



A Better Future for Surplus

Investor Presentation

Fourth Quarter Fiscal Year 2023



Forward-Looking Information

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 fiscal year ended September 30, 2023, and subsequent filings with the Securities and Exchange Commission (SEC). 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. 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 Form 10-K for the fiscal year ended September 30, 2023.



Who We Are

Liquidity Services operates the world's largest B2B e-commerce marketplace platform for surplus assets and real estate powering the growth of the Circular Economy.

To Power the Circular Economy, we:

- **Sell**, manage, and value surplus assets and real estate across the globe in a broad range of categories and conditions
- **Maximize** value recovery with the broadest buyer base through our efficient global marketplace platform
- **Optimize** and execute surplus management strategies to achieve client business goals



Manufacturing



Commerce



Use



Disposal



What is the Circular Economy?

Definition: “The circular economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible.”*

*European Parliament

Liquidity Services is a first mover and global leader in transforming the Circular Economy, which provides long-term investors the opportunity to drive financial returns while making a positive impact on the environment.



The Industry Leader in the Circular Economy

15,000+

Trusted Clients
Worldwide

130+

Fortune 1000
Global Clients

900,000+

Transactions
Completed Annually

600+

Asset Categories
Experience

5 Million+

Registered
Buyers

B2B | B2C

Multichannel Marketing
& Sales Strategies

\$10 Billion+

Completed
Transactions

LQDT ▲

Publicly Traded
Since 2006 IPO

Our Purpose

To build the world's leading marketplace for surplus assets and real estate to benefit sellers, buyers and the planet

Our Sellers



For enterprises with used, idle, or excess assets and inventory we provide:

- Expertise and intelligence that achieve high-performance results aligned to strategic goals
- Comprehensive and scalable solutions
- Superior people, processes, and systems to maximize return

Our Buyers



For organizations and consumers looking to achieve business or personal goals we offer:

- Convenient access to a wide range of assets
- Accurate, comprehensive product information and fair market prices
- Helpful, responsive customer support when it is needed

The Planet



For the planet's natural resources, environment, and beauty we:

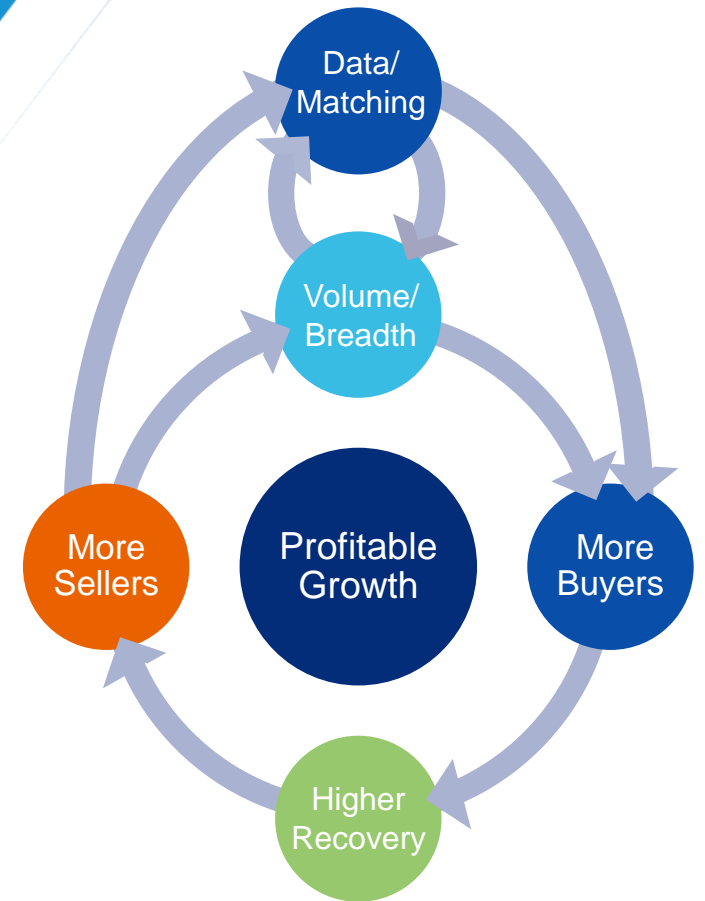
- Extend life of assets and inventory and increase reuse and recycling
- Prevent unnecessary waste and reduce the number of products headed to landfills
- Dispose of surplus in an environmentally safe manner

Vision and Strategic Pillars

Liquidity Services will build the world's leading marketplace for surplus assets to benefit sellers, buyers and the planet.

- R** **Recovery Maximization**
Drive higher net recovery through technology and innovation that improves the buyer experience
- I** **Increased Volume**
Grow annualized volume transacted on our platform with flexible service offerings and pricing models to meet the needs of existing and new sellers
- S** **Service Expansion**
Grow services with recurring revenue characteristics that leverage our domain expertise, data and marketplace channels
- E** **Expense Leverage**
Improve operating expense leverage by controlling costs and through technology and innovation that increases productivity

RESALE



Delivering Maximum Value to Sellers

Better Service

Superior levels of industry and asset expertise, responsiveness, intelligence, and analytics that achieve high-performance results aligned to our sellers' goals.

Better Scale

Comprehensive, modular, and scalable solutions spanning all volumes, asset categories, conditions, sales channels, and locations worldwide.

Better Results

Right combination of great people, best-in-class processes, and cutting-edge systems to deliver maximum return today and into the future.

