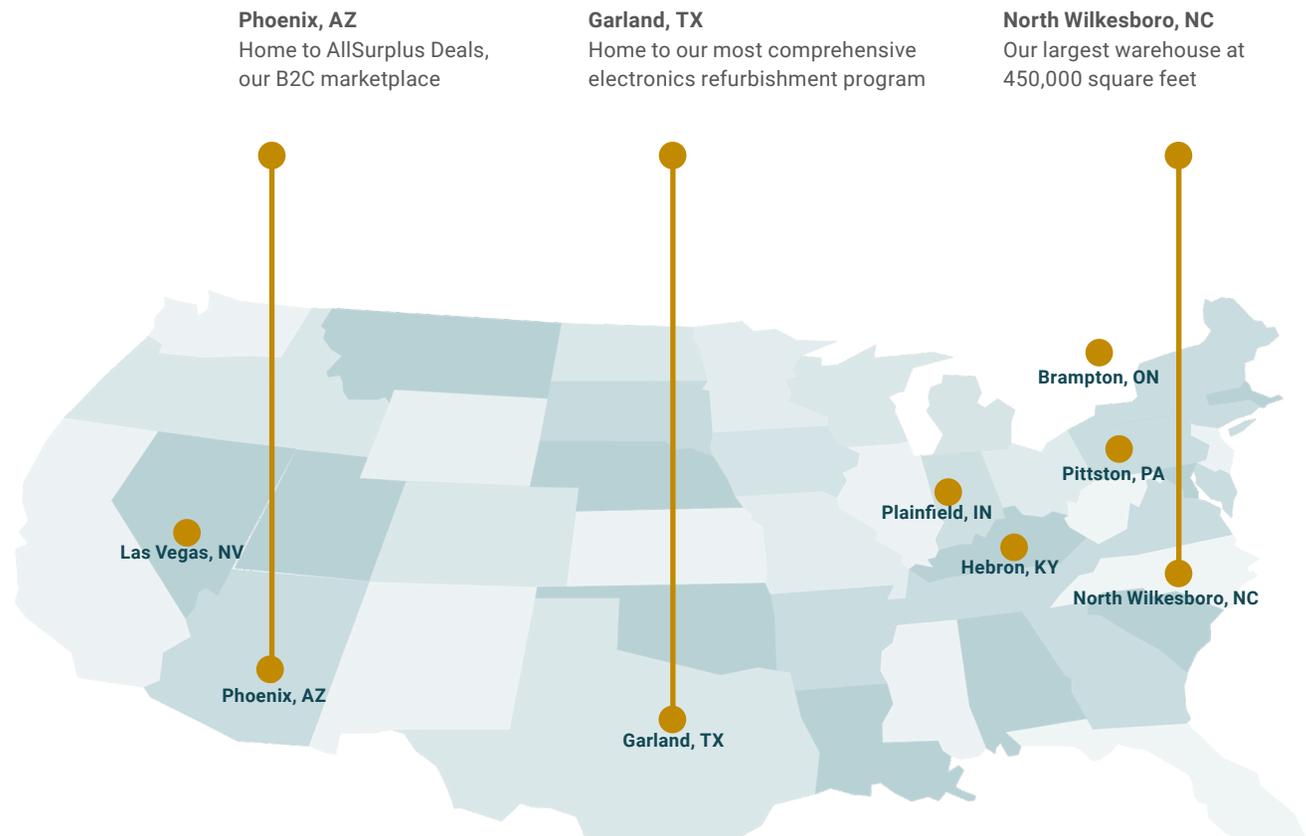
Recycling Programs

Liquidity Services is in the unique position of facilitating the movement of hundreds of thousands of surplus, overstocked, and returned goods and equipment assets across the globe each year. Our warehouses receive daily truckloads of inventory on pallets, in cardboard boxes, and wrapped in plastic and Styrofoam, often resulting in a surfeit of packing materials. Additionally, many of our facilities operate electronics refurbishment departments, which generate thousands of pounds of scrap material each year.

