

Unlocking the value of the curated secondary goods market

Auction Technology Group plc
Annual Report 2024



Our purpose: Unlocking the value of the curated secondary goods market

Find out more:
auctiontechnologygroup.com



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ATG seamlessly connects  bidders from over 170 countries with 3,900  auction houses. In FY24 ATG helped facilitate the sale of 24 million  curated used items, worth over \$13bn, hosting in excess of 88,000  online auctions and promoting a channel of sustainable commerce.



ATG is leading the transformation of the auction industry. Leveraging proprietary auction technology, our marketplaces offer buyers access to a wide range of unique and specialised items, whilst also enabling auctioneers to reach the largest pool of global online bidders in a cost-efficient way.

Key Highlights

Financial highlights

Revenue

\$174.2m



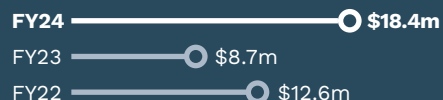
Adjusted EBITDA¹

\$80.0m



Profit before tax

\$18.4m



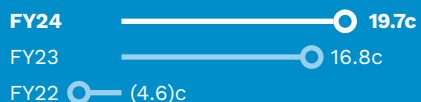
Adjusted free cash flow conversion¹

82.0%



Basic earnings/(loss) per share

19.7c



Adjusted diluted earnings per share¹

38.6c



Operational & strategic highlights

Total Hammer Value ("THV")

\$13.2bn



Gross Merchandise Value ("GMV")

\$3.6bn



proxibid



The Group 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.

The Group has made certain acquisitions that have affected the comparability of the Group's results. To aid comparisons between FY24 and FY23, 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.

Key Highlights continued

Take rate



4.2%

* Excluding ESN



Value added services revenue

+35%

- atgAMP: auctioneer marketing programme
- atgPay: integrated payments solution
- atgShip: integrated shipping solution



Total tonnes carbon saved versus manufacturing of new for 15 popular items on our marketplaces

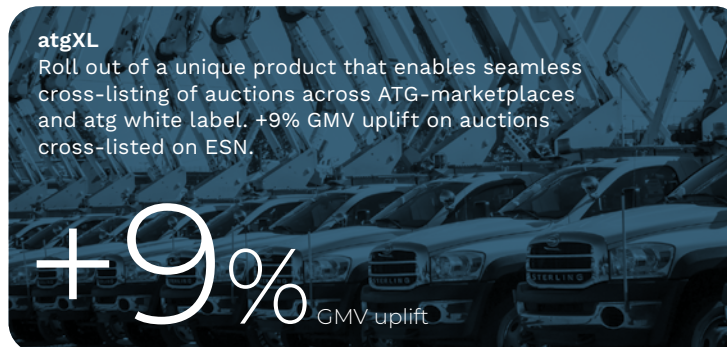
Conversion rate

27%



atgXL
Roll out of a unique product that enables seamless cross-listing of auctions across ATG-marketplaces and atg white label. +9% GMV uplift on auctions cross-listed on ESN.

+9% GMV uplift



GET YOUR BID ON.



proxibid

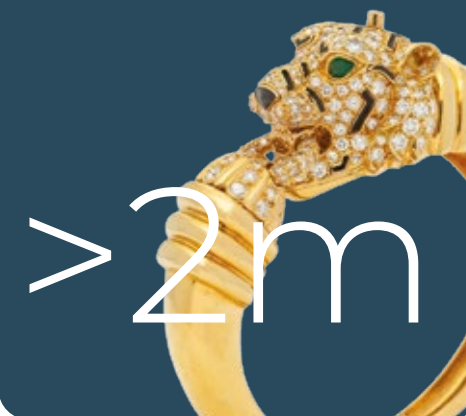
Thousands of Auction Assets Listed Daily on proxibid.com

Heavy & Farm Equipment - Industrial Machinery - Commercial Vehicles - Estate & Personal Property - And More



EstateSales.NET

Successful integration of ESN has added scale and opened up auctions to a larger pool of interested buyers



>2m

At a Glance

What we do

ATG enables bidders from around the world to access an underexplored world of unique secondary goods, which have been curated by around 3,900 auctioneers and just under 5,000 estate sellers.

By aggregating the widest selection of auction items, we provide bidders with unrivalled choice, convenience and trust in buying. For auctioneers, we provide access to a large pool of global bidders and to market-leading technology, as well as enabling them to run their businesses more efficiently.

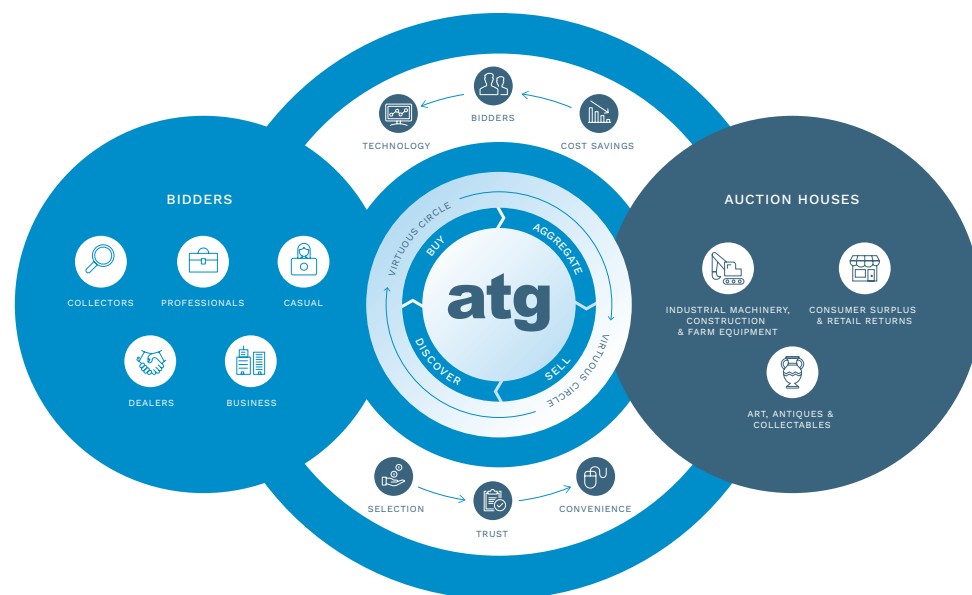
[→ Read more page 20](#)

ATG is the operator of world-leading marketplaces and auction services for curated online auctions.

How we do it

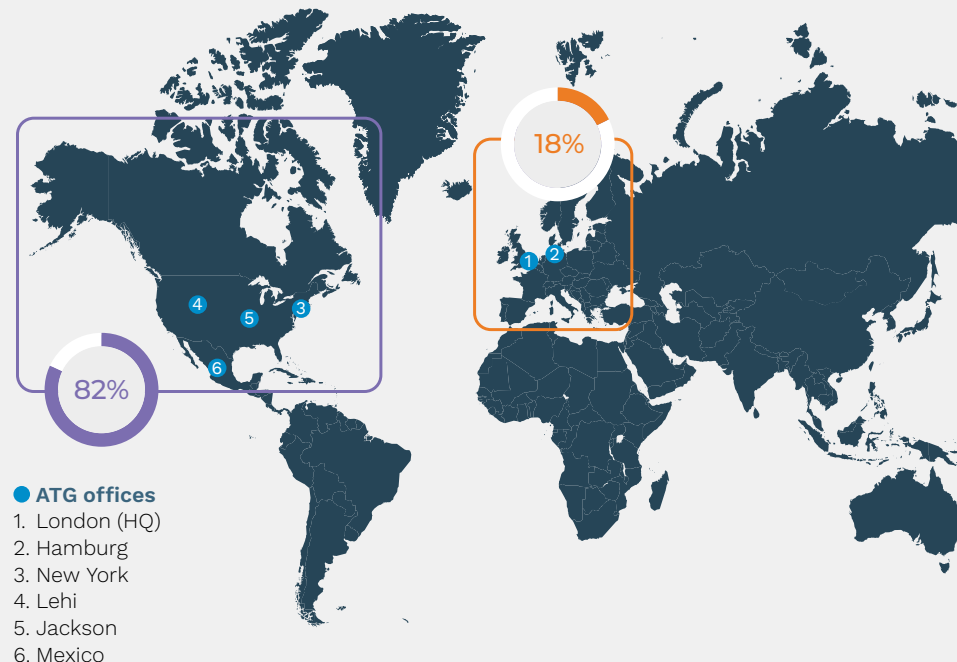
ATG powers eight online marketplaces and listing sites using our proprietary auction platform technology, hosting in excess of 88,000 live and timed auctions each year. We operate across two sectors, Industrial & Commercial ("I&C") and Arts & Antiques ("A&A"). ATG has supported the auction industry since 1971. We attract bidders from 178 countries with our marketplaces located in North America, UK and Germany.

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 markets – by revenue split

● North America ● Europe



At a Glance continued



Arts & Antiques ("A&A")

the saleroom

liveauctioneers

LOT-TISSIMO

EstateSales.NET



Industrial & Commercial ("I&C")

proxibid

BidSpotter

BidSpotter

i-Bidder

[Read more page 16](#)

ATG in numbers

Web sessions

390m

Countries

178

Auction houses

3,900

Lots sold online

7.2m

Auctions facilitated

88,000

[Read more page 20](#)

Our approach to sustainability

Sustainability is at the heart of ATG with our purpose to facilitate the circular economy encompassing our strategic approach. 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 and make it even easier for even more consumers to discover and buy unique used items.

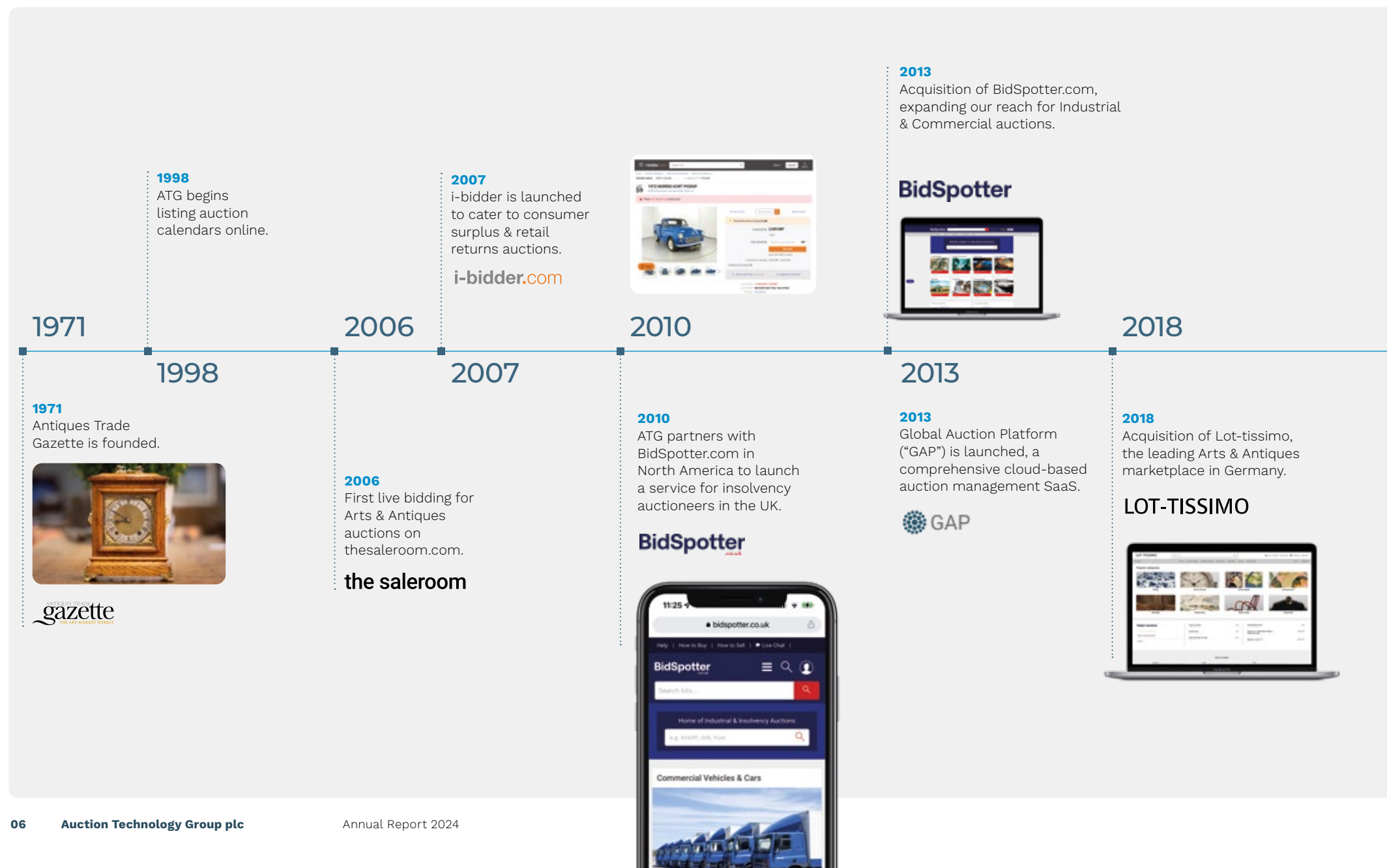
ATG is committed to operating a responsible business, where we strive to minimise our own environmental impact, where all our employees can reach their full potential, and where we operate responsibly and ethically within a strong governance framework.

[Read more page 50](#)

MAKE EVERYDAY
EARTH
DAY



Our History



Our History continued

2020

Acquisition of Auction Mobility, a US-based provider of customised auction software, website design and e-commerce solutions for auctioneers.



2021

Launch of atgPay, ATG's integrated payments solution.

2023

Acquisition of ESN, a leading platform to facilitate estate sales across North America.



2023/24

Roll out of atgXL, our unique cross-listing product.

2020

2020

ATG and Proxibid merge under ATG management.



2021

Listing on the London Stock Exchange.



2021

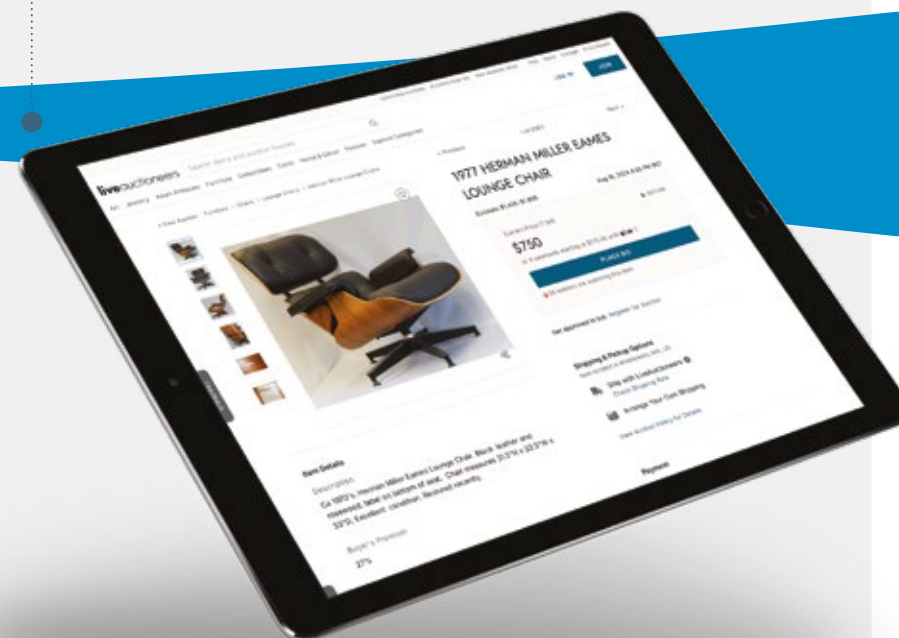
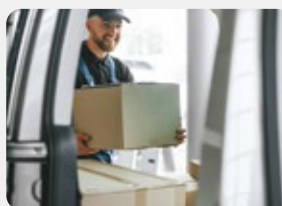
Acquisition of LiveAuctioneers in October 2021, extending ATG's offering into the North America Arts & Antiques market.



2023

2023

Roll out of atgShip, ATG's integrated shipping solution.



Chair's Statement



Scott Forbes
Chair

It is my pleasure to present ATG's results for the year ended 30 September 2024.

At the outset, I would like to thank Breon Corcoran for guiding the business as Board Chair during its formative period as a listed company since the February 2021 IPO. Breon resigned on 12 August 2024, seven months after commencing a plc CEO role and we wish him the best of luck in this role.

As you would expect, the ATG Nomination Committee had developed a robust succession plan and a search process led by a prominent Board recruiting firm that ultimately resulted in my transition from ATG's Senior Independent Director to Chair. Key to the Committee's consideration were my nearly 40 years of cumulative Board experience and 30 years of cumulative Chair experience, substantially for digital marketplace businesses in the United Kingdom and North America, as well as my knowledge of ATG and management from active engagement on the Board. I look forward to working with more shareholders over time.

Strategic highlights

In FY24, ATG delivered 5% revenue growth underpinned by progress against our strategic growth drivers. In particular, we have seen promising contributions from the introduction and expansion of value-added services, a valuable revenue driver and prime contributor to a 0.6ppt improvement in the Group's take rate in the year to 4.2%. Value-added services are fundamental for improving revenue for auctioneers, enhancing the online auction experience for bidders, growing net auctioneer customers and increasing ATG's average revenue per transaction. As with other two-sided marketplaces, augmenting revenue per transaction is especially important during periods when the underlying customer markets are challenging, as they were for our A&A and I&C auctioneers for much of the last year.

"As with other two-sided marketplaces, augmenting revenue per transaction is especially important during periods when the underlying customer markets are challenging."

The Board is pleased with the initial successes following our recent launch of atgXL, our cross-listing product that further differentiates ATG's proposition for both auctioneers and bidders, and enhances our competitive positioning. ESN has delivered a very strong performance in its first full year as part of ATG, extending our auctioneer and bidder reach to the lower-priced second-hand goods segment, and further validating ATG's strong track record in integrating and executing value-enhancing M&A opportunities.

You can read more about ATG's progress against all its strategic growth drivers and our future priorities on pages 22 to 27 of this report. On behalf of the Board, I would like to thank all the team at ATG for their continued focus and hard work over the year.

Financial performance

ATG is underpinned by a resilient, profitable and cash-generative business model. In FY24, revenues increased 5% year-on-year to \$174.2m, driven by strong growth in value-added services revenue as well as a strong contribution from ESN, which was acquired in the prior year. Adjusted EBITDA increased 2% to \$80.0m, benefiting from revenue growth, although also impacted by revenue mix.

Adjusted earnings per share was 38.6c compared to 39.8c in FY23, after the impact of higher tax costs year-on-year, and basic earnings per share was 19.7c (FY23: 16.8c).

The Group generated \$71.6m of operating cash flow (FY23: \$70.7m) before expenditure on technology and product investments which included investments in our cross-listing initiatives. After internal investment, capital allocation priorities remained focused on strengthening our balance sheet with the Group's adjusted net debt/adjusted EBITDA ratio decreasing significantly over the year from 1.8x at FY23 to 1.4x at FY24. The Board does not currently expect to declare or pay dividends in this phase of our business lifecycle and will continue to review the Company's capital allocation policy on an ongoing basis.

Board and governance

Audit Committee Chair Suzanne Baxter replaced me as Senior Independent Director following my Chair appointment. Suzanne has over 18 years' continuous experience as a UK listed company director, including 11 as an executive and 11 years in a non-executive capacity. Tamsin Todd replaced me as Remuneration Chair and, as recently announced, Andrew Miller was appointed to the Board on 21 November 2024 and replaced me on the Audit Committee. Andrew has strong leadership, finance and digital marketplace experience based on his extensive experience in both chief executive and chief financial officer capacities. As a result of the above changes, the Company has been compliant with the Code post year end with respect to committee leadership and Board composition after a brief transition period following the Chair succession.

In line with strong governance practice, the Board undertook an externally facilitated review of our Board effectiveness. The review concluded that the Board is highly effective

Chair's Statement continued

and as part of its succession planning, in particular for the Audit Committee, to appoint an additional Non-Executive Director, which we are pleased to have now completed following the appointment of Andrew. You can read the full results of this review as well as the action points for us to consider on page 84 of this report.

Sustainability at ATG

ATG's purpose is to unlock the value of the curated secondary goods market. In FY24, our marketplaces helped facilitate the sale of almost 24m unique second-hand items, extending their lives, preventing waste and thereby accelerating growth in the circular economy. The Board has also been pleased with the progress the Group has made against its own sustainability strategy, as detailed in the Sustainability Report on pages 50 to 77. This report includes our plan to transition to Net Zero by 2040, including progress made in FY24 with a 35% reduction in Scope 1 and Scope 2 emissions. We were also delighted to be included in the FTSE4GOOD Index for the second consecutive year, acknowledging our strong sustainability practices.

Looking ahead

As I look out to the longer term, ATG remains well positioned to provide value and an improved experience for auctioneers and consumers operating in the A&A as well as I&C sectors. We believe that our endeavours will drive long-term growth and create sustainable value for all our stakeholders.

Scott Forbes

Chair

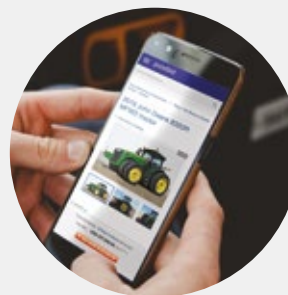
26 November 2024

Six reasons to invest in ATG



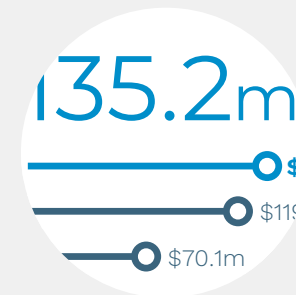
A large and growing market, shifting online and facilitating the circular economy

[➔ Read more page 16](#)



Scalable platform model with proprietary auction technology

[➔ Read more page 20](#)



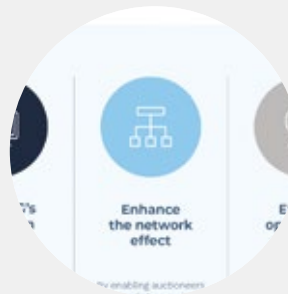
Attractive, diversified and resilient financial model

[➔ Read more page 30](#)



Unparalleled competitive position

[➔ Read more page 17](#)



Six strategic growth drivers providing multiple levers for growth

[➔ Read more page 22](#)



Experienced management team with a strong track record

[➔ Read more page 90](#)

Chief Executive Officer's Statement



John-Paul Savant
Chief Executive Officer

Overview

ATG is executing against an online marketplace strategy that focuses on the development of core capabilities in order to accelerate the marketplace flywheel. Over the past eight years, we have built and acquired technology platforms that have enabled us to grow our extensive auctioneer and bidder base, and drive volume through our marketplaces. In the last two years, we have begun to further monetise each online auction transaction by offering premium solutions for both auctioneers and bidders including value-added services, such as atgAMP (marketing), atgPay (payments) and atgShip (shipping). We remain focused on bringing the overall quality of our auction experience up to global e-commerce standards which will drive continued value for auctioneers and bidders alike.

In FY24, we extended beyond the core transaction to drive network effects across our marketplaces substantially through the launch of our cross-listing solution, atgXL, which enables an auctioneer to simultaneously run a timed auction across multiple ATG marketplaces and an atg white label. This past financial year presented challenges too including soft A&A markets, the impact of the Proxibid rate card standardisation and I&C asset price deflation, before more recent normalisation. Nevertheless, our steadfast focus and progress against these strategic programmes was undaunted and we were able to deliver solid growth.

Our strong financial model, EBITDA margins and cash generation underpinned significant balance sheet deleveraging with our net debt to adjusted EBITDA leverage ratio at year-end improving to 1.4x. Furthermore, the improved momentum of GMV in the second half, especially for the I&C sector, as well as our exposure to the North America market, accounting for over 80% of revenues, portends well for the year ahead.

I was delighted to welcome Scott Forbes to the role of Chair of ATG in August following the resignation of Breon Corcoran six months after his CEO appointment at IG Group Holdings plc. I am grateful for Breon's contributions from IPO through his departure and have also been fortunate to benefit from Scott's considerable digital marketplace experience including over forty cumulative years as board director and chair. Following the announcement in October 2024 that Tom Hargreaves will be leaving ATG, I would also like to personally thank Tom for his partnership and contributions as CFO over the last eight years, and to wish him the best in the next phase of his career.

1. Expand the total addressable market

The trust of our auctioneers and bidders is built on the value we deliver to them. Auctioneer loyalty remained strong in FY24, with retention of auctioneers in GMV terms at 98%, and with around 4,000 auctioneers on our sites at year-end. Auctioneer retention reflects the value ATG delivers through increasing the number of bidders, with ATG on average providing 56% of all bids placed in auctions (hosted on ATG marketplaces) and 40% of GMV coming from bidders who were new to the auction house. Volumes of auctions remained robust in FY24. We facilitated over 88,000 auctions and listed 23.8 million lots, up 2% and 7%, respectively year-on-year. Bidding sessions across our sites including ESN grew 16% to over 390 million highlighting the structural trend towards making sustainable purchases, with 1.6 million new account registrations, up 3%.

Against this positive volume backdrop, Total Hammer Value ("THV") across the Group was broadly flat year-on-year at \$13.2bn, or up 2% excluding the impact of the planned rotated volume, which had high service requirements

but minimal revenue contribution as described in our FY23 results. There were also some headwinds from pricing in both markets and a negative mix impact due to fewer sales of higher priced items. THV was further affected by the mix of assets listed on our marketplaces, including an increase in A&A items from auctioneers outside our core geographies (North America, UK and Germany) and a decrease in real estate auctions in I&C, both of which tend to be volatile in nature. However, the diversity in the range of assets we sell, in addition to the relatively lower-priced points versus some parts of the auction market, provided resilience. Furthermore, prices in I&C used assets stabilised in the second half of the year with THV delivering positive growth in the second half.

2. Grow the conversion rate

The headline conversion rate of 27% for FY24, down 4ppt, was impacted both by asset category mix on our marketplaces as well as the Proxibid rate card standardisation. In A&A, a flat conversion rate for THV from our core geographies, which drives the vast majority of our A&A revenue, was masked by the growth in other THV, which has a significantly lower conversion rate whilst also being inherently volatile. A similar impact from asset mix was seen in I&C, including from the decline in real estate auctions which tend to be run as

Revenue

\$174.2m

Adjusted EBITDA

\$80.0m

Chief Executive Officer's Statement continued

an online-only timed format with a 100% conversion rate, yet a minimal commission impact. However, the underlying conversion rate for many I&C asset categories improved in the second half, once the impact from the rate card standardisation was lapped.

ATG is investing to further strengthen its leading competitive position, by making it easier for auctioneers to use a range of channels to access the online market through the launch of our marketplace integrated white label solution. We estimate that white label penetration amongst our auctioneers is already high, with around 60% of A&A and around 80% of I&C in GMV terms having either an ATG or an independent white label solution. We estimate that the winning bids for 20-25% of A&A THV and I&C THV currently go through an independent white label solution. The opportunity for ATG is therefore to win share from the independent white label providers, with our new integrated product offering auctioneers a superior solution through providing the ability to run an online-only timed auction on an ATG marketplace concurrently with an atg white label. We have already achieved over a 20% penetration of our integrated white label solution in Proxibid I&C GMV, representing an almost \$40m additional GMV opportunity. At the same time, we made the strategic decision to refocus away from pursuing smaller low margin customers who are using our stand-alone only white label solution and have a low life-time value, whilst focusing on the majority of revenue in Auction Services which comes from larger auctioneers who have bespoke white label solutions but also use our marketplaces.

We are also investing to improve the user experience by making it even easier for buyers to buy on an ATG marketplace and drive our conversion rate. This includes through investing

in our search function to help improve the experience for bidders, particularly for those who are new to auction. We are encouraged by the initial signs of our investments and are accelerating our investments in some areas, although we acknowledge that it will take time for our initiatives to have the full impact on increasing the conversion rate.

3. Enhance the network effect

Over FY24, ATG made good progress to drive the network effect across our marketplaces and white label. We launched atgXL, which enables an auctioneer to have a single upload of inventory to our system, to then push that inventory to multiple ATG marketplaces as well as to an atg white label, and to have a single place to manage bids for an online-only timed auction. Using atgXL, auctioneers save up to 66% of their time by only uploading the catalogue once, whilst also benefiting from paying a single event fee, even with the auction hosted on multiple ATG marketplaces. Bidders also have access to a greater selection of inventory without needing to hunt across multiple sites. In FY25, we aim to develop and roll out atgXL for live auctions.

Towards the end of the year, we also launched the ATG Partner Network, which enables auctioneers to cross-list their auction on four third party partner listing-only sites that also specialise in I&C used asset sales. The partner sites we are working with are all high traffic classified sites, offering the potential for our auctioneers to unlock significantly more bidders and providing ATG with a source of one-way traffic. Whilst the programme is in early stages, we have seen some encouraging initial results and we are looking to develop a Partner Network for our A&A marketplaces.

ATG delivered another year of growth and continued to execute well against its strategic initiatives.

4. Grow the take rate via value-added services

We have continued to execute strongly against the roll out of value-added services, with revenue from atgAMP, atgShip and atgPay collectively growing 35% year-on-year and now accounting for 24% of Group revenue. This growth has contributed to the Group take rate increasing by 0.6ppt to 4.2%. 31% of auction events were supported by atgAMP in FY24 (FY23: 27%), with auctioneers attracted to the high return on investment that our marketing products offer as well as new features such as new dynamic ad units. 61% of US Gross Transaction Value on LiveAuctioneers was processed through atgPay in FY24 with 96% of US based auction houses on LiveAuctioneers now onboarded to atgPay. atgShip, our integrated delivery solution, saw strong adoption in its first year of launch with shipping available on over 10% of inventory on LiveAuctioneers in the second half. Importantly, atgShip continues to have a positive impact on bidding behaviour, with auctions featuring atgShip seeing a 9% increase in bidding activity and a 5% GMV uplift on average. We continue to see strong growth opportunities for all three services in FY25, including through driving penetration of marketing on I&C platforms and continuing to drive the adoption of shipping on LiveAuctioneers.



Chief Executive Officer's Statement continued

5. Expand operational leverage

In FY24, ATG has continued to drive efficiencies through improvements to our hub and spoke operating model and the modernisation of our platforms. This included through the reorganisation of our North America product and marketing teams, welcoming a new Chief Product Officer to ATG, as well as through the consolidation of our financial and people related back-office systems. We also established a tech hub in Mexico which has enabled us to quickly add high-quality engineers in a cost-effective way and we have made good progress on our technology consolidation programme, with a focus on the development of atgXL, as well as on the integration of the Proxibid technology stack. We also now have a unified data warehouse providing a single comprehensive view of all our data, thereby enabling us to improve analytics and support more efficient decision-making, including through the application of AI.

6. Pursue accretive M&A

The acquisition of ESN has highlighted ATG's ability to find, acquire and integrate value-accretive businesses. ESN's revenue grew 24% year-on-year in FY24, primarily driven by improvements in the subscription funnel for estate sellers, refinements to pricing, advertising growth and strong execution by the ESN team. The acquisition has also demonstrated that people ready to buy arts and antiques at auction are not just those who are traditionally buying, but also a much broader pool of buyers who are buying through other channels in the secondary goods market. Through enabling cross-listing on ESN, auctioneers on LiveAuctioneers have been able to tap into a complementary yet separate pool of potential bidders with strong initial results; in the second half of FY24, 49% of auctions on

LiveAuctioneers were cross-listed on EstateSales.NET, with buyers originating from ESN driving on average a 9% uplift on the auctions in which they participate. We have also begun to incentivise ESN sellers to switch to use an ATG marketplace as their platform of choice if and when they host auctions of higher value items selected from their estate sales. We are pleased with the initial response from estate sellers.

Summary

ATG delivered another year of growth and continued to execute well against its strategic initiatives. Much progress was made with product and platform development this past year. Our cash-generative model allows us to further fortify our platform in FY25 as we increase auctioneer reach to an expanded set of even more bidders who are better positioned than ever to discover and bid on the widest range of unique secondary market merchandise and contribute significantly to the efficacy of the circular economy. Our cash-generative model also enabled us to significantly reduce balance sheet leverage, whilst our strong market position, diversified revenue base and resilient shared success business model positions us to continue to deliver significant value for all our stakeholders. I would like to thank all of our shareholders, bidders, auctioneers and especially our 400 employees who make our success possible.

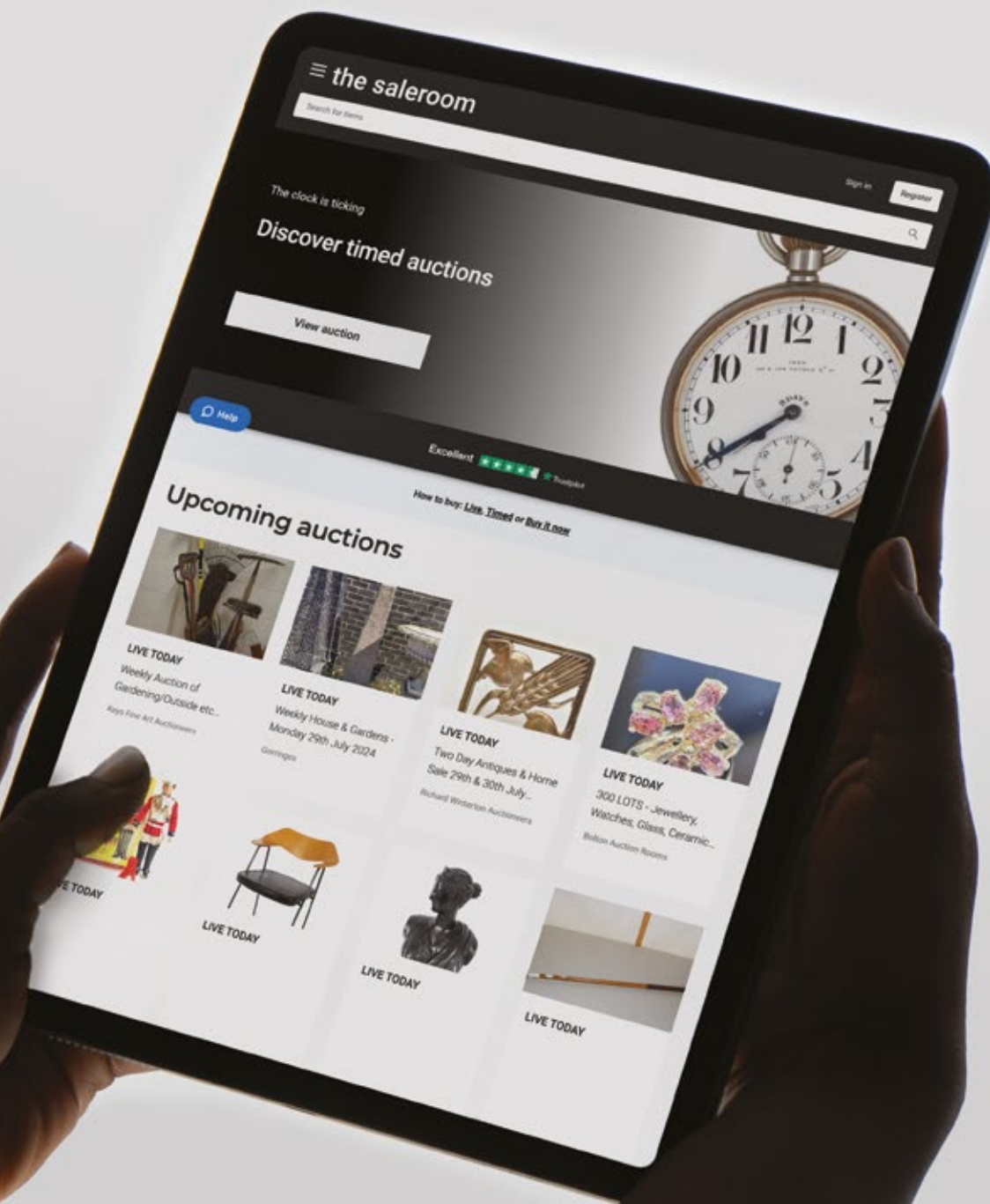
John-Paul Savant

Chief Executive Officer
26 November 2024



What sold at auction in FY24

We facilitated the sale of almost 24 million curated used items in FY24. Here are some of the more unusual examples we have seen sold across our sites over the last year.



What sold at auction in FY24 continued

Case study

Movie memorabilia

In November 2023, an auction of movie memorabilia included the costume of Captain Hector Barbossa from *Pirates of the Caribbean: At World's End* (2007). The original estimate for the costume was £30,000-60,000 with the lot selling to a bidder on thesaleroom.com for £90,000.

Sold for

£90,000



Case study

Sporting heroes

Sport memorabilia is a popular category at auction, providing buyers with a convenient method of filling gaps in their collection or acquiring items from players, clubs or matches with which they have a strong affinity. In an auction in October 2023, a bidder on thesaleroom.com paid £11,000 for a Bobby Charlton Manchester United match worn shirt, c.1970, with an original estimate of £6,000-7,000.

Sold for

£11,000



Case study

"Fastest machine in the world"

Some of the most desirable typewriters in the collecting field were offered on auction in March 2024. Dating from c.1890-1905, only a few units of this particular model from Joseph Hassel Jackson's Typewriter Company of Boston were made, making it one of the rarest typewriters in the collecting hobby. This typewriter did not experience much in the way of commercial success at the time, even if it was promoted as the "fastest machine in the world". The lot was estimated at €15,000-20,000 and took €22,000 from an online bidder using LiveAuctioneers.

Sold for

€22,000



What sold at auction in FY24 continued

Case study

Diving helmet resurfaces

Nation's Attic in Wichita, Kansas, is the leading US auction house for vintage diving equipment. This helmet carries no identifying marks but dates from the 1860s or 1870s. The skilful soldering of copper and the use of convex glass suggests it was the creation of diving pioneer John Date in Montreal or possibly the Siebe Gorman firm in London. When the lot came up for bidding in December 2023, it immediately jumped above its \$10,000-20,000 estimate and kept climbing until it hammered at \$45,000 to a bidder using LiveAuctioneers.

Sold for

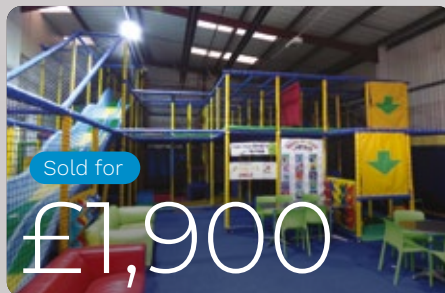
\$45,000



Case study

All child's play

This soft play adventure area was purchased on i-bidder.com for £1,900 at an auction held in April 2024. The large area totalled three levels and included a 6m exit slide.



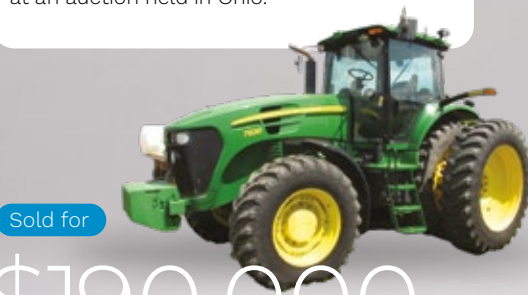
Sold for

£1,900

Case study

John Deere tractor

This John Deere tractor sold for US\$190,000 in August 2024 to a buyer on BidSpotter.com at an auction held in Ohio.



Sold for

\$190,000

Case study

Cylindrical grinder

This Okuma GP-57N CNC cylindrical grinder sold for US\$225,000 in June 2024 to a buyer on BidSpotter.com at an auction held in Jefferson, Indiana. The machine is used to grind parts with high accuracy and stability for a variety of different end market applications.

Sold for

\$225,000



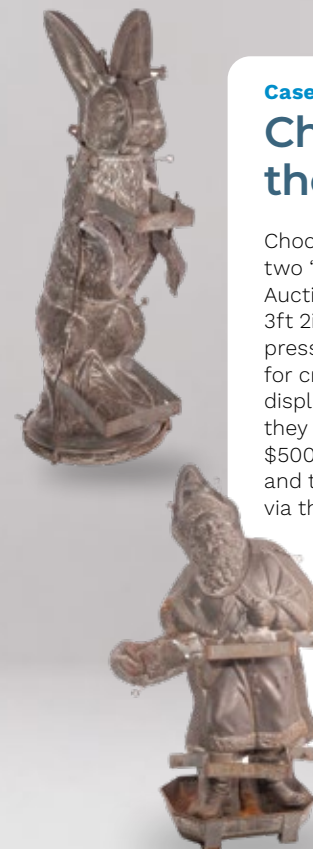
Case study

Chocolate Santa and the Easter Bunny

Chocolate moulds do not get much better than the two 'showpiece' models offered for sale at Leonard Auction in March 2024. Both measuring a massive 3ft 2in high, the Easter Bunny and Santa Claus pressed steel moulds were made by Anton Reiche for creating chocolates for seasonal window display. Many times the size of a standard model, they made outside prices too – estimated at \$500-700 each Santa Claus hammered for \$15,000 and the Easter Bunny for \$11,000 to online bidders via the LiveAuctioneers website.

Sold for

\$26,000

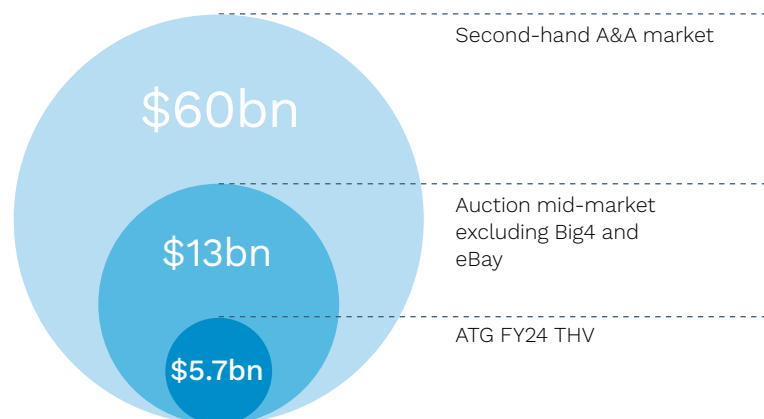


Our Market Opportunity

Our addressable market¹

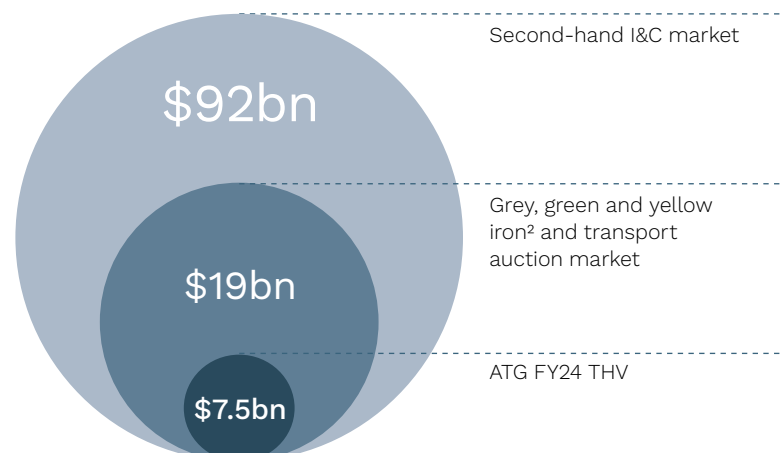
Arts & Antiques (“A&A”)

Addressable market
(US\$bn)



Industrial & Commercial (“I&C”)

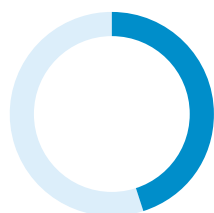
Addressable market
(US\$bn)



c.90% of the core auction market is **listed online**

c.50% of the core auction market is **transacted online**

ATG share



~45%

of mid-market A&A THV is listed on ATG

ATG share



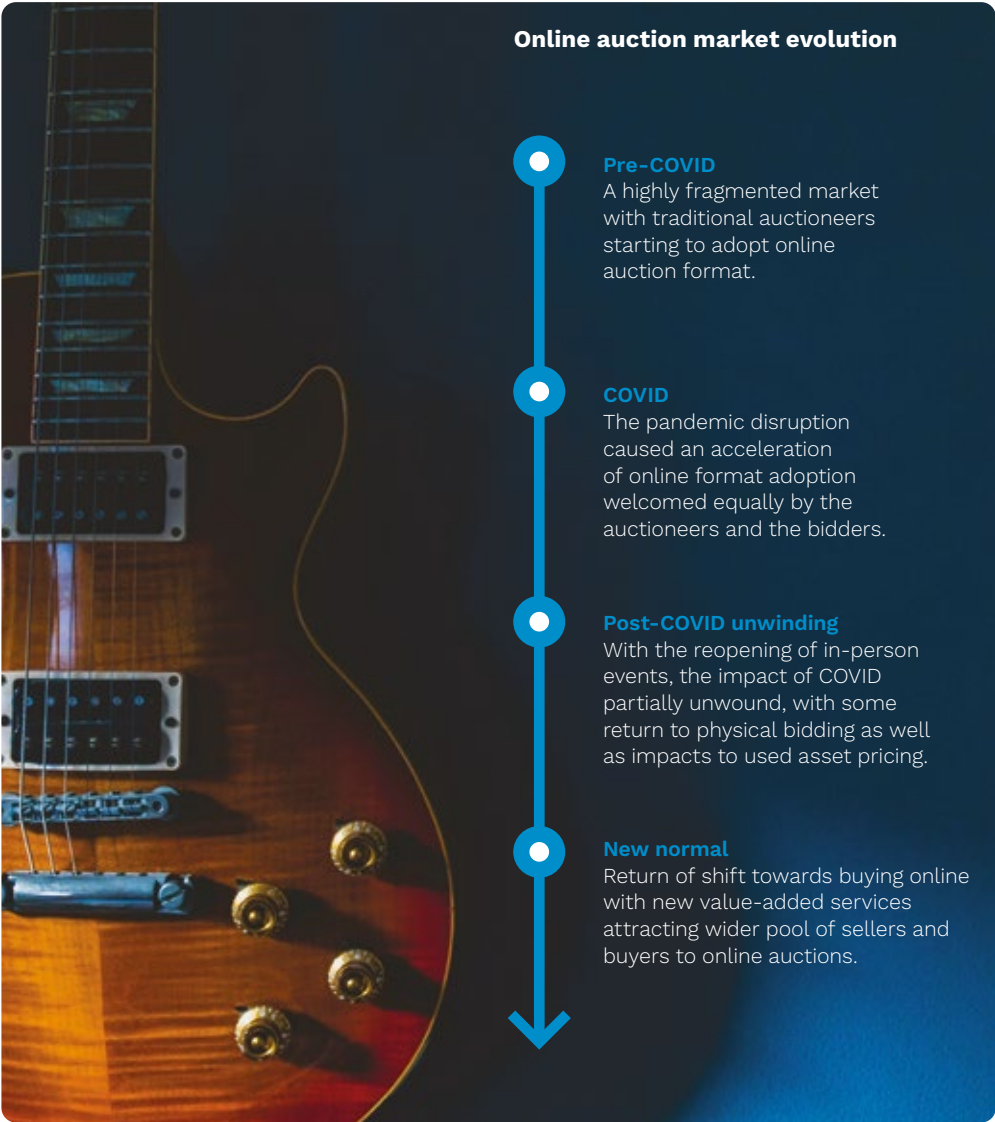
~40%

of mid-market I&C THV is listed on ATG

1. Management estimates April 24.

2. Grey, green and yellow iron refers to general industrial equipment, agricultural equipment and construction equipment

Our Market Opportunity continued



Our market position

ATG has a global presence, serving the I&C and A&A auction industry in North America, the UK and Europe. Our market is highly fragmented with multiple channels to market including via physical auctions, auctioneer white label sites, aggregator auction marketplaces or even “direct from seller” models. Whilst our competitors are investing to improve and broaden their proposition, the breadth of ATG’s bidder base with over 390m web sessions hosted in FY24, as well as the deep relationships with 3,900 auctioneers who use our platforms, provide a scale advantage in the online auction space. As an established and scaled marketplace, our cost to acquire new bidders is very low and our virtuous circle enables us to develop and improve our proposition at an increasing rate.



	atg AUCTION TECHNOLOGY GROUP	Other marketplaces	Large auctioneers	Small and mid-sized auctioneers
Global scale Multi-vertical, multi-geography				
Tech-enabled modern architecture				
Wide bidder reach				
End-to-end solution				
White label offering				
Best-in-class bidder experience				

Circles represent an estimate by ATG management of the capabilities offered by different auction channels with a fully shaded circle indicating full capabilities and an unshaded circle representing no capability.