Serving the Broadest Base of Industries



Aerospace & Defense



Electronic Manufacturing



Industrial Manufacturing



Automotive Manufacturing



Energy



Mining & Large Construction



Biopharma



Fast-Moving Consumer Goods



Retail



Consumer Brands & OEM's



Government



Transportation

Providing Superior Buyer Experiences



Superior Product Quality and Information

Large volumes and recurring flows of products; refurbishment services to enhance and ensure product quality; ability to view detailed product information, ask questions, and inspect items



Fair Prices

Auction format ensures assets are sold for fair market value; assets available all over the world, making it easy to keep shipping costs low or pick up items



Excellent Customer Service

Support every aspect of the buyer experience. Rated A+ provider by the Better Business Bureau

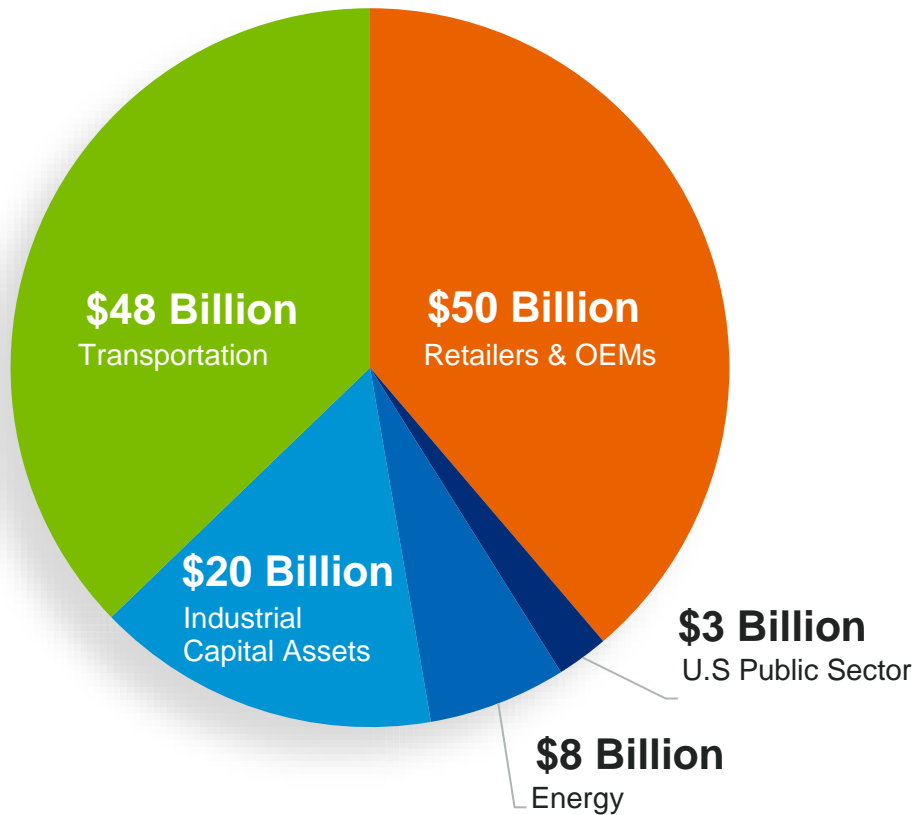
Our ESG Objectives

Environmental	Our Services Enable the Circular Economy. We empower corporations and governments to use our e-commerce services to resell their surplus assets, which, in turn, enables a more sustainable and circular economy.
Economic Opportunity	We Empower Small Business Entrepreneurs. We empower small business entrepreneurs by enabling their access to a global supply of finished merchandise and capital assets, which, in turn, allows them to build and grow their businesses and contribute to the prosperity of their local communities.
Social	Our Diverse and Inclusive Workplace Drives Innovation. We constantly seek, develop and implement innovative new ideas to enhance our suite of solutions. To achieve this, we seek diverse perspectives, foster an inclusive workplace and strive to help each employee achieve success using each person's unique talents, skills and contributions.
Governance	Trust Grows our Marketplaces. Creating trust is fundamental to the long-term growth and success of our marketplaces. Accordingly, we continuously execute and improve our services following our core values of: Integrity; Mutual Trust and Accountability; and Doing Well and Doing Good.



Market Opportunity*

\$130 Billion Total Addressable Market



Highlighted Sellers Across Industries



*Data from evaluation of research from Appriss Retail (2018), Manfredi & Associates (2015), ACT Research (2016), and company data.

Macro-Trends Expanding Our Opportunity

E-Commerce Growth

- Increased demand for digital, no-contact solutions driving more opportunities with sellers and buyers
 - Continued online growth in retail driving increased volume of consumer returns
 - Trending appetite for self-directed solutions
- Increasing buyer demand for discounted, refurbished and secondary market assets
- Environmental Sustainability key goal for commercial and government sellers

Technology Innovation

- Product obsolescence and shorter product life cycles
- Greater focus on compliance and transparency
- Higher adoption of digital marketplaces and no-contact sales channels among B2B buyers
- Increasing need for faster disposition cycle

Sustainability

- Focus on zero waste
- Environmental compliance requires sophisticated tools and reporting
- Extending the useful life of assets of increasing importance

Our Business Model

Compelling Model

- ✓ Online, no-contact and self-service solutions
- ✓ Diversified products, services, and customer mix globally
- ✓ High-volume recurring revenue
- ✓ Value-added managed services
- ✓ Additional services beyond selling assets to create higher-margin revenue streams
- ✓ Network effect drives recovery maximization for sellers and increasing flow of asset supply for buyers
- ✓ High operating leverage on future growth

Multiple, Synergistic Revenue Streams

- ✓ Consignment Model
- ✓ Purchase Model
- ✓ Service Revenue
- ✓ Subscription Revenues



Liquidity Services Marketplace Success

Q4-23 total marketplace growth over the prior year included⁽¹⁾

+5% Buyer Registrations

+8% Auction Participants

+4% Completed Transactions

(1) Q4-FY23 growth over prior year comparable quarter.

(2) Includes the AllSurplus Deals direct-to-consumer RSCG sales channel, and GovDeals/CAG transactions where the winning bid was placed by a buyer on the AllSurplus marketplace.

(3) GoIndustry DoveBid will formally transition to AllSurplus in FY24.