To mitigate the environmental impact of the waste our warehouses generate, we established a series of reuse and recycling programs intended to extend the circularity of these materials. Through these programs, we have been able to repurpose and redirect millions of pounds of electronic scrap, cardboard, and wooden pallets that would otherwise have been discarded and sent to landfills.

“The only thing we want to go to waste in our buildings is truly trash. Everything else is redeployed, reused and repurposed—from pallets to cardboard to electronics. Our mission is to extend the life of every product’s original intended purpose.”

- Jeff Rechtzigel, Vice President of Retail



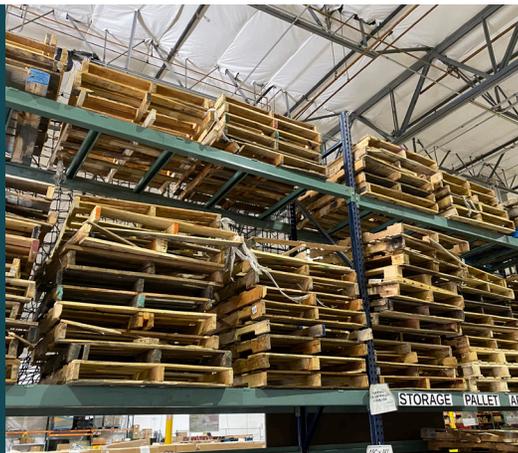
Electronics Recycling

Many of our warehouses refurbish and restore electronic goods that have been returned or are otherwise no longer in use. As part of this process, some electronic items are deemed unsellable through our normal channels because they are either beyond repair or cannot be securely wiped of data. Instead of throwing these materials away, we utilize our Electronics Recycling program, through which scrap materials are collected and sent to eSCO Processing and Recycling, an Arkansas-based electronics recycling firm that processes the waste sustainably. Through eSCO's services, we are able to further the circularity of these electronic scrap materials, extracting precious, usable metals such as gold and zinc, and recycling the leftover material.



In 2022, our U.S. and Canadian warehouses recycled **350,000 pounds** of electronic materials.

In 2022, we recycled more than **107,000 pallets**, which equates to around **2,000 tons** of wood material.



Wood Pallet Reuse and Recycling

Every day, dozens of truckloads of goods arrive at our warehouses carrying thousands of returned and overstocked items, a significant number of which are on standard wooden pallets. Once the goods have been sorted, catalogued, and organized, we are often left with extra wooden pallets. While we may not have an immediate need for these surplus pallets, we rely on our Wood Pallet Reuse and Recycling Program to extend their lives. With this program, pallets are received, inspected, and identified as either "reusable" or "recyclable." Pallets in good condition are dispersed across our warehouses to be used where they are needed. Any that are unusable are collected for recycling, where they are broken apart and repurposed into new pallets or converted into mulch.

Cardboard Reuse and Recycling

Our Cardboard Reuse and Recycling Program is a process through which we sort, reuse, and repurpose the cardboard that comes through our eight warehouse locations across the U.S. and Canada. Without a program such as this, tons of usable material would be destined for landfills. Instead, we have intentionally sorted, reused, and repurposed 568,000 pounds of cardboard in 2022 alone. Cardboard that is in good condition is repurposed to pack new orders, and serve as transport vessels for products being shifted between warehouses. Any cardboard that cannot be reused is sent to local recycling centers for processing, which often means turning it into more cardboard.



In 2022, we recycled
nearly **568,000 pounds**
of cardboard across our
warehouses.

Social: People and Communities

Every success we achieve at Liquidity Services is the direct result of the dedication and hard work our employees put forth each day. It is through the tenacity and commitment of our dedicated employees that we are able to achieve our company's mission of creating a better future. We believe it is only right that our success as a company be shared amongst our team members and surrounding communities.

As we continue to expand, we are compelled to help people who have been negatively impacted by environmental disasters, geopolitical conflict, and socio-economic challenges.

As part of our investment in the people who make Liquidity Services run, we offer professional development programs with the goal of achieving shared success through investment in our employees. We work to create a company culture that empowers our employees to speak their minds, share ideas, and leverage Liquidity Services' position as a global leader to positively impact local communities.



