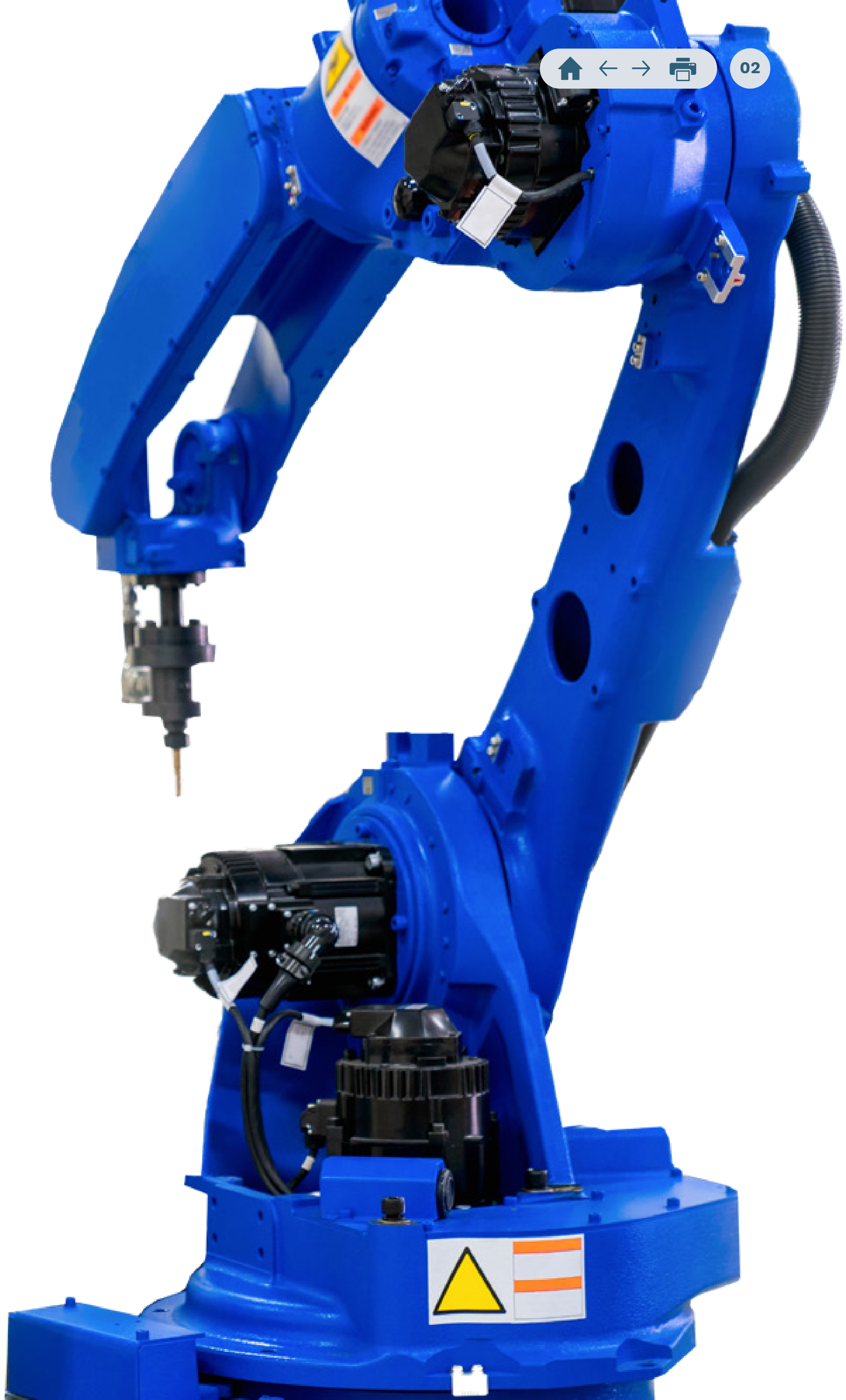
Our Purpose

Unlocking the value of the curated secondary goods market and facilitating growth in the circular economy

ATG operates world-leading marketplaces and auction services for curated online auctions. Using our proprietary auction platform technology, we seamlessly connect bidders from 165 countries to over 3,900 auction houses and facilitate the sale of over 22m curated used items each year.

By both allowing buyers to purchase a wide range of unique used assets and also enabling auctioneers to access the online market, ATG helps to extend the lives of millions of items, facilitating a channel of sustainable commerce and accelerating the growth of the circular economy.



Key Highlights

Financial highlights

Revenue

£135.2m

FY23	**£135.2m**
FY22	£119.8m
FY21	£70.1m

Adjusted EBITDA[1]

£64.0m

FY23	**£64.0m**
FY22	£54.0m
FY21	£31.8m

Profit/(loss) before tax

£7.1m

FY23	**£7.1m**
FY22	£9.3m
FY21	£(25.0)m

Adjusted free cash flow conversion[1]

78.0%

FY23	**78.0%**
FY22	92.5%
FY21	95.7%

Basic earnings/(loss) per share

13.9p

FY23	**13.9p**
FY22	(5.1)p
FY21	(31.0)p

Adjusted diluted earnings per share[1]

32.6p

FY23	**32.6p**
FY22	29.5p
FY21	9.2p

1. This report provides alternative performance measures ("APMs") which are not defined or specified under the requirements of UK-adopted International Accounting Standards. We believe these APMs provide readers with important additional information on our business and aid comparability. We have included a comprehensive list of the APMs in note 3 to the Consolidated Financial Statements, with definitions, an explanation of how they are calculated, why we use them and how they can be reconciled to a statutory measure where relevant.
2. Refer to the Glossary for full definitions. The Group has made certain acquisitions that have affected the comparability of the Group's results. Operational KPIs exclude the impact of the acquisition of ESN. To aid comparisons between FY22 and FY21, operational KPIs in FY21 have been presented to include the results as if the acquisition of LiveAuctioneers and Auction Mobility had occurred on 1 October 2020.

Operational highlights

Gross merchandise value ("GMV")[2]

£3.3bn

FY23	**£3.3bn**
FY22	£3.3bn
FY21	£2.6bn

Take rate[2]

3.6%

FY23	**3.6%**
FY22	3.3%
FY21	3.5%

Total hammer value ("THV")[2]

£10.8bn

FY23	**£10.8bn**
FY22	£10.1bn
FY21	£7.8bn

Conversion rate[2]

31%

FY23	**31%**
FY22	33%
FY21	33%

Strategic highlights

- **Roll out of value-add services**
  In FY23 marketing revenue grew 28% at constant currency, driven by new marketing solutions and the growing adoption of marketing amongst our auctioneer base. We launched atgPay on Proxibid and have continued to grow payments adoption on LiveAuctioneers. We have also successfully trialled a shipping solution.

Read more on page 09

- **Acquisition of EstateSales.NET**
  ESN provides a leading platform to facilitate estate sales across the US. The accretive acquisition of ESN in FY23 expands our immediately addressable market whilst also providing the opportunity to cross-sell across our other marketplaces.

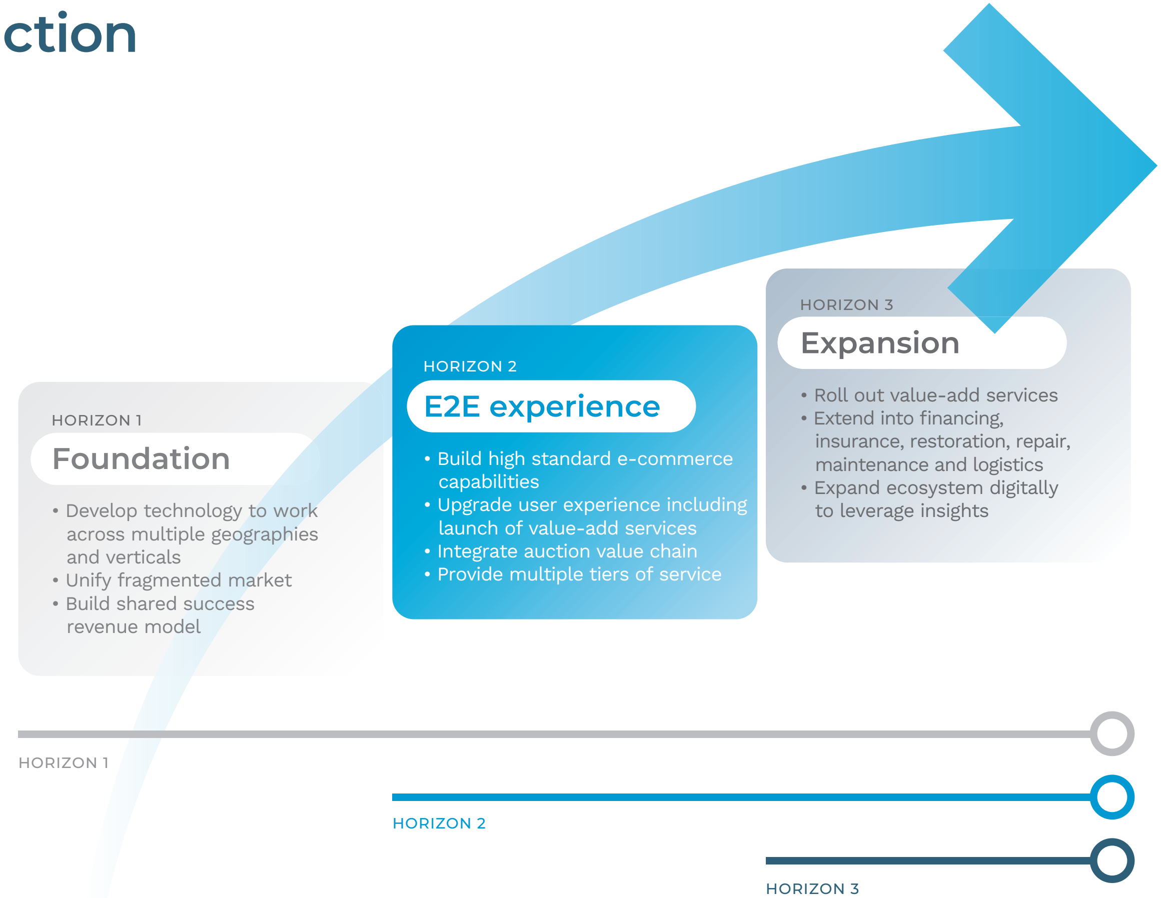
Read more on page 20

- **Progress against sustainability strategy**
  We reduced our Scope 1 and 2 emissions by 26% in FY23 and are committing to reach Net zero by 2040. Our materiality assessment has helped to define our sustainability priorities going forward.

Read more on page 44

Chief Executive Officer's Introduction

John-Paul Savant
Chief Executive Officer



Leading the transformation of the auction industry.

Welcome to ATG's FY23 Annual Report and Accounts. I am very proud of the strong operational, strategic and financial progress that we have made since we became a public business nearly three years ago. Our financial performance has been ahead of our initial expectations, including more than doubling our adjusted EBITDA. We have strengthened our competitive advantage and diversified our business model by launching a unique suite of auction products and services. We have completed two accretive acquisitions and have also built an experienced and capable leadership team, whilst also reorganising our operating structure to streamline decision-making and centralise costs. I believe we have approached growth in a responsible and sustainable way, ensuring we are a true partner for our auctioneers and a reliable company for our investors.

Our vision is to transform the auction industry and this vision is underpinned by three investment horizons. In FY23, we have transitioned to our second investment horizon, 'End-to-End experience', where we are investing to create a true e-commerce experience for online auctions. We are investing in what both our auctioneers and our bidders care about the most, by removing the frictions that are present when buying and selling at auctions online. In doing so, I believe we are approaching a tipping point for ATG and the auction industry, where the services and experiences offered by our marketplaces will encourage an even wider pool of buyers to buy at an online auction, and where also auctioneers are incentivised to use ATG as their sole service provider to access the online market.

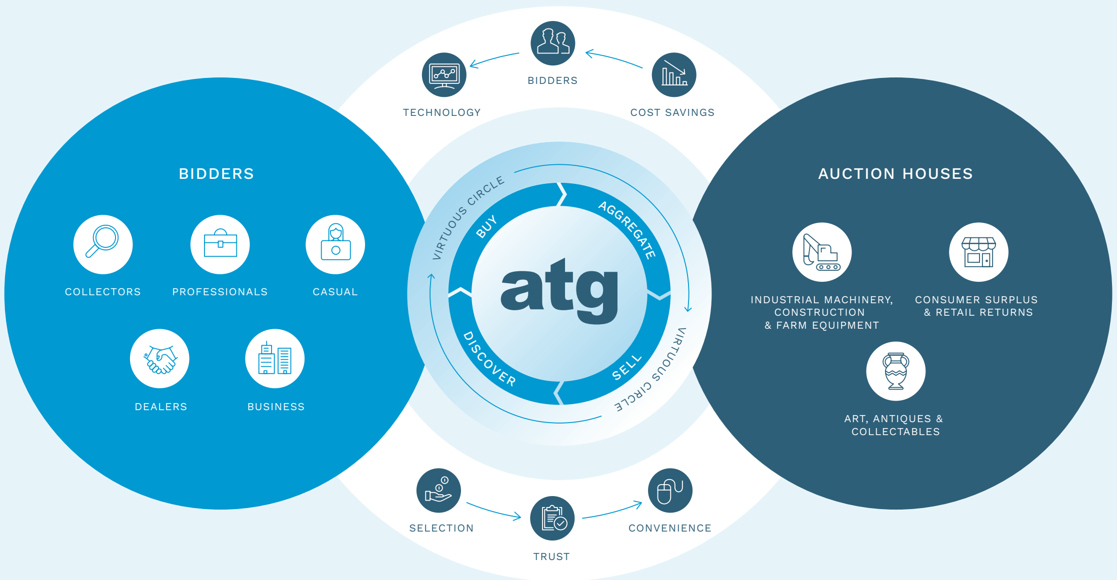
At a Glance

ATG is the operator of world-leading auction marketplaces and auction services for curated secondary goods.

Our platform

ATG seamlessly connects consumers from around the world to access a huge selection of secondary goods which have been curated by over 3,900 auctioneer experts and 4,800 active estate sellers. For buyers, we offer the widest selection of specialised and unique secondary items, convenience in browsing and increased trust in purchasing, with items that have been curated by expert auctioneers. For auctioneers and estate sellers, we provide access to a large pool of global bidders and technology to access the online market and operate their business in a cost-efficient way.

Our virtuous circle benefits both auctioneers and bidders; more bidders participating in online auctions results in higher realised prices for second-hand items and in turn attracts more assets to be listed on our marketplaces.



Our highlights

338m
web sessions

165
countries

100m
bids placed

3,900
auction houses

7.2m
lots sold online

86,000
auctions facilitated

Our marketplaces

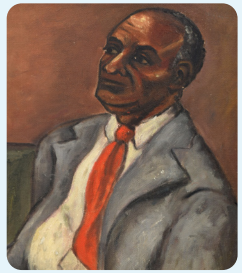
We operate eight marketplaces using our proprietary auction technology across two sectors: Industrial & Commercial ("I&C") and Arts & Antiques ("A&A").

Industrial & Commercial ("I&C")

proxibid
BidSpotter
BidSpotter
i-Bidder

Art & Antiques ("A&A")

the saleroom
LOT-TISSIMO
liveauctioneers
EstateSales.NET

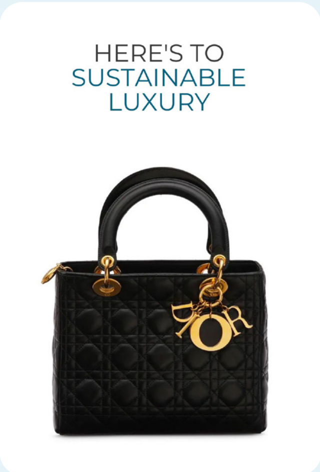


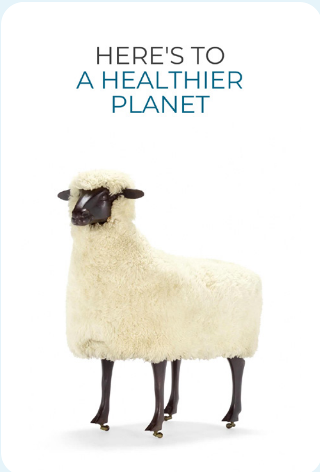
At a Glance continued

Facilitating the growth of the circular economy

Sustainability is at the heart of ATG. Our online auction marketplaces ensure that millions of pre-owned items are resold to new buyers, extending their value within the economy, preventing waste, and omitting the need for carbon-intensive manufacturing of new items.

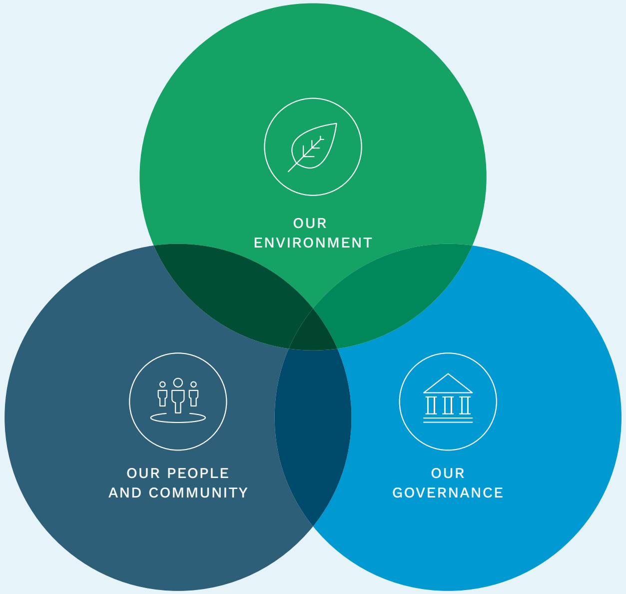
Whilst the prospect of buying second-hand can leave some consumers concerned about authenticity or reliability, ATG marketplaces offer consumers trust and confidence, with all items for sale on our marketplaces having been curated by expert auctioneers. We continuously invest in our technology and product offering to improve the online auction experience to make it even easier for consumers to discover and buy used items online.





Our sustainability strategy

We are committed to operating a responsible business and are building a business we feel proud of; where we strive to minimise our own environmental impact, where all our employees can reach their full potential and where we operate responsibly within a strong governance framework.



Our Environment

- Minimise our own environmental impact
- Invest to remove frictions in online auctions

26%
reduction in Scope 1 and 2 emissions in FY23

Our People and Community

- Develop diverse teams with an engaged and inclusive culture
- Ensure our people feel they belong and can reach their full potential

95%
of employees in engagement survey enjoy working with their team

Our Governance

- Operate a trusted and responsible marketplace with secure and trusted technology
- Operate within a strong governance framework
- Behave ethically and with integrity at all times

Zero
data breaches

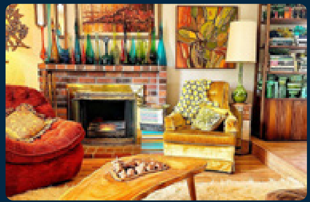
Read more on page 44

Investment Case

A large and growing market structurally shifting online and facilitating the circular economy

We enable consumers to meet the growing demand to buy more sustainably through buying secondary goods at online auctions. The secondary asset market is huge and growing, with an increasing proportion of assets being sold through online auction due to the benefits of price transparency as well as speed of sale. As we simplify and improve the online auction experience, we expect our immediately addressable market to grow faster than the total secondary goods market.

Read more on page 11



Unparalleled competitive position

Our marketplaces have leading competitive positions in each of the geographies and verticals in which they operate. This generates a critical mass of bidders, which in turn results in higher realised prices for used assets and attracts new inventory. Scale enables us to invest in the products and services which improve both the auctioneer and bidder experience, enhancing the sustainability of our shared success model.

Read more on page 13

Scalable platform model with proprietary auction technology

Our proprietary auction technology offers auctioneers a unique suite of products and services on a stable and secure technology platform. Our platform operating model enables us to grow volume at a low marginal cost, whilst also enabling us to seamlessly integrate new acquisitions.

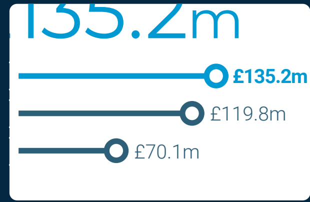
Read more on page 13

Six strategic growth drivers

Our six drivers provide multiple opportunities for growth. They are mutually re-enforcing, offering compound benefits when executed together.

1. Extend the total addressable market
2. Grow the conversion rate
3. Enhance the network effect
4. Grow the take rate via value-added services
5. Expand operational leverage
6. Pursue accretive M&A

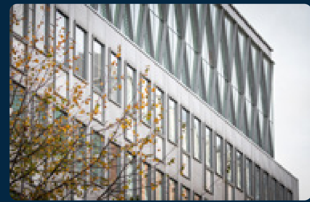
Read more on page 16



Attractive, diversified and resilient financial model

We have a strong track record of growth. Our exposure to a mix of industries and geographies, combined with the growth in new revenue sources, results in a diversified and resilient revenue base. Our high operational leverage leads to expanding profit margins and our capital-light model ensures strong cash generation.

Read more on page 23



Experienced management team with strong track record

Our management team has a broad range of technological, commercial and e-commerce experience combined with a deep understanding of the auction industry. We have a strong track record of execution and are well placed to continue to pursue the multiple opportunities in front of us.

Read more on page 09

Chairman's Statement

It is my pleasure to present ATG's results for the year ended 30 September 2023. Against a backdrop of macroeconomic uncertainty, ATG has delivered another year of growth, underpinned by continued progress against our strategic priorities. Our results demonstrate both the attractiveness of the online auction channel as well as the resilience of ATG's business model. We successfully completed the value-accretive acquisition of ESN, highlighting our opportunity for inorganic growth in the fragmented secondary goods market. Additionally, we have made significant advances in our environmental, social and governance ("ESG") strategy, further aligning our operations with sustainable practices. On behalf of the Board, I would like to thank the team at ATG for another successful year.

Financial performance

ATG has delivered another year of robust financial performance. Revenues increased to £135.2m, up 13% versus the prior year and up 5% on an organic basis[1], excluding the impact of the ESN acquisition and foreign exchange. Adjusted EBITDA of £64.0m increased 19%, with the high operational leverage in our business resulting in the adjusted EBITDA margin up 2ppt to 47%. Adjusted earnings per share was 32.6p (FY22: 29.5p) after the impact of higher net finance costs and basic earnings per share was 13.9p (FY22: loss of (5.1)p). Our asset-light model resulted in strong cash generation which enabled us to invest in the business, fund the acquisition of ESN, and importantly to strengthen the balance sheet with adjusted net debt/adjusted EBITDA decreasing significantly from 2.4x at FY22 to 1.8x. The Board will continue to review the Company's dividend policy on an ongoing basis but does not currently expect to declare or pay any dividends for the foreseeable future.

Strategic highlights

During the year, the Board focused on supporting the management team with the delivery of ATG's six strategic growth drivers. ATG has made good progress against each of these drivers, including the expansion of the auctioneer marketing programme and the trial of an integrated shipping service. These value-add services along with atgPay represent significant growth opportunities for the business and important steps in transforming the online auction experience. The Board has also spent time reviewing ATG's technology stack and receiving updates on its transition to a single technology platform, with the challenges and opportunities within this investment phase. The Board supported the acquisition of ESN in the year, which we believe is a very attractive opportunity for ATG. ESN's performance to date highlights an additional proof point of ATG's strong track record for sourcing and executing on value-enhancing M&A opportunities. Finally, the Board has enjoyed participating in 'Meet the Team' events and meeting employees from across the organisation, getting to know them and their goals and concerns. You can read more about ATG's progress against its strategic growth drivers and our future priorities on pages 16 to 20 of this report.

Sustainability at ATG

ATG is committed to operating a sustainable and responsible business that delivers on its purpose to unlock the value of the secondary goods market. This year, we consulted with our stakeholders in order to better understand our environmental, social and governance risks through an externally conducted materiality assessment. The results of this assessment, detailed on page 47 of this report, have helped to focus our sustainability strategy, as laid out on page 45. The Board was delighted to support the development of ATG's Diversity, Equity and Inclusion strategy including through Board members' participation in the 'Women in Leadership' event to share experiences and discuss pertinent issues. Other notable progress within our sustainability strategy in FY23 includes the implementation of a new information security management system, the launch of several people initiatives such as ATG Academy and the achievement of a 26% reduction in our Scope 1 and 2 emissions. We are pleased to have been accepted as a constituent of the FTSE4GOOD Index, recognising our strong sustainability practices. Further details on ATG's progress can be found in the Sustainability Report on page 44.

Looking ahead

As I look out to the medium term, I see huge potential for ATG as it continues to lead the transformation of the auction industry. As ATG invests to improve the online auction experience and attract more and more buyers to the curated secondary goods market, we will continue to create long-term sustainable value for all our stakeholders. ATG's strong operational and financial track record, experienced team and shared success model provide me with confidence that ATG can continue to deliver on its ambitious growth plans.

Breon Corcoran
Chairman
30 November 2023

1 The Group has made certain acquisitions that have affected the comparability of the Group's results. To aid comparisons between FY23 and FY22, organic revenue has been presented to exclude the acquisition of EstateSales.NET on 6 February 2023. Organic revenue is shown on a constant currency basis using average exchange rates for the current financial period applied to the comparative period and is used to eliminate the effects of fluctuations in assessing performance.

Chief Executive Officer's Statement

We have executed on each of our six strategic growth drivers, including the accretive acquisition of ESN, and in doing so have further strengthened our competitive moat.

Amidst a year with macroeconomic uncertainty, I am pleased to report that ATG delivered another year of growth, with total revenues up 13% to £135.2m, and of strong operational performance, with adjusted EBITDA rising 19% year-on-year to £64.0m. We successfully acquired a new important asset with the purchase of ESN in February and despite that, we significantly strengthened our balance sheet with our leverage ratio decreasing from 2.4x to 1.8x, reflecting strong cash flow. In FY23, we are pleased to have made progress against each of our strategic growth drivers.

The long-term opportunities for ATG are significant, given the critical role of the auction industry and ATG's ability to lead its online transformation. Buying and selling secondary items enhances sustainability and accelerates the growth of the circular economy, factors that are of increasing importance to both professional and consumer buyers. Purchasing secondary items via auctions represents the best way to ensure total price transparency, addressing a key objective of buyers to pay a fair price and for sellers to achieve the maximum fair price possible. The auction industry remains in the early stages of its online transformation, with standards of user-experience still behind that of e-commerce. The opportunity and challenge for ATG is to make it easier to buy at auction and to alleviate points of friction when buying on our marketplaces. We are extending the penetration of atgPay, which removes a pain point for auctioneers whilst increasing convenience and confidence for bidders. We have developed new unique auction formats and multiple tiers of service to drive operational efficiency for auctioneers and increase choice for bidders. Most recently, we launched atgShip, an integrated shipping solution to further elevate the online auction experience and drive the conversion rate over the medium term. As a result of these investments, I believe we are approaching a tipping point, where the services and user experience offered by our marketplaces will encourage a wider pool of buyers to buy at online auction, whilst also incentivising auctioneers to use ATG as their sole service provider to access the online market.