Our Market Opportunity continued

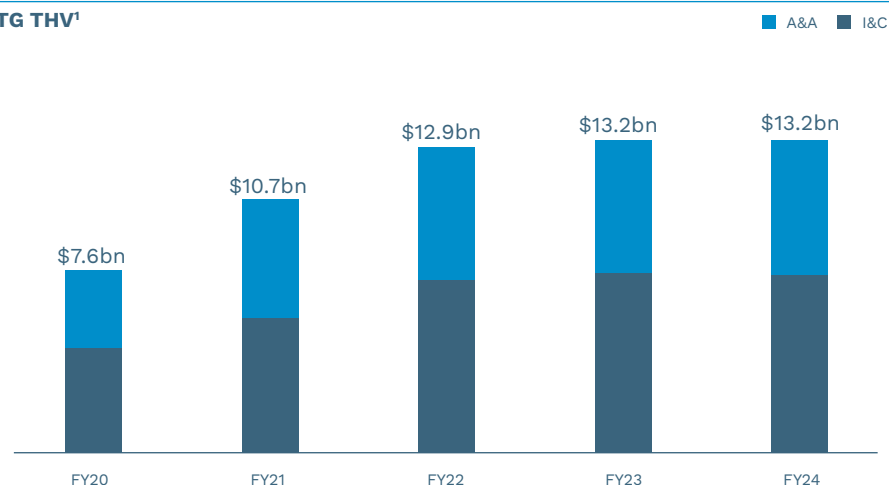
Trends in our market in FY24

Following the strong growth of our markets from FY20 to FY23, in FY24 there was several dampening effects which resulted in THV being broadly flat year-on-year at \$13.2bn. This was largely driven by headwinds from pricing in both markets and a negative mix impact due to fewer sales of higher priced items. In I&C, pricing trends were the result of the normalisation in asset prices following the temporary surge in the prices of second-hand industrial equipment in late FY22 and early FY23, where as in A&A, a slower consumer environment has dampened demand.

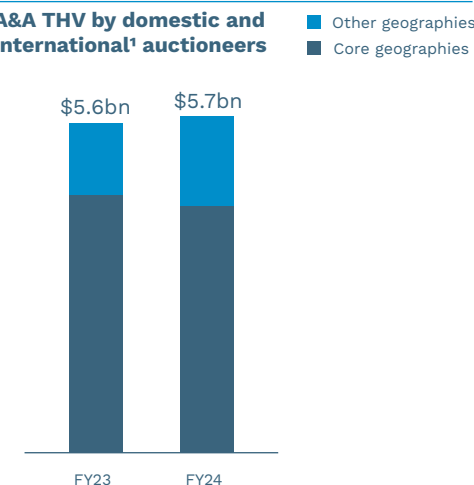
However, whilst prices have softened in both the A&A and I&C markets, volumes brought to our auctions have remained robust. Furthermore, the diversity in the range of assets we sell, as well as our relatively lower-priced points versus some parts of the auction market, provide us with resilience in more challenging market backdrops.

THV was also impacted by a shifting mix of assets listed on our marketplaces. This included an increase in A&A items that were listed from auctioneers located outside North America, the UK and Germany ("other"). For I&C, it also included a decrease in real estate auctions, which tend to be volatile in nature.

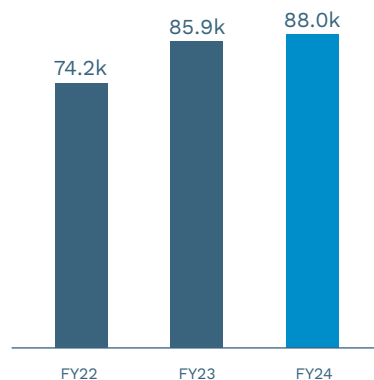
ATG THV¹



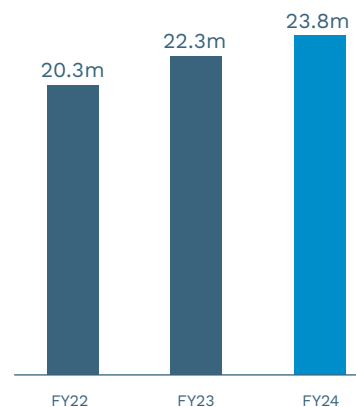
A&A THV by domestic and international¹ auctioneers



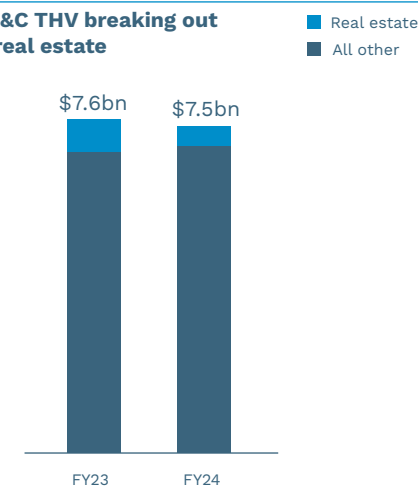
Auctions facilitated on ATG marketplaces



Lots listed on ATG marketplaces



I&C THV breaking out real estate



1. Refer to the Glossary for full definitions.

Our Market Opportunity continued

How is ATG addressing the market opportunity?

Key trend The rise in buying sustainably Drivers of the trend Buying a pre-loved item is always a sustainable choice compared with buying newly manufactured goods, with the antiques business being described as “the oldest recycling industry in the world.” A report by MPB and Retail Economics from August 2023 highlighted that 71% of consumers across the UK, North America, France and Germany bought or sold used goods in the past year with the re-commerce market forecast to increase by 80% over the next five years. The role we play Through our eight online marketplaces, we enable second-hand buyers to browse a wide range of unique secondary items. We run social media campaigns to highlight the benefits of buying sustainably, highlighting the “hidden treasures” on our sites. Through atgXL, we have connected two adjacent pools of secondary goods consumers enabling browsers of estate sale items to also browse and bid on unique items available for sale in the auction market. ATG also has the opportunity to win share from the segment of buyers who are currently via fixed-price listings, by making the online auction experience even easier and even more accessible. Stakeholder perspective Web sessions on ATG marketplaces has increased by over 40% since FY21. >40%	Key trend The shift to buying at online auctions Drivers of the trend Long-term growth of online auctions has been driven by the needs of both auctioneers and bidders. Auctioneers, along with their consigners, value the wider bidder reach, as well as the operational savings that come compared with hosting physical auctions. Bidders value the ease of research, including the discovery of a broader set of inventory and the increased price transparency, the time and cost savings versus travelling to in-person auctions (where, unlike other forms of commerce, they may not be successful in acquiring their chosen items if they underbid), even if the buying experience is not as easy as other e-commerce channels. The ultimate online penetration is likely to be very high, given in-person auctions are costly for auctioneers to staff, and also require bidders to invest substantial time with a low likelihood of successfully securing the item of interest. The role we play As the operator of leading auction marketplaces and auction services, ATG enables auctioneers to seamlessly host their auctions online. Our proprietary technology platform ensures security, reliability and stability for online auctions. We are continually investing to improve the online bidder experience and to remove the frictions in the buying and selling experience, including with atgShip and atgPay. Stakeholder perspective ATG estimates that 50% of all auctions are transacted online today. 50%	Key trend The growth in aggregator marketplaces Drivers of the trend The auctioneer landscape is fragmented and competitive. Auctioneers need to secure consignors on the basis that the auctioneer will efficiently secure the best price for the goods in question by reaching the widest relevant bidder audience as well as preventing items from selling well below “market price” due to a poor valuation. Auction marketplaces address these needs well, providing incremental bidders and enabling an auctioneer to demonstrate to a consigner that they are maximising potential sales. Whilst white label adoption is also increasing, individual auctioneers do not have the scale to offer a bidder experience equivalent to a marketplace – including lacking the frequency of auctions and number of lots – and hence find value in the marketplaces’ reach even when they have their own online auctions. Even the “Big 4” auctioneers in A&A, who have strong brand names, continue to use ATG marketplaces to reach a wider pool of bidders. The role we play With 4,000 auctioneers, over 390m bidding sessions and almost 24m lots listed in FY24, ATG operates leading auction marketplaces. Through atgXL we are starting to drive the network effect across our marketplaces, providing auctioneers with access to even more bidders in a seamless way. Whilst white label adoption has been increasing, auctioneers continue to use ATG’s marketplaces to list their assets in order to maximise bidder reach. ATG’s role in white label is also fundamental to securing further marketplace listings through the direct integration of an atg white label to ATG marketplace. Stakeholder perspective THV on ATG marketplaces has increased by >20% since FY21. >20%
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Our Business Model

The drivers that set our business apart

Scale ATG has a critical mass of buyers and sellers that gives significant scale advantages and enables it to drive a network effect. We partner with 3,900 auctioneers who listed almost 24m lots in FY24. Attracted by the largest choice of inventory, we hosted over 390m bidding sessions across all our marketplaces and sites in FY24. The scale of bidders and auctioneers creates a virtuous cycle on our marketplaces.

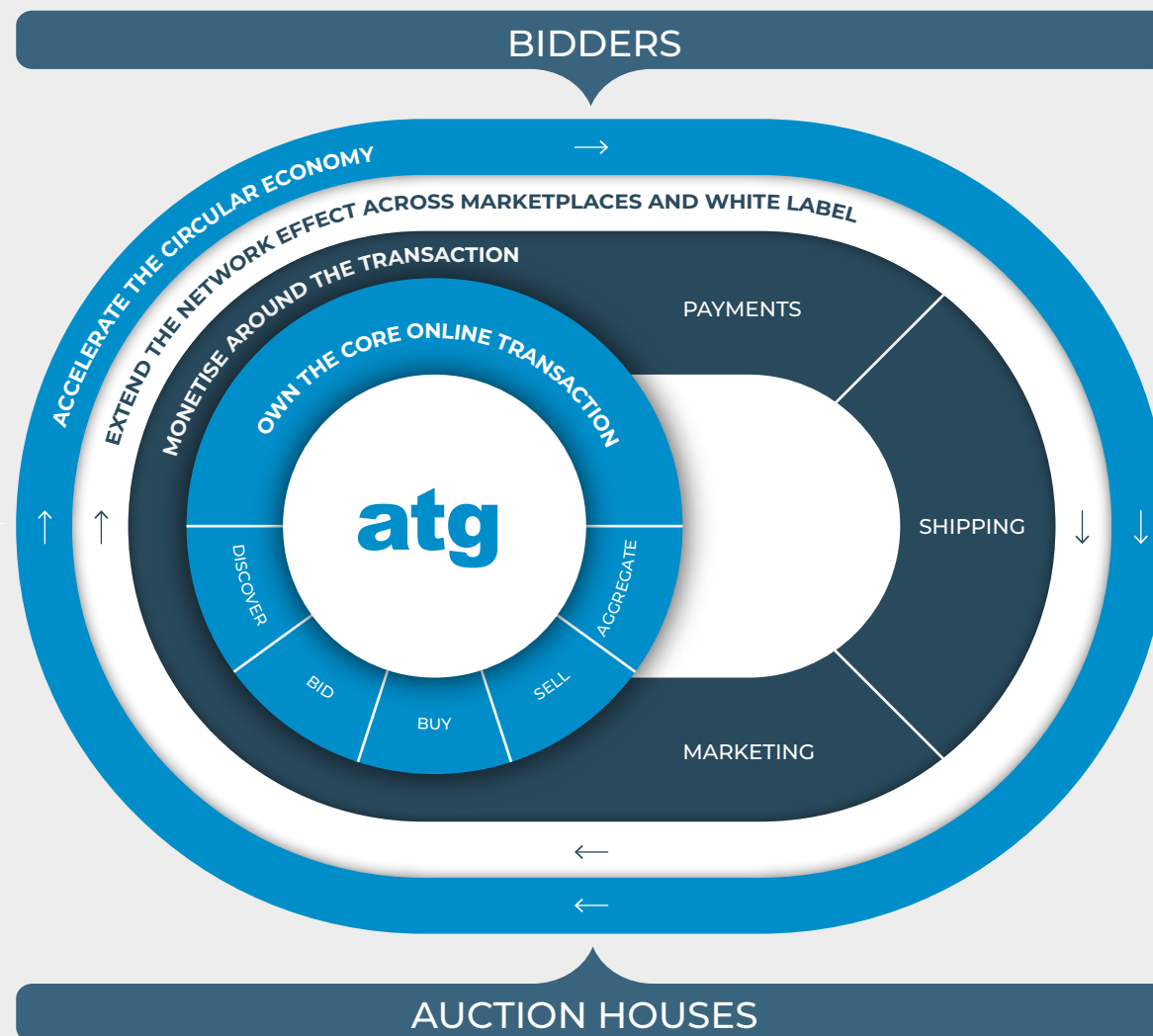
Shared success model For over 50 years, ATG has worked in partnership with the auction industry, with our own ambitions aligned to those of our auctioneer partners. Our deep customer relationships, as evidenced by our consistently high retention rates, generate loyalty and ensure sustainability of our business model.

Technology and innovation Our proprietary auction technology enables auctioneers to efficiently access the online market. We invest to offer auctioneers and bidders unique and differentiated products. As a platform, we can increase the volume of transactions through our marketplaces at minimal additional cost.

Brands Each of our marketplaces and listing sites are leading brands in their respective vertical and geography. Continued growth of our direct and organic customer channels speaks to the strength of our brand, which minimises the need to invest in paid customer acquisition. ATG's strong reputation provides buyers with a high degree of trust when buying second-hand.

Sustainability Sustainability is at the heart of our business model as we facilitate a channel of green commerce.

How we create value



Our Business Model continued

Our markets



Arts & Antiques (“A&A”)

Read more page 16



Industrial & Commercial (“I&C”)

Read more page 16

The value we create for stakeholders

Read more page 43

	For our customers: auctioneers We give access to technology they could not afford to build themselves, we reduce costs by improving their efficiency as they move increasingly online, and most importantly, we help them achieve the highest asset sale prices by maximising bidders on their items.	56%	% of bids placed on auctions hosted on our marketplaces that originated from ATG (FY23: 56%)
	For our consumers: bidders We provide an unparalleled selection of unique and specialised items, convenience to browse across hundreds of auctions through a single interface and registration, and unparalleled trust when buying a used item due to the curation of every item by experts.	7m	Lots sold (FY23: 7m)
	For our shareholders We invest to drive long-term sustainable revenue, cash flow and earnings growth.	\$174.2m \$80.0m	Revenue (FY23: \$165.9m) Adjusted EBITDA (FY23 \$78.4m)
	For our people We continue to evolve our culture to ensure that our people can be at their best and have the opportunity to develop a rewarding career at ATG.	67%	Engagement score (FY23: 76%)
	For our suppliers and partners We work collaboratively with our suppliers, creating shared opportunities and ensuring fair and transparent terms and conditions.		
	For the environment We provide a channel of green commerce by facilitating the sale of used goods whilst also minimising our own environmental impact.	>2m	Tonnes of carbon saved from popular 15 items vs carbon impact of buying new (FY23: <3m). The decrease was largely driven by lower sales of gemstone rings

Six Strategic Growth Drivers

Strategic Vision

Our three horizons

ATG's vision is to transform the auction industry. This vision is underpinned by three investment horizons. In FY24, we continued to make good progress in our second investment horizon, "End-to-End experience", where we are raising the standard of buying online at auction to retail eCommerce standards, removing the frictions that are present when buying and selling at auctions online.

Our strategic drivers

Our strategic vision is enabled by execution against each of our six strategic drivers.



Extend the total addressable market



Grow ATG's conversion rate



Enhance the network effect



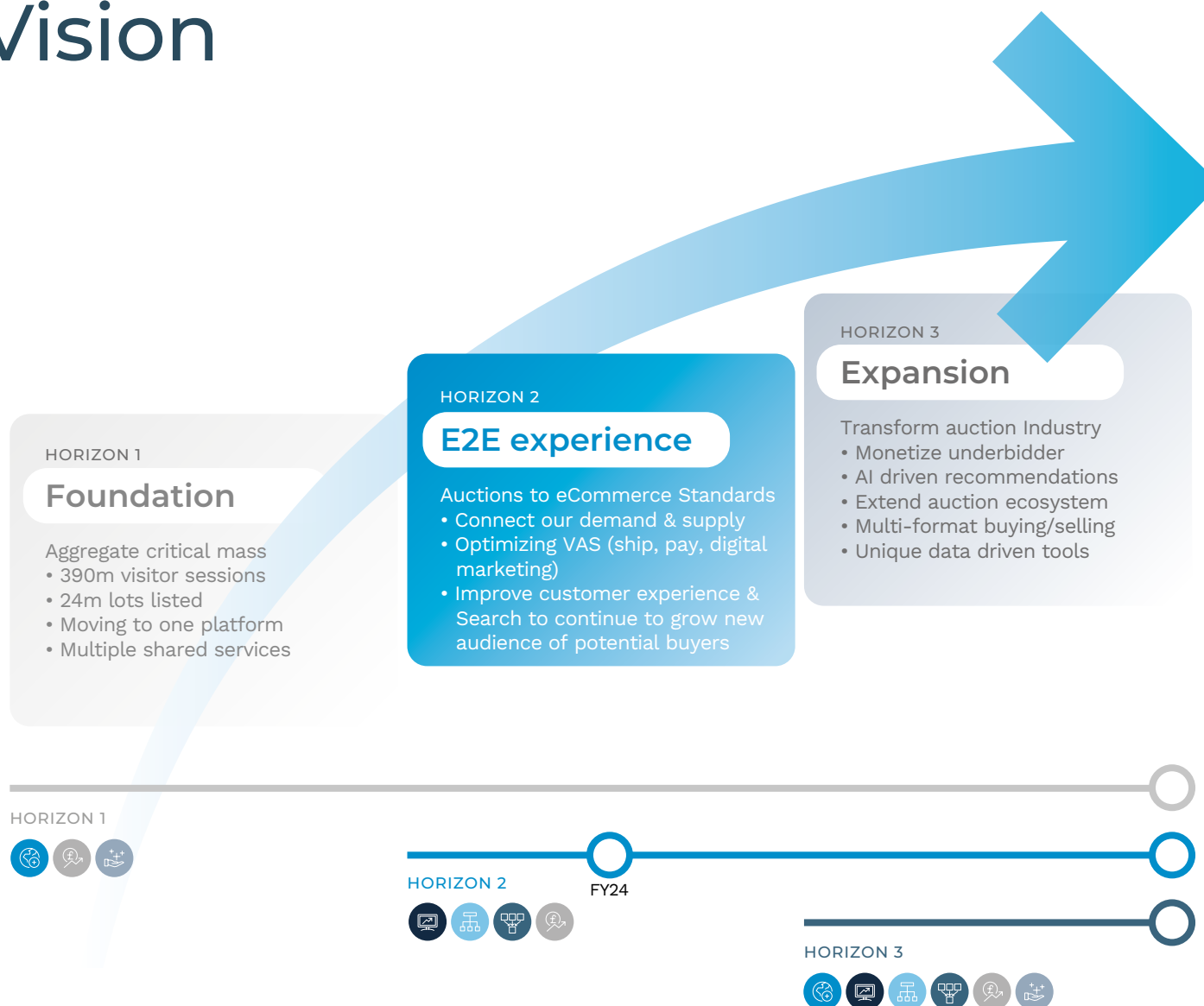
Grow take rate via value-added services



Expand operational leverage



Pursue accretive M&A



Six Strategic Growth Drivers continued



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 grow beyond this, we can expand into new verticals and channels within the secondary goods market.

Relevant KPIs

- Revenue
- THV

Associated risks

1, 2, 3, 4, 5, 6 and 9
as further detailed on page 37

Our progress in FY24

- THV was flat year-on-year at \$13.2bn partly impacted by asset prices in both sectors with the number of auctions increasing 2% year-on-year to 88,000 and the number of lots listed growing 7% to 23.8m.
- Auctioneer retention remained very high with auctioneers on ATG stable at 3,900.
- Roll out of cross-listing between ESN and ATG's complementary, yet largely distinct, buyer bases.
- Roll out of atgShip and atgPay as ATG monetised more of the auction transaction.

Our opportunities for FY25 and beyond

- Improve the user experience, including through atgPay and atgShip, to attract a wider pool of buyers to the online auction channel.
- Actively target new auction houses, verticals and assets to list on our marketplaces.
- Continue to drive cross-buying across ATG's marketplaces and our affiliate network.



Case study New business development on our I&C marketplaces

ATG continues to actively grow its base of auctioneers who use our marketplaces. It remains a technology provider of choice with auctioneers attracted to ATG's large global bidder base as well as its unique suite of integrated products and services.

In FY24, Proxibid and Bidspotter added over \$350m in new THV, with a 12% increase in revenue year-on-year from new auctioneers. Many of these new customers took up multiple services from ATG, including atgXL atgAMP and atg white label, with some auctioneers returning to Proxibid having tried to go alone, but citing an inability to maintain good prices without the marketplace exposure.

Six Strategic Growth Drivers continued



Grow ATG's conversion rate

ATG's conversion rate is a function of how often it provides the winning bidder. On the auctioneer side, we are incentivising auctioneers to switch to the timed auction format, where ATG has a 100% conversion rate, through rolling out atgXL. On the bidder side, we are enhancing the end-to-end user experience to drive bidder acquisition, engagement and conversion.

Relevant KPIs

- Revenue
- Conversion rate

Associated risks

1, 2, 3, 4, 5, 6 and 9 as further detailed on page 37

Our progress in FY24

- Conversion rate decreased 4ppt to 27% impacted by mix of assets listed on our marketplaces, including a higher percentage of assets in A&A from auctioneers located outside North America and Europe and a decrease in real estate on I&C, and the impact of the Proxibid rate card changes in FY23.
- Development and roll out of atgXL and our integrated white label solution.
- Updated pricing structure on LiveAuctioneers and thesaleroom to incentivise the adoption of timed auctions.

Our opportunities for FY25 and beyond

- Actively encourage adoption of ATG white label and atgXL, and make it even simpler for auctioneers to use atgXL.
- Provide price and product incentives to shift to timed auctions.
- Continue to grow the adoption of value-added services.
- Invest to make it even easier to bid on our marketplaces and grow the percentage of lots on ATG sites that are bid on.



Case study Growing the adoption of timed auctions

ATG is investing in differentiated products and services that meet both auctioneers' and bidders' demands. For auctioneers, this includes the ability to access the largest possible number of bidders as easily as possible, whilst also protecting their own brand. In FY24, we launched our integrated white label solution, which enables an auctioneer to seamlessly run timed auctions across an atg white label and an ATG marketplace. As an integrated solution, an auctioneer can save up to 66% of their time by only uploading their auction catalogue once, whilst also saving an auctioneer

money by not needing additional live clerks to manage a live auction, with automatic updates to auctions appearing across all sites. Within the I&C segment of Proxibid, we currently have over a 20% penetration in GMV terms for our white label solution. As one auctioneer commented: "We found significant cost savings in the Timed format vs Live and due to the multi-marketplace exposure and competitive bidding environment between BidSpotter and Proxibid, we found our asset prices to be really strong."

Six Strategic Growth Drivers continued



Enhance the network effect

By enabling auctioneers to cross-list on multiple ATG marketplaces, an atg white label and more recently affiliate partner sites, auction houses can access an even wider pool of bidders. Meanwhile, bidders can easily browse a wider range of curated used items. More inventory that attracts more bidders further enhances ATG's flywheel and enables us to cost effectively acquire even more inventory and bidders without incurring additional cost.

Relevant KPIs

- THV
- Conversion rate
- GMV
- Revenue

Associated risks

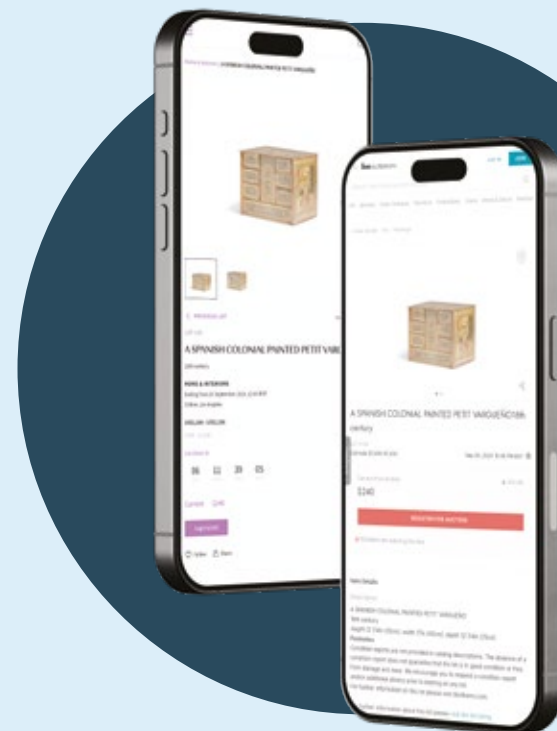
1, 2, 3, 4, 5, 6 and 9 as further detailed on page 37

Our progress in FY24

- Successful roll out of atgXL, enabling cross-listing of timed auctions across marketplaces and white label.
- Successful launch of cross-listing between ESN and LiveAuctioneers.
- Launch of ATG Partner Network, with four additional sites available for auctioneers to cross-list on.

Our opportunities for FY25 and beyond

- Continue to drive adoption of atgXL across marketplaces and atg white label.
- Develop cross-listing solution for live auctions.



Case study atgXL across marketplaces

In FY24, ATG made great progress to drive differentiated value from our network of marketplaces through the roll out of atgXL and the ATG Partner Network. atgXL enables an auctioneer to have a single upload of inventory to an ATG marketplace or atg white label and then to expose that inventory across other ATG marketplaces whilst managing bids and the auction in a single place.

The ATG Partner Network allows an auctioneer to reach further bidders across our four partner sites. Cross-listing also provides bidders with access to more choice, without needing to hunt across various sites.

Whilst the programmes are early in their roll out, we have been pleased with the initial results.

Six Strategic Growth Drivers continued



Grow take rate via value-added services

Value-added services allows ATG to increase monetization of every transaction without creating additional cost for auctioneers or bidders. We displace alternative service providers and provide a more integrated buying and selling experience. ATG has developed a wide suite of services that both simplify the auctioneer operations and also improve the buyer experience. Services include atgAMP, digital marketing solutions for auctioneers, atgPAY, an integrated payments solution, and atgShip, an integrated delivery solution.

Relevant KPIs

- Revenue
- Take rate

Associated risks

1, 2, 3, 4, 5, 6 and 9
as further detailed on page 37

Our progress in FY24

- Take rate increased by 0.6ppt to 4.2%, excluding ESN.
- Growth in adoption and revenue generation across all three value-added services.

Our opportunities for FY25 and beyond

- Continue to grow the adoption of atgAMP, atgPay for LiveAuctioneers and Proxibid and atgShip for LiveAuctioneers.
- Develop atgPay and atgShip for other ATG marketplaces.



Case study

Roll out atgShip on LiveAuctioneers

In FY24, the Group take rate increased 0.6ppt to 4.2%, largely driven by value-added services where revenue grew 35% and which now account for 24% of total revenue.

Alongside the growth of atgAMP and atgPAY, in the year we rolled out atgShip, our new integrated shipping solution on LiveAuctioneers. Bidders frequently cite listed integrated shipping as the best thing that LiveAuctioneers could do to improve the experience for them. We are pleased to have been able to respond and to see the positive results in its first year of launch, with over 10% of North American listed items now eligible for shipping. We are also encouraged by the favourable bidder dynamics, with auctions featuring atgShip seeing a 9% increase in bidding activity and 5% GMV uplift on average, demonstrating the enhanced bidder experience.



Expand operational leverage

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

Relevant KPIs

- Adjusted EBITDA
- Adjusted diluted EPS
- Adjusted free cash flow conversion

Associated risks

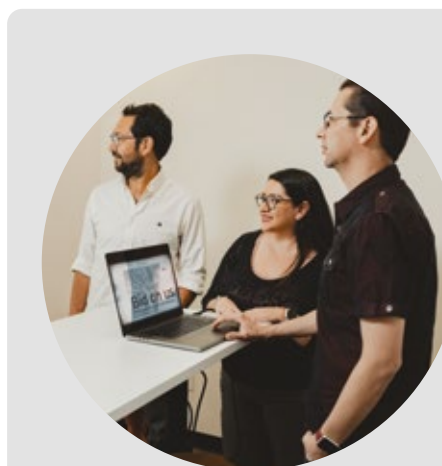
All risks as further detailed on page 37

Our progress in FY24

- Established a cost-efficient technology hub in Mexico.
- Invested in and progressed with consolidation of Proxibid into GAP technology platform.
- Reorganised product and marketing teams under new leadership.

Our opportunities for FY25 and beyond

- Continue to consolidate Proxibid technology stack into GAP technology stack to provide agility and flexibility.



Case study

Establishing our Mexico tech hub

Resourcing our technology and engineering teams in a cost-effective way is a critical determinant of the pace at which ATG can execute against its vision and extend its position as a market leader. With a view to retaining operating leverage in the future, in January 24 we opened a tech hub in Mexico, where we have recruited high-quality engineers at a cost that allows us to add capacity more quickly and cost effectively. The teams work collaboratively with our other North America and UK teams and have been working across all areas of our technology stack and product lines.

Six Strategic Growth Drivers continued



Pursue accretive M&A

M&A has and continues to offer ATG a way to accelerate our entry into key verticals, to improve the return on investment on our core marketplace and value-added services investments. In addition, it enhances the value we provide to both sellers and buyers on our marketplaces by extending their reach and the inventory we enable them to access.

Relevant KPIs

- Revenue
- Adjusted EBITDA
- Adjusted diluted EPS
- Adjusted free cash flow
- THV
- GMV

Associated risks

1, 2, 3, 4, 5, 6 and 9
as further detailed on page 37

Our progress in FY24

- Successful integration of ESN into ATG.
- ESN delivered strong revenue growth in first full year as part of ATG.
- Enabled cross-listing between ESN and ATG's complementary buyer bases.

Our opportunities for FY25 and beyond

- Remain active in looking for acquisition opportunities that add to our footprint and/or increase value across our network.
- Continue to drive revenue synergies between ESN and other ATG marketplaces.



Case study ESN

In FY24, ESN delivered a strong year of performance, growing revenues by 24% and executing against its strategic initiatives to update pricing models, roll out marketing products and initiate cross-listing with other ATG marketplaces.

The strong revenue growth at ESN has further demonstrated ATG's strong track record in finding and integrating value-accretive acquisitions that add to our scale.

The acquisition has also accelerated our network effect, as we enabled LiveAuctioneers auctioneers to cross-list on to ESN. 49% of auctions on LiveAuctioneers were cross-listed on ESN in the second half of FY24, with buyers originating from ESN driving on average a 9% uplift on the auctions in which they participated. The success of this initiative highlights that consumers ready to buy at auction are not only just those who are traditionally bidding, but are also those coming from all sectors within the secondary goods market.

Key Performance Indicators

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

Financial KPIs

Revenue (\$m)	Adjusted EBITDA ¹ (\$m)	Adjusted free cash flow conversion ¹ (%)	Basic earnings/(loss) per share (c)	Adjusted diluted earnings per share ¹ (c)
\$174.2m	\$80.0m	82.0%	19.7c	38.6c
FY24 FY23 FY22 \$174.2m \$165.9m \$151.8m	FY24 FY23 FY22 \$80.0m \$78.4m \$68.7m	FY24 FY23 FY22 82.0% 78.0% 92.5%	FY24 FY23 FY22 19.7c 16.8c (4.6)c	FY24 FY23 FY22 38.6c 39.8c 37.8c
Why we use this measure Revenue is used to measure the Group's overall growth and trading performance.	Why we use this measure Adjusted EBITDA is the measure used to assess the operating performance of the Group.	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.	Why we use this measure Basic earnings/(loss) per share represents the earnings/loss for the year attributable to ordinary shareholders.	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 Revenue increased 5% vs FY23 primarily driven by growth in value-added services and revenue growth at ESN.	Performance Adjusted EBITDA increased 2% as revenue growth offset a 1ppt decrease in the adjusted EBITDA margin. Adjusted EBITDA margin was impacted by decline in commission revenue.	Performance The Group generated \$65.8m of adjusted free cash flow¹ in FY24 (FY23: \$61.1m). The increase in conversion reflects the increase in cash generated from operations.	Performance Basic earnings per share of 19.7c compared to 16.8c in FY23, benefiting from higher operating profit, partially offset by a lower income tax credit.	Performance Adjusted diluted earnings per share of 38.6c decreased from 39.8c in FY23 as the increase in adjusted EBITDA was offset by a higher effective adjusted tax rate.
Principal risks 1, 2, 3, 4, 5, 6, 7, 8 & 9	Principal risks 1, 2, 3, 4, 5, 6, 7, 8 & 9	Principal risks 1, 2, 3, 4, 5, 6, 7, 8 & 9	Principal risks 1, 2, 3, 4, 5, 6, 7, 8 & 9	Principal risks 1, 2, 3, 4, 5, 6, 7, 8 & 9
Link to remuneration Yes – see pages 110 to 125 of the Directors' Remuneration Report for further details.	Link to remuneration Yes – see pages 110 to 125 of the Directors' Remuneration Report for further details.	Link to remuneration No	Link to remuneration No	Link to remuneration Yes – see pages 110 to 125 of the Directors' Remuneration Report for further details
Link to strategic growth driver 	Link to strategic growth driver 	Link to strategic growth driver 	Link to strategic growth driver 	Link to strategic growth driver 

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

Operating KPIs

Total hammer value (“THV”)¹
(\$bn)

\$13.2bn



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 of \$13.2bn was flat year-on-year as volume growth was offset by a lower mix of high value items in the A&A sector, the normalisation of used asset prices in the I&C sector, as well as the impact from the rotated volume in the prior year.

Principal risks

1, 2, 3, 4, 5, 6, 7, 8 & 9

Link to remuneration

No

Link to strategic growth driver



Conversion rate¹
(%)

27%



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 4ppt year-on-year, impacted by the mix of assets sold on the marketplaces including the growth A&A items from auctioneers outside North America, UK and Germany, as well as changes to the pricing structure on the Proxibid marketplace.

Principal risks

1, 2, 3, 4, 5, 6, 7, 8 & 9

Link to remuneration

No

Link to strategic growth driver



Gross merchandise value (“GMV”)¹
(\$bn)

\$3.6bn



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 declined by 11% impacted by the softening in conversion rates, primarily in the I&C sector.

Principal risks

1, 2, 3, 4, 5, 6, 7, 8 & 9

Link to remuneration

No

Link to strategic growth driver



Take rate¹
(%)

4.2%



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 0.6ppt to 4.2%, largely driven by the growth in value-added services.

Principal risks

1, 2, 3, 4, 5, 6, 7, 8 & 9

Link to remuneration

No

Link to strategic growth driver



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

Chief Financial Officer’s Review



Tom Hargreaves
 Chief Financial Officer

Group presentation of results

The financial results for FY24 are presented for the year ended 30 September 2024. The Group has changed its presentational currency from pound sterling to US dollars for FY24 and future financial periods. The FY23 comparatives have been re-presented in US dollars. Note 1 of the Consolidated Financial Statements provides further details on the change in presentation currency.

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 FY24 and FY23 from the date of the acquisition. 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 FY23 and FY24 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 FY24 and FY23.

Revenue	FY23: \$165.9m
\$174.2m	
Adjusted EBITDA ¹	FY23: \$78.4m
\$80.0m	
Profit before tax	FY23: \$8.6m
\$18.4m	
Adjusted diluted earnings per share ¹	FY23: 39.8c
38.6c	
Basic earnings per share	FY23: 16.8c
19.7c	
Adjusted free cash flow ¹	FY23: \$61.1m
\$65.8m	

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.

Group

Group revenue increased 5% year-on-year to \$174.2m, driven by growth in marketplace revenue and the acquisition of ESN. On an organic basis², revenue grew 2% including organic marketplace revenue growth of 3%. driven by the growth in value-added services revenue which offset a 6% reduction in commission revenue primarily impacted by a 11% decrease in GMV. In the second half, organic marketplace revenue growth improved to 4% largely due to the improvement in the trend of GMV which was down 4%. Marketplace revenue growth was partially offset by declines in both Auction Services and Content of 18% and 5% respectively.

Arts & Antiques

Revenue in the A&A segment grew 12% to \$90.3m including the ESN acquisition, and grew 6% on an organic basis. Organic revenue growth was predominantly driven by the strong growth of all value-added services in A&A including atgAMP, atgPay and atgShip, with a resultant 1.2ppt increase in the take rate to 9.8%. GMV across A&A declined 6%, impacted by a softer market environment, particularly for higher value items. The overall conversion rate in A&A was down 1ppt at 14%. The A&A conversion rate for our core geographies, which generate the vast majority of A&A revenues, was stable year-on-year. Thus the decline was driven by a dilutive impact from an increase in the listings of auctioneers from other geographies who typically have a significantly lower conversion rate. ESN delivered strong growth, up 24% year-on-year, largely driven by an updated pricing structure and the growth of marketing revenue.

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 FY24 and FY23, 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

Industrial & Commercial

I&C revenue increased 1% on a reported basis and was flat year-on-year on an organic basis at \$71.8m. I&C commission revenue fell by 7%, impacted by a 12% decline in I&C GMV, or a 5% decline when excluding the impact of the rotated volume which had high service requirements but minimal revenue contribution. I&C THV was negatively impacted by the normalisation of asset prices in some used asset categories, although showed momentum in the second half as asset prices stabilised with THV positive in the second half. Whilst the headline conversion rate in I&C fell 4ppt to 38%, this was impacted by asset category mix, including a decline in real estate which tends to be lumpy and is largely via timed auctions, although has a minimal commission rate, as well by the Proxibid rate card standardisation which had a reducing impact over the course of the year. GMV growth was also positive in the second half when excluding low commission rate real estate, as a result of improved end markets as well as stabilisation in the conversion rate due to early positive signs from strategic initiatives to drive GMV such as the roll out of atgXL and the adoption of atg white label. The continued growth in value-added services also provided support to I&C revenue contributing to a 0.3ppt increase in the take rate to 2.5%.

Auction Services

Auction Services revenue of \$8.4m declined 18% on a reported basis. Our strategic decision to focus on our marketplace integrated cross-listing product, resulted in both the cessation of new customer additions to our stand-alone (no presence on our marketplaces) product as well as the churn of a limited number of international customers in auction services who do not use our marketplaces, with both sets of customers being small auctioneers who are low margin for ATG and have a low lifetime value. Larger auctioneers, who have bespoke white label solutions whilst also using our marketplaces and account for

the majority of revenue, remain in auction services. We expect this impact to be significantly lower in future years. We aim for ATG to increasingly become the preferred provider for white label solutions to our marketplace customers, through our atgXL product, with revenue generated from cross-listed auctions to be recognised in marketplace revenue.

Content

Content revenue declined 3% to \$3.7m, as expected, impacted by the historic gradual decline in print advertising.

Operating profit

The Group reported an operating profit of \$32.4m compared to \$27.6m in the prior year, driven by the increase in gross profit and broadly flat administrative expenses year-on-year.

Gross profit increased 4% to \$117.2m, driven by the 5% increase in revenue, partially offset by a 1ppt decrease in the gross margin to 67%, driven by the decline in high margin commission revenue. Administrative expenses decreased by \$0.9m to \$84.8m, benefiting from a lower share-based payment expense of \$6.0m (FY23: \$8.6m) due to changes in the Senior Management Team as well due to the financial performance of the Group, in addition to a decrease in exceptional costs year-of-year to \$1.1m (FY23: \$3.3m) primarily relating to final costs from the ESN acquisition. Administrative expenses also include the amortisation on acquired intangible assets of \$28.1m (FY23: \$27.0m). Excluding the impact of these costs, administrative expenses increased \$2.8m reflecting full-year cost contribution from the ESN acquisition versus seven months in the prior year, an increase in the level of expected credit losses in the period (particularly from Auction Services), and investments in the business to support future growth such as the establishment of a tech hub in Mexico. This increase in costs was partially offset by lower performance-related pay year-on-year.

Revenue

	FY24 \$m	FY23 \$m	Movement reported	Movement organic ²
Arts & Antiques ("A&A")	90.3	80.5	12%	6%
Industrial & Commercial ("I&C")	71.8	71.4	1%	0%
Total marketplace	162.1	151.9	7%	3%
Auction Services	8.4	10.2	(18)%	(18)%
Content	3.7	3.8	(3)%	(5)%
Total	174.2	165.9	5%	2%

Financial performance

	FY24 \$m	FY23 \$m	Movement
Revenue	174.2	165.9	5%
Cost of sales	(57.0)	(53.3)	7%
Gross profit	117.2	112.6	4%
Administrative expenses	(84.8)	(85.7)	(1)%
Other operating income	–	0.7	(100)%
Operating profit	32.4	27.6	17%
Adjusted EBITDA (as defined in note 3)	80.0	78.4	2%
Finance income	0.3	0.2	50%
Finance cost	(14.3)	(19.2)	(26)%
Net finance costs	(14.0)	(19.0)	(26)%
Profit before tax	18.4	8.6	114%
Income tax credit	5.8	11.9	(51)%
Profit for the period attributable to the equity holders of the Company	24.2	20.5	18%

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 \$78.4m to \$80.0m year-on-year, driven by revenue growth. The adjusted EBITDA margin decreased by 1ppt to 46% impacted by the changing mix of revenue with the decline in high margin commission revenue. As expected, the adjusted EBITDA margin improved significantly in the second half, driven by the phasing of costs in the year and an improving trend in commission revenue.

Net finance costs

Net finance costs were \$14.0m compared to \$19.0m in FY23. Costs include the impact of a \$0.5m non-cash foreign exchange loss versus a \$5.0m loss in FY23 related to intergroup balances. Excluding this impact, finance costs decreased to \$13.8m (FY23: \$14.2m), benefiting from a lower average loan balance over the year offsetting a higher average interest rate of 8%, which is based on the Secured Overnight Financing Rate ("SOFR"). In the year, the Group repaid \$27.7m on the Senior Term Facility. As a result, the total loan balance decreased from \$148.6m to \$121.5m as at 30 September 2024.

Other finance costs of \$1.3m (FY23: \$1.2m) include commitment fees and loan origination amortisation on our Senior Term Facility, movement in the deferred consideration as well as interest on lease liabilities. Finance income of \$0.3m primarily relates to interest income in the year (FY23: \$0.2m). In FY25, we would expect interest costs to be lower reflecting a lower interest rate as a result of both forward interest rate expectations and a planned debt refinance in FY25, as well as reflecting a lower average loan balance.

Profit before tax

After the impact of lower net finance costs year-on-year, the Group reported a profit before tax of \$18.4m (FY23: \$8.6m).

Taxation

The Group's statutory tax credit of \$5.8m (FY23: \$11.9m) with an effective tax rate credit of 32% (FY23: credit of 137%) includes unrealised foreign exchange differences and non-deductible foreign exchange differences on intra-group loan balances of \$11.5m (FY23: \$11.9m). The intra-group loan which gave rise to the foreign exchange differences has been redenominated at the end of FY24, and therefore there are not expected to be significant deferred tax movements in the tax charge going forward. The tax charge, excluding these permanent differences, is \$5.7m (FY23: \$nil). Other reconciling items included non-deductible share-based payment expense and adjustments in respect of prior years and tax rates. In FY23 other reconciling items also included allowable deductions on exercise of share associated with the LiveAuctioneers acquisition.

The tax rate on adjusted earnings of 19%, which includes the benefit of deductible goodwill, increased from 16% in the prior year, reflecting the increase in the UK corporate tax rate. The Group expects the tax rate on adjusted earnings to remain at 19% in FY25 subject to no further changes in tax rates in our key jurisdictions.

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 per share and adjusted earnings per share

Basic and diluted earnings per share were 19.7c and 19.5c respectively compared to 16.8c and 16.7c respectively in FY23, benefiting from the increase in profit before tax. The weighted average number of shares during the year was 122.7m (FY23: 122.2m), with the increase due to the impact of vested equity incentive awards.

Adjusted diluted earnings per share was 38.6c compared to 39.8c in FY23 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 decrease versus FY23 is driven by the higher effective tax rate of 19% versus 16% in FY23 reflecting the increased tax rate in the UK, which offsets the increase in adjusted earnings largely due to higher adjusted EBITDA. The weighted average number of ordinary shares and dilutive options in the year was 123.8m (FY23: 123.1m).

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

Foreign currency impact

Although the Group has changed its presentational currency to US dollars, the Group's reported performance is sensitive to movements in both the pound sterling and the euro against the US dollar with a mix of revenues included in the table below.

The tax for the period was significantly impacted by movements in foreign currency exchange rates, resulting in a reduction in the tax charge of \$11.5m. The weakening of the US dollar against pound sterling has given rise to a gain of \$1.0m on assets held and \$13.0m on the external dollar loan. A net loss of \$14.0m has been recognised in the foreign currency reserve.

	FY24 \$m	FY23 \$m
United Kingdom	25.3	24.1
North America	143.3	137.0
Germany	5.6	4.8
Total	174.2	165.9

The average FY24 exchange rate of US dollar against pound sterling weakened by 3.3% and by 1.9% against the euro compared to FY23, as shown in the table below, resulting in a small positive impact on our Group revenue.

	Average rate			Closing rate		
	FY24	FY23	Movement	FY24	FY23	Movement
Pound sterling	1.27	1.23	3.3%	1.34	1.22	9.8%
Euro	1.09	1.07	1.9%	1.12	1.06	5.7%

Chief Financial Officer's Review continued



Adjusted net debt/adjusted EBITDA

1.4x

Adjusted free cash flow conversion

82%

Statement of financial position

Overall net assets at 30 September 2024 have increased by \$41.3m to \$687.8m since 30 September 2023. Total assets decreased by \$20.7m, driven by a \$3.7m cash outflow related to the prepayment of our Senior Term Facility, a net reduction in intangible assets of \$25.5m (including additions of \$10.8m and amortisation charge of \$39.0m) and an \$11.4m increase in goodwill due to foreign exchange movements. The Group's goodwill and intangibles were tested for impairment at 30 September 2024 and no impairment was recognised. Refer to note 12 for further details.

Total liabilities decreased by \$62.0m, primarily due to a reduction in loans and borrowings of \$27.1m, a decrease in deferred tax liabilities of \$15.0m, which is largely driven by the movement on the unrealised foreign exchange differences and the unwind of the capitalised acquisition intangible assets and the \$18.9m reduction in trade and other payables including the \$12.0m payment of deferred consideration and bonus for ESN.

Cash flow and adjusted net debt

The Group generated \$71.6m cash from operations, a small increase from the prior year (FY23: \$70.7m). Expenditure on additions to internally generated software was \$10.8m (FY23: \$10.8m) primarily relating to investments in new products such as atgXL, atgPay and atgShip, as well as investment to consolidate our technology platforms. Spend was in line with the guidance we provided at the start of FY24. Excluding the impact from exceptional and other items, working capital was an outflow of \$3.0m (FY23: outflow of \$5.8m) and primarily relates to performance related pay accruals and the timing of trade activity. In the year, the Group paid \$10.0m in deferred consideration and \$2.0m in retention bonuses related to the ESN acquisition.

Reconciliation of cash generated from operations to adjusted free cash flow

	FY24 \$m	FY23 \$m
Cash generated from operations	71.6	70.7
Adjustments for:		
Exceptional items	1.0	3.3
Working capital from exceptional and other items	4.4	(1.4)
Additions to internally generated software	(10.8)	(10.8)
Additions to property, plant and equipment	(0.4)	(0.5)
Payments for right of use assets	–	(0.2)
Adjusted free cash flow	65.8	61.1
Adjusted free cash flow conversion	82%	78%

Reconciliation of adjusted EBITDA to adjusted free cash flow

	FY24 \$m	FY23 \$m
Adjusted EBITDA	80.0	78.4
Movement in working capital	(7.4)	(4.4)
Add back: working capital from exceptional and other items	4.4	(1.4)
Adjusted cash from operations	77.0	72.6
Additions to internally generated software	(10.8)	(10.8)
Additions to property, plant and equipment	(0.4)	(0.5)
Payments for right of use assets	–	(0.2)
Adjusted free cash flow	65.8	61.1
Adjusted free cash flow conversion	82%	78%

Chief Financial Officer's Review continued

Adjusted net debt as at 30 September 2024 was \$114.7m, a decrease from \$141.2m as at 30 September 2023 due to strong operating cash generation. The Group had cash and cash equivalents excluding restricted cash of \$6.8m and borrowings of \$121.5m as at 30 September 2024 (30 September 2023: cash and cash equivalents excluding restricted cash of \$7.4m and borrowings of \$148.6m).