SPOTLIGHT:

The Circular Economy in Action for Social Good

Liquidity Services has made it possible for buyers like Reine and Sidney Williams to put the circular economy to use for social good. A GovDeals buyer for many years, the couple has been using its time, money, and personal resources to buy and ship supplies to the city of Nkongsamba, Cameroon where many residents face extreme poverty.

“It’s really my wife,” Mr. Williams says proudly. “She’s from Cameroon and she loves to give back to her community.”

For the last five years, the couple has regularly researched and purchased surplus assets on GovDeals, then periodically packed and shipped the items from Delaware to Nkongsamba at its own expense.

Most recently, Nkongsamba’s mayor authorized the construction of a community recreation center after Mr. and Mrs. Williams donated five exercise machines and padded wrestling mat flooring purchased this year on GovDeals from schools around the U.S. Mr. Williams said he and his wife feel grateful to be in a position to help the residents build their first community center, giving

them a place to gather and get some exercise.

“We couldn’t do our part without finding really valuable items on the GovDeals marketplace,” Mr. Williams said. “And we look forward to doing more!”

Other items the couple purchased and donated include four large bounce houses and hundreds of high school math textbooks. Each of the bounce houses was placed in a common meeting area around the city for children to enjoy. The textbooks support children who are eager to learn in a city where supplies are limited. Gifting communities with simple resources like these will have a lasting impact.

Secondary marketplaces like the Liquidity Services’ GovDeals marketplace make it possible for people around the world to connect supply with need. GovDeals serves as a steward for state and local governments to upcycle, repurpose, or resell surplus items to buyers across the globe, facilitating the sale of everything from iPhones to islands.



Communities

“Our stakeholders go beyond those individuals who benefit economically from our business; we have a responsibility to the people in our surrounding communities and the environment in which we operate.”

- Bill Angrick, CEO and Chairman of the Board of Directors

As a global organization and sustainable commerce leader, we believe it is Liquidity Services’ duty to support communities and causes on a variety of fronts. We are particularly inspired to help environmental, social, youth mentoring, and educational organizations making a difference. In 2022, we supported a number of organizations engaging in philanthropic work. These have included: several community-focused organizations in Phoenix, AZ; the University of Notre Dame’s ESTEEM program for entrepreneurship and innovation; disaster relief for those impacted by the war in Ukraine and the damage of Hurricane Ian; and the Big Brothers Big Sisters of America mentorship program.



Key Core Values



Doing Well and Doing Good

By continuing to positively impact our clients and the environment, we make Liquidity Services a rewarding place to work.



Relentless Improvement

We embrace change and are motivated to constantly improve our individual and collective performance.



Shared Success

Everyone in our organization acts as leaders with a shared sense of pride in our accomplishments.

Local Communities

AllSurplus Deals | Phoenix, Arizona

Established in the fall of 2021, our AllSurplus Deals warehouse is a true testament to the immense potential of surplus assets. Our warehouse receives thousands of overstocked, returned, and excess goods from some of the top retailers in the world, which we sell through our direct-to-consumer marketplace. We have committed to donating many of these items to nonprofit organizations within the Phoenix community. By forging partnerships with local organizations and employee-driven initiatives, we have contributed hundreds of items, from home furnishings and school supplies to those in need.



Treasures4Teachers

This Tempe, AZ organization provides critical educational resources to educators in Arizona, where teachers frequently pay for school supplies out of their own pockets. We donate school supplies and other items to Treasures4Teachers who then provides them at a minimal cost to teachers throughout the state. Since July 2022, AllSurplus Deals has been providing weekly donations of thousands of items for use in the classroom to Treasures4Teachers.

"It's important that AllSurplus Deals be more than just a place where people can save money. We are part of the community, providing support and help where we can, partnering with organizations who assist those in need in the Phoenix area."

- Meredith Diggs, Marketing Manager, AllSurplus Deals



Arizona's Children Association

This organization provides vital resources including housing, education, and mental health treatment to children and young adults in foster care in the state of Arizona. Through Arizona's Children Association, AllSurplus Deals donates furniture and children's products to individuals and families caring for children when their parents can't, and provides household essentials to young adults aging out of foster care and beginning transition to independent life. To maximize its impact, AllSurplus Deals has committed to donating product to ACA each quarter, with the goal of lessening the financial burden these individuals and families experience.