1. Expand the total addressable market

Against an uncertain macroeconomic backdrop and following years of accelerated growth during the Covid-19 period, THV on our marketplaces grew 3% at constant currency to just under £11bn. Our marketplaces facilitated just under 86,000 auctions, a 16% increase year-on-year, and we grew our auctioneer base to over 3,900 as we welcomed new auctioneers while maintaining a high auctioneer retention rate. New auctioneers included Sotheby's, a world leading auctioneer for art and luxury goods, who have begun listing a number of catalogues on our marketplaces. All the 'Big 4' Art & Antique auctioneers now use ATG's marketplaces in some form, highlighting the attractiveness of our bidder reach, for even the large global auctioneers. Our marketplaces saw a 10% increase in the number of lots listed in FY23 to over 22m, highlighting auctioneers continued trust in ATG as their preferred platform to access the online market.

In the second half, THV declined 5% at constant currency, impacted by the normalisation of used equipment prices in some I&C categories, following elevated pricing in prior years driven by shortages of primary equipment, as well as a softening of A&A market activity impacted by a weaker consumer macroeconomic environment.

The acquisition of ESN further expanded our reach into a new segment of the secondary goods market, with estate sales representing an estimated $5 billion annual market in North America alone. Since acquisition, ESN has attracted even more estate sellers, with 4,800 active organisations on the platform as at the end of September, up 4% year-on-year.

2. Grow the conversion rate

The Group conversion rate at 31% decreased 2ppt year-on-year. The rate was impacted by auctioneers re-opening physical auctions post the Covid-19 period and also by the mix of auctioneers on our marketplaces, with an increase in the proportion of new and international auctioneers who bring new THV but initially have a lower conversion rate. Conversion was also impacted by the commercial decision to rotate volume with high service requirements and minimal revenue contribution, for lower levels of volume but which has a higher future revenue potential. Excluding the impact, the Group conversion rate would have been down 1ppt year-on-year and stabilised in the second half, after the end of the annualisation of the Covid-19 period.

We have continued to make investments which we expect will help to grow our conversion rate in the medium term. On the bidder side, we have improved our search engine optimisation through a revised site navigation and site taxonomy, as well as new lot-focused category pages that help bidders to find what they are looking for more easily. Since the launch of these pages in the fourth quarter, GMV generated from search engines has increased by 12%. We have launched new SMS programmes on The Saleroom, including a watch list reminder, which helped to drive over 100,000 bids placed from a SMS reminder.

CEO's Statement continued

On the seller side, we have continued to facilitate the shift to timed online-only auctions including through updated pricing structures, that create economic incentives to switch to a timed auction format. This updated pricing structure was introduced on Proxibid in March and rolled out on The Saleroom at the start of FY24. From a product perspective, we know that many auctioneers want to retain their own brand presence whilst running a timed auction. Through our integrated bidding programme, we offer Timed+, the unique ability to run a timed online-only auction on our marketplace and simultaneously on an ATG white label.

3. Enhance the network effect

Over the past year, we have hosted over 188m bidding sessions on our marketplaces, up 9% year-on-year, in addition to a further 150m hosted on ESN. On ATG marketplaces, there were 1.6m new bidding accounts registered, up 12% year-on-year, and over 11m auction registrations. With this scale and reach, we are now focused on executing on enhancing the network effect across our marketplaces by enabling cross-listing on any of our marketplaces through our integrated bidding programme. Cross-listing offers bidders the widest selection of inventory easily accessed on an ATG marketplace. We launched Timed+ in March, which offers integrated bidding on timed online-only auctions on LiveAuctioneers and Auction Mobility. We further developed the integrated bidding solution to be used across our other marketplaces and ATG white label products with launch in early FY24. Since launch, auctions run on Timed+ have resulted in a double-digit asset price uplift versus if the auction was listed on Auction Mobility alone. We are now focused on making it easier for auctioneers to cross-list on multiple marketplaces seamlessly.

4. Expand operational leverage

ATG has an attractive financial model with high operational leverage and low capital intensity. In FY23, we grew our adjusted EBITDA margin by 2ppt to 47%. In the year, we increased listing fees across our platforms and we progressed against our single technology platform including the roll out of our integrated bidding programme. We reorganised our North America business with the consolidation of our North America I&C and A&A commercial teams. This organisation change aligns with our platform strategy to expand operational leverage by centralising costs and improving scalability. We are exploring AI solutions and how they can lead to increased personalisation for our users, better descriptions for our sellers, and better service provided by ATG.

5. Grow the take rate via value-added services

In FY23, the Group take rate increased 0.3ppt to 3.6%, benefiting from the growth of value-added services where revenue grew 27% on a constant currency basis. Value-added services now accounts for 18% of total revenue, versus 9% three years ago. Marketing adoption continues to be a key growth driver for us with 59% of auctioneers using a marketing solution. We have continued to roll out new marketing assets including search advertising units and email segmentation as well as increasing our social media investments. We increasingly offer self-serve features as well as marketing subscription packages which provides us with significant opportunity to continue to grow marketing revenue beyond its current penetration at 0.5% of GMV.

Onboarding of auctioneers to atgPay has continued to progress with 91% of US based LiveAuctioneers and 38% of Proxibid auctioneers onboarded by the end of September. 61% of LiveAuctioneers' US Gross Transaction Value was transacted through atgPay in September, and we expect this to increase in FY24 as we roll out autopay on the marketplace. Activation of auctions with atgPay on Proxibid began in the third quarter and we have seen an improving rate of usage towards the end of the year, as we have continued to upgrade the product functionality.

We are very pleased with the launch of atgShip, an integrated shipping solution for LiveAuctioneers, where we have partnered with professional shipping services to provide a hassle-free solution. Just under 150 auctioneers had been onboarded by the end of the year, with over 1,500 lots shipped in the two-month trial. The service is now being rolled out across the LiveAuctioneers marketplace.

6. Pursue accretive M&A

In February, we acquired ESN for a purchase price of $40m. The acquisition highlights ATG's opportunity to pursue accretive acquisitions in the fragmented used goods market and access synergies that are unique to ATG. Since acquisition, ESN has performed ahead of initial expectations, partly driven by growth in both the number of buyers and sellers on the listing site, including 121,000 net new subscribers joining ESN in FY23 taking the total number of subscribers to 1.1m. Growth has also been driven by strong execution against strategic initiatives, including the roll out of new marketing solutions with an increase in both the adoption and the quantity of advertising units, as well as an updated pricing structure for the site.

For FY24, we continue to see opportunities to further optimise the listing site whilst also executing on the cross-selling opportunities between ATG's 188m web sessions and ESN's 150m web sessions.

Progress against our ESG programmes

I am very proud of the progress we have made against our ESG strategy in FY23. We continue to look for ways to reduce our own environmental impact, and in FY23 we reduced our Scope 1 and 2 emissions by 26%, facilitated by the relocation of our Proxibid office to a smaller and more energy-efficient location. We have set up employee-led groups to discuss and champion ways to reduce our environmental impact further, whilst also improving our external reporting disclosures for a wider range of environmental KPIs. We are also committing to achieving Net zero as a Group by 2040. On social programmes, we launched All ToGether, our connection and development programme, which includes the ATG Academy and our new learning and developing courses, with over 60 training courses having been run in the year. Our newly launched ATG Values encompass everything that we do, driving the way ATG operates with a winning team made up of smart, passionate individuals who are connected to our purpose. We have also strengthened our governance frameworks including a new information security system which has been based on a recognised international standard.

Summary

Whilst the macroeconomic environment has become more challenging, ATG has been able to continue to deliver robust growth, supported by our increasingly diversified and resilient business model. With many of our strategic programmes, such as shipping and payments, still early in their roll out, I have confidence that we can continue to grow and to monetise more of the opportunity in the fragmented online auction market. ATG's market position, track record, team and sustainable shared success model leave us very well positioned to continue to deliver value for all our stakeholders.

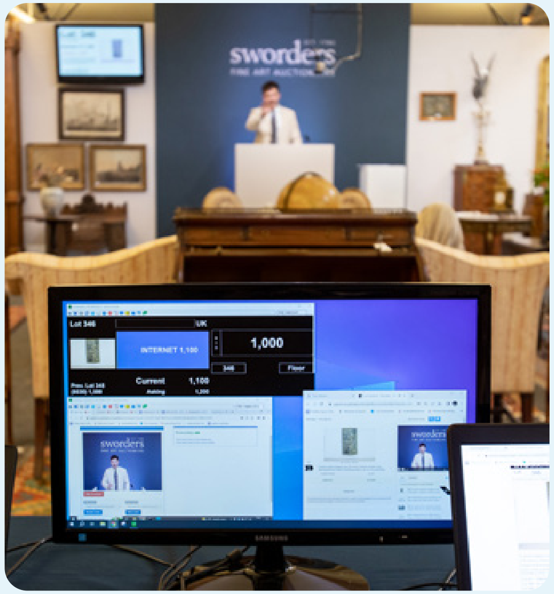
John-Paul Savant
Chief Executive Officer
30 November 2023

Market Overview

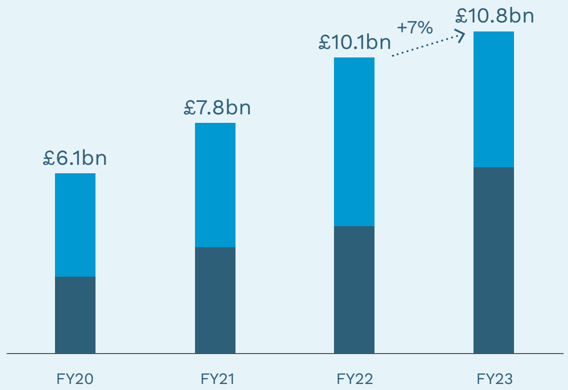
The online auction market

The online auction market as well as ATG's business model showed resilience in FY23, as evidenced by the 7% increase in ATG's total hammer value ("THV")[1], or 3% in constant currency terms. The online auction channel remains a popular channel for the sale of secondary goods due to attractive features such as the speed of sale of assets, higher price realisation and price transparency as well as faster innovation relative to other channels for sale. The growth in the online auction channel has continued in FY23, even after the 'pull forward' of some activity to online during the Covid-19 period. However, the online auction market did see some softening in the second half with THV down 5% at constant currency impacted by weaker consumer sentiment and the normalisation of I&C asset prices.

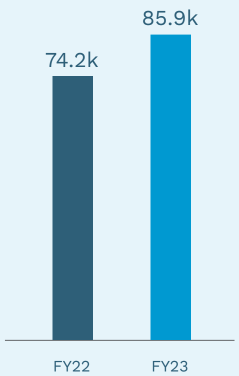
In FY23, ATG saw a 16% increase in the number of auctions facilitated and a 10% increase in the number of lots listed on its marketplaces (excluding ESN).



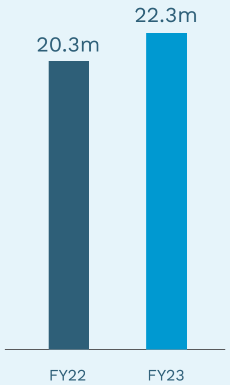
ATG THV[1]



Auctions facilitated on ATG marketplaces



Lots listed on ATG marketplaces



1. Refer to the Glossary for full definitions.

Art & Antiques

THV in the A&A market grew 1% at constant currency with the auction market seeing some impact from macroeconomic uncertainty and the resulting impact on the consumer. This impact was more felt in the second half of the year when THV decreased by 2% at constant currency. In the US, measures of consumer sentiment including The Conference Board Consumer Confidence Index declined towards the end of FY23, impacted by concerns of rising prices in general and a fear of an impending recession.

The UK A&A market has continued to see the impact from the outcome of Brexit. As an ongoing consequence, UK auctioneers have increasingly focused on selling to the US market, with UK to US GMV up 6% in FY23. This trend will make ATG's roll out of integrated bidding across our sites even more compelling.

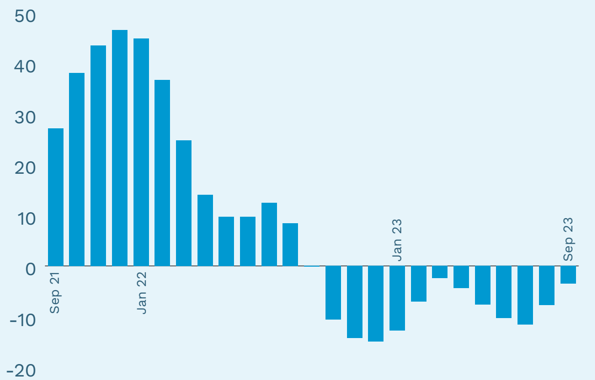
Market Overview continued

Industrial & Commercial

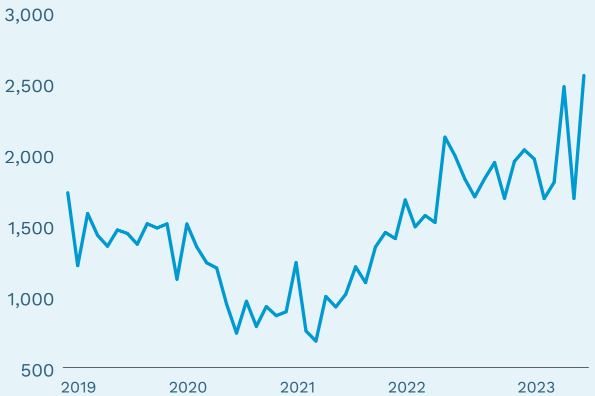
THV in the I&C market grew 4% in constant currency to £6.3bn in FY23. Whilst market growth remained robust, certain categories within our end market did see some impact from a softening of used asset prices. As more used equipment became available for sale at auction over the year, there was a knock-on impact on the pricing of certain categories of I&C used equipment. For example, the mid-month Manheim Used Vehicle Value Index, which measures wholesale used-vehicle prices on a seasonally adjusted basis, was down 3.5% year-on-year in September 2023, having fallen for all of 2023 following strong price indexes in the prior year. For ATG, the volume offset and higher take rates did help to mitigate this pricing impact.

A favourable trend for the supply of secondary assets has been the gradual rise in the number of business insolvencies. This follows a period of relatively subdued insolvency activity during the Covid-19 period due to the low interest rate environment. This trend has particularly benefited our Bidspotter marketplaces which have seen an increase in the number of auctions being held, more lots on offer and lots sold online.

Manheim Used Vehicle Value price index (%)



UK registered companies insolvency data



*source www.gov.uk August 2023

The shift to timed auctions

FY23 has seen the continued adoption of the timed auction format. Timed auctions offer many advantages for both auctioneers and bidders, including;

- Operational benefits to auctioneers due to shortened sale cycles and lower operational costs due to removing the need to open an auction room for the day.
- Commercial benefits to auctioneers including from generating new bidders. As an example, timed auctions on The Saleroom generated 20% more new bidders than the live format and achieved comparable final sale prices in FY23.
- Improved visibility of auctions for bidders and ease of bidding through the timed format, with timed auctions on The Saleroom producing a 17ppt higher bidder to conversion rate than the live format

Bonhams, one of the 'Big 4' auctioneers, are testament to this trend, having also integrated ATG's unique timed format, Timed+, onto their white label to offer a timed auction concurrently on an ATG platform.

>28,000
timed auctions held on ATG marketplaces

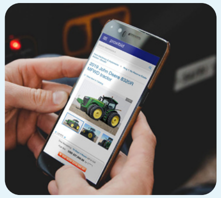
Business Model

ATG operates online auction marketplaces and auction services, seamlessly connecting buyers and sellers in the large and fragmented used goods market.

Through our technology platform, ATG simplifies and integrates multiple parts of the auction and estate selling process: from the cataloguing of items to auction hosting, bid management and digital marketing, to integrated payments and shipping services.

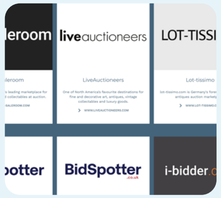
We offer multiple selling formats, including timed online-only auctions, live and hybrid auctions and white label and back-office solutions.

Our key strengths



1 Our technology

Our proprietary auction technology enables largely mid-market auctioneers to efficiently access the online market. We offer auctioneers unique capabilities including the ability to run a timed online-only auction simultaneously on a white label and an ATG marketplace. As a platform, we can increase the volume of transactions through our marketplaces at minimal additional cost, whilst also sharing best practices across the different brands we operate.



2 Our brands

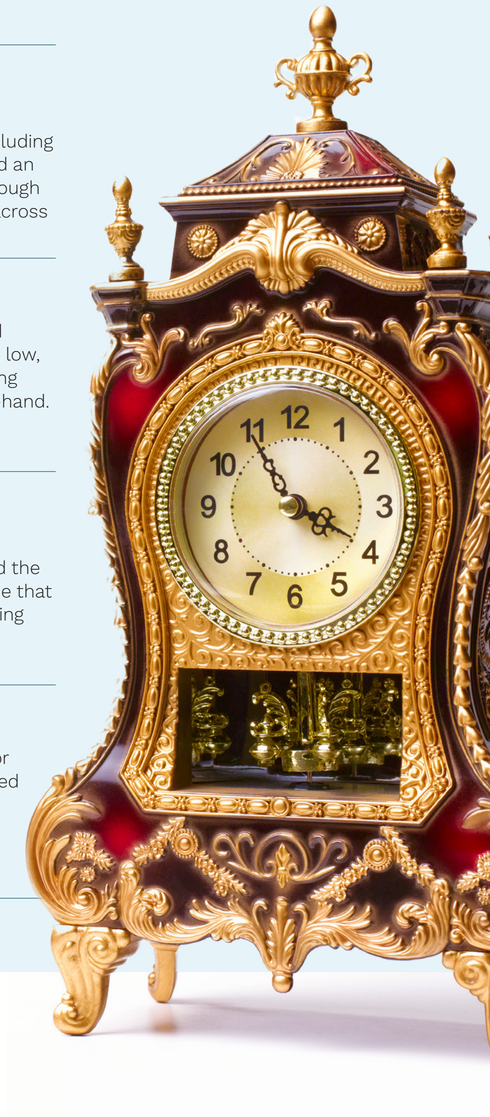
Each of our marketplaces and listing sites are leading brands in their vertical and geography, creating a competitive advantage. Our cost of customer acquisition is low, highlighting the strength of our brands. This brand strength as well as ATG's strong reputation also provides buyers with a high degree of trust when buying second-hand.

3 Our scale

We have a critical mass of buyers and sellers that gives us significant scale advantages. We partner with over 3,900 auctioneers and 4,800 estate sellers and the consistently high retention rates of our customers demonstrate the ongoing value that we offer. Attracted by the largest choice of inventory, we hosted over 338m bidding sessions across all our marketplaces and sites in FY23.

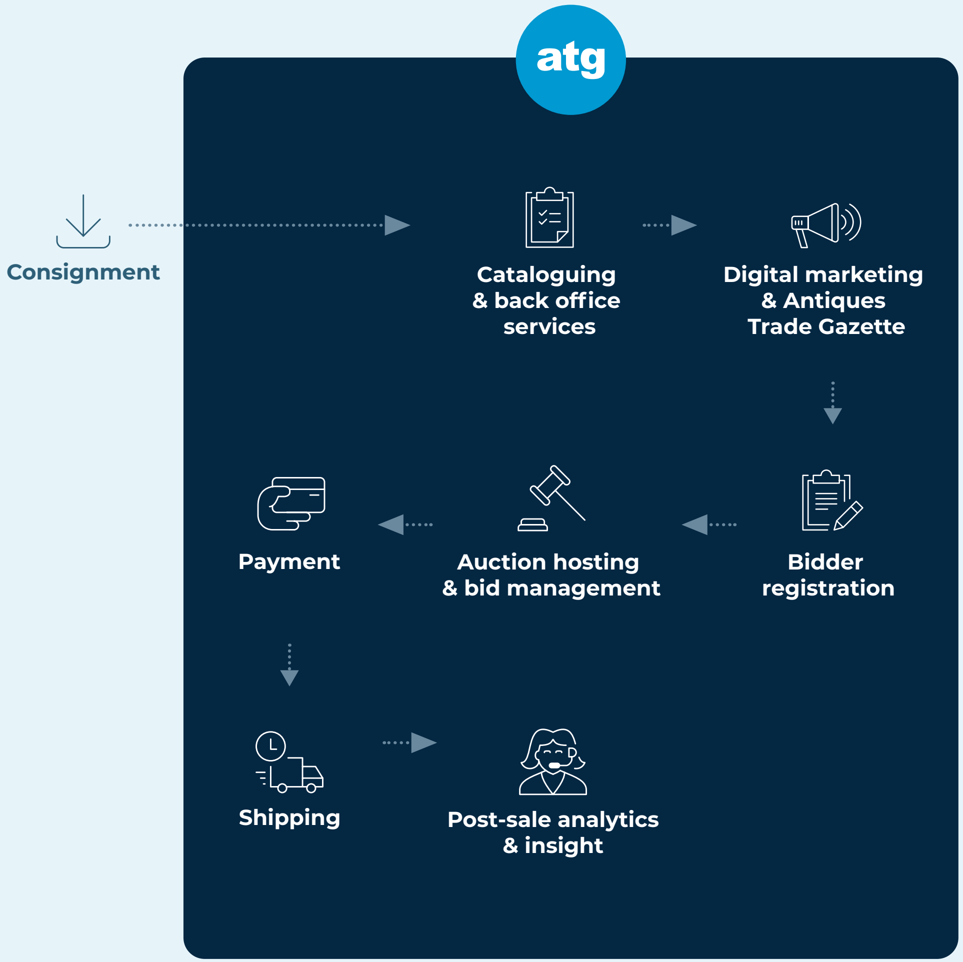
4 Our shared success model

For over 50 years, we have worked in partnership with the auction industry and for over 15 years have been their primary channel to reach the online world. Our shared success model aligns ATG's ambitions with those of our auctioneer and estate selling partners and helps to ensure the sustainability of our business model.



Business Model continued

What we do



Creating value

For our customers: auctioneers
We provide auctioneers with the technology to become true e-commerce businesses and to access global bidders in a cost-efficient way. We invest in what our auctioneers care about, including self-serve analytical tools to become a one-stop solution for managing their businesses.

100m
online bids placed
(FY22: 103m bids)

For our consumers: bidders
We enable bidders to discover specialised and unique curated items in a convenient and secure way. We are continuously improving the bidder experience including the trial of an integrated delivery solution.

7m
lots sold
(FY22: 7m lots sold)

For our shareholders
We invest to drive long-term sustainable value for our shareholders through growing revenues, earnings and profit margins. We expect to continue to deleverage our balance sheet as a highly cash generative business. Our capital allocation priorities are also focused on organic investment and completing accretive acquisitions.

£135m
revenue
(FY22: £120m)

£64m
adjusted EBITDA
(FY22 £54m)

For our people
We aim to ensure that our people can be at their best and have the opportunity to develop a rewarding career at ATG.

76%
engagement score
(FY22: non-comparable due to updated survey methods)

For the environment
We strive to minimise our environmental impact whilst also providing a channel of green commerce by facilitating the sale of used goods.

3m
tonnes of carbon saved from popular 15 items vs carbon impact of buying new
(FY22: 3m)

Read more on stakeholder engagement on pages 35 to 43

What's sold at auction in FY23

Case study

A metal endoskeleton arm from Terminator II sold for £55,000 on The Saleroom

Movie memorabilia is a rapidly growing area of collecting interest. This arm from one of the Terminator robots in the opening sequences of this classic James Cameron 1991 movie was sold on The Saleroom in November 2022 for £55,000, above the original estimate of £30,000-£50,000.

Case study

A laser cutting machine sold for $770,000 on bidspotter.com

Factory machinery can easily find a new home via an auction, offering the buyer a good-quality asset and attractive price and extending the life of the piece of equipment. This laser cutting machine can be programmed to make precise laser cuts to metal tubing. The machine went on sale in April 2023 on bidspotter.com and sold for $770,000, over three times higher than the first bid of $250,000.

Case study

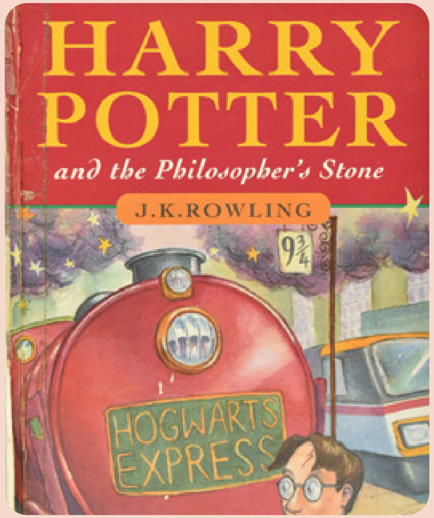
J Leyendecker original art oil painting sold for $130,000 on LiveAuctioneers

The painting used for the cover of the 24 October 1914 issue of the Saturday Evening Post magazine, depicts a seated woman in milk maiden clothing grieving with her head down on the table. She has recently received a war-time letter now on the floor, insinuating unfortunate news from the front line.

Case study

First edition Harry Potter sold for £10,500 on The Saleroom

A first edition of Harry Potter and the Philosopher's Stone sold at auction in the UK to an online bidder. Bought for 30p after being withdrawn from a library, the hardback copy was offered for sale in July 2023. Published by Bloomsbury in 1997 with a laminated board cover, the book is one of only 500 first edition first impressions and, of those, one of only 300 sent to libraries. The sale attracted international interest, with the winning bid placed online via The Saleroom from Los Angeles.



Six Strategic Growth Drivers

Our six growth drivers provide multiple compounding levers for growth

Extend the total addressable market

Existing auction houses listing more assets as well as new auction houses listing assets on ATG marketplaces will extend our immediately addressable market. To extend beyond this, we can expand into new verticals and channels within the secondary goods market, as well as extending the scope of atgPay beyond an ATG marketplace.

Grow ATG's conversion rate

ATG's conversion rate is a function of how often ATG provides the winning bidder. On the auctioneer side, we are actively facilitating the move from live to timed auctions. On the bidder side, we are enhancing the end-to-end user experience to drive bidder acquisition, engagement and conversion.

Enhance the network effect

By enabling auctioneers to cross-list on multiple ATG marketplaces and ATG white label solutions, auction houses can access an increased pool of bidders. Meanwhile, bidders can more easily browse a wider range of curated used items.

Grow take rate via value-added services

We are developing a wide suite of services that will both simplify auctioneer operations and also improve the user experience. Services include marketing, payments and shipping.

Expand operational leverage

ATG operates a hub and spoke model with centralised support functions. This allows us to drive profitability and generate cash as we grow, whilst also enabling our businesses to remain nimble and respond to local market conditions.