Restricted cash reduced by \$3.0m due to the payment of restricted cash from the employee benefit trust as highlighted in the FY23 Annual Report and Accounts. The Group repaid \$27.7m of its Senior Term Facility during the year and the drawdown on the Revolving Credit Facility to fund the ESN payments was fully repaid in the second half. The adjusted net debt/adjusted EBITDA ratio was 1.4x as at 30 September 2024 versus 1.8x as at 30 September 2023.

The Group's adjusted free cash flow was \$65.8m (FY23: \$61.1m), a conversion rate of 82% (FY23: 78%). The increase in the conversion rate reflects higher cash generated from operations.

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 FY24 or FY23.

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

The Directors are required to assess going concern at each reporting period. The Directors have undertaken the going concern assessment for the Group for the period to 31 December 2025. The Directors have assessed the Group's prospects, both as a going concern and its longer-term viability as set out on pages 41 and 42. After considering the current financial projections, the bank facilities available and then applying severe but plausible sensitivities, the Directors of the Company are satisfied that the Group has sufficient resources for its operational needs and will remain in compliance with the financial covenants in its bank facilities until at least 31 December 2025. For this reason, the Directors continue to adopt the going concern basis in preparing the Consolidated Financial Statements for the year ended 30 September 2024. The process and key judgements in coming to this conclusion are set out below:

Liquidity

The Group entered into the Senior Facilities Agreement on 17 June 2021 which included the Senior Term Facility for \$204.0m for the acquisition of LiveAuctioneers. The Senior Term Facility was drawn down in full on 30 September 2021 prior to completion of the acquisition of LiveAuctioneers on 1 October 2021. The loan is due to be fully repaid by 17 June 2026. In the absence of any other prepayments, the next scheduled repayment would be \$6.1m on 31 March 2025. At 30 September 2024 the loan balance outstanding was \$122.6m and was subject to interest at a margin of 2.75% over US SOFR.

In addition, the Group has a multi-currency revolving credit working capital facility (the "RCF") for \$49.0m. Any sums outstanding under the RCF will be due for repayment on 17 June 2026. On 13 February 2024, \$9.5m was drawn down to partly fund the payment of deferred consideration and retention bonuses relating to the acquisition of ESN (see note 11), and has been repaid in full.

The Directors are in the early stages of renegotiations on the financing arrangements for the Group in advance of the current facilities expiring in June 2026. The Directors assume that the Group will continue to have funding throughout the going concern period and the three-year viability period (as discussed on page 41) on the basis that the Group will either renew the facility or have sufficient time to agree an alternative source of finance on comparable terms. As at 30 September 2024 the Group has adjusted net debt of \$114.7m and is in a net current liability position which includes the current Senior Term Facility of \$23.0m.

Covenants

The Group is subject to covenant tests on the Senior Term Facility, with the most sensitive covenant being the net leverage ratio covenant (adjusted net debt: trailing 12-month adjusted EBITDA). The net leverage ratio covenant was 2.75x at 30 September 2024. Under the base case forecasts and each of the downside scenarios, including the combined downside scenario, the Group is forecast to be in compliance with the covenants and have cash headroom, without applying mitigating actions which could be implemented such as reducing capital expenditure spend. At 30 September 2024, the net leverage ratio was 1.4x compared to the limit of 2.75x and therefore the Group was comfortably within the covenant.

Scenario planning

The Directors have undertaken the going concern assessment for the Group, taking into consideration the Group's business model, strategy, and principal and emerging risks. As part of the going concern review the Directors have reviewed the Group's forecasts and projections, and assessed the headroom on the Group's facilities and the banking covenants. This has been considered under a base case and several plausible but severe downside scenarios, taking into consideration the Group's principal risks and uncertainties. These scenarios include:

- significant reduction in marketplace revenue due to an 8% reduction in THV versus the base case
- significant reduction in marketplace revenue due to conversion rate decline of 6% versus the base case; and,
- 50% lower revenue growth from value-added services across the Group versus the base case.

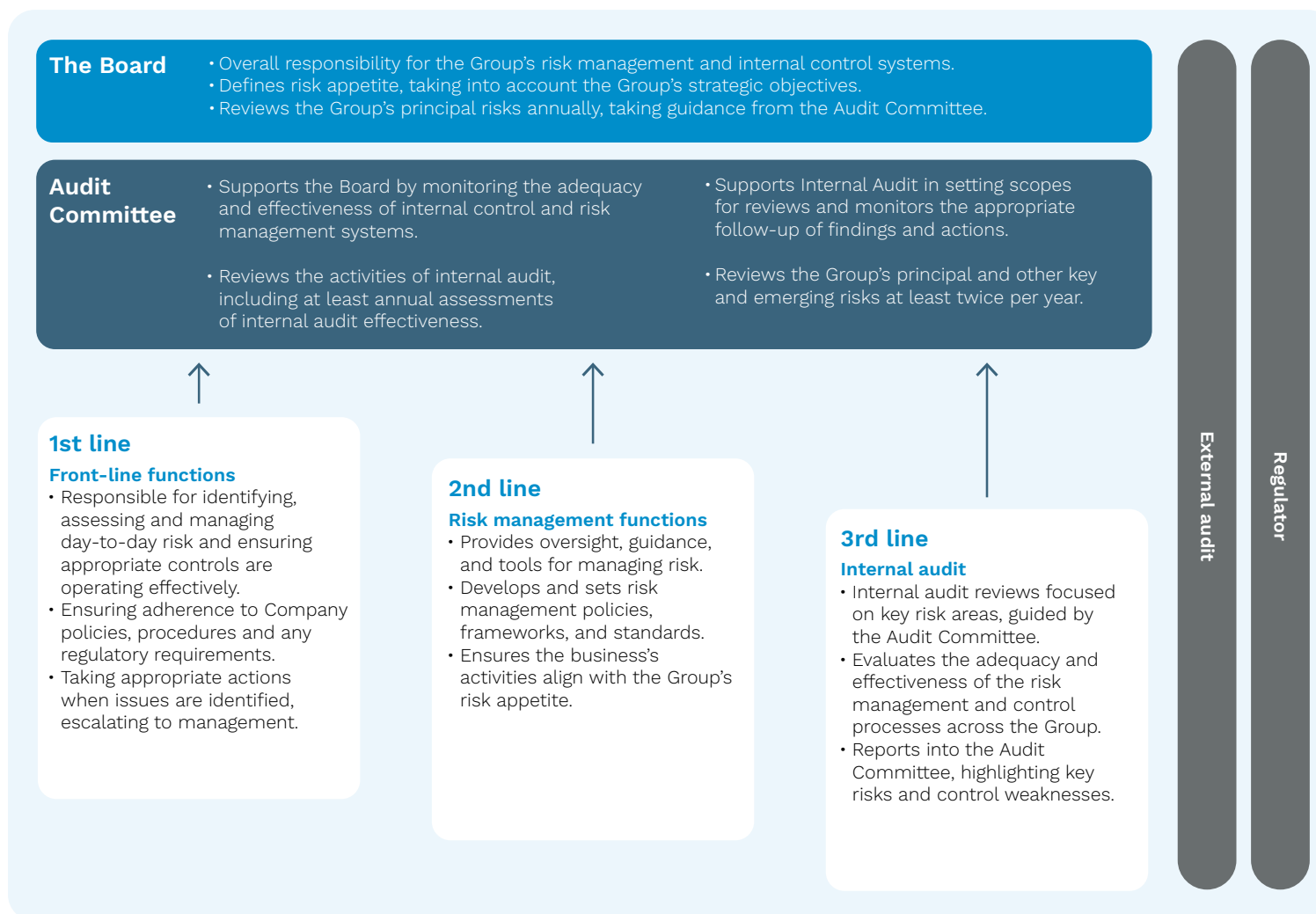
None of these scenarios individually, or in the combined scenario, which reduces adjusted EBITDA by \$21m, threaten the Group's ability to continue as a going concern. Even in the combined downside scenario modelled (the combination of all downside scenarios occurring at once) the Group would be able to operate within the level of its current available debt facilities and covenants. Accordingly, the Directors continue to adopt the going concern basis in preparing the Consolidated Financial Statements for the year ended 30 September 2024.

Tom Hargreaves

Chief Financial Officer
26 November 2024

Risk Management

At ATG, we implement a strong risk management strategy to ensure sustainable business growth, the achievement of our goals, and to deliver value to our customers, shareholders, and other stakeholders.



Risk management approach

The Board has overall responsibility for deciding the nature and level of risks the Group is prepared to take to achieve its strategic objectives. The Board is also responsible for establishing and maintaining effective risk management and internal control frameworks, while the Audit Committee independently monitors the effectiveness of these frameworks.

The Group's risk management process ensures appropriate controls are in place to manage risks across the Group, while also allowing innovation and ensuring growth and development. Risk management practices are integrated into business activities in a balanced way, fostering a culture that is aware of risks and capable of identifying and responding to both risks and opportunities.

Risk management is managed on an ongoing basis by the Group Head of Risk and Internal Audit, reporting into the Audit Committee four times per year.

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

Risk Management continued

Risk management process

Our approach to risk management follows a five-step process. The Group Head of Risk and Internal Audit leads the Group's approach to the identification, assessment, management and subsequent monitoring, reporting and review of any material risks that threaten the Group's strategic and business objectives. Updates are reported to the Audit Committee on an ongoing basis, ensuring the Group's standards are met.

1 Setting the risk appetite

The Board recognises the need for informed risk-taking in order to deliver sustainable and profitable business growth. We have defined risk appetite levels in the Group's strategic risk register, which helps us make more informed decisions by consistently targeting priority areas across our risk landscape.

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.

All levels of the Group's management structure are continuously horizon scanning for potential risks.

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 the Group's Leadership Team.

If the residual level of risk after mitigation remains above our risk appetite, then further mitigating actions are implemented.

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, including emerging risks identified during the year, 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.

The following pages summarise our principal risks, including updates during FY24 and what we're doing to mitigate.

New and emerging risks

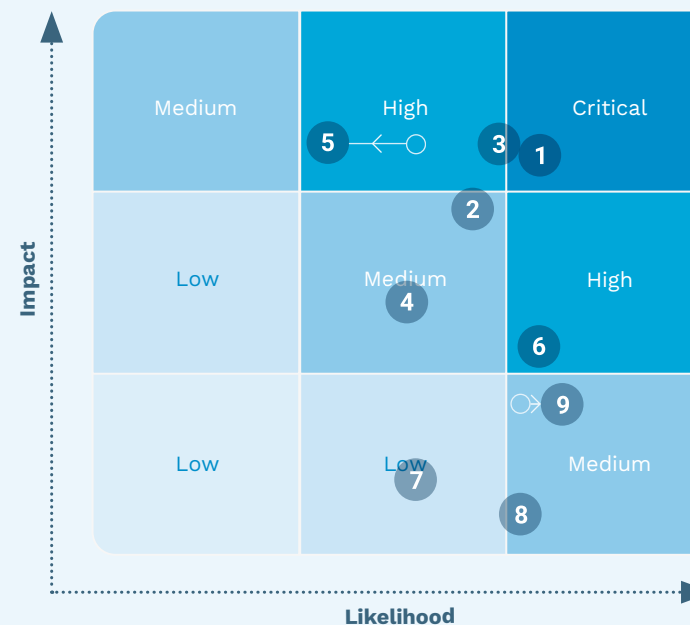
Other than the Group's principal risks, the Board also considers new and emerging risks as part of an ongoing risk assessment process. The Board consistently evaluates both external and internal business landscapes to identify and understand emerging, evolving, or escalating risks and issues. This is achieved through operational risk assessments and various horizon scanning initiatives. This proactive approach allows us to strategically plan and operate, mitigating potential threats effectively.

Climate-related risks

This year, the Sustainability and ESG Committee, along with the Audit Committee, have reviewed emerging risks, including those related to climate and environmental reporting, with findings reported 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 page 61. On this basis, the Board has concluded there is no principal risk for the Group in respect of climate change.

Risk assessment matrix



Our risk assessment matrix prior to mitigating actions:

- 1 IT infrastructure – stability and business continuity of auction platforms
- 2 Product – 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

Strategic growth drivers

- 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

Trend key

- Heightened risk
- No change
- Reduced risk

Principal Risks and Uncertainties continued

Risk overview

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

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 continued to progress towards establishing a single technology platform for all marketplaces, thereby improving efficiency, simplifying support, and reducing complexity while allowing greater resiliency across the infrastructure.

IT infrastructure modernisation has advanced across several marketplaces, including the deployment of Kubernetes containerisation.

The Group's formal Disaster Recovery ("DR") plans have been updated for ongoing changes due to atgXL, system consolidation, and infrastructure modernisation.

Mitigating actions/controls

The cross-functional team responsible for managing cloud operations and engineering across all marketplaces has now matured to the level where it can enforce standards to enhance system stability and boost technology delivery efficiency.

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

Additionally, we have a dedicated team that has modernised the Group's monitoring and alerting framework, incorporating real user monitoring features to gain insights into our customers' experiences within the marketplaces.

Risk info

Risk owner Chief Technology Officer

Strategic growth drivers



Trend

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2. Product – inability to keep pace with innovation and changes

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.

We have appointed a new Chief Product Officer in FY24 to lead our innovation of new products.

This year atgPay and atgShip have seen further growth, contributing to value-added services now accounting for 24% of total revenue. 31% of auction events were supported by atgAMP in FY24.

FY24 has seen the roll out of atgXL, our unique cross-listing product. atgXL enables an auctioneer to have a single upload of inventory to our system, to then push that inventory to multiple ATG marketplaces as well as to an ATG white label.

We also now have a unified data warehouse providing a single comprehensive view of all our data, thereby enabling us to improve analytics and support more efficient decision-making, including through the application of AI.

Our proprietary auction technology enables auctioneers to efficiently access the online market. We invest to offer auctioneers and bidders unique and differentiated products.

The Chief Product Officer is key to developing the Group's value-added services. They also oversee the dedicated product team which is 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

Strategic growth drivers



Trend

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3. Cyber threat and data security

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.

This year we had an external review of the Group's cyber security practices, including an assessment against the National Institute of Standards and Technology ("NIST") cybersecurity framework. Results of this assessment were reported to the Audit Committee. We have subsequently updated our existing policies and processes to align to the NIST cybersecurity framework.

Major segments of our marketplaces have been migrated to container-based systems and a programme of feature consolidation has begun to streamline operations and reduce complexity.

There have been no reportable data breaches or security incidents in the year.

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 reviewed each month.

We have a Group-wide IT security policy based on the ISO 27001 standard and NIST cybersecurity framework, 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

Strategic growth drivers



Trend

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Principal Risks and Uncertainties continued

Risk overview

4. Competition

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 was stable at 3,900 as we welcomed new auctioneers and maintained a robust auctioneer retention rate.

We now work with three of the "Big 4" auctioneers, across a combination of the use of our marketplaces, x-listing and use of our white label services. This, highlights the continued attractiveness of our bidder reach, even for large global auctioneers.

We have continued to benefit from the acquisition of ESN in FY23, further expanding our addressable market in the North America estate sales market. Since acquisition, ESN has attracted even more estate sellers, with almost 5,000 active sellers on the platform as at the end of September 2024.

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 info

Risk owner Chief Executive Officer

Strategic growth drivers



Trend

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

The Group has previously 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.

No new business acquisitions were made in FY24.

In February 2023, we completed the acquisition of ESN. In February 2024 we paid \$12.0m related to the deferred consideration of \$10.0m and retention bonus of \$2.0m for the ESN acquisition.

Integration of ESN into the Group has continued to progress well. In FY24 the business has performed ahead of the acquisition plan with strong revenue growth, up 24% year-on-year.

We began cross-listing between LiveAuctioneers and ESN with early results demonstrating positive GMV uplift. This supports the cross-listing thesis and highlights the opportunity to further drive the network effect between ESN and ATG's other complementary buyer bases.

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

Strategic growth drivers



Trend

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6. Attracting and retaining skills/capabilities and succession planning

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.

In FY24 we launched several new initiatives to drive employee development through providing the right environment to employees to grow their career.

We built a careers hub, a one-stop shop for careers-related content such as access to training through the ATG Academy and useful resources and toolkits to empower employees to have meaningful career conversations with their managers.

We have launched 13 new ATG Academy courses which we consider most topical and relevant to ATG, such as Using AI in the workplace, as well as a learning series dedicated to career development and enabling managers to lead with confidence with a series of learning dedicated to management development.

We also launched a new performance module on our Global HRIS system, streamlining the performance review process and introducing an employee recognition tool.

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 72 and Nomination Committee report on page 102.

Risk owner Chief People Officer

Strategic growth drivers



Trend

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Principal Risks and Uncertainties continued

Risk overview

Changes in the year

Mitigating actions/controls

Risk info

7. Regulatory compliance

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.

There continue to be further regulatory requirements and focus placed on listed businesses. In FY24 the Group continues to report on climate-related issues in line with the Task Force on Climate-related Financial Disclosures framework, this year meeting all requirements of the 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.

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

Strategic growth drivers 

Trend —

8. Governance and internal control

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.

In response to the updated UK Corporate Governance Code, the Group Head of Risk and Internal Audit is mapping the Group's key risks to material controls, following the Three Lines of Defence model.

A Finance Transformation Consultant has been taken on to support the re-development of the financial controls framework and support the consolidation of finance systems across the Group.

Internal audit has issued five reports in the year, including reviews over financial processes, finance system IT controls, and business continuity & disaster recovery processes.

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

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 81 to 89.

Risk owner Chief Executive Officer
Chief Financial Officer

Strategic growth drivers 

Trend —

9. Economic and geo-political uncertainty

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

The after-effects of the COVID-19 pandemic have largely diminished, and the impact of the conflicts in Ukraine and the Middle East on the Group remain minimal.

FY24 has seen weaker end markets, however we have successfully mitigated some of the impact on GMV by implementing key initiatives that further diversify our revenue mix and introduce new income streams.

To better prepare for external uncertainties, we have expanded our revenue streams, with value-added services now contributing 24% of Group revenue.

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-added 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 increases due to the need for liquidity, including through business insolvencies.

Risk owner Chief Executive Officer
Chief Financial Officer

Strategic growth drivers      

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 22 to 27 and the Group's principal risks are described on pages 37 to 40.

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 2024. 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 current financing includes the following:

- a \$204.0m Senior Term Facility. The Senior Term Facility was drawn in full immediately prior to the 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. This was undrawn at 30 September 2024.

The Directors are in the early stages of renegotiations on the financing arrangements for the Group in advance of the current facilities expiring in June 2026. The viability assessment undertaken assumes that the Group will continue to have funding throughout the viability period on the basis that the Group will either renew the facility or have sufficient time to agree an alternative source of finance on comparable terms.

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 2027. 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 37 to 40 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 continued

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 2027.

Downside scenario	Associated principal risks	Description
Significant reduction in marketplace 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 9% versus the base case over the three-year period.
Significant reduction in marketplace 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 growth is reduced by 50% versus the base case on less mature revenue streams in FY25 and FY26 due to delays in the roll out, in addition to a 25% reduction in FY26 on the more mature revenue streams.



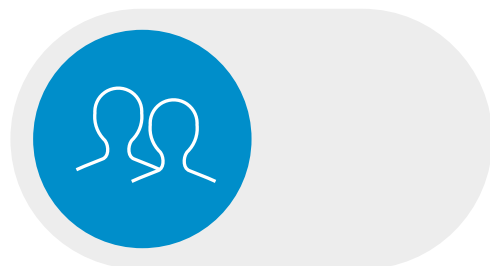
Stakeholder Engagement and Section 172 Statement



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

The principal stakeholders identified by the Board are set out in the Business Model section of the Strategic Report on pages 20 to 21. During FY24 we identified priority stakeholder groups and engaged with them. The following pages include a summary of those priority stakeholders and 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.

Stakeholder Engagement and Section 172 Statement continued



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.

What is important to them

- Providing a diverse, equitable and inclusive workplace.
- Strong workplace culture and values.
- Opportunities to develop.
- Fair reward, recognition and incentive structure.
- Long-term sustainable success.
- Work/life balance.

Link to strategic growth drivers



Engagement

- We conducted an annual employee engagement survey as well as a pulse survey in FY24. The surveys were 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.
- We regularly bring together all our people across all our locations at our "All Hands" sessions so that our Senior Management Team can bring everyone up to speed with our latest projects, the progress towards our strategy and our recent business performance.
- Tamsin Todd, the Board's designated Director for workforce engagement, conducted formal engagement sessions with representatives of the Group's employees twice during the year. Key themes included professional development to ensure employees had opportunities to develop and developing efficient ways of working to improve work/ life balance. Outputs from the sessions were reported to the Board, with following actions delegated to Board Committees, the CEO and Senior Management Team. Tamsin Todd also held regular meetings with the Chief People Officer to monitor progress on implementing actions arising from the engagement sessions.

Further details on our engagement with our people can be found in Our people and community on pages 72 to 75.

Board engagement and consideration in decision-making

- The results of the FY24 employee engagement and pulse surveys were presented to the Board along with progress made against our People strategy. Outcomes from the surveys included several new initiatives to drive employee development through providing the right environment for employees to grow their career including a new careers hub. The Board welcomed continued strong participation and improving engagement rate in the latest pulse survey.
- The Board regularly discussed the integration of EstateSales.NET employees following the acquisition in FY23.



Stakeholder Engagement and Section 172 Statement continued



Customers (Auctioneers)

We pursue a true “shared success” business model, whereby we grow if our auctioneer 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.

What is important to them

- Access to a global pool of online bidders.
- Stability and reliability of platforms.
- Improvements in auction house operating efficiency.
- The ability to cross-list by running timed auctions across ATG marketplaces and an atg white label.
- Marketing solutions and analytical tools.
- Integrated payments and shipping solutions.

Link to strategic growth drivers



Engagement

- We spend as much time as possible engaging with, and learning from, our customers. We also undertake targeted research to better understand specific issues. The CEO hosted direct calls with a number of auctioneers to get direct feedback on ATG and our services.
- 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.
- 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.

Board engagement and consideration in decision-making

- The Board regularly challenges management on products and services for auctioneers including the roll out of atgPay, atgShip, atgXL and atgAMP.
- During FY24, members of the Senior Management Team responsible for atgPay, atgShip, atgXL and atgAMP 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 these services.
- 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 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.



Stakeholder Engagement and Section 172 Statement continued



Consumers (Bidders)

We want bidders to be satisfied with their bidding experience. Positive bidder experience drives consumer acquisition.

What is important to them

- A convenient, trusted way to discover a wide range of specialised and unique curated items.
- A memorable, easy and enjoyable experience.
- A secure, reliable and robust user experience.
- Greater access to a wide range of unique secondary goods.

Link to strategic growth drivers

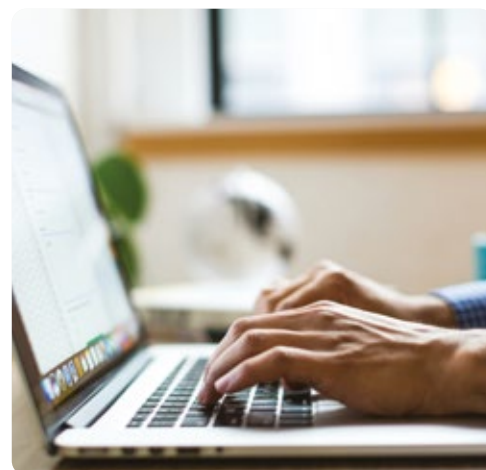


Engagement

- We receive bidder feedback for new marketing initiatives and product feature requests.
- Targeted research is conducted to better understand specific issues.
- Email support is available on all marketplaces and live chat is available on the majority.

Board engagement and consideration in decision-making

- The Board has supported the investment into improving the bidder experience, including through providing strategic input into the roll out of atgPay, the design and implementation of atgShip and the launch of atgXL.
- 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.



Suppliers and partners

Strong and sustainable relationships are critical to the Group's success.

What is important to them

- 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.

Link to strategic growth drivers



Engagement

- We 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.

Board engagement and consideration in decision-making

- 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, such as 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.
- 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.

Stakeholder Engagement and Section 172 Statement continued



Environment and the community

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.

What is important to them

- 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 climate.

Link to strategic growth drivers



Engagement

- The ESG Working Committee continued to work as a forum 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.
- 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 \$8.0m (FY23: \$5.0m) 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 North America.
- Employees participated in community events including employees at our Lehi office donating time to the Utah food bank.

Board engagement and consideration in decision-making

- The Board and the Sustainability and ESG Committee reviewed, approved or endorsed outcomes, including the approval of our near-term science-based emissions reduction targets by the Science Based Targets initiative ("SBTi") and our Net Zero targets.
- The Remuneration Committee has agreed to continue the ESG performance metric within the Executive Directors' incentive plan for FY25.

Further details on our engagement with the community and environment can be found in our Sustainability Report from page 50.



Stakeholder Engagement and Section 172 Statement continued



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.

What is important to them

- 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.
- Diversity in the Board and Senior Management Team.

Link to strategic growth drivers



Engagement

- A comprehensive investor engagement programme was run by the Director of Investor Relations including regular Executive Director meetings via calls, conferences and roadshows. The Chair and Senior Independent Director also held meetings with major and prospective shareholders, including after the change in the Chair position during the year.
- Over 350 investor and analyst meetings were hosted in FY24.
- Investors and analysts were invited to physically and virtually attend our results announcements, which included a dedicated question and answer section. All investor announcements are available on our website.
- The frequency of reporting was increased during the year with additional scheduled trading updates.
- The Group engaged with investors during the year for feedback on APMs.
- All Directors attended the AGM and were available to speak to shareholders in person. Over 92% of our issued share capital was voted at the AGM in January 2024, with the majority of resolutions receiving over 95% support.
- We continue to work closely with TA Associates, a major shareholder. The formalities of this relationship are detailed in the Relationship Agreement on page 129.

Board engagement and consideration in decision-making

- 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.
- The Board received ad hoc updates including on analyst research, estimate changes, market news and share price movements.
- Following direct engagement with investors, the Chair and Senior Independent Director provided updates on investors' priorities to the Board, including on the pace of our investment.
- The Board oversaw the execution against our capital allocation priorities, including investment to support organic growth opportunities and the reduction in our debt position.
- The Board reviews and approves material communications to investors, such as results announcements.



Stakeholder Engagement and Section 172 Statement continued

Section 172 (1) Statement

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. Details of the Company's key stakeholders, what's important to them and how we have engaged are set out on pages 43 to 48 above.

The Board considers its duties under Section 172 (1) (a) to (f) 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 Board acknowledges that not every decision made will necessarily result in a positive outcome for all of our stakeholders. However, by considering the Group's purpose and values together with its strategic priorities, the Board aims to make sure its decisions are consistent. 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.

Set out below are examples of how the Directors had regard to the matters set out in Section 172 (1) (a) to (f) when discharging their Section 172 duty, and the effect on our stakeholders.

	Key decisions taken	Stakeholders considered
Consolidation of internal systems	During the reporting period, the Board was presented with a number of decisions and recommendations as to whether to consolidate key internal systems and instances across different entities in the Group, including Finance, HR and Account Management. Up until that point, the instances had not been integrated which created multiple platforms and data sources, manual workarounds and duplicate licensing. The proposals under consideration were to migrate to more efficient and fewer providers. The Board approved the proposals, enabling cost savings and operational efficiencies.	People Shareholders Customers Consumers
Consolidation of tech workforce	The Board was presented with the decision as to whether to establish a technology hub overseas. The Board discussed four options and having noted the availability of high-quality engineers at a cost that allowed the Company to add capacity more quickly and cost effectively, the Board approved the proposal to open a new international office in Guadalajara, Mexico. The office opened in January 2024.	People Shareholders Environment and the community Suppliers

In addition to the information detailed on pages 43 to 48, 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.

Responsibility	Report	Page
Consequences of decision-making	Chair's Statement Chief Executive Officer's Statement Six Strategic Growth Drivers Key Performance Indicators Chief Financial Officer's Review Principal Risks and Uncertainties Corporate Governance Report Audit Committee Report Remuneration Committee Report	08 10 23 28 30 37 81 93 107
Our employees	Chair's Statement Chief Executive Officer's Statement Business Model Principal Risks and Uncertainties Sustainability Report Corporate Governance Report Nomination Committee Report Remuneration Committee Report	08 10 20 37 50 81 102 107
Fostering of business relationships with suppliers, customers and others	Purpose Investment Case Chair's Statement Chief Executive Officer's Statement Business Model Six Strategic Growth Drivers Key Performance Indicators Sustainability Report	01 09 08 10 20 23 28 50
The Company's desirability to maintain a reputation for high standards	Purpose Chair's Statement Chief Executive Officer's Statement Sustainability Report Corporate Governance Report	01 08 10 50 81
The need to act fairly as between members of the Company	Chair's Statement Chief Executive Officer's Statement Business Model Stakeholder Engagement Report Corporate Governance Report Remuneration Committee Report	08 10 20 43 81 107

Sustainability Report

Sustainability is at the heart of our business

Richard Lewis

COO and Sustainability
and ESG Committee
Chair



Facilitating the circular economy is imperative for a sustainable future. We are committed to playing an important role to drive sustainability, with our online auction marketplaces providing an efficient channel of “re-commerce” for second-hand goods.

Introduction from the Chair of the Sustainability and ESG Committee

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. Our online auction marketplaces ensure that every year millions of pre-owned items are resold to new buyers, extending their lifetime value, preventing waste and omitting the need for the carbon-intensive manufacture of new items.

We are committed to operating as a responsible and a sustainable business and our shared success model ensures that our ambitions are aligned with those of our auctioneer partners. We have made good progress on our sustainability strategy in FY24, including against the key issues highlighted in our materiality assessment completed at the end of FY23. We are proud that our sustainability credentials have been recognised through ATG's inclusion in the FTSE4Good Index for a second year running as well as having our long-term target to be Net Zero by 2040 validated and approved by the Science Based Targets initiative (“SBTi”).



Sustainability Report continued

Governance of ESG and sustainability

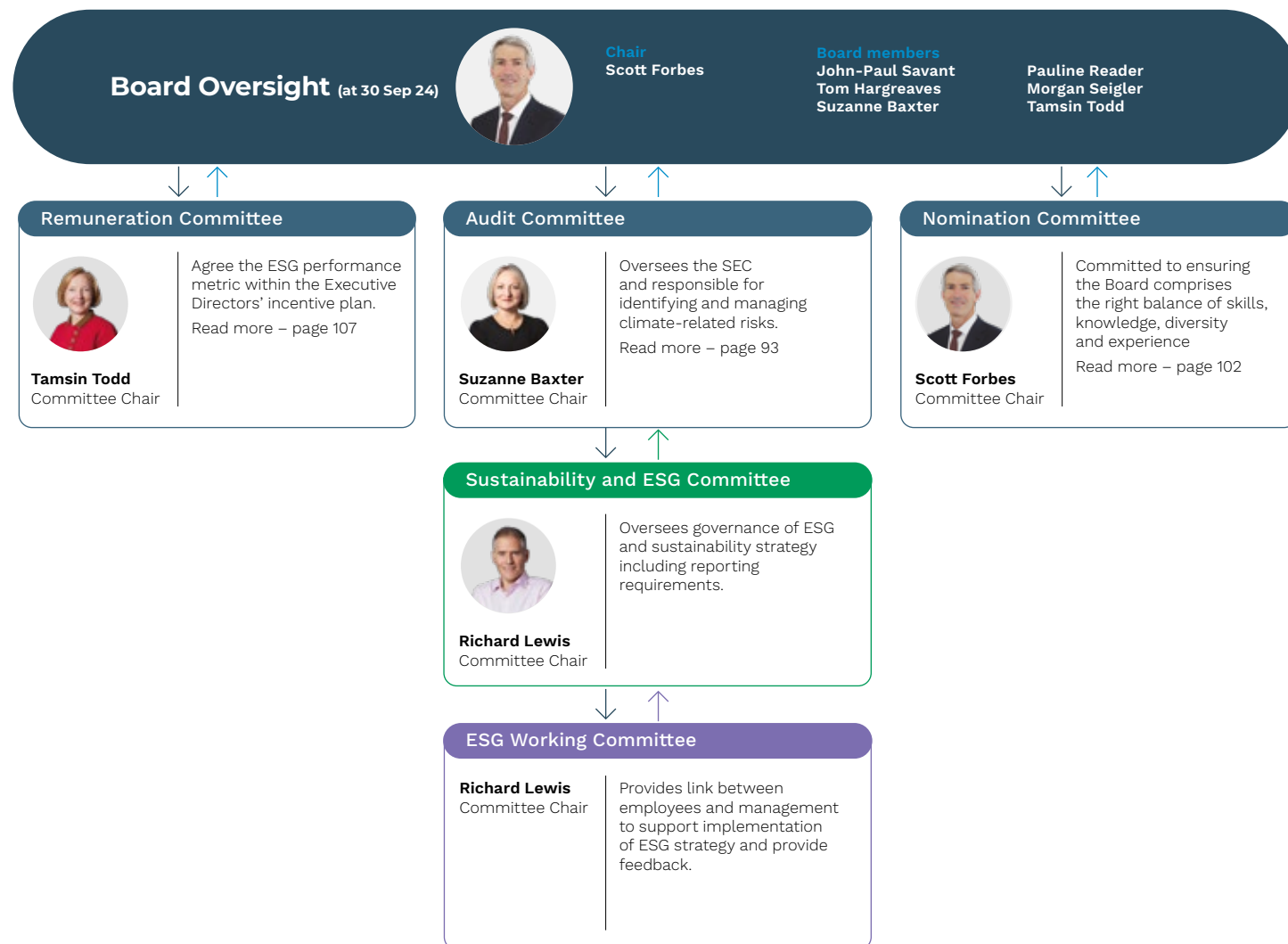
The Board has overall responsibility for the Group's sustainability and ESG strategy. The Audit Committee reports climate risks and opportunities annually to the Board, enabling the Board to oversee progress on sustainability goals and ensure that climate-related issues are addressed in alignment with the Group's strategic priorities.

The Sustainability and ESG Committee ("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 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. In FY24, Richard Lewis also presented directly to the Board providing an update on ESG matters.

The ESG Working Committee is led by the Chair of the SEC and comprises passionate individuals who are keen to help improve employee awareness of sustainability and drive change for the business. The ESG Working Committee meets monthly and reports into the SEC.

From FY24, the Remuneration Committee (and following Board approval) has set remuneration targets for the Executive Directors which include an element linked to the Group achieving its carbon emission reduction targets.

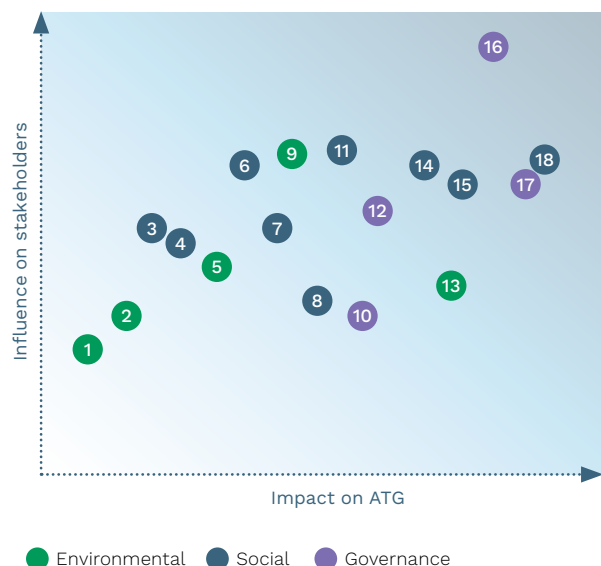
The Nomination Committee is committed to maintaining a Board with a diverse set of skills, experiences and backgrounds.



Sustainability Report continued

Materiality assessment

The Board is focused on understanding and addressing the issues that matter most to stakeholders, as identified in our FY23 materiality assessment which was conducted by external consultants. In FY24 we have developed our ESG strategy based on these results, aiming to ensure there is a strong link between the sustainability/ESG key issues and our strategic drivers. The graph below shows the results of the double materiality assessment in FY23, highlighting the matters of most interest to stakeholders and their importance to the business.



Key:

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

Our sustainability strategy

Our environment

Read more on page 56

Our people and community

Read more on page 72

Our governance

Read more on page 76

Sustainability pillars	Material issues	Priorities
Our environment	9 13	- 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	15 18	- Operate secure and trusted technology, safeguarding data against security breaches and cyber crime. - Ensure our people feel they belong and can reach their full potential. - Recruit, retain and develop diverse teams with an engaged and inclusive culture.
Our governance	16 17	- Operate a trusted and responsible marketplace platform and ensure products sold adhere to their specification and quality. - Operate within a strong governance framework and uphold the values of good corporate governance and risk management and also to behave ethically and with integrity at all times.

Sustainability Report continued

Progress against material issues

Key issue	Why the issue is important to ATG	Link to strategic growth driver	Progress in FY24	Plans for FY25
Cyber data security protection 18	Ensuring the safe collection, retention and use of confidential data of our auctioneers, bidders and employees, and safeguarding this data against security breaches and cybercrime is a cornerstone of our business and financial performance.	     	- No reportable data breaches or security events. - Updated our cyber security policy for latest National Institute of Standards and Technology Cyber Security Framework ("NIST CSF"). - Completed an external audit against the NIST CSF framework with strong results.	- Continue to consolidate and standardise cyber security solutions. - Enhance disaster recovery processes to improve recovery times. - Maintain data protection framework and controls.
Ethical conduct and integrity 16	Managing our business with integrity in an honest, ethical and responsible manner is key to ensuring we maintain our strong reputation and protect future revenue-generating opportunities.	     	- Completed first externally facilitated Board effectiveness review. - Successful transition to EY as external auditor. - Zero whistleblowing reports made.	- Publish new supplier principles. - Recruit and appoint new Non-Executive Directors.
Product quality and safety 17	Although we have no direct responsibility for the products sold, their specification or quality, adherence to their specifications is crucial to protect our reputation and future revenue-generating opportunities.	   	- New services including atgXL and atgShip were fully tested before roll out. - Reviewed and updated sensitive items policy.	- Ensure all new products and services are fully tested before roll out. - Continue to monitor and review sensitive items and policy.
Talent and workforce development 15	Recruiting and retaining high-performing talent and ensuring our people feel they belong and can reach their full potential are essential to ensure our business maintains competitiveness and can innovate.	     	- Implementation of atgPeople providing a space for employees to connect with each other. - Assembled first Diversity, Equity and Inclusion Working Group.	- New ATG Academy with 2,215 hours of training available. - New Career Hub to help employees and managers build meaningful careers at ATG. - Exploration of cohort development programs for Early, Rising and Senior Talent.
We recognise the pivotal role we can play in facilitating the circular economy. Therefore alongside the top four priority focus areas identified from the materiality assessment, we continue to prioritize climate action and reducing our own carbon emissions.				
Carbon emissions 9	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.	   	- Our long-term target to be Net Zero by 2040 has been validated and approved by the Science Based Targets initiative ("SBTi"). - Reduced Scope 1 and 2 emissions by 35% in FY24.	Improve the data quality available for some of the more difficult to measure categories within Scope 3, which assists us in targeting the right areas to further reduce our emissions.
Innovative and efficient services 13	Our marketplaces play a pivotal role in facilitating the circular economy. We invest to improve the online auction experience.	   	>2m tonnes carbon saved versus manufacturing of 15 popular items. - Roll out of atgPay and atgShip to make it even easier to transact at online auctions.	Continue to invest in products and services to make it easier to buy and sell at online auctions.

Sustainability Report continued

Sustainability in focus: Cyber security and data protection

As one of our most material risks, we have focused on strengthening our policies and procedures in this area during FY24.

“Ensuring the safe collection, retention and use of confidential data of our auctioneers, bidders, and employees, and safeguarding this data against security breaches and cybercrime, is fundamental to our business.”

Cyber security

ATG's cyber security policies and procedures

- The Information Security team serves as the intermediary between the information security programme (“ISMS”) and the organisation, with oversight by the CTO. The team is responsible for performing information security operations and monitoring activities.
- All ISMS policies and procedures are updated, reviewed and approved annually by our Information Security Steering Committee (“ISSC”) which is composed of the Head of Information Security, Group Data Protection Officer (“DPO”), and Group Head of Risk and Internal Audit. The ISSC is also responsible for recommending additions/removals to the ISMS. Policy and procedures cover a full range of cyber security and data protection areas.
- We have a proactive awareness programme to educate all employees on cyber security risks with mandatory training annually for all staff.
- Data protection policies apply to 100% of Group operations.
- Our incident response plan and major incident response simulations are carried out periodically with custom response playbooks drafted and refined yearly.
- All employee accounts are protected by multi-factor authentication (MFA), with geolocation restrictions for sensitive access groups.

How we strengthened cyber security in FY24

- Updated our cybersecurity policy to follow the latest NIST CSF 2.0 framework, including specific updates for cloud security, high-risk travel, and protecting website cookie data.
- Conducted an external audit based on the NIST framework with results showing maturity metrics higher than comparable sized organisations in our peer group.
- Investments made in new advanced identity protection platform and a security monitoring solution.
- Migrated major segments of the marketplace platforms to container-based systems and began feature consolidation.
- Security training and awareness programme was rolled out to cover 100% of ATG employees.
- Consolidated all user-identities and email solutions across all divisions of the Group.
- Implemented quarterly committee meetings and provided regular presentations to the Board including risk assessments for the organisation.
- Refreshed disaster recovery procedures with annual updates to policies and procedures, with routine major component recovery and resilience scenario-based testing.

What are our priorities for FY25?

We had no reportable security events in FY24 but as the risks of cyber attacks continue and evolve we must continue to focus on this area. We have a number of priorities for FY25 which include:

- Consolidation of web/application firewalls for our marketplaces to standardize a best-in-class solution and streamline event monitoring.
- Continue to enhance disaster recovery processes to expand into secondary systems and design recovery solutions to iterate and improve upon recovery times.
- Improve existing application security scanning to improve event correlation and add additional context awareness to vulnerability assessments.

Sustainability Report continued

Data protection

ATG's data security policies and procedures

- Our approach to data protection is driven by UK GDPR, UK Data Protection Act, and UK Privacy and Electronic Communications, overlaid with international legislation including North American and EU obligations.
- A culture of effective data protection practices is embedded across the organisation, governed by the Board and required from all employees.
- Our independent DPO is actively engaged across all of our business functions supporting data protection by design and by default.
- Data protection policies and procedures are dovetailed with security and wider risk and compliance controls.
- Enhanced data protection solutions are utilised and system vulnerability tests are run continuously across the ATG networks, systems, cloud accounts, infrastructure and data components.
- All staff are required to engage in annual data protection training, supplemented by awareness communications.
- Data subject requests are managed through dedicated operational processes with oversight from our DPO.

How we strengthened data protection in FY24

- Refreshed data privacy notices to further improve transparency of processing.
- Mandated data protection training for all current and new staff.
- Enhanced data protection and information security policies.
- Monitored legal changes across relevant geographical territories.
- No reportable data breaches or security events.

What are our priorities for FY25?

We had no reportable data breaches in FY24 but we must continue to focus on this area.

We have a number of priorities for FY25 which include:

- Continuing to strengthen and evolve our data protection framework and controls.
- Refreshing and enhancing our staff training.

Sustainability Report continued



Our environment

We understand the potential effects of climate change on all of our stakeholders. Despite our relatively low environmental footprint, we are committed to reducing our own impact. At the same time, we understand the crucial part we can serve in promoting a sustainable circular economy and reducing the carbon emissions associated with the manufacturing of new items.

Our roadmap to Net Zero by 2040

In FY24, we have had our commitment to achieve Net Zero by 2040 validated by the Science Based Targets initiative (“SBTi”), in line with the Paris Agreement’s goal of limiting global temperature rise to 1.5°C above pre-industrial levels.

This means reducing our Scope 1-3 emissions by at least 90% and then using carbon removal initiatives to neutralise any limited emissions that can not be eliminated.

Details of our progress against this 2040 target can be found on page 69.



Task Force on Climate-related Financial Disclosures (“TCFD”)

We have set out in this section our TCFD disclosures, consistent with the four framework pillars and 11 recommended disclosures entitled “Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures”, published in October 2021 by the TCFD. We have outlined 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

At the time of reporting, in accordance with the UK’s Financial Conduct Authority (“FCA”) Listing Rule 14.3.27R on climate-related disclosures, the Group’s climate-related financial disclosures are consistent with the TCFD recommendations and supporting recommended disclosures – the table on page 57 shows where the disclosures can be found in this report.

Sustainability Report continued

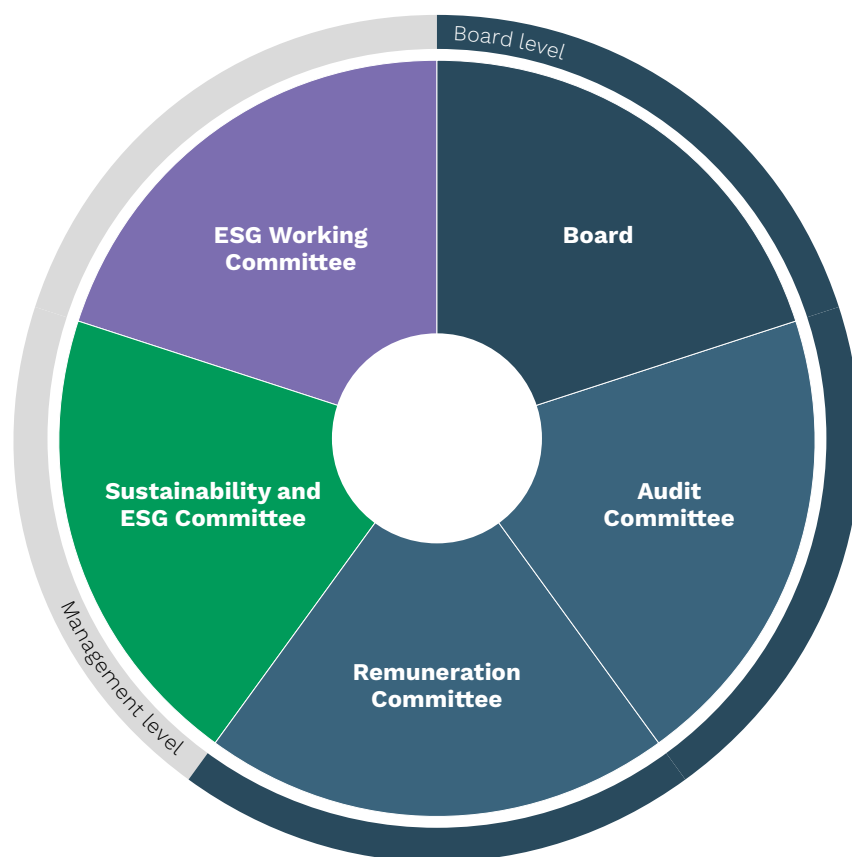
TCFD compliance index

TCFD framework pillars	Recommended disclosures	FY24 compliance	Our response
Governance	a) Describe the Board's oversight of climate-related risks and opportunities b) Describe management's role in assessing and managing climate-related risks and opportunities	Full	- We have incorporated climate-related governance across all levels of our governance structure and encourage accountability for climate-related risks and opportunities throughout the business. - Details can be found in the 'Governance' section on page 81. - The Group's governance structure is presented on page 51.
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning c) Describe the resilience of the organisation's strategy, taking into consideration different climate scenarios, including a 2°C or lower scenario	Full	- We have undertaken a climate scenario analysis which assessed physical and transition climate-related risks and opportunities under three climate scenarios utilising quantitative data from the Network for Greening the Financial System ("NGFS"). - The scenario analysis has supported our understanding of our climate-related risks and opportunities across the Group, how they might impact our business, and consideration of how they impact our strategy and financial planning. - Details of our climate scenario analysis can be found on page 60. - Details of our climate-related risks and opportunities can be found on pages 61 to 63.
Risk management	a) Describe the organisation's processes for identifying and assessing climate-related risks b) Describe the organisation's processes for managing climate-related risks c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Full	- We have a well-established risk management framework that follows the Three Lines of Defence model. The Group Head of Risk and Internal Audit manages our Group risk register which includes climate-related risks, following a materiality-based approach. - Alongside our wider risk management approach, to support the identification of climate-related risks, we have undertaken a climate scenario analysis which assessed physical and transition climate-related risks under three climate scenarios. - Our Group Head of Risk and Internal Audit is a member of the Sustainability and ESG Committee which supports the identification, assessment and management of climate-related risks into our overall risk management approach. - Details of our overall approach to risk management can be found on pages 35 to 36. - Details of our climate scenario analysis can be found on page 60. - Details of our ESG governance structure can be found on page 51.
Metrics and 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 b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Full	- We have had our near-term (2030) and long-term Net Zero (2040) emissions reductions targets formally validated and approved by the Science Based Targets initiative ("SBTi"). We are actively monitoring our progress against these targets, as demonstrated in our transition plan on page 69. - Details of our Scope 1, Scope 2, and Scope 3 GHG emissions can be found on page 66. - Details of our climate-related targets can be found on page 69. - Details of emissions-based remuneration targets for our Executive Directors can be found on page 108.