Chicanos Por La Causa

One of the oldest Hispanic organizations in the United States, Chicanos Por La Causa serves as an advocate for Latino communities across the country, providing housing, education, health services, and economic assistance to over two million people annually. Beginning in August of 2022, AllSurplus Deals committed to donating around \$15,000 worth of product to CPLC's Casa de Primavera residence, which provides housing and care for low-income seniors, as well as local CPLC community centers, where people can access workforce education, afterschool programs, cooked meals, and more.

"Arizona's Children Association is deeply grateful for your generosity, and we hope you take pride in knowing that your support is changing the lives of some of the most vulnerable children and families in our community."

- Barbara J. Krusko, MA, Chief Development Officer, Arizona Children's Association



Hurricane Ian | Southeastern U.S. and Caribbean

Classified as a Category 4 storm, Hurricane Ian took the lives of nearly 160 people last fall. The devastating storm disrupted the lives of thousands of families, leaving people without homes, jobs, and in many areas, access to clean water.

To help the people and communities affected by this natural disaster, Liquidity Services created a campaign in partnership with Global Giving, an organization which provides emergency relief and long-term support to individuals in communities affected by disasters. This ongoing effort has a campaign goal of \$10,000 with a matching pledge from our CEO and Chairman, Bill Angrick.

ESTEEM Program | South Bend, Indiana

Standing for Master of Science in Engineering, Science, and Technology Entrepreneurship Excellence, the ESTEEM graduate program at the University of Notre Dame seeks to foster the innovation and development of students through an entrepreneurial sandbox environment. Functioning as an industry partner for the ESTEEM Program, Liquidity Services sponsors one student a year to gain real-world experience through a capstone project.

This year's ESTEEM project aims to develop a scorecard system for measuring the sustainability benefits of buying and selling on Liquidity Services' secondary marketplace platforms. It is our goal that, through this program, our customers will be better able to measure their positive environmental impact by participating in circular commerce on our platforms.



"Working with Liquidity Services on my capstone project has afforded me the incredible opportunity to test my ideas in a real industry setting, and I'm extremely grateful to everyone at the company for their support and mentorship throughout this project."

- Daniel Johnson, Liquidity Services ESTEEM Capstone Student 2023

Big Brothers Big Sisters of America | United States

The largest donor and volunteer-supported mentoring network in the United States, Big Brothers Big Sisters of America seeks to improve the lives of at-risk children and young adults by connecting them with adult volunteers who serve as mentors. Through meaningful interactions and activities, “Bigs” develop positive relationships with their “Littles” that have a lasting impact on their lives, aspirations, and self-images.

Liquidity Services has supported this organization for over 15 consecutive years, with CEO and Chairman, Bill Angrick, serving as a board member for Big Brothers Big Sisters’ National Capital Area since 2007. During the 2008 recession, Mr. Angrick helped the organization broaden funding sources and establish new relationships in the corporate marketplace to keep operations going through the tumultuous economy.

Some of the events and programs Liquidity Services has participated and engaged in throughout the years include: sponsoring charity golf tournaments; attending Service to Youth Awards dinners showcasing and honoring the top big brothers and big sisters in the organization; providing youth with mentoring and exposure to the corporate world through the Beyond School Walls program at our D.C. and Bethesda offices; and fundraising through running teams for the annual Marine Corps Marathon.

We recognize the invaluable impact of one-to-one mentoring and hope our efforts and involvement in Big Brothers Big Sisters continue to empower at-risk children to dream big and work hard to achieve important goals in their young lives despite difficult circumstances.

“We support the Big Brothers Big Sisters mission because we are all called to pay our success forward to benefit society. Through our work, Liquidity Services has helped BBBS in the National Capital region assist thousands of families and youths improve their lives. In turn, graduates of our BBBS mentoring programs pay it forward through their own productive lives and positive presence in their communities.”