Pursue accretive M&A

We operate in a large and fragmented market, which provides inorganic growth opportunities. Our acquisition focus is on new verticals and/or geographies, and/or the addition of new value-added services and other products.

Six Strategic Growth Drivers continued

Strategic growth driver	Our progress in FY23	Our opportunities for FY24 and beyond	Associated risks
Extend the total addressable market	• THV grew 3% at constant currency and 7% at actual rates to £10.8bn • Auctioneer retention in line with previous years and the number of auctioneers on ATG grew to over 3,900 • ESN acquisition extended ATG's addressable market in the estimated $5bn US estate sales market	• Improve the user experience to attract more buyers to the online auction channel • Actively target new auction houses, verticals and assets to list on our marketplaces	Risks 1, 2, 3, 4, 5, 6 and 9 as further detailed on page 30
Grow ATG's conversion rate	• Conversion rate decreased 2ppt to 31% • Updated pricing structure on Proxibid to incentivise the adoption of the timed format which has a 100% conversion rate • Improved user experience including improved site navigation and category landing pages • Progress was offset by the mix of assets and auctioneers on our marketplaces and the reopening of physical auctions	• Actively encourage auctioneers to shift to timed auctions • Continue to grow penetration of atgPay • Roll out atgShip	Risks 1, 2, 3, 4, 5, 6 and 9 as further detailed on page 30
Enhance the network effect	• GMV declined 3% at constant currency and grew 2% at actual rates to £3.3bn • Launched first stage of integrated bidding, Timed+ on LiveAuctioneers and Auction Mobility, and trialled on other ATG white label solutions	• Roll out integrated bidding across other marketplaces and ATG white label solutions	Risks 1, 2, 3, 4, 5, 6 and 9 as further detailed on page 30
Grow take rate via value-added services	• Take rate increased by 0.3ppt to 3.6%, excluding ESN • Grew adoption of auctioneer marketing solutions across the Group • Rolled out atgPay on LiveAuctioneers and Proxibid • Trialled a shipping solution, atgShip, on LiveAuctioneers	• Continue to grow the usage of marketing solutions • Grow the adoption of atgPay across marketplaces • Roll out atgShip, starting on LiveAuctioneers	Risks 1, 2, 3, 4, 5, 6 and 9 as further detailed on page 30
Expand operational leverage	• Adjusted EBITDA margin expanded 2ppt to 47% • Invested in single technology platform programme • Implemented a new leadership and organisational structure in North America	• Continue to develop our single technology platform to provide agility and flexibility, whilst also enabling the acceleration of new product development	All risks as further detailed on page 30
Pursue accretive M&A	• Completed the acquisition of ESN • Integration progressed well and on track with strategic initiatives and ahead of original business plan	• Remain active in looking for acquisition opportunities that add to our footprint and/or increase value across our network	Risks 5 and 9 as further detailed on page 30

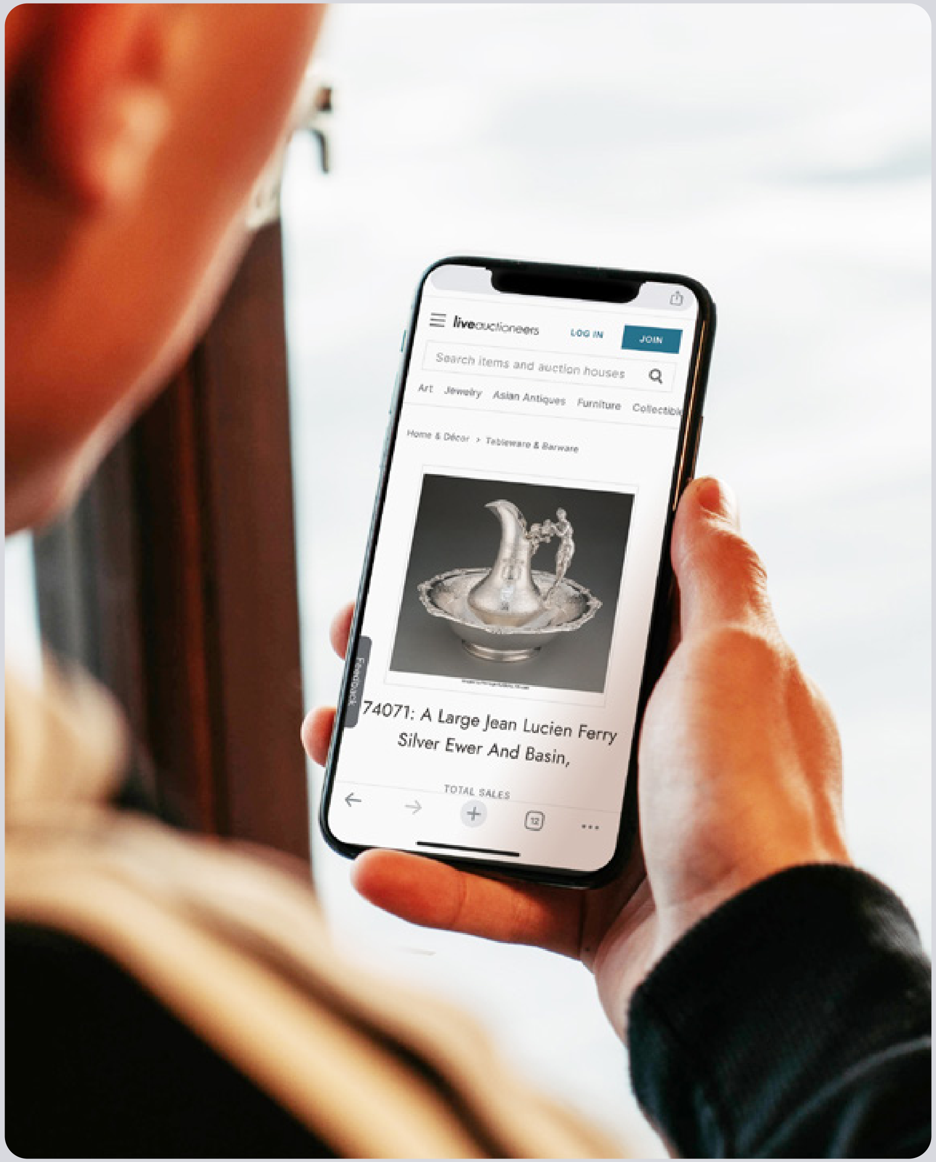
Six Strategic Growth Drivers continued

Enhance the network effect

Case study

Timed+

Timed+ is a unique online auction format that enables auctioneers to simultaneously run a timed auction on an ATG white label and an ATG marketplace. The solution was initially rolled out on Auction Mobility and LiveAuctioneers in March 2023 and in FY24 is being rolled out across other marketplaces. Timed+ not only incentivises auctioneers to switch to ATG's white label solution, but also helps to facilitate the shift to timed auctions. Cross-listing also encourages bidders to use ATG as their primary search portal by presenting them with the broadest array of inventory, therefore further strengthening our competitive position.



Extend the total addressable market

Case study

Sotheby's

In July 2023, ATG established a partnership with Sotheby's, a world leading auctioneer for art and luxury goods. Through the partnership, Sotheby's will list a number of its auctions on two ATG marketplaces, The Saleroom and LiveAuctioneers.

The partnership highlights the attractiveness of ATG marketplaces for global auction houses, helping them to drive sales and increase reach by introducing them to incremental bidders.

Six Strategic Growth Drivers continued

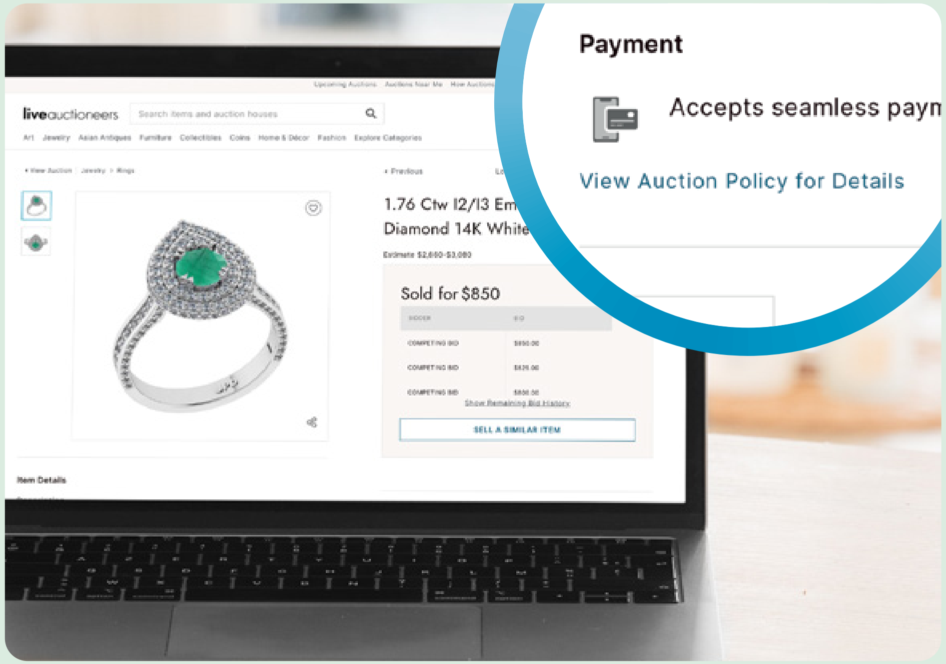
Grow the conversion rate

Case study

New rate card on Proxibid

In March 2023, we introduced a new pricing structure on Proxibid which offers differentiated fixed fee and commission pricing depending on the type of auction run, as well as on whether the auctioneer uses other ATG services including marketing and atgPay.

With a differentiated pricing structure, we have provided auctioneers with economic incentives to use a larger suite of ATG products. An updated rate card for LiveAuctioneers was also rolled out in early FY24.



Grow take rate via value-added services

Case study

atgPay

Payments on LiveAuctioneers have continued to grow with 91% of US-based auctioneers onboarded and the payment product accounting for 61% of US gross transaction value on the marketplace in September 2023. We are continuing to develop the product including payments automation, which requires every bidder at an atgPay auction to receive an atgPay invoice, as well as for autopay to be a requirement for all atgPay auctions.

atgPay on Proxibid was activated in the third quarter and by the end of September 38% of auctioneers had already been onboarded.

Six Strategic Growth Drivers continued

Pursue accretive M&A

Case study

ESN

ESN provides the leading platform to facilitate estate sales across the US. Both corporate estate sale companies as well as private customers use ESN to advertise online the sale of millions of unique second-hand items sourced from a range of events including private home estate sales and business liquidations.

ATG's acquisition of ESN expands its immediately addressable market into the growing and fragmented US estate sales market, providing another channel to facilitate the growth of the circular economy. ESN's seller and buyer bases are highly complementary and synergistic to ATG, offering the opportunity to drive more buyer traffic to ATG's marketplaces, convert browsers of ESN to online auctions and enable sellers to cross-list across multiple ATG marketplaces. The acquisition also highlights ATG's internal capability to source and acquire attractive businesses.

Since the acquisition, ESN has performed ahead of initial financial expectations. It has also made significant progress to optimise its site, through an updated pricing structure and through the growth of marketing solutions, where ESN has leveraged ATG's expertise to create new advertising solutions. ESN has also grown the number of buyers and sellers on the site with the total number of subscribers to ESN reaching 1.1m by the end of FY23.

Expand operational leverage

Case study

North America reorganisation

In FY23, ATG reorganised its North American structure, including merging the I&C and A&A product, technology, marketing and commercial teams to report into a single structure. This reorganisation follows the acquisition of LiveAuctioneers in FY22 and our platform strategy to integrate businesses into our hub and spoke operating model, thereby streamlining centralised costs, improving scalability and ensuring aligned decision-making.

Key Performance Indicators

We monitor our progress using financial and non-financial key performance indicators.

Strategy/focus area

- Extend the total addressable market
- Grow the conversion rate
- Enhance the network effect
- Grow take rate via value-added services
- Expand operational leverage
- Pursue accretive M&A

Financial KPIs

Revenue
(£m)

£135.2m

FY23	**£135.2m**
FY22	£119.8m
FY21	£70.1m

Why we use this measure
Revenue is used to measure the Group's overall growth and trading performance.

Performance
Revenue increased 13% vs FY22, driven by an increase in the take rate due to higher fixed fees and the roll out of value-added services, the acquisition of ESN and a foreign exchange benefit.

Principal risks
1 2 3 4 5 6 9

Link to remuneration
Yes – see pages 98 to 112 of the Directors' Remuneration Report for further details

Strategy/focus area

Adjusted EBITDA[1]
(£m)

£64.0m

FY23	**£64.0m**
FY22	£54.0m
FY21	£31.8m

Why we use this measure
Adjusted EBITDA is the measure used to assess the operating performance of the Group.

Performance
The Group's adjusted EBITDA increased 19% year-on-year driven by revenue growth and an increase in the adjusted EBITDA margin by 2ppt to 47%. Margin growth was driven by the growth in high margin marketplace revenue.

Principal risks
1 2 3 4 5 6 9

Link to remuneration
Yes – see pages 98 to 112 of the Directors' Remuneration Report for further details

Strategy/focus area

Adjusted free cash flow conversion[1]
(%)

78.0%

FY23	**78.0%**
FY22	92.5%
FY21	95.7%

Why we use this measure
The Group monitors its operational efficiency with reference to operational cash conversion, defined as adjusted free cash flow as a percentage of adjusted EBITDA.

Performance
The Group generated £49.9m of adjusted free cash flow[1] in FY23 (FY22: £49.9m) and an adjusted free cash flow conversion of 78.0% (FY22: 92.5%). The decrease in conversion reflects an increase in additions to internally generated software, the timing of auction activity and the timing and size of performance related payments.

Principal risks
1 2 3 4 5 6 9

Link to remuneration
No

Strategy/focus area

Basic earnings/ (loss) per share
(p)

13.9p

FY23	**13.9p**
FY22	(5.1)p
FY21	(31.0)p

Why we use this measure
Basic earnings/(loss) per share represents the earnings/loss for the year attributable to ordinary shareholders.

Performance
Basic earnings per share of 13.9p improved from a loss of (5.1)p in FY22 driven by the growth in profit after tax year-on-year as higher operating profit and a tax credit offset the impact of higher net finance costs.

Principal risks
1 2 3 4 5 6 9

Link to remuneration
No

Strategy/focus area

Adjusted diluted earnings per share[1]
(p)

32.6p

FY23	**32.6p**
FY22	29.5p
FY21	9.2p

Why we use this measure
Adjusted diluted earnings per share represents the adjusted earnings for the year attributable to ordinary shareholders divided by the diluted weighted average number of ordinary shares outstanding during the year.

Performance
Adjusted diluted earnings per share of 32.6p increased from 29.5p in FY22 as the increase in adjusted EBITDA offset the impact of higher adjusted net finance costs and a higher adjusted effective tax rate.

Principal risks
1 2 3 4 5 6 9

Link to remuneration
Yes – see pages 98 to 112 of the Directors' Remuneration Report for further details

Strategy/focus area

1. This report provides alternative performance measures ("APMs") which are not defined or specified under the requirements of UK-adopted International Accounting Standards. We believe these APMs provide readers with important additional information on our business and aid comparability. We have included a comprehensive list of the APMs in note 3 to the financial statements, with definitions, an explanation of how they are calculated, why we use them and how they can be reconciled to a statutory measure where relevant.

Key Performance Indicators continued

Strategy/focus area

- Extend the total addressable market
- Grow the conversion rate
- Enhance the network effect
- Grow take rate via value-added services
- Expand operational leverage
- Pursue accretive M&A

Operating KPIs

Total hammer value ("THV")[1] (£bn)

£10.8bn

FY23	**£10.8bn**
FY22	£10.1bn
FY21	£7.8bn

Why we use this measure
The Group's THV represents the total final sale value of all lots listed on the marketplaces or the platform.

Performance
THV grew 7% at actual exchange rates and 3% at constant currency to £10.8bn, including as a result of an increase in the number of auctioneers using our marketplaces, an increase in the number of auctions facilitated and an increase in the number of lots listed.

Principal risks
1 2 3 4 5 6 9

Link to remuneration
No

Strategy/focus area

Conversion rate[1] (%)

31%

FY23	**31%**
FY22	33%
FY21	33%

Why we use this measure
The conversion rate is GMV as a percentage of the THV. It represents the % of total final sale value of lots listed and sold on ATG's marketplaces where the winning bid was placed on an ATG marketplace.

Performance
The conversion rate declined 2ppt year-on-year, as investments to incentivise the adoption of timed auctions were offset by the impact of a return to physical auctions and the mix of auctioneers on our marketplaces.

Principal risks
1 2 3 4 5 6 9

Link to remuneration
No

Strategy/focus area

Gross merchandise value ("GMV")[1] (£bn)

£3.3bn

FY23	**£3.3bn**
FY22	£3.3bn
FY21	£2.6bn

Why we use this measure
The Group's GMV represents the total final sale value of all lots sold via winning bids placed on the marketplaces or the platform.

Performance
GMV grew 2% year-on-year at actual exchange rates and declined 3% at constant currency, driven by the annualisation of strong performance in FY22 that had benefited from the Covid-19 pandemic, a deceleration in auction activity over the year and the proactive rotation of GMV which had a lower take rate to optimise revenue going forward.

Principal risks
1 2 3 4 5 6 9

Link to remuneration
No

Strategy/focus area

Take rate[1] (%)

3.6%

FY23	**3.6%**
FY22	3.3%
FY21	3.5%

Why we use this measure
Take rate represents marketplace revenue as a percentage of GMV. It represents how we monetise the value of items sold on our marketplaces.

Performance
Take rate increased by 0.3ppt to 3.6%, benefiting from higher fixed fees, the growth in auctioneer marketing solutions, the roll out of atgPay and the launch of a atgShip.

Principal risks
1 2 3 4 5 6 9

Link to remuneration
No

Strategy/focus area

1. Refer to the Glossary for full definitions. Operating KPIs exclude ESN.

Chief Financial Officer's Review

Tom Hargreaves
Chief Financial Officer

Robust revenue growth, margin expansion and strong cash generation.

Group presentation of results

The financial results for FY23 are presented for the year ended 30 September 2023. On 6 February 2023, the Group completed its acquisition of Vintage Software LLC., trading as EstateSales.NET ("ESN"), for a consideration of $40m. The results for ESN are included within the A&A operating segment in FY23. Full details of the accounting implications are detailed in note 11 of the Consolidated Financial Statements.

The impact of the acquisition affects the comparability of the Group's results. Therefore, to aid comparisons between FY22 and FY23 organic revenue growth is presented to exclude the acquisition of ESN on 6 February 2023. Organic revenue is shown on a constant currency basis, using average exchange rates for the current financial period applied to the comparative period and is used to eliminate the effects of fluctuations in assessing performance. Note 3 of the Consolidated Financial Statements includes a full reconciliation of all APMs presented to the reported results for FY23 and FY22.

Given that a significant majority of the Group's revenue, costs and cash flows are now generated in US dollars, for financial periods beginning on or after 1 October 2023, the Group will change the presentational currency in which the Group presents its consolidated financial results from pound sterling to US dollars. FY23 consolidated financial results presented in US dollars are available on our website at www.auctiontechnologygroup.com

Group

Group revenue increased 13% year-on-year to £135.2m, driven by growth in marketplace revenue, a favourable movement in the foreign exchange rate and the acquisition of ESN. On an organic basis[2], revenue grew 5%, driven by the growth in value-added services revenue and event fees which offset a 3% reduction in GMV on our marketplaces. Commission revenue on our marketplaces was flat year-on-year. Marketplace revenue growth was partially offset by revenue declines on an organic basis in Auction Services and Content.

Revenue
£135.2m
FY22: £119.8m

Adjusted diluted earnings per share[1]
32.6p
FY22: 29.5p

Adjusted EBITDA[1]
£64.0m
FY22: £54.0m

Basic earnings/(loss) per share
13.9p
FY22: (5.1)p

Profit before tax
£7.1m
FY22: £9.3m

Adjusted free cash flow[1]
£49.9m
FY22: £49.9m

Revenue

	FY23 £m	FY22 £m	Movement reported	Movement organic[2]
Art & Antiques ("A&A")	65.6	55.3	19%	6%
Industrial & Commercial ("I&C")	58.2	52.7	10%	7%
Total marketplace	**123.8**	**108.0**	**15%**	**6%**
Auction Services	8.3	8.6	(3)%	(7)%
Content	3.1	3.2	(3)%	(3)%
Total	**135.2**	**119.8**	**13%**	**5%**

1. This report provides alternative performance measures ("APMs") which are not defined or specified under the requirements of UK-adopted International Accounting Standards. We believe these APMs provide readers with important additional information on our business and aid comparability. We have included a comprehensive list of the APMs in note 3 to the Consolidated Financial Statements, with definitions, an explanation of how they are calculated, why we use them and how they can be reconciled to a statutory measure where relevant.
2. Operational KPIs are unaudited. Refer to the Glossary for full definitions. The Group has made certain acquisitions that have affected the comparability of the Group's results. To aid comparisons between FY23 and FY22, organic revenue has been presented to exclude the acquisition of EstateSales.NET on 6 February 2023. Organic revenue is shown on a constant currency basis using average exchange rates for the current financial period applied to the comparative period and is used to eliminate the effects of fluctuations in assessing performance.

Chief Financial Officer's Review continued

Art & Antiques

Revenue in the A&A segment increased 19% to £65.6m, up 6% on an organic basis predominantly driven by the increase in the take rate by 0.6ppt to 8.6%. This increase was the result of growth in value-added services adoption, including marketing and payments, in addition to a small contribution from the newly launched shipping product, as well as price increases in event fees. GMV across A&A declined 3% at constant currency impacted by both challenging comparisons in the first half of the year when the prior year had benefited from the Covid-19 pandemic and a slowdown in the A&A auction market in the second half of the year, with A&A THV up 1% for FY23 and down 2% in the second half. ESN delivered double-digit revenue growth, ahead of plan, driven by sustained growth in the estate sales subscribers on the site, an increase to our pricing structure and the growth of marketing revenue on ESN. The ESN contribution to the FY23 results was from the date of acquisition on 6 February 2023.

Industrial & Commercial

I&C revenue grew 10% on a reported basis to £58.2m and 7% on an organic basis, driven by a 0.2ppt increase in the take rate to 2.2% that offset a decline in GMV in the second half. The take rate improvement was driven by the continued growth in the adoption and penetration of marketing solutions, the launch of atgPay on Proxibid, which was activated on the marketplace in the second half of FY23, and the updated pricing structure on Proxibid which was rolled out from March 2023. GMV declined 3%, impacted by a reversion of used asset prices in some I&C categories in the second half of the year following the easing of supply chain constraints in the primary market. GMV was also impacted by the commercial decision to switch out volume with high service requirements and minimal revenue contribution, but which has higher future revenue potential. Excluding this impact, GMV would have been up 1% year-on-year. Total I&C GMV remains 247% higher than it was pre-pandemic in FY19 reflecting the attractiveness of our business model.

Auction Services

Auction Services revenue of £8.3m declined 3% on a reported basis and 7% on an organic basis. Revenue was impacted by a shift of auction activity away from the white label channel year-on-year and back to physical auctions. In FY23, we have begun to better integrate our white label solutions with ATG marketplaces through the launch of our integrated bidding solutions. We would expect this to result in ATG increasingly becoming the preferred provider for white label solutions.

Content

Content revenue declined 3% to £3.1m, as expected, driven by the ongoing fall in advertising volumes as auctioneers increasingly migrate their marketing spend to the online channel.

Operating profit

The Group reported an operating profit of £22.5m compared to £16.8m in the prior year, driven by the increase in gross profit which offset the impact from an increase in year-on-year administrative expenses.

Gross profit increased 15% to £91.7m, with the gross profit margin increasing 1ppt year-on-year, which reflects the revenue growth and a high flow-through of revenue to gross profit. The Group's administrative expenses increased by £6.2m to £69.8m. This increase includes £2.7m of one-off exceptional costs related to the acquisition of ESN (FY22: Nil) and a £1.8m increase in share-based payments to £7.0m, including the impact of annual grants awarded in December 2022 and one-off awards for certain members of the Senior Management Team. We expect the share-based payments expense to broadly stabilise going forward. The movement in administrative expenses also includes the impact of foreign exchange movement as well as investments in the business to support future growth.

Financial performance

	FY23 £m	FY22 £m	Movement
Revenue	135.2	119.8	13%
Cost of sales	(43.5)	(40.1)	8%
Gross profit	**91.7**	**79.7**	**15%**
Administrative expenses	(69.8)	(63.6)	10%
Other operating income	0.6	0.7	(14)%
Operating profit	**22.5**	**16.8**	**34%**
Adjusted EBITDA (as defined in note 3)	**64.0**	**54.0**	**19%**
Finance income	0.2	2.1	(90)%
Finance cost	(15.6)	(9.6)	63%
Net finance costs	**(15.4)**	**(7.5)**	**(105)%**
Profit before tax	**7.1**	**9.3**	**(24)%**
Income tax	9.8	(15.4)	164%
Profit/(loss) for the period attributable to the equity holders of the Company	**16.9**	**(6.1)**	**377%**

Chief Financial Officer's Review continued

Adjusted EBITDA
Adjusted EBITDA definitions and reconciliations to the reported results are presented in note 3 of the Consolidated Financial Statements.

Adjusted EBITDA increased from £54.0m to £64.0m year-on-year. Adjusted EBITDA margin increased by 2ppt to 47% due to the growth in high margin marketing and fixed fee revenue and cost management which offset the contribution from lower margin payments revenue growth as well as the impact from ongoing investments in products and services to support future growth.

Net finance costs
Net finance costs were £15.4m compared to net finance costs of £7.5m in FY22 and include the impact of a £4.1m non-cash foreign exchange loss in FY23 versus a £2.1m non-cash foreign exchange gain in FY22 related to intergroup balances. Excluding this impact, as well as excluding the impact from a £1.6m year-on-year decrease in the deferred consideration, net finance costs increased £3.3m year-on-year. The increase primarily relates to higher interest costs on our US dollar denominated Senior Term Facility due to the increase in the Secured Overnight Financing Rate ("SOFR") and the movement in foreign exchange, offsetting a lower level of borrowings. Our average interest rate for the year increased from 4% to 8%. During the year, the Group pre-paid $53.7m of its Senior Term Facility, in addition to repaying $26.3m on the Revolving Credit Facility ("RCF") that was drawn in the year to fund the ESN acquisition. In the prior year, finance costs related to interest costs on our Senior Term Facility, commitment fees, foreign exchange gains and movement in the contingent consideration. Finance income of £0.2m primarily relates to interest income in the year (FY22: £2.1m including the foreign exchange gain). The Group expects a small increase to net finance costs excluding the impact of foreign exchange in FY24 reflecting a higher average interest rate ofsetting a lower loan balance.