Sustainability Report continued

TCFD: Governance

We have integrated climate governance into our existing governance processes, embedding responsibility for climate-related risks throughout our business. Our Board is clearly committed to fulfilling our environmental promises and ensuring accountability across the organisation.



How we govern our impact on the environment and response to climate change

Board

The Board has overall responsibility for the Group's climate-related issues. Actions taken by the Board in FY24 include approving ATG's Net Zero target of 2040 and the review and approval of ESG-related Group policies, such as our publicly available Environmental Policy.

Audit Committee

The Audit Committee is responsible for identifying and managing climate-related risks and opportunities. The Audit Committee meets four times per year and reports annually to the Board, providing the Board with oversight of climate-related risks and opportunities as well as progress against goals and targets for addressing climate-related issues.

Further details can be found in the Audit Committee report on pages 93 to 101.

Sustainability and ESG Committee

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. The SEC works closely with external advisers to ensure they remain up to date with the latest developments and guidance on TCFD requirements. The SEC provides updates to the Audit Committee on the latest developments in climate change regulations and activities undertaken during the year by the business, as well as feedback from investors on ESG and climate-related matters.

The SEC meets twice per year and reports into the Audit Committee.

Remuneration Committee

The Remuneration Committee sets remuneration targets for the Executive Directors which include an element linked to the Group achieving its carbon emissions reduction targets. The Remuneration Committee meets four times per year and reports into the Board. Further details can be found in the Remuneration Committee report on pages 107 to 125.

ESG Working Committee

Established in FY23, the ESG Working Committee is led by the Chief Operating Officer. The ESG Working Committee comprises passionate individuals who are keen to help improve employee awareness of sustainability and drive impactful changes for the business. The ESG Working Committee meets monthly with climate change as a standing agenda item, and reports into the SEC. The ESG Working Committee has been instrumental in climate change projects across the Group, including:

- Agreeing to reduce heating to 21.5°C in the winter and cooling to 23°C in the summer;
- Auditing office facilities for energy metering, HVAC controls, LED lighting and use of appliances;
- Ensuring all offices have LED lighting;
- Replacing current laptop docking stations and screens with the latest equipment;
- Ensuring all offices turn off HVAC and appliances out of hours, days when staff are not working in the office and weekends; and
- Increasing the number of print editions of the Gazette to be replaced by digital editions to three in FY24.

Employees are always encouraged to get involved with the ESG Working Committee, supporting the ongoing projects and making suggestions to further reduce our emissions.

Sustainability Report continued

TCFD: Strategy

As an online technology platform, our own carbon emissions are relatively low in terms of our Scope 1 and 2 emissions although we are committed to reducing these, as evidenced by our commitment to achieving Net Zero by 2024.

However, our strategy is to also support and influence consumer behaviour through facilitating the circular economy and encouraging more auctions to happen online.

1

Net Zero 2040

In FY24 our commitment to achieve Net Zero by 2040 was validated by the Science Based Targets initiative ("SBTi"), in line with the Paris Agreement's goal of limiting global temperature rise to 1.5°C above pre-industrial levels.

How we will achieve this

We are already making good progress on achieving our emissions reduction targets (see page 69).

We will continue to work on key projects to reduce our Scope 1 and Scope 2 emissions, such as the closure of the Omaha office in FY24 which is outlined in our case study on page 65.

Within our Scope 3 emissions, purchased goods and services contribute a significant portion of our emissions. Here we are seeking to optimise our cloud resource usage and review our current cloud providers' sustainability policies, looking to work with those that have commitments to 100% renewable energy.

2

Facilitating the circular economy

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.

How we will achieve this

We are continuously enhancing our marketplace infrastructure to ensure it is easy and efficient for users to list, sell, and purchase second-hand items.

By fostering a thriving ecosystem for re-commerce, we support sustainable consumer practices while also educating our users on the environmental benefits of buying second-hand.

This will further contribute to reducing emissions associated with the production and disposal of new products.

3

Getting auctions online

Our online auction platform allows buyers and sellers to connect from anywhere, eliminating the carbon footprint associated with long-distance travel and large, in-person auction events.

How we will achieve this

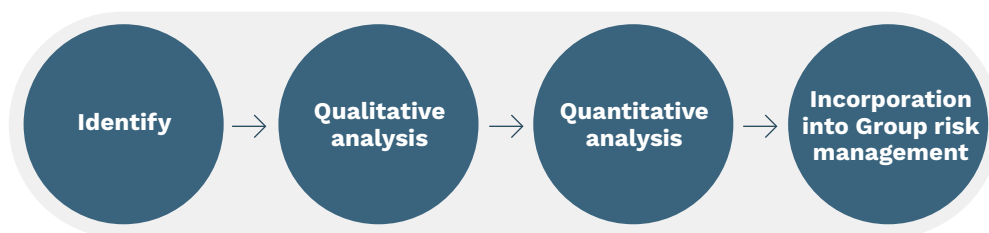
We will continue to invest in our digital infrastructure to improve the online auction experience, ensuring a seamless process for both buyers and sellers.

By enhancing our technology and expanding our reach, we can encourage more users to engage with auctions virtually, further reducing the carbon impact of our operations and supporting the broader shift towards a more sustainable and digital future.

Sustainability Report continued

Climate-related risks and opportunities

We incorporate climate resilience into our business strategy through assessing and identifying climate-related risks and opportunities. We monitor climate-related risks and opportunities on an ongoing basis. This is included within our corporate risk management approach, with a particular climate-related focus annually. 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. The summary below shows our approach to identifying and quantifying climate-related risks and opportunities



We scan data sources to identify climate-related risks and opportunities, such as sector research, climate policy updates and peer analysis.

A scenario analysis is conducted to assess the qualitative impact of the identified risks and opportunities. This aids in ranking and prioritising the risks and opportunities, providing the top 10 as listed on page 61.

A quantitative scenario analysis is undertaken to determine the potential financial impact on cash flows of the risks and opportunities. When applying a materiality, it was concluded that no risks or opportunities were material to the business, however the top three have been detailed on pages 62 to 63.

We bring the climate-related risks and opportunities into the Group's wider risk management processes, ensuring these are monitored on an ongoing basis.

The risks and opportunities we encounter are influenced not only by the physical impacts of climate change but also by transition risks. These transition risks are shaped by how auction houses, bidders, and other stakeholders respond to climate change and the regulations governing our market.

In FY24, we built on our qualitative and quantitative scenario analyses undertaken in FY23 to assess 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. The assessment of risks and opportunities was performed over three time horizons:

- Short term: Present - 2025
- Medium term: 2025 - 2030
- Long term: 2030 - 2050

The time horizons were selected to be aligned with the Group's wider business strategy.

The short-term horizon supports our immediate focus on reducing Scope 1-2 emissions and advancing our efforts in the circular economy, while monitoring near-term regulatory changes and market trends. The medium-term horizon is aligned with our mid-point sustainability goals, allowing us to evaluate progress towards reducing our overall carbon footprint. The long-term horizon ties directly into our Net Zero by 2040 ambition, enabling us to assess the long-range impacts of climate change and prepare the business to capture future opportunities.

Consistent with FY23, 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.

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.

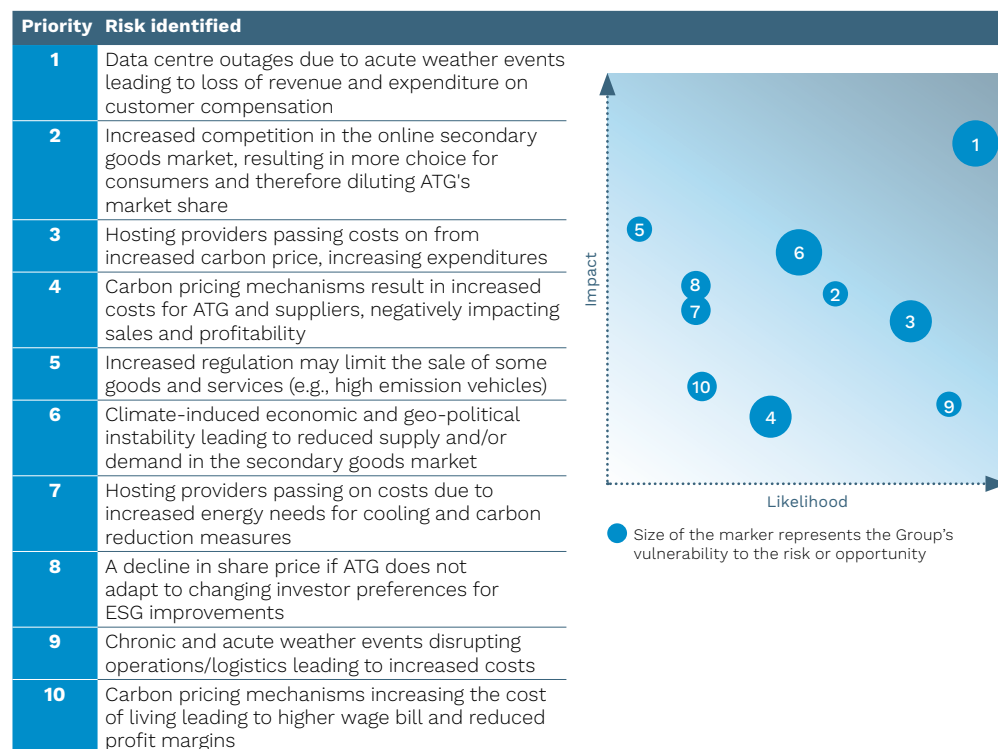
NGFS-approved scenarios applied

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.

Sustainability Report continued

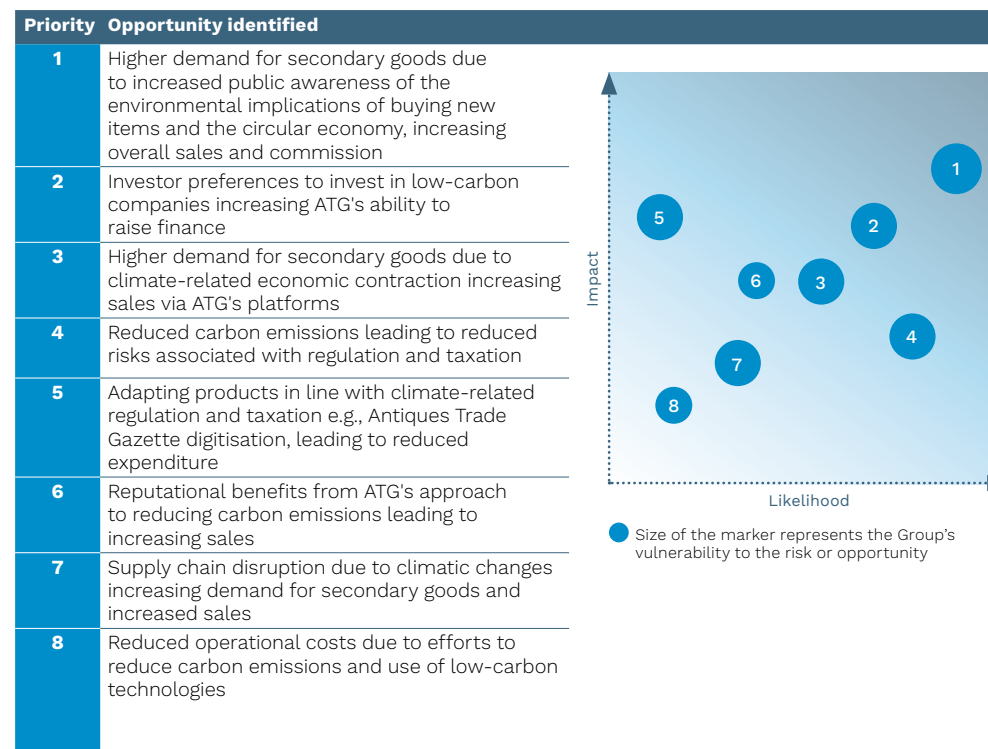
Climate-related risks

Our scenario analysis identified 26 potential climate-related risks to the Group. The assessment included consideration of the transition to a low-carbon economy and risks related to the physical impacts of climate change. Based on the risk scores calculated for each of these, the top 10 climate-related risks are as follows.



Climate-related opportunities

By following the process summarised above we identified eight 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. Based on the above, the eight opportunities were ranked as follows.



Sustainability Report continued

Highest ranked climate-related risks to the Group

The top three climate-related risks are outlined and discussed below, the remaining risks are documented internally.

Risk type	Impact	Mitigation/response	Timeline	Risk sub-category	Geographic location	Business operation	Financial impact category	Financial impact
Physical and transition Data centre outages due to acute weather events 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.	Most likely to manifest under a Current Policies scenario, in the long term.	Acute (physical), market and reputational (transition)	All	Data centres	Revenues and expenditure	Low: not expected to have a material impact on the business
Transition Increased competition in the online secondary goods market, resulting in more choice for consumers and therefore diluting ATG's 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.	Most likely to manifest under Net Zero 2050 or Delayed Transition scenarios, in the medium to long term.	Market	All	All	Revenues	Low: not expected to have a material impact on the business
Transition Hosting providers passing costs on from increased carbon price, increasing expenditures	As highlighted in our highest ranked climate-related risk above, we have a significant reliance on third-party data centre providers. If there is an increase in the price of carbon, this is likely to impact the major cloud-providers and therefore there is a risk these costs get passed on to the Group.	We are engaging with our hosting providers to assess their sustainability policies, looking to work with those that are making commitments to 100% renewable energy. We are also working to optimise our cloud resource usage, reducing our reliance on key suppliers. We will continue to monitor the use of carbon pricing mechanisms and factor this into financial planning as required.	Most likely to manifest under Net Zero 2050 or Delayed Transition scenarios, in the medium to long term.	Market	All	Data centres	Expenditure	Low: not expected to have a material impact on 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 60, 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

Highest ranked climate-related opportunities to the Group

The top three potential opportunities are outlined and discussed below; the remaining opportunities are documented internally.

Opportunity type	Impact	Response	Timeline	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.	Most likely to manifest under Net Zero 2050 or Delayed Transition scenarios, in the medium to long term.	Products, services, markets	All	All	Revenues	High: potentially a material opportunity for the business
Transition Investor preferences to invest in low-carbon companies increasing ATG'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.	Most likely to manifest under Net Zero 2050 or Delayed Transition scenarios, in the short to medium term.	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 via ATG's platforms	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.	Most likely to manifest under the Delayed Transition scenario, in the long term.	Markets	All	All	Revenue	High: potentially a material opportunity for the business

As the opportunities above have the potential for a high financial impact, we will continue to monitor these from a strategic perspective to increase the likelihood of gaining a financial advantage from their realisation. The opportunities are discussed on a bi-annual basis at the Sustainability and ESG Committee and as specific progress against any of them is identified, updates are provided for discussion at the Audit Committee.

Sustainability Report continued

TCFD: Risk management

Risk management overview

The Board has overall responsibility for determining the principal and emerging risks to the Group. 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 35.

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 Sustainability and ESG Committee, 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. We are aware that the effects of climate change continue to grow and this will impact the buying habits of consumers. We therefore need to ensure our marketplaces have the capacity to meet the increasing demand over time.

TCFD: Metrics and targets

Introduction

We have developed a thorough understanding of our climate-related impact through analysing our global Scope 1-3 greenhouse gas ("GHG") emissions annually using our established methodology in line with the World Resources Institute GHG Protocol, a Corporate Accounting and Reporting Standard, Revised Edition ("the GHG Protocol")¹. We are committed to becoming Net Zero across our operations and value chain.

To achieve Net Zero, we have set a near-term science-based target ("SBT") to reduce Scope 1 and Scope 2 GHG emissions by 42% by 2030 (FY31). In addition, we have committed to becoming Net Zero across all scopes by 2040 (FY41) in line with the Corporate Net-Zero Standard. Both targets are absolute reductions from an FY22 base year and are in line with the global effort to limit global warming to 1.5°C above pre-industrial levels. Our targets are now both validated by the Science Based Targets initiative ("SBTi").

Our FY24 focus

We have continued to focus on understanding our GHG emissions, developing our transition plan to adapt and contribute to the shift to a low-carbon economy, and validating our long-term Net Zero commitment with the SBTi. As in previous years, the Group accepts that our overall emissions have and may continue to rise as a growing and acquisitive company. We did not rebase our targets with the addition of the ESN mid way through FY23. We have therefore had a full year contribution from ESN in FY24 on our emission figures versus seven months in FY23.

When calculating our GHG emissions, we have accounted for all relevant emissions associated with our operations, as required by the Companies Act 2006 and the Companies (Directors' Report, Regulations 2013) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Our carbon emissions can be found in Total greenhouse gas emissions (page 66), and in our Streamlined Energy Carbon Reporting ("SECR") table on page 68.

We have identified our key Scope 1 and 2 reduction strategies and progress against our near-term Scope 1 and 2 reduction target have been monitored through an increased frequency of GHG emissions analysis. These has been set out on page 69 along with the progress we are making against each one of these strategies.

Progress against our Scope 1 and 2 reduction target was incorporated into remuneration policies for FY24, details of which can be found on page 119.

Annually we strive to improve our GHG calculation methodology to ensure we fully understand and report the GHG emissions associated with our full operations. Changes made to our approach are outlined in Methodology, page 66. To ensure transparency, the presentation of our GHG emissions and other climate-related metrics (as shown in Our FY24 carbon impact, page 66) are guided by the principles of the UK's Competition and Markets Authority ("CMA") Green Claims Code².

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/>

Sustainability Report continued

Case studies



Antiques Trade Gazette

Our weekly Antiques Trade Gazette has traditionally been issued in paper format, sent to individual subscribers. In recent years, we have started the move towards digitisation of the Gazette. In FY24, we have increased the number of digital-only editions of the weekly Gazette issues to three.

Alongside this, to reduce the environmental impact of the paper issues of the Gazette, we have other ongoing initiatives, such as:

- Only vegetable-based inks are used.
- All plastic packaging has been replaced by non-plastic compostable packaging.
- All paper is sourced from sustainably managed forests and can be recycled.

Closure of our Omaha office

As part of our wider climate strategy, we have taken decisive steps to reduce our carbon emissions, one of which involved the phased downsizing and eventual closure of our Omaha office. In FY23, we made an initial move to downsize into a smaller office, reducing the space and energy requirements needed for our operations. Building on that progress, we fully closed the smaller office in FY24, transitioning to a remote and flexible working model.

These actions have contributed significantly to reducing our Scope 1 and 2 emissions by lowering energy consumption related to office heating, cooling, and electricity use. Additionally, the closure has minimised the environmental impact of employee commuting and business travel.

This phased approach aligns with our Science Based Targets initiative (“SBTi”)-approved climate goals, forming a key part of our long-term strategy to achieve Net Zero across our operations by 2040.

By adopting more agile working models and reducing our reliance on physical office spaces, we continue to implement meaningful changes to support our sustainability objectives and drive down carbon emissions.



Sustainability Report continued

Methodology

Greenhouse gas emissions

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

An operational control approach has been taken, meaning that the inventory covers emissions from all operations 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, where country-specific emission factors are not available, UK Government emission factors have been applied. Emissions are reported in line with the Group's financial year.

We use primary data wherever possible, and work with representatives from all sites and specific business functions (e.g., IT and HR) to improve data quality and consistency. These representatives make up the ESG Working Committee. Specifically, we have confirmed our approach to calculating the emissions associated with the use of our products with our in-house analytics team and have focused on ensuring all remote workers are captured in our data.

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.

We continue to improve the emission factors we apply to calculate emissions associated with procured goods and services, focusing on IT suppliers. We now have activity data for 53% of our IT spend and apply the approach outlined in the GHG Protocol to calculate tailored supplier-specific emissions for 13% of IT and hosting spend where there is publicly available data. We will continue to build on this in subsequent years to further improve data accuracy and inform our procurement decisions.

We continue to calculate emissions from all relevant Scope 3 categories, now covering 10 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. A Scope 3 screening process is conducted annually to ensure all relevant emissions are captured.

Due to a change in our operations, emissions associated with downstream leased assets are now relevant and reported for the first time. The remaining Scope 3 categories, including emissions from upstream 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.

We report market-based purchased electricity emissions where we have certificates to prove the origin of the electricity, for example in our London headquarters, and apply residual mix factors where we do not.

To ensure we fully account for the emissions from the electricity we consume, and to incentivise reductions in electricity demand, we use location-based purchased electricity emissions in our reduction targets and Net Zero commitment.

Our FY24 carbon footprint is the first year to include a full year's emissions from ESN, as well as GHG emissions associated with our operations in Mexico for part of the year.

Our FY24 carbon impact Total greenhouse gas emissions

GHG emissions (tCO ₂ e) ³	FY24	FY23	FY22	% Change (in last fiscal year)	% Change (from FY22 base year)
Scope 1	12.5	23.4	32.5	(47)%	(62)%
Scope 2 – location based	189.6	289.2	391.3	(34)%	(52)%
Scope 2 – market based	114.6	194.3	–	(41)%	–
Total (Scopes 1 & 2)	202.1	312.6	423.8	(35)%	(52)%
Scope 3	3,192.7	3,016.9 ⁴	2,445.4	6%	31%
Total (Scopes 1, 2 & 3)	3,394.8	3,329.5	2,869.2	2%	18%
GHG emission intensity – Scopes 1, 2 & 3					
Turnover (\$)	\$174.2	\$165.9	\$151.8	5%	15%
Full time equivalents (FTEs)	377	396	337	(5)%	12%
Carbon intensity (emissions per \$million turnover)	19.5	20.1	18.9	(3)%	3%
Carbon intensity (emissions per average FTEs)	9.0	8.4	8.5	7%	6%
Percentage of operations included	>97%	>95%			

3. GHG emissions reported in metric tonnes CO₂e equivalent (tCO₂e).

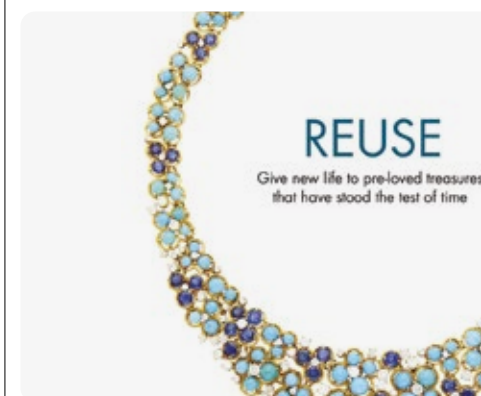
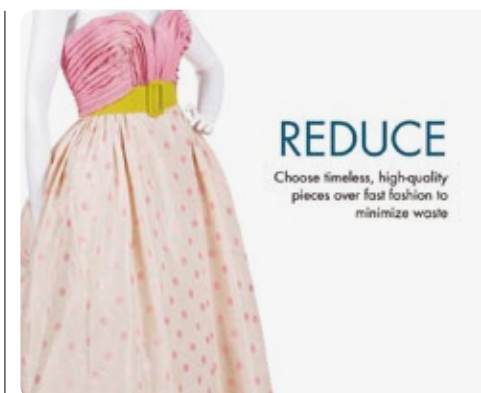
4. FY23 Scope 3 emissions have been restated due to a minor calculation error in FY23 relating to purchased goods and services emission factors.

Sustainability Report continued

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, North America. 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 North America location-based emission factors for MROW, NYCP, and NWPP electricity and waste.
Intensity ratio	The intensity ratio used displays total gross emissions (tCO ₂ e) within Scope 1 and 2 per million \$ turnover.
Measures undertaken to improve energy efficiency	This year, we continue to work with the ESG Working Committee representatives from across our locations to improve the energy efficiency of our buildings, including improving monitoring and data, 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. Additionally, our Omaha-based workers are now remote.
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, We are 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 FY24		Previous reporting year FY23	
		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 ₂ e)	1	7.2	5.3	7.8	15.6
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (location based, tCO ₂ e)	2	16.2	173.3	19.2	270.0
Total gross Scope 1 and Scope 2 emissions (tCO ₂ e)	1 & 2	23.5	178.6	27.0	285.6
Energy consumption used to calculate the above emissions (kWh)	1 & 2	99,841.4	672,977.2	120,309.9	948,142.0
Total gross Scope 1 and Scope 2 emissions UK and global (tCO ₂ e)	1 & 2		202.1		312.0
Intensity ratio UK and global: emissions (tCO ₂ e) per million \$ turnover	1 & 2		1.2		1.9

SECR change log

Change in consumption, emissions, and intensity ratio between the previous and reporting year	
Category	Percentage change
Consumption (kWh)	(28)%
Emissions (tCO ₂ e)	(35)%
Intensity ratio (emissions tCO ₂ e / million \$ budget)	(38)%
Description of changes in consumption, emissions, and intensity ratio between the previous and reporting year.	Absolute Scope 1 and 2 emissions have decreased by 35%, whereas our carbon intensity, i.e., a measure of carbon emissions as a proportion of our overall activity, has decreased by 38%, indicating that we are becoming more carbon efficient as we grow. Our absolute Scope 1 emissions have declined by 47% since the prior reporting year and our absolute Scope 2 emissions have decreased by 34%. This can be predominantly attributed to our move to a smaller office in Omaha in FY23 and the subsequent move to remote working from June 2024. Our emissions this year include a full year of the FY23 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 2%, however, have decreased by 3% 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 the external auditors as part of their full financial audit.

Sustainability Report continued

Our progress

We have signed up to the Science Based Targets initiative (“SBTi”) Business Ambition for 1.5°C. By doing so, we are committed to achieving Net Zero before 2040 and to reducing emissions in line with the Paris Agreement goals.

Throughout the year we have been monitoring our progress against our environmental targets. Below we have provided an update on our SBTi-approved near- and long- term targets.

Metric	Emission type	Target year	Our progress			Status
			Base year	Current year	Target year	
Reduction of absolute Scope 1 and 2 emissions by 42% by 2030 (FY31) from a FY22 base year.	Scope 1	2030	424 _{tCO₂e}	202 _{tCO₂e}	246 _{tCO₂e}	On track
	Scope 2					
• We've made significant progress in reducing our Scope 1 and Scope 2 emissions, demonstrating our commitment to sustainability. • Key contributing projects across our offices have included reducing summer cooling and winter heating; installing LED lighting; updating IT accessories to the latest, most efficient versions; and ensuring HVAC and appliances are turned off when not in use. • The key contributor was the closure of our Omaha office (see page 65).						
Net Zero – Reduction of Scope 1-3 emissions by at least 90% by 2040 (FY41) from a FY22 base year.	Scope 1	2040	2,869 _{tCO₂e}	3,395 _{tCO₂e}	287 _{tCO₂e}	More work needed
	Scope 2					
	Scope 3					
• As our business has grown with the acquisition of ESN, naturally, so have our Scope 3 emissions. This increase reflects the broader scale of our operations, with more suppliers, customers, and logistical needs, all of which contribute to these emissions. • Our total combined emissions have seen a small increase on FY23 (3,240 tCO₂e) but this represents a significant slowdown from the previous year-on-year upward trend and is a 3% reduction in our emissions per \$million turnover. • We have seen significant improvement in the “Purchased Goods and Services” category following efforts made to optimise our cloud hosting usage. • Our long-term strategy aims to decouple business growth from emissions growth, ensuring that as revenues rise, Scope 3 emissions will eventually decrease, in line with our sustainability commitments. • We are also working to improve the data quality available for some of the more difficult-to-measure categories within Scope 3, which aid us in targeting the right areas to bring our emissions down.						

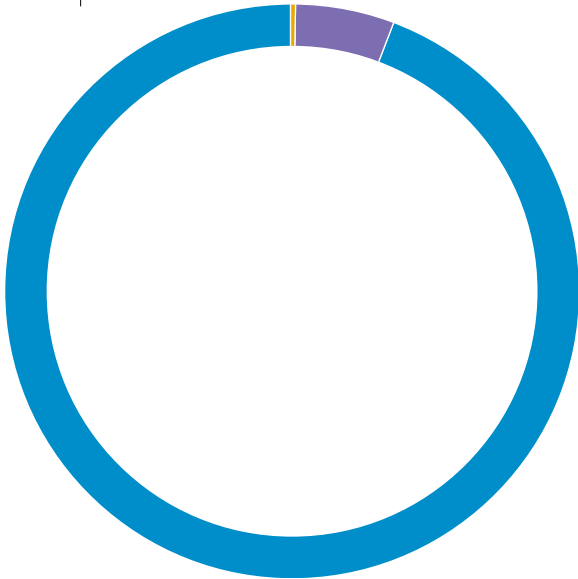
Sustainability Report continued

Our direct emissions

A breakdown of our FY24 carbon emissions is shown in Figure 1. In FY24, 6% of emissions (202.1 tCO₂e) fell into Scopes 1 and 2, direct emissions associated with our operations. Purchased electricity (113.0 tCO₂e) was the largest contributor to Scope 1 and 2 emissions (56%), followed by purchased heat (38% and 76.6 tCO₂e). Stationary combustion, i.e., fuel combusted within stationary equipment such as a boiler, accounts for <1% (1.8 tCO₂e) of Scope 1 and 2 emissions; fugitive emissions, such as refrigerant leaks, also made up 3% (6.4 tCO₂e), whilst mobile combustion accounted for the remaining 2% (4.3 tCO₂e).

Figure 1: ATG’s direct (Scope 1 & 2 emissions) in FY24.

Scope category	tCO ₂ e	
Scope 1	12.5	0%
Scope 2	189.6	6%
Scope 3	3,192.7	94%
Total	3,394.7	100%



Our corporate value chain emissions

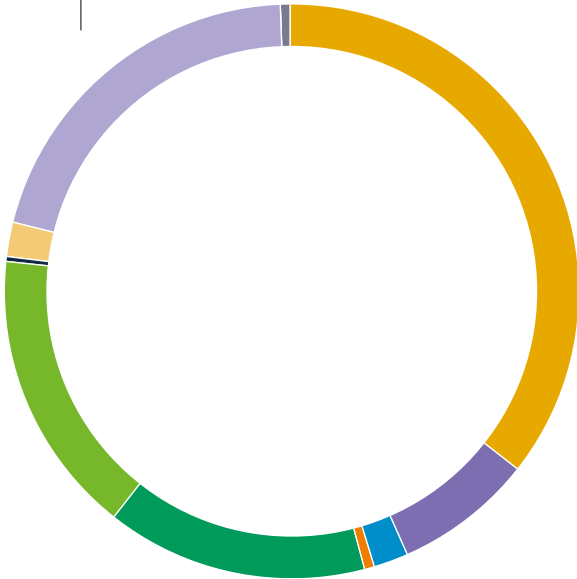
94% of our Group’s emissions fall into Scope 3, our corporate value chain emissions. Scope 3 emissions, which are under a reporting organisation’s influence but not control, typically make up the largest proportion of a company’s carbon emissions, particularly when Scope 3 emissions are comprehensively covered. A breakdown of our Scope 3 emissions is shown in Figure 2.

This year, the Group’s largest Scope 3 emission source continues to be from purchased goods and services (1,143.3 tCO₂e), accounting for 36% of Scope 3 emissions. These emissions are from the hosting of our online platforms in data centres operated by others and other IT spend. Other significant Scope 3 categories include the use of our products (654.3 tCO₂e and 20% of Scope 3 emissions), employee commuting and remote working (513.3 tCO₂e and 16% of Scope 3 emissions), and business travel (470.9 tCO₂e and 15% of Scope 3 emissions).

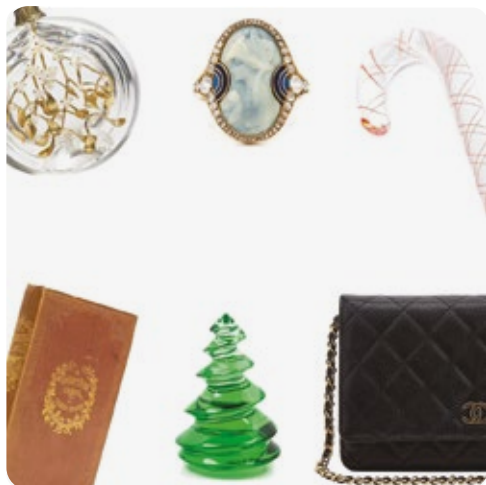
Our Scope 3 calculations are considered to be more complete in FY24.

Figure 2

Scope category	tCO ₂ e	% of overall footprint
S3-1 Purchased goods and services	1,143.3	36%
S3-2 Capital goods	248.9	8%
S3-3 Fuel- and energy- related activities not included in S1 or S2	60.7	2%
S3-5 Waste generated in operations	16.3	1%
S3-6 Business travel	470.9	15%
S3-7 Employee commuting (& remote working)	513.3	16%
S3-8 Upstream leased assets	7.7	0%
S3-9 Downstream transportation and distribution	63.0	2%
S3-11 Use of sold products	654.3	20%
S3-12 End of life treatment of sold products	0.5	0%
S3-13 Downstream leased assets	13.7	0%
Total	3,192.7	100%



Sustainability Report continued



Additional climate-related metrics

We collect additional climate-related metrics as part of our GHG accounting processes which we are disclosing for the second time in FY24. The Sustainability and ESG Committee is responsible for the governance of these metrics and ESG Working Group 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.

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

Additional climate-related metrics

Energy

Energy consumption (kWh)	FY24	FY23	% Change (in last fiscal year)
Non-renewable	729,552	1,031,326	(29)%
<i>Non-renewable by fuel type:</i>			
Stationary combustion (gas)	9,939	50,715	(80)%
Purchased electricity (fossil fuel)	225,862	417,290	(46)%
Purchased heat (gas)	476,643	543,057	(12)%
Mobile combustion (diesel)	17,108	20,264	(16)%
Renewable	43,267	37,126	17%
<i>Renewable by fuel type</i>			
Purchase electricity (REGO backed)	43,267	37,126	17%
Total	772,819	1,068,452	(28)%
Percentage of operations included	>97%	>95%	2%

Waste

Waste generation (tonnes)	FY24	FY23	% Change (in last fiscal year)
Total recycled	4.8	4.0	19%
Total non-recycled	27.4	17.7	55%
Total	32.2	21.7	48%
Percentage of operations included	>97%	>95%	2%

Water

Water withdrawal* (tonnes)	FY24	FY23	% Change (in last fiscal year)
Water withdrawal	1,763.4	1,514	16%
Water withdrawal intensity (withdrawal per £million turnover)	10.1	11.2	11%
Percentage of operations included	>97%	>95%	2%

* 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.

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 ATG operates with a winning team made up of smart, passionate individuals who connect to our mission.



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 through different communication channels to understand their feedback and concerns. We welcome open and honest feedback and each year we run two engagement surveys to understand sentiment. 84% of employees participated in the survey in December 2023, which showed a slight decrease in engagement from 76% to 67%. Key concerns from this survey were discussed within small focus groups as well as with the Senior Management Team. 83% of employees responded to the most recent survey in June in 2024, with the overall engagement score of 73% up 6ppt from the last survey. We also continued to strengthen our internal communications through regular Group-wide “All Hands” meetings, which offer employees the opportunity to stay connected with strategy updates and business priorities as well as providing the opportunity to celebrate success and recognise exceptional employee performance.

In addition, the implementation of atgPeople as a global HR system has also provided a space for employees to connect with each other to celebrate new joiners, work anniversaries and to send recognition to one another. atgPeople is the central one-stop-shop now for all employee and manager communications and key Humans Resources processes.

Tamsin Todd continued as the Board’s designated Director for workforce engagement and the outputs of her twice-yearly meetings were reported to the Board as detailed on page 44 of this report.

Wellbeing and safety of our employees

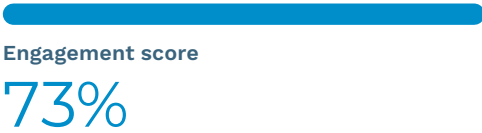
ATG is committed to supporting our employees in all aspects of their health and well-being. We provide a comprehensive range of healthcare benefits globally including access to mental health support.

We started the year striving for all employees in North America to be offered the same benefits, fully aligned and including the recent acquisition of ESN. This resulted in a fair compensation and benefits model, including a single health and wellbeing offering. We also offer hybrid working practices across the business. In the UK we significantly enhanced our maternity and pay policy as well as introducing a new Private Medical Insurance programme.

We also encouraged our employees to align their interests with shareholders and to benefit from their contribution to ATG’s success, by awarding all employee’s equity. In FY24, all employees were offered equity under the Long-term Incentive Plan, which vests over a two, three or four-year period.

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. North America employees will be invited to buy shares under the Employee Share Purchase Plan (“ESPP”), purchasing shares at a 15% discount. 34% of eligible employees participate in one of the current schemes (FY23: 37%).

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.



Number of employees by region

	FY24	FY23	FY22
Europe	115	116	109
N America	239	275	236
S America	32	–	–
RoW	–	–	–
Total	386	391	345

Diversity, Equity and Inclusion (“D,E&I”)

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. Our Board diversity policy and our workforce Diversity & Inclusion (“D&I”) and Equal Opportunities policy do 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 and is available on our website.

In FY24, we kicked off our strategic DE&I plan by assembling our first Diversity, Equity and Inclusion Working Group. The group is made up of representatives from each area of the business who will drive initiatives forward. So far, the Working Group has executed on Active Bystander training sessions for customer-facing employees and Group-wide DE&I Awareness sessions for all employees.

Our hiring practice is committed to fair and equal treatment and we hire based on merit and the right skills for the role. In the last 12 months, 33% of our new joiners have been female and we utilise specialist search sites, including “Women in Product”, to find talent in this area. In FY24, we also introduced diverse slates for all senior level roles and in technology.

We are committed to supporting disabled and neurodiverse employees and we offer flexibility and support to any employees who are disabled upon joining, or who become so during employment, including equipment or schedule accommodations. Applicants with disabilities are given full and fair consideration during recruitment processes. We are committed to supporting employees with disabilities with regard to training, career development and promotion.

Sustainability Report continued

Gender diversity

The Group is diverse in terms of gender mix, with women comprising 41% of the total workforce. ATG is committed to gender pay equality with employees paid equally for working in the same jobs. The Remuneration Committee has also reviewed global gender pay gaps by region, function and level to understand any emerging issues. The Group's employee base is diverse at the management level, with six females on our Senior Leadership Team as defined by the Women Leaders Review, and one female leader in a senior management role. As at 30 September 2024, the Board comprised four males and three females. Following the appointment of Suzanne Baxter to Senior Independent Director, the Group has now met the FCA Listing Rules requirement for one senior board position to be held by a woman and having 40% of women on the board as at 30 September 2024.

Gender diversity statistics (including Mexico office as at 30 September 2024)

		Male		Female		Other/ Prefer not to say		Total
		No.	%	No.	%	No.	%	%
Board	2024	4	57	3	43	–	–	100
	2023	5	62	3	38	–	–	100
Number of senior positions on the Board (CEO, CFO, SID and Chair)	2024	3	75	1	25	–	–	100
	2023	4	100	0	0	–	–	100
Senior Management	2024	6	86	1	14	–	–	100
	2023	7	88	1	12	–	–	100
Senior Leadership Team	2024	11	65	6	35	–	–	100
	2023	12	71	5	29	–	–	100
New recruits	2024	56	67	27	33	–	–	100
	2023	54	63	32	37	–	–	100
Total Company	2024	230	59	156	41	–	–	100

Ethnic diversity

ATG's employees are diverse in terms of ethnicity, with 26% having disclosed as identifying as non-white (FY23: 24%). We are committed to increasing ethnic diversity across all levels throughout the organisation through recruitment and succession planning. 43% of our senior management and 24% of our Senior Leadership Team identified as being from ethnically diverse backgrounds. We also satisfied the recommendation of the Parker Review that at least one Director should be from an ethnically diverse background, with John-Paul Savant representing a Eurasian ethnically diverse background.

Ethnic diversity statistics (including Mexico office as at 30 September 2024)

		White British or other White (including minority-white groups)		Mixed/Multiple/ Other Ethnic Groups		Black/African/ Caribbean/Black British		Asian/Asian British		Not specified	
		No.	%	No.	%	No.	%	No.	%	No.	%
Board	2024	6	86	1	14	–	–	–	–	–	–
	2023	7	88	1	12	–	–	–	–	–	–
Number of senior positions on the Board (CEO, CFO, SID and Chair)	2024	3	75	1	25	–	–	–	–	–	–
	2023	3	75	1	25	–	–	–	–	–	–
Senior Management	2024	4	57	1	14	–	–	2	29	–	–
	2023	5	63	1	13	–	–	2	25	–	–
Senior Leadership Team	2024	8	47	1	6	–	–	3	18	5	29
	2023	10	59	2	12	–	–	4	24	1	6
New recruits	2024	12	14	33	40	3	4	1	1	34	41
	2023	37	45	6	7	3	3	11	13	25	30
Total Company	2024	159	41	53	14	14	4	30	8	130	33

Sustainability Report continued

Investing in and supporting our talent

We aim to ensure that all employees have access to the training they need to support their development and where everyone can be successful. 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. The ATG Academy is our one-stop-shop offering for learning opportunities. The Academy is made up of courses designed for every level and delivered by internal and external experts. We offered 900 hours of training to each employee via 28 Academy courses. We recently also launched a new Careers Hub on atgPeople to provide tools and resources to help ATG employees drive and grown their careers.

All new employees participate in a day one onboarding meeting with HR, have a 30-day check in and also attend an orientation session within their first three months. During this orientation they have the opportunity to meet all Executives at ATG.

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 90% of the Group received an annual performance evaluation. Each year, internal role changes and promotions are tracked and celebrated via an internal newsletter. Last year, we achieved 20% internal mobility and promotion rate, with a higher rate for female 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.



Employee turnover

	Voluntary employee turnover (permanent employees only)			Total		
	FY24	FY23	FY22	FY24	FY23	FY22
Europe	10	9	17	17	20	22
N America	47	35	44	73	73	64
S. America	3	–	–	4	–	–
RoW	–	–	–	–	–	–
Total	60	44	61	94	93	86

Employee training

	FY24
Hours of mandatory training completed by employees	567
Hours of non-mandatory training completed by employees	312
Percentage of employees who are offered training	100

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 participation in the Industrial Auctioneers Association events in both North America and in France.

Charities

In the spring of 2024 employees from our Lehi office donated their time to the Utah food bank. Our London employees also participated in a gifting programme for local charities during the Christmas season. 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 \$8.0m for good causes (FY23: \$5.0m).

Sustainability Report continued



Governance

UK Corporate Governance Code compliance and Board effectiveness

In FY24, we fully complied with the UK Corporate Governance Code, except for a short period of non-compliance following the resignation of Breon Corcoran as Board Chair in August 2024, which impacted our Board and Committee composition. Details of how we addressed these are set out on page 79. We also conducted a review of the governance framework in light of the regulatory changes in the UK and facilitated an external review of our Board effectiveness. For further details on this and to read about our Board, Committees and corporate governance structures, please see pages 81 to 82.

Business code of conduct

ATG has a business code of conduct framework including an employee Code of Conduct and other policies outlined below. This is combined with a mandatory employee training programme for both employees and Board members, including training on insider trading, data protection and information security. This training is repeated each year with every employee. We are committed to taking all reasonable steps to prevent unethical practices and potential risks to our consumers or customers. We do not conduct business with any service provider, customer or supplier which does not align to our values in these areas.

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 FY24 or the prior two years.

Human rights and modern slavery

ATG has zero tolerance towards modern slavery, human trafficking, forced or compulsory and child labour, in our business and our supply chain. 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 equitable and fair treatment of all persons we encounter.

ATG is committed to operating in a transparent, responsible and ethical manner, within a strong governance and compliance framework that supports strategy and reduces risk.

All employees are paid above the Real Living Wage and we safeguard our employees through a framework of policies including Modern Slavery, Flexible Working, Equal Opportunities and Inclusion Policies.

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 and highest standards of honesty and integrity 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. The ATG People team is responsible for compliance with our policy.

During FY24 and in the prior two years, no incidents of modern slavery or human rights abuse were identified within the Group or our supply chain.

Whistle-blowing

ATG is 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 and we promote a transparent and open culture to encourage employees to speak up whenever they have concerns.

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, while existing employees were reminded about the policy in the year through the roll out of the updated ATG handbook. As detailed on page 95, 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. In FY24 and the prior two years, there were no reports made under the Group's whistle-blowing policy during the year.

Sustainability Report continued

External audit

Following a competitive tender during FY23 and a subsequent recommendation from the Audit Committee and the Board, Ernst & Young LLP (“EY”) were appointed as auditors for the financial year FY24 at the Annual General Meeting held in January 2024. The Group successfully transitioned to the new auditors in FY24 as described in the Audit Committee report on page 95.

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 page 32. 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. In FY24, taxes borne by the Group totalled \$15.3m (FY23: \$11.3m) and consist of corporation tax, employer’s NICs and US State Taxes. Taxes collected by the Group totalled \$32.5m (FY23: \$24.3m) and consist of PAYE deductions, employees’ NICs, net VAT and US Sales Tax collected.

Grievance reporting or escalation procedures

We aim to create a working environment in which all individuals enjoy coming to work, where they can perform at their best, and where they are free from discrimination or harassment. We are committed to a culture where staff can freely report any issue or concern, and access support via the escalation procedures we have in place. Our grievance policy sets out both informal and formal avenues for addressing concerns. Employees have access to a external hotline, “Tell Jane”, where they can freely talk to objective HR professionals that specialise in bullying and harassment cases in the workplace. This service offers employees advice on how to report issues and if necessary, offer help to raise this with ATG.

Payments practice reporting

On average, ATG takes 24 days (FY23: 24 days) to pay our supplier invoices during the reporting period.



ATG is committed to operating a trusted and responsible marketplace with safe and secure technology platforms

Operating a trusted marketplace

As a leading online marketplace, we are committed to operating a marketplace that is responsible, reliable and fair and be the trusted destination for online auction purchases. 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. Every service innovation or modification to a platform is tested to ensure it meets these aims.

Due diligence checks are performed on all prospective ATG auctioneers to ensure they meet all relevant regulations and best practice standards, before they are allowed to list items. 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.

We actively seek auctioneer feedback to ensure that we provide market-leading solutions and support to our auctioneer partners, including through a series of one-on-one calls with our CEO, John-Paul Savant. We also actively monitor bidder feedback to ensure we keep a good gauge on bidder sentiment through live chat functionality.

In FY24, we continued to invest in cyber security and data security to strengthen our position, as outlined on pages 54 to 55 of this report. We have also continued to elevate the customer experience for both bidders and auctioneers on our marketplaces including through the roll out of atgShip and atgXL.

Product quality

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. 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. Our restricted items policy is reviewed on an annual basis, approved by the Board and is publicly available on the relevant marketplaces. 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.

Supplier Principles

In FY24 we developed supplier principles which outline the fundamental standards we expect all our suppliers to adhere to, including in relation to environmental responsibility, data protection and health and safety. We will publish these principles to www.auctiontechnologygroup.com in FY25.