- Bill Angrick, CEO and Chairman of the Board of Directors

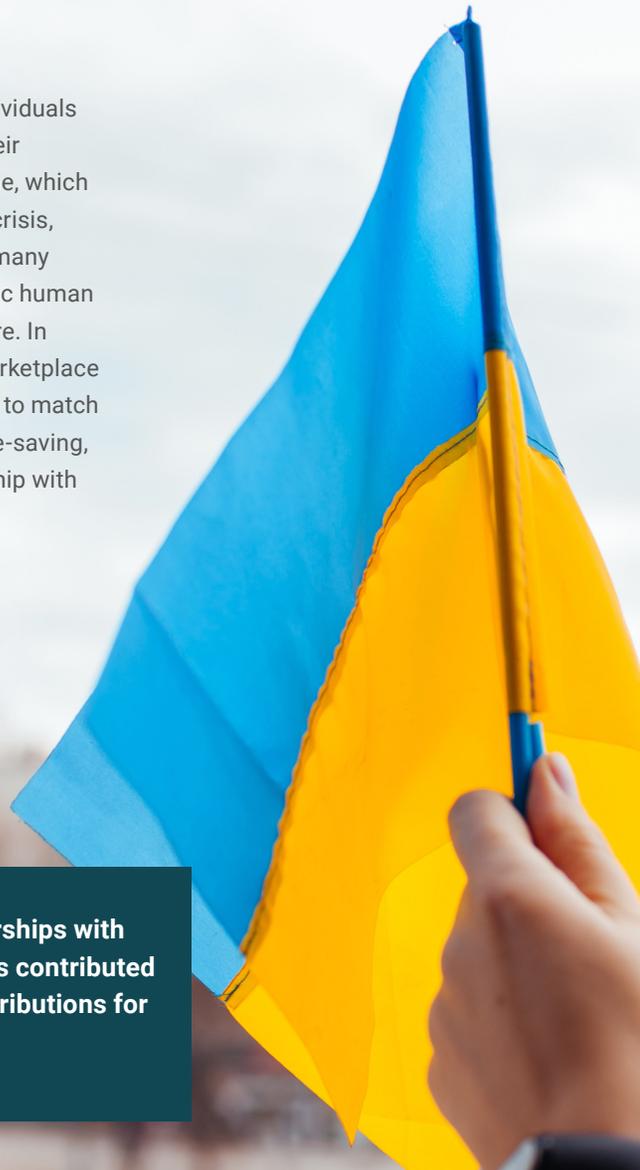


Global Communities

Disaster Relief | Ukraine

Being a global leader means supporting individuals impacted by catastrophic events outside their control. The war between Russia and Ukraine, which persists today, has created a humanitarian crisis, displacing millions of civilians, and leaving many without shelter, resources, or access to basic human essentials of food, electricity, and health care. In 2022, Liquidity Services' employees and marketplace participants rallied around our commitment to match donations to five organizations providing life-saving, boots-on-the-ground services and partnership with local entities helping those in need.

To maximize the impact of our partnerships with these organizations, Liquidity Services contributed **\$25,000** plus a **100% match** of all contributions for a total donation of **\$52,298.28**.



Mercy Corps

A global humanitarian team on the ground in Ukraine, Romania, and Poland, Mercy Corps meets the urgent needs of displaced individuals by funding local organizations.

World Central Kitchen

This organization helps devastated communities recover and reestablish food systems by providing thousands of meals to Ukrainian refugees along the country's border and within multiple cities.

Global Empowerment Mission

Global Empowerment Mission was founded in 2011 as a first responder to global disasters and to minimize the time communities are stuck in the gap of reestablishing livelihoods.

International Committee of the Red Cross

On the ground in over 90 countries—neutral, impartial, and independent—this organization works around the world helping people affected by conflict and armed violence.

Global Giving

Helping trusted, community-led organizations around the world, GlobalGiving connect donors to nonprofits to provide relief in places where and when it's needed most.