Profit before tax
After the impact of higher net finance costs year-on-year due to the rising SOFR rates and the movement in foreign exchange, the Group reported a profit before tax of £7.1m (FY22: £9.3m).

Taxation
The overall tax credit for the year was £9.8m (FY22: £15.4m expense), arising from the profit in the year and a deferred tax credit on unrealised foreign exchange differences and non-deductible foreign exchange differences on intergroup loan balances. The unrealised foreign exchange differences were not recognised in the Group's profit for the year due to differences in the functional currency basis under tax and accounting rules for the US holding entities. The Group's effective tax rate for FY23 was a credit of 137% (FY22: 166%) is higher than the UK tax rate (19% until April 23 and 25% thereafter) due to the net impact of allowable deductions for the exercise of share options and the deferred tax liability on the foreign exchange movements in the year. The tax rate on adjusted earnings of 16% increased from 15% in the prior year, partly reflecting the increase in the UK corporate tax rate, our primary tax jurisdiction. The Group expects the tax rate on adjusted earnings to increase to 19% in FY24, in line with the higher UK tax rate.

The Group is committed to paying its fair share of tax and manages tax matters in line with the Group's Tax Strategy, which is approved by the Board and is published on our website www.auctiontechnologygroup.com.

Earnings/(loss) per share and adjusted earnings per share
Basic and diluted earnings per share was 13.9p and 13.8p respectively compared to a loss of 5.1p in FY22, as a tax credit offset lower profit before tax year-on-year. The weighted average number of shares during the period was 122.2m (FY22: 120.3m shares), with the increase year-on-year due to the impact of vested equity incentive awards.

Adjusted diluted earnings per share was 32.6p compared to 29.5p in FY22 and is based on profit after tax adjusted to exclude share-based payment expense, exceptional items (operating and finance costs), amortisation of acquired intangible assets and any related tax effects. The increase year-on-year is due to the increase in adjusted EBITDA, partially offset by higher net finance costs, an increase in the effective tax rate due to an increase in the UK tax rate, and an increase in the weighted average number of ordinary shares and dilutive options in the year.

A reconciliation of the Group's profit after tax to adjusted earnings is set out in note 3.

EstateSales.NET acquisition
On 6 February 2023, the Group acquired 100% of the equity share capital of Vintage Software LLC, trading as EstateSales. NET ("ESN"), for total consideration of $40m funded out of the Group's existing cash balance and debt facilities. ESN is a leading estate sales listing site in the US and the purpose of the acquisition was to access an adjacent channel in the resale of secondary goods and to enable cross-selling opportunities for the Group. The full acquisition accounting is detailed in note 11.

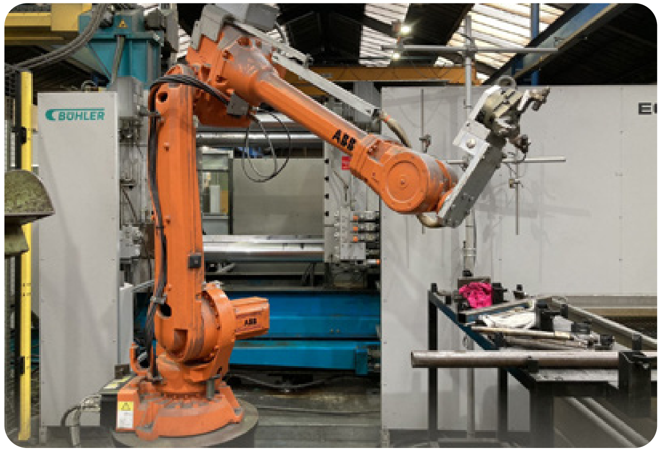
Foreign currency impact
The Group's reported performance is sensitive to movements in both the US dollar and the euro against the pound sterling with a mix of revenues included in the table below.

	FY23 £m	FY22 £m
United Kingdom	19.7	18.5
North America	111.6	97.8
Germany	3.9	3.5
Total	**135.2**	**119.8**

The average FY23 exchange rate of pound sterling against the US dollar weakened by 3.1% and by 2.5% against the euro compared to FY22, as shown in the table below.

	Average rate			Closing rate		
	FY23	FY22	Movement	FY23	FY22	Movement
Euro	1.15	1.18	(2.5)%	1.15	1.13	1.8%
US dollar	1.23	1.27	(3.1)%	1.22	1.12	8.9%

Chief Financial Officer's Review continued



When comparing revenue in FY22 to FY23, changes to average foreign exchange rates had a favourable impact on revenue of £3.2m. Partially offsetting this, changes to foreign exchange rates had an unfavourable movement on the Group's cost of sales and administrative expenses of £2.5m when compared to FY22.

The tax for the period was also significantly impacted by movements in foreign currency exchange rates, resulting in a reduction to the tax charge of £9.7m. The strengthening of the pound sterling against the US dollar over the year has given rise to a loss of £42.4m on assets held and a gain on the external dollar loan of £11.6m. A net loss of £30.5m has been recognised in the foreign currency reserve.

For FY24, the Group will change the presentational currency in which the Group presents its consolidated financial results from pound sterling to US dollars.

Statement of financial position

Overall net assets at 30 September 2023 have decreased by £9.3m to £530.0m since 30 September 2022. Total assets decreased by £80.9m, largely driven by the strengthening of pound sterling against the US dollar at the year end which has reduced total assets by £53.5m. There has been a £47.9m cash outflow related to the prepayment of our Senior Term Facility, net of the drawdown to fund the ESN acquisition. Goodwill, intangible and tangible assets increased due to goodwill and intangible asset additions of £33.0m acquired with ESN and other additions of £8.7m, net of the amortisation charge for the year of £30.4m.

The Group's goodwill and intangibles were tested for impairment at 30 September 2023 and no impairment was recognised, although the A&A and Auction Services cash-generating units remain sensitive to the key assumptions used in the model. Refer to note 12 for further details.

Total liabilities decreased by £71.6m, primarily due to a reduction in loans and borrowings of £59.0m, a decrease in deferred tax liabilities of £23.9m, largely driven by the movement on the unrealised foreign exchange differences and the unwind of the capitalised acquisition intangible assets, and an increase in creditors of £7.6m due to the impact of the deferred consideration.

Cash flow and adjusted net debt

The Group generated strong cash from operations at £57.7m (FY22: £49.4m), driven by high margin revenue growth which offset higher cash interest cost year-on-year. The movement in working capital reflects the timing of auction activity, the size and timing of performance related payments and growth in the business. The £4.5m increase in additions to internally generated software primarily relates to our programme to migrate to a single technology platform as well as investment on new products such as payments. Total expenditure on additions to internally generated software and payment for property, plant and equipment was £9.3m, in line with our guidance.

Adjusted net debt as at 30 September 2023 was £115.7m, a decrease from £131.4m as at 30 September 2022 as strong operating cash flow generation more than offset the impact of the acquisition of ESN, additions to internally generated

	FY23 £m	FY22 £m
Adjusted EBITDA	**64.0**	**54.0**
Cash generated from operations	57.7	49.4
Adjustments for:		
Exceptional items	2.7	–
Working capital from exceptional and other items	(1.2)	5.0
Additions to internally generated software	(8.7)	(4.2)
Additions to property, plant and equipment	(0.4)	(0.3)
Payments for right of use assets	(0.2)	–
Adjusted free cash flow	**49.9**	**49.9**
Adjusted free cash flow conversion	**78.0%**	**92.5%**

Chief Financial Officer's Review continued

software and foreign exchange movements. The Group had cash at bank of £6.1m and borrowings of £121.8m as at 30 September 2023 (30 September 2022: cash at bank of £49.4m and borrowings of £180.8m). During the year, the Group paid $53.7m of its Senior Term Facility, in addition to repaying $26.3m on the RCF that had been drawn in the year to fund the ESN acquisition. The adjusted net debt/adjusted EBITDA ratio decreased from 2.4x as at 30 September 2022 to 1.8x.

The Group's adjusted free cash flow was £49.9m (FY22: £49.9m), a conversion rate of 78.0% (FY22: 92.5%). The decrease in conversion rate reflects the timing of auction activity, working capital movement as well as an increase in additions to internally generated software. A reconciliation of cash generated from operations to adjusted free cash flow and adjusted free cash flow conversion is included in note 3 of the Consolidated Financial Statements.

Dividends

As per the Group's dividend policy, the Group sees strong growth opportunities through organic and inorganic investments and, as such, intends to retain any future earnings to finance such investments. The Company will review its dividend policy on an ongoing basis but does not expect to declare or pay any dividends for the foreseeable future. Therefore, no dividends have been paid or proposed for FY23 or FY22.

Post balance sheet events

There were no post balance sheet events.

Related parties

Related party disclosures are detailed in note 23 to the Consolidated Financial Statements.

Going concern

In assessing the appropriateness of the going concern assumption, the Directors have considered the ability of the Group to meet the debt covenants and maintain adequate liquidity through the forecast period. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group is able to operate comfortably within the level of its current facilities and meet its debt covenant obligations.

Sensitivities have been modelled to understand the impact of the various risks outlined above on the Group's performance and the Group's debt covenants/cash headroom, including consideration of a reasonable downside scenario. Given the current demand for services across the Group at the date of this report, the assumptions in these sensitivities, when taking into account the factors set out above, are considered to be unlikely to lead to a debt covenant breach or liquidity issues under both scenarios.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and that it remains appropriate to continue to adopt the going concern basis in preparing the financial information.

Tom Hargreaves
Chief Financial Officer
30 November 2023

Risk Management

The Board is collectively responsible for determining the nature and extent of the principal and emerging risks the Group is willing to take in achieving its strategic objectives.

Risk management approach

The Board has overall responsibility for risk management. On a day-to-day basis, this is managed by the Group Head of Risk and Internal Audit, appointed in FY23. This is a key role to ensure the Group remains abreast of its principal and emerging risks, as well as owning the monitoring and review of the effectiveness of the Group's systems of risk management and internal control. The Group Head of Risk and Internal Audit reports directly to the Audit Committee.

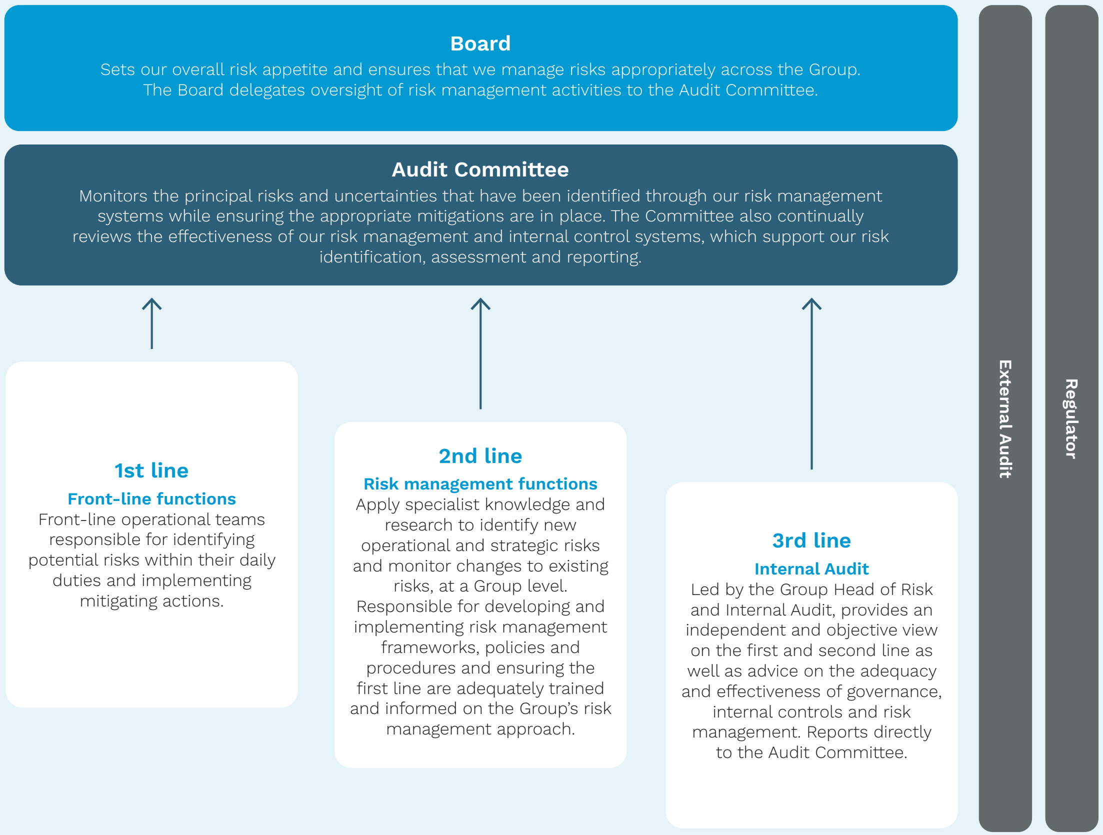
The Board is responsible for identifying the significant strategic, operational, financial, compliance and reputational risks and ensuring there is an appropriate risk management framework in place to manage these risks.

The Board has implemented a risk management system which is managed by the Group Head of Risk and Internal Audit. This assists in determining the nature and extent of the significant risks the Board is willing to take in achieving its strategic objectives. The Board formally approves the Group's strategic risk register on an annual basis.

The Group Head of Risk and Internal Audit works closely with the Leadership Team. This includes an annual review of the Group's strategic risk register and an assessment of the principal and emerging risks.

The Group applies a 'Three Lines of Defence' model to risk management.

Three Lines of Defence model



Risk Management continued

Risk management process

Effective risk management is critical in order for us to achieve our strategic objectives. Our risk management system is designed to support the identification, assessment, management and subsequent monitoring, reporting and review of any material risks that threaten the Group's strategic and business objectives.

1. Setting the risk appetite

The Board recognises the need for informed risk-taking in order to deliver sustainable and profitable business growth. Our risk appetite across different areas informs the Group's risk and control framework and day-to-day control activities.

The Group wants to be best in class and highly respected across the industry. The Board will not accept any negative impact on reputation with any key stakeholders and will only tolerate minimum exposure such as minor negative press coverage. The Board will not accept negative impacts on employees.

2. Identifying risks

Principal and emerging risks are maintained in the Group's strategic risk register by the Group Head of Risk and Internal Audit and reviewed by the Audit Committee and the Board bi-annually. The strategic risk register captures the assessment of each risk, mitigating controls in place and residual risk ratings. The Group Head of Risk and Internal Audit works closely with the front-line teams to understand current and emerging risks at the operational level.

3. Assessing risks

Risks are evaluated to establish the root cause and to quantify the likelihood of the event occurring and the full range of potential impacts from a minimum (best case) to a maximum (worst case). These scores are compared against our risk appetite to support the decisions for further mitigation as appropriate.

4. Managing risks

Mitigating actions are developed by management and implemented by the front-line teams. Overall ownership of the principal risks is assigned to members of Senior Management.

5. Monitoring and reviewing risks

Strategic and operational risks are monitored by the Group Head of Risk and Internal Audit on an ongoing basis. Periodic review is then performed by the Audit Committee as part of a review of the output of the Group's risk management system. Ultimate oversight is then given by the Board through bi-annual reviews. Independent challenge is provided on an ongoing basis by the Internal Audit Team and our external auditors.

Principal Risks and Uncertainties

Identifying, monitoring and managing the Group's principal risks

The Board conducted a thorough evaluation of key risks to the Group, assessing potential threats to its business model, future performance, solvency, and liquidity. This involved analysing the likelihood and impact of each identified risk, along with the corresponding mitigation strategies.

This section details our principal risks and uncertainties, as well as any unforeseen risks, whether individually or collectively, which could impact the Group's business, operations, and financial condition. Operating in a dynamic environment with inherent risks, we actively identify and address new risks through a systematic review process.

New and emerging risks

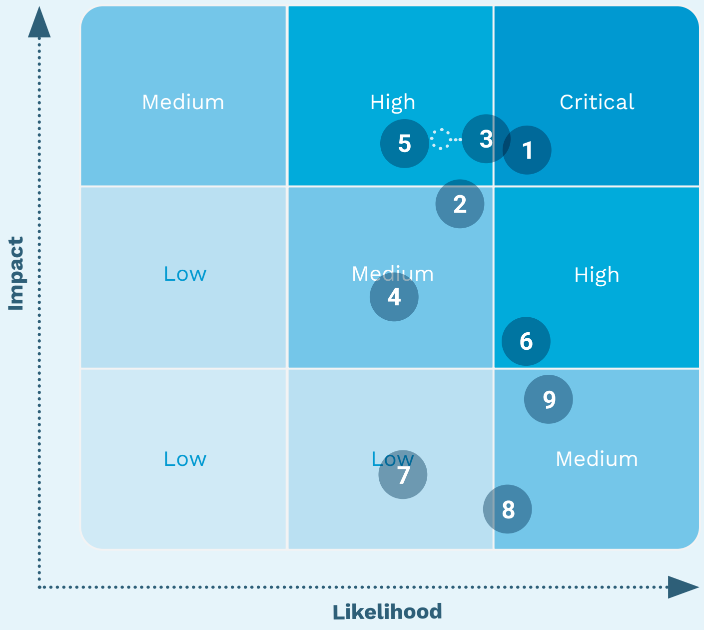
The Board consistently evaluates both external and internal business landscapes to identify and understand emerging, evolving, or escalating risks and issues. This is achieved through operational risk assessments and various horizon scanning initiatives. This proactive approach allows us to strategically plan and operate, mitigating potential threats effectively.

Emerging risks

The Group's ongoing risk management process involves the identification and evaluation of emerging risks by the Group's management, assessing their impact on the business. This year, the Sustainability and ESG Committee, along with the Audit Committee, have reviewed emerging risks, including those related to climate and environmental reporting, reporting findings to the Board. As a provider of digital marketplace technology, the Group maintains a low carbon footprint and minimal environmental impact. Considering the nature of the Group's operations, it has been determined that climate change actually presents opportunities, allowing the Group to foster and expedite the growth of the circular economy, establishing a global channel for sustainable commerce.

From the analysis performed with our external consultants it has been concluded that the financial impact of climate-related risks on the Group's operations is low. The Sustainability and ESG Committee has identified a range of potential transitional, physical and investor-related risks and opportunities, across the Group's value chain, including platforms, customers, consumers and employees, which have been outlined in detail on pages 52 to 53. On this basis the Board has concluded there is no principal risk for the Group in respect of climate change.

Risk assessment matrix



Year-on-year movement

Our risk assessment matrix prior to mitigating actions:

1 IT infrastructure – stability and business continuity of auction platforms
2 IT infrastructure – inability to keep pace with innovation and changes
3 Cyber threat and data security
4 Competition
5 Failure to deliver expected benefits from acquisitions and/or integrate the business into the Group effectively
6 Attracting and retaining skills/capabilities and succession planning
7 Regulatory compliance
8 Governance and internal control
9 Economic and geo-political uncertainty

Strategy/focus area

- Extend the total addressable market
- Grow take rate via value-added services
- Grow the conversion rate
- Expand operational leverage
- Enhance the network effect
- Pursue accretive M&A

Trend key

- ↑ Heightened risk
- — No change
- ↓ Reduced risk

Principal Risks and Uncertainties continued

1. IT infrastructure – stability and business continuity of auction platforms

Description of the risk
An inability to maintain a consistently high-quality experience, including network or server failure for the Group's auction houses and bidders across its marketplaces or platform, could affect the Group's reputation, increase its operational costs and cause losses. IT service disruption could occur due to interruption in the provision of service from key suppliers.

Changes in the year
The Group has expanded with the acquisition of ESN. Integration of the new business has been successful and the Group now operates eight marketplaces across four technology platforms, which requires continuous real-time monitoring.

We have made progress this year on our journey to a single technology platform. This has included implementing common tooling, shared cataloguing and shared design systems.

Our marketplaces have been continuingly upgraded, including tuning, migration from on-premises to cloud and a lessening of reliance on VMware infrastructure.

Mitigating actions/controls
The cross-functional team to manage cloud operations and engineering across all marketplaces has matured to the point of enforcing standards to improve system stability and improve efficiency on technology delivery.

We have a comprehensive plan to consolidate all of the Group's marketplaces which will operate alongside a set of shared services. This consolidation process will continue in stages over the coming years.

We have a dedicated team who have modernised the Group's monitoring and alerting framework to include real user monitoring features to gain perspective on our customers' experience in the marketplaces.

Risk owner
Chief Technology Officer

Strategy/focus area

Trend
—

2. IT infrastructure – inability to keep pace with innovation and changes

Description of the risk
If the Group does not invest and manage the platforms and product development appropriately, incorporating new features and embracing technological advancements, there is a risk of falling behind in innovation. This could lead to a decrease in the number of auction houses and bidders utilising the marketplaces or platform, ultimately resulting in a loss of revenue.

Changes in the year
This year has seen growth of value-add services, with these now accounting for 18% of total revenue. 59% of auction houses have now adopted our marketing solutions.

Our payments solution, atgPay, has been rolled out, with 91% of US-based LiveAuctioneers auction houses and 38% of Proxibid auction houses onboarded as at the end of September 2023.

We are leveraging AI solutions, leading to improved personalisation for our users in several products. Going forward, we are looking to expand the use of AI, including image recognition and generative AI to support lot descriptions.

We have also successfully trialled our delivery solution, atgShip on LiveAuctioneers, providing bidders with new options for shipment of their purchases.

Mitigating actions/controls
The Chief Product Officer is key to developing the Group's value-add services. They also oversee the dedicated product team who are responsible for keeping pace with changes in customer expectations and technological developments and defining the roadmap of features for the platforms and marketplaces. New functionality is tested with a subset of the user base, to gather real-time usage data and feedback, to then optimise the user experience.

Risk owner
Chief Technology Officer
Chief Product Officer

Strategy/focus area

Trend
—

3. Cyber threat and data security

Description of the risk
The Group has a high dependency on technology and multiple internal IT systems. These are at risk of security breaches and targeted cyber attacks. Despite our security measures, any compromise of our systems could disrupt the Group's business, compromise sensitive and confidential information, affect the Group's reputation, increase costs and lead to financial penalties.

Changes in the year
The Group's security programme has expanded to include the ESN acquisition, including risk assessment, vulnerability remediation, incident management and all other ATG security controls.

Teams and systems across the Group's landscape are merging and centralising, having a positive impact on the ability to effectively monitor and secure threats against our applications, systems and employees.

The Information Security Steering Committee has been established in the year headed by the Head of Information Architecture and Security. The committee oversees regular internal and external risk assessments on the Group's technologies, cyber security and practices affecting user data. The committee reports its findings to the Audit Committee.

Mitigating actions/controls
The Group has an internal governance framework for data protection and security policies and procedures in place along with robust IT and security controls. Annual penetration tests are performed on all proprietary systems along with security recommendations from third-party security providers which are reviewed each month.

We have a Group-wide IT security policy based on the ISO 27001 standard and consolidated incident response processes and procedures.

The Head of Information Architecture and Security oversees all data security matters, with independent assurance from our Group Data Protection Officer, who both work with stakeholders across the Group to review, develop and improve our data practices and procedures.

Risk owner
Chief Technology Officer

Strategy/focus area

Trend
↑

Principal Risks and Uncertainties continued

4. Competition

Description of the risk
The Group's business model may come under pressure should a significant number of auction houses choose to take bidder generation, technology development and customer service (amongst other things) in-house and so bypass the marketplaces or platform, including as a result of auction houses who use the Group's white label offering attempting to maintain their own platforms rather than using the Group's platform.

Changes in the year
This year our auctioneer base grew to over 3,900 as we welcomed new auctioneers as well as maintaining our high auctioneer retention rate. New auctioneers included Sotheby's, a world leading auctioneer for art and luxury goods; all of the 'Big 4' auctioneers now use ATG's marketplaces, highlighting the attractiveness of our bidder reach, even for large global auctioneers.

The acquisition of ESN has further expanded our addressable market into the US estate sales market. Since acquisition, ESN has attracted even more estate sellers, with 4,800 active sellers on the platform as at the end of September 2023.

Mitigating actions/controls
The combination of our leadership, people, agile way of working and strong industry knowledge and networks helps to ensure that we stay up-to-date with the competitive landscape within which we operate.

We are constantly innovating with our technology and engaging our customers for feedback. We also undertake regular horizon-scanning activities to understand competitive threats and opportunities.

The Group is investing in its End-to-End experience to significantly improve the online buying experience at auction as well as simplifying and streamlining how auction lots are listed online to further strengthen its competitive position.

Risk owner
Chief Executive Officer

Strategy/focus area

Trend
—

5. Failure to deliver expected benefits from acquisitions and/or integrate the business into the Group effectively

Description of the risk
The Group has recently made and in the future may undertake further acquisitions and investments, which may prove unsuccessful or divert its resources, result in operating difficulties and otherwise disrupt the Group's operations.

Changes in the year
In February 2023, we completed the acquisition of ESN.

Integration of ESN into the Group has progressed well. A key senior member of the Group's Leadership Team has taken on the role of the General Manager of ESN. Roles have been recruited appropriately in advance of the previous management's planned exit, enabling a smooth handover and transition.

In FY23 the business has performed ahead of the acquisition plan.

Best practices have been shared in ESN, including, but not limited to, the optimisation of pricing, marketing strategies and business planning.

Integration of ESN into the Group technology platform is targeted to commence in FY24.

Mitigating actions/controls
We have an experienced Head of M&A who takes a disciplined approach to identifying and testing acquisitions to ensure they would be an appropriate strategic fit for the Group as well as earnings enhancing.

Clear plans and route maps are prepared to successfully integrate newly acquired businesses into the Group. It is important that we retain key expertise in our newly acquired businesses. Post the acquisitions completing we continue to review operational structures to ensure they are optimised globally.

Performance of the acquired businesses is reviewed against the initial investment cases prepared to ensure it is in line with original expectation.

Risk owner
Chief Executive Officer

Strategy/focus area

Trend
—

6. Attracting and retaining skills/capabilities and succession planning

Description of the risk
Our business depends on hiring and retaining first class talent in the highly competitive technology industry. Inability to attract and retain critical skills and capabilities could hinder our ability to deliver on our strategic objectives.

Changes in the year
In FY23 we launched the ATG Academy, our new global learning and development programme, which included over 60 courses designed for our employees that were bespoke to working at ATG.

We also launched a new onboarding programme to help set new employees up for success which includes induction sessions, regular HR check-ins, a meeting with the Chief Executive Officer, and a thorough Global Orientation session where new employees have the opportunity to meet multiple executives.

Additionally, we launched All ToGether, our connection and development programme which includes a range of training programmes, networking events and other programmes to support the development and engagement of our employees.

Mitigating actions/controls
As a global business it is important that we perform regular reviews of our remuneration packages, share incentive schemes and training provided to our employees. Annual employee surveys and performance reviews are undertaken across all levels.