The Strategic Report, comprising the information on pages 50 to 77 inclusive, was approved by the Board of Directors on 26 November and signed on its behalf by:

John-Paul Savant
Chief Executive Officer

Corporate Governance

→ Audit Committee Report page 93

→ Nomination Committee Report page 102

→ Remuneration Committee Report page 107

→ Sustainability Report page 50

→ Directors' biographies page 90

→ Chair's Statement page 79

Documents available at:

→ www.auctiontechnologygroup.com

- Articles of Association
- Matters Reserved to the Board
- Terms of Reference for Board Committees
- Board Diversity & Inclusion Policy
- Modern Slavery Statement
- Tax Strategy
- Notice of Annual General Meeting 2025
- Environmental Policy



Board – as at 30 September 2024

Board gender diversity

Male	4	57%
Female	3	43%



Board independence

Independent*	3	50%
Non-independent	3	50%



*excluding Chair per Code requirements

Length of tenure

0-3 years	3	43.0%
3-6 years	2	28.5%
6-9 years	2	28.5%



Chair's Introduction

Scott Forbes
Chair



Corporate Governance Report

On behalf of the Board, I am pleased to introduce our Corporate Governance Report for the financial year ended 30 September 2024. The Company is subject to the UK Corporate Governance Code and this report sets out our corporate governance framework and describes how the Company has applied the principles and complied with the provisions of the UK Corporate Governance Code 2018 (the "Code") during the year. A copy of the Code can be found at the Financial Reporting Council's website [frc.org.uk](https://www.frc.org.uk). The Board has been briefed on the new UK Corporate Governance Code published by the FRC in January 2024 which will apply to the Company from FY26 and from FY27 for Provision 29. Work has begun to facilitate compliance from the effective dates. This report also includes reports from the Audit, Nomination and Remuneration Committees.

The activities of the Sustainability and ESG Committee can be found in the Sustainability Report on page 50. This report explains in more detail the corporate governance structures in place, the work of the Board and its Committees in FY24 and our planned focus for FY25.

"We have an open, collaborative and diverse culture at ATG, aligned with the Company's purpose, values and strategy."

Code compliance

The Board seeks to lead by example and to achieve the highest standards of corporate governance by applying all principles of the Code. I am pleased to report that until 9 August 2024, we complied with the provisions of the Code in full.

Following the resignation of Breon Corcoran and my appointment as Chair of the Board on 9 August 2024, there followed a short period until 19 September 2024, where I continued to chair the Remuneration Committee, in partial non-compliance of Provision 32 of the Code, which provides that the Chair of the Board cannot chair the Remuneration Committee. Tamsin Todd and Suzanne Baxter continued as independent members of the Remuneration Committee ensuring a continued balance of skills, experience and robust governance processes. The Board concluded that it was in the best interests of the Company for me to remain as Chair of the Remuneration Committee for a brief transition period in order to facilitate an orderly handover to Tamsin Todd, who assumed the role of Chair of the Remuneration Committee on 19 September 2024.

Provision 32 of the Code also provides that the minimum membership of the Remuneration Committee of a FTSE 350 company should be three independent non-executive directors (excluding the Chair of the Board, who may be an additional member). There was therefore a period of partial non-compliance with Provision 32 of the Code from 9 August 2024 until 21 November 2024 while the Remuneration Committee comprised myself as Chair of the Board and two independent non-executive directors. During this period, the Company carried out a process to appoint an additional independent non-executive and, as set out in more detail on page 102 the Board subsequently appointed Andrew Miller as an independent non-executive director and member of the Audit, Nomination and

Remuneration Committees with effect from 21 November 2024 with the Company therefore return to full compliance with Provision 32 from that date.

From 9 August 2024 until 21 November 2024, the Company was also in partial non-compliance with Provision 24 of the Code, which provides that the Chair of the Board should not be a member of the Audit Committee. At that time, the Board concluded that it was in the best interests of the Company to maintain the skills, experience and continuity in the current composition of the Audit Committee, while it carried out a process to appoint a new non-executive director.

Our values



1. Drive Results



2. Create Customer Value

Chair's Introduction continued



With effect from 21 November 2024, Andrew Miller replaced me as a member of the Audit Committee and the Company was therefore compliant with Provision 24 of the Code, with respect to the composition of the Audit Committee as of 21 November 2024.

Purpose, culture and values

ATG's purpose is to unlock the value of the secondary goods market and accelerate the growth of the circular economy. This is achieved through the delivery of our strategy, supported by an effective corporate governance and risk framework and by our cultures and values.

We have an open, collaborative and diverse culture at ATG, aligned with the Company's purpose, values and strategy. The Board supports the ATG Values, which articulate the culture and values across the different businesses within our Group. Further details on the ATG Values are set out on page 72.

Board activities during the year

We stated in our FY23 Annual Report that the Board's priorities for FY24 were to review the progress and delivery of the Group strategy, to continue to review any potential M&A opportunities, to conduct an externally facilitated Board effectiveness review, to review the composition of the Board to ensure progress to meeting diversity targets, to review organisation and succession plans for the Board and the Senior Management Team and to continue to develop our ESG and sustainability governance framework. Progress on all of these priorities is set out within this report.

Board composition

Breon Corcoran stepped down as Board Chair on 9 August 2024. In line with the succession plan recommended by the Nomination Committee and approved by the Board and further assisted by external advisers, the Board approved my appointment as Breon's successor as Chair and Suzanne Baxter's appointment as Senior Independent Director from 9 August 2024. I would like to take this opportunity, on behalf of the Board, to thank Breon for his Board leadership and contributions to the Company during his tenure.

As validated by the external Board effectiveness review conducted during the year, we continue to have a strong and balanced Board with appropriate skills, knowledge, experience and diversity. We believe that maintaining a diverse Board is important to our decision-making and I am pleased to report that our Board composition is in line with the recommendations from the original FTSE Women Leaders Review and the Parker Review.

"We continue to have a strong and balanced Board with appropriate skills, knowledge, experience and diversity."

As at 30 September 2024, 42.9% of the Board were women and following the appointment of Suzanne Baxter as Senior Independent Director on 9 August 2024, at least one senior Board position is held by a woman. You can read more about the diversity of our Board, our journey and our plans for the future in the Nomination Committee Report on pages 102 to 105.

Annual General Meeting

The Company's Annual General Meeting ("AGM") will be held on Thursday 30 January 2025, an opportunity for the Board to engage with our investors. Full details of the AGM, including the resolutions to be proposed for shareholder approval, can be found in the Notice of Meeting. In order to maximise shareholder engagement and participation, we encourage all shareholders to cast their votes by proxy, and to send any questions in respect of AGM business to investorrelations@auctiontechnologygroup.com. Shareholders who would prefer not, or are unable, to attend the AGM in person are invited to watch and listen to the AGM online via a live webcast, details for which can be found in the Notice of Meeting.

I would like to conclude with a personal note of thanks to all of our people across our global businesses and my fellow Board members for their continued support. I very much look forward to leading the Board into FY25 and beyond.

Scott Forbes

Chair

26 November 2024

Governance Report

Overview

Compliance with the Code

The Company has assessed itself with reference to the Code. The Board confirms that, with the exception of the composition of the Remuneration and Audit Committee as highlighted on page 79, the Company applied the principles and complied with the provisions of the Code throughout FY24 and up to the last practicable date. The Board is actively considering the implications of the new UK Corporate Governance Code published by the FRC in January 2024 on the Company's governance framework and the operation of its Committees and governing documents.

Directors' independence

The Board has determined that all of the Non-Executive Directors, other than Morgan Seigler, are free from any business or other relationship that could impair their independent judgement and are therefore "independent Non-Executive Directors" within the meaning of the Code. The independent Non-Executive Directors holding shares in the Company are not, nor do they represent, a significant shareholder.

The Directors believe that the appointment of Morgan Seigler to the Board by TA Associates, pursuant to the Relationship Agreement, is assisting the Group with the implementation of its growth strategy, particularly given Morgan's familiarity with the business, transactional experience and network of contacts through TA Associates, which the Directors believe will assist the Group in sourcing acquisition opportunities. The Directors further believe that the terms of the Relationship Agreement enable the Group to function independently of TA Associates notwithstanding TA Associates' appointment of Morgan Seigler to the Board.

The Board is mindful that the Code lists that where Non-Executive Directors hold cross-directorships or have significant links with other Directors through involvement in other companies or bodies, this is likely to impair, or could appear to impair, a Non-Executive Director's independence. Accordingly, during the year, the Board has assessed the independence of Scott Forbes and Suzanne Baxter, given that Scott served as independent Chair and Suzanne as an independent Non-Executive Director of Ascential plc, a UK listed company. They were not involved in executive duties for Ascential plc and each had a similar obligation to be independent for Ascential plc as they do for the Company. The Board did not consider that Scott Forbes' and Suzanne Baxter's positions as independent Non-Executive Directors of the Company were adversely impacted by their roles on the board of Ascential plc and was satisfied that, notwithstanding these appointments, they were to be regarded as independent. As announced on 9 October 2024, following the acquisition of Ascential plc, both Scott Forbes and Suzanne Baxter have stepped down from their respective positions.

Board composition

As at the end of the financial year, our Board comprised seven members: the Chair, the CEO, the CFO, three independent Non-Executive Directors and one non-independent Non-Executive Director. Half the Board (excluding the Chair) comprised independent Non-Executive Directors and the composition of all Board Committees (with the exception of the Audit Committee and Remuneration Committee) complied with the Code. As announced on 21 November 2024, Andrew Miller was appointed as a Non-Executive Director and member of the Audit Committee, Remuneration Committee and Nomination Committee and the Company was compliant with the Code following his appointment.

Operation of the Board and its Committees

The Board

The Board is responsible for leading and directing the Company and has overall authority for the management and conduct of its business, strategy and development. The Board is also responsible for ensuring the maintenance of a sound system of internal controls and risk management (including financial, operational, compliance and controls relating to cyber and digital security) and for reviewing the overall effectiveness of systems in place as well as for the approval of any changes to the capital, corporate and/or management structure of the Company.

Division of responsibilities

The Board currently comprises the Chair, two Executive Directors and five Non-Executive Directors. There are clear written guidelines around the division of responsibilities and, in accordance with the Code, the roles of Chair and Chief Executive Officer are held by separate individuals.

Board balance and independence	
Chair	- Leadership and governance of the Board - Ensures constructive relationships between the Executive and Non-Executive Directors - Ensures appropriate engagement with key stakeholders - Sets the agenda and tone of the Board meetings - Reviews the Board's effectiveness and monitoring the Non-Executive Directors' independence - Oversees the succession and composition of the Board
Chief Executive Officer	- Day-to-day responsibility for managing the business - Reviews and recommends the Group's strategy to the Board and ensures its implementation - Provides regular updates to the Board on all significant matters - Delivers the Group's sustainability strategy - Delegation of authority to the Group's Senior Management Team - Responsible for effective and ongoing communication with shareholders
Senior Independent Director	- Acts as a sounding board to the Chair - Acts as an intermediary for the other Board members and/or shareholders and other key stakeholders - Evaluates the Chair's performance as part of the annual Board effectiveness review
Non-Executive Directors	- Provide independent judgement, knowledge and commercial advice - Constructively challenge the Executive Directors and monitor their performance against strategy - Manage agendas and provide input into key matters and issues through the Board Committees

Governance Report continued

Senior Independent Director

As set out above, the Code recommends that the board of directors of a company should appoint one of the independent Non-Executive Directors to be the Senior Independent Director in order to provide a sounding board for the chair and to serve as an intermediary for the other directors when necessary. The Senior Independent Director has an important role on the Board in leading on corporate governance issues and being available to shareholders if they have concerns which have not been resolved through the normal channels of the Chair, Chief Executive Officer or other Executive Directors. Suzanne Baxter succeeded Scott Forbes as the Senior Independent Director of the Board with effect from 9 August 2024.

The Committees

The Board has established a number of Committees, whose terms of reference are documented formally and updated as necessary and can be found on the Company's website at www.auctiontechnologygroup.com. The Committees report back to the Board on their activities at the Board meeting following the respective Committee meeting. The composition of each Committee is designed to ensure common membership between Committees with shared responsibilities.

Audit Committee

The Audit Committee is chaired by Suzanne Baxter and other members at the date of this report are Tamsin Todd, and Andrew Miller. Andrew Miller was appointed as a member from 21 November 2024. Scott Forbes was a member of the Committee throughout the year and stood down following Andrew Miller's appointment.

The Audit Committee meets at least four times a year, and more frequently if required. The quorum necessary for the transaction of business at any meeting of the Audit Committee is two members.

Appointments to the Audit Committee are made by the Board, on recommendation by the Nomination Committee and in consultation with the Chair of the Audit Committee.

The Audit Committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including reviewing the Group's Annual and Interim Consolidated Financial Statements and accounting policies, including climate-related financial disclosures, the internal control framework, internal and external audits, reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the risk management framework, internal audit, internal controls, whistleblowing and fraud systems in place within the Group.

There is further detail on the Audit Committee's activities on pages 94 to 95.

Remuneration Committee

The Remuneration Committee is chaired by Tamsin Todd and at the date of this report its other members are Scott Forbes, Suzanne Baxter and Andrew Miller. Andrew Miller was appointed as a member from 21 November 2024. The Remuneration Committee meets at least twice a year, or more frequently if required. The quorum necessary for the transaction of business at any meeting of the Remuneration Committee is two members.

The Remuneration Committee has delegated responsibility from the Board for determining the policy for Executive remuneration and setting remuneration for the Chair, the Executive Directors and the Senior Management Team. It reviews the remuneration of our people and related policies and the alignment of incentives and rewards with culture, taking them into account when setting the policy for Executive Directors' remuneration.

The responsibilities of the Remuneration Committee are covered in its terms of reference, which include determining and monitoring the strategy and policy on remuneration, termination, performance-related pay, pension arrangements, share incentive plans, and remuneration reporting and disclosure.

There is further detail on the Remuneration Committee's activities on pages 107 to 109.

Nomination Committee

The Nomination Committee is chaired by Scott Forbes, and its other members are Pauline Reader, Suzanne Baxter, Tamsin Todd and Andrew Miller. During the year, in line with a recommendation from the Board effectiveness review as described in more detail on page 83, the membership of the Nomination Committee was expanded to include all independent Non-Executive Directors. Suzanne Baxter and Tamsin Todd were appointed to the Nomination Committee on 21 March 2024. Andrew Miller was appointed to the Nomination Committee on 21 November 2024. The Nomination Committee meets at least twice a year, or more frequently if required. The quorum necessary for the transaction of business at any meeting of the Nomination Committee is two members.

The responsibilities of the Nomination Committee include reviewing the size, structure and composition of the Board and ensuring that the Board comprises the right balance of skills, knowledge, diversity and experience; identifying and nominating for approval candidates to fill any vacancies on the Board; giving full consideration to the organisation and succession planning for the Group; and making recommendations to the Board concerning membership of the Audit Committee and the Remuneration Committee in consultation with the Chairs of those Committees.

There is further detail on the Nomination Committee's activities on page 103.

Sustainability and ESG Committee

The Sustainability and ESG Committee was established in FY22 as the Sustainability and Climate Risk Committee primarily to support the implementation of the TCFD recommendations for corporate reporting, but more widely to cover climate-related developments and wider sustainability topics as may be required. The terms of reference of the Committee were expanded in FY23 to encompass corporate responsibility, environmental and wider ESG matters, and its name changed to the Sustainability and ESG Committee. The Committee is chaired by Richard Lewis, Chief Operating Officer, and membership comprises Suzanne Baxter, Tom Hargreaves, and representatives from finance, investor Relations, internal Audit, HR and the Company Secretary. The Committee meets at least twice a year.

There is further detail on the Sustainability and ESG Committee's activities on pages 51.

Disclosure Committee

The role of the Disclosure Committee is to ensure timely and accurate disclosure of all information that is required to be disclosed to the market to meet the legal and regulatory obligations and requirements arising from the listing of the Company's securities on the London Stock Exchange, including the UK Listing Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation framework.

The Disclosure Committee meets at such times as shall be necessary or appropriate, as determined by the Chair of the Disclosure Committee or, in his or her absence, by any other member of the Disclosure Committee. The Disclosure Committee is chaired by the Chief Executive Officer John-Paul Savant and its other members are Chief Financial Officer Tom Hargreaves, the Company Secretary, and any one Non-Executive Director.

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Composition, succession and evaluation

Board appointments

The Nomination Committee is responsible for the appointment of new Directors to the Board and the Committees, in conjunction with the Chair of each Committee, to ensure that any new appointment provides the right balance of capabilities in line with the Board's policy on diversity. The Nomination Committee is also responsible for ensuring succession plans are in place at Board and senior management level. The Nomination Committee will consider the time commitment of any potential new appointment to the Board to ensure they are able to dedicate sufficient time to fulfil their role. All Directors are expected to attend all Board and relevant Committee meetings. The Chair considers new external appointments which may impact existing time commitments and the Board must approve them. There are no Directors whom the Nomination Committee considers to be over-extended or unable to fulfil their duties to the Board.

The Board and Nomination Committee kept under review the balancing of the Board Chair's roles as Chair of Ascential plc and Cars.com following his appointment as Board Chair in August 2024. As announced on 9 October 2024, Scott Forbes stepped down from Ascential plc following its acquisition.

Andrew Miller was appointed to the Board on 21 November 2024, further details on this can be found on page 104.

Election and re-election

In accordance with the Company's Articles of Association and the Code, the Directors intend to stand for election and re-election at the Company's forthcoming AGM and for annual re-election at each subsequent AGM of the Company. In addition, prior to recommending their re-election to shareholders,

the Nomination Committee, on behalf of the Board, carried out an annual re-assessment of each of the Non-Executive Directors.

Taking account of the recommendations of the Nomination Committee and the results of the Board evaluation carried out during the year under review, the Board considers that all the current Directors continue to be effective, are committed to their roles, and have sufficient time to perform their duties. The Board therefore recommends the election and re-election of all Directors. Directors' biographies can be found on pages 90 to 92 and in the Notice of Meeting.

Induction and continuing development

The Company Secretary in conjunction with the Chair is responsible for ensuring that newly appointed Directors receive appropriate induction training, in accordance with the Code and the Board's own induction policy. Any newly appointed Director will also be invited to participate in a range of meetings with members of the Senior Management Team to familiarise themselves with the business, its strategy and goals. Board meetings generally include one or more presentations from the Senior Management Team on areas of strategic focus.

During the year, the Board was also provided with opportunities to gain further insights into areas that supported its decisions during the year, such as updates on the 2024 UK Corporate Governance Code.

Annual Board and Committee effectiveness review

The Board regularly reflects on the continuing effectiveness of its activities and has conducted internal effectiveness reviews since admission to listing in 2021. As signposted in our FY23 Annual Report, the Board committed to undertaking an externally facilitated review within three years of IPO. In early 2024 the Board engaged Independent Board Evaluation ("IBE") to conduct an externally facilitated review of its performance.

Aims and objectives

The primary aims in undertaking the external effectiveness review were to identify areas of Board performance that could be improved as the Company matures, to bring insights to enable us to continue to progress in building an effective and trust-based relationship among Board members and between the Board and the Senior Management Team; to support the growth of ATG as a listed company by ensuring there is strength in the governance and culture; and to benchmark our governance arrangements.

Timeline and process

The process began in October 2023 with initial briefings between the Board Chair and the Company Secretary to agree the scope and design of the review, following which the process began to identify a suitable partner to assist ATG in undertaking its first externally facilitated Board effectiveness review.

Four firms were invited to submit proposals to conduct the Board effectiveness review and having evaluated the firms, including the strength of the team, the proposed evaluation model, their credibility and reputation, the proposed fee and experience with newly listed businesses, a clear preference for IBE resulted from the process. Following a recommendation by the Nomination Committee and approval by the Board in November 2023, references were taken, and IBE was selected and appointed in December 2023 as the firm to conduct the review.

In January 2024, IBE conducted interviews with Board members and key non-Board contributors including the Senior Management Team, Board and Committee meeting attendees, the Company's external auditors and remuneration consultants and the Company Secretary to gain a broader perspective of the Board's work. IBE analysed the output of these interviews and prepared a number of reports which set out the findings

and recommendations for the Board and each of its Committees. The findings were fed back to the Board Chair, the Committee Chairs and the CEO in February 2024 ahead of Board discussion in March 2024 where IBE presented its reports to the full Board and individual committees.

Results

The overall feedback was largely positive and reflected a Board that is relatively young in its development as a listed company board. The review confirmed that Board and Committee composition is balanced with relevant domain skills, an international viewpoint, mature and experienced Non-Executive Directors, and a constructive shareholder presence.

Two main themes emerged as the areas for potential development. Firstly, around ensuring that Board processes and culture are conducive to holding management to account to allow focus on operational delivery. Secondly, a review of the type of information provided in Board papers and presentations was recommended. The Board supported all recommendations contained within the report and a number of specific actions were agreed. The table below sets out the recommendations and actions taken up to the date of this report:

Each Board committee was included as part of the effectiveness review and each received a detailed report. The Committee Chairs led separate discussions of their review findings with their respective committees. The recommendations and findings of the review in relation to the Audit, Remuneration, Nomination and Sustainability and ESG Committees can be found on pages 93, 107, 102 and 50, respectively.

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Recommendation	Focus	Action
Board focus and agenda	Agree a set of Board objectives for 2024, setting out the milestones and timelines the Board thinks appropriate for key discussions, using the Board planner to align it with the Board's objectives and share it with the Senior Management Team.	The Board priorities for FY24, as set out in the FY23 Annual Report, were reviewed, highlighted and discussed at every Board meeting. See page 87 for further details on how each item was addressed.
	Recognise the value of agenda-free time to inform discussion and encourage debate on important Board topics, deepen cohesion by using a combination of pre-meetings of Non-Executive Directors before each Board meeting to allow the Chair to explore with the Non-Executive Directors where the areas of focus are and to understand likely lines of enquiry, and introduce post-meeting reviews, to exchange views on how the meetings went.	Informal Board events and Non-Executive Director only events and dinners have been scheduled throughout the year. A private post-Board meeting review has been built into every Board agenda. These meetings are attended by the Non-Executive Directors only, following which the Chair provides feedback to the Executive Directors during his one-to-one sessions.
Board and Committee composition	Further strengthen the composition of Board Committees by appointing all independent Non-Executive Directors as members of the Nomination Committee to bring further diverse input into discussions. In association with the Nomination Committee and Audit Committee, consider succession planning for the composition of the Audit Committee as part of the proposals to appoint an additional Non-Executive Director, potentially requiring any new Non-Executive Director to be financially qualified, and/or with plc experience of governance and risk management.	All independent Non-Executive Directors are now on the Nomination Committee, following the appointment of Suzanne Baxter and Tamsin Todd to the Committee on 21 March 2024 and Andrew Miller on 21 November 2024. Andrew Miller was appointed to the Nomination Committee, Audit Committee and Remuneration Committee on 21 November 2024.
	Review membership and composition of the Sustainability and ESG Committee (a sub-committee of the Audit Committee).	As set out in the Sustainability Report on page 50, the Board considered the recommendation of the Sustainability and ESG Committee ("SEC") in May 2024 that the SEC was operating effectively, with robust reporting and effective delegations. The Board agreed that the SEC should continue in its current form and with its current membership, with the Chief Operating Officer continuing as Chair, subject to regular review of Board oversight of ESG matters.
Board materials	Initiate a review of the format of Board papers, including KPIs, the balance of narrative and data and contextual information, milestones for operational delivery and timings for the circulation of papers.	The Board Chair and Committee Chairs have provided proactive and practical feedback to the Executive Directors on the format and content of their reports. Relevant KPIs and dashboard data have been refined. The purpose of each paper is clearly identified to ensure that the Board's time is optimised. Background information is provided in appendices if not essential for Board discussion and decision-making.

The Board and each of its Committees have reviewed the suggestions and outcomes of the Board evaluation and developed implementation plans where appropriate, as set out in detail above and in the reports of the Committees on pages 93, 107, 102 and 50. Good progress is being made across all governance forums.

Lisa Thomas of IBE is a member of the International Register of Board Reviewers. Neither Lisa Thomas nor IBE have any connection with the Company or individual Directors.

The Board intends to comply with Code Provision 21 whereby an externally facilitated evaluation will take place at least every three years. The Board intends to run an internally facilitated Board performance review in FY25.

Board leadership and Group purpose

The Company is led by an effective Board, which is responsible for leading and directing the Company and has overall authority for the management and conduct of its business, strategy and development. The strategy is intended to drive long-term sustainable growth and meet the interests of our key stakeholders.

The Board has established an effective governance and risk framework. The framework ensures that our people are able to raise any matters of concern, and that all policies and practices are consistent with the Company's values.

The Group's purpose, as detailed throughout the Annual Report, is to unlock the value of the secondary goods market and, in doing so, to accelerate growth of the circular economy. Through our eight online marketplaces we enable a large, diverse and fragmented buyer base to bid on a wide range of assets curated by expert auctioneers. In turn, auctioneers are able to access a global buyer base in a cost-efficient way, through our specialised marketplace technology. Every year our marketplaces ensure that millions of used items are resold for re-use or repurpose, preventing waste and carbon

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emissions from the manufacturing of new items. By extending the lives of millions of items, we are accelerating the growth of the circular economy and creating a new global channel of sustainable commerce. Our employees come to work each day to make their piece of the auction ecosystem better by making buying or selling second-hand goods easier and faster. Their efforts lead to more auctioneers selling more assets, in more categories, online. This generates a virtuous circle of growth between auctioneers and bidders searching across an incredible range of specialised and unique second-hand items; all reducing the need to buy new. Our goal of unlocking this value underpins our entire business strategy as we continue to commit to leading the structural transformation of the auction industry as a trusted partner to auctioneers, bidders, our people and our community.

Our purpose informs our business strategy and commitment to being a supportive and trusted partner to the industry, our people and our community. Our strategy, which is to lead the evolution of the auction industry from offline to online by providing auctioneers with the most complete and impactful set of integrated online services and capabilities in the world, sets the direction the Group takes in order to help it achieve its purpose. The strategy and the purpose set out above are the key drivers to the Board's decision-making and actions and ensuring these are implemented successfully; this is particularly key when integrating a new business into the Group as part of the Group's M&A strategy. Further information on the Group's strategy can be found in the Strategic Report on pages 22 to 27.

The following table details how the Company has applied each of the five principles underpinning Board leadership and Company purpose. The Company has complied with the provisions of the Code for the financial year, except as set out on page 79 of this report.

	Pages																		
Board leadership and Company purpose																			
The Board is responsible for setting and delivering the Group's strategy and monitoring how it is performing against the agreed strategy for the benefit of all its stakeholders. The Board is also responsible for defining, monitoring and overseeing the Group's culture and ensuring it is aligned to the purpose and strategy. Further information on how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the Company's business model, and how its governance contributes to the delivery of its strategy can be found as follows:	<table> <tr> <td>Chair's Statement</td><td>08</td></tr> <tr> <td>Chief Executive Officer's Statement</td><td>10</td></tr> <tr> <td>Business Model</td><td>20</td></tr> <tr> <td>Six Strategic Growth Drivers</td><td>23</td></tr> <tr> <td>Key Performance Indicators</td><td>28</td></tr> <tr> <td>Principal Risks and Uncertainties</td><td>37</td></tr> <tr> <td>Sustainability Report</td><td>50</td></tr> <tr> <td>Governance, Board and Group purpose</td><td>81</td></tr> <tr> <td>Committee Reports</td><td>93</td></tr> </table>	Chair's Statement	08	Chief Executive Officer's Statement	10	Business Model	20	Six Strategic Growth Drivers	23	Key Performance Indicators	28	Principal Risks and Uncertainties	37	Sustainability Report	50	Governance, Board and Group purpose	81	Committee Reports	93
Chair's Statement	08																		
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Sustainability Report	50																		
Governance, Board and Group purpose	81																		
Committee Reports	93																		
Division of responsibilities																			
The Chair leads the Board which includes an appropriate combination of Executive Directors and Non-Executive Directors. The Non-Executive Directors provide constructive challenge, strategic guidance and advice, and have sufficient time to meet their Board responsibilities. The Board has identified certain "reserved matters" that only it can approve. Other matters, responsibilities and authorities have been delegated as appropriate, and there are relevant policies and processes in place for the Board to function effectively and efficiently. The Board has clear written guidelines on the division of responsibilities between the Chair, Chief Executive Officer, Senior Independent Director, Board and Committees. Further information on the application of these principles can be found as follows:	<table> <tr> <td>Division of responsibilities</td><td>81</td></tr> <tr> <td>Board attendance</td><td>88</td></tr> <tr> <td>Board independence</td><td>78</td></tr> <tr> <td>Board Committees</td><td>88</td></tr> </table>	Division of responsibilities	81	Board attendance	88	Board independence	78	Board Committees	88										
Division of responsibilities	81																		
Board attendance	88																		
Board independence	78																		
Board Committees	88																		
Composition, succession and evaluation																			
A rigorous, effective and transparent appointment process is in place, which, together with the effective succession plans, promotes diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. A comprehensive and tailored induction programme is in place for new Directors joining the Board. The induction programme facilitates their understanding of the Group and the key drivers of the Group's performance. The Board has delegated responsibility to the Nomination Committee to keep under regular review the composition of the Board and its Committees. The Nomination Committee is also responsible for succession planning and the Group's policy on diversity and inclusion. Further information on the application of these principles can be found as follows:	<table> <tr> <td>Board biographies</td><td>90</td></tr> <tr> <td>Board composition</td><td>81</td></tr> <tr> <td>Nomination Committee Report</td><td>102</td></tr> <tr> <td>Sustainability Report</td><td>50</td></tr> </table>	Board biographies	90	Board composition	81	Nomination Committee Report	102	Sustainability Report	50										
Board biographies	90																		
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Sustainability Report	50																		

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	Pages
Audit, risk and internal control	
The Board has established formal and transparent policies and procedures to ensure the independence and effectiveness of both internal and external audit functions. It satisfies itself on the integrity of financial and narrative statements. The Board presents a fair, balanced and understandable assessment of the Group’s position and prospects. It has established procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks of the Group. The Board has delegated responsibility to the Audit Committee to oversee the Group’s financial framework, financial controls and internal controls, and that policies and procedures are in place to manage risks appropriately. Further information on the application of these principles can be found as follows:	Principal Risks and Uncertainties 37 Risk Management 35 Audit Committee Report 93
Remuneration	
The Company has designed the remuneration policies and practices to support strategy and promote long-term sustainable success. Executive remuneration is aligned to the interests of our shareholders and to the Company’s purpose and values and is clearly linked to the successful delivery of our long-term strategy. There is a formal and transparent procedure for developing executive remuneration policy and determining Director and Senior Management remuneration. Directors are able to exercise independent judgement and discretion when authorising remuneration outcomes, taking into account Company and individual performance and wider circumstances. The Remuneration Committee is responsible on behalf of the Board for determining and monitoring the strategy and policy on remuneration, termination, performance-related pay, pension arrangements, share incentive plans to support the Group’s strategy, and remuneration reporting and disclosure. Further information can be found as follows:	Directors’ Remuneration Report 110

Board meetings

The Chair, in conjunction with the CEO and Company Secretary, plans an annual programme of business prior to the start of each financial year, to ensure that essential topics are covered at the appropriate time and that space is built in advance to provide the Board with the opportunity to hold in-depth discussions and deep dives on key strategic issues.

Prior to each Board and Committee meeting, each member receives the agenda and associated Board papers to support those items on the agenda. The Chief Executive Officer provides an update on key commercial issues and projects across the Group on behalf of the Senior Management Team and the Chief Financial Officer provides updates on the current and forecast financial position at each meeting.

The Committee Chairs also provide updates on the work of the Committees and highlight any areas which require consideration by the full Board. Other matters are added to the agenda of scheduled Board meetings, or Board meetings convened as and when necessary if a specific time-critical item needs consideration. Board papers are circulated electronically in advance of meetings to ensure sufficient time for the Board to absorb, thus facilitating robust discussion.

The Board schedules six meetings each year to allow the Board sufficient time to discharge its duties, with ad hoc meetings convened as and when required. There were six scheduled Board meetings during FY24, excluding ad hoc meetings for urgent matters and time-sensitive approvals and matters approved via written resolution. Information on Directors’ attendance at Board and Committee meetings is set out on page 88. Board meetings are held in person at our London offices. Pauline Reader attends the majority of meetings in person but given her location, sometimes joins Board and Committee meetings via videoconference when necessary.

To ensure that the Board has good visibility of the key operations of the business, members of the Senior Management Team attend Board meetings regularly to provide presentations on areas of strategic focus and progress against our strategic growth drivers.

The Non-Executives hold private post-meeting reviews after every meeting, following which the Chair provides feedback to the Executive Directors.

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Board activities in FY24

The areas of focus discussed during the year under review included:

Board areas of focus	
Strategy	- Integration of Vintage Software LLC (trading as EstateSales.NET ("ESN")) (acquired in February 2023) into the Group. - The opening of a new international tech hub in Mexico. - Regular reports from the CEO at each meeting detailing the performance of the business against the strategic goals and six strategic growth drivers and key programme updates. - Review and refreshment of the Group's strategy, priorities and budget at offsite Senior Management Team meetings, which were thoroughly scrutinised by the Board at meetings held in July and September 2024. - Continuous oversight of the M&A strategy at every Board meeting and the evaluation of potential targets. - Discussion and challenge of strategic updates from members of the Senior Management Team around the Group's two sectors, Industrial & Commercial and Arts & Antiques, and across the roll out of key strategic initiatives. These included atgPay, atgShip, the transition to a single technology platform programme, atgXL and the development of integrated bidding, the roll out of marketing initiatives, product development, milestone updates on people matters, IT strategy and future plans including IT security and resourcing. - Review of an externally commissioned report on the auction landscape and the ATG brand.
Risk and risk management	- A thorough review of the Group's risks and the potential impacts on the business was undertaken as part of the interim and annual results process. - A review of the risk register, principal and emerging risks and risk appetite statement, was conducted by the Audit Committee and reported to the Board. - Consideration of the Audit Committee's recommendations following the external assessment of ATG's cyber security practices conducted by PwC, along with the response from the Company's Head of Information Architecture and Security on ATG's response and integration. - Approval and oversight of the consolidation of a number of service providers and systems, including Salesforce agreements, helpdesk service providers, internal communications portals and finance and HR systems.
Financial performance	- Approval of the full year results for FY23 and interim results for FY24. - Receipt of reports from the CFO at each meeting detailing the Group's performance and progress against budget and against analyst consensus. - Consideration of the FY25 annual business plan and budget. - Recommendation to shareholders of the appointment of Ernst & Young LLP as the Company's auditors.

Board areas of focus	
Governance	- Approval of the resolutions to be put to shareholders at the AGM and reviewed investor feedback received. - An externally facilitated evaluation of the Board, its Committees and the Chair's performance, including the selection of the firm to conduct the review and agreement of resulting actions. - A review of all Committees' terms of reference. - Approval of the Board diversity policy. - Approval of the Modern Slavery Statement. - Completed the annual review of the Board's suite of governance policies. - A review of the governance framework and consideration of the impact of regulatory changes, including changes to the UK Corporate Governance Code, changes to the UK listing regime and the Economic Crime and Corporate Transparency Act. - A review of the composition of the Sustainability and ESG Committee. - Commenced the process to appoint additional Non-Executive Directors to the Board.
Stakeholders	- Feedback from shareholders following the FY23 full year results and FY24 interim results and feedback from investor roadshows and evaluation of market guidance. - Received share register analyses and movements within the register. - Engagement with major shareholders via the Remuneration Committee regarding executive remuneration, as well as engagement between major shareholders and the Board Chair and Senior Independent Director. - Received two updates from the designated Non-Executive Director following formal engagement with employees and agreed outputs. - Consideration of the results of the employee engagement survey and pulse surveys. - Oversight of the launch of atgPeople, the Group's new global HR and payroll systems, bringing efficiencies and better employee user experiences. - Received a deep dive into ESG delivered by the Chair of the Sustainability and ESG Committee. - Monitored the impact of the change of presentational currency of financial statements from FY24 onwards from pound sterling to US dollars.

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Board and Committee meetings and attendance in FY24

As detailed on page 82, the Board has in place a number of Committees that support the Board in providing oversight of specific areas of Audit, Remuneration, Nomination and Sustainability. The table below details the number of scheduled meetings held during the year under review and the attendance by each Director at the meetings they were eligible to attend.

Name	Board	Audit Committee	Remuneration Committee	Nomination Committee	Sustainability and ESG Committee
Breon Corcoran	5/5 (100%)	–	4/4 (100%)	2/2 (100%)	–
John-Paul Savant	6/6 (100%)	–	–	–	–
Tom Hargreaves	6/6 (100%)	–	–	–	1/2 (50%)
Scott Forbes	6/6 (100%)	5/5 (100%)	4/4 (100%)	2/2 (100%)	–
Suzanne Baxter	6/6 (100%)	5/5 (100%)	4/4 (100%)	1/1 (100%)	2/2 (100%)
Pauline Reader	6/6 (100%)	–	–	2/2 (100%)	–
Tamsin Todd	6/6 (100%)	5/5 (100%)	4/4 (100%)	1/1 (100%)	–
Morgan Seigler	6/6 (100%)	–	–	–	–

Notes

- (i) The attendance above reflects the number of scheduled Board and Committee meetings held during FY24. The Board held four additional ad-hoc Board meetings and four sub-committee meetings during the reporting period to address urgent matters, which were attended by all Directors or at least the requisite quorum. This includes matters resolved by unanimous written resolution. The Remuneration Committee and the Nomination Committee held one and four additional ad-hoc meeting during the reporting period respectively.
- (ii) Suzanne Baxter and Tamsin Todd were appointed as members of the Nomination Committee from 21 March 2024.
- (iii) Breon Corcoran resigned from the Board on 9 August 2024.

Each Director's attendance at Board and Committee meetings is considered part of the formal annual review of their performance. When a Director is unable to attend a Board or Committee meeting, they communicate their comments and observations on the matters to be considered in advance of the meeting via the Chair, the Senior Independent Director or the relevant Board Committee's Chair for raising, as appropriate, during the meeting.

Board priorities for FY25

The key items proposed for FY25 are to:

- Continue to provide the Executive Directors and Senior Management Team with the support and guidance they require to deliver the Group strategy, and review the progress and delivery of the Group strategy.
- Continue the process to appoint a new Non-Executive Director.

- Continue to review any potential M&A opportunities.
- Review the implementation of a risk management and internal controls framework to support the declaration of effectiveness of material controls that the Board will be required to make from FY27 onwards.
- Conduct an internally facilitated Board effectiveness review.
- Complete the induction of new Non-Executive Directors.
- Review the composition of the Board to ensure progress to meeting diversity targets.
- Review succession plans for the Board and the Senior Management Team.
- Continue to develop our ESG and sustainability governance framework.

Culture

Our innovation and collaboration-driven culture is core to our success. The Board plays a key role in ensuring that this culture is aligned with the strategy and that behaviours are maintained or adequately adapted to meet the needs of future and evolving operations. Over the last year, the Group has maintained its collaborative culture, successfully integrating ESN into our business. Our collaborative approach has been demonstrated by the performance of the business during this time, successfully delivering new products and services to its customers.

As the Group expands, our international workforce has grown and the Board believes that it is important to ensure that the culture is embedded across the Group and adapted as necessary, to cater for differing regulations and requirements within different countries. The Board leads by example and ensures that the appropriate policies and procedures are in place to maintain the Group's culture.

The Board welcomed and supported the roll out of the refreshed ATG Values during the previous year, providing a "North Star" for all at ATG. ATG and its companies have a diverse range of cultures and as well as maintaining some of the unique aspects of each of our companies, certain elements have been consolidated into common values across all of our businesses, an articulation of the environments our people work in and what it means to be part of "OneATG."

The Group monitors its culture through the use of employee surveys, employee engagement sessions, data on employee turnover and via any breaches of our codes of conduct and through our whistleblowing policy. The Board is satisfied that the policy, practices and behaviour throughout the business are aligned with the Company's purpose, values and strategy.

 Stakeholder Engagement page 43

Diversity, equity and inclusion

The Board is committed to maintaining a Board with a diverse set of skills, experiences and backgrounds, as set out in the Board diversity policy. The Board diversity policy applies to the Board's Remuneration, Audit and Nomination Committees as well as the Board, and the Nomination Committee and the Board review the Board diversity policy on an annual basis. The Board diversity policy covers wider diversity characteristics beyond gender and ethnicity, including disability, sexual orientation, socio-economic background and cognitive diversity, all of which are taken into account in the Board nomination and appointment process. Our Board diversity policy can be found on our website.

During the year, the Committee 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. The Board is pleased to disclose that the Company achieved both targets as at the end of the financial year. Our female representation on the Board increased from 37.5% to 42.9% during the year and since the appointment of Suzanne Baxter as Senior Independent Director, at least one senior Board position is now held by a woman. Further details on the application of our Board diversity policy can be found in the Nomination Committee Report on page 104. A description of our approach to diversity for our wider employee base is set out in our Sustainability Report on pages 73 to 74.

Employee engagement

An employee engagement survey was conducted during the year, the results of which were shared with the Board in January 2024. The Board welcomed the increase in overall participation to 84%. There had been a slight decline in the overall engagement score from 76% to 67% and the Senior Management Team had studied the results and discussed the

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themes and feedback. Results were also shared with employees, with focus groups and listening sessions organised as part of the delivery of the action plan. Overall results continued to show a high level of satisfaction amongst our employees and the areas of collaboration, passion and respect received high scores. Further details on the survey results and resulting actions can be found in the Sustainability Report on page 50. A further short pulse survey was conducted in June 2024, the results of which showed an improvement in the engagement score to 73%.

The Board recognises the importance of continuing to engage with the Group's workforce and considers employee perspectives as part of Board discussions and decision-making. Details of how the workforce has been consulted in relation to specific Board decisions, and the outcome of that engagement, is set out in the s.172 Statement on pages 43 to 49. Tamsin Todd is the Board's designated Non-Executive Director for workforce engagement, as defined in the Code. During FY24, Tamsin met with a cross-section of the Group's employees, spread across operations in Europe, North America and Mexico. These sessions are scheduled at least twice a year and cover topics such as culture, strategy, remuneration and any other key issues the employees wish to raise. At the scheduled Board meetings following these sessions, Tamsin reported on key themes, and the Board discussed issues and actions to be taken, delegating to Board Committees and executives where appropriate. Outputs and actions arising from these sessions are set out on page 44. Further feedback is solicited from employees through the annual employee engagement survey and pulse surveys, the results of which are reviewed by all teams and via feedback sessions in smaller focus groups. Actions are identified and progress and trends are tracked over time.

To ensure that all members of the Board have good visibility of the Company's operations, members of the Senior Management Team regularly attend Board meetings to provide updates on their areas of expertise and the execution of the Group's strategy.

Shareholder engagement

The Board recognises the importance of engaging with existing and potential shareholders. The Director of Investor Relations has defined an investor relations programme that aims to ensure that existing and potential investors understand the Group's business model, strategy and performance. The Board ensures a clear understanding of the views of investors through the various methods set out in the Stakeholder Engagement section of this report on page 48. The Executive Directors made formal presentations on the full year and interim results (in December 2023 and May 2024), which were made available on the Company's website. The results presentations were followed by formal investor roadshows. A continuous programme of meetings with existing and potential investors, fund managers and sell-side analysts covers a range of topics including strategy, performance, outlook and ESG matters. The Chair and Senior Independent Director are also available for meetings with major shareholders and the Chair of the Remuneration Committee consulted with shareholders during the year in relation to the executive remuneration policy.

The Board is kept informed of shareholder and analyst feedback, via regular updates from the CFO, as well as share register analyses and market reports provided by the Company's brokers, J.P. Morgan Securities plc and Deutsche Numis.

Private shareholders are encouraged to access the Company's website for reports and business information and to contact the Company via email with any queries. Contact information can be found on the inside back cover.

Whistleblowing

The Group's whistleblowing policy allows employees to raise relevant concerns confidentially and if preferred, on anonymous basis. The whistleblowing policy is regularly reviewed by the Audit Committee and the Board. The policy, which was updated during the year and cascaded to all employees, includes access to local whistleblowing services run by independent organisations. The Audit Committee receives regular reports on the use of the service, issues that have been raised and the findings of any investigations and any actions arising. Our whistleblowing policy can be found on our website. During FY24 there were no whistleblowing reports raised via the service (FY23: none).

Conflicts of interest

In accordance with the Company's Articles of Association, the Board formally records any conflicts of interest, and all Directors are given the opportunity to raise any conflicts of interest at the start of every Board meeting. Any conflicts that are raised will be considered for authorisation, assessed by the Board and a decision taken on the extent to which any such conflicts can be managed.

Any external appointments or other significant commitments of the Directors require the prior approval of the Board. Further details about the Board's external commitments are detailed on pages 90 to 92 of this report and details about the Directors' interests in the shares of the Company are detailed on page 121.

Independent advice

Directors can raise concerns at Board meetings and have access to the advice of the Company Secretary. There is a procedure in place, when needed, for Directors to obtain independent professional advice at the Company's expense. No such requests were made during this financial year.

Directors' and Officers' Liability insurance is maintained for all Directors.

Internal controls statement

The Board, assisted by the Audit Committee, has carried out a review of the effectiveness of the Group's systems of internal control during the year ended 30 September 2024 and the period up to the date of approval of the Consolidated Financial Statements contained in the Annual Report. Following this review, the Board concluded that no significant failings or weaknesses had been identified and plans were in place to address any minor issues flagged for improvement.

Compliance with the Disclosure Guidance and Transparency Rules

The disclosures required under DTR 7.2 of the Disclosure Guidance and Transparency Rules are contained in this report, except for those required under DTR 7.2.6 which are contained in the Directors' Report.

Board of Directors



Scott Forbes
Chair

Appointed to the Board: 26 February 2021
Appointed as Chair: 9 August 2024

Independent: Yes

Committee memberships:

- N** (Chair since 14 August 2024)
- R** (Chair until 19 September 2024)
- A** (Member until 21 November 2024)

Current external commitments:

- Chair of Cars.com LLC

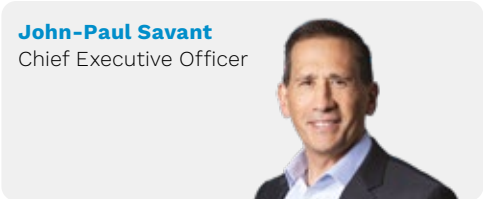
About Scott:

Scott was appointed as a Non-Executive Director and Senior Independent Director at IPO in February 2021. He was appointed Chair on 9 August 2024, at which point he stepped down as Senior Independent Director. Scott has over 40 years' digital marketplace experience across multiple sectors in strategy, operations, finance and M&A capacities including 15 executive years at Cendant Corporation, formerly the largest provider of travel and residential property services worldwide. Scott established Cendant's international headquarters in London in 1999 and led this division as group managing director until he joined Rightmove plc, where he was Chairman from July 2005 to December 2019. He is currently Chair of Cars Commerce, Inc. and was Chair of Ascential plc until 9 October 2024 following the completion of its sale to Informa. Scott has also been Chair of Orbitz Worldwide and Non-executive Director of Travelport Worldwide, Inc and has chaired nomination and remuneration committees multiple times as well as serving as member for each of nomination, remuneration and audit committees.

Committee membership key

- | | |
|---------------------------------|---|
| N Nomination Committee | S Sustainability and ESG Committee |
| A Audit Committee |  Committee Chair |
| R Remuneration Committee | W Designated Non-Executive Director for workforce engagement |
| D Disclosure Committee | |

How Scott supports the Company's strategy and long-term success
Scott is an experienced UK and US listed company chair and independent director with 25 years of digital commerce and online marketplace experience across multiple sectors. Scott's extensive experience as an independent non-executive director in listed environments supported the Board in navigating its early years as a listed company. He has a proven track record for capital allocation and the businesses he has chaired have delivered substantial value to shareholders. He is recognised for his collaborative leadership, with a focus on business operating strategy as well as on creating strong, diverse and effective boards. Other Board members value Scott's patience and sound judgement, along with his experience in M&A, finance and business operating strategy. Scott is respected for his ability to constructively challenge and contribute to the Company's strategy, promoting an open and collaborative environment across the Board.