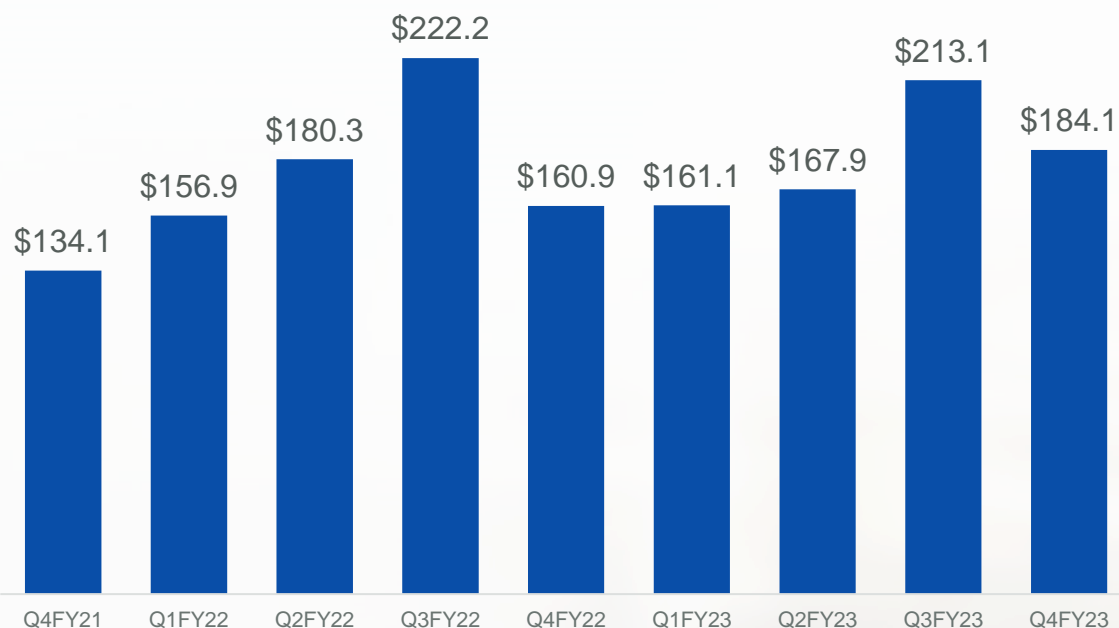
Marketplace	Q4-FY23 Marketplace Highlights ⁽¹⁾
<p>AllSurplus (incl. GoIndustry DoveBid⁽³⁾)</p>	<ul style="list-style-type: none"> • +42% Transaction Activity⁽²⁾ • +25% Buyer Registrations • Continued GMV growth across key categories
<p>GovDeals (incl. Bid4Assets)</p>	<ul style="list-style-type: none"> • +8% Completed Transactions • +9% Auction Participants • Achieved \$4B in cumulative GMV
<p>Liquidation.com</p>	<ul style="list-style-type: none"> • +10% Completed Transactions • New RSCG quarterly GMV record

GovDeals Segment

Government agencies continue to adopt our digital marketplace solutions over traditional sales methods, transacting in a broader array of assets, including vehicles, heavy equipment, and real estate

GovDeals Segment GMV Trendline

*in millions



We are leading the trend for government sellers to access a mobile-first solution

- Well-positioned to serve increasing demand for virtual solutions

GovDeals self-directed model is attractive to:

- Local, state and federal government entities
- Higher education institutions
- Non-profits

Marketing technology and increase in online procurement are driving more buyer demand

Continued volatility in used car market prices, and lower real estate foreclosure levels⁽¹⁾ have currently impacted GMV on the GovDeals and Bid4Assets marketplaces in the current year.

(1) ATTOM (2023): <https://www.attomdata.com/news/market-trends/foreclosures/attom-year-end-2022-u-s-foreclosure-market-report/>

Bid4Assets Overview



- A leading online marketplace strategically focused on conducting real property auctions for the government, including tax and mortgage foreclosure sales
- Since inception, Bid4Assets has completed the sale of over \$1 billion in assets through the use of its data-driven technology and online sales platform
- With its strong track record of delivering value for government agency clients, our acquisition of Bid4Assets enhances our portfolio of digital solutions for our sellers, expands our buyer base, and strengthens our position as a leading marketplace for real estate

The results of Bid4Assets are included within our GovDeals segment

RSCG Segment

RSCG continues to diversify its client programs, sales channels, and distribution networks

RSCG Segment GMV Trendline

*in millions



* Fiscal Q2 is the seasonally high quarter for reverse supply chain activity in the retail sector.

Our RSCG segment benefits from:

- Retailers increasingly seeking B2B marketplace platforms to conduct resale of surplus inventory
- Flexible service offerings that enable clients to rapidly respond to changing economic conditions

Our expanded service offerings address a full spectrum of seller needs and create higher-margin revenue streams:

- Managed services for end-to-end solutions
- Large retailers increasing use of our sell-in-place consignment solutions

These services have positioned us well to respond to recent macro trends:

- Strong e-commerce growth drives increased volume of consumer returns
- Increasing buyer demand for discounted, refurbished and secondary market assets drives growth

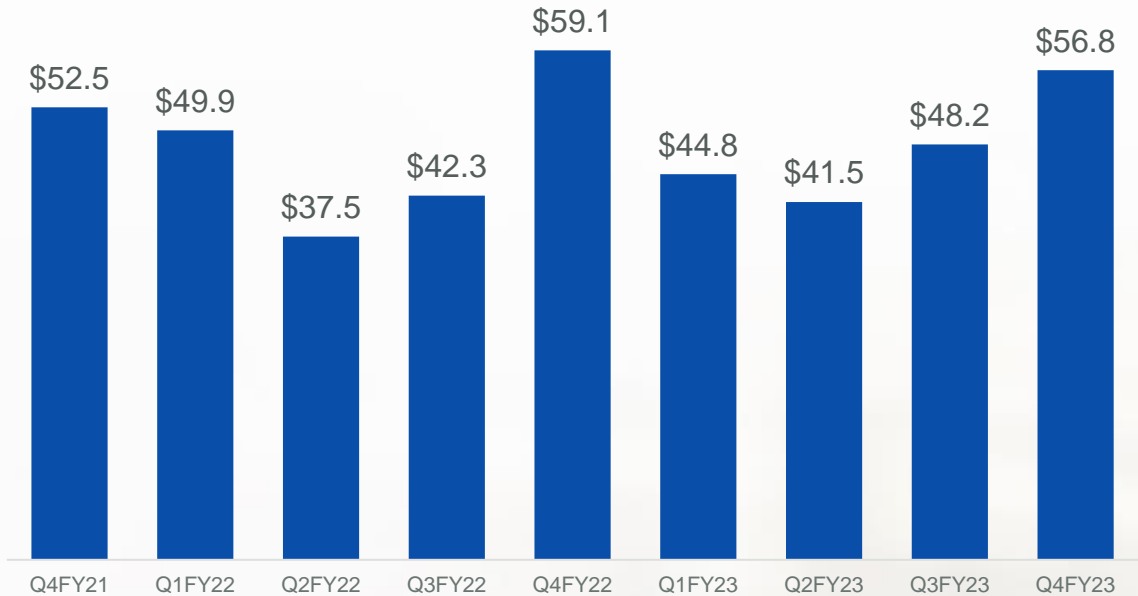
Changes in consumer sentiment and supply chain variability can cause fluctuations in the value and mix of products transacted in any given period.