The Chief People Officer is working to ensure the integration of culture across the different businesses. The Chief Executive Officer and Chief Financial Officer regularly travel to businesses across the Group to assist with talent retention. The Nomination Committee has continued to review succession planning for the Board and senior management.

Further details on our people can be found in the Sustainability Report on page 44 and Nomination Committee report on page 90.

Risk owner
Chief People Officer

Strategy/focus area

Trend
—

Principal Risks and Uncertainties continued

7. Regulatory compliance

Description of the risk

The Group operates in a constantly changing and complex regulatory environment, especially as a listed business on the London Stock Exchange. There is a risk that the Group fails to comply with these requirements or to respond to changes in regulations, including the Financial Conduct Authority's rules and guidance, or specific legislation in the territories in which the Group operates, including the Competition and Markets Authority in the UK and tax authorities across all territories.

Non-compliance could lead to reputational damage, financial or criminal penalties and impact on our ability to do business.

Changes in the year

There continue to be further regulatory requirements and focus placed on listed businesses. FY23 is the second year that the Group has reported on climate-related issues in line with the Task Force on Climate-related Financial Disclosures framework.

Sales tax has been an area of focus, particularly following the roll out of atgPay. External consultants have been utilised to ensure the Group's approach remains appropriate.

Whilst not material for the Group, the evolution of sanctions law, and in particular with reference to Russia, will continue to be closely monitored by the Leadership Team.

Mitigating actions/controls

Compliance for the Group is overseen by the Audit Committee and the Board has ultimate responsibility. The Board and its Committees are supported by our legal, company secretary, finance, operations and technology teams. We ensure that all our people are appropriately trained in compliance, relative to their roles, and that this is maintained on an ongoing basis.

We have developed a detailed governance framework to monitor our legal and regulatory risks, and to ensure that we comply with the principles, rules and guidance applicable to our regulated activities. These are regularly reported upwards to the Audit Committee and Board.

Risk owner

Chief Financial Officer
Chief Operating officer

Strategy/focus area

Trend

—

8. Governance and internal control

Description of the risk

Any failure and/or weakness in governance or internal controls, financial or non-financial, could have a significant impact on the operations and financial performance of the Group.

Changes in the year

A Group Head of Risk and Internal Audit has been appointed in the year, reporting to the Audit Committee. This is a key role to ensure the Group remains abreast of its principal and emerging risks, as well as owning the monitoring and review of the effectiveness of the Group's systems of risk management and internal control.

The financial controls framework which has been developed for the Group's finance function has undergone review and testing by Internal Audit during the year.

Internal Audit has also performed reviews over the atgPay product from an operations and finance perspective to assess the governance and controls in place. The Group's business continuity and disaster recovery plans have also been assessed by Internal Audit.

Policies are reviewed on an ongoing basis and updated where appropriate to ensure they remain fit for purpose for the Group.

Mitigating actions/controls

The Audit Committee fulfils a vital role in the Group's governance framework, providing independent challenge and oversight of the accounting, financial reporting and internal control processes.

The Board has ultimate responsibility for ensuring compliance with the Corporate Governance Code. For further information on activities undertaken by the Board and Committees during the year see pages 70 to 93.

Risk owner

Chief Executive Officer
Chief Financial Officer

Strategy/focus area

Trend

—

9. Economic and geo-political uncertainty

Description of the risk

Group performance could be adversely impacted by factors beyond our control such as macroeconomic conditions and political uncertainty in key markets.

Changes in the year

The after-effects of the Covid-19 pandemic are continuing to abate and the impacts of the conflict in Ukraine to the Group have been minimal.

Whilst the macroeconomic environment has impacted our rate of growth in the second half, we have been able to offset the impact on GMV by executing against key initiatives that further diversify the revenue mix of our business and add new revenue streams.

In order to prepare for other external uncertainties, we have diversified our revenue stream with the roll out of value-added services which now account for 18% of Group revenue.

Additionally, our acquisition of ESN has increased our exposure to recurring revenue through its subscription model.

Mitigating actions/controls

The Group demonstrated, particularly through the Covid-19 pandemic, that it has a strong business model and its diversified revenue streams and geographical markets help to mitigate the impact of political or economic instability in any particular country or region.

The Group's commission revenue stream is directly linked to asset prices which provide a natural inflation hedge. The diversification of the Group's revenue streams as we roll out and grow value-add services including payments and marketing also helps in more uncertain economic periods.

The Group's exposure to the secondary goods market may benefit in periods of economic uncertainty as buyers look for value in second-hand assets, and as the supply of second-hand assets at auctions increases due to the need for liquidity, including through business insolvencies.

Risk owner

Chief Executive Officer
Chief Financial Officer

Strategy/focus area

Trend

—

Viability Statement

Overview

The Directors have assessed the Group's prospects, both as a going concern and its viability longer term. Understanding of the Group's business model, strategy and principal and emerging risks is a key element in the assessment of the Group's prospects, as well as the formal consideration of viability. The Group's strategy is detailed on pages 16 to 20 and the Group's principal risks, described on pages 30 to 33.

The Group's prospects are assessed primarily through its annual long-term detailed planning process which considers profitability, the Group's cash flows, committed facilities, liquidity and forecast funding requirements. This exercise is completed annually and was signed off by the Board in October 2023. As part of this the Board considers the appropriateness of key assumptions, taking into account the external environment and the Group's strategy.

Liquidity and financing position

The Group's modelling has been prepared based on the it's financing arrangements which include the following:

- a $204.0m Senior Term Facility. The Senior Term Facility was drawn in full immediately prior to completion of the LiveAuctioneers acquisition on 30 September 2021 and will be due for repayment on 17 June 2026; and
- a $49.0m multi-currency Revolving Credit Facility. Any sums outstanding under the Revolving Credit Facility will be due for repayment on 17 June 2026.

The Directors are expecting to begin renegotiations on the financing arrangements for the Group 18 months prior to the current facilities expiring and, given the level of debt which would be required, there is a reasonable expectation the Group will be able to successfully refinance.

The assessment period

The Directors considered a number of factors in determining the period covered by the assessment. This included the Group's principal risks, the current and future financing arrangements, and the certainty over future auction activity. By their nature, forecasts inherently become less accurate and more uncertain as the planning horizon extends. While we prepare a five-year plan, the plan's focus is mainly on the first three years with the outer two years relying more on expected trends and extrapolations.

The Directors have assessed the appropriateness of this assertion as detailed business planning focuses on the near-term budget process based on the information available to the Group for the markets and operating environments in which the Group operates, with decisions on future funding and capital allocations focused on this period. In this context, the long-term viability assessment has been based on a three-year time frame, covering the period to 30 September 2026. On this basis the Directors have determined that three years was the most appropriate period for assessing the Group's prospects.

Forecasts and prospects

The Group's prospects have been assessed mainly with reference to the Group's strategic planning and associated long-range financial forecast. This incorporates a detailed bottom-up budget for each part of the business. The budgeting and planning process is thorough and includes input from department managers, as well as the Leadership Team.

The Directors participate in strategic planning and review the detailed bottom-up budgets. The outputs from this process include full financial forecasts of revenue, adjusted EBITDA, adjusted and statutory earnings, cash flow, working capital and net debt. The Directors consider that the planning process and monthly forecast updates provide a sound underpinning to management's expectations of the Group's prospects.

Assessing the Group's viability

The viability of the Group has been assessed, taking into account the current financial position, including external funding for the Group in place over the assessment period, and the impact of certain scenarios arising from the principal risks, which have the greatest potential impact on viability in that period. A number of scenarios have been modelled, considered severe but plausible, that encompass these identified risks. Whilst each of the risks for the Group outlined on pages 30 to 33 has a potential impact and has been considered as part of the assessment, only those that represent severe but plausible scenarios were selected for modelling.

For each scenario, the modelling captured the impact on key measures of profitability, cash flow, liquidity and debt covenant headroom. The scenarios have been run both individually and combined (the combination of all downside scenarios occurring at once is considered to be remote). The scenarios are hypothetical and purposefully severe with the aim of creating outcomes that have the ability to threaten the viability of the Group. The Group has multiple control measures in place to prevent and mitigate the scenarios from taking place.

Although each of the downside (and the combined) scenarios result in increased leverage, they all result in headroom over the current and expected bank facilities and existing covenants at all testing points, even where none of the mitigating actions have been applied such as reducing discretionary capital and operating expenditure.

Viability statement

Based on these severe but plausible scenarios the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 30 September 2026.

Downside scenario	Associated principal risks	Description
Significant reduction in commission revenue due to THV reduction	• IT infrastructure – stability and business continuity of auction platforms • IT infrastructure – inability to keep pace with innovation and changes • Competition • Economic and geo-political uncertainty	This scenario assumes an absolute reduction in THV of 11% versus the base case over the three-year period.
Significant reduction in commission revenue due to conversion rate decline	• IT infrastructure – stability and business continuity of auction platforms • IT infrastructure – inability to keep pace with innovation and changes • Cyber threat and data security • Competition • Economic and geo-political uncertainty	This scenario assumes an absolute reduction in the Group's conversion rate of 14% over the three-year period.
Lower revenue growth from value-added services across the Group	• IT infrastructure – inability to keep pace with innovation and changes • Failure to deliver expected benefits from acquisitions and/or integrate the business into the Group effectively	This scenario assumes that the revenue from value-added services is reduced by 50% versus the base case by FY26 due to delays in the roll out.

Stakeholder Engagement and Section 172 Statement

Engaging with our stakeholders is integral to the Board's decision-making and achievement of our strategy. Effective stakeholder engagement helps us better understand the impact of our decisions on all our stakeholders.

Section 172 of the Companies Act 2006 requires directors to act in a way that promotes the success of the Company for the benefit of shareholders as a whole, whilst having regard to the interests of its other stakeholders. This section of the report serves as our Section 172(1) Statement, setting out how Directors have taken into consideration the interests of material stakeholders in their decision-making.

The Board considers its duties under Section 172(1) in all its discussions and decision-making and reference to Section 172(1) and the duty to consider stakeholder interests is highlighted at each Board meeting. In taking decisions, the Directors consider the balance of interests of the stakeholders who might be affected, details of which are recorded in the Board minutes. The principal stakeholders identified by the Board are set out in the Business Model section of the Strategic Report on pages 13 to 14. The following table summarises our key stakeholders, how we have engaged with them and the outputs of that engagement during the financial year. Metrics such as surveys and consultations are used to enable the Board to measure its engagement with stakeholders and to track the outcomes of that engagement.

In assessing the composition of the Board, the Chair and the Nomination Committee ensure that the skills and experience of the Board match the interests of our principal stakeholders. A Board skills assessment was undertaken during FY23 to ensure that the Board is aligned with the Company's strategic objectives, challenges and opportunities facing the Company and its stakeholders, further details of which can be found on page 91.

During FY23 we actively engaged and collaborated with our stakeholders in order to better understand our environmental, social and governance risks through an externally conducted materiality assessment. The results of this assessment as detailed on page 47 of this report have helped to further focus our sustainability strategy, as laid out on page 45 of this report.

Stakeholder Engagement and Section 172 Statement continued

Our stakeholders	Engagement in FY23	Board consideration in decision-making	Material issues
Our people Our people are our most valuable resource and asset. Ensuring that we attract, nurture and retain our people and focus them on achieving our strategy is key to ATG's success. The Board is acutely aware that the interests of our people should be considered when making decisions that may impact them and the wider business. **Significant areas of interest** • Providing a diverse, equitable and inclusive workplace. • Strong workplace culture and values. • Opportunities to develop. • Fair reward and incentive structure. • Long-term sustainable success.	• We conducted an annual employee engagement survey which included LiveAuctioneers and Auction Mobility in FY23. The survey is anonymous to encourage employees to be candid in their responses. Focus groups were established to look at particular topics arising from the survey. Output from the survey and focus groups is regularly provided to the Board by the CEO. • There was an informal Board 'meet and greet' for London-based employees providing interaction between the Board with a wide range of employees across functions, leading to a deeper understanding of the daily objectives, challenges and opportunities. • Tamsin Todd took over from Breon Corcoran as the Board's designated Director for workforce engagement in the year, with both Directors conducting engagement sessions with representatives of the Group's employees. Key topics discussed included parental leave policies, the impact on culture from hybrid working, resourcing key initiatives, communication and collaboration, and the operational benefits of integrating platforms. Outputs from the sessions were reported to the Board, with following actions delegated to Board Committees, the CEO and Senior Management Team. • Regular global and regional virtual 'All Hands' meetings for the CEO and Leadership Team were held to bring employees up to speed with latest projects, strategy and performance. The outputs of the Senior Management Team and Board strategy sessions were also cascaded to the wider management team for onward communication. • Board members participated in a 'Women in Leadership' event as part of ATG's Diversity, Equity and Inclusion strategy. This was attended by three Board members and 14 senior leaders, to share experiences and discuss pertinent issues. We also ran the first formal Female Leaders event, hosted by three senior female leaders and attended by 65 female employees. • All new employees are issued with an employee handbook that includes all appropriate Diversity, Equity and Inclusion policies as well as being invited to join a comprehensive employee orientation programme, which has been endorsed by the Board. All new employees take part in a 30-day check-in, any relevant feedback from which is communicated to the Board. • We launched ATG Academy, a redesigned training and development programme. Feedback is sought from participants after every session, any relevant elements of which are discussed by the Board. • The Board supported the development of and sought feedback on the rollout of the ATG Values. Further details on our engagement with our people can be found in Our People and Community on pages 61 to 66.	• The results of the FY23 employee engagement survey were presented to the Board and demonstrated a high approval rate for the Leadership Team with further details in the Sustainability Report on pages 44 to 68 and under Employee Engagement in the Corporate Governance Report on page 78. The Board welcomed the 83% participation and overall engagement score of 76%. Opportunities for improvement were around advancement, professional development growth, along with understanding the strategy and vision. • Feedback from employees on the topics most important to them was reflected in decisions made by the Board during FY23 and has helped to inform its strategic priorities for FY24. The Chief People Officer attended two Board meetings during the year to provide an update on our People strategy and the roll out of initiatives. These included the socialisation of ATG Values and the 'All ToGether' programme which aims to increase engagement across the Group. The Board also welcomed the launch of the ATG Academy and our new onboarding programme. • As part of the employee engagement sessions conducted by the designated Non-Executive Director, the Board commissioned reviews into parental leave in the UK which resulted in enhancements to our UK parental leave policies. • The Board discussed the impact for employees to ATG as part of discussions around the acquisition of EstateSales.NET and learnings from the acquisition of LiveAuctioneers during FY22. We are actively working to integrate the EstateSales.NET employees into the ATG benefits, policies, programmes and culture.	Cyber and data security Ethical conduct and integrity Employment practices and labour management

Stakeholder Engagement and Section 172 Statement continued

Our stakeholders	Engagement in FY23	Board consideration in decision-making	Material issues
Customers Auctioneers We pursue a true 'shared success' business model, whereby we earn if our auction house customers earn revenue through using our services. We have an over 50-year history of working in partnership with the auction industry. We constantly strive to improve the auctioneer experience. **Significant areas of interest** • Stability and reliability of platforms. • Improve auction house operating efficiency. • The ability to run timed auctions across ATG marketplaces and white labels. • Marketing solutions and analytical tools. • Access to a global pool of online bidders. • Integrated payments solutions.	• We provide structured and rigorous account management combined with a high level of support before, during and after auctions. The results of this engagement are reported to the Board via the CEO. • The Audit Committee oversees robust due diligence checks undertaken before new auction houses are onboarded as customers. • The Audit Committee receives regular updates on the implementation of policies with regards to prohibited items on our marketplaces and compliance team monitoring adherence to these restrictions. ATG has the ability to remove auction houses who we believe are unethical or selling or promoting goods in contravention of our contractual terms and policies. • Members of the Senior Management Team attended industry conferences in Europe and North America to share latest updates on ATG's products and services as well as to hear auctioneer feedback.	• The Board regularly challenges management on products and services for auctioneers including the roll out of atgPay, as detailed in the six strategic growth drivers on pages 16 to 20. During FY23, members of the Senior Management Team responsible for atgPay presented updates to the Board on progress and key milestones. The Board used this information to reach decisions on the allocation of resources in key operational teams targeted with the roll out of atgPay. • The CEO provides a platform stability dashboard at every Board meeting, for the Board to review infrastructure stability and monitor progress in implementing improvements. • The Board supported ATG's investment into products and services that will help auctioneers, including marketing solutions as well as a unique auction functionality, Timed+, as detailed on page 18. • The Board used its experience gained via demonstrations of timed and live online auctions, providing an insight into the auction house experience.	Cyber and data security Talent and workforce development Ethical conduct and Integrity
Consumers Bidders We want bidders to be satisfied with their bidding experience. Positive bidder experience drives consumer acquisition. **Significant areas of interest** • A convenient, trusted way to discover a wide range of specialised and unique curated items. • A memorable, easy and enjoyable experience.	• We receive onsite requests for feedback and onsite surveys. • Email support is available on all marketplaces and live chat on the majority. • We receive feedback for new marketing initiatives and product feature requests.	• The Board has supported the investment into improving the bidder experience, including through providing strategic input into the roll out of atgPay across two of our marketplaces and into the design and implementation atgShip. • The Board provided strategic and experience-based input into the investment into search engine optimisation, including through updated taxonomy and site navigations. • The CEO provides a platform stability dashboard at every Board meeting, for the Board to review infrastructure stability and monitor progress in implementing improvements. • The Board used its experience gained via demonstrations of timed and live online auctions, providing an insight into the bidder experience.	Did not participate in materiality assessment

Stakeholder Engagement and Section 172 Statement continued

Our stakeholders	Engagement in FY23	Board consideration in decision-making	Material issues
Suppliers Strong and sustainable relationships are critical to the Group's success. **Significant areas of interest** • Long-term collaborative relationships providing growth opportunities. • Responsible supply chain assurance and ethical procurement (including environment, modern slavery and broader human rights). • Fair terms and conditions and prompt payment.	• We seek to work with a range of suppliers, big and small, to ensure we receive the best services appropriate for our business. • The Chief Technology Officer ensures that his team continually engages with key outsourcing partners to discuss operational performance and the stability of our platforms. The outcome of this engagement is reported to the Board.	• The Board's commitment to ensure that slavery and human trafficking have no place in any part of our business or our supply chain is detailed in our Modern Slavery Statement published on the Group's website and approved by the Board on an annual basis. This is taken into account by the Board when shaping the Group's strategic priorities, for example in decisions determining the jurisdictions in which we establish operations. • The Board receives regular updates on the supply chain, overseeing engagement in business relationships with established and reputable business partners/clients, with whom we aim to build long-term partnerships. • The Audit Committee, as part of its oversight of risk management systems, receives updates from management on, and commissions internal audit reviews into, the robustness of technology service providers. The Board also has oversight of our systems of control, including rigorous supplier onboarding, which includes information security and data protection due diligence, as well as checks on financial viability and sanctions, and fair contractual terms. The Board considers the global footprint of our capacity to ensure that there is no over-reliance on any single provider. Our senior facilities arrangement with a syndicate of six banks ensured that our exposure to Silicon Valley Bank in FY23 was negligible. • The Board has oversight of ATG's payment practices and supports the payment of all our suppliers promptly and in accordance with their payment terms. • As detailed in the Sustainability Report on pages 44 to 68 we worked closely with our Tier 1 suppliers to obtain more specific emissions data, oversight of which is provided by the Sustainability and ESG Committee on behalf of the Board.	Product quality and safety Climate change and emissions Cyber and Data Security

Stakeholder Engagement and Section 172 Statement continued

Our stakeholders	Engagement in FY23	Board consideration in decision-making	Material issues
Communities and the environment Environmental sustainability is at the heart of our operations, with our online auction marketplaces ensuring that millions of items are resold for re-use or repurpose each year. We strive to minimise our environmental impact whilst also providing a channel of green commerce by facilitating the sale of used goods. The Group's purpose informs our business strategy and commitment to being a supportive and trusted partner to the industry, our people and our communities. **Significant areas of interest** • Diversity, equity and inclusion. • Playing a positive role in society in all the countries where we operate. • The environmental impact of our business and products, including our energy usage, carbon emissions and broader impact on the climate.	• We conducted a materiality assessment to ensure we had a clear understanding of what ESG topics matter most to stakeholders. The results of this assessment, as detailed on page 47, were reported to both the Sustainability and ESG Committee and the Board and actions agreed as set out on pages 66 to 68. • We established an ESG Working Committee for employees to make an impact on material ESG issues. • Employee charitable giving via Payroll Giving is enabled as a simple way for our people to support causes close to them with tax-free giving. During FY23 we maintained the Silver Payroll Giving Quality Mark Award for our commitment to Payroll Giving. • We facilitate charity auctions on our marketplaces, waiving our fees to ensure that all proceeds go to the charities. In the past 12 months, charity auctions hosted on our marketplaces have raised over £4.0m (FY22: £6.0m) for good causes. • We support the British Antique Dealers' Association ("BADA") in the UK and the National Auctioneers' Association ("NAA") and the International Auctioneers' Association ("IAA") in the US.	The Board and the Sustainability and ESG Committee reviewed, approved or endorsed outcomes, including: • the output of the materiality assessment, which has helped the Board and the Sustainability and ESG Committee to further focus our sustainability strategy, as laid out on page 45 of this report. • the approval of our near-term science-based emissions reduction targets by the Science Based Targets initiative ("SBTi"). The Sustainability and ESG Committee continues to oversee progress against these targets, with a 26% reduction in Scope 1 and 2 emissions delivered in FY23. • the extension of our environmental reporting disclosure to include waste and water. • the incorporation into the Company's strategy of the environmental benefits of buying at auctions including new social media content and marketplace editorials highlighting the sustainability credentials of items sold on our marketplaces. • outputs from the ESG Working Committee, formed during FY23 and represented by employees at each office location. • The Remuneration Committee of the Board has agreed from FY24 to add a new performance metric to the Executive Directors' incentive plan. This will now include actions taken by management to promote environmental sustainability (see page 111 of the Annual Report on Remuneration). Further details on our engagement with the community and environment can be found in our Sustainability Report from page 44.	Cyber and data security Ethical conduct and integrity Product quality and safety

Stakeholder Engagement and Section 172 Statement continued

Our stakeholders	Engagement in FY23	Board consideration in decision-making	Material issues
Shareholders We want to ensure that investors understand our business, our strategy and the environment within which we work, and that investors' issues and concerns are understood and considered by the Board and Senior Management Team. We invest to drive long-term sustainable value for our shareholders. **Significant areas of interest** • Value creation and delivery of the Company strategy. • Financial performance of the business, presented in a fair, balanced and understandable way. • Strategy and operational performance of the Group and clear articulation and effective management of risks. • Governance standards and structures including reasonable remuneration practices. • Sustainability and the environmental and ethical impact of the Group.	• A comprehensive investor engagement programme was run by the Director of Investor Relations including regular Executive Director meetings with shareholders via calls, conferences and roadshows. The Chair and Senior Independent Director also held meetings with major shareholders. Over 160 investor meetings were hosted in FY23. • Investors and analysts were invited to virtually attend our results announcements, which included a dedicated question and answer section. All investor announcements are available on our website. All Directors attended the AGM and were available to speak to shareholders in person. The Company's AGM will be held on 30 January 2024. • Over 81% of our issued share capital was voted at the AGM in January 2023, with the majority of resolutions receiving over 96% support. • The Chair of the Remuneration Committee wrote to 18 major shareholders, representing 80% of the register at that time, and three proxy advisers, outlining proposed changes to the remuneration of the CFO. • There was further engagement with 19 major shareholders and three governance agencies by the Remuneration Committee in September 2023, setting out proposed amendments to executive remuneration. The changes were all possible under the current Directors' remuneration policy and did not require shareholder approval but the engagement was to explain the changes ahead of disclosure in the Directors' Remuneration Report on pages 94 to 112. • We continue to work closely with TA Associates, a major shareholder. The formalities of this relationship are detailed in the Relationship Agreement on page 115.	• The Board receives updates at every Board meeting on investor sentiment, key areas of investor focus, analyst views, share price and movements in the share register. This includes investor feedback following our interim and full year results. Our corporate brokers Numis were invited to present in person at one Board meeting during the year. • Following direct engagement with investors, the Chair provided updates on investors' priorities to the Board, which help to shape its overall capital allocation strategy. • In FY23 we have continued to grow revenues, adjusted earnings and adjusted profit margins. The Board oversaw the execution against our capital allocation priorities, including investment to support organic growth opportunities, reduction in our debt position and the pursuit of value-accretive acquisitions with the acquisition of ESN. • Reflecting feedback from investors, the Board, upon the recommendation of the Audit Committee, approved a change in the presentational currency of our financial statements from pound sterling to US dollars, to be implemented for FY24. This will reduce the volatility associated with foreign exchange movements on our financial results. • The Board reviews and approves material communications to investors, such as results announcements.	Cyber and data security Ethical conduct and integrity Product quality and safety

Stakeholder Engagement and Section 172 Statement continued

Case study

Key decision: ATG London office – lease break and rent review

During the year, the Board was presented with the decision as to whether to enter into new rental terms for the remaining five years of the lease on the existing London office at 65 Southwark Street. In taking this decision, the Board considered all of the factors set out in Section 172(1)of the Companies Act 2006. Having noted the lower costs and reduced disruption to business and staff, the Board approved the revised rental agreement to be entered into for the office at 65 Southwark Street, committing ATG to a further five years in the current London office to October 2028.

People

When considering whether to enter into new rental terms for the existing building or seek new office accommodation in London, the Board took account of the impact on employees. To avoid disruption to staff, it was noted that it would be preferable to stay in the Southwark area, to maximise collaboration amongst employees and to continue to support the successful hybrid working policy, which fosters a collaborative culture amongst employees.

In terms of recruitment, the Board noted that the location of the current office at 65 Southwark Street had not been a barrier to UK recruitment. Management did not anticipate that there would be significant changes in the UK headcount, given that the growing teams are in ATG's North American business. In the event that headcount increases in the UK, there would be capacity available for additional heads.

The Board noted that management also felt that any move from the Southwark area would cause significant disruption amongst the employee base, given that 65 Southwark Street was well connected from a public transport perspective, and the vast majority of UK employees travel to the office using local transport hubs. It also serves as an important meeting location for other stakeholders, including regularly hosting Board and investor meetings. The Board considered it important to retain a physical office presence in London.

Community and the environment

Environmental considerations were also discussed by the Board in reaching this decision, and it was noted that the current office at 65 Southwark Street represented 5% of ATG Group's Scope 1 & 2 CO_2 emissions (prior to the Omaha relocation). A more efficient building would not yield material savings to the Group's overall CO_2 emissions.

Suppliers

Relationships with suppliers are unaffected. The location is close to local amenities, thereby enabling employees to continue to support local businesses and maintain B2B relationships.