John-Paul Savant
Chief Executive Officer

Appointed to the Board: 25 January 2021

Independent: No

Committee memberships:

- D** (Chair)

Current external commitments: None

About John-Paul:

John-Paul joined the Group as CEO in February 2016, bringing 20 years of experience in digital marketplaces and commerce. He was appointed to the plc Board prior to IPO in January 2021. John-Paul spent almost 10 years at eBay/PayPal, where he served in a number of leadership roles, latterly as PayPal's Vice President of Product, Experience, and Consumer Engagement for EMEA. He also held leadership roles at other online businesses. John-Paul's most recent role before joining the Group was as CEO of Think Finance UK. John-Paul began his career at J.P. Morgan in New York after graduating from Georgetown University in Washington DC. He earned his MBA at the University of Chicago.

How John-Paul supports the Company's strategy and long-term success
John-Paul is passionate about the role ATG can play in accelerating the circular economy through digital transformation of the auction industry and in unlocking the incredible value present in the massive secondary goods market. His focus is building on ATG's leadership position through creative strategies to enhance the value ATG provides to the auction ecosystem as it undergoes the structural shift online, and on building focused, collaborative management teams with the ability to execute. He is committed to a shared success model and is excited by building capabilities and services that allow both the auction industry and ATG to grow profitably together. He leads and guides the ATG team with a clear vision to grow ATG into a true online global market leader, to pursue a strategy that steadily enhances ATG's competitive position, to invest against the six strategic growth drivers, and to build and develop the team capable of delivering the value.

Board of Directors continued

Tom Hargreaves
Chief Financial Officer



Appointed to the Board: 25 January 2021

Independent: No

Committee memberships:

D S

Suzanne Baxter
Senior Independent
Non-Executive Director



Appointed to the Board: 4 February 2022
Appointed as Senior Independent Director:
9 August 2024

Independent: Yes

Committee memberships:

A (Chair) **R N S**

Pauline Reader
Independent
Non-Executive Director



Appointed to the Board: 2 December 2021

Independent: Yes

Committee memberships:

N

Current external commitments: None

About Tom:

Tom joined the Group in January 2018 as Group CFO and was appointed to the plc Board prior to IPO in January 2021. He joined from Yell, where, as CFO, he was a key member of the leadership team which led their digital transformation. Prior to this, Tom worked at Vodafone in the UK and across EMEA before becoming CFO of Vodafone Romania. In all, Tom has over 10 years' CFO experience, trained with Arthur Andersen, qualified as a Chartered Accountant and holds an MBA. As announced on 10 October 2024, Tom will be stepping down as a Director and Chief Financial Officer in early 2025.

How Tom supports the Company's strategy and long-term success

Tom is passionate about driving both organic and strategic acquisitive growth, with extensive experience of both M&A and business funding. He is well regarded for his deep understanding of the business and its drivers. He leads a strong and well-respected finance team, creating alignment across different locations and ensuring a robust and resilient finance function.

Current external commitments:

- Independent member of PwC Public Interest Body, Audit Oversight Body and Audit Partner Remuneration and Admissions Committee and Audit Committee
- External Board member of Pinsent Masons LLP

About Suzanne:

Suzanne has substantial listed company experience and expertise gained in both executive and non-executive roles. She has held a range of commercially focused financial, M&A and operational roles, including serving as CFO of Mitie Group plc, where she supported the business through transformative acquisitive and organic growth. Suzanne is currently an Independent Member of PwC's Public Interest Body, Audit Oversight Body, Audit Partner Remuneration and Admissions Committee and Audit Committee. She is the External Board Member of Pinsent Masons International LLP. Suzanne served as a Non-Executive Director and Audit Committee Chair for Ascential plc until October 2024 and also previously served as a Non-Executive Director and Audit Committee Chair of WH Smith plc. A Fellow of the Institute of Chartered Accountants in England and Wales, she trained with PwC and specialised in Corporate Finance at Deloitte. Suzanne also has a wealth of experience in workplace inclusion and was formerly a Commissioner for Equality and Human Rights for Great Britain.

How Suzanne supports the Company's strategy and long-term success

Alongside her significant financial experience and qualifications, Suzanne's expertise in growing businesses and corporate governance is invaluable to the Board. Suzanne's prior board experience enabled her to successfully step into the role of Audit Committee Chair immediately upon appointment in 2022 and she continuously provides constructive challenge to the Executive Directors and support and guidance to the finance function.

Current external commitments:

- Reader Consulting

About Pauline:

Pauline most recently served as Chief Marketing Officer of Podium, a communication and payments platform. Before Podium she served as the Senior Vice President of Marketing for Stitch Fix, where she led the brand, creative, customer acquisition, customer retention and marketing technology departments. Prior to these roles, she held senior marketing positions at Minted, Kabbage and eBay. Pauline received her Bachelor of Arts degree in Economics from Princeton University in 2002 and began her career at Morgan Stanley in 2002, before joining Thomas Weisel Partners as a research analyst, covering companies in the retail sector.

How Pauline supports the Company's strategy and long-term success

Pauline brings over 20 years of marketing and e-commerce experience through roles at a range of global consumer businesses and in investment banking. Pauline is highly regarded by the Board for her marketing, consumer and diversity insights. Her knowledge of the digital realm and of global consumer trends provides a platform for her to bring fresh thinking and perspectives to discussions about ATG's next stage of growth.

Board of Directors continued

Morgan Seigler

Non-Executive Director



Appointed to the Board: 18 January 2021

Independent: No

Committee memberships:
None

Current external commitments:

- Co-head of TA Associates' EMEA Technology
- Non-executive director of W.A.G. Payment Solutions plc

About Morgan:

Morgan joined the Group in February 2020 in connection with the acquisition of the Group by TA Associates and represents TA Associates on the Board. Morgan was appointed to the plc Board prior to IPO in January 2021. He is an active investor of Compusoft, IFS, RLDatix and Workwave and formerly served on the boards of (or was actively involved with) 10bis, AVG Technologies, Bigpoint, CMOSIS, eCircle, ION Trading, LIST, M and M Direct and SmartStream Technologies. Morgan received a BA degree in Economics from Yale University and an MBA degree from the Stanford Graduate School of Business.

How Morgan supports the Company's strategy and long-term success

Morgan has provided continuity during the transition of ATG to a listed business. Morgan actively assists the Board with the implementation of the Company's growth strategy, particularly given his knowledge of the business, transactional experience and network of contacts through TA Associates, which the Directors believe will assist the Group in sourcing acquisition opportunities. Morgan's role facilitates good shareholder engagement with TA Associates.

Tamsin Todd

Independent
Non-Executive Director



Appointed to the Board: 4 February 2022

Independent: Yes

Committee memberships:
R (Chair since 19 September 2024) **A N W**

Current external commitments:

- Non-executive Director of INTO University Partnerships

About Tamsin:

Tamsin has held product and commercial roles in high-growth, technology-enabled companies including Amazon, Microsoft and Betfair. She was previously Interim Chief Operating Officer at dunhumby UK and from 2017 to 2023, she was CEO of Findmypast, one of the world's largest genealogy companies, where she oversaw a period of growth and built a product-oriented, mission-led organisation. Prior to this she was Chief Customer Officer at Addison Lee and Managing Director of TUI-owned Crystal Ski Holidays, leading digital transformations with a focus on data, technology platforms and customer experience. Tamsin is also a Non-Executive Director of INTO, a leader in international higher education, and she was formerly a Trustee of the Imperial War Museums and Chair of its Trading Company. She holds an MBA from Imperial College London and an AB from Princeton, where she has served in senior leadership roles in the university's volunteer community.

How Tamsin supports the Company's strategy and long-term success

Tamsin's digital transformation background, coupled with her questioning mindset and collaborative style, has proved a valuable asset to the Board. Tamsin brings broad international experience and a passion in excellence in customer service and the employee voice, as well as extensive knowledge and interest in the impact of diversity in the business and on the Board, where she provides insight and challenge. Tamsin fully embraces the role of designated Non-Executive Director for workforce engagement, providing an open channel of communication for employee issues to be considered by the Board.

Andrew Miller

Independent
Non-Executive Director



Appointed to the Board: 21 November 2024

Independent: Yes

Committee memberships
N R A (From his date of appointment
21 November 2024)

Current external commitments:

- CEO of Motability Operations Group plc
- Non-executive director Channel 4 Corporation

About Andrew:

Andrew is currently CEO of Motability Operations Group plc and a Channel 4 Corporation non-executive director where he is also Audit Chair. Previously, Andrew served as non-executive director and Audit Committee Chair for the Automobile Association plc and Ocean Outdoor Media plc. He was both Chief Executive Officer and Chief Financial Officer of Guardian Media Group and Chief Financial Officer of online marketplace business Autotrader. His experience covers business strategy, executive and financial leadership.

How Andrew supports the Company's strategy and long-term success

Andrew is an experienced CEO, CFO and non-executive director and has a wealth of experience across a number of consumer sectors. He has extensive experience in technology and digital transformation and this has been key in every business he has been involved in over the last two decades. Along with his significant M&A experience, particularly in digital business, Andrew brings valuable strategic, operational and financial insight and robust challenge to the Board.

Audit Committee Report



Suzanne Baxter

Audit Committee Chair

Members ²	Number of scheduled meetings attended ¹	
Suzanne Baxter		100%
Scott Forbes		100%
Tamsin Todd		100%

1. In total, all Committee members attended all meetings they were eligible to attend during the year.

2. Andrew Miller was appointed to the Committee on 21 November 2024.

As Chair of the Audit Committee, I am pleased to present our report to shareholders on the role and key activities undertaken by the Audit Committee during the year ended 30 September 2024.

The Committee fulfils a vital role in the Group's governance framework. It provides independent challenge and oversight of the Group's financial reporting processes, its internal control and risk management frameworks, the internal audit function and the relationship with the external auditor.

This report outlines how the Committee discharged the duties delegated to it by the Board and explains the key matters considered by it in doing so.

The Group has continued to make progress in consolidating and standardising its processes, systems and controls. Key activities in the year have included the launch of the Group's new finance consolidation system, the implementation of a global reconciliation platform, changes to the structure of the finance team and presentation of project plans to begin the migration of the US finance systems to the Group finance platform during FY25. In addition, the Committee and the internal audit function have continued to monitor the development of the control framework across the Group as well as undertaking a post implementation review of the acquisition of ESN.

With effect from 1 October 2023, the Group began presenting its results in US dollars, better reflecting the trading and financial position of the Group given the majority of the Group's revenue and external financing is denominated in US dollars. The Committee has been central to providing oversight of this change and further details can be found on page 97.

"The Audit Committee is focused on ensuring that there is a robust financial control and risk management framework in place to support the Group's strategy."

Our external audit was put out to competitive tender during FY23. Details on the audit tender process were set out in our FY23 Annual Report. Following recommendations from the Audit Committee and the Board, Ernst & Young LLP ("EY") were appointed as auditors for the financial year FY24 at the Annual General Meeting held in January 2024. I would like to thank Deloitte for their support and service to the Group during their tenure as external auditor and for their assistance in the transition to EY. Additional time has been taken by the Committee and the management team this year to ensure an orderly handover to our new auditors.

The Committee dedicated time to considering the changes to the UK Corporate Governance Code issued by the FRC in relation to the role of the Board in monitoring the Company's risk management and internal control systems and framework. Further work in this area is planned for FY25, notably in the area of formalising a framework to monitor and identify the Group's material controls.

During FY24 the Committee participated in an external evaluation of the Committee's performance. The Committee received a detailed report, and I discussed the review findings with my fellow Committee members and the Board. Further details can be found on page 83.

The Sustainability and ESG Committee continued to report to the Committee during the year. The Group's disclosures in respect of its TCFD reporting requirements are provided in the Sustainability Report on pages 56 to 71.

This report provides further information on the matters mentioned above and on other activities and matters considered by the Audit Committee during the year under review, as well as those proposed for FY25. This report should be read in conjunction with the external auditor's report on pages 132 to 140 and the Consolidated Financial Statements on pages 141 to 178. I am satisfied that the activities the Committee has undertaken during FY24 as set out in this report meet the requirements of the Minimum Standard for Audit Committees published by the FRC in 2023.

My fellow Committee members and I would be happy to answer any questions about the work of the Committee at the forthcoming AGM.

Suzanne Baxter

Audit Committee Chair

26 November 2024

Audit Committee Report continued

Role of the Audit Committee

The Committee is an essential part of the Company's governance framework. Its role is to support the Board by considering and reviewing the quality and integrity of the Group's financial reporting; to oversee the operation of the accounting, financial reporting and internal control environment; to approve and oversee the internal audit function and its work; and to monitor the appointment of the external auditor and to review the effectiveness and quality of the external auditor's work.

Audit Committee composition and meetings

The Committee is comprised solely of independent Non-Executive Directors in accordance with Provision 24 of the UK Corporate Governance Code. As Chair, a Fellow of the Institute of Chartered Accountants in England and Wales, a former CFO of a FTSE 250 company and an experienced Audit Committee Chair, I have recent and relevant financial experience. Scott Forbes has over 35 years' experience in operations, finance, mergers and acquisitions and as set out in her biography, Tamsin Todd has a wealth of pertinent business experience. The members of the Committee all provide a breadth of financial, commercial and sector expertise, thereby enabling the Committee to meet its responsibilities and the requirements of the Code. Further information about the experience and qualifications of each member of the Committee can be found on pages 90 to 92.

The Board, via the Nomination Committee, reviewed the structure, size and composition (including skills, knowledge, experience and diversity) of the Audit Committee during FY24. As a result of this review, along with the external review of the effectiveness of the Audit Committee conducted in early 2024 and detailed on page 83, the Board concluded that at that point, it was satisfied with the structure, size and composition of the Audit Committee

and that the Committee as a whole has knowledge and competence relevant to ATG's business and to the sector in which the Company operates. As set out in the Corporate Governance Statement on page 79, following the resignation of Breon Corcoran as Chair and the appointment of Scott Forbes as Chair, the Company was in partial non-compliance with Provision 24 of the UK Corporate Governance Code, which provides that the Chair of the Board should not be a member of the Audit Committee. At that time, the Board concluded that it was in the best interests of the Company to maintain the skills, experience and continuity in the current composition of the Audit Committee. As set out in more detail on page 102, the Board undertook a process to appoint an additional Non-Executive Director with financial, governance and risk management experience. Andrew Miller was appointed as a Non-Executive Director on 21 November 2024 and replaces Scott Forbes as a member of the Audit Committee.

The Committee has a clear set of responsibilities that are set out in its terms of reference, which are available on the Group's website, www.auctiontechnologygroup.com. The Company Secretary acts as Secretary to the Committee.

Meetings are held at least four times a year to coincide with key events, in particular the public reporting and audit cycle for the Group. The attendance details on page 88 reflect the number of scheduled Committee meetings held during FY24. I report to the Board on the business conducted at the previous Committee meeting and inform the Board about the discussions and any recommendations made by the Committee.

The Committee's key activities during the year ended 30 September 2024

The Committee has established an annual plan linked to the Group's financial year and reporting cycle. This is continually reviewed to ensure that it is kept up to date and is refreshed as the business evolves.

At the invitation of the Committee, the Chair, the Chief Financial Officer, Chief Executive Officer and senior representatives of the finance and management teams also attend meetings, as do representatives of both internal and external audit. The Committee holds regular meetings with the external auditor and Head of Internal Audit without management present, and these discussions assist in ensuring that reporting and risk management processes are subject to rigorous review throughout the year.

The Committee received updates on, discussed and debated a range of topics during the five meetings it held during the year, as summarised as follows:

Financial reporting

- Considered whether the Annual Report and the interim report, taken as a whole, are fair, balanced and understandable, provide shareholders with the information necessary to assess the Group's position, performance, business model and strategy, and considered the completeness of the included disclosures.
- Received and considered reports from management on the key estimates and judgements made in the interim report and in the annual Consolidated Financial Statements. The Committee challenged the assumptions made, discussed alternative treatments, reviewed proposed disclosures and considered the opinion and work performed by the external auditor and other professional advisers. Further details of the challenges raised by the Committee are outlined in the key areas of focus for FY24 on pages 96 to 98.

- Provided oversight of the change in the Group's presentational currency from pound sterling to US dollars with effect from 1 October 2023.
- Reviewed and challenged the overall presentation of APMs in the Annual Report including evaluating the clarity and appropriateness of definitions and reconciliations.
- Considered the outputs of tax advice, in particular on intra-group debt structuring, tax provisioning, corporate simplification and the impact of foreign exchange both at the subsidiary and at the Group level.
- Reviewed and concluded on the appropriateness of the Group's capitalisation policies and processes for internally developed software costs, in accordance with the accounting standards guidance.
- Reviewed and challenged management's forecasts, stress tests and assumptions in support of the use of the going concern basis for preparation of the financial statements contained in the Annual Report and interim report.
- Recommended that the Board approve the viability statement after consideration of the basis of preparation and management's key assumptions and stress tests. Further details of the key considerations made by the Committee are summarised on page 99.
- Considered the report on the review undertaken by the FRC's Audit Quality Review ("AQR") team of the Company's former auditor Deloitte's audit of the Company's FY23 financial statements, which identified no key findings and one area for improvement. Further details of this review are set out on page 95.
- Considered the mandatory requirements for TCFD reporting and the Group's disclosures in that regard and ensured alignment with the Sustainability and ESG Committee in responsibilities and reporting.

Audit Committee Report continued

- Received updates on the implementation of a corporate reporting consolidation system and the migration to the Group accounting system for US entities.

Risk management and internal control

- Monitored and reviewed the Group's internal controls framework and risk management processes, including the risk appetite and operational risk register.
- Received reports on, and considered the implications for, the Company of the introduction of the UK Corporate Governance Code in January 2024, including the requirements of Provision 29 in relation to the effectiveness of material controls and the UK Government's Economic Crime and Corporate Transparency Bill.

Compliance and governance

- Participated in and considered the recommendations of an external review into the Committee's own performance and effectiveness.
- Monitored and received reports on the Group's fraud prevention processes and considered the application, accessibility and effectiveness of the whistleblowing policy.
- Received assurances from the Group's Data Protection Officer on the mitigation of key data protection risks, and from the Chief Operating Officer on the controls around and application of the prohibited items policy.
- Received reports on the activities of the Sustainability and ESG Committee and considered its approach to the compilation of and assurance regarding TCFD related data and wider ESG matters across the Group.
- Reviewed the Minimum Standard for Audit Committees published by the FRC and reviewed Committee procedures to ensure alignment.
- Reviewed and recommended for approval updated terms of reference.

Internal audit

- Considered the effectiveness, resourcing and budget of the internal audit function, approved the annual review of the internal audit charter.
- Reviewed and approved the internal audit plan for FY24, ensuring that it was appropriately planned, resourced and effective, along with a three-year outline internal audit plan.
- Reviewed the proposed internal audit programme for FY25, ensuring that it was adequately aligned to the Group's principal risks.
- Reviewed internal audit reports on financial and IT controls, business continuity and disaster recovery, integration of acquisitions, and payroll processes, noting findings and actions by priority.
- The Committee challenged management on its proposed responses to the reports, the timeliness of that response and the resource levels focused on addressing the matters identified.
- Authorised an external expert's review of the Group's cyber security practices, including an assessment against the National Institute of Standards and Technology ("NIST") cybersecurity framework.
- The Committee met privately with internal audit without management present on two occasions, with regular additional meetings between the Head of Internal Audit and the Audit Committee Chair through the year.
- Monitored and reviewed the effectiveness of the Group's internal audit function.
- Assessed the updates to the Global Internal Audit Standards that were released in January 2024 and mapped these against the current internal audit function's processes to ensure alignment.

External audit

- Oversaw, coordinated and monitored the transition from Deloitte to EY as external auditor with effect from FY24.
- Reviewed the plans and the reports of the external auditor on the Company's interim and year-end reporting.
- The Committee met privately with the external auditor EY without management present, to discuss their work and relationship with the Group. Separate meetings were also held between the external auditor and the Chair of the Audit Committee throughout the year. Meetings with the outgoing auditor were held at the end of the FY23 reporting cycle and in connection with the FRC's AQR review.
- Assessed the effectiveness of the FY23 audit process and any lessons for EY to take forward.
- The Committee also reviewed and approved the appointment terms and remuneration of the external auditor and the appropriateness and operation of the policy on the supply of non-audit services.

Audit quality

The Committee monitors engagements with external stakeholders relevant to the Committee's areas of oversight, including the FRC. During the year, the FRC's Audit Quality Review ("AQR") team reviewed the Company's former auditor Deloitte's audit of the Group's FY23 financial statements as part of its annual inspection of audit firms. As Audit Committee Chair, I met with the FRC's AQR team at the commencement of their review, in line with the regulator's normal practice. The Audit Committee received and reviewed the summarised output from the AQR team which identified no key findings and one area for improvement of limited significance.

The inspection identified good practice in the Company's use of specialists to assist in UK and US taxation. The area of limited improvement identified related to the basis for analysing commission revenue for a US component. Deloitte provided a response to the FRC's AQR team and the Company's current auditor EY has taken account of the response.

Whistleblowing policy

As referred to in the Corporate Governance Statement, the whistleblowing policy was updated during the year. The policy allows employees to raise concerns on a strictly confidential basis, without fear of recrimination and protection from retaliation. Each jurisdiction has access to local whistleblowing services run by independent organisations. The policy is part of the employee handbook and is highlighted to all new employees. The Audit Committee receives regular reports from Internal Audit on the use of the service, issues that have been raised and the findings of any investigations and any actions arising. During FY24 the Committee received additional assurance from the Chief People Officer on the application and communication of the whistleblowing policy. The Committee reviewed the policy and subsequently confirmed that the policy and supporting processes remained appropriate.

Audit Committee Report continued

Key areas of focus for the Audit Committee during the year ended 30 September 2024

Significant judgements and estimates

A key role of the Committee is to consider whether suitable accounting policies have been adopted by the Group and the reasonableness of the judgements and estimates that have been made by management in producing and presenting the Group's financial statements. The Committee, having received and reviewed papers from management and the external auditor, identified the areas set out in the table below and note 2 as the key areas of significant accounting judgement and/or estimation made by the Group during the year.

Significant accounting estimates and judgements

Key issue considered	How the issue was addressed by the Audit Committee
Goodwill impairment reviews As disclosed in note 12, the Group's goodwill and other intangible asset balance was \$834.3m at 30 September 2024. At each reporting date, or as required, an assessment of the risk of impairment of goodwill and other intangible assets is undertaken comparing the book value of each asset with its recoverable amount (being the higher of value in use and fair value less costs to sell). Value in use is determined with reference to projected future cash flows discounted at an appropriate rate. The derivation of the cash flows and the discount rate involve a significant degree of estimation uncertainty. The definition of the cash-generating units to which the cash flows and discount rates are applied is also considered as part of the impairment assessment. The resulting calculations are sensitive to the assumptions made in respect of the forecasts of future cash flows, the discount rate and long-term growth rate applied to the cash flows. The headroom has reduced for the Auction Services CGU to \$0.9m (30 September 2024 \$7.4m).	Management presented the Committee with a detailed impairment paper outlining the overall impairment indicator assessment and the key inputs to the discounted cash flow models at 31 March 2024 for the interim reporting, and 30 September 2024 for the year end reporting. Key inputs include the rationale for the cash-generating unit allocations, the future cash flows, the discount rate and the long-term growth rate. The discount rate was calculated by an external expert and their full reports were circulated to the Committee and external auditor for review and consideration. Management provided an overview of the inputs to the discount rate which had driven the movement at each reporting period. The Committee challenged and considered the discount rate for the Auction Services CGU in particular due to the sensitivity of the model to a change in any one of the key input assumptions. The forecasts used within the impairment models are consistent with the Group's FY25 budget and longer-term forecasts which were approved by the Board in October 2024. Management provided a detailed overview of the Auction Services performance in FY24 and the change in strategic direction for the business along with the considerations and assumptions included in the future forecasts. Management summarised the factors which had impacted the level of headroom on each of the CGUs over the carrying value from 30 September 2023, which predominantly arose from the net impact of the reduced discount rate, one year's amortisation charge and lower cash flows over the forecast period. Management presented a sensitivity analysis test to highlight the movement required in each of the key inputs, discount rate, five year adjusted EBITDA CAGR and long term growth rate, which would result in an impairment of the CGU, i.e. there being no headroom between the value in use calculation and the carrying value of the asset. The Committee reviewed and assessed the papers presented by management and the external auditor on the matter of impairment, including reviewing the historical accuracy of management's forecasting and challenging the basis of the assumptions used. Following this review, alongside challenge of management and enquires with the external auditors, the Committee was satisfied that no impairment was required at 30 September 2024. Given the sensitivity of the impairment test for the Auction Services CGU to a movement in any one of the key assumptions the Committee specifically considered and discussed the proposed disclosures on this matter and challenged the external auditor and management as to their completeness. Following this active discussion, the Committee concurred with the disclosures proposed by management. These disclosures are set out in note 1 and note 12.

Audit Committee Report continued

Other areas of focus

In addition to the significant accounting estimates and judgements the Committee also focussed on a number of other key accounting and reporting matters for FY24. These are summarised in the table below.

Other areas of focus	
Key issue considered	How the issue was addressed by the Audit Committee
Presentational currency On 17 May 2023, the Group announced that from the beginning of the current financial year, 1 October 2023, it would be changing the currency in which it presents its financial results from pound sterling to US dollars. The Group's US dollar denominated earnings account for over 80% of the Group's revenues and profits. This change reduces the impact of currency movements on reported results. In accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, this change in presentation currency was applied retrospectively. In accordance with the provisions of IAS 21, "The Effects of Changes in Foreign Exchange Rates", the historic consolidated financial information has been represented from pound sterling to US dollars as detailed in note 1. There was no impact to the Condensed Consolidated Statement of Profit or Loss as a result of the restatement.	During FY23 the Committee was consulted on the proposals to change the Group's presentation currency from pound sterling to US dollars from 1 October 2023 so as to provide greater transparency of the Group's performance and to reduce foreign exchange volatility. The Committee also noted the planned timeline for implementation and reviewed the approach and the implementation plan. Additionally, the Committee considered the external reaction to the change, including reviewing draft communications. Having considered these matters, the Committee recommended the change of presentation currency to the Board for approval. In FY24 management outlined the process undertaken for retranslating the historical financial statements for FY22 and FY23 and provided the Committee with the draft restated primary financial statements. The external auditors provided an overview of their work performed on the retranslation. The Committee challenged management and the external auditor to ensure the restatement calculations were complete prior to the restated primary financial statements being published on the Group's website in December 2023. The Committee also reviewed the restated financial statements and notes to the financial statements as part of their review of the FY24 Annual Report, prior to Board approval.
Functional currency and impact on deferred tax Within the Consolidated Financial Statements there is a deferred tax credit on unrealised foreign exchange differences of \$8.1m (FY23: \$8.8m) arising from US holding companies with pound sterling as their functional currency for the Consolidated Financial Statements but US dollar functional currency under US tax rules. Per the US tax basis these holding companies included an unrealised foreign exchange loss of \$30.6m on intra-group loans denominated in pound sterling totalling £246.2m (FY23: \$34.6m on intra-group loans of £295.6m). Unrealised foreign exchange differences are not taxable until they are realised, giving rise to deferred tax (see note 19). On 25 September 2024, the intra-group loan was redenominated into US dollars and a loss of \$0.7m realised. From this date there is no foreign exchange exposure on this loan and deferred tax liability at 30 September 2024 is \$nil.	Given the significant impact on the Group's financial results from the unrealised foreign exchange on the deferred tax asset recognised, management circulated an updated calculation to explain the movements in the balance during the year. A paper was also presented by management and external advisers on the tax considerations made prior to the redomination of the loan from pound sterling to US dollars. In FY24 the Committee requested reconfirmation from the Group's external tax advisers and external auditor that the proposed treatment of the deferred tax asset and the classification of where this should be recognised in the financial statements, continues to remain appropriate in line with the accounting standard guidance. The Committee has reviewed the disclosures in these financial statements to ensure that there is appropriate explanation for how the deferred tax has arisen and a sensitivity analysis has been included in the foreign exchange risk in note 22 to highlight the impact on the Group's financial statements if the pound sterling had strengthened or weakened against the US dollar. As the intra-group loan has been redenominated and there will therefore be no exchange rate fluctuations on this loan in FY25 onwards.

Audit Committee Report continued

Other areas of focus

Key issue considered

How the issue was addressed by the Audit Committee

Capitalisation of internally generated software

In line with its strategy, the Group has continued to invest in the development of its technology platforms during the year. This investment has been focused on enhancing the user experience of both bidders and auction houses and on enhancing the technical functionality of the marketplaces and technology stacks operated by the business.

The Group capitalises the cost of software development where it meets the capitalisation criteria under IAS 38 'Intangible Assets' and it is in line with internal accounting policies. Capitalised costs are subsequently written off over the useful life of the software.

The total additions to internally capitalised software for FY24 were \$10.8m (FY23: \$10.8m). Management has had to make judgements and assumptions when assessing on whether development costs meet the capitalisation criteria and on measuring and allocating those costs to relevant projects, or whether they should be written off in the year in the Statement of Profit and Loss.

Management presented papers during the year to the Committee outlining the process that is undertaken to review software development costs and to identify costs that meet the capitalisation criteria under IAS 38 'Intangible Assets'. Management explained the implementation guidance (SIC-32) had been considered which supports IAS 38 specifically around website costs.

A summary was also provided of the total capitalised expenditure during the year, broken down by the key projects with details of the nature of each project.

The Committee considered the procedures and controls in place in accounting for capitalising internally generated software, including those relating to the capitalisation of employee costs and in assessing the carrying amounts and remaining useful economic lives of previously capitalised intangible assets.

The Committee recognises that technology development is in line with the Group's strategy and supports the generation of future revenue for the Group. It is familiar with the nature of the key capital projects being undertaken to improve the user experience and to enhance the functionality of core technology with the Group.

The Committee enquired whether any of the new development costs result in previously capitalised projects becoming obsolete and therefore require an impairment. It also challenged management on the nature of costs capitalised (and those expensed) and the consistent application of the Group's accounting policy. The Committee also sought the perspective of the external auditor on the judgements made by management on the costs capitalised for each identified project area and whether the capitalisation criteria had been appropriateness met. No material exceptions were noted and recommendations for process enhancements in future years were accepted by management.

Overall, the Committee supported the methodology adopted and conclusions reached in identifying and accounting for costs that meet the capitalisation criteria under IAS 38.

Alternative performance measures ("APMs")

The Group uses a number of APMs in addition to those measures reported in accordance with UK-adopted International Accounting Standards. The Directors believe that the APMs are important when assessing the underlying financial and operating performance of the Group. The Group's APMs are set out in note 3.

The APMs are used internally in the management of the Group's business performance, budgeting and forecasting, and for determining Executive Directors' remuneration and that of other management throughout the business. The APMs are also presented externally to meet investors' requirements for further clarity, comparability and transparency of the Group's financial performance.

There have been no changes to the APMs used and disclosed in the Annual Report for FY24. Discussions were held during the year between management and the Audit Committee on potential alternatives and whether the current APMs still remain appropriate for the Group. In particular, the continued exclusion of the share-based-payments charge ("SBPC") from adjusted EBITDA and other APMs was discussed. As the Group is still only relatively newly listed and based on where it currently is in its lifecycle, the Committee agreed it remains appropriate to exclude the SBPC for FY24 but will continue to be revisited this each year.

Following discussions the Committee has satisfied itself that the APMs adopted by the Group remain appropriate and provide the user of the Annual Report with greater clarity, comparability and transparency of the Group's underlying trading performance.

Audit Committee Report continued

Going concern and viability statement

The Committee reviewed and challenged the process undertaken and conclusions reached to support the Company's going concern and viability statements which are set out on pages 41, 146 and 147.

In respect of going concern the review included:

- challenging and considering whether management's assessment of the principal and emerging risks facing the Group and their potential impact was appropriate;
- considering the likelihood of the risks occurring in the time period selected to 31 December 2025, the next covenant reporting period 12 months post the reporting date, and the impact severity in the event that they did occur;
- challenging management as to the appropriateness of the assumptions used in stress testing and modelling scenarios; and
- considering the term of the existing financing arrangement and the plans in place to refinance well in advance of June 2026.

Following its review, and making enquiries with management, the Committee concurred that the refinancing does not represent a material risk to the going concern statement made by the Company and recommended its approval to the Board.

In addition, in respect of the viability statement the Committee:

- understood the proposed plans in place for the refinancing of the Group's loan facilities which are due for repayment in June 2026;
- challenged management on whether the three-year time period adopted remained appropriate and aligned with the long-term forecasting of the Group, given the Group's loan facilities are due for repayment in June 2026;
- reviewed the disclosure to ensure it was sufficiently fulsome and transparent, especially in light of the current plans and status for refinancing.

The Committee concurred with the viability statement and recommended its approval to the Board.

Fair, balanced and understandable

It is a key governance requirement for the Board to ensure that the Annual Report and the financial statements, taken as a whole, are fair, balanced and understandable, and provide the information necessary for stakeholders to assess the Group's position and performance, business model and strategy.

The Committee was provided with early drafts of the Annual Report in order to assess the key themes and messages being communicated on the Group's performance and future strategy. Feedback was provided by the Committee in advance of the November 2024 Board meeting, highlighting any areas where the Committee believed further clarity was required. The draft report was then amended to incorporate this feedback prior to being tabled at the Board meeting for final comment and approval.

To help the Committee in forming its opinion, management presented a fair, balanced and understandable assessment paper to the November 2024 Audit Committee. This identified the key themes in the Annual Report, and explained how the report links the Group's strategy, risks and key performance indicators. It also considers whether the Annual Report and Accounts are internally consistent, how APMs have been used to aid comparability year-on-year and assessed whether each of the governance requirements were met.

When forming its opinion, the Committee reflected on the information it had received and its discussions throughout the year. It considered the key messages for FY24 and whether these are appropriately and consistently disclosed throughout the Annual Report, with equal prominence of front half reporting and financial statements; with no bias

or omissions; and with clear language within a structured framework. In particular, the Committee considered:

Is the report fair?

- Is the whole story presented and has any sensitive material been omitted that should have been included?
- Are key messages in the narrative aligned with the KPIs and are they reflected in the financial reporting?
- Are the KPIs being reported consistently from year to year?
- Is the reporting on the business areas in the narrative reporting consistent with the financial reporting in the financial statements?

Is the report balanced?

- Do you get the same messages when reading the front end and back end of the Annual Report independently?
- Are threats identified and appropriately highlighted?
- Are the alternative performance measures explained clearly with appropriate prominence?
- Are the key judgements referred to in the narrative reporting and significant issues reported in this Committee report consistent with disclosures of key estimation uncertainties and critical judgements set out in the financial statements?
- How do these judgements compare with the risks that EY are planning to include in their Auditor's Report?

Is the report understandable?

- Is there a clear and cohesive framework for the Annual Report?
- Are the important messages highlighted appropriately throughout the Annual Report with key themes drawn out?
- Is the Annual Report written in easily understandable language and are the key messages clear?

Conclusion

Following its review, the Committee is of the opinion that the FY24 Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

Internal audit

The purpose of internal audit is to provide the management team and the Board, through the Committee, with an independent and objective assessment of the risk, control and governance arrangements in place in the Group. The Group has an in-house Head of Risk and Internal Audit who has access to external specialists to support his work, where appropriate. The Committee believes that this is currently the right resourcing strategy for the internal audit function of the Group and is flexible to its developing requirements.

The Committee is satisfied that the reports received from the internal audit function during the year have been of a high quality and that management have taken, or agreed to take, actions to respond to the control or procedural recommendations identified. Internal audit is only a part of the internal control system of the Group, and we have been pleased to see a focus of resources allocated to the development and operation of a developing control system across the Group during the year. This has included further work by the Group finance and IT controls teams, and the work of the Information Security Steering Committee, chaired by the Head of Information Architecture and Security.

The Committee reviewed and agreed the proposed internal audit strategy for the period to ensure that it was proportionate, focused and provided the necessary assurance over targeted aspects of the organisation's strategic risks, control and governance arrangements.

Audit Committee Report continued

The internal audit programme also allows for audits to be brought forward if felt necessary or for additional audits to be built in for any other areas of assurance that are identified over the course of the financial year.

The Committee has assessed the internal audit function's response to the updated Global Internal Audit Standards, including a forward-looking plan, and is satisfied that the function is meeting the requirements.

Internal control and risk management

The Committee supports the Board in monitoring and reviewing the Group's systems of internal control and risk management.

The Committee is mindful that the Company operates in a fast-moving technology sector, has grown and continues to grow both organically and through acquisition, and is continuing to develop its operating model, footprint, systems and related controls. In that regard, the Committee recognises that some areas of the Company's internal control environment may remain the subject of management actions to enhance and strengthen them over time. Notably, having grown through acquisition it is acknowledged that the work that took place in FY24 to consolidate and centralise certain finance processes further enhanced and standardised the systems of control. Further systems developments and standardisation activities are planned in FY25.

The Committee designs its activities to respond to areas of risk and change, and to support management in its plans to develop the control and assurance framework. A primary focus of internal audit for FY25 will be to review the Group's implementation of a risk management and internal controls framework to support the declaration of effectiveness of material controls that the Board will be required to make from FY27 onwards in accordance with Provision 29 of the UK Corporate Governance Code 2024.

The Committee is supportive of the steps being taken by management and will continue to monitor progress in this area.

The Group has specific internal controls and risk management systems to govern the financial reporting process. Group financial policies include the frequency and content of reporting to the Board, the Group's accounting policies, compliance with the guidance in the Company's finance manual, and the consolidation process to prepare the consolidated financial information which is reviewed for accuracy by the Group finance team and externally audited where required.

Specific matters considered by the Committee during the period in relation to its consideration of the effectiveness of the Group's internal controls included:

- internal audit reports produced in line with the annual internal audit plan, including management responses, covering the following areas:
 - US financial controls;
 - the integration of ESN into ATG;
 - business continuity and disaster recovery;
 - IT general controls over finance systems; and
 - UK payroll processes.
- review and recommendation for Board approval of the Group Financial Processes and Controls and Accounting Manuals;
- review of the Group's treasury policies and controls;
- review of tax risks and compliance;
- review of the internal audit charter;
- consideration of developments in the Company's IT general controls and receiving reports from the Head of Information Architecture and Security and the Chief Technology Officer;

- assessment of the Head of Information Architecture and Security's response to an external expert report on the Group's cyber security practices.
- the Group's policies relating to the listing of specific regulated items on US auction marketplaces; and
- controls around the operation of the whistleblowing policy.

The internal audit programme for FY24 included internal financial controls as a focus and the plan will continue to do so in FY25. Progress towards completion of actions identified to improve internal control is regularly monitored by management and the Committee, contributing to the assurance on controls effectiveness provided to the Board.

Based on the assessments undertaken during the year and recognising the maturing nature of the business control environment and continued formalisation of processes, the Board and Audit Committee are satisfied that the Group operates an adequate system of internal control.

Risk management review

The Board has delegated to the Committee the responsibility for monitoring the effectiveness of the systems of risk management. During the period under review the Committee reviewed the Group's risk register and the whistleblowing policy and considered the Group's overall risk appetite, tolerance and strategy. It also recommended and participated in a Board presentation on the controls and risk appetite relating to the sale of certain auction items, such as regulated items or items controlled in line with internal policies, through the Group's marketplaces. The local market conditions and regulatory regimes along with the Group's response and risk management were considered for each of the Group's key markets.

The Committee, in supporting the Board to assess the effectiveness of risk management and internal control processes, relies on reporting by management, compliance reports and the assurance provided by the external auditor. The principal risks and uncertainties facing the Group are addressed in the Strategic Report and in the table on pages 37 to 40.

Assessing the effectiveness of the external audit process and the external auditor

Effectiveness

The Committee reviewed and approved the external audit plan to ensure it was consistent with the expectations of the audit engagement that had been set at the tender stage of engagement with EY. In reviewing the audit plan, the Committee discussed the areas identified by the external auditor as most likely to give rise to a material financial reporting error or those that are perceived to be of higher risk and requiring additional audit emphasis. The Committee also considered the audit scope, materiality threshold and the audit approach by territory as well as current areas of regulatory focus. It also reviewed EY's approach to ensuring audit quality, robustness of review on key judgements and the appropriateness of its fee and use of experts given the nature of the business.

Independence

The Committee is responsible for reviewing the independence of the Group's external auditor and satisfying itself as to its continued independence. The auditor has provided confirmation that they remain independent of the Group and its management. The Committee considered this matter and after reflecting on the scope of the work carried out by EY, its tenure as external auditor, its demonstration of professional scepticism and its relationship with the Group and its team, concurred with that conclusion.

Audit Committee Report continued

Provision of non-audit services

To preserve objectivity and independence, the external auditor is asked not to provide other services except those that are specifically approved and permitted under the Group's non-audit services policy.

Non-audit services are generally not provided by the external auditor unless specific circumstances mean that it is in the best interests of the Group that these are provided by EY rather than another supplier. To ensure the continuing independence of the auditor, during the year the Committee reviewed and approved a policy on non-audit services. The key principles of this policy are:

- The Audit Committee has adopted the FRC's list of permitted services for UK incorporated EU Public Interest entities ("EU PIEs") as set out in the Revised Ethical Standard 2019 ("Ethical Standard"). These services are allowed under UK statutory legislation and comply with the European Union directive on audit and non-audit services.
- Permitted services include those that are required by law and regulation, loan covenant reporting, other assurance services closely linked to the audit or Annual Report and reporting accountant services.
- For any non-audit permitted services the following levels of authority apply:
 - a) up to £50,000 requires the approval of the CFO
 - b) in excess of £50,000 and up to £150,000 requires the approval of the CFO following consultation with the Chair of the Audit Committee
 - c) in excess of £150,000 requires the approval of the Committee.

Audit and non-audit fees

The Committee reviewed, and agreed, the audit and non-audit fees for the Group for the year ended 30 September 2024 following discussion with management and the external auditor, and after receipt of a detailed schedule setting out the nature of the work being undertaken, the location of that work and the rates associated with the work. Note 6 of the Consolidated Financial Statements sets out the breakdown of audit and non-audit fees payable to EY in FY24 and Deloitte in FY23.

The non-audit fees of \$0.01m in FY24 and FY23 relate to covenant reporting. The assurance services of \$0.1m for FY23 and \$0.2m for FY24 include work performed for the Group's interim review opinions.

External audit partner

External auditors are required to rotate the audit partner responsible for the Group audit every five years. The EY audit partner responsible for the FY24 audit is Katie Dallimore-Fox and she has held this role since EY was appointed as auditor to the Company at the AGM held on 30 January 2024.

Review of Committee performance

In early 2024 the Board engaged Independent Board Evaluation ("IBE") to conduct an externally facilitated review of the performance of the Board and its Committees. The Committee considered the feedback and adopted the recommendations arising from the review during FY24. The feedback on the Committee was very favourable, with the report concluding that my experience and approach provides participants with confidence that the Committee is fulfilling its remit. The areas identified for potential future development included a review of the membership and composition of the Sustainability and ESG Committee, discussed in more detail on page 84, ensuring that a stated plan is put in place for the identification of material internal controls to give the Committee assurance

under the UK Corporate Governance Code 2024 in good time, and ensuring that any new Non-Executive Director appointments to the Board are financially qualified with experience of governance and risk management. The Committee has reviewed the suggestions and outcomes of the effectiveness review and has developed implementation plans as appropriate.

CMA Order 2014 statement of compliance

The Company confirms that it has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 during FY24 in respect to audit tendering and the provision of non-audit services.

As detailed earlier, the Committee considered the effectiveness and independence of EY and remained satisfied with their performance and considers their reappointment at the 2025 AGM to be in the best interests of the Company.

Key activities proposed for the financial year ending 30 September 2025

The Committee has an annual plan to guide its activities during the year. The key activities to be undertaken in the financial year ending 30 September 2025 include:

- Oversee and scrutinise the preparation of the Annual Report for the year ended 30 September 2024 and the interim results for the first half of FY25.
- Consider and review key areas of financial judgement and estimates used by management in the preparation of the financial statements.
- Continue to prepare for and consider the impact on the Group's reporting and control environment and corporate governance

framework of the introduced by the UK Corporate Governance Code 2024 in relation to internal controls, changes to the Global Internal Audit Standards, and any impacts on corporate reporting and disclosures introduced by the change in the UK listing regime introduced in July 2024.

- The development of an audit and assurance framework.
- Monitor key risk areas, particularly those scheduled for review by internal audit including, but not limited to, key financial, operational and IT controls and determining which should be classified as material controls for the purposes of provision 29 of the UK Corporate Governance Code.
- Monitor the consolidation and standardisation of financial systems and processes across the Group.
- Oversee the bedding in of new organisational structures within the finance function, especially in the US.
- Continue to manage and oversee the relationship with, and performance of, the external auditor.
- Participate in an internal evaluation of the Committee's performance and a review of the terms of reference.
- Monitor progress of the internal audit plan and the continuing development of the Group's systems of risk management and internal control.
- Continue to support the Board in the oversight of ESG and sustainability-related reporting, with a particular focus on monitoring the latest developments in the reporting on sustainability which continue to evolve and become more complex.

Nomination Committee Report



Scott Forbes
Nomination Committee Chair

Members ⁴	Number of scheduled meetings attended ¹	
Breon Corcoran ³		100%
Scott Forbes (Chair)		100%
Pauline Reader		100%
Suzanne Baxter ²		100%
Tamsin Todd ²		100%

1. In addition to these scheduled meetings, the Committee held five ad hoc meetings during the year. In total, all Committee members attended all meetings they were eligible to during the year.

2. Suzanne Baxter and Tamsin Todd were appointed as members of the Committee on 21 March 2024.

3. Breon Corcoran resigned as Chair and Non-Executive Director and relinquished all Committee memberships on 9 August 2024. Scott Forbes was appointed as Chair of the Board on 9 August 2024 and as Chair of the Nomination Committee on 14 August 2024.

4. Andrew Miller was appointed Non-Executive Director and joined the Remuneration, Committee Nomination Committee and Audit Committee on 21 November 2024.

I am delighted to present the Nomination Committee Report for the year ended 30 September 2024.

The Nomination Committee made progress across the full range of its responsibilities during the year. This report outlines how the Committee discharged the duties delegated to it by the Board and explains the key matters considered by it in doing so.

Role of the Committee

The Committee's role is to review the size, structure and composition of the Board, Committees and senior leadership to ensure the Company is structured to achieve its strategic objectives and that plans are in place for orderly, diverse and inclusive succession to the Board, Committees and senior management positions; and to lead the process for appointments by identifying and recommending potential candidates to join the Board.

The Committee reports to the Board on the business concluded at each meeting, how it has discharged its responsibilities and informs the Board of any recommendations made by the Committee. The Committee has a clear set of responsibilities that are set out in its terms of reference, which are available on the Group's website, www.auctiontechnologygroup.com. The Company Secretary acts as Secretary to the Committee.

Nomination Committee composition and meetings

Until March 2024, the Committee was comprised of the Chair and two independent Non-Executive Directors. Pursuant to the Board's annual effectiveness review on 21 March 2024, Suzanne Baxter and Tamsin Todd were appointed as additional independent members of the Committee in order to join up

"The Nomination Committee made good progress during the year across the full range of its responsibilities."

risk discussions around succession planning and incorporate workforce engagement feedback with respect to succession planning and culture.

The Committee recommended and the Board approved my appointment as Chair on 9 August 2024, following Breon Corcoran's resignation as Board Chair on the same date. The Committee recommended and the Board approved my appointment as Chair of the Nomination Committee on 14 August 2024. My appointment was made to ensure a seamless transition based on my familiarity with the Company and extensive experience as a Board Chair with online marketplaces in the United Kingdom and North America.

The members of the Committee all provide a breadth of experience and expertise, thereby enabling the Committee to meet its responsibilities and the requirements of the Code. Further information about the experience of each member of the Committee can be found on pages 90 to 92. Meetings are attended by the Chief Executive Officer and other relevant attendees by invitation.

The Committee conducted an externally facilitated effectiveness review and discussed observations and recommendations at the Board meeting on 21 March 2024 as set out in more detail on page 83. The Board, via this

Committee, reviewed the structure, size and composition (including skills, knowledge, experience and diversity) of the Board and its Committees. The Board further concluded that the Board should seek to add a Non-Executive Director with relevant product and/or technology experience in due course. Further details of the Board effectiveness review conducted during the year are set out on page 83.