CAG Segment

Driving growth through expansion of key verticals including biopharma, energy, and heavy equipment

CAG Segment GMV Trendline

*in millions



Continued execution through ongoing global supply chain disruptions:

- Global supply chains are experiencing heightened uncertainty from slowing global GDP growth, ongoing international armed conflicts, inflationary pressures, and increasing tensions with China.

Clients continue to pursue CAG's solutions for:

- Greater need to recover investment on idle assets
- Increasing buyer demand for assets at less than new pricing

AllSurplus enables delivery of self-directed and fully managed services to our sellers, including:

- AI-driven recommendations and search to help buyers
- Real time reporting and asset status for our sellers
- Ability to bid or buy assets through multiple sales types: auctions, buy now, and offers

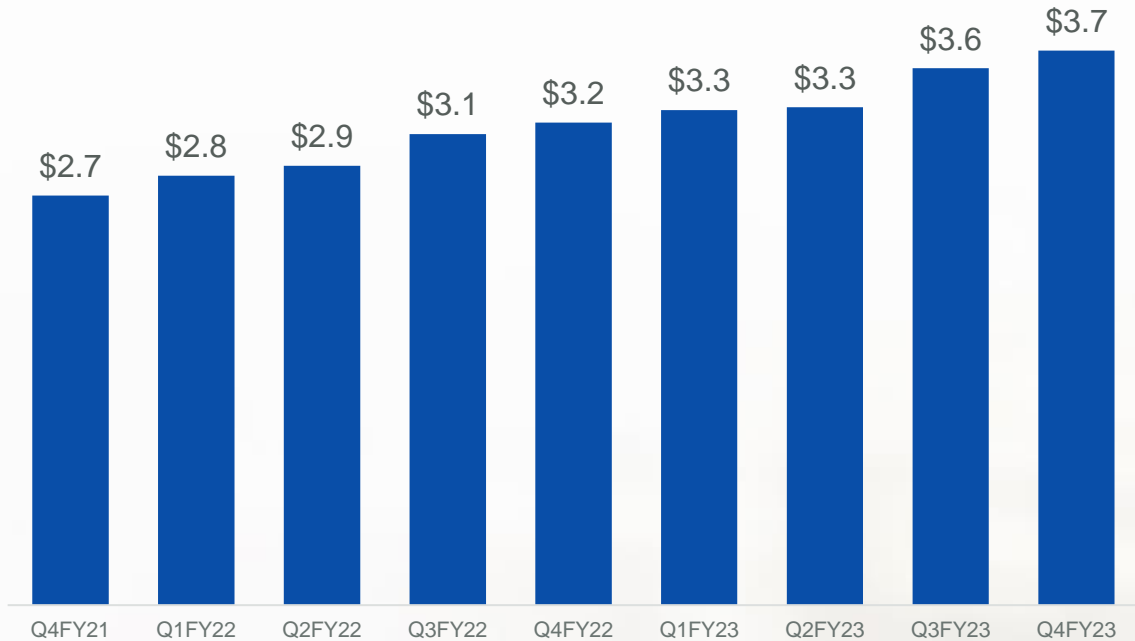
CAG GMV can be variable based on timing and project size

Machinio Segment

Subscriber growth and strong renewal rates from Machinio Advertising and System drove 15% revenue growth in Q4-FY23