Empowering Small Businesses While Conserving Natural Resources

Surplus assets are foundational to the success of many small businesses. Our marketplaces facilitate economic growth by making it possible for small businesses to source inventory and equipment at attractive prices in a convenient online platform. To create value for our buyers, we keep our marketplaces stocked with goods at prices that empower them to succeed.

Our core value of “Shared Success” dictates that we pass our accomplishments to the people who help us achieve them. With every win, we put our efforts back into supporting the small businesses that commission our success. In this way, Liquidity Services is an engine for opportunity reflecting our mission to power the circular economy as we conserve natural resources.



SPOTLIGHT:

Creating Opportunity From Baby Goods

What started as a side project to make extra money has blossomed into a full-blown business for one AllSurplus Deals shopper. An early AllSurplus Deals customer in Phoenix, Arizona, was immediately struck by the financial potential of the returned and overstocked goods coming into the marketplace every day. After learning about the immense local market for discounted baby goods, this entrepreneur formed a partnership with a coworker and began bidding on baby products through AllSurplus Deals, quickly filling his entire garage with goods. The duo began selling these items on Facebook Marketplace, and eventually expanded their operation into a 3,000-foot storage facility in nearby Tempe, where they hired employees to process, photograph, list, package, and ship the goods bought from AllSurplus Deals.

The customer and his partner developed a close relationship with our AllSurplus Deals team, after taking a tour of the facility and purchasing goods in bulk rather than bidding on individual listings. Our warehouse team gave the entrepreneurs some tips on warehouse management and the processes that go into running a successful operation.

Today, the customer buys baby products by the truckload through our direct sales team to supplement his thriving business. Even as the U.S. economy fluctuates, baby products including diapers, clothing, and furniture, have consistently demonstrated strong market demand.



People

Training and Education

Employees who pursue continuing and higher education can take advantage of our Tuition Reimbursement Program, which offers \$1,500 a year per employee towards college courses, seminars, and certifications. This program provides an incentive for employees to better themselves through education, which many of our employees have utilized to expand skills and improve their understanding of our industry.

Investing in Our Employees

Supporting our employees' continuing education and training is just one of the ways we improve our performance. By offering benefits and initiatives that support employees, we are able to attract and retain talented individuals who inspire and innovate, which pushes us to achieve our collective goals.

In 2022 we adopted the Performance Conversations Method, a holistic approach to employee performance management which replaces our traditional, retrospective performance appraisal process. Through regular performance check-ins, employees engage in dialogue with their managers to set goals and receive feedback, support and coaching. This program delivers the dual benefits of improving communication between employees and managers, as well as offering the opportunity for employees to receive individualized support that fosters personal and professional development.



Diversity, Equity, and Inclusion

Diversity and Equal Opportunity

Our diversity strengthens us, and positions Liquidity Services as a truly global leader. To build the world's leading marketplace for surplus assets to benefit buyers, sellers, and the planet, we must attract, develop, and retain employees who deliver outstanding performance. That's why we've made Liquidity Services a rewarding place to work where differences, ideas, and experiences are welcomed and celebrated.

We believe our employees are key to achieving our business goals and growth strategies, and actively recruit talent from a variety of demographic and geographic backgrounds. This helps us leverage a variety of skill sets and perspectives to build a diverse, multicultural workforce that improves our problem-solving capabilities and brings innovative solutions to a wide range of clients and customers.



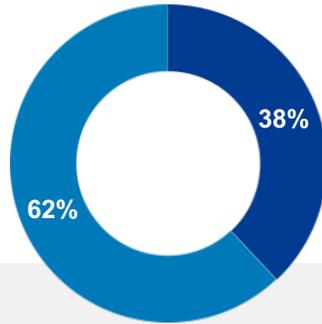
Non-Discrimination

The company requires all individuals to be treated with respect and dignity, in a safe, professional, collaborative environment. We prohibit any form of unlawful discrimination and will not tolerate, condone, or allow such conduct by fellow employees, supervisors, managers, customers, or other non-employees who conduct business with the company. This policy applies to all decisions affecting employee hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training. Complaints alleging violations of this policy may be raised under the company's Hotline Reports and Compliance Incidents policy.