Shareholders

Competitive pricing was achieved for a further five-year lease and was benchmarked with other properties in the area. The Board considered the incremental costs associated with moving to a new office, including the costs of fitting out any new office space, dilapidations on the current office, double rents payable during any overlap period and the costs of managing the move project. The opportunity cost of management distraction whilst managing a significant project such as this was also taken into account.

Stakeholder Engagement and Section 172 Statement continued

Case study

Key decision: Acquisition of Vintage Software LLC (trading as EstateSales.NET)

During the reporting period, the Board was presented with the decision as to whether the acquisition of EstateSales.NET ("ESN") would be most likely to promote the success of the Group for the benefit of its members as a whole.

The factors taken into account by the Board in considering Section 172(1) were considered by the Board prior to the acquisition in February 2023. The impact of the acquisition and the integration of ESN on our stakeholders during FY23 is set out below. The Directors believe the acquisition of ESN had a compelling strategic rationale and the acquisition fell directly in line with the Group's strategy of pursuing accretive acquisitions and expands our immediately addressable market whilst also providing the opportunity to cross-sell across our marketplaces.

People
The acquisition of ESN aligns well with our products, mission, vision and Company values, increasing further opportunities for global mobility, including for a member of the ATG Leadership Team to transition to manage the ESN business. During FY23 the Board has overseen the integration of ESN into ATG, taking into account organisational and cultural integration, employment terms and incentive schemes and technical integration. The Board is regularly updated on progress and welcomes the increased knowledge and technical expertise added to the Group by ESN employees.

Customers
The acquisition has allowed the Group to expand its footprint and broaden our impact on the community by growing access to the second-hand goods market in adjacent markets. ESN's seller and buyer bases are highly complementary and synergistic to ATG, providing the opportunity to drive more buyer traffic to ATG's marketplaces, convert browsers of ESN to online auctions and enable sellers to cross-list across multiple ATG marketplaces. The acquisition also provides the potential to leverage ATG's existing marketplace technology, experience and value-added services to customers of ESN and grow the online estate sales marketplace offering. Our shared success model aligns ATG's ambitions with those of our auctioneer and estate selling partners and helps to ensure the long-term sustainability of our model.

Community and the environment
Environmental considerations discussed by the Board included the benefits of introducing a further channel of sustainable commerce, facilitating the sale of pre-owned items and accelerating the growth of the circular economy.

Shareholders
The Board, via the CEO, CFO and Investor Relations function, informed shareholders of the strategic rationale and historic financial performance of ESN, and has subsequently provided updates on its integration and its impact on Group performance via the interim results announcement in May 2023, investor presentations and in this report. Consistent with ATG's strategy, the acquisition represents a strong entry point into an attractive adjacent channel for the resale of second-hand items and is consistent with ATG's purpose to accelerate the growth of the circular economy. ESN is a market leader in an industry vertical at the start of its digital transformation. Since the acquisition, ESN has performed ahead of initial expectations.

Stakeholder Engagement and Section 172 Statement continued

In addition to the information detailed on pages 35 to 42, the table below details the location of further information throughout this Annual Report as to how the Directors consider their responsibilities under Section 172(1) of the Act.

Sustainability Report

Sustainability is at the heart of ATG

Facilitating the circular economy is imperative for a sustainable future.

We are committed to playing an important role within the circular economy, with our online auction marketplaces providing a channel of 're-commerce' for second-hand goods, ensuring that millions of items are resold for re-use or repurpose each year, extending their lifespans and value within the economy and preventing waste.

Richard Lewis
COO and Sustainability and ESG Committee Chair

Introduction from the Chair of the Sustainability and ESG Committee

ATG has over 50 years' experience in the auction industry. Our shared success model helps to ensure the long-term sustainability of our business by aligning ATG's ambitions with those of our auctioneer partners. Together we are united in growing the online auction industry.

The Group's sustainability strategy is underpinned by our purpose: to unlock the value of the secondary goods market and to facilitate the growth of the circular economy. In FY23, our marketplaces helped to ensure a minimum three million tonnes of carbon were saved[1]. We are committed to integrating sustainability into every aspect of our business, including through minimising our own environmental impact, ensuring all our employees feel they belong and can reach their full potential and through operating a trusted and responsible marketplace. Our proposed updated executive management remuneration framework for FY24 includes a climate change target, highlighting our commitment.

We have made good progress on our sustainability strategy in FY23 which is outlined in this report. We are also proud that our sustainability credentials have been recognised through ATG's inclusion in the FTSE4Good Index as well as our near-term (2030) greenhouse gas emissions reduction target being approved by the Science Based Target initiative ("SBTi"). We are also proud in this report to announce our commitment to become Net zero as a Group across all scopes by 2040 in line with the SBTi.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

FTSE4Good

1 Carbon saving for 15 popular items on our marketplaces versus the impact of buying these items new

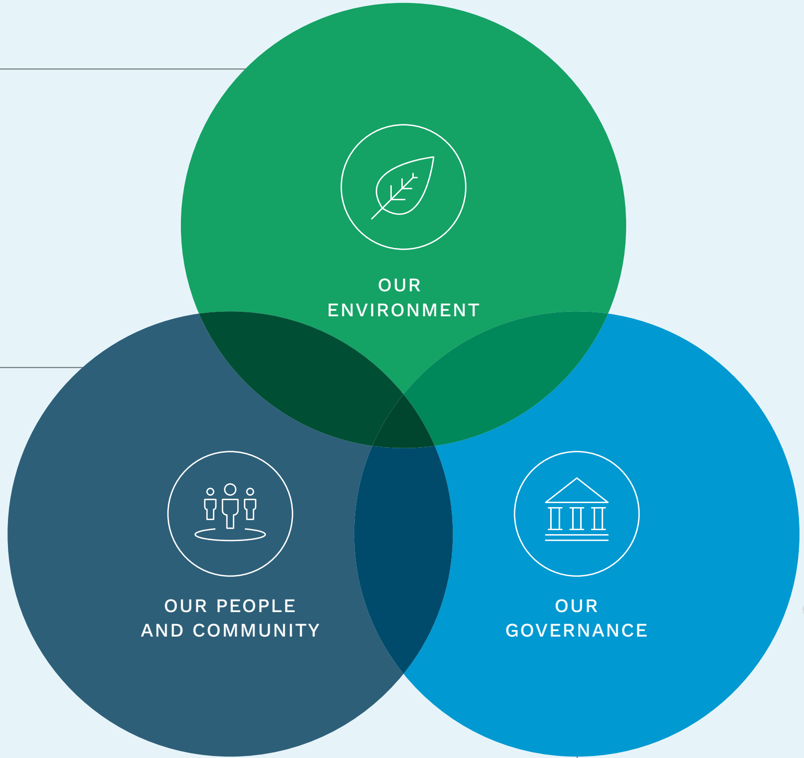
Sustainability Report continued

Our sustainability strategy

Our Environment
- Minimise our own environmental impact
- Invest to create a seamless buying and selling experience in online auctions in order to further accelerate the circular economy

Our People and Community
- Ensure our people feel they belong and can reach their full potential
- Develop diverse teams with an engaged and inclusive culture
- Serve as a force for good in the communities in which we operate

Our Governance
- Operate a trusted and responsible marketplace with secure and trusted technology
- Operate within a strong governance framework
- Behave ethically and with integrity at all times



Sustainability Report continued

Governance: Sustainability and ESG Committee

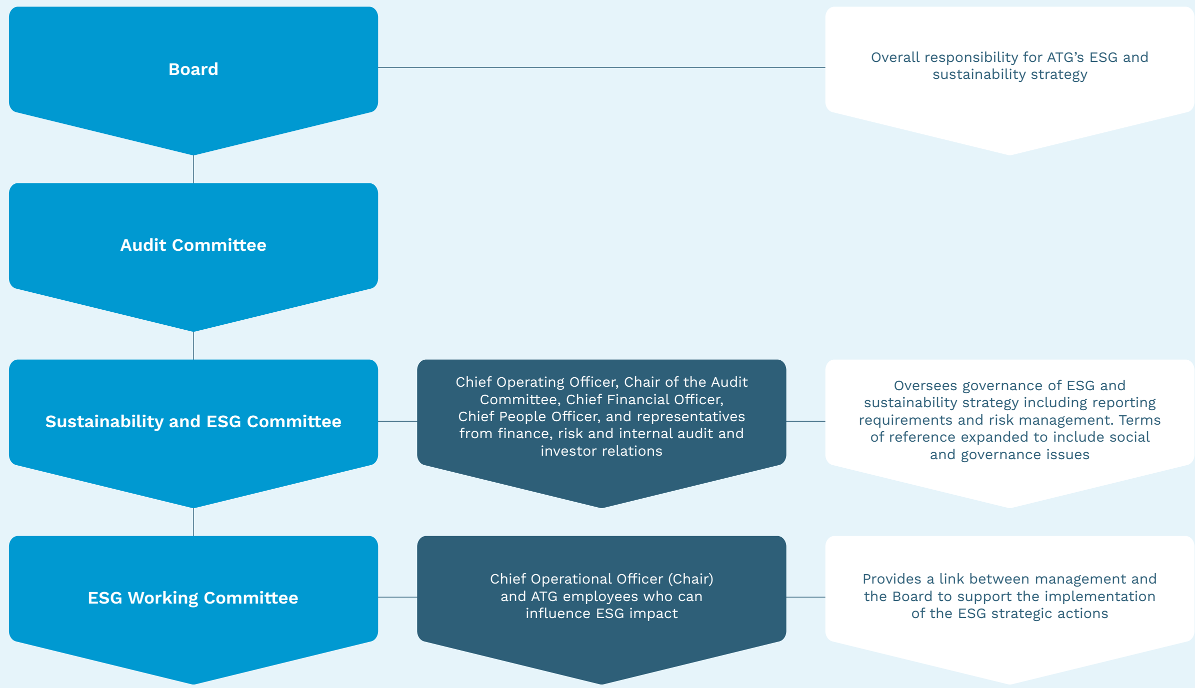
The Board has overall responsibility for the Group's sustainability strategy. The Board considers climate-related issues when reviewing and guiding strategy, including but not limited to in FY23, considering the environmental footprint of the ESN acquisition and the setting of FY24 remuneration targets for the Executive Directors which include an element linked to the Group achieving its carbon emission reduction targets.

In FY23, the terms of reference for the Sustainability and Climate Risk Committee were expanded to include the governance and oversight of other corporate responsibility matters including social and governance issues. The committee was renamed the Sustainability and ESG Committee ("SEC"). The SEC meets twice per year and reports at least annually to the Audit Committee, ensuring climate-related and other ESG issues are incorporated into our business strategy, organisational risk management and financial planning and reporting. The Audit Committee reports risks annually to the Board, providing the Board with oversight of risks and opportunities as well as progress against goals and targets for addressing climate-related issues.

The SEC is chaired by Richard Lewis, and its members include the Chief Financial Officer, Chief People Officer, Chair of the Audit Committee, Company Secretary and representatives from finance, risk and internal audit and investor relations. The Director of Investor Relations joined the SEC during the year to ensure the views and requirements of investors are being incorporated into the climate risk assessment and taken into account in strategic decision-making. The Group Head of Risk and Internal Audit also joined the SEC, which has strengthened the link between the climate risk assessment and the Group's risk management framework. The Chief People Officer also joined to oversee the governance of social issues. Our external sustainability consultants are invited to attend meetings as and when appropriate.

Further details on the governance of the SEC can be found in the Corporate Governance Report on page 72.

Governance of ESG and sustainability



Sustainability Report continued

Stakeholder engagement

In FY23, we actively engaged and collaborated with our stakeholders and conducted a materiality assessment to define the issues which matter most to our business and strategy, from a financial perspective, and the issues which matter most to our stakeholders.

Our process

Step 1

Working with an external consultant, we considered issues of internal importance as well as incorporating external issues shaping our current strategy, referencing them to current and emerging industry trends and sustainability reporting standards.

Step 2

We held a workshop with our senior Leadership Team to prioritise these issues based on their relative importance to the business.

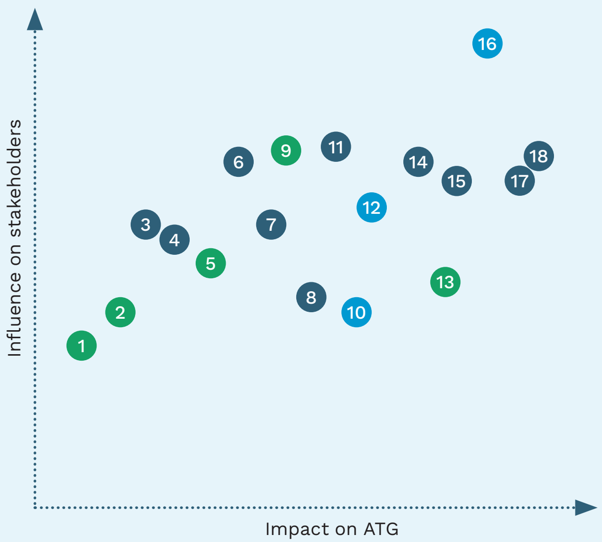
Step 3

Through external consultants, we surveyed a wide range of internal and external stakeholders to incorporate their views into our analysis and to help improve our understanding of the issues that are of importance to them. The stakeholders included our employees, auctioneer customers, lenders, suppliers and investors.

Step 4

Through the use of external consultants, we created a double materiality matrix to help identify and prioritise issues that matter most to us and to our stakeholders in order to focus on the issues that we should use to shape our sustainability strategy and reporting with associated KPIs to enable us to monitor progress.

Materiality matrix



Environmental Social Governance

Key:

1 Waste management and water use
2 Packaging and plastic
3 Responsible tax strategy
4 Supply chain management
5 Energy management
6 Human rights
7 Health and safety
8 Communities and partnerships
9 Climate change and emissions
10 CEO remuneration
11 Employment practices & labour management
12 KPIs
13 Innovative and efficient services
14 Diversity and inclusion
15 Talent and workforce development
16 Ethical conduct and integrity
17 Product quality and safety
18 Cyber security

Materiality results

The analysis has identified the most material issues as outlined in the table below. The materiality assessment was carried out towards the end of the year. We will look to use the results of the assessment to further define our ESG strategy for FY24 including a management information framework to help us develop KPIs and targets where appropriate.

Key issue	Why	Progress in FY23 and plans for FY24
Cyber and data security	Ensuring the safe collection, retention and use of confidential data of our auctioneers, bidders, and employees. Safeguarding this data against security breaches and cyber crime is a cornerstone of our business.	See page 67 of this report
Ethical conduct and integrity	Managing our business with integrity in an honest, ethical and responsible manner is a key area of focus for us and our stakeholders.	See page 67 to 68 of this report
Product quality and safety	Although we have no direct responsibility for the products sold, their specification or quality, adherence to their specifications is crucial to maintaining our strong reputation.	See page 67 of this report
Talent and workforce development	Recruiting and retaining high-performing talent is essential to ensure our business maintains competitiveness and is able to continue to innovate.	See page 66 of this report

Sustainability Report continued

Our Environment

We recognise that the changing climate could impact all our stakeholders. Although we have a relatively small carbon footprint, we aim to minimise our own environmental impact whilst recognising the pivotal role we can play in facilitating the circular economy and reducing the carbon emission impact from the manufacturing of new items.

Our roadmap to Net zero

We have publicly committed to a science-based reduction target of 42% on our direct emissions in the near term (2030) from our FY22 base year and to reduce Scope 3 emissions as part of this plan, validated by the Science Based Target initiative ("SBTi") and in line with the Paris Agreement's goal of limiting global temperature rise to 1.5°C above pre-industrial levels.

As a Group, we are also now pledging to achieve Net zero across all scopes by 2040 and we plan to validate this commitment with the SBTi in FY24. To meet the SBTi's definition of Net zero, we need to reduce our emissions by at least 90% and then use carbon removal initiatives to neutralise any limited emissions that cannot yet be eliminated. To assist us in meeting this target, we have reviewed our current sources of emissions and determined the actions required to be able to achieve this target.

Task Force on Climate-related Financial Disclosure

This is the second year for the Group reporting on climate-related issues in line with the Task Force on Climate-related Financial Disclosures ("TCFD") framework, recognising the need to provide clear, comprehensive and high-quality information on the impacts of climate change. We have outlined in this report how we understand and manage the risks and opportunities associated with climate change for the Group across the four pillars of TCFD, governance, strategy, risk management and metrics and targets.

Compliance statement

We have continued to make good progress towards full compliance with all the requirements of the TCFD framework, with the exception of not yet defining the key performance indicators used by the organisation to monitor climate-related risks and opportunities in line with the Group's strategy and risk management process. As the Group has now committed to reaching Net zero by 2040 and set near-term science-based targets there will be a focus during FY24 of setting the appropriate metrics to monitor progress for the Group.

We have set out a summary of our compliance against each of the TCFD disclosures in the table on pages 49 to 50.

Year two progress and materiality

We have made good progress against the four pillars of TCFD during FY23. The key areas of focus this year have been:

- identifying and agreeing reduction strategies to achieve our near-term target of reducing Scope 1 and 2 emissions;
- publishing our environmental policy;
- establishing the ESG Working Committee; and,
- conducting the materiality assessment.

Materiality is considered in the context of TCFD in terms of the impact on financial performance (revenues and expenditures), as well as capital and financing implications. Materiality is also considered with respect to legal and reputational hazard. Due to the nature of the Group's business and operations, we believe our overall exposure to climate-related risk is low, and we therefore do not include climate change as a principal risk to our business. Our disclosures are therefore proportional to our exposure.

We review climate-related risks and opportunities annually, both to ensure we disclose in line with issues pertinent to investors and stakeholders and also to ensure that our disclosures remain in proportion to our exposure given the nature and scale of our business. We recognise that climate change affects all industries, can interact with our principal risks, and that there is an opportunity for the Group to contribute to combating the climate crisis.

Sustainability Report continued

TCFD compliance index

TCFD framework pillars	Recommended disclosures	FY23 compliance	Description, location of disclosure progress to date and reason for omission (if appropriate)
Governance	a) Describe the Board's oversight of climate-related risks and opportunities	Full	• The Board's oversight of climate-related issues is outlined in the 'Governance' section on page 51 and the Group's governance structure is set out on page 46.
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Full	• Management is represented on the SEC and are responsible for ensuring climate-related and other ESG risks are incorporated into organisational risk management, strategy, financial planning and reporting for the Group. Further details of the Committees are set out on page 46. • During the year we have also established the ESG Working Committee which is led by the SEC chair and comprises passionate individuals who are keen help improve employee awareness of sustainability and drive change for the business. Further details are set out in the 'Management' section on page 51.
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Full	• The Group's approach, methodology and scenario analysis to identifying climate-related risks and opportunities is set out on page 54. • During the year we have expanded the assessment undertaken in FY22 to cover the short, medium and long-term horizons and developed the methodology and scoring criteria, which also considers vulnerability. Further details of the approach are detailed in the 'Strategy' section on page 51. • The identified climate-related risks and opportunities are shown on pages 52 to 53.
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Full	• A qualitative review of the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning can be found in the 'Strategy' section on page 51. • Based on the quantitative analysis performed to date, at this stage the climate-related risks and opportunities are not considered to be material to the Group. • Future work will focus on more detailed quantitative analysis and ensure that any material financial risk identified is incorporated into financial plans for the business.
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate scenarios, including a 2°C or lower scenario	Full	• Given the Group's purpose, the nature of our operations and the fact that climate change provides potential opportunities as well as threats for the business the Group's strategy should be resilient to climate change. Conclusions on the resilience of the Group, considering the results of scenario analysis, can be found in the "Strategy" section on page 53.
Risk Management	a) Describe the organisation's processes for identifying and assessing climate-related change	Full	• Our processes for identifying and assessing climate-related risks are shown within the 'Risk management' section on page 54 which includes an overview of our internal processes, 'Year two progress and materiality' on page 48 which explains how materiality is determined and the 'Strategy' section on page 51 which outlines our process for assessing the potential size and scope of identified climate-related risks and the frameworks applied. • Our processes for identifying and assessing climate-related risks are considered as part of our wider risk management framework and are discussed in the 'Risk Management' section of the Annual Report on pages 28 to 30.

Sustainability Report continued

TCFD framework pillars	Recommended disclosures	FY23 compliance	Description, location of disclosure progress to date and reason for omission (if appropriate)
Risk Management (continued)	b) Describe the organisation's processes for managing climate-related risks	Full	• Our processes for managing climate-related risks are considered as part of our wider risk management framework and are discussed in the 'Risk Management' section of the Annual Report on page 28 and in the 'Strategy' section of this report on pages 16 to 20. • Given the nature of our business, as the provider of online marketplaces, climate change risks are generally considered to be low, and therefore are not deemed a principal risk for the Group. Climate-related risks have been considered where appropriate within the Group's principal risks. However, given the low risk there has not been a requirement to date to focus on mitigating the potential risks arising from climate change. As exposure is currently assessed to be low, we will focus on improving our management of climate-related risks in future years when interactions with principal risks become more prominent.
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Full	• During the year we undertook a materiality assessment to define which issues matter most to the business from a financial perspective and the issues which impact society and influence our stakeholders. The results of this are set out on page 47. • The Group Head of Risk and Internal Audit has joined the SEC which has strengthened the link between the climate risk assessment and the Group's overall risk management framework. • An overview of how we are integrating climate-related risks and opportunities into our existing risk management processes can be found in the 'Principal Risks and Uncertainties' section of the report on page 30 to 33. • The current processes for identifying, assessing and managing climate-related risks are summarised on page 54. As our overall exposure to climate change is deemed to be low risk, we will continue to monitor our climate-related risks and opportunities and update our processes accordingly.
Metrics & Targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	In progress	• Now we have set the Group's near (2030) and long-term (2040) emissions reduction targets, in subsequent years we will establish key performance indicators in line with our business strategy and risk management processes to monitor progress against the targets. The metrics set are detailed in the 'Metrics and Targets' section of this report. Executive remuneration for FY24 will include an element linked to the Group achieving its carbon emission reductions. Further details on the Executives FY24 remuneration targets is set out on page 95.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks	Full	• A comprehensive breakdown of Scope 1, 2 and 3 GHG emissions can be found in the 'Metrics and Targets' section of this report.
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Full	• During the year we have made good progress in setting our near and longer-term emissions reduction targets. The targets set have been outlined on page 48 in 'our roadmap to Net zero and in the 'Metrics and Targets' section on page 55. Executive remuneration for FY24 will include an element linked to the Group achieving its carbon emission reductions. Further details on the Executives FY24 remuneration targets is set out on page 95.

Sustainability Report continued

Governance

Board

The Board oversees climate-related issues. The Sustainability and ESG Committee ("SEC") focuses on climate-related risks and opportunities, the setting, measurement and monitoring of near-term and long-term carbon reduction targets, strategies and compliance with TCFD as outlined on page 46. The communication of climate-related matters up to the Board is outlined on page 46. The Audit Committee receives an overview from the SEC of the latest developments in climate change regulations, activities undertaken during the year by the business as well as feedback from investors on ESG and climate-related matters in the FY22 Annual Report and AGM and the proposed plans for compliance with the TCFD requirements in FY23. The SEC works closely with external advisors to ensure they remain up to date with the latest developments and guidance on TCFD requirements.

Management

During FY23, the ESG Working Committee was established, led by the Chief Operating Officer. Our employees play a pivotal role in the Group achieving its environmental strategy and this committee provides a link between management and the Board to help support the implementation of strategic actions to reduce the Group's carbon footprint. The ESG Working Committee comprises passionate individuals who are keen help improve employee awareness of sustainability and drive impactful changes for the business. The ESG working Committee reports into the SEC, has climate change as a standing agenda item and met five times during the year. Key actions related to climate change included:

- auditing all of office facilities for energy metering, HVAC controls, LED lighting and use of appliances;
- agreeing to reduce heating to 21.5°C in the winter and cooling to 23°C in the summer;
- ensuring all offices have LED lighting;
- ensuring all offices turn off HVAC and appliances out of hours, days when staff are not working in the office and weekends; and,
- replacing two print editions of the Gazette with two digital editions in FY23 and three editions in FY24.

The Chief Operating Officer presented at the Group's 'All Hands' meeting, which all employees are invited to attend globally, where he outlined the Group's relationship with the environment, its current emissions and the future plans to reduce our emissions, with suggestions being welcomed by all employees.

Strategy

We incorporate climate resilience into our business strategy through assessing and identifying climate-related risks and opportunities. As an online marketplace, due to the nature of our business we have a relatively low carbon footprint and therefore our business model is sustainable in a minimal carbon environment.

Ongoing monitoring is required to evaluate the scale of identified and emerging risks, and these are reviewed annually to understand the impact of any material risks which help inform financial planning within corporate risk management processes. The Group recognises the pivotal role we can play in facilitating the circular economy, and we see this as a priority opportunity for our business.

In FY23, the scenario analysis that was conducted in FY22 was updated and expanded upon to widen the Group's understanding of climate-related risks and opportunities. The FY22 assessment investigated the physical and transition climate-related risks and opportunities under three climate scenarios utilising quantitative data from the Network for Greening the Financial System ("NGFS"), such as carbon pricing and climate data, which is accredited by the Bank of England. A qualitative assessment of risks and opportunities, scoring impact and likelihood of occurrence at 2050 was conducted, whilst a workshop was carried out to discuss short-term (2025-2030) and medium-term (2030) risks and opportunities.

The FY23 assessment built on the analysis carried out in FY22, expanding the qualitative assessment to cover the short to medium (2025-2030) and long-term (2050) time horizons, scoring risk and opportunity impact and likelihood across the Group's key business functions and geographical locations.

Three scenarios were applied, as in FY22: Net zero by 2050, Delayed transition and Current Policies. Climate data was taken at 2025, 2030 and 2050 to inform scoring, however, trends over time and risks/opportunities throughout the time horizon were considered.

Scenarios used to analyse future climate-related risks and opportunities posed to ATG

NGFS scenario	Key characteristics	Justification
Net zero 2050	Policies in alignment with the Paris Agreement goals.	Alignment with the Paris Agreement goals consistent with a transition to a lower-carbon economy, as per TCFD recommendations.
Delayed Transition	Assumes new climate policies are not introduced until 2030 with the availability of carbon dioxide reduction technologies kept low, pushing carbon prices higher than in Net zero 2050.	Simulates higher transition risks compared to other scenarios and is used to show worst case scenario for transition risks.
Current Policies	Assumes that only currently implemented policies are preserved, and no further political intervention on climate change is undertaken, leading to 3°C warming and severe physical risks.	A scenario that simulates low transition risks but severe physical risks.

Consistent with FY22, the likelihood and impact scores for each potential risk and opportunity were consolidated by taking average scores to assess overall materiality of risks and opportunities across the three time horizons.