Machinio Segment Revenue Trendline

*in millions

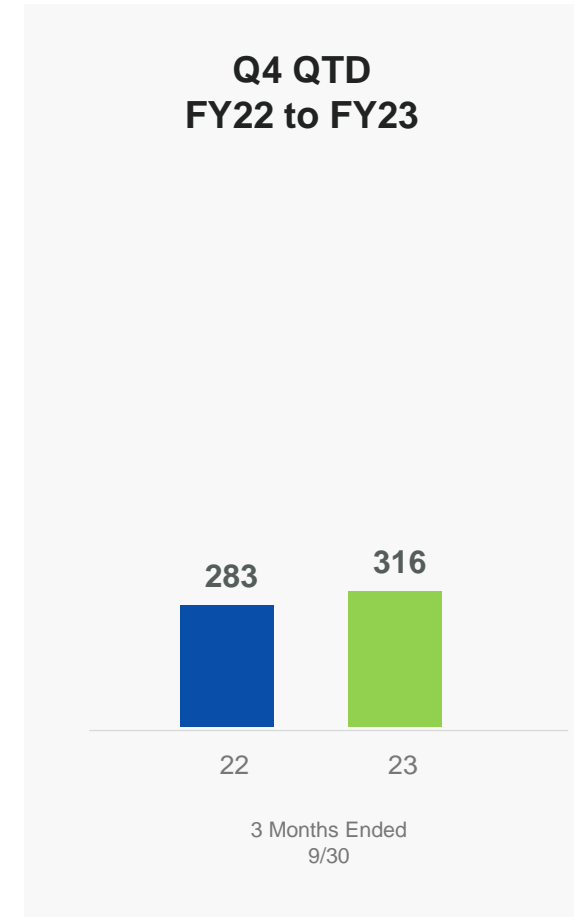
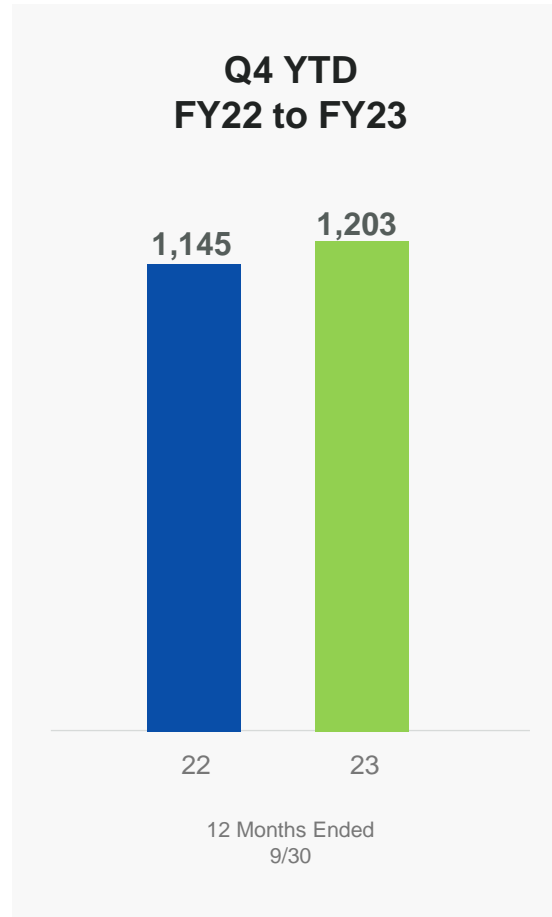
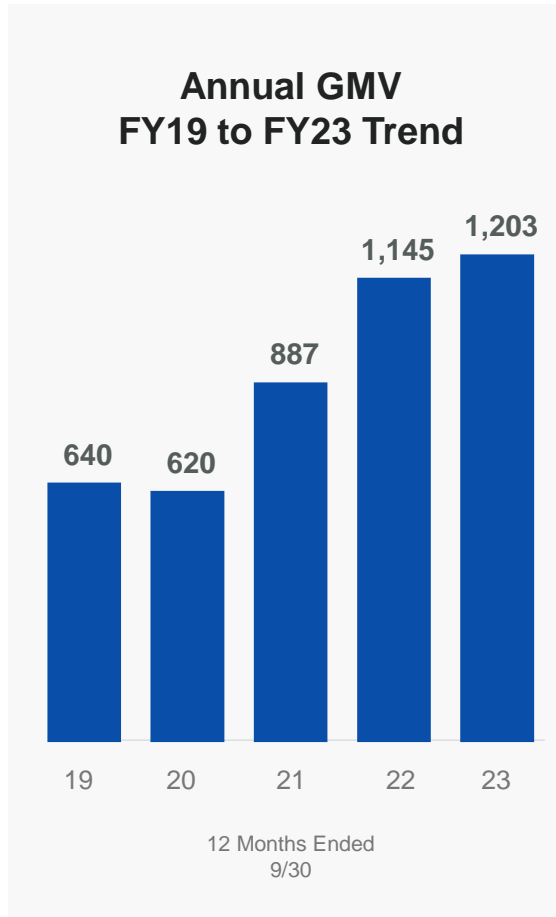


- **The Machinio worldwide search engine for used equipment aggregates over 3.8 million active listings**
- **Machinio Advertising’s worldwide classifieds platform has over 3,900 subscribers from 100+ countries, and over 780k email alert subscribers**
- **Machinio System’s management software for machinery dealers has over 680 subscribers**
- **Strong Net Renewal Rates**

Financial Results

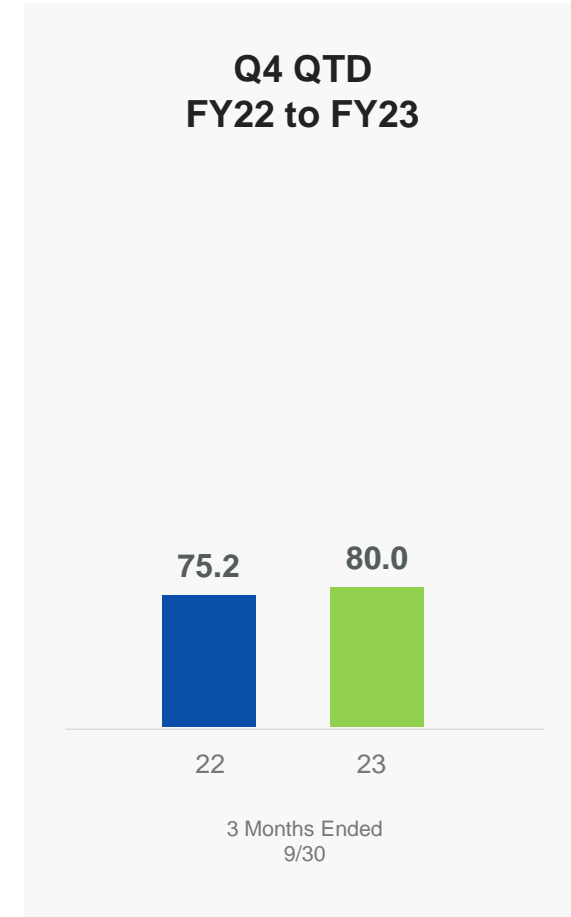
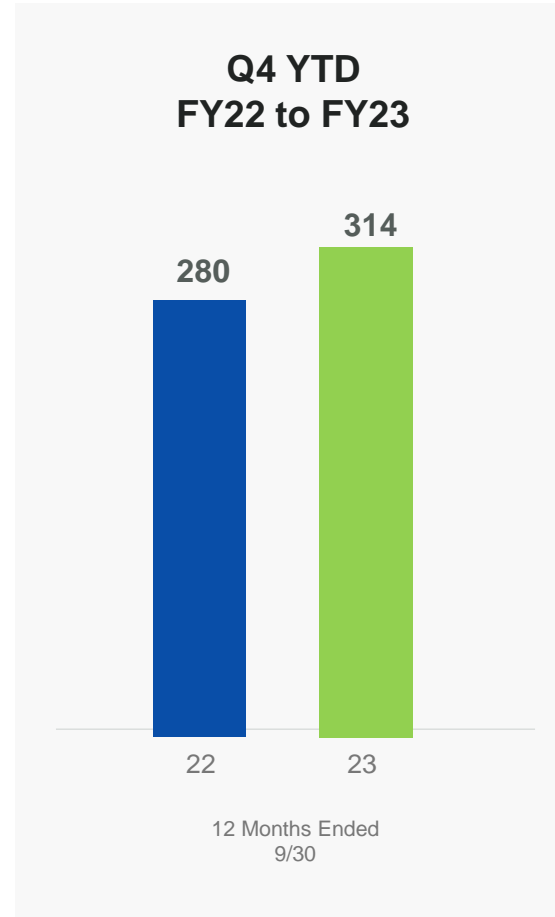
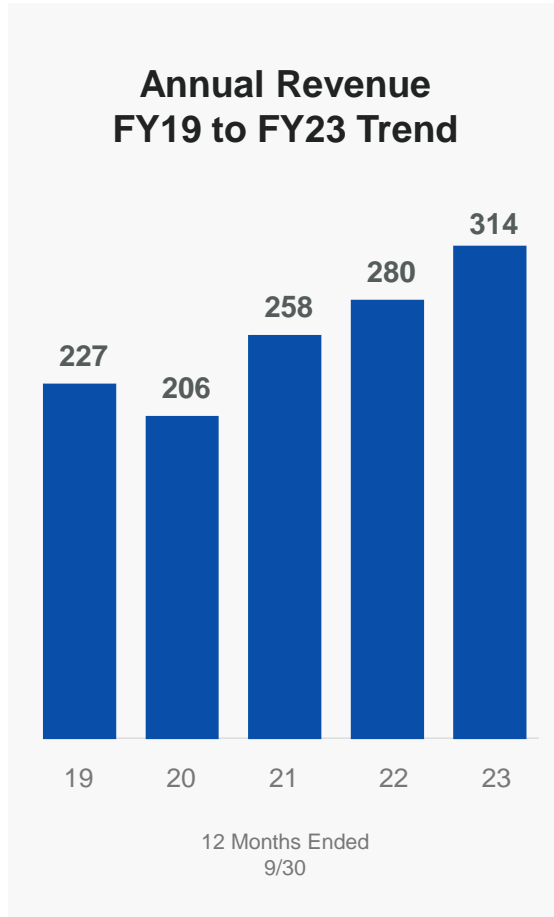
Consolidated Results – Gross Merchandise Volume (GMV)