Employee Diversity

Gender Diversity

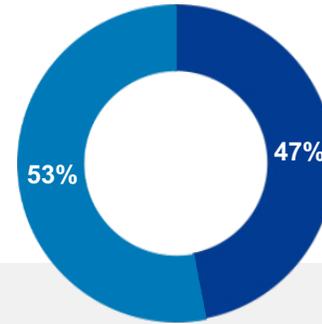
Management vs Staff



Management

38% Female

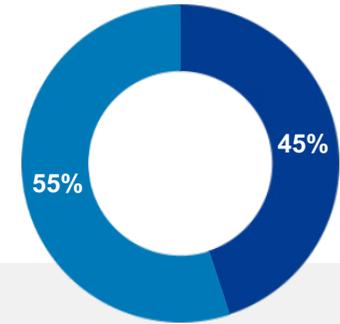
62% Male



Staff

47% Female

53% Male



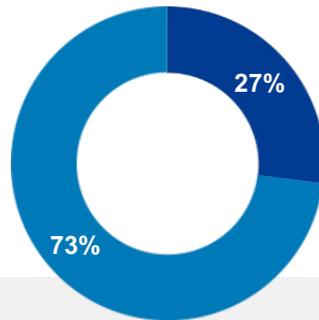
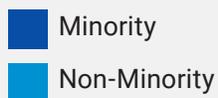
All Employees

45% Female

55% Male

Ethnic Diversity

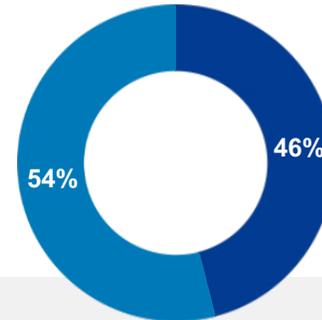
Management vs Staff



Management

27% Minority

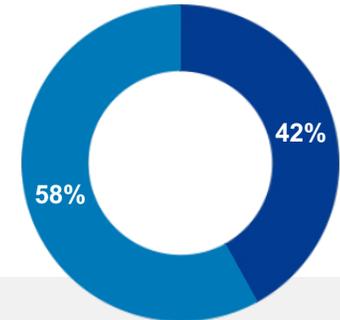
73% Non-Minority



Staff

46% Minority

54% Non-Minority



All Employees

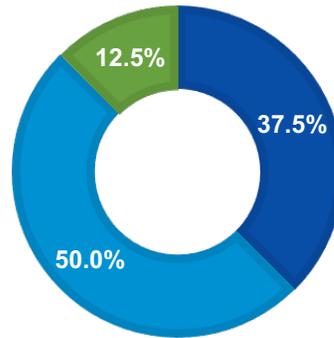
42% Minority

58% Non-Minority

Board Diversity

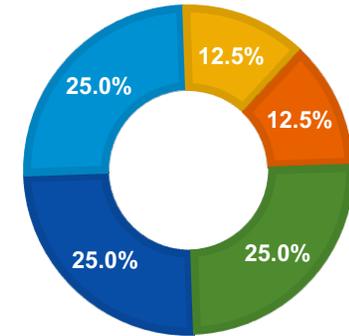
Liquidity Services recognizes the value of diversity among directors. Having a variety of viewpoints improves the quality of discussion, contributes to a more effective decision-making process, enhances the overall culture of the boardroom, and helps the Board address the complex issues it faces. Additional information on our directors and their specific qualifications and experiences are set forth below.

For more information about our board of directors, see our [2023 Proxy Statement](#).