In addition for FY23, an assessment of vulnerability was then applied to the consolidated risk and opportunity scores. Vulnerability considered three parameters: sensitivity, exposure and adaptive capacity, to provide a vulnerability score. Risk scores are calculated through the multiplication of impact, likelihood and vulnerability, enabling risks and opportunities to be prioritised.

Sustainability Report continued

Climate-related risks and their impact

By following the process summarised above we identified 26 potential climate-related risks to the Group. The consideration of risks took into account transition risks to a low-carbon economy and risks related to the physical impacts of climate change. The risks identified are not expected to have a material impact on the business in the short, medium or long-term and therefore only the top three highest ranked risks are outlined and discussed in detail below, the remaining risks are documented internally. The top two risks risk require active monitoring as they could cause disruption to our business and the next highest risk also requires monitoring however is highly unlikely to be disruptive.

Highest ranked climate-related risks to the Group

Risk type	Impact	Mitigation/response	Risk-sub category	Geographic location	Business operation	Financial impact category	Financial impact
Transition and physical Data centre downtime leading to loss of revenue and expenditure on customer compensation	Due to the digital nature of the Group's operations, the highest risk to our operations is third-party data centre downtime and the implications of this on revenue and expenditure. We understand that, whilst we do not operate data centres ourselves, the impact of physical climate-related risks on our data centre suppliers, resulting in us being unable to access our services, would be significant.	We have a business continuity plan which takes into consideration the performance of our third party suppliers. Whilst the severity of this risk is high, the likelihood of our suppliers being impacted by physical climatic changes and events is low and there is also high resilience within the sector.	Acute (physical), market and reputational (transition)	All	Data centres	Revenues and expenditure	Low: not expected to have a material impact on the business
Transition Carbon pricing mechanisms leading to increased costs and reduced sales and commission	A future carbon price may pose a number of risks to the Group. As already seen in the UK with rising energy and living costs, a carbon price in the future may put further stress on our labour costs, increasing expenditures and reducing overall profitability of the Group. Furthermore, any increased costs associated with data centre operations could result in additional costs being passed on to the Group by our suppliers. Assuming a reasonable worst case that all costs are passed through at \$200-300/tCO_2e, increased hosting costs due to a carbon price are not considered to have a significant adverse impact on overall business viability, but this will be monitored. Finally, there is uncertainty around how a carbon pricing mechanism may be applied to second-hand goods. Should second-hand goods be subject to a carbon price, demand may reduce and sales may be affected.	Due to the global and flexible nature of the Group's business operations, we are able to adjust our operations in response to changing labour costs and taxation. Our resilience is further increased as our business operations are already lean and efficient. We will continue to monitor our costs and improve efficiency. The Group has an understanding of the Scope 3 emissions associated with data hosting services and has supplier-specific emission factors for top suppliers in calculating our footprint. Data centre providers are pursuing their own de-carbonisation activities and we plan to improve efficiency in future years.	Policy and legal	All	All	Revenues and expenditure	Low: not expected to have a material impact on the business
Transition Increased competition in the secondary goods market resulting in more choice, diluting our market share	Whilst it is unlikely that the breadth of the Group's business operations would be equalled by an existing or new entrant to the market, overall competition in the secondary goods market has been highlighted as one of the most material risks to the Group. This risk recognises that with growing awareness of the environmental benefits of the circular economy, consumers will likely have more options to purchase secondary-market goods in the future.	Key to the Group's business model is the ease of use and the reach of all platforms. The Group is deeply involved in the world of technology and innovation, so is well positioned to take advantage of any emerging technology to ensure sellers and buyers of secondary-market goods continue to choose our platforms when faced with increased options. Maintaining continued awareness of options within the secondary goods market will be key to maintaining this position.	Market	All	All	Revenues	Low: not expected to have a material impact on the business.

Sustainability Report continued

Highest ranked climate-related opportunities to the Group

By following the process summarised above we identified 29 potential climate-related opportunities to the Group. The consideration of opportunities took into account resource efficiency and cost saving, adoption of low emission energy sources, the development of new products and services, access to new markets and building resilience along the supply chain. The top three potential opportunities are outlined and discussed below, the remaining opportunities are documented internally.

Opportunity type	Impact	Response	Opportunity-sub category	Geographic location	Business operation	Financial impact category	Financial impact
Transition Higher demand for secondary goods due to increased public awareness of the environmental implications of buying new items and the circular economy, increasing overall sales and commission	The Group's business model enables the circular economy, facilitating the sale of secondary goods, keeping materials in circulation for longer. As a result, in the future it is likely that there will be increased public awareness of the environmental impacts of purchasing new items and a consumer shift to secondary items.	The Group is already a leading player in this market; and is well placed to maximise this opportunity and further facilitate the circular economy. We will continue to investigate how we can further contribute to the circular economy and the role we can play in enabling the re-use of goods.	Products, services, markets	All	All	Revenues	High: potentially a material opportunity for the business
Transition Investor preferences to invest in low carbon companies increasing the Group's ability to raise finance	Increasingly investors will be looking to invest in companies that are providing goods and/or services that are beneficial to the environment.	The Group's activities contribute to the circular economy, and we are actively reducing our own carbon footprint. The Group therefore is likely to be well placed to attract environmentally conscious investors in future years.	Markets	All	All	Capital and financing	High: potentially a material opportunity for the business
Transition Higher demand for secondary goods due to climate-related economic contraction increasing sales for the Group	As public disposable income shrinks, and carbon prices increase, consumers are less likely to purchase luxury goods and services. New, full price goods may see a fall in demand, but there may be a spike in the secondary goods market which are seen as a cheaper alternative during a period of economic downturn.	The Group will continue to invest and develop its technology and services to ensure that we maintain our leading position in this market and take advantage of the future potential opportunities	Markets	All	All	Revenue	High: potentially a material opportunity for the business

Our resilience to climate-related risks

Following a thorough review of the Group's climate-related risks and opportunities, which takes into account the three scenarios identified on page 51, the nature of our business, which is a low-emission business and whose purpose is to promote the circular economy it has been concluded that the Group's overall exposure to climate-related risks is low. Ongoing monitoring will continue to ensure there are no changes to the scale of identified and emerging risks.

Sustainability Report continued

Risk management

Risk management overview

The Board has overall responsibility for determining the principal and emerging risks to the Company. The Board ensures there is an appropriate risk management framework in place to identify and manage significant strategic, operational, financial, compliance and reputational risks to the Company and annually approves the Group's strategic risk register. The Board is also responsible for understanding risks and issues that are new, developing, growing or becoming more prominent. This is done through a combination of operational risk assessments and other horizon scanning initiatives.

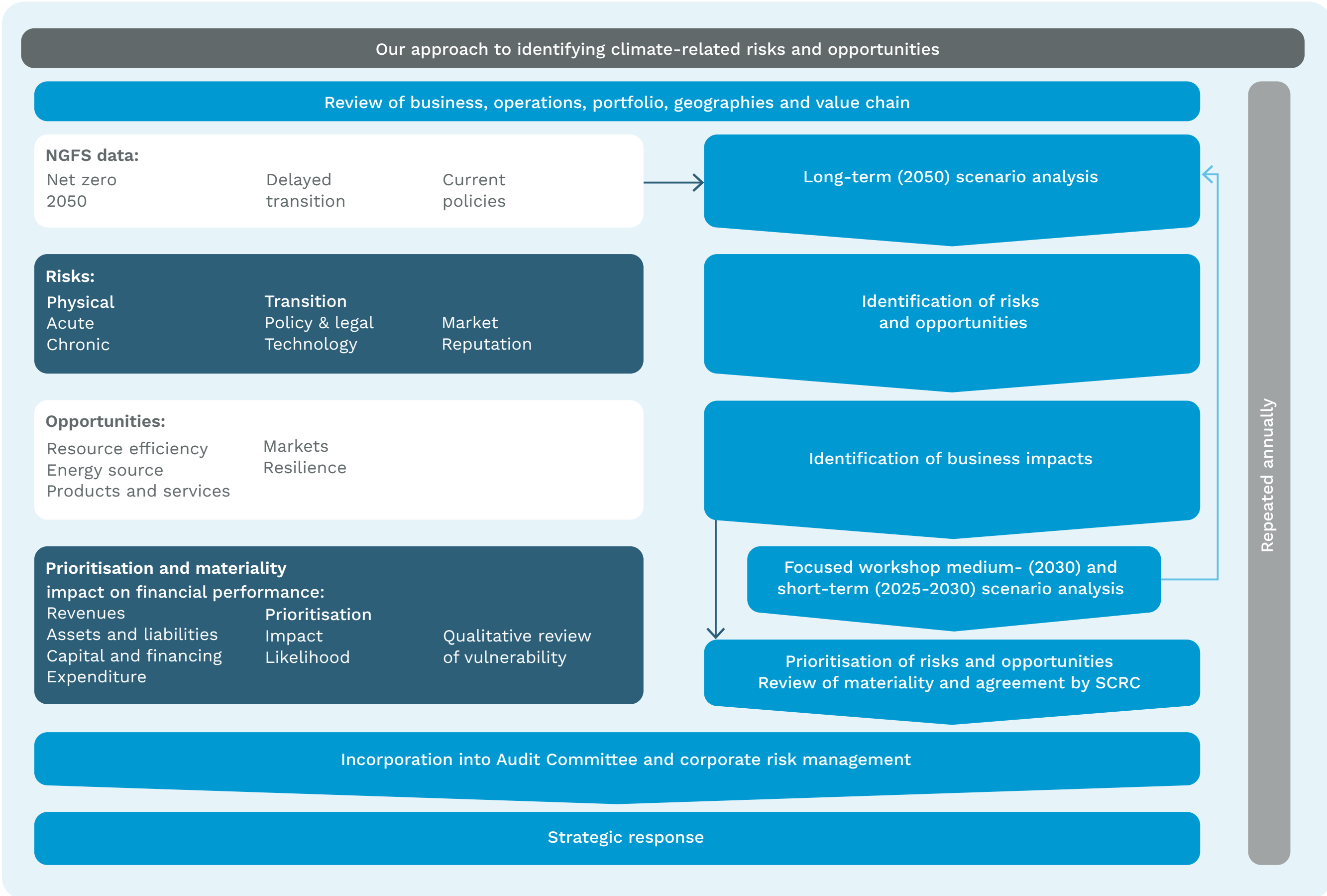
Day-to-day responsibility of risk management is delegated to the senior management team, whilst the overall monitoring and review of the effectiveness of the internal controls and risk management is delegated to the Audit Committee.

The Group's risk management framework applies the principles of the "Three Lines of Defence" and sets out a process for identifying, assessing, managing, mitigating and monitoring risks. Further details of our risk management approach can be found on page 28.

Integrating climate-related risks

The Board has conducted a robust assessment of the principal risks facing the Group, including those that would threaten our business model, future performance, solvency or liquidity. Whilst climate change is not considered to be one of these principal risks, the changing climate may interact with our principal risks and affect our value chain. The Group's Head of Risk and Internal Audit, as a member of the SEC, assists in ensuring that the interactions between climate-related issues and the Group's principal risks are understood.

For example, as a predominantly online business, we are reliant on data centre providers, and acknowledge that the risks posed by climate change on our key providers may affect us. Climate change may pose a threat to our online platforms through climate-driven weather events affecting our data centres which impact the stability and continuity of our auction platforms, one of our principal risks.



Climate-related issues may also increase competition within the secondary goods market, exacerbating our principal risk of competition. Additionally, climate change may worsen the principal risk of economic and geo-political uncertainty, leading to rising operating costs. Due to these interactions, we closely monitor climate change risk and the interaction with our principal risks and will further build on this integration in the future risk management processes.

Integrating climate-related opportunities

Climate-related opportunities are reviewed as part of our business development activities. In FY22 we conducted a review of the carbon savings associated with buying secondary items in place of new and published this in our 2022 Carbon Impact Report. We updated the calculation for FY23 and are continuing to build this into our climate-related opportunities as part of our future business plans.

Sustainability Report continued

Metrics and targets

Introduction

The Group's understanding of our climate-related impacts has developed significantly over the last three years. We have progressed from reporting our full Scope 1-3 emissions for the first time in FY21, to an established methodology of annual reporting of our direct and indirect emissions in line with the World Resources Institute GHG Protocol, a Corporate Accounting and Reporting Standard, Revised Edition ("the Protocol")[1] across our international businesses in FY22. Our focus this year has been to build on this, consider the practical steps to reduce our carbon emissions and plan our transition to Net zero. The shift to a more circular economy itself is a vital component to the transition to a global Net zero future.

Our FY23 focus

In previous years, we have fully calculated our Greenhouse Gas ("GHG") emissions, accounting for all relevant emissions associated with our operations. This has provided us with a detailed understanding of our largest emission sources, where we need to focus future efforts and an awareness of our climate-related risks. Direct emissions (Scope 1 and 2) have been quantified annually, as required by the Companies Act 2006 and the Companies (Directors' Report, Regulations 2013) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, and we have comprehensively calculated and reported indirect (Scope 3) emissions since FY21.

In FY22, we committed to a near-term SBT to reduce Scope 1 and Scope 2 GHG emissions by 42% by 2030 (FY31) from a FY22 base year, and to continue to measure and reduce Scope 3 emissions.

In FY23 we have focused on building upon this commitment including:

- Validating our near-term (2030) science-based reduction target with the SBTi, as can be viewed on the SBTi's 'Companies Taking Action' dashboard, and engaging with teams across our geographies in our newly formed ESG Working Committee, to identify and implement reduction strategies.
- Planning our transition to Net zero and committing to become Net zero as a Group across all scopes by 2040 in line with the Corporate Net zero Standard, with an aim to validate this commitment with the SBTi in FY24.
- Continuing to understand and quantify our direct emissions (Scope 1 and 2), which are reported as per our statutory duty in the Streamlined Energy Carbon Reporting, ("SECR"), table on page 60, and continuing to comprehensively calculate and report our indirect Scope 3 emissions.
- Expanding the scope of our carbon footprint to cover our newly acquired businesses and applying supplier-specific emission factors to our top suppliers to improve our calculation methodology (as discussed in Methodology, page 51).
- Ensuring we disclose our GHG emissions in line with the Metrics and Targets recommendations of the TCFD and increasing the granularity of our ESG data to disclose additional climate-related metrics.

Each year, we will strive to improve our methodology to ensure we fully understand and are reporting upon the GHG emissions associated with our business and wider operations. This approach is in line with the TCFD and the UK's Competition and Markets Authority ("CMA") Green Claims Code[2].

No external assurance has been provided over the TCFD disclosures but we have worked closely with our external advisers during the year particularly around the scenario analysis undertaken to identify the potential opportunities and threats and also to assist in collating and reviewing the emission, waste and water data.

Methodology

Greenhouse gas emissions

We were supported in calculating our GHG emissions by an external energy and sustainability consultant.

An operational control[3] approach has been taken, meaning that the inventory covers emissions from all operations that are under the Group's operational control, including operations in the UK, North America and Germany. Emission factors have been chosen based on the location of the emissions. However, where emission factors are not available, UK Government emission factors have been applied. Emissions are reported in line with the Group's financial year. A Scope 3 screening process is conducted annually to ensure all relevant emissions are captured.

We use primary data wherever possible, and this year have worked with representatives from all sites, (now members of the newly formed ESG Working Committee), to improve data quality. We apply a 'data hierarchy', with primary data being the highest preference and generic, intensity-based factors as least preferable. The ESG Working Committee members work to improve data, moving up the hierarchy each year and standardising the approach across business units.

In particular, we have improved the emission factors applied to procured goods and services within the Scope 3 – Purchased Goods and Services category, focusing on IT suppliers. Applying the approach outlined in the GHG Protocol, we have obtained detailed supplier-specific emissions for 14% of our IT and hosting suppliers where there is publicly available data. We will improve on this methodology in subsequent years with a supplier engagement strategy, to further improve data accuracy and inform our procurement decisions.

We continue to calculate emissions from all relevant Scope 3 categories, covering nine out of the GHG Protocol's 15 categories, including the use of our sold products and remote working emissions, ensuring we account for all emissions that result from the Group's operations and services. The remaining Scope 3 categories, including emissions from upstream and downstream leased assets, franchises, processing of sold products and investments, remain not applicable to the Group as none of our activities fall within these categories. Insufficient data was available for upstream transportation and distribution emissions to be established and due to our low consumption of physical materials, this category is considered de-minimis. Our GHG emissions, therefore cover all operations, excluding this de-minimis category.

In line with the GHG Protocol, and to ensure consistency with our previous year's reporting, we are reporting location-based emissions from purchased electricity across our business. This year, we have begun to additionally report market-based purchased electricity emissions where we have certificates to prove the origin of the electricity, for example in our London headquarters. To ensure we fully account for the emissions from the actual electricity we consume and to ensure real reductions in carbon emissions, we use location-based purchased electricity emissions in our reduction targets and Net zero commitment.

1) WRI GHG Protocol Corporate Standard. Available: https://ghgprotocol.org/corporate-standard.
2) HM Government, 2021. Green Claims Code. Available: https://greenclaims.campaign.gov.uk/.
3) Note for FY23 the methodology has been updated to an operational control approach from a financial control approach. This has no impact on the scope of the emissions ATG reported to date as we have financial and operational control on all in-scope emissions.

Sustainability Report continued

Our FY23 carbon footprint includes part-year emissions from our new acquisition, ESN. The addition of ESN has increased our direct emissions by 12% (from FY22 emissions). Whilst this does exceed a 10% significance threshold and could trigger recalculation of the base year, we have decided not to do this for the current financial year. However, FY23 data does not include a full year's emissions from ESN and we will therefore revisit whether a recalculation is required in future years if any other significant changes to the Group occur. Our aim is to avoid the recalculation of our base year where possible to focus on reduction strategies, however, we do need to ensure our growing business has realistic, achievable targets. As has been shown with previous acquisitions, consolidating auction platforms and related services under our carbon extensive business model has been shown to reduce the carbon intensity (i.e., tCO_2e per £million turnover) of these new acquisitions.

Our FY23 carbon impact

Total greenhouse gas emissions

GHG emissions (tCO_2e)[4]	FY23	FY22	FY21	% Change (in last fiscal year)	% Change (from FY22 base year)
Scope 1	23.4	32.5	35.2	(28)%	(28)%
Scope 2 – location based	289.2	391.3	251.3	(26)%	(26)%
Scope 2 – market based	194.3	–	–	–	–
Total (Scopes 1 & 2)	**312.6**	**423.8**	**286.5**	**(26)%**	**(26)%**
Scope 3	2,935.1	2,445.4	1,900.3	20%	20%
Total (Scopes 1, 2 & 3)	**3,247.7**	**2,869.2**	**2,186.8**	**13%**	**13%**
GHG emission intensity – Scopes 1, 2 & 3					
Turnover (£)	£135,225,000	£119,846,000	£70,100,000	13%	13%
Average employee number (FTEs)	396	337	243	18%	18%
Carbon intensity (emissions per £million turnover)	**24.0**	**23.9**	**31.2**	**0%**	**0%**
Carbon intensity (emissions per average FTEs	**8.2**	**8.5**	**9.0**	**(4)%**	**(4)%**
Percentage of operations included	**>95%**[5]				

Our direct emissions

A breakdown of our FY23 emissions is shown in Figure 1. In FY23 10% (312.6 tCO_2e) fell into Scopes 1 and 2, direct emissions associated with our operations. Purchased electricity (65%) was the largest contributor to our Scope 1 and 2 emissions (201.9 tCO_2e), followed by purchased heat at 28% (87.3 tCO_2e). Stationary combustion, i.e., fuel combusted within stationary equipment such as a boiler, accounted for 3% (9.3 tCO_2e) of Scope 1 and 2 emissions, fugitive emissions such as refrigerant leaks, also made up 3% (9.3 tCO_2e), whilst mobile combustion accounted for less than 1.5% (4.8 tCO_2e) of overall emissions.

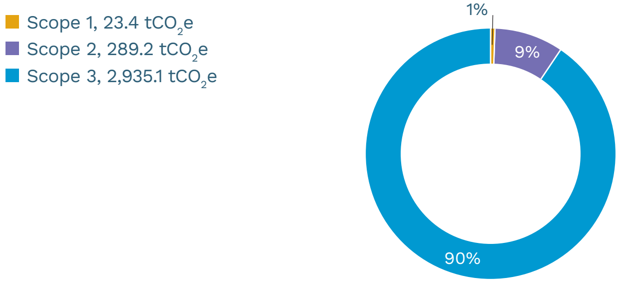


Figure 1: ATG's direct (Scope 1, 2 and 3 emissions) in FY23.

4) GHG emissions reported in metric tonnes CO_2 equivalent (tCO_2e).
5) This is the first year we have reported percentage coverage. Gaps include S3-4 Upstream Transportation and Distribution. We have estimated percentage coverage in this first year and will endeavour to increase coverage to as close to 100% as feasible.

Sustainability Report continued

Our corporate value chain emissions

90% of the Group's emissions fall into Scope 3, our corporate value chain emissions. Scope 3 emissions, which are under a reporting organisation's influence but not control, typically make up the largest proportion of a company's carbon emissions, particularly when Scope 3 emissions are comprehensively covered. A breakdown of our Scope 3 emissions is shown in Figure 2.

- S3-1 Purchased goods and services tCO_2e 1,020.6
- S3-2 Capital goods tCO_2e 491.7
- S3-3 Fuel- and energy-related tCO_2e activities not included in S1 or S2 79.1
- S3-5 Waste generated in operations tCO_2e 9.8
- S3-6 Business Travel tCO_2e 347.5
- S3-7 Employee commuting (& remote working) tCO_2e 291.9
- S3-9 Downstream transportation and distribution tCO_2e 64.7
- S3-11 Use of sold products tCO_2e 627.9
- S3-12 End of life treatment of sold products tCO_2e 1.8

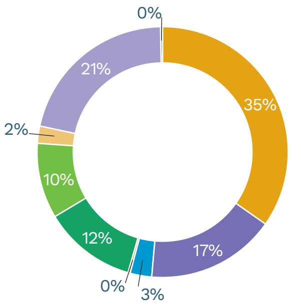


Figure 2: ATG's corporate value chain (Scope 3 emissions) in FY23.

This year, the Group's largest emission Scope 3 emission source continues to be from purchased goods and services (35% of Scope 3 emissions), which arise from the hosting of our online platforms in data centres operated by others. Other significant Scope 3 categories include the use of our products (21% of Scope 3 emissions), employee commuting and remote working (10% of Scope 3 emissions) and business travel (12% of Scope 3 emissions).

Additional climate-related metrics

We collect additional climate-related metrics as part of our GHG accounting processes and we disclosing these for the first time this year. The SEC is responsible for governance of these metrics and ESG Working Committee members collate data across our geographies in line with the operational control approach and scope boundaries of our GHG emissions.

Water usage is minimal due to ATG's operations. Water withdrawal refers to all water drawn into the boundaries of the organisation from all sources. We follow the CDP's definition of water withdrawal which is adapted from the GRI Standards Glossary 2016[6].

We are committed to preventing waste within our operations alongside preventing wasted raw materials through our services. We are committed to recycling office waste and ensuring that IT equipment, at end of life, is recycled or repurposed to minimise waste going to landfill. We recognise the consequences of long-term damage to biodiversity and we aim to reduce the impact of our operations on the local environment. Waste is reported in total tonnes generated, classified as recycled and non-recycled.

As with our GHG reporting, a data hierarchy is applied and we are working across the Group to improve data quality annually, as well as align with internationally recognised reporting standards and frameworks (such as GRI) in future years.

6 GRI Standards Glossary, 2016. Available: https://reportadviser.com/wp-content/uploads/2021/05/GRI-standards-glossary-2016.pdf.

Additional climate-related metrics

Energy

Energy consumption (kWh)	FY23
Non-renewable	**1,031,326**
Non-renewable by fuel type:	
Stationary combustion (gas)	50,715
Purchased electricity (fossil fuel)	417,290
Purchased heat (gas)	543,057
Mobile combustion (diesel)	20,264
Renewable	**37,126**
Renewable by fuel type	
Purchase electricity (REGO backed)	37,126
Total	**1,068,452**
Percentage of operations included	**>95%**

Waste

Waste generation (tonnes)	FY23
Total recycled	4.0
Total non-recycled	17.7
Total	**21.7**
Percentage of operations included	**>95%**

Water

Water withdrawal* (tonnes)	FY23
Water withdrawal	1,514
Water withdrawal intensity (withdrawal per £million turnover)	11.2
Percentage of operations included	**>95%**

* Water withdrawal refers to all water drawn into the boundaries of the organisation from all sources. We follow the CDP's definition of water withdrawal which is adapted from GRI Standards Glossary 2016.

Changes against previous years will be disclosed going forward from FY24.

Sustainability Report continued

Comparison with previous years

Greenhouse gas emissions

As in previous years, the Group accepts that our overall emissions have and may continue to rise as a growing and acquisitive company. Trends since we began reporting our emissions can be seen in Figure 3.

Our total absolute emissions across all scopes have increased by 13%. Scope 3 has increased by 20%, which predominantly is due to growth in our business and the associated growth in our value chain emissions. Scope 1 emissions have, however, decreased by 28% and Scope 2 (location based) have also decreased by 26%, with an overall 26% reduction seen in our Scope 1 and 2.

The reduction in our Scope 1 and 2 emissions is predominantly due to the relocation of our Omaha office to a smaller, more carbon efficient premises. The impact of this move was slightly offset by the acquisition of ESN and the organic growth of our business.

Our carbon intensity metrics, our measures of carbon emissions as a proportion of our overall activity, have however either remained constant or decreased. Carbon intensity when compared to our turnover has remained constant, whist carbon emission per FTE have declined by 4%. This indicates that our carbon emissions are not increasing in line with our growth.

Total emissions

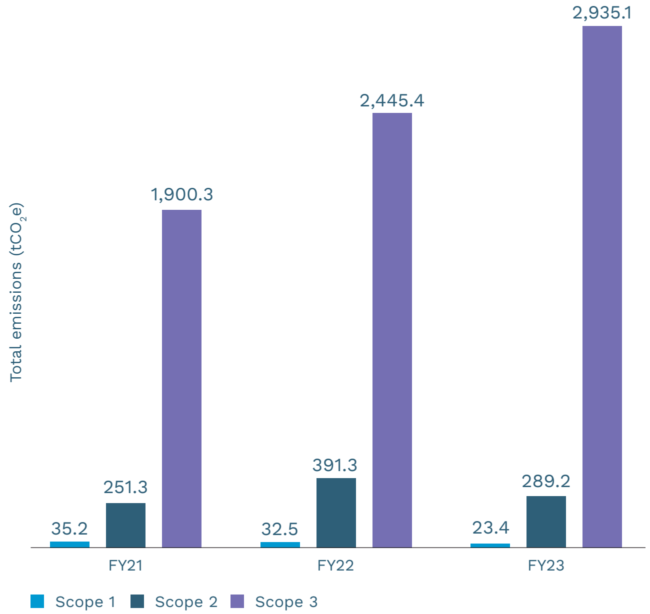


Figure 3: ATG's corporate value chain (Scope 1,2 and 3 emissions) in FY23.