\$ in millions



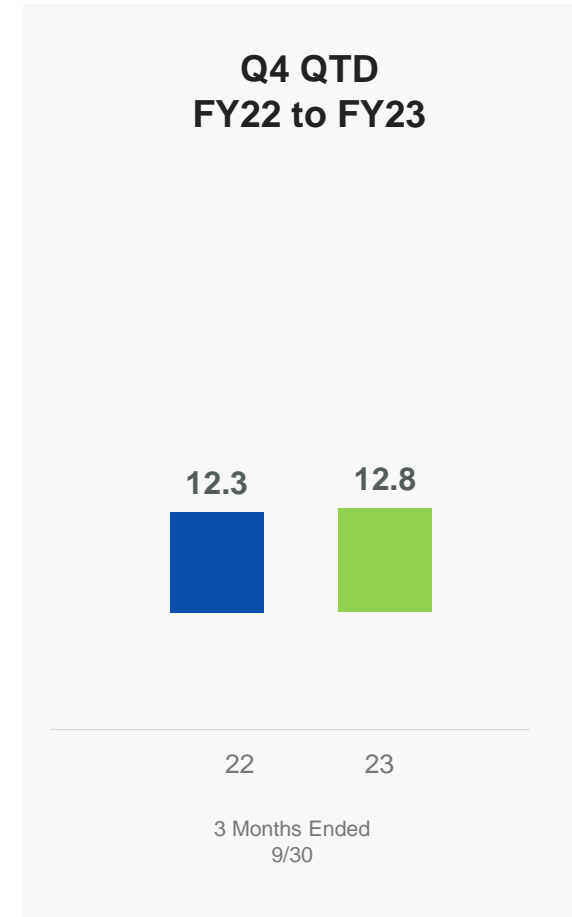
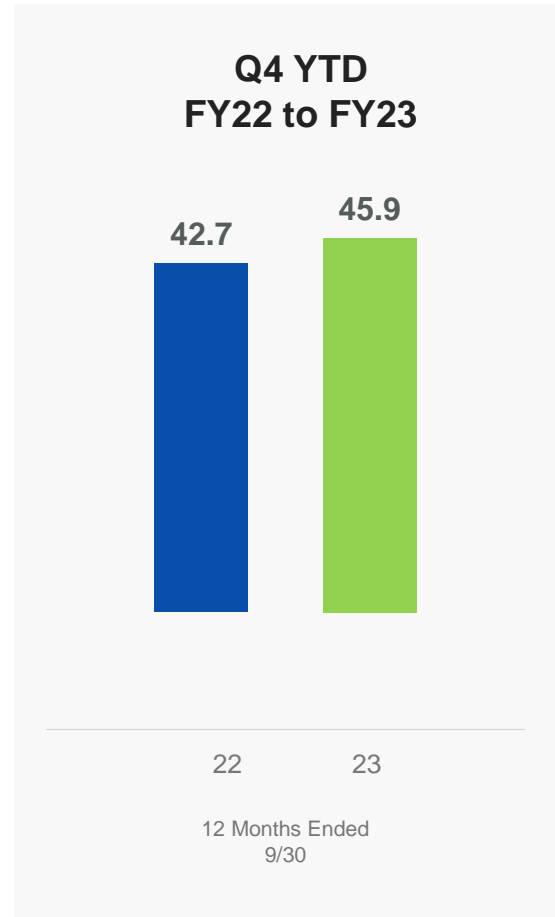
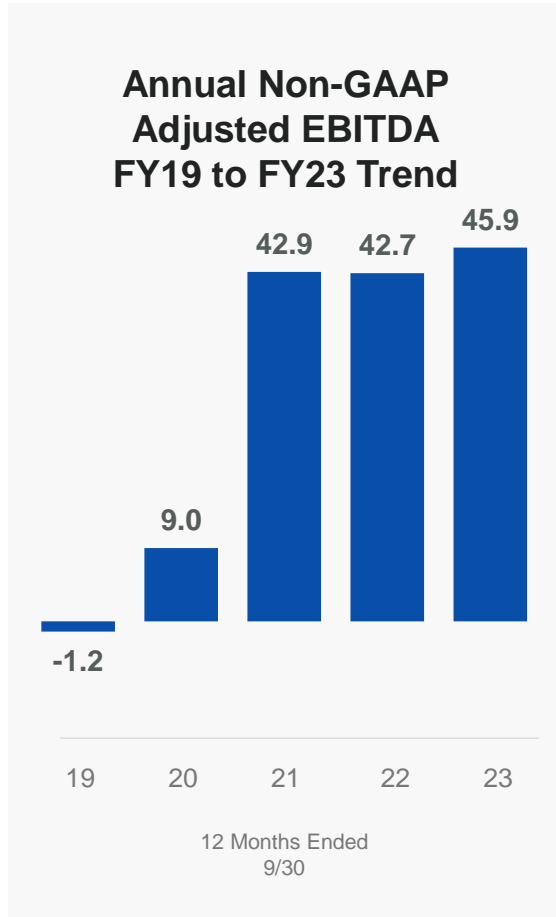
Consolidated Results – Revenue