Following the Chair succession on 9 August 2024, the Nomination Committee commenced a process to appoint a Non-Executive Director, with appropriate finance and online marketplace experience to replace me on the Audit Committee in order to comply with the UK Corporate Governance Code. Andrew Miller was appointed a Non-Executive Director and joined the Remuneration Committee, Audit Committee and Nomination Committee on 21 November 2024. In considering any new appointments to the Board, the Committee has an established policy and process for identifying the attributes, skills and experience required of potential candidates. The Committee takes account of a number of factors before recommending any new appointments to the Board, including relevant skills, experience, knowledge and diversity. A role specification is agreed by the Committee and external recruitment consultants are engaged to undertake the search and provide a list of potential candidates, meeting the role specification profile. Members of the Committee then meet with short-listed candidates, before recommending preferred candidates to the Board.

Nomination Committee Report continued

The Committee's key activities during the period ended 30 September 2024

- Monitored progress on organisation and succession planning for the Board and senior management and the development of a diverse talent pipeline.
- Considered succession planning for the composition of the Audit Committee and the role specification to replace Scott Forbes who was required to vacate the Audit Committee upon becoming Board Chair in accordance with the UK Corporate Governance Code.
- Considered succession planning for the composition of the Remuneration Committee and the role specification for an additional member to join the Committee, following the appointment of Scott Forbes as Board Chair.
- Managed the recruitment process and appointment of a Non-Executive Director with financial, governance, risk management and sector experience leading to the appointment of Andrew Miller on 21 November 2024.
- Appointment of an external search firm to facilitate the search of an additional Non-Executive Director with relevant technology experience.
- Recommended the election and re-election of the Directors at the 2024 AGM following a review of their independence and time commitments.
- Recommended to the Board the appointment of Independent Board Evaluation to conduct the Company's first externally facilitated Board effectiveness review.
- Completed a review of the effectiveness of the Committee as part of the external Board effectiveness review and considered the recommendations for this Committee.
- Following the completion of the Board effectiveness review conducted in FY24, conducted a further evaluation of the composition of the Board and its Committees to ensure alignment of relevant skills, experience and diversity to Company strategy.

- Achieved revised minimum year-end targets under the FTSE Women Leaders Review that the Board is comprised of at least 40% women and at least one of the Chair, CEO, CFO or SID is a woman.
- Reviewed the Chief Executive Officer's recommendations for the percentage target for the share of senior management working in the UK from an ethnic minority background by 2027, as required by the Parker Review.
- Reviewed and recommended the Board's diversity policy for Board approval.
- Reviewed and discussed diversity and inclusion scorecards.
- Reviewed the diversity data required for the FY24 Annual Report on gender identity or sex and the ethnic diversity of the Board and senior management.
- Kept under review the balancing of the former Board Chair's role with his role as Chief Executive Officer of IG Group plc.
- Appointed Scott Forbes as Chair following Breon Corcoran's resignation to ensure a seamless transition based on Scott's extensive experience as a Board Chair for online marketplace businesses in the United Kingdom and North America and recommended to the Board the extension of his appointment for a further three years.
- Appointed Suzanne Baxter as Senior Independent Director based on her extensive UK listed board, finance and capital markets experience. With Suzanne's appointment, the Company complies with UK Listing Rule provision that at least one of the positions of Chair, CEO, CFO or SID is filled by a woman.

Key activities proposed for the financial year ending 30 September 2025

- Continue to embed succession planning for the Board and senior management.
- Manage the Non-Executive Director recruitment process to ensure the Board has the requisite skills and maintains targets under the FTSE Women Leaders Review that the Board comprises at least 40% women.
- Upon recommendation of the CEO, agree the percentage target for the share of senior management working in the UK from an ethnic minority background by 2027, as required by the Parker Review.
- Review and recommend, if appropriate, the re-appointment of the Non-Executive Directors approaching the end of their initial three-year terms of appointment.
- Complete the successful appointment and induction of an additional Non-Executive Director(s).

Key areas of focus during the period

The Committee held two scheduled meetings during the year and five ad hoc meetings. The Committee's main focus in both scheduled meetings was on organisation and succession planning, Board composition, and diversity and inclusion, further details for which can be found below. Additional ad hoc meetings were convened to consider the resignation of Breon Corcoran as Chair and changes in Board and Committee composition.

Succession planning

During the year, the Committee conducted detailed reviews of the succession plans in place at Board, Executive Director and senior management level. The Committee's discussions focused on but were not limited to, the key Board roles of Chair, CEO and CFO and considered emergency succession in the event of unforeseen circumstances.

The Committee reviewed the short and medium-term plans for succession within the Chief Executive Officer's Senior Management Team, noting the number of individuals in the Group capable of being developed over the next few years, as well as short-term emergency cover for contingency planning purposes.

Following Breon Corcoran stepping down from the Board, the Committee reflected on how the existing skillset of the Non-Executive Directors enabled the Board to continue to execute the Group's strategy and meet future challenges. A robust assessment of the succession plan took place, which included plans for ensuring an orderly succession. Having considered the recommended succession plan and in consultation with advisers, the Nomination Committee recommended my appointment as Board Chair, which was approved by the Board.

Appointment of new Non-Executive Directors

A key responsibility of the Committee is to ensure orderly Board succession, and this has remained the Committee's main focus during FY24. During the year, the Committee commenced the search process for an additional independent Non-Executive Director. We partnered with independent search consultancies Korn Ferry and Russell Reynolds to facilitate these processes, utilising their expertise in placing directors with finance, online marketplaces, product and/or technology experience. Korn Ferry and Russell Reynolds have no connection with the Company or individual Directors. Korn Ferry was engaged as consultants to the Remuneration Committee during FY24. The Nomination Committee was satisfied that the remuneration and recruitment businesses within Korn Ferry were separate and distinct.

Nomination Committee Report continued



A detailed role profile setting out the desirable attributes, skills and experience of prospective Non-Executive Director was developed with support from Korn Ferry and appropriately agreed by the Committee.

Having considered the shortlist, Committee members interviewed the preferred candidates and recommended the appointment of Andrew Miller to the Board for approval. Andrew brings extensive experience covering business strategy, executive and financial leadership and digital transformation. The Committee further recommended that, on appointment to the Board, Andrew Miller be appointed as a member of the Remuneration Committee, Audit Committee and Nomination Committees.

The appointment involved a formal, rigorous and transparent selection process based on merit and objective criteria, with due

consideration being given to a broad range of factors. The Committee met several times during the selection process and the Board approved Andrew Miller's appointment on 21 November 2024.

Board induction and training

New Directors joining the Board undertake a tailored induction programme including meetings with key members of the Senior Management Team. Non-Executive Directors have full access to our Executive Directors and Senior Management Team outside scheduled Board meetings and can attend Company and employee events and briefings. Individual Board members have access to training and can seek advice from independent professional advisers, at the Group's expense, where specific expertise or training is required to enable them to perform their duties effectively.

Diversity and inclusion

The Board is committed to maintaining a Board with a diverse set of skills, experiences and backgrounds. The Committee reviews the Board diversity policy on an annual basis. The UK Listing Rules require listed companies to disclose annually their position against the 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 the Board is pleased to disclose that the Company achieved both targets as of the end of the financial year. Our female representation on the Board increased from 37.5% at 30 September 2023 to 42.9% at 30 September 2024 and our aim is to achieve this again by end of 2025. Since the appointment of Suzanne Baxter as Senior Independent Director, at least one senior Board position is now held by a woman.

The Board diversity policy has been expanded to cover wider diversity characteristics beyond gender and ethnicity, including disability, sexual orientation, socio-economic background and cognitive diversity. The Board's policy is to encourage diversity within long and shortlists as part of the overall selection process for Non-Executive Director roles when appointments are made.

The Board is supportive of the ambition shown in reviews on ethnic diversity, including the Parker Review recommendation for all FTSE 250 boards to have at least one director of colour by 2024. The Board, having consulted with the Nomination Committee, believes that it has achieved this target, with John-Paul Savant representing a Eurasian ethnically diverse background.

The Board has considered the extension of the scope of the Parker Review to encompass senior management teams operating in the UK as well as board directors in disclosures on ethnic diversity, which we fully support.

We also support the request to set and publish our own target percentage for minority ethnic representation in senior management positions. Our aim is to determine the proportion of our UK-based Senior Management Team to be occupied by ethnic minority executives by December 2027 in conjunction with the development of our global Diversity, Equity and Inclusion policy. We will report on progress towards this target in each Annual Report. As at 30 September 2024 42.8% (FY23: 37.5%) of the global Senior Management Team is represented by executives with an ethnically diverse background.

FCA UK Listing Rules – diversity reporting

The Committee is cognisant of the requirements on diversity and inclusion disclosures set out in the UK Listing Rules which apply to the Company for this reporting period, to include data in a prescribed format about the gender identity or sex, and the ethnic diversity of members of the Board and executive management. Our disclosures are set out as at our chosen reference date of 30 September 2024.

Approach to data collection

The Company has used a consistent approach to collecting the gender and ethnicity data displayed in the tables below, the source of which is the Group's HR database. For ethnicity, employees are asked to self-identify at the start of employment based on the Office for National Statistics (UK and Germany) and EE01 (North America) ethnicity categories. Employees can update this information at any time during their employment and are periodically reminded to provide their gender and ethnicity information, if they have not done so already.

Nomination Committee Report continued

The tables below set out data about the gender and ethnicity of the Board and senior management as at 30 September 2024, in the format prescribed by the UK Listing Rules

(a) Gender identity or sex

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	4	57.1	3	6	86
Women	3	42.9	1	1	14
Not specified/prefer not to say					

(b) Ethnic background

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	6	85.7	3	4	57
Mixed/Multiple Ethnic Groups	1	14.3	1	1	14
Asian/Asian British				2	29
Black/African/Caribbean/Black British					
Other ethnic group, including Arab					
Not specified/prefer not to say					

Andrew Miller was appointed to the Board on 21 November 2024. No further changes have occurred to the composition of the Board or Senior Management Team between 30 September 2024 and the date this document was approved on 26 November 2024.

The Corporate Governance Report on pages 81 to 89 provides further information on the Board's current composition and its plans to continuously improve skills and diversity.

As at 30 September 2024 the Board met the recommendations of the FTSE Women Leaders Review relating to female membership of the Board. The Board consisted of four males (57.1%) and three females (42.9%), and in terms of wider leadership, the Senior Management Team, as defined by the Corporate Governance Code but excluding the Company Secretary, consisted of six males and one female.

The Group strives to achieve a gender balance across all levels of the organisation (with proportional representation to the regions in which we work) through recruitment and succession planning.

There is further information on the Group's diversity and inclusion policies and activities during FY24 in the Sustainability Report on page 50.

Nomination Committee Report continued

External directorships

The Committee keeps under review the number of external directorships held by each Director. Any external appointments or other significant commitments of the Directors require the prior approval of the Chair, or, in the case of the Chair, the Senior Independent Director. The Chair takes into account investors' published voting policies on the number of board mandates considered appropriate for directors when considering directors' proposed appointment to additional boards. The Board and Nomination Committee have kept under review the balancing of the Board Chair's roles as Chair of Ascential plc and Cars.com since his appointment as Board Chair on 9 August 2024. The Chair resigned from the Board of Ascential plc upon the completion of its sale to Informa plc on 9 October 2024.

Re-election of Directors

In accordance with the provisions of the Code, all Directors will retire at the forthcoming AGM of the Company and the Board has recommended their election or re-election. In reaching its decision, the Board acted on the advice of the Nomination Committee. Having assessed numerous criteria such as independence, time commitments and other directorships, meeting attendance, skills, knowledge and experience and board diversity, the Committee and the Board are satisfied that all Directors continue to be effective in and demonstrate commitment to their respective roles and the Committee is satisfied that they devote sufficient time to their duties, demonstrate enthusiasm and commitment to their roles, and make a valuable contribution to the leadership of the Company.

Non-Executive Director appointments to the Board are for an initial term of up to three years. Non-Executive Directors are typically expected to serve two three-year terms, although the Board may invite the Director to serve for an additional period on the recommendation of the Committee. Non-Executive Directors are appointed under formal appointment letters which are available for inspection at the registered office of the Company during normal business hours and at the AGM.

Board performance review

As described in more detail on page 83, the Board undertook its first externally facilitated effectiveness review in February 2024, the approach for which was overseen by the Committee and the results for which are set out on page 84.

Review of Committee performance

In early 2024 the Board engaged Independent Board Evaluation ("IBE") to conduct an externally facilitated review of the performance of the Board and its Committees. The Committee considered the feedback and recommendations arising from the review during FY24 and agreed a number of actions. The feedback on the Committee was largely positive, with the report concluding that the Committee provides constructive challenge and support to the business on issues such as succession planning. Several areas emerged for potential development, including the recommendation that all independent Non-Executive Directors be appointed as members of this Committee.

As noted above, Suzanne Baxter and Tamsin Todd were appointed as members of the Committee in March 2024. The Committee also agreed to continue to encourage internal and external training for all Directors, to use informal dinners to inform discussion and debate on important Board topics, and to consider staggering any changes in Board composition on a rolling basis to maintain corporate knowledge and stability over the coming years. The Committee has reviewed the suggestions and outcomes of the effectiveness review and has developed implementation plans where appropriate.

Scott Forbes

Nomination Committee Chair
26 November 2024

Remuneration Committee Report



Tamsin Todd

Remuneration Committee Chair

Members ³	Number of scheduled meetings attended ¹	
Tamsin Todd (Chair from 19 September 2024)		100%
Scott Forbes (Chair until 19 September 2024)		100%
Breon Corcoran ²		100%
Suzanne Baxter		100%

- In addition to these scheduled meetings, the Committee held one ad hoc meeting during the year. All Committee members attended this meeting. In total, all Committee members attended all meetings they were eligible to attend during the year.
- Breon Corcoran stepped down from the Board on 9 August 2024.
- Andrew Miller was appointed to the Committee on 21 November 2024.

Key Committee activities during the year

- Formal review of the Directors' remuneration policy.
- Assessment of market trends, developments and the implications for the policy.
- Review of wider workforce remuneration and related policies, including an assessment of relevant trends in the United States.
- Review of the performance metrics used for incentive schemes.
- Reviewed formulaic incentive outcomes and considered whether they were aligned to Company performance over the short and long term.
- Reviewed and approved salaries for the Executive Directors and senior management.
- Annual review of the Committee's terms of reference.
- Receiving reports and advice from advisers on a range of matters.
- Annual review of the Committee's external advisers.

Dear Shareholder

I am pleased to present the Directors' Remuneration Report for the financial year ended 30 September 2024. This report is divided into three sections: my statement, the Directors' remuneration policy being put to shareholders at the 2025 AGM, and our Annual Report on Remuneration, which explains the decisions we have taken in implementing the Directors' remuneration policy, both for FY24 and looking ahead to FY25. The report has been prepared in line with the relevant UK reporting requirements.

I took over as Chair of the Remuneration Committee with effect from 19 September 2024, having served as a member of the Committee since my appointment to the Board in February 2022. The previous Committee Chair, Scott Forbes, remains a member of the Committee.

The business context

The business reported revenue growth driven by progress against its primary strategic initiatives in FY24, despite challenges in the underlying customer markets and macroeconomic pressures for much of the year. The successful introduction and expansion of value added services such as the new cross-listing offering, atgXL, demonstrates the significant opportunities ahead.

Executive remuneration during the year under review

As discussed in last year's report, the Remuneration Committee agreed some significant changes to Executive Directors' remuneration for FY24, all within the terms of the remuneration policy approved at the AGM in 2022. These changes included adjustments to the basic salaries of the Directors and a new approach to LTIP awards, broadening the performance criteria used for the awards and granting at a level of 200% of basic salary to focus on long-term outperformance.

Given the strong level of support received from major shareholders during the consultation phase, we implemented the changes during the year under review. At the AGM in January 2024, the Committee was pleased to note that there was a 98% vote in favour of the Directors' Remuneration Report.

Following the end of FY24, the Committee reviewed the Company's performance against the targets set for the incentive schemes. The annual bonus scheme for the year was based on the achievement of targets linked to adjusted EBITDA and revenue, each measure again having a 50% weighting. Unfortunately the threshold targets for these measures were not met and, as a result, no bonuses were earned by the Executive Directors for the year. No discretion was applied to adjust this outcome.

The LTIP awards granted in December 2021 had a performance period which ended on 30 September 2024. The awards were subject to adjusted diluted EPS targets. Based on the level of adjusted diluted EPS of 38.6c reported for FY24, the awards will vest in December 2024 at a level of 38.1% of maximum. The Committee believes this is a fair reflection of ATG's overall financial performance over the period. A minimum two-year post-vesting holding period applies to the vested award.

As noted in the 2023 Annual Report, certain legacy payments were made to continuing employees during FY24, including the Executive Directors. These payments were made as a result of the liquidation of a sub-fund of the Company's Employee Benefit Trust that was established prior to the IPO. As a result, John-Paul Savant received a cash payment totalling £1,339,321 and Tom Hargreaves received £1,145,418. No further payments are due under this legacy matter. Further details are set out on page 120.

Remuneration Committee Report continued

The Committee is comfortable that actions taken on pay during the year across the Company were appropriate and in the interests of all stakeholders, and that the remuneration policy operated as intended.

New Directors' remuneration policy

Our remuneration policy is due to be formally renewed at the AGM in January 2025. The policy is aligned with standard market practice for FTSE 250 companies, and is considered by the Committee to have worked well since it was put in place at the time of the IPO. Given the significant changes made last year to policy implementation, the Committee confirmed during FY24 that the broad remuneration policy structure should remain unchanged and to all intents and purposes we will therefore be rolling over our current arrangements.

Minor amendments proposed to the policy include additional flexibility to allow Non-Executive Directors to invest a portion of their cash fee in ATG shares and the inclusion of extra detail on the malus and clawback provisions in place, as recommended by the new UK Corporate Governance Code published by the Financial Reporting Council in January 2024 (which will formally apply to the Company from FY26). Also, in line with the new Code, I can confirm that malus and clawback provisions were not invoked during FY24.

The policy will be formally presented for approval at the AGM.

Our approach to executive reward for FY25

We have considered carefully the implementation of the new remuneration policy for FY25. The key decisions are as follows:

Basic salaries

- In line with the approach to phased increases for John-Paul Savant, his base salary for FY25 will be £517,500, an increase of 6.7%. This takes him closer to the targeted FY26 level of £550,000 agreed last year. The salary increase is higher than the average increase for the wider workforce of 3.56%, but is consistent with the approach signposted last year. Further, the Committee remains of the view that moving John-Paul to a more appropriate salary level is in shareholders' interests given the considerable evolution of the business under his leadership, and taking into account levels of CEO pay at other companies of a similar size.

Annual bonus

- The maximum annual bonus opportunity will be 125% of salary, in line with the remuneration policy limit. The performance measures for the FY25 bonus will remain appropriately challenging. The majority of the bonus will again be payable subject to the achievement of targets linked to revenue (35% weighting) and adjusted EBITDA (35% weighting), these being key financial performance indicators.
- For the remaining 30% we are introducing a number of non-financial measures which are linked to the achievement of key objectives based on certain critical strategic themes. This will help ensure a rounded assessment of overall performance over the course of the year. The objectives are based on platform stability, improved auctioneer engagement, improved bidder engagement and infrastructure improvements.

- Of the total bonus, 75% will be payable in cash and the remaining 25% will be deferred into an award over shares under the DSBP to be held for three years.

LTIP

- In line with the approach in FY24, the Committee intends to make an LTIP award at a level of 200% of salary to the CEO. A provision will be included in the award which enables the Committee to reduce the level of vesting if it considers there to have been a windfall gain over the vesting period.
- After detailed consideration, we have decided to make some changes to the performance conditions to apply to this award. In light of various factors, including some long-term uncertainty in the wider business environment and the investor desire for enhanced returns, we are focusing the FY25 LTIP on total shareholder return. TSR is considered an appropriate measure as it represents the market's assessment of the future prospects of the Company, with enhanced TSR a likely indicator of management success. Using TSR is also generally recognised by investors as a good way of aligning management interests with those of shareholders.
- We will assess TSR on both a relative and an absolute basis. 45% of the total award will be based on ATG's outperformance of the FTSE All Share index (excluding investment trusts), with full vesting for upper quartile performance. This index has been chosen because ATG is towards the middle of the companies in the index in terms of size. A further 45% will depend on material improvements in TSR on an absolute basis. Full vesting will require TSR of at least 45% over the level at the start of FY25, which would represent a very strong level of achievement in the current market environment.

- For the final 10% we have retained the carbon emission reduction measure introduced for the first time last year.

- The specific targets which have been set for all of the above measures are set out on page 125.
- As normal, a two-year post-vesting holding period will apply to the award and it will be subject to the standard malus and clawback provisions.

Change of CFO

- As announced on 10 October 2024, Tom Hargreaves will be leaving ATG in early 2025 to take up a position at another company. His termination arrangements will be consistent with the Directors' remuneration policy and the rules of the various incentive plans. In short, there is no intention that he will receive a payment for loss of office. His salary is remaining unchanged for FY25, and he will not participate in either the annual bonus scheme or the LTIP for FY25. It is intended that his FY23 and FY24 LTIP awards will lapse when he leaves the Company although he will retain an entitlement to the FY22 LTIP award (which will vest at a level of 38.1% in December 2024) as, consistent with the LTIP Rules, he will be in employment at the time of vesting. No discretion has been exercised in respect of these matters. Full details of the payments made to the CFO for FY25 will be provided in next year's report.
- The Company is currently in the process of recruiting a successor to Tom as CFO. The remuneration for the new CFO will be in line with the remuneration policy.

Remuneration Committee Report continued

Remuneration across the Company

Across the business, ATG continues to focus on providing remuneration that fairly rewards, attracts, retains and motivates high-calibre talent that is necessary to ensure the ongoing success and growth of the Company. ATG therefore aims to offer remuneration that is competitive and reflects the dynamics of the markets in which we operate.

During the year the Committee considered in detail the approach to remuneration across the whole business. Among other things, this involved discussion of the incentive arrangements in place for different job levels and market trends in key regions, particularly in North America. ATG operates in a competitive environment for talent and the Committee is fully supportive of the Company's desire to ensure that compensation packages can be offered which are sufficiently compelling to attract and retain high performers. As part of this, the organisation continues to place a significant emphasis on equity awards throughout the Company, with the Senior Management Team receiving grants of restricted shares as part of their packages. All-employee share schemes are also viewed as a key benefit for colleagues in the UK and North America, helping to ensure an alignment of interests between shareholders and employees.

In addition to my role as Remuneration Committee Chair, I am also the designated Non-Executive Director for workforce engagement. In this role, I participate in at least two employee engagement sessions each year, where a range of matters are discussed, including remuneration and benefits topics. This year there was feedback that further career development would be welcomed, and this informed the enrichment and relaunch of ATG's Academy.

Non-Executive Director remuneration

This year the Board and Committee conducted a comprehensive review of Board fees, noting that (other than in respect of the Board Chair) the fees had not increased since the IPO, and taking into account the time commitment of each Director and data from a comparison set of listed companies. The Committee agreed a fee of £250,000 for Scott Forbes as Board Chair, with effect from 1 October 2024. This reflects his extensive Chair and Director experience in both North America and the UK and the required time commitment for the role. The Board also approved changes to the fees for other Non-Executive Director roles, taking effect from 1 October 2024. Full details are set out on page 125.

The AGM

At the Company's forthcoming AGM on 30 January 2025, shareholders will be asked to approve this Directors' Remuneration Report by way of an advisory resolution, and the Directors' Remuneration Policy by way of a binding resolution.

I hope the Committee can count on your support for these resolutions at the AGM. We remain fully committed to shareholder dialogue and engagement and I will be present at the meeting to answer any questions you may have on our approach to executive remuneration.

Tamsin Todd

Chair of the Remuneration Committee
26 November 2024

The UK Corporate Governance Code

The Board is strongly supportive of the UK Corporate Governance Code and considers that there was full compliance with the Code during the year under review, with the minor exception of Scott Forbes continuing as Chair of the Remuneration Committee for a short period following his appointment as Board Chair in August 2024. For further information see the Code Compliance section of the Corporate Governance Report on page 81.

At present, ATG formally reports against the 2018 version of the Code. The remuneration policy and its implementation are consistent with the factors set out in Provision 40 of the 2018 Code, as illustrated below.

- **Clarity:** The remuneration policy has been designed to provide clarity to all interested parties. The Remuneration Committee has again endeavoured to explain the policy and its implementation in a clear and transparent fashion in this Directors' Remuneration Report. The Committee has a policy of engaging in two-way dialogue with major shareholders and with representatives of the workforce on remuneration matters.
- **Simplicity:** The remuneration policy is relatively simple and consistent with standard practice for UK-listed companies of a similar size to ATG. The rationale for each element of Directors' pay and explanations of the Committee's decisions in respect of operating the policy are set out in this report.
- **Risk:** The policy operates within clearly defined limits and the potential for rewards that would be considered excessive in the UK listed context is low. Nevertheless, the Committee is alive to the risks inherent in operating incentive schemes and has therefore ensured that the targets which have been set for the annual bonus scheme and the LTIP do not encourage inappropriate

levels of risk-taking. The remuneration policy includes a number of features which give the Committee additional control, such as the ability to override incentive outcomes if considered appropriate and the operation of recovery and withholding provisions for incentives.

- **Predictability:** While it is not possible to precisely predict the level of overall reward for the Executive Directors in any one year, the policy operates with reasonable limits which mean that outside payments are highly unlikely. We provide an illustration of potential outcomes under different scenarios (see page 115).
- **Proportionality:** The performance conditions chosen for the annual bonus scheme and the LTIP in each year are closely linked to the successful delivery of strategy over the short and long term. The Committee carefully considers the optimum metrics and targets ahead of making decisions on the operation of the policy each year. A combination of the target-setting process and the Committee's overriding discretion to adjust outcomes ensures that poor performance will not be rewarded.
- **Alignment to culture:** The success of the business continues to be based on a combination of innovation, collaboration and performance which has driven the strong levels of growth which have been evidenced over the years since listing. The remuneration policy directly incentivises the Executive Directors and other members of the Senior Management Team to continue to focus on the activities which are likely to drive further levels of growth, for the benefit of all stakeholders.

Directors' Remuneration Policy

The remuneration policy sets out the framework for the remuneration of the Directors of Auction Technology Group plc. The Committee is responsible for the development, implementation and review of the Directors' remuneration policy. In addressing this responsibility, the Committee works with management and external advisers to develop proposals and recommendations. The Committee considers the source of information presented to it, takes care to understand the detail and ensures that independent judgement is exercised when making decisions.

The remuneration policy was last approved by shareholders at the AGM in 2022. Accordingly, the policy is subject to reapproval at the AGM to be held in January 2025. During the course of FY24 the Remuneration Committee confirmed that the policy will remain broadly unchanged from that approved in 2022, taking into account the significant changes to policy implementation which were set out in last year's Directors' Remuneration Report. The Committee believes the policy remains well aligned with the Company's strategic objectives over both the short and the long term, with market best practice and with the views of shareholders. The policy is considered to have worked well since it was originally put in place at the time of the IPO in 2021.

The only changes to the policy from that approved in 2022 relate to the malus and clawback provisions (where additional wording has been added to comply with the provisions of the new UK Corporate Governance Code), to the assessment of performance under the annual bonus (where clarification has been added on the way in which non-financial objectives may be assessed) and to Non-Executive Director remuneration (where some additional flexibility has been added, including in respect of the fees which may be payable, and the potential for the Board to require Non-Executive Directors to invest a portion of their cash fee in ATG shares).

During its meetings in FY24 the Committee met to confirm the policy as described above, and the views of management (among others) were taken into account. The Committee is aware of the need to avoid conflicts of interest and no individual was present when his or her own remuneration was being discussed.

The policy has been prepared in line with the relevant legislation for UK companies. Subject to shareholder approval, the policy will formally apply from the date of the AGM on 30 January 2025. It is the current intention of the Remuneration Committee that the remuneration policy will apply for three years from the date of approval at the AGM.

Payments to Directors and payments for loss of office can only be made if they are consistent with the terms of the approved remuneration policy. The Committee will be required to seek shareholder approval for an amendment to the policy if it wishes to make a payment to Directors which is not envisaged by the approved policy. The Remuneration Committee has the ability to exercise discretion in respect of certain elements of the remuneration policy; this is explained in the relevant section of the policy table and in the sections below the table.

Element	Purpose and link to strategy	Operation	Opportunity
Basic salary	Provides a basic level of remuneration to ensure the Company can recruit and retain individuals with the required skills and experience to deliver on the Company's strategy.	The salaries for Executive Directors depend on their experience and the scope of their role. The Remuneration Committee also has due regard to practices at peer companies of equivalent size and complexity and also of the pay and conditions of the workforce generally. Base salaries will typically be reviewed on an annual basis, with any change normally taking effect from 1 October. The receipt of basic salary is not subject to the achievement of performance conditions.	Salary increases will depend on a number of factors, including individual and Company performance, pay increases for the wider workforce and levels of inflation. Individuals who are recruited or promoted to the Board may have their initial salary set at a lower level than would otherwise be the case until they become established in their Board role. Subsequent increases in their salary may be higher than the average, subject to their ongoing performance and development.
Benefits	Provide a market-competitive benefits package to supplement basic salary and to aid the recruitment and retention of Executive Directors.	Executive Directors are entitled to receive a standard benefits package, including (but not limited to) private medical insurance, permanent health insurance and life assurance. The Committee has the discretion to amend individual benefits and the overall benefits package and may introduce new benefits within the policy period. The receipt of benefits is not subject to the achievement of performance conditions.	Benefits are not subject to a specific maximum opportunity under this policy but in normal circumstances the value of benefits provided is not expected to change materially year-on-year. The Committee will consider the benefits available to the wider workforce when considering any changes to the benefits package for Executive Directors.
Pension	Provides a market-standard retirement benefit to supplement basic salary and to aid the recruitment and retention of Executive Directors.	Executive Directors can receive a Company pension contribution, or a cash salary supplement in lieu of a Company pension contribution. All Executive Directors (existing and new) receive pension contributions which are aligned to the rate payable to the majority of the wider workforce. The receipt of pension contributions (or cash in lieu) is not subject to the achievement of performance conditions.	The maximum level of Company pension contribution or cash supplement is 6% of basic salary, which is aligned to the rate currently available to the majority of the wider workforce. If the rate payable to the majority of the wider workforce increases over the policy period, the Committee has the discretion to increase the rate payable to the Executive Directors above 6% so that it remains aligned with the wider workforce rate.

Directors' Remuneration Policy continued

Element	Purpose and link to strategy	Operation	Opportunity
Annual bonus scheme and Deferred Share Bonus Plan ("DSBP")	Provide an annual incentive to reward Executive Directors for the achievement of performance objectives linked to the short-term strategic objectives of the business, with ongoing alignment with shareholders achieved through the deferral of a portion of the bonus into shares.	Annual bonuses are payable subject to the achievement of performance targets set by the Remuneration Committee. These targets will be determined by the Committee on an annual basis and will be linked to the short-term strategic priorities for the business. The Committee has discretion to choose the number of performance metrics which apply to the bonus in any year and the relative weightings of those metrics. The primary focus of the bonus scheme will be on rewarding financial performance (normally accounting for a majority of the bonus) although the Committee may choose to use non-financial performance conditions (normally for a minority of the bonus scheme). The Committee will normally review performance against the targets after the end of the financial year and bonus payments will be determined accordingly. The Committee has the discretion to adjust the bonus outcome where it believes this is appropriate, including (but not limited to) where the outcome is not reflective of the underlying performance of the business or the experience of the Company's shareholders, employees or other stakeholders. Of the total bonus, 75% will be payable in cash and the remaining 25% will be deferred into shares under the DSBP. Deferred shares must normally be held for a period of three years. Amounts payable under the annual bonus scheme and the DSBP are subject to malus and clawback provisions as summarised on page 113. Where a deferred share award under the DSBP is granted in the form of an option or a conditional share award, dividend equivalents may be paid in respect of the deferred shares.	The maximum annual bonus opportunity is 125% of basic salary. For financial measures, 50% of the maximum bonus opportunity is payable for on-target performance. 25% of the maximum bonus opportunity is payable for threshold performance. For non-financial measures, the precise bonus structure may differ depending on the nature of the objective and the way it is assessed.
Long Term Incentive Plan ("LTIP")	Provides an annual award of shares to Executive Directors which will vest after three years subject to the achievement of performance objectives linked to the long-term strategic objectives of the business, aligning the interests of the Directors with those of shareholders.	Awards will normally be granted as either nil-cost options or awards of conditional shares. Awards will normally be granted annually to Executive Directors and will normally vest at the end of a three-year period subject to the recipient's continued employment at the date of vesting and the satisfaction of performance conditions measured over three financial years. The performance conditions will be determined by the Remuneration Committee on an annual basis at the time of each grant and will be linked to the long-term strategic priorities for the business. The Committee has discretion to choose the number of performance metrics which apply to an LTIP award in any year and the relative weightings of those metrics. It is expected that the majority of the performance conditions will be based on the achievement of financial targets (which may include TSR), although the Committee may choose to apply relevant non-financial performance conditions to a minority of an award. The Committee will review performance against the targets after the end of the performance period and the level of vesting will be determined accordingly. The Committee has the discretion to adjust the vesting outcome where it believes this is appropriate, including (but not limited to) where the outcome is not reflective of the underlying performance of the business or the experience of the Company's shareholders, employees or other stakeholders. Dividend equivalents may be paid in respect of any vested shares. Post-vesting, Executive Directors will be required to hold their vested shares for a further two years (other than shares which are required to be sold to pay tax due on vesting). Awards vesting under the LTIP are subject to malus and clawback provisions as summarised on page 113.	The maximum annual award is 200% of basic salary (or 250% of basic salary if the Remuneration Committee determines that exceptional circumstances apply). Performance conditions are structured such that, for threshold levels of performance, no more than 25% of the award will vest.

Directors' Remuneration Policy continued

Element	Purpose and link to strategy	Operation	Opportunity
All-employee share plans	Provide all employees with the opportunity to participate in tax-advantaged share plans and increase the level of alignment with shareholders.	The Company has the authority to operate an all-employee Sharesave ("SAYE") Scheme and an all-employee Share Incentive Plan ("SIP"). Awards under the SAYE and/or SIP may be offered annually to all eligible employees, including Executive Directors. The SIP was implemented in the UK with effect from November 2021. International sub-plans to the SIP were also implemented in Germany and North America at the same time.	The Executive Directors are eligible to participate in the SAYE Scheme and the SIP subject to the limits prescribed under the applicable legislation governing those plans.
Shareholding guidelines	Require the Executive Directors to hold a minimum level of shares both during and after the period of their employment.	Executive Directors are encouraged to build up over a five-year period (as a minimum through the retention of at least 50% of the after-tax number of vested share awards), and then subsequently hold, a minimum level of shareholding. Executive Directors are also required to maintain a minimum level of shareholding for a period of two years post-cessation of employment.	The minimum shareholding which should be built up by an Executive Director is equivalent to 200% of their basic salary. Executive Directors must also maintain a minimum shareholding equivalent to 200% of basic salary for a period of two years post-cessation of employment. This will be calculated based on the lower of (i) the net of tax number of vested shares acquired under the LTIP or DSBP during their employment and (ii) their actual shareholding at the time of their departure.

Performance conditions

For the annual bonus scheme and the LTIP, the Remuneration Committee selects performance conditions on an annual basis which are relevant to the Company's strategic priorities. Performance targets are set based on a range of outcomes, taking into account both internal and external expectations of performance. Targets are set to be challenging yet realistic. The maximum potential reward will typically require a stretch level of performance.

Given the importance of financial performance of the Company, for FY25 the Committee will operate the annual bonus scheme for the Directors with performance targets based primarily on financial metrics, namely revenue (35%) and adjusted EBITDA (35%). These measures reflect important key performance indicators for the business and are closely tracked internally and by major shareholders and market analysts. The remaining 30% will be based on non-financial objectives linked to certain strategic priorities which are essential for ATG's future success.

LTIP awards are subject to a combination of long-term measures which are aligned to key long-term business objectives, and may include shareholder value metrics, financial metrics and non-financial metrics such as ESG. The award to be made in FY25 will be subject to targets based on relative shareholder return (TSR) (45%), absolute TSR (45%) and carbon emission reductions (10%).

The performance metrics used for the annual bonus scheme and the LTIP may change for future financial years as the Company's strategy evolves and to reflect any additional matters which may be considered relevant by the Committee. Full details of the metrics and the associated targets will be included in the Annual Report on Remuneration for the relevant year.

Directors' Remuneration Policy continued

Malus and clawback

The rules of the Company's incentive schemes include standard recovery and withholding provisions.

The Remuneration Committee has the ability, prior to the vesting of an award, to reduce the number of shares subject to the award in the following circumstances:

- discovery of a material misstatement resulting in an adjustment in the audited Consolidated Financial Statements of the Company or of the audited accounts of any Group member;
- discovery of a material failure of risk management;
- the insolvency of the Group;
- action or conduct of a participant which, in the reasonable opinion of the Committee, causes serious reputational damage to the Company, any Group member or relevant business unit;
- action or conduct of a participant which, in the reasonable opinion of the Committee, amounts to fraud, gross misconduct or a serious breach of the Company's policies and procedures.

In addition, the Committee can also use clawback provisions such that, for a period of three years following the date of payment of a bonus or vesting of an award, if any of the above circumstances arise (including if there has been an error in calculating the level of performance achieved), the Committee may require the relevant award holder to pay an equivalent cash amount back to the Company or transfer some or all of the shares that were subject to the award.

The clawback period has been set at three years as that is considered to be a reasonable amount of time for any of the above circumstances to be identified. This provides appropriate protections for the Company while also providing some certainty to plan participants regarding the limits on the usage of clawback.

Remuneration Committee discretion

The Remuneration Committee can exercise discretion in a number of areas when operating the Company's incentive schemes, in line with the relevant rules of the schemes. These include (but are not limited to):

- the choice of participants;
- the size of awards in any year (subject to the limits set out in the policy table above);
- the extent of payments or vesting in light of the achievement of the relevant performance conditions;
- the determination of good or bad leavers and the treatment of outstanding awards (subject to the provisions of the scheme rules and the remuneration policy provisions); and
- the treatment of outstanding awards in the event of a change of control.

In addition, if events occur which cause the Remuneration Committee to conclude that any performance condition is no longer appropriate, that condition may be substituted, varied or waived as is considered reasonable in the circumstances in order to produce a fairer measure of performance that is not materially less difficult to satisfy.

Remuneration for new Directors

New Executive Directors will be offered remuneration packages in line with the Directors' remuneration policy in force at the time, with new appointments subject to the same remuneration principles as apply to incumbent Directors, which is to provide packages that are sufficient to attract, retain and motivate high-calibre talent to help ensure the Company's continued growth and success.

Individuals who are recruited or promoted to the Board may have their initial basic salary set at a lower level than would otherwise be the case until they become established in their Board role. Subsequent increases in their salary may be higher than the average, subject to their ongoing performance and development.

New Directors can participate in incentive schemes up to the levels of individual maximum opportunity as set out in the policy table.

For a new Director joining the Company part way through the financial year, the Remuneration Committee has the discretion to apply different performance conditions for incentive awards for the first year of appointment, if considered necessary.

In addition to the above, the Committee may, in exceptional circumstances, consider it appropriate to grant an award under a different structure in order to facilitate the buyout of outstanding awards held by an individual on recruitment. Any buyout award would be limited to what the Committee considers to be a fair estimate of the value of awards foregone when leaving the former employer and will be structured so as to take into account other key terms, such as vesting schedules and performance targets, of the awards which are being replaced. If appropriate, such an award may be granted as permitted under Listing Rule 9.3.2R(2).

If considered necessary to attract the right candidate, the Committee may agree to pay relocation and other expenses in connection with the recruitment.

Service contracts

The current Executive Directors have both entered into service contracts with the Company dated 17 February 2021. The contracts have no fixed term and are terminable by the Director or by the Company on not less than six months' prior written notice. The service contracts are available for inspection at the Company's registered office.

The service agreement for any new Executive Director would be expected to include a similar notice period. No Director will be appointed with a notice period that exceeds 12 months' notice.

Policy on payment for loss of office

The termination arrangements agreed for an Executive Director who is leaving the business will depend upon the provisions of the Directors' service contract, the rules of the relevant incentive schemes and the nature of the individual's departure. All termination payments are subject to approval by the Remuneration Committee.

In the event of termination of employment for reasons of gross misconduct, the Director will have no entitlement to any further payment other than for sums accrued up to the date of termination.

In the event of termination of employment for other reasons, payments relating to basic salary, pension and other benefits will continue as normal until the date of cessation of employment. Alternatively, the Committee may decide to make a payment in lieu of notice.

The Committee may also make any payments as are considered necessary to settle any claim or by way of damages, when the Committee believes it is in the Company's and in shareholders' interests to do so. The Company may meet a Director's reasonable legal expenses if it is considered appropriate to do so.

Annual bonus scheme

Where a Director is deemed by the Remuneration Committee to be a "good leaver" (for example in cases of death, ill health, injury or disability, retirement, redundancy or for any other reason as determined by the Committee), they may retain an entitlement to an annual bonus payment, subject to the Committee's normal assessment of the satisfaction or otherwise of the relevant performance conditions. Any bonus payment will normally be made at the normal payment date and pro-rated to reflect the period served during the financial year.

Directors' Remuneration Policy continued

Where a Director ceases to be an employee in other circumstances, they will have no entitlement to an annual bonus payment for the year.

Deferred Share Bonus Plan

Where a Director is deemed by the Remuneration Committee to be a "good leaver" (see above), deferred shares held under the DSBP may be released early but only if the Committee sees fit in its absolute discretion.

Where a Director ceases to be an employee in circumstances justifying their summary dismissal and/or as a result of gross misconduct, deferred shares held under the DSBP will lapse.

Where a Director ceases to be an employee for any other reason, their awards will not be released early but will continue to subsist under the terms of the DSBP until the end of the applicable holding period unless the Committee in its absolute discretion determines that the award should lapse.

In the event of a change of control of the Company, DSBP awards will be released early from their holding period.

LTIP

Where a Director is deemed by the Committee to be a "good leaver" (see above), unvested LTIP awards will continue until the normal vesting date and will become exercisable for a period of six months following vesting (subject to the satisfaction of any performance conditions or underpins) or, where applicable, six months following the end of the holding period applying to the award. Unvested awards will normally be pro-rated to reflect the time that has passed from the date of grant of the award to the date of cessation.

The Committee has the discretion to permit a greater number of unvested awards to vest, to accelerate the vesting of unvested awards and/or to waive any holding period applicable to the award, if it considers it appropriate in the circumstances (and taking account of the satisfaction of any performance conditions or underpins over the shortened period). Different decisions can be taken in respect of different grants of awards held by the participant.

Where a Director leaves the Company in other circumstances, awards normally lapse on cessation of employment.

In accordance with the plan rules, in the event of a change of control of the Company unvested LTIP awards will vest and become exercisable for a period of six months following the change of control to the extent determined by the Remuneration Committee in its absolute discretion. When making its decision, the Committee will consider the period of time the award has been held by the participant and the extent to which the performance conditions have been achieved. Where appropriate, and with the agreement of the acquiring company, the Committee may specify that unvested awards will not become exercisable as a result of the change of control and instead they will be exchanged (in whole or in part) for awards over shares in the acquiring company. Different decisions can be taken in respect of different grants of awards held by the participant.

Legacy arrangements

The Remuneration Committee has the authority to honour any commitments entered into with the existing Executive Directors that pre-date the approval of the remuneration policy.

In cases where an existing employee is promoted to the Board, any pre-existing incentive arrangement will normally continue in line with its original terms.

Remuneration for other employees

The Directors' remuneration policy reflects what the Committee considers to be an appropriate compensation framework for the Executive Directors in light of their roles and responsibilities, what is considered necessary to retain their services and standard practices for CEO and CFO remuneration in listed companies of a similar size and complexity to ATG. In addition, in devising the policy the Committee considered the remuneration arrangements for other employees within the Company.

ATG considers that a successful Company-wide compensation policy is essential given the competitive talent markets within which ATG operates, and considerable work has been undertaken to ensure that pay levels and structures are appropriate throughout the business.

Many of the policy principles which apply to the Executive Directors also apply to others throughout the organisation, in particular the focus on incentivising outperformance through a cash bonus scheme and driving alignment with shareholders through participation in equity schemes. The Company has also established all-employee share incentive schemes in which all eligible employees may participate.

As is the norm, levels of incentive opportunity within the wider organisation are lower than the levels in place for the Executive Directors. In addition, certain elements of the Directors' remuneration policy do not apply to others. For example, annual bonuses for employees other than the Directors are paid wholly in cash, with no requirement for an element to be deferred into shares. There is also a minority weighting on personal non-financial targets in the bonus scheme for employees below Board level.

There is no requirement for LTIP awards for below-Board employees to be granted with a requirement for performance conditions to be met prior to vesting. Instead, LTIP awards are typically granted as restricted shares for below-Board employees, including senior executives. Such awards also have a different vesting profile to the awards granted to Executive Directors. This recognises the need for the Company to be able to offer incentives to employees which are relevant for the specific commercial circumstances, taking into account (for example) the requirement for the Company to be able to compete successfully for talent in markets such as the North American technology sector. Employees who do not qualify for an LTIP award by virtue of their job level are awarded a one-off award of shares, one year after joining ATG, which vests over two years. This is designed to ensure that all employees have a collective stake in the future success of the Company.

Tamsin Todd, Chair of the Remuneration Committee, is also the designated Non-Executive Director for workforce engagement. During the year, the Board engaged directly with employees on a range of matters.

Consideration of shareholder views

The Remuneration Committee has a policy of consulting with major shareholders on matters relating to the remuneration policy or its implementation. Last year, discussions took place with a number of key shareholders on the changes to policy implementation agreed for FY24. Further dialogue is anticipated in FY25.

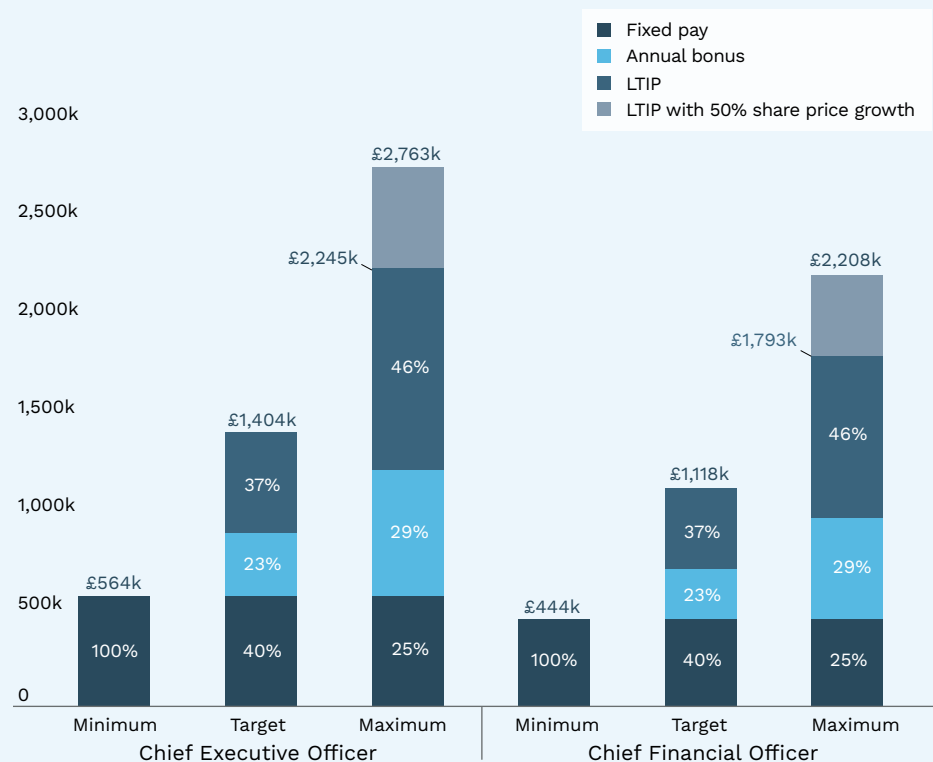
Directors' Remuneration Policy continued

Illustrations of the application of the remuneration policy ("Scenario charts")

The charts on the right give an indication of the level of total annual remuneration that would be received by each Executive Director in accordance with the remuneration policy (as it will apply in FY25) in respect of minimum pay (fixed pay), the pay based on target performance and maximum performance.