Carbon intensity

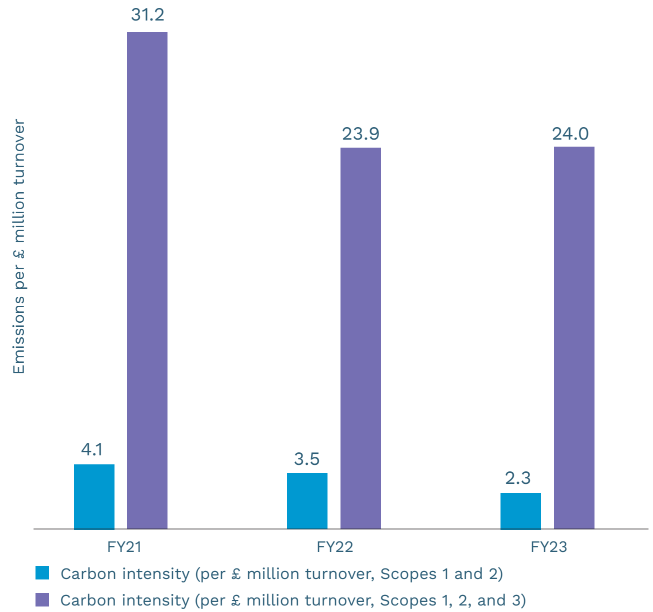


Figure 4: ATG's corporate value chain (Scope 1,2 and 3 emissions) in FY23.

Sustainability Report continued

Reducing our impact – planning our journey to Net zero

Near-term reduction target

Our main focus this year has been to identify and agree upon reduction strategies to achieve our near-term target of reducing absolute Scope 1 and 2 emissions by 42% by 2030 (FY31) from a FY22 base year, led by the ESG Committee. We are on track to achieve this target with a reduction of 26% in our first year of reporting.

Whilst our relocation of our Omaha office has contributed significantly to achieving this target, we are aware that more needs to be done to reduce our direct emissions and we will continue to improve the energy efficiency of our offices. We have identified a number reduction strategies to implement in FY24 through a carbon survey of our six office locations. For example, these include:

- Setting standard heating and cooling temperatures to minimise wasted energy associated with Heating, Ventilation, and Air Conditioning (HVAC);
- Ensuring HVAC systems are not in use outside of hours;
- Switching off appliances when not in use and investigating energy efficient alternative technologies; and
- Updating to LED lighting throughout our offices.

Our future commitment

We will continue to take a rigorous approach to calculating our overall climate impact by improving our approach to emission calculations annually and working to reduce our absolute emissions, including our value chain emissions to achieve our science-based reduction targets. As our Scope 3 makes up 90% of our carbon footprint, we plan to develop a supplier engagement strategy to work with our suppliers to improve the accuracy of our carbon emissions and inform our future procurement decisions. We intend to validate our long-term Net zero target with the SBTi in FY24 and publish a transition plan to outline how we will achieve this.

Streamlined Energy and Carbon Reporting ("SECR")

SECR overview

Descriptive Information	
Methodology used	The methodology used to calculate our greenhouse gas emissions, our 'GHG inventory', is based on the World Resources Institute GHG Protocol – A Corporate Accounting and Reporting Standard, Revised Edition (the Protocol) and follows the Protocol's guiding principles of relevance, completeness, consistency, transparency and accuracy. We were supported to do this by energy and sustainability consultants. An operational control approach has been taken, meaning that the inventory covers emissions from all operations that are under the Group's operational control, including operations in the UK, Germany and the USA. Emission factors have been chosen based on the location of the emissions. However, where emission factors are not available, UK Government emission factors have been applied. Emissions are reported in line with the Group's financial year.
Emission factors used	UK Government emission factors have been applied from "UK Government conversion factors for GHG reporting", as well as "European Residual Mixes Association of Issuing Bodies" and US location based emission factors for MROW, NYCP, and NWPP electricity and waste.
Intensity ratio	The intensity ratio used displays total gross emissions (tCO_2e) within scope 1 and 2 per million £ turnover.
Measures undertaken to improve energy efficiency	This year, we have established an ESG Working Committee with representatives from across our locations to focus improving the energy efficiency of our buildings, including improving monitoring, reducing heating temperatures, increasing cooling temperatures, installing LED lighting throughout our offices and ensuring all electronic appliances are switched off when our offices are closed or the appliances are not needed.
Additional voluntary reporting activities	As well as quantifying our direct emissions (Scope 1 and 2), as required by the Companies Act 2006 and the Companies (Directors' Report, Regulations 2013) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, ATG is committed to going beyond our statutory duty and comprehensively calculating and reporting indirect (Scope 3) emissions. As these emissions would not occur if we were not in existence, we consider it important for us to voluntarily report these emissions, providing our customers, clients and stakeholders with full transparency.

Sustainability Report continued

SECR data

Category	Scope	Current reporting year FY23		Previous reporting year FY22	
		UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)
Emissions from activities which the Company owns or controls including the combustion of fuel and operation of facilities (tCO_2e)	1	**7.8**	**15.6**	7.1	25.4
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (location based, tCO_2e)	2	**19.2**	**270.0**	20.6	370.7
Total gross Scope 1 and Scope 2 emissions (tCO_2e)	1 & 2	**27.0**	**285.6**	27.7	396.1
Energy consumption used to calculate the above emissions (kWh)	1 & 2	**120,309.9**	**948,142.0**	125,265.3	1,342,370.8
Total gross Scope 1 and Scope 2 emissions UK and global (tCO_2e)	1 & 2		**312.6**		423.8
Intensity ratio UK and Global: emissions (tCO_2e) per million £ budget	1 & 2		**2.3**		3.5

SECR change log

Change in consumption, emissions, and intensity ratio between the previous and reporting year	
Category	**Percentage change**
Consumption (kWh)	53%
Emissions (tCO_2e)	(26)%
Intensity ratio (emissions tCO_2e / million £ budget)	(34)%
Description of changes in consumption, emissions, and intensity ratio between the previous and reporting year.	Absolute Scope 1 and 2 emissions have decreased by 26%, whereas our carbon intensity, i.e., a measure our carbon emissions as a proportion of our overall activity, has decreased by 34%, indicating that we are becoming more carbon efficient as we grow. Our absolute Scope 1 emissions have declined by 29% since the prior reporting year and our absolute Scope 2 emissions have decreased by 26%. This can be predominantly attributed to our move to a smaller office in Omaha (which occurred half way through FY23). Our emissions this year include those from our newly acquired company, ESN We continue to measure and improve upon our understanding of our Scope 3 emissions. In total, our absolute Scope 1, 2, and 3 emissions have increased by 14%, however, have increased by 1% relative to turnover. As last year, we have included remote working emissions and emissions associated with the use of sold products in our carbon footprint to ensure we account for our home-based employees and continued growth in our online auction services.
External assurance statement	We confirm that this SECR report has been reviewed by external auditors as part of their full financial audit.

3. ATG's corporate value chain (Scope 3 emissions) in FY23.

Sustainability Report continued

Our People and Community

At ATG, we aim to ensure our employees feel they belong and can reach their full potential. Our people are our most valuable resource and asset. Ensuring that we attract, nurture and retain our people is key to ATG's success.

ATG Values

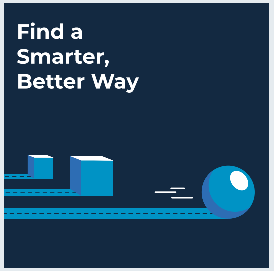
Our values encompass everything that we do, driving the way all ATG businesses operate, with a winning team made up of smart, passionate individuals who connect to our purpose of unlocking the value of the curated secondary goods market and accelerating the growth of the circular economy.

1. Drive Results

- Execute with excellence on the right priorities
- Take ownership on what matters and be accountable
- Set a pace that pushes ATG ahead of the competition

2. Create Customer Value

- Know your customer
- Understand how ATG creates value for buyers and sellers
- Act with trust, integrity and consistency



3. Find a Smarter, Better Way

- Innovate and seek improved ways of working
- Deliver today but also be future-focused
- Be creative in seeking ways to enhance efficiency, delivery or impact

4. Collaborate to Win

- Think, act and win as One ATG
- Work together across teams and borders to achieve and celebrate shared success
- Know the vision, work on the right priorities and be an expert in your discipline

5. Empower People to Grow

- Be ambitious in seeking ways to develop yourself and others
- Create an environment of respect, diversity and inclusion
- Start with trust and professional honesty

Sustainability Report continued

Engagement

We want to ensure that ATG remains a great place to work and we regularly engage with our employees to understand their feedback and concerns. In FY23, we ran a newly designed Group-wide survey to understand sentiment, which showed that our employees not only feel highly engaged with ATG, but are also confident in its strategy and outlook. The survey is testament to the positive and collaborative culture that we are creating, with 83% employees responding to the survey, 76% feeling favourable to ATG and 95% of employees stating they enjoy working with their team. Respondents to the survey also reported having a passion for serving the customer (91%). Scores across the engagement survey were closely aligned across males and females.

In FY23, we welcomed the ESN team to ATG and have worked hard to integrate their team, culture and ways of working into the business, for example through including them in all ATG employee offerings such as ATG Academy and Global All Hands meetings.

We also ran a pulse survey with ESN employees which showed positive results. Overall participation was 84%, with scores of 83% for favourability and 76% engagement, both in line with ATG Global scores. The following three items scored 100% for the ESN pulse survey: working with their team, accountability for results and passion for the customer. Questions focused on the integration with ATG scored 90% or higher, showing the positive experience for employees following the acquisition.

In FY23 we launched All ToGether, our connection and development programme which includes a range of training programmes, networking events and other programmes to support the development and engagement of our employees.

Tamsin Todd took over from Breon Corcoran during FY23 as the Board's designated Director for workforce engagement and the outputs of her twice-yearly meetings with employees were reported to the Board as detailed on page 36 of this report. As a result of these discussions, UK parental leave policies were enhanced, as detailed on page 36 of this report.

Reward and recognition

ATG offers employees competitive reward schemes and benefits programmes to ensure that we retain and recruit the best talent. As well as offering competitive remuneration and retirement arrangements, we offer comprehensive physical and mental healthcare benefits such as the provision of eight video counselling sessions with trained therapists each year. We offer our employees hybrid working practices whilst also offering permanent opportunities to work from home for some employees. We also offer flexible working practices for parents and enhanced maternity and paternity packages.

Each employee is rewarded for long service and performance through an employee voucher scheme at key milestones and commendable achievements. Employee performance is also celebrated with an annual awards ceremony known as the ATG Spotlight Awards, bonuses to recognise exceptional commitment to work, as well as the regular celebration of achievements at Group wide All Hands meetings.

This year, ATG launched our first Employee Swag offering where all employees chose from four high-quality apparel or accessory items. Over 300 employees placed orders and items were custom made and fitted with an in-house designed ATG badge. All new joiners will now be offered a piece of ATG Swag in their first three months.

Sustainability Report continued

Employee share schemes

To encourage our employees to align their interests with shareholders and to benefit from their contribution to ATG's success, employees are offered equity awards. In FY23, all employees were offered equity under the Long Term Incentive Plan, which vests over a two, three or four-year period, or through other equity schemes.

Furthermore, UK and German employees have the opportunity to take part in a Share Incentive Plan ("SIP"). For every share an employee purchases, ATG will match it. US employees will be invited to buy shares under the Employee Share Purchase Plan ("ESPP"), purchasing shares at a 15% discount. 37% of eligible employees participate in one of the current schemes.

	Number of employees by region	
	FY23	FY22
Europe	116	109
N America	275	236
Asia	–	–
RoW	–	–
Total	**391**	**345**

	Employee turnover Voluntary (permanent employees only)		Total	
	FY23	FY22	FY23	FY22
Europe	9	17	20	22
N America	35	44	73	64
Asia	–	–	–	–
RoW	–	–	–	–
Total	**44**	**61**	**93**	**86**

Sustainability Report continued

Diversity and inclusion

At ATG, we value the differences that a diverse workforce brings to our organisation and are fully committed to the elimination of unlawful and unfair discrimination. We know that our continued success relies on people having a wide range of experience and skills to bring different perspectives, promote innovation and provide constructive challenge. In accordance with our Board diversity policy which can be found on our website at www.auctiontechnologygroup.com, in FY23 we implemented our workforce Diversity & Inclusion ("D&I") and Equal Opportunities policy. The policy does not discriminate against employees based on gender, race or ethnic origin, age, religion, sexual orientation, pregnancy or maternity, gender identity, disability, marriage or civil partnership, social background, nationality, or political opinion. The Board has oversight of this policy.

In FY23, we launched a series of D&I training and development programmes, as well as establishing a series of networking events. This included two sessions run by female Board members and female senior leaders where over 78 employees attended. The sessions focused on sharing insights into the challenges women face in the workplace. As an action from these sessions, ATG developed a guide and training on appropriate workplace behaviour and set up a global hotline to report any issues. 89% of employees in the engagement survey felt that employees are treated equally regardless of race, ethnicity, gender, disability, religious beliefs and sexual orientation.

Gender diversity

The Group is diverse in terms of gender mix, with women comprising 41% of the total workforce, an increase from 3% last year and we have achieved a gender balance in our UK and German businesses. ATG is committed to gender pay equality. The Group's employee base is diverse at the management level, with five females on our Senior Leadership Team, and one female leader in a senior management role. As illustrated on page 70, the Board comprises five males and three females. The Board reviewed its diversity policy in FY23 in light of the updated targets announced by the FTSE Women Leaders Review and the FCA's Policy Statement in respect of diversity and inclusion on company boards and executive management. As disclosed more fully on page 92, the Nomination Committee has considered the revised minimum target of 40% women on listed company boards and the provision that at least one of the positions of Chair, CEO, CFO or SID is filled by a woman, and aims to achieve this target by the end of 2025.

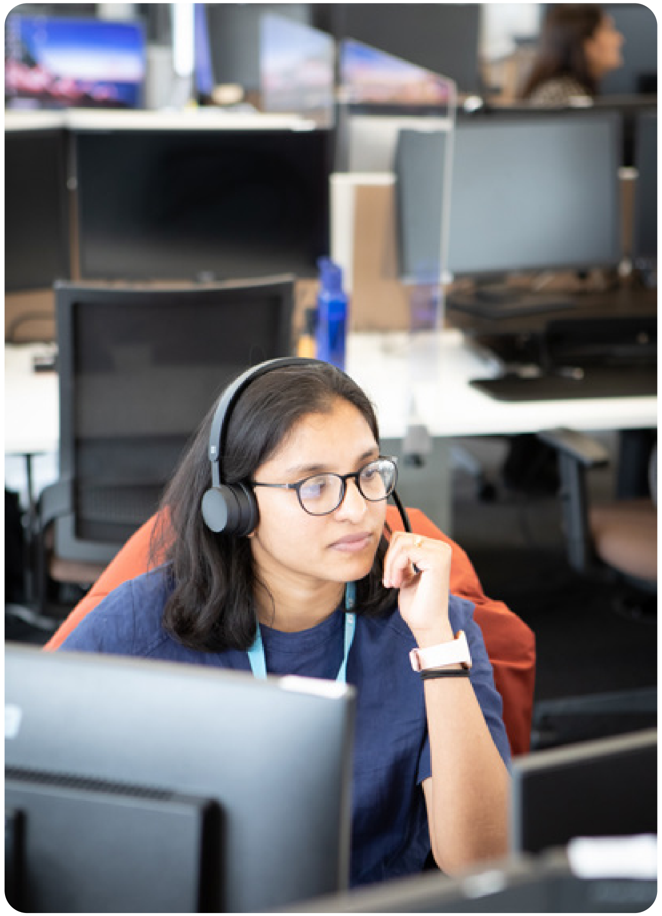
Ethnic diversity

ATG's employees are diverse in terms of ethnicity, with 24% having disclosed as identifying as non-white (FY22: 25%). We are committed to increasing ethnic diversity across all levels throughout the organisation through recruitment and succession planning. The Board has considered the Parker Review recommendation for all FTSE 250 Boards to have at least one director from an ethnically diverse background by 2024, and following consultation with the Nomination Committee, the Board considers that it has achieved this target, with John-Paul Savant representing a Eurasian ethnically diverse background.

Gender diversity statistics

	Male		Female		Other/ Prefer not to say		Total
	No.	%	No.	%	No.	%	%
Board	5	62	3	38	–	–	100
Number of senior positions on the Board (CEO, CFO, SID and Chair)	4	100	0	0	–	–	100
Senior Management	7	88	1	12	–	–	100
Senior Leadership Team	12	71	5	29	–	–	100
New recruits	54	63	32	37	–	–	100

Sustainability Report continued



Ethnic diversity statistics

	White British or other White (including minority-white groups)		Mixed/Multiple Ethnic Groups		Black/African/ Caribbean/Black British		Asian/Asian British		Not specified	
	No.	%	No.	%	No.	%	No.	%	No.	%
Board	7	88	1	12	–	–	–	–	–	–
Number of senior positions on the Board (CEO, CFO, SID and Chair)	3	75	1	25	–	–	–	–	–	–
Senior Management	5	63	1	13	–	–	2	25	–	–
Senior Leadership Team	10	59	2	12	–	–	4	24	1	6
New recruits	37	45	6	7	3	3	11	13	25	30

Employees with disabilities

We strive to be an inclusive employer and are committed to ensuring that people with disabilities are not disadvantaged in our hiring process, training, career development or promotion opportunities. Applicants with disabilities are given full and fair consideration during recruitment processes. We offer flexibility and support to any employees who are disabled upon joining or who become so during employment, including equipment or schedule accommodations. People with disabilities are treated equally in all internal processes including training, career development and promotions.

Recruitment

Our hiring practice is committed to fair and equal treatment regardless of an individual's race, age, gender, ethnic background, religion or beliefs, gender assignment, sexual orientation, marital or civil partnership status, or disabilities. Our recruitment and selection process focuses on selecting the best candidate for each role and we hire based on merit and the right skills for the role. In the last 12 months, 37% of our new joiners have been female.

Sustainability Report continued

Talent and career management

We ensure that all employees have access to the training they need to support their development. All employees are required to undertake mandatory training annually to ensure they understand their legal and regulatory duties in relation to insider trading, cyber security and data security. In FY23 we launched ATG Academy, our new global learning and development programme, which included 60 carefully designed courses that were bespoke to working at ATG, delivered by our own experts, as we believe that training from such employees can provide a more meaningful and tailored learning experience for roles within ATG.

We also launched a new on boarding programme to help set new employees up for success, which includes a day one induction, 30-day HR check in, a small group lunch or breakfast with the CEO and a thorough Global Orientation session where new employees have the opportunity to meet multiple executives. Professional qualification sponsorship is available for all employees to apply for. During objective-setting periods, employees review training needs with their managers and training will be offered on a case-by-case basis to support specific developmental skills.

Performance reviews are conducted at least twice a year across all employees in the Group by line managers, to enable meaningful discussions about an individual's progress and career development. Over 80% of the Group received an annual performance evaluation. To support these conversations, we offer access to development plans and 360 feedback tools.

Over the year, over 70 hours of internally provided training were completed by our employees.

ATG supports apprenticeship schemes in the UK and Germany, to offer young people, or those without the opportunity to study further education, a placement at ATG. This provides qualifications, training and on the job corporate experience in entry level roles.

Health and safety

We are committed to supporting our employees in all aspects of their health and well-being. We provide a comprehensive range of healthcare benefits as detailed on page 62.

The health and safety of all ATG employees and visitors to our offices is a priority for the business, and during the year we have ensured that our offices provided a safe working environment for both our employees and any visitors. ATG has a health and safety policy and appropriate insurance for all employees. We are pleased to report that we have had no fatalities or serious injuries during the year, and there was no impact to our operations due to work-related incidents or work-related occupational disease.

Political donations and expenditure

The Company and its subsidiaries did not make any political donations or incur any expenditure during the year.

Community partnerships

Developing the next generation of talent and fostering new ways to encourage entrants, of all backgrounds, into the auction and technology sectors are important to the future success of the online auction industry. An example of this is our support of BADA Friends – the British Antique Dealers Association – which provides a platform for the public to support the work of BADA's Cultural and Educational Trust, and to promote learning and expertise in the fine art and antiques trade.

ATG is a key supporter of auction industry events and conferences, whether through sponsorship or provision of expertise. This included Industrial Auctioneers Association events in both North America and in France.

Charities

As part of the Proxibid office move, ATG donated furniture, monitors and office suppliers to local schools and libraries.

Employees at ESN volunteered within the local community during the year, including at local food banks and at the Safe House of Southeast Missouri's thrift shop in Cape Girardeau where employees helped to unpack and sort donations.

UK employees participated in a Christmas donation scheme to support local families around the festive period.

We also facilitate hundreds of charity auctions on our marketplaces each year, waiving our fees to ensure that all proceeds go to the charities. In the past 12 months, charity auctions hosted on our marketplaces have raised over £4.0m for good causes (FY22: £6.0m).

Sustainability Report continued

Governance

ATG is committed to operating in a transparent, responsible and ethical manner, within a strong governance and compliance framework.

Operating a trusted marketplace

As a leading online marketplace, we are committed to operating a marketplace that is responsible, reliable and fair. Our aim is to provide a valuable platform for our consumers and customers to ensure we deliver relevant innovation, protect consumer data and provide an engaging user experience.

Restricted items

The Group has rules in place with regard to the listing of prohibited items on its marketplaces, such as offensive items, illegal firearms and weapons, and illegal wildlife products. We employ a compliance team to monitor adherence to these rules. The internal audit function audits and reviews the policy and its application on an annual basis.

Security of buying on our marketplaces

It is important that bidders can trust the buying experience on our marketplaces and that they know that auctioneers are following best practice. We vet all auction houses before allowing them to sell on our marketplaces. Equally, it is important that auction houses are protected against fraudulent bidders through bidder security teams dedicated to minimising the number of marketplace bidders who default on their purchases. The Internal Audit function audits and reviews these processes on an annual basis.

Information systems and technology (“IS&T”)

As highlighted in our materiality assessment, IS&T is a key priority for ATG and core to our operations. ATG has strengthened its IS&T capabilities in FY23 to ensure it has robust incident response procedures in place to manage information security, cyber security and/or breaches of confidential information. This includes the implementation of a new information security management system, which has been based on a recognised international standard. We also established an Information Security Steering Committee whose members include the Data Protection Officer, Chief Information Security Officer and Internal Risk Officer, whose responsibility is to oversee our IS&T programmes. This includes regular internal and external risk assessments on ATG’s technologies, cyber security and practices affecting user data. The committee report its findings to the Audit Committee.

We have an internal governance framework for data protection and information security including various policies, procedures and training. We undertake periodic analysis to identify potential vulnerabilities and risks, and we have processes in place to identify potential incidents and mitigate accordingly. Our policies are regularly reviewed and updated. Further specialised policies and standards are required for employees in engineering, product and design. ATG has had zero data breaches in both FY23 and FY22.

Card payments from bidders are handled by third-party supplier payment processors on behalf of the Group and by auction house clients. Therefore, the Group does not store card details, and follows all relevant regulations to comply with the Payment Card Industry Data Security Standard (“PCI DSS”). Under its contract with the Group, the supplier agrees to comply with the PCI DSS in respect of the storage of bidder card data.

In FY23, ATG deployed an industry leading security threat detection platform and 24x7 managed extended detection and response (MXDR) solution with end-to-end remediation. ATG also developed procedures to conduct regular security risk assessments and audits on the companies, technologies, and practices affecting user data. ATG tests its business continuity plans and incident response procedures every three years and in FY24, this will include external testing of an updated and integrated business continuity plan which is being rolled out.

Supply chain

As a technology platform, ATG’s supply chain is largely data centres, software and other services providers. We engaged with suppliers as part of our materiality assessment and will look to create a supply chain policy in the next year.

Sustainability Report continued

Modern slavery

ATG supports the Modern Slavery Act 2015. We are committed to ensuring that slavery and human trafficking are not taking place in any part of our business or our supply chain. We expect the same commitment from our suppliers, contractors and business partners. We will not tolerate the mistreatment of people in our employment and, wherever possible, employed in our supply chain. We continue to be compliant with the annual reporting requirements contained within section 54 of the Modern Slavery Act 2015. Our Modern Slavery Statement, which is reviewed and approved by the Board on an annual basis, can be found on our website www.auctiontechnologygroup.com.

During FY23, no incidents of modern slavery or human rights abuse were identified within the Group or our supply chain. We provide training to all colleagues working within procurement and HR on modern slavery.

Whistle-blowing

We are committed to maintaining the highest standards of honesty, openness and accountability both within the organisation and in all its business dealings. ATG and its employees must behave honestly, and customers must be able to have absolute confidence in us. The Group recognises that employees have an important role to play in achieving these goals.

ATG has a whistle-blowing policy which includes access to a whistle-blowing telephone service run by an independent organisation, allowing employees to raise concerns on a strictly confidential basis. New employees are made aware of the whistle-blowing policy when they are on boarded, whilst existing employees were reminded about the policy in the year through the roll out of the updated ATG handbook. As detailed on page 84 of the Audit Committee receives regular reports on the use of the service, and any issues that are raised, the findings of any investigations and any actions arising. There were no reports made under the Group's whistle-blowing policy during the year.

Anti-bribery and corruption

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption. Our anti-bribery and corruption policy is published on our website at www.auctiontechnologygroup.com. There were no instances of bribery reported within the Group during the year.

Human rights

ATG supports the principles set out in the UN Declaration of Human Rights and is committed to supporting human rights through our compliance with national laws and through our internal policies which adhere to internationally recognised human rights principles. Our human rights and associated policies require respect and equal and fair treatment of all persons we encounter.

Tax transparency

The Group is committed to compliance with all applicable tax laws and regulations and manages tax matters in line with our tax principles as set out in the Chief Financial Officer's review on pages 23 to 27. The Group's taxation policy for conducting its tax affairs and managing tax risk is published on our website www.auctiontechnologygroup.com. The tax policy has been approved by the Board of ATG and will be reviewed annually, including a formal consideration by the Audit Committee.

The Chief Financial Officer of the Group takes overall responsibility for the management of the tax policy and governance. On a day-to-day basis, in each local territory where ATG has a taxable presence, tax is managed by the Head of Tax and local financial controllers. In territories where there is no local financial controller, it is managed by the Group Financial Controller. The local financial controllers are supported by external advisers, where additional support and tax knowledge is desirable to assist with areas of complexity and specialist tax areas.

The Strategic Report, comprising the information on pages 03 to 68 inclusive, was approved by the Board of Directors on 30 November 2023 and signed on its behalf by:

John-Paul Savant
Chief Executive Officer