\$ in millions



Consolidated Results – Non-GAAP Adjusted EBITDA⁽¹⁾

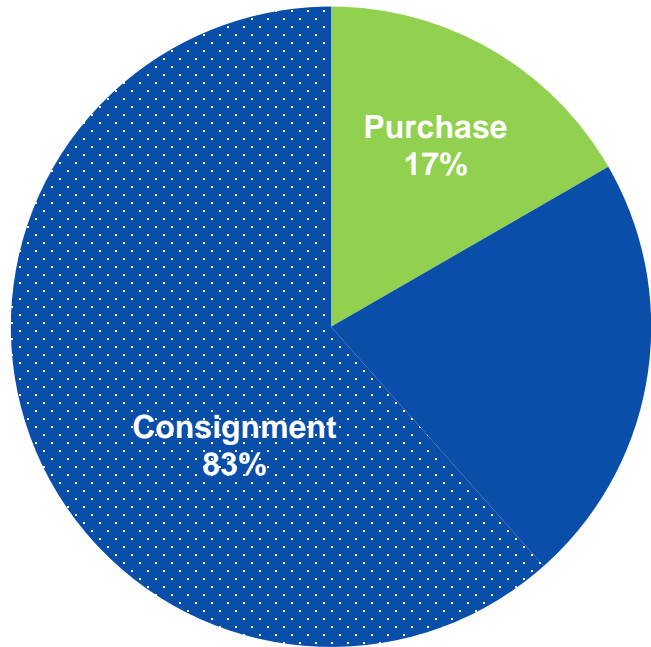
\$ in millions



(1) For the twelve months ended September 30, 2023, 2022, 2021, 2020, and 2019, Net Income (Loss) was \$21.0M, \$40.3M, \$50.9M, (\$3.8)M, and (\$19.3)M, respectively. For the twelve months ended September 30, 2023, and 2022, Net Income was \$21.0M and \$40.3M, respectively. For the three months ended September 30, 2023, and 2022, Net Income was \$8.3M and \$6.3M, respectively. See slide #27 for a reconciliation of Adjusted EBITDA

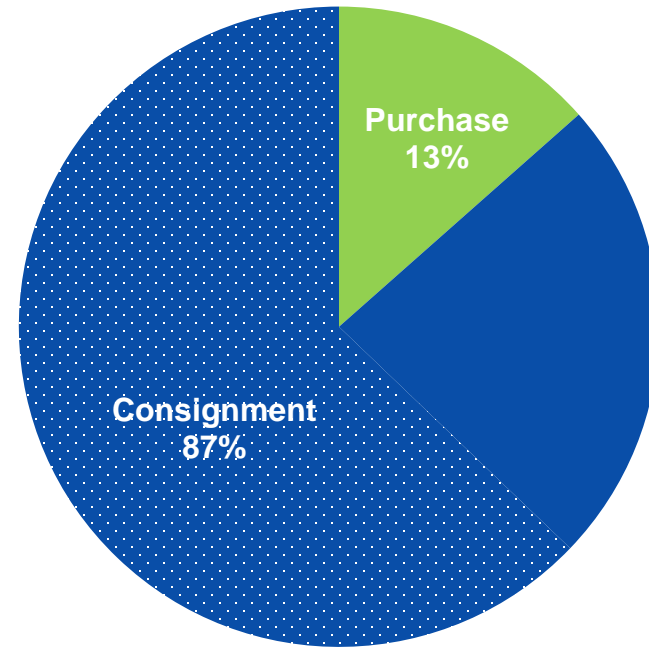
Diversification By Pricing Model | GMV Mix