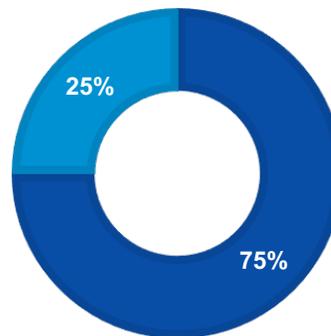
■ Age 50-59 ■ Age 60-69 ■ Age 70+

Age Diversity of Directors



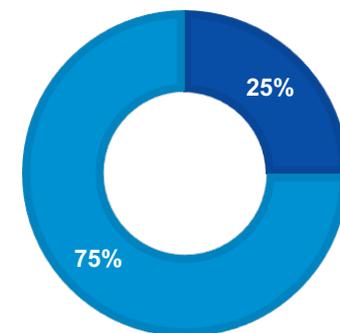
■ 0-5 Years ■ 5-10 Years ■ 10-15 Years
■ 15-20 Years ■ 20+ Years

Tenure Diversity of Directors



■ Male ■ Female

Gender Diversity of Directors



■ Minority ■ Non-Minority

Racial/Ethnic Diversity of Directors

Governance: Trusted Marketplaces

Since 1999, our trusted marketplaces have served as platforms to simultaneously connect businesses with buyers, and buyers with the assets they need. With over 15,000 partnered sellers and more than 5 million registered buyers on our marketplaces, we operate in a manner that demonstrates our core values of integrity, customer focus, mutual trust, and accountability.

These core values are the guiding principles by which we operate. It is because of these principles that we have successfully grown into a global industry leader.

As a publicly traded company, we manage our affairs consistent with our core values and applicable law. Our independent Board of Directors holds our management accountable by providing effective oversight of enterprise risk and decision-making. In addition, our quarterly financial statements are reviewed by Deloitte & Touche LLP, our independent registered public accounting firm ("Deloitte"), and publicly filed with the SEC. The independent review and transparency help safeguard the integrity of our financial statements.

We utilize Grant Thornton LLP to assist management in performing the testing required by the Sarbanes-Oxley Act of 2002. In addition, our directors, officers, employees, and agents are all subject to our Code of Business Conduct and Ethics, our guidelines for conducting business consistent with our core values.

See the full Code of Business Conduct and Ethics and our other Governance Documents to learn more about how we manage our affairs consistent with our core values and the highest principles of business ethics.



Ethics and Compliance

Liquidity Services is committed to maintaining high standards of ethical business conduct and strong corporate governance practices.

The foundation to our high standards of business and professional conduct is supported by our core value of Mutual Trust and Accountability, as it determines how we treat each other and those with whom we conduct business.

We understand that to win and keep our customers' trust, we must operate all facets of our business with integrity, from our Board of Directors and management to our workforce and commerce services which drive the circular economy. All employees are expected to uphold Liquidity Services' Code of Conduct. Employees receive annual training in the Code of Conduct and related policies, and are encouraged to use the company's Compliance and Ethics Helpline to report potential policy, Code of Conduct, or ethics violations.

Our suppliers, vendors and other partners are required to adhere to our Supplier Code of Conduct, which outlines general expectations and requirements for behaving consistently with Liquidity Services' values.



Trust and Transparency

As part of our commitment to transforming the circular economy through the use of digital technologies, we understand the importance of safeguarding the privacy and security of customer data and personal information. All Liquidity Services employees complete cybersecurity awareness.

Those who have access to personal information are also required to receive privacy training. Our Privacy Policy states what information we collect, how that information is collected, for what purposes we collect information (specifically including the legal basis on which personal information we collect will be processed), how that information is used, who we share it with, and under what circumstances that information would be released. Our Chief Technology Officer reports quarterly to the Board of Directors on information security matters.

Our commitment to strong governance practices is set forth in the [Governance](#) section of our company website, as well as in our [Corporate Governance Guidelines](#).

Our Board of Directors' committees are comprised of independent directors who assist the board with focused oversight of critical enterprise risk assessment:

Audit

- Integrity of our financial statements in accordance with securities laws applicable to public companies
- Effectiveness of internal controls over financial reporting
- Engagement and oversight of our independent auditors
- Compliance with legal and regulatory requirements
- Review of environmental, social, and governance disclosures in the company's annual report

Compensation

- Management compensation
- Annual CEO goals and evaluation
- Stock and stock-based plans
- Oversight of policies and strategies relating to culture and human capital management, including diversity and inclusion

Governance

- Director candidate review and recommendations
- Board and committee composition
- Corporate governance guidelines and other governance matters
- Annual board self-assessment
- Environmental, social, and governance risks and the company's environmental and social goals, policies, and programs



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