Q4 FY22



■ Purchase ■ Consignment ■ Self-Directed Consignment

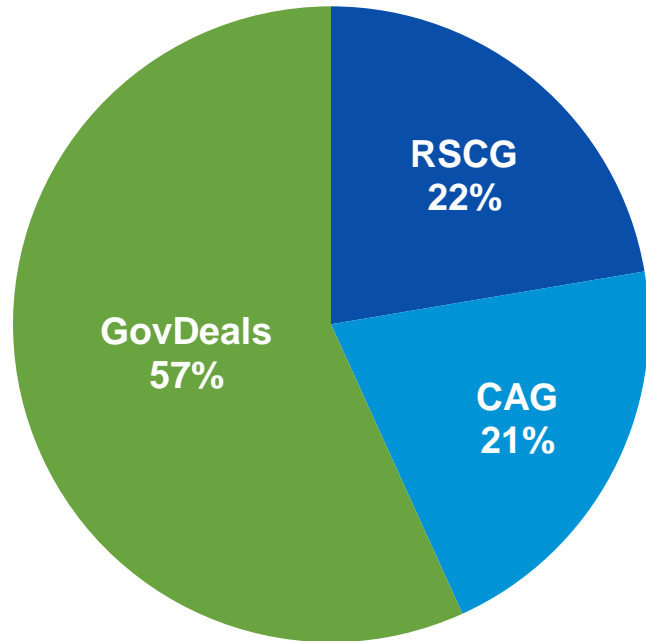
Q4 FY23



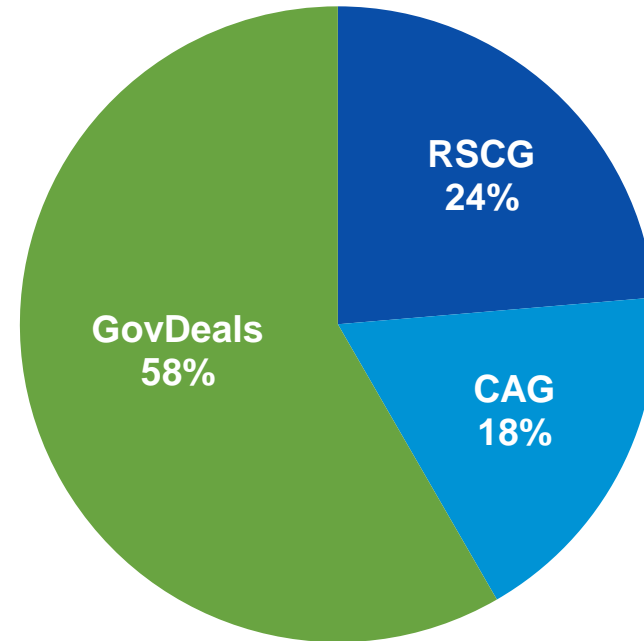
■ Purchase ■ Consignment ■ Self-Directed Consignment

Diversification By Segment | GMV Mix

Q4 FY22

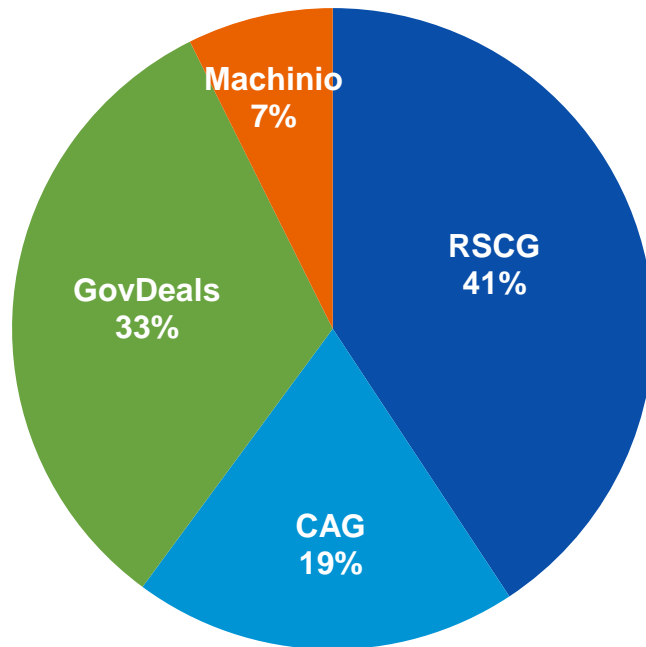


Q4 FY23

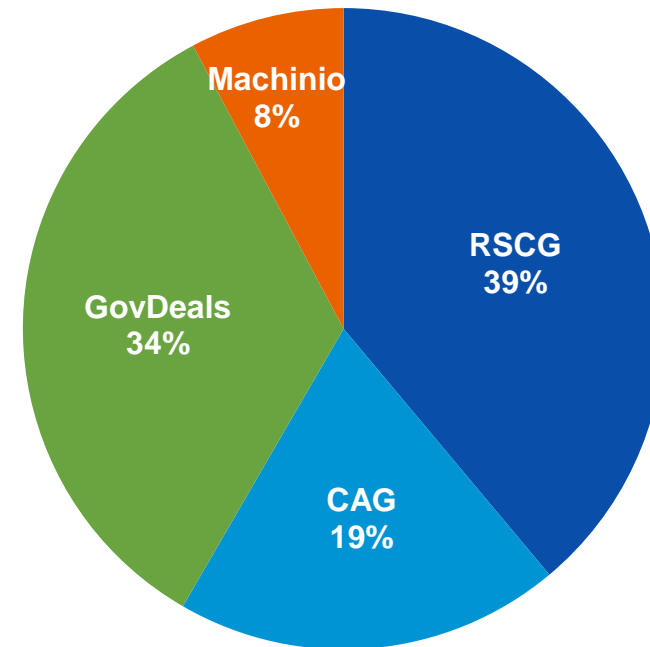


Diversification By Segment | Segment Direct Profit Mix⁽¹⁾

Q4 FY22



Q4 FY23



(1) See our Annual Report on Form 10-K for the twelve months ended September 30, 2023, for a reconciliation of Total Segment Gross Profit to Income Before Income Taxes.

Reconciliation of Financial Data

Adjusted EBITDA Reconciliation (QTD)								
(in thousands)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23
Net Income	\$ 3,602	\$ 11,970	\$ 16,408	\$ 8,345	\$ 3,967	\$ 4,245	\$ 6,487	\$ 6,279
Interest & other (income) expense, net	(33)	51	196	(88)	(303)	(634)	(761)	(1,161)
Provision for income taxes	1,012	1,059	2,183	3,075	1,149	1,573	2,543	2,774
Depreciation and amortization	2,302	2,603	2,641	2,776	2,764	2,803	2,866	2,821
Non-GAAP EBITDA	\$ 6,883	\$ 15,683	\$ 21,428	\$ 14,108	\$ 7,577	\$ 7,987	\$ 11,135	\$ 10,713
Stock compensation expense	2,280	1,992	1,884	2,325	2,081	1,939	2,195	1,975
Acquisition costs and impairment of long-lived and other non-current assets	211	40	43	179	184	-	-	69
Business realignment expenses	-	-	-	191	-	-	-	-
Fair value adjustments to acquisition earn-outs	-	(8,500)	(11,500)	(4,500)	-	-	-	-
Non-GAAP Adjusted EBITDA	\$ 9,374	\$ 9,215	\$ 11,855	\$ 12,303	\$ 9,842	\$ 9,926	\$ 13,330	\$ 12,757



Investor Relations

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