Notes to the charts:

- Minimum: Fixed pay, reflecting basic salary levels with effect from 1 October 2024, benefits of £15k for the CEO and £4k for the CFO and a 6% pension contribution.
- Target: Fixed pay plus a 50% pay-out under the bonus and LTIP.
- Maximum: Fixed pay plus full pay-out under the bonus and LTIP. The maximum scenario includes an additional element to represent 50% share price growth on the LTIP award.
- The chart for the CFO illustrates anticipated pay levels for this role on the basis of the assumptions above. Please note that as explained in the statement from the Chair of the Remuneration Committee, the current CFO is leaving the business and therefore will not be entitled to annual bonus and LTIP participation in FY25.



Directors' Remuneration Policy continued

Policy table for the Board Chair and Non-Executive Directors

Element	Purpose and link to strategy	Operation	Opportunity
Fees	Provide a level of remuneration at an appropriate level to attract and retain Non-Executive Directors of an appropriate calibre.	The Chair's and the other Non-Executive Directors' fees are set at a level to reflect the amount of time and level of involvement required in order to carry out their duties as members of the Board and its Committees, and to attract and retain Non-Executive Directors of a high calibre with relevant commercial and other experience. Fee levels are set by reference to non-executive director fees at companies of similar size and complexity and general increases for salaried employees within the Company. The fee paid to the Chair is determined by the Remuneration Committee, while the fees for other Non-Executive Directors are determined by the Board as a whole. Additional fees are payable in relation to extra responsibilities undertaken, including (but not limited to) acting as Senior Independent Director, as Chair of the Board's Committees and as the Director with responsibility for workforce engagement. On an exceptional basis the fees payable may temporarily be increased to recognise any additional commitments undertaken by a Non-Executive Director in respect of his or her Board role. Fees are normally payable in cash. The Board has the flexibility to determine that a portion of the fees must be invested in ATG shares. Non-Executive Directors are also entitled to reimbursement of reasonable business expenses (and any related tax).	Fee levels are reviewed periodically. The maximum fees payable are subject to an aggregate annual limit of £1m as set out in the Articles of Association.

Letters of appointment for Non-Executive Directors

The Board Chair and the Non-Executive Directors have all signed letters of appointment. The letters of appointment are available for inspection at the Company's registered office. Further details are included below.

Director	Date of appointment to the Board	Date of current letter of appointment	Notice period (months)
Scott Forbes	26 February 2021	11 November 2024	3
Suzanne Baxter	4 February 2022	11 November 2024	3
Pauline Reader	2 December 2021	11 November 2024	3
Morgan Seigler	18 January 2021	17 February 2021	1
Tamsin Todd	4 February 2022	11 November 2024	3
Andrew Miller	21 November 2024	21 November 2024	3

The Board Chair and the Non-Executive Directors have all been appointed for an initial term of three years, subject to termination by either the Director or the Company on not less than three months' prior written notice. The notice period for the Board Chair and the Non-Executive Directors was increased to three months in early FY25 as this was considered to be appropriate for the roles. All Directors will stand for re-election at each AGM of the Company.

Recruitment of new Non-Executive Directors

Any new Non-Executive Director appointed during the period covered by this remuneration policy will have their remuneration set in line with the provisions of the policy table above.

Annual Report on Remuneration

The Remuneration Committee (consideration by the Directors of matters relating to Directors' remuneration)

The Remuneration Committee has delegated responsibility for determining the policy for executive remuneration and setting remuneration for the Chair, the Executive Directors and senior management. It reviews workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking them into account when setting the policy for Executive Directors' remuneration. The Remuneration Committee is also responsible for preparing the Directors' Remuneration Report for approval by shareholders at the AGM.

The responsibilities of the Committee covered in its terms of reference include determining and monitoring the strategy and policy on remuneration, termination, performance-related pay, pension arrangements, reporting and disclosure, share incentive plans and remuneration consultants. The terms of reference also set out the reporting responsibilities and the authority of the Remuneration Committee to carry out its responsibilities. The terms of reference are available on the Group's website at www.auctiontechnologygroup.com.

Committee members

The Remuneration Committee has been chaired by Tamsin Todd since 19 September 2024. Its other members are Scott Forbes (who chaired the Committee prior to 19 September 2024), Suzanne Baxter and Andrew Miller (who joined the Committee on 21 November 2024). Breon Corcoran was a member of the Committee until he stepped down from the Board in August 2024.

None of the Committee members has any personal financial interest (other than as a shareholder) in the decisions made by the Committee.

The Remuneration Committee held four scheduled meetings and one ad hoc meeting during the year ended 30 September 2024. There was full attendance by all members of the Committee at all meetings they were eligible to attend.

Committee support

The Committee is supported by the CEO, CFO, Company Secretary and Chief People Officer. Their attendance at Committee meetings is by invitation from the Committee Chair.

During the year under review, no Director was present for any discussions that related directly to their own remuneration.

The Committee is also supported by Korn Ferry, which has advised the Committee on remuneration matters since the IPO. Korn Ferry was appointed by the Committee following a formal competitive tender process. The Committee exercises appropriate judgement when considering the work of its external advisers and, after reviewing the nature and

quality of the advice provided during the year, is satisfied that the advice it received during the year under review was objective and independent. Korn Ferry is a member of the Remuneration Consultants Group and is a signatory to its Code of Conduct.

Fees payable to Korn Ferry for advice provided during the year were £83,955 (excluding VAT). A separate practice within Korn Ferry provides support to the Board in relation to the potential recruitment of new Non-Executive Directors.

Single total figure of remuneration (audited)

The following table sets out the total remuneration for Executive and Non-Executive Directors for the year ended 30 September 2024, alongside comparative data for the prior financial year.

All figures shown in £000	Year	Salary/fees	Benefits	Pension ⁹	Total fixed remuneration	Annual bonus ⁵	LTIP ^{6,7}	Total variable remuneration	Other ⁸	Total remuneration
John-Paul Savant	2024	485	15	29	529	–	76	76	1,339	1,944
	2023	451	11	27	489	121	639	760	–	1,249
Tom Hargreaves	2024	415	4	25	444	–	58	58	1,145	1,647
	2023	354	2	21	377	95	488	583	–	960
Breon Corcoran ¹	2024	129	–	–	129	–	–	–	–	129
	2023	75	–	–	75	–	–	–	–	75
Morgan Seigler	2024	–	–	–	–	–	–	–	–	–
	2023	–	–	–	–	–	–	–	–	–
Scott Forbes ²	2024	86	–	–	86	–	–	–	–	86
	2023	75	–	–	75	–	–	–	–	75
Pauline Reader	2024	58	–	–	58	–	–	–	–	58
	2023	54	–	–	54	–	–	–	–	54
Suzanne Baxter ³	2024	71	–	–	71	–	–	–	–	71
	2023	70	–	–	70	–	–	–	–	70
Tamsin Todd ⁴	2024	60	–	–	60	–	–	–	–	60
	2023	60	–	–	60	–	–	–	–	60

1. Stepped down from the Board on 9 August 2024.

2. Appointed as Board Chair on 9 August 2024. The higher fee for FY24 relative to FY23 reflects the additional remuneration received as Board Chair from this date to the end of the financial year (see next page).

3. Appointed as Senior Independent Director on 9 August 2024.

4. Appointed as Chair of the Remuneration Committee on 19 September 2024.

5. 75% of annual bonuses for the Executive Directors are payable in cash and the remaining 25% in deferred shares, as explained in the relevant section below.

6. The FY24 value for LTIP reflects the value as at 30 September 2024 of the FY22 LTIP award, which will vest at a level of 38.1%. The value has been calculated on the basis of a share price of 440.2 pence, being the average price over the three months ended 30 September 2024. This will be updated in next year's report to reflect the value at the point of vesting in December 2024. None of the total LTIP value shown is due to share price appreciation.

7. The FY23 value for LTIP has been restated from the amount shown in last year's report to reflect the value on the date of vesting (26 February 2024) based on a share price of 601.0 pence.

8. Certain legacy payments were made to the Executive Directors in 2024 resulting from their entitlements to assets in a pre-IPO Employee Benefit Trust that was wound up during the year. This is explained further in the relevant section below.

9. Pension amount received as cash salary supplement in lieu of Company pension contribution.

Annual Report on Remuneration continued

Additional information regarding the single total figure table (audited) Salary and fees

As disclosed in last year's Directors' Remuneration Report, the salary of John-Paul Savant was increased by 7.6% with effect from 1 October 2023 to £485,000 in line with the agreed phased increases to FY26. Tom Hargreaves received a one-off base salary increase of 17.2% to £415,000 to reflect his contribution to the business. Further details are set out on page 95 of the FY23 Annual Report.

The fee for the Board Chair was revised last year and increased from £75,000 to £150,000 for FY24 as part of a phased increase to a level more appropriate for a FTSE 250 company. Breon Corcoran's fee for FY24 was therefore £150,000 until he stepped down from the Board in August 2024. The Remuneration Committee subsequently confirmed that the fee for Scott Forbes as Board Chair would be £150,000, pro-rated for the period from 9 August 2024 to the end of the financial year.

Other Non-Executive Director fees were unchanged for FY24. The basic fee was £60,000, with additional fees of £10,000 paid to each of the Chairs of the Audit and Remuneration Committees and an additional fee of £5,000 paid to the Senior Independent Director. Morgan Seigler does not receive any fees in respect of his role as a Non-Executive Director.

Benefits and pensions

Benefits for John-Paul Savant and Tom Hargreaves relate to private health insurance.

Both Executive Directors received pension contributions at a level of 6% of basic salary during the financial year under review, which is in line with the pension contributions available to the majority of the UK workforce.

Annual bonus for FY24

The annual bonus for FY24 was structured in line with the Directors' remuneration policy and with the approach taken in prior years. Each Executive Director had the opportunity to earn up to 125% of basic salary as a bonus. Performance was again based on adjusted EBITDA and revenue targets, these metrics being two of ATG's key financial performance indicators. The FY24 targets set and the performance achieved are shown below:

Measure	Weighting	Threshold \$m	Target \$m	Stretch \$m	Actual \$m	Achievement % of maximum opportunity
		25% of maximum ¹	50% of maximum ¹	100% of maximum ¹		
Adjusted EBITDA	50%	81.6	90.7	104.3	80.0	0%
Revenue	50%	184.3	194.0	208.6	174.2	0%

1. There is a straight-line payout between these targets.

Based on the performance achieved, no bonus is payable for FY24 performance. The Committee has not exercised any discretion to adjust the bonus outcome.

Vesting of FY22 LTIP award (based on performance to 30 September 2024)

The LTIP value included in the single total figure table above relates to the awards granted to the Executive Directors in the form of nil-cost options on 10 December 2021. The vesting of these awards is based on adjusted diluted EPS targets to be achieved over the period ended 30 September 2024, as set out below.

Performance level	Percentage of award vesting ¹	Adjusted diluted EPS to be achieved in FY24
Below "threshold"	0%	Below 29.3p
"Threshold"	25%	29.3p
"Stretch"	100%	35.6p

1. There is straight-line vesting in between these points.

The Remuneration Committee reviewed the performance conditions after the end of FY24. Noting the change in the Company's reporting currency to US dollars with effect from FY24, the adjusted diluted EPS outcome in US cents was converted to sterling on the basis of the average GBP/USD exchange rate for the year, consistent with the wider approach to currency translation across the business. On the basis of an average GBP/USD exchange rate of 1.27 for the year, the adjusted diluted EPS outcome of 38.6c was converted to 30.4p. On this basis, FY24 performance was judged at above the threshold level and, accordingly, the FY22 LTIP award will vest in December 2024 at a level of 38.1%. In line with the remuneration policy, the Executive Directors will be required to hold their vested shares for a minimum of two years (other than shares which are required to be sold to pay tax due on vesting).

The awards are summarised in the table below.

Executive	Grant date	Basis of the award (% of salary)	Threshold vesting (% of salary)	Number of shares granted ¹	Face value of the award at grant (£'000)	Level of vesting	Number of shares to vest	Value of shares to vest (£'000) ²	Vest date
John-Paul Savant	10 Dec 21	150%	25%	45,410	656.6	38.1%	17,301	76.1	10 Dec 24
Tom Hargreaves ³	10 Dec 21	150%	25%	34,725	502.1	38.1%	13,230	58.2	10 Dec 24

1. The number of shares awarded was calculated on the basis of a share price of £14.46, being the average share price over the five dealing days prior to grant.

2. Based on a share price of £4.40, being the average price over the three-month period ended 30 September 2024. None of the value of the award is due to share price appreciation.

3. Assuming Tom Hargreaves is in employment as at the date of vesting in December 2024, he will retain an entitlement to his vested options in line with the rules of the LTIP. The vested options will lapse if unexercised as at the date of his cessation of employment.

Annual Report on Remuneration continued

LTIP awards granted during FY24 (audited)

LTIP awards were granted to the CEO and CFO on 8 December 2023 in the form of nil-cost options, as set out in the table below.

Executive	Basis of the award (% of salary) ¹	Threshold vesting (% of salary)	Number of shares granted ¹	Face value of the award (£'000)	Grant date	Vest date
John-Paul Savant	200%	25%	161,667	801.5	8 Dec 23	8 Dec 26
Tom Hargreaves	200%	25%	138,333	685.9	8 Dec 23	8 Dec 26

1. In recognition of the share price level at the time of grant, the LTIP awards were granted by reference to a share price of £6.00, this being equivalent to the original offer price at the time of Admission in February 2021. The number of shares comprising each award is therefore significantly lower than would have resulted from the normal approach of using the five-day average share price following the announcement of the Company's preliminary results for the financial year ended 30 September 2023 (£4.958). The face value shown in the table is based on the share price of £4.958.

These awards will vest subject to continuing employment and the achievement of targets linked to adjusted diluted EPS, revenue and carbon emission reductions over the period ending 30 September 2026:

Performance measure	Weighting (% of award)	Threshold target (25% of max) ¹	Stretch target (100% of max) ¹
Adjusted diluted EPS growth per annum (% CAGR)	60%	10%	22%
Revenue growth per annum (% CAGR)	30%	8%	21%
Carbon emission reductions ²	10%	26%	29%

1. There is straight-line vesting in between these points. There is no vesting for performance below threshold level.

2. The carbon measure is based on Scope 1 and 2 CO₂ emission reductions (calculated on a tCO₂e basis) over the three-year period ending 30 September 2026, using FY23 emissions as the baseline year for calculation. The targets are consistent with ATG's previously communicated Science Based Target of reducing absolute Scope 1 and 2 emissions by 42% by 2030 (from a FY22 baseline year). In the event of any material acquisitions or divestments the Committee retains the right to restate the performance targets so that they remain similarly challenging having regard to the impact of the corporate activity.

Subject to continued employment and performance, the awards will vest in December 2026, three years after the date of grant. The Directors will be required to hold any vested shares (excluding those sold to pay tax) for a period of two years following the date of vesting.

Tom Hargreaves's award will lapse at the date of his cessation of employment.

Annual Report on Remuneration continued

LTIP awards granted during FY23

As previously disclosed, LTIP awards were granted to the CEO and CFO in December 2022 in the form of nil-cost options, as set out in the table below.

Executive	Basis of the award (% of salary) ¹	Threshold vesting (% of salary)	Number of shares granted ¹	Face value of the award (£'000)	Grant date	Vest date
John-Paul Savant	150%	25%	88,589	656.6	15 Dec 22	15 Dec 25
Tom Hargreaves	150%	25%	67,745	502.1	15 Dec 22	15 Dec 25

1. The number of shares awarded was calculated on the basis of a share price of £7.412, being the average share price over the five dealing days prior to grant.

These awards will vest subject to continuing employment and the achievement of challenging adjusted diluted EPS targets over the period to 30 September 2025:

Performance level	Percentage of award vesting ¹	Adjusted diluted EPS growth per annum (% CAGR)
Below "threshold"	0%	Below 5%
"Threshold"	25%	5%
"Stretch"	100%	17%

1. There is straight-line vesting in between these points.

Subject to continued employment and performance, the awards will vest in December 2025, three years after the date of grant. The Directors will be required to hold any vested shares (excluding those sold to pay tax) for a period of two years following the date of vesting.

Tom Hargreaves's award will lapse at the date of his cessation of employment.

Legacy payments made during FY24

Further to the disclosures in last year's report, certain legacy payments were made in FY24 to a number of continuing employees, including the Executive Directors. These legacy payments were made as a result of the liquidation of a sub-fund of the Company's Employee Benefit Trust ("EBT") that was established prior to the IPO in 2021 and funded with assets accumulated pre-IPO (during the Company's period of private equity ownership).

Prior to the IPO, the EBT facilitated the making of pre-IPO equity awards to beneficiaries of the sub-fund out of sweet equity that had been allocated to management by the private equity investors. However, not all of the assets in the sub-fund were allocated to beneficiaries on IPO. It was agreed that the legacy sub-fund would be wound up by the trustee in February 2024 (being the third anniversary of the IPO), with the assets of the sub-fund distributed to its beneficiaries.

The assets that were held in the sub-fund were held for the benefit of pre-IPO employees of the Company and the terms on which such assets were to be shared were agreed with the trustee of the EBT pre-IPO. Cash distributions were made to a number of employees, including the Executive Directors, at nil cost to the Company. The gross payments to the Directors totalled £1,339,321 to John-Paul Savant and £1,145,418 to Tom Hargreaves. The payments were made pursuant to the legacy payment provision contained within the Directors' remuneration policy. No shareholder approval was required for the payments. These payments are disclosed in the "Other" column in the single total figure table on page 117. There are no further payments due under these legacy arrangements.

Annual Report on Remuneration continued

Payments to past Directors/Payments for loss of office (audited)

There were no payments to past Directors or payments for loss of office made during the year.

Breon Corcoran did not receive any payments for loss of office or other payments following his resignation as Board Chair on 9 August 2024.

Statement of Directors' shareholding and share interests (audited)

The table below includes full details of shares held by each Director (and persons connected with each Director) as at 30 September 2024, including details of share awards which are subject to the achievement of performance conditions.

During employment, Executive Directors are required to build and maintain a shareholding equivalent to 200% of their base salary. Executive Directors are expected to build up their shareholding over a five-year period (as a minimum through the retention of at least 50% of the after-tax number of vested share awards). This requirement was met as of 30 September 2024. Post-cessation of employment, Executive Directors must retain shares to the value of 200% of base salary for a period of two years in accordance with the Directors' remuneration policy. There are no former Executive Directors to whom this requirement currently applies although it will apply to Tom Hargreaves following his cessation of employment.

Director	Beneficially owned shares on 30 September 2024	Unvested share awards subject to performance conditions ¹	Unvested share awards not subject to performance conditions ²	Options exercised in year	Vested unexercised share options	Shareholding requirement (% of base salary)	Requirement met?
John-Paul Savant ^{3,5}	2,573,631	295,666	23,381	–	106,250	200%	Yes
Tom Hargreaves ⁵	1,046,700	240,803	15,365	–	81,250	200%	Yes
Breon Corcoran ⁶	729,497	–	–	–	–	–	–
Morgan Seigler ⁴	–	–	–	–	–	–	–
Scott Forbes	160,548	–	–	–	–	–	–
Pauline Reader	–	–	–	–	–	–	–
Suzanne Baxter	3,389	–	–	–	–	–	–
Tamsin Todd	2,773	–	–	–	–	–	–

1. Awards granted as nil-cost options under the LTIP.

2. Awards granted as nil-cost options under the Deferred Share Bonus Plan.

3. Shares also held in the name of spouse (Samantha Savant) and the Savant Discretionary Trust (whose trustees are John-Paul Savant and Samantha Savant).

4. Morgan Seigler is not directly interested in any shares but acts as a representative of TA Associates on the Board.

5. The total figure for the number of beneficially owned shares includes the pre-Admission equity awards disclosed in previous Annual Reports. The forfeiture period for these awards has now passed, although the shares must be held until the fourth anniversary of Admission in February 2025 before they can be sold or otherwise transferred.

6. Share ownership shown as at date of resignation from the Board on 9 August 2024.

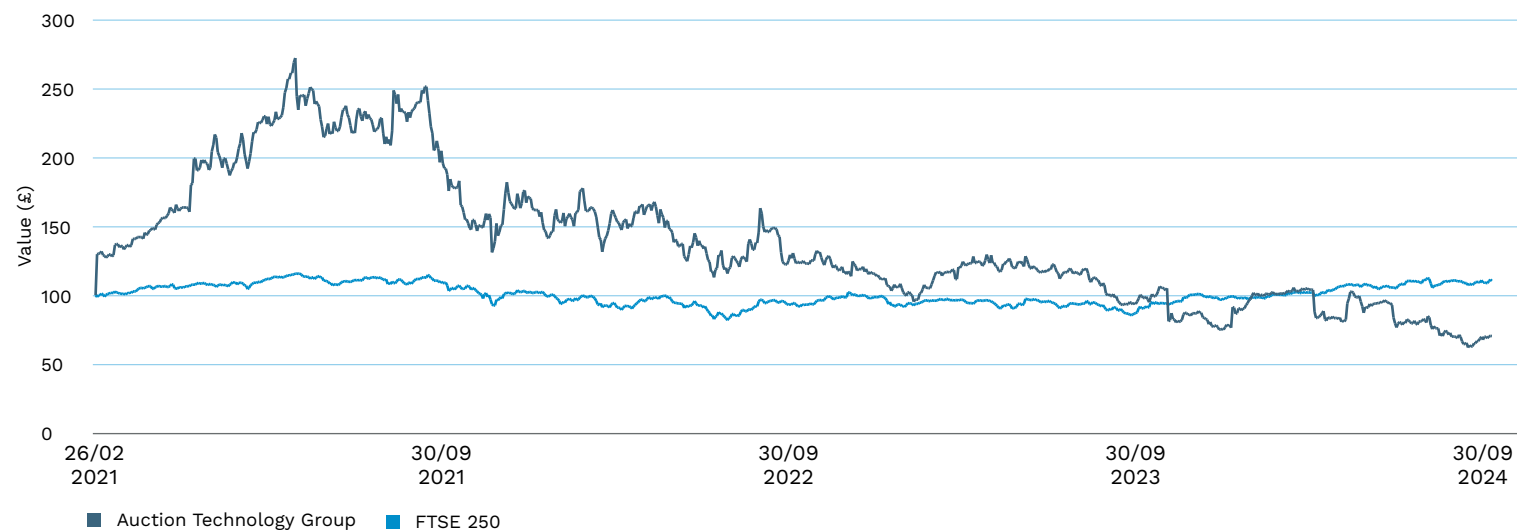
7. No Director exercised any share awards during the year.

There has been no change in the Directors' interests in the ordinary share capital of the Company between 30 September 2024 and the date of this report.

Annual Report on Remuneration continued

Total Shareholder Return (“TSR”) performance graph and table of CEO pay

ATG shares were admitted to the London Stock Exchange’s Main Market on 26 February 2021. The chart below shows the TSR performance of £100 invested in ATG from 26 February 2021 (using the offer price of 600p per share) to 30 September 2024 against the FTSE 250 index. The FTSE 250 index is considered an appropriate comparison as ATG is positioned within this index.



	2021	2022	2023	2024
CEO single figure total remuneration (£000s)	580	827	1,249	1,944
Annual bonus (as % of maximum opportunity)	100%	64.5%	21.5%	0%
Long-term incentive vesting (as % of maximum opportunity)	n/a	n/a	100%	38%

Annual Report on Remuneration continued

Annual percentage change in remuneration of Directors and employees

The table below shows the year-on-year percentage changes in the pay of the Directors, as required by the reporting regulations, compared with the average percentage change for employees for the same periods. The Directors' remuneration is based on the disclosures in the single total figure tables for these years. Where relevant, we have annualised the single total figure table disclosures to ensure a meaningful comparison. Explanations for large increases in prior years are provided in previous Annual Reports.

Director	FY24 vs FY23			FY23 vs FY22			FY22 vs FY21		
	Salary/fees	Taxable benefits	Annual bonus	Salary/fees	Taxable benefits	Annual bonus	Salary/fees	Taxable benefits	Annual bonus
John-Paul Savant	8%	35%	(100%)	3%	10%	(66%)	3%	43%	(34%)
Tom Hargreaves	17%	54%	(100%)	6%	0%	(56%)	3%	100%	(34%)
Breon Corcoran	72%	–	–	0%	–	–	0%	–	–
Morgan Seigler	–	–	–	–	–	–	–	–	–
Scott Forbes	15%	–	–	0%	–	–	0%	–	–
Pauline Reader	7%	–	–	8%	–	–	–	–	–
Suzanne Baxter	1%	–	–	0%	–	–	–	–	–
Tamsin Todd	0%	–	–	0%	–	–	–	–	–
Employees									
Average per employee ¹	4%	24%	(62%)	5%	15%	(58%)	3%	11%	(10%)

1. Figures relate to Group as a whole. No figures are shown for the parent Company as the only employees of the parent Company are the Directors.

CEO pay ratio and wider employee remuneration

As ATG has fewer than 250 UK employees, it is not required by law to include details of total pay for the CEO relative to that of UK employees at the median, lower quartile and upper quartile. Nevertheless, the Remuneration Committee reviews wider workforce remuneration when setting the remuneration policy for the Executive Directors and, during FY24, considered in detail the compensation policy and incentives in place across the wider organisation.

The Committee remains satisfied that the remuneration for the Directors is appropriate in the context of pay practices more widely at the Company, noting, for example, the focus on performance-related pay throughout the organisation, broad levels of equity ownership across the business and the alignment of Executive Director pension contributions with the rate applicable to the majority of the wider workforce. In the UK, North America and Germany, the Company has established all-employee share incentive schemes in which all eligible employees may participate.

The Company offers annual cash bonuses to employees, subject to performance, and also makes equity grants. These awards are a particularly important part of the compensation packages offered to employees within the organisation, particularly in reflection of the sector within which the Company operates and the increasing focus on North America. LTIP awards are granted to employees normally with a different structure than is in place for Executive Directors. This is predominantly in the form of restricted share awards (i.e. awards that are not subject to performance conditions), which often have a different vesting profile than Directors' LTIPs, reflective of North American market norms and expectations. This recognises the need for the Company to be able to offer incentives to employees which are relevant for the specific commercial circumstances of competing for talent in the technology sector, particularly in North America.

Employees who do not qualify for an LTIP award by virtue of their job level are awarded a one-off award of shares, one year after joining ATG, which vests over two years. This is designed to ensure that all employees have a collective stake in the future success of the Company.

Annual Report on Remuneration continued

Relative importance of spend on pay

The table below shows the Company's expenditure on employee pay compared to distributions to shareholders for FY23 and FY24.

	FY24 \$m	FY23 \$m	% change
Distributions to shareholders	–	–	–
Overall spend on pay for employees, including Executive Directors	35.5	37.5	-5

The FY23 amount has been restated from GBP to USD to reflect the change in the Company's reporting currency to USD.

Statement of shareholder voting

The table below shows the results of the voting on (1) the Directors' Remuneration Report resolution at the AGM held on 30 January 2024, and (2) the Directors' remuneration policy resolution at the AGM held on 25 January 2022.

	% Votes for	% Votes against	Votes withheld (no.)
Directors' Remuneration Report (2024 AGM)	98.26	1.74	5,203
Directors' remuneration policy (2022 AGM)	99.97	0.03	0

Statement of implementation of remuneration policy during FY25

The Annual Statement from the Chair of the Remuneration Committee on pages 107 to 109 explains the context for changes to the Executive Directors' basic salary for FY25 and to the incentive schemes. Additional details are set out below.

Base salary

The salaries of the Executive Directors with effect from 1 October 2024 are set out below.

Executive Director	Salary with effect from 1 Oct 2023	Salary with effect from 1 Oct 2024	% increase
John-Paul Savant	£485,000	£517,500	6.7
Tom Hargreaves	£415,000	£415,000	0.0

Pension and benefits

Executive Directors will continue to receive a pension contribution of 6% of salary, which remains aligned to the rate currently payable to the majority of the UK workforce. Other benefits include private medical insurance, permanent health insurance and life assurance.

Annual bonus

The maximum annual bonus opportunity will remain unchanged at 125% of salary for the CEO. As noted earlier, the CFO will not participate in the bonus scheme for FY25 given his impending departure from ATG.

The performance measures for the FY25 bonus will remain appropriately challenging. The majority of the bonus will again be payable subject to the achievement of targets linked to revenue (35% weighting) and adjusted EBITDA (35% weighting), these being key financial performance indicators. For the remaining 30% of the bonus a number of non-financial measures have been agreed, linked to the achievement of key objectives based on certain critical strategic themes. The objectives are based on platform stability, improved auctioneer engagement, improved bidder engagement and infrastructure improvements. The specific targets for both the financial and non-financial measures are currently considered commercially confidential but full details will be disclosed in next year's Directors' Remuneration Report.

Of the total bonus, 75% will be payable in cash and the remaining 25% will be deferred into an award over shares under the DSBP to be held for three years.

Malus and clawback provisions apply in line with the remuneration policy, as summarised on page 113.

Annual Report on Remuneration continued

Long Term Incentive Plan

The CEO will receive an LTIP award at a level of 200% of salary, in line with the limit in the Directors' remuneration policy. The Committee's intention is that a new CFO will also receive an LTIP award following their appointment. The performance will be measured over the three-year period ending 30 September 2027. The performance measures will be relative total shareholder return (45% weighting), absolute total shareholder return (45% weighting) and carbon emission reductions (10%). The specific targets are set out below.

Relative TSR (45% of award) performance level – measured against the FTSE All Share index (excluding investment trusts)	Percentage of this element of award vesting ¹	TSR position at the end of the performance period
Below "threshold"	0%	Below median
"Threshold"	25%	Median
"Stretch"	100%	Upper quartile

Absolute TSR (45% of award) performance level	Percentage of this element of award vesting ¹	TSR over the performance period
Below "threshold"	0%	Below 15%
"Threshold"	25%	15%
"Stretch"	100%	45%

Carbon emission reductions (10% of award) performance level	Percentage of this element of award vesting ¹	Reduction in emissions over performance period
Below "threshold"	0%	Below 7.5%
"Threshold"	25%	7.5%
"Stretch"	100%	15%

1. There is straight-line vesting in between these points.

The focus on total shareholder return for this award is intended to directly align management reward with investors, and the overall weighting on TSR reflects the Company's focus on driving improved shareholder returns over the three-year period ending 30 September 2027. It is expected that vesting will only occur following robust underlying performance which is then recognised in the market's assessment of the Company and its prospects. The use of both relative and absolute measures provides a suitable balance between ATG-specific improvements and how this compares with performance of other UK-listed companies more broadly. The carbon emission reduction target ties reward to ongoing improvements in minimising ATG's carbon footprint. Following significant progress made in FY24, achieving further material reductions in emissions is increasingly challenging, hence a target range which differs from that agreed for the FY23 award.

The measure is based on assessing Scope 1 and 2 CO₂ emission reductions (calculated on a tCO₂e basis) over the three-year period ending 30 September 2027, using FY24 emissions as the baseline year for calculation. In the event of any material acquisitions or divestments the Committee retains the right to restate the performance targets so that they remain similarly challenging having regard to the impact of the corporate activity.

Subject to performance, the awards will vest three years after the date of grant. As part of its assessment at the end of the vesting period, the Committee will consider whether there have been any windfall gains over the period from grant to vesting. The Directors will be required to hold any vested shares (excluding those sold to pay tax) for a period of two years following the date of vesting.

Malus and clawback provisions apply in line with the remuneration policy, as summarised on page 113.

Non-Executive Director remuneration

Following the appointment of Scott Forbes as the new Board Chair in August 2024, the Remuneration Committee reviewed the appropriate fee level for this role. This review took into account, among other things, Scott Forbes's extensive Chair and Director experience at listed companies in both North America and the UK, his specific online marketplace experience, the expected level of time commitment in his new role and peer benchmarking data provided by the Committee's external advisers. The Committee concluded to set the Board Chair fee at £250,000 with effect from 1 October 2024.

Separately, during FY24 the Board also reviewed the fees for other Non-Executive Directors, recognising that these had not changed since the IPO in early 2021. The Board agreed a new fee structure with effect from 1 October 2024 to more accurately reflect the time commitment of each Director, as evidenced by the significant contributions since their appointment and the expectations of considerable additional workload over the coming years as the business continues to grow in international complexity. The Board also took into account relevant sector-based market data, as well as practice at other FTSE 250 companies. An additional fee has been added for the designated Director for workforce engagement to reflect the requirements of this role.

The fees payable to the Non-Executive Directors for FY25 are set out below.

Non-Executive Director	Fee
Chair of the Board	£250,000
Non-Executive Director base fee	£65,000
Senior Independent Director	£15,000
Audit Committee Chair's fee	£20,000
Remuneration Committee Chair's fee	£17,500
Designated Director for workforce engagement fee	£2,500

This report was approved by the Board of Directors and signed on its behalf by:

Tamsin Todd

Remuneration Committee Chair

26 November 2024

Directors' Report

The Directors present their report, together with the audited Consolidated Financial Statements and auditor's report for the year ended 30 September 2024.

Auction Technology Group plc is a public limited company incorporated in the United Kingdom and registered in England & Wales with registered number 13141124. The Company acts as a holding company for the Group of subsidiaries. A list of its subsidiary companies is set out in note 25 on pages 177 to 178.

This Directors' Report should be read in conjunction with the other sections of this Annual Report as detailed below to fulfil these requirements which are incorporated into the Directors' Report by reference. In accordance with section 414C(11) of the Companies Act 2006 and the Companies (Miscellaneous Reporting) Regulations 2018, the Board has included certain disclosures in other sections of the Annual Report set out below:

Topic	Section of report	Pages
Strategy and future developments	Chief Executive Officer's Statement	10-12
	Strategic Report	1-77
Diversity and inclusion	Nomination Committee Report	102-106
	Sustainability Report	50-77
Risk management	Risk Management within Strategic Report	35-36
Going concern	Chief Financial Officer's Review	30-34
	Financial Statements	141-183
Viability statement	Viability Statement	41-42
Employee matters, disabled employees and employee engagement	Sustainability Report	50-77
	Stakeholder Engagement and s.172 Statement	43-49
Climate-related financial disclosures, greenhouse gas and carbon emissions, energy consumption and energy efficiency action	Strategic Report	1-77
	Sustainability Report	50-77
Business relationships with suppliers, customers and other stakeholder engagement	Stakeholder Engagement and s.172 Statement	43-49
Corporate governance	Corporate Governance Report	81-89
Internal controls	Audit Committee Report	93-101
Financial instruments	Financial Statements	141-183
Statement of Directors' responsibilities	Statement of Directors' Responsibilities	131
Directors' interests	Directors' Remuneration Report	110-125
Employee share plans	Directors' Remuneration Report	110-125
Diversity policy	Corporate Governance Report	81-89

UK Listing Rule 6.6.1R disclosures

The following sets out where disclosures required in compliance with UK Listing Rule 6.6.1R are located. There are no other disclosures to be made under UK Listing Rule 6.6.1R.

Topic	Section of report	Pages
Details of long-term incentive schemes	Directors' Remuneration Report	110-125
Non pre-emptive issues of equity for cash (including major subsidiaries)	Financial Statements (note 21)	172-173

Directors' Report continued

Non-financial and sustainability information statement

The Group complies with the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. The table below shows where information can be found on non-financial and sustainability matters in the Annual Report.

Reporting requirement	Section of report	Pages
Environmental matters, including the impact of the business on the environment, climate-related disclosures and energy and carbon reporting	Strategic Report	1-77
	Sustainability Report	50-77
Employees	Sustainability Report	50-77
	Stakeholder Engagement and s.172 Statement	43-49
Social and community matters	Stakeholder Engagement and s.172 Statement	43-49
	Sustainability Report	50-77
Respect for human rights	Sustainability Report	50-77
Anti-bribery and corruption	Sustainability Report	50-77
Business model	Business Model	20-21
	Strategic Report	1-77
	Chief Executive Officer's Statement	10-12
	Chief Financial Officer's Review	30-34
Principal risks and uncertainties	Risk Management within Strategic Report	35-36
Non-financial key performance indicators	Strategic Report	1-77

Engagement with employees, suppliers, customers and others

The Group's engagement with its stakeholders is detailed in the Stakeholder Engagement section of the Strategic Report on pages 43 to 49.

Research and development

The Group is engaged in various research and development activities regarding innovation and enhancing its technology applications. These are set out in the Strategic Report on pages 22 to 27.

Compliance with the UK Corporate Governance Code 2018 (the "Code")

The Disclosure Guidance and Transparency Rules ("DGTR") require certain information to be included in a corporate governance statement in the Directors' Report. The Corporate Governance Report is incorporated by reference and includes details of our compliance with the Code. Our statement includes a description of the main features of our internal control and risk management systems in relation to the financial reporting process and forms part of this Directors' Report.

Dividend

The Directors do not propose the payment of a dividend (FY23: nil).

Branches

In accordance with the Companies Act 2006, the Board confirms that there were no branches of the Company or its subsidiaries during the financial year.

Directors' Report continued

Board of Directors

The names of the Directors who, at any time during the financial year, were directors of the Company, are set out below. Further details about each Director are given on pages 90 to 92 of this report.

Name	Position	Date of appointment	Date of resignation
Breon Corcoran	Chair	25 January 2021	9 August 2024
Scott Forbes	Senior Independent Non-Executive Director	26 February 2021	9 August 2024 (as SID)
	Chair	9 August 2024	
John-Paul Savant	Chief Executive Officer	25 January 2021	
Tom Hargreaves	Chief Financial Officer	25 January 2021	
Suzanne Baxter	Independent Non-Executive Director	4 February 2022	
	Senior Independent Non-Executive Director	9 August 2024	
Pauline Reader	Independent Non-Executive Director	2 December 2021	
Morgan Seigler	Non-Executive Director	18 January 2021	
Tamsin Todd	Independent Non-Executive Director	4 February 2022	

Andrew Miller was appointed to the Board as a Non-Executive Director from 21 November 2024. There have been no other changes in the composition of the Board between 30 September 2024 and the date of this report.

All Directors will retire, and being eligible, offer themselves for election or re-election at the forthcoming AGM.

Directors' interests in the share capital and equity of the Company as at 30 September 2024 are contained in the Directors' Remuneration Report on page 121.

Pursuant to the Relationship Agreement with TA Associates, through its sub-funds TA XIII-A, L.P., TA XIII-B, L.P., TA Investors XIII, L.P., TA Investors IV EU AIV, L.P. and TA Subordinated Debt Fund IV, L.P. ("TA Associates") that the Company entered into on 17 February 2021, the Company agrees to appoint one Non-Executive Director nominated by TA Associates to the Board for so long as TA Associates owns in aggregate more than 10% of the issued ordinary share capital in the Company. Morgan Seigler is the TA Associates nominated Non-Executive Director.

All other Directors are appointed in their personal capacity.

Directors' insurance and indemnity provisions

The Company maintains Directors' and Officers' insurance in respect of any liabilities arising from the performance of their duties. In addition, during the financial year ended 30 September 2024 and to the date of this report, the Directors have had the benefit of qualifying third-party indemnities under which the Company has agreed to indemnify the Directors, to the extent permitted by law and by the Company's Articles of Association, against any liabilities they may incur in the execution of their duties as directors of the Company or of its subsidiaries. There were no qualifying pension scheme indemnity provisions in force during the 2024 financial year for the Company's Directors.

Directors' interests in contracts and conflicts of interest

No member of the Board had a material interest in any contract of significance with the Company, or any of its subsidiaries, at any time during the period. Directors are required to notify the Company of any conflict or potential conflict of interest.

Capital structure and shareholder voting rights

The shares in issue as at 25 November 2024, being the latest practicable date prior to the publication of this report, consisted of 121,922,241 ordinary shares of 0.01 pence each.

The changes in the Company's issued share capital during the financial year are detailed in note 20 to the Consolidated Financial Statements.

Rights and obligations of ordinary shares

Holders of ordinary shares are entitled to attend and speak at general meetings of the Company and to appoint one or more proxies or, if the holder of shares is a corporation, one or more corporate representatives.

On a show of hands, each holder of ordinary shares who is present in person or by proxy/corporate representative shall have one vote.

There are no restrictions on voting rights or the transfer of shares in the Company and the Company is not aware of agreements between holders of securities that result in such restrictions. No shareholder holds ordinary shares that carry special rights relating to the control of the Company.

Powers of the Company to purchase own shares

At the AGM held in January 2024, shareholders passed a special resolution in accordance with the Act to authorise the Company to make market purchases of its own ordinary shares up to a maximum of 12,164,141 ordinary shares, representing 10% of the Company's issued ordinary share capital as at 5 December 2023. No shares have been purchased under this authority. The authority will expire at the conclusion of the Company's AGM in January 2025, when the Company intends to seek a renewal.

Shares held by Employee Benefit Trust

The Employee Benefit Trust ("EBT") is a discretionary employee benefit trust constituted by a trust deed entered into on 12 February 2020 between Auction Topco Limited and Zedra Trust Company (Guernsey) Limited, independent offshore professional trustees (the "Trustee"). The Company succeeded Auction Topco Limited as the settlor of the EBT under a deed of succession entered into on 25 February 2021. The EBT is operated as an employee share scheme within the meaning of Section 1166 of the Companies Act 2006, with the purpose of encouraging and facilitating the holding of shares by bona fide employees of the Company (which for these purposes includes the Executive Directors) and its subsidiaries, former employees and certain of their relatives or for their benefit.

Directors' Report continued

Shares held by the Company's EBT rank pari passu with the other shares in issue and have no special rights. Voting rights and rights of acceptance of any offer relating to the shares held in the Trust rests with the Trustee, who may take account of any recommendation from the Company.

Relationship Agreement

The Relationship Agreement, which was entered into on 17 February 2021, remains effective whilst TA Associates holds at least 10% of the voting rights of the Company. As at 30 September 2024, TA Associates held 12.58% of the issued share capital of the Company.

The Relationship Agreement provides that:

- Transactions and arrangements between the Company and TA Associates are and will be at arm's length and on normal commercial terms.
- Neither TA Associates nor any of its associates will take any action that would have the effect of preventing the Company from complying with its obligations under the UK Listing Rules ("UKLR"), the Disclosure and Transparency Rules ("DGTR"), the requirements of the London Stock Exchange, the Financial Services and Markets Act, Market Abuse Regulation or the Articles of Association.
- Neither TA Associates nor any of its associates will propose, or procure the proposal of, a shareholder resolution that is intended or appears to be intended to circumvent the proper application of the UKLR.

As far as the Company is aware, such provisions have been complied with during the period ended 30 September 2024 by TA Associates and the Board is satisfied that the Company is able to carry on the business it carries on as its main activity independently from TA Associates at all times.

Substantial shareholdings

The table below sets out those shareholders that have notified the Company of their direct or indirect interest in 3% or more of the issued share capital of the Company in accordance with Rule 5 of the DGTR as at 25 November 2024 being the latest practicable date prior to the publication of this report:

Shareholder	Holding	% Voting rights
TA Associates Management, L.P.	Indirect	12.57 ¹
Ameriprise / Threadneedle	Indirect	7.96 ¹
The Capital Group Companies, Inc.	Indirect	7.95 ¹
Liontrust	Indirect	6.33 ¹
abrdn plc	Indirect	5.04 ¹
T. Rowe Price Group	Indirect	4.97 ²
Blackrock, Inc	Indirect	4.86 ¹
The Vanguard Group Inc.	Indirect	4.13 ¹
Royal London Asset Management	Indirect	3.19 ¹

1. Based on total voting rights of 121,922,241 as at 25 November 2024.

2. Information provided to the Company pursuant to Rule 5 of the DGTR published on Regulatory Information Service and on the Company's website.

Change in control

The Company is required to disclose any significant agreements which take effect, alter or terminate upon a change of control of the Company. In common with many other companies, the Group's bank facility is terminable upon change of control of the Company. In addition, the Relationship Agreement with TA Associates would also cease to be effective on a change of control.

In the event of a change of control of the Company, unvested LTIP awards will vest and become exercisable for a period of six months following the change of control to the extent determined by the Remuneration Committee in its absolute discretion. When making its decision, the Remuneration Committee will consider the period of time the award has been held by the participant and the extent to which the performance conditions have been achieved. Where appropriate, and with the agreement of the acquiring company, the Committee may specify that unvested awards will not become exercisable as a result of the change of control and instead they will be exchanged (in whole or in part) for awards over shares in the acquiring company. Different decisions can be taken in respect of different grants of awards held by the participant.

In normal circumstances, holders of the pre-Admission equity awards must hold these shares until the fourth anniversary of Admission before they can be sold or otherwise transferred. If there is a corporate event resulting in the change of control of the Company, the holding period will cease to apply.

There are no agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment because of a takeover bid other than for payment for loss of office as detailed on page 110.

Directors' Report continued

Anti-takeover devices

We do not have any devices which would limit the ability to perform a takeover of Auction Technology Group plc. This includes devices which would limit share ownership and/or issue new capital for the purpose of limiting or stopping a takeover.

Modern Slavery Statement

The Company's Modern Slavery Statement is reviewed and approved by the Board annually and published on our corporate website, in line with Section 54(1) of the Modern Slavery Act 2015. The statement covers the activities of the Company and its subsidiaries and details policies, processes and actions we have taken to ensure that slavery and human trafficking are not taking place in our supply chains or any part of our business. More information on our statement can be found on our website www.auctiontechnologygroup.com.

Articles of Association

The rules governing the appointment and removal of Directors are contained in the Company's Articles of Association. Changes to the Articles of Association must be approved by a special resolution of the shareholders. The powers of Directors are described in the Matters Reserved for the Board document and the Articles of Association, both of which can be found on our website.

Political donations

It is not the policy of the Company, or its subsidiaries, to make political donations as contemplated by the Companies Act and no donations were made by the Company to any political party during the year.

However, the application of the relevant provisions of the Companies Act is very wide in nature and normal business activities of the Company, which might not be considered political donations or expenditure in the usual sense, may possibly be construed as political expenditure and fall within the restrictions of the Act. This could include sponsorships, subscriptions, payment of expenses and support for bodies representing the community. The Board therefore intends to renew shareholder authority at the Company's AGM to ensure that the Company does not inadvertently breach these provisions.

Post balance sheet events

There were no events after the balance sheet date.

Disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditor

Ernst & Young LLP has indicated its willingness to continue in office and the Board recommends the appointment of EY at the forthcoming AGM.

Annual General Meeting

The Company's AGM will be held at the office of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL on Thursday 30 January 2024. The Notice of AGM accompanies this report as a separate document.

Shareholders may requisition a general meeting of the Company, ask for a resolution to be tabled at the AGM or require the circulation of a members' statement in accordance with the requirements and procedure set out in the Companies Act 2006.

This report was approved by the Board of Directors on 26 November 2024 and signed on its behalf by:

Anne-Marie Palmer

Company Secretary
26 November 2024

Directors' Responsibilities

Statement of Directors' responsibilities in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements of the Group and Company in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group Financial Statements in accordance with United Kingdom adopted International Accounting Standards and with the requirements of the Companies Act 2006. The Directors have chosen to prepare the parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework" and the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

In preparing the Group Financial Statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the Annual Report and Financial Statements

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 26 November 2024 and is signed on its behalf by:

John-Paul Savant
Chief Executive Officer
26 November 2024

Tom Hargreaves
Chief Financial Officer
26 November 2024

Independent Auditor’s Report to the Members of Auction Technology Group plc

Opinion

- In our opinion:
- Auction Technology Group plc’s Group financial statements and parent Company financial statements (the “financial statements”) give a true and fair view of the state of the Group’s and of the parent Company’s affairs as at 30 September 2024 and of the Group’s profit for the year then ended;
 - the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
 - the parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Auction Technology Group plc (the ‘parent Company’) and its subsidiaries (the ‘Group’) for the year ended 30 September 2024 which comprise:

Group	Parent Company
Consolidated Statement of Profit or Loss and Other Comprehensive Income or Loss for the year ended 30 September 2024	Company Statement of Financial Position as at 30 September 2024
Consolidated Statement of Financial Position as at 30 September 2024	Company Statement of Changes in Equity for the year then ended
Consolidated Statement of Changes in Equity for the year then ended	Related notes 1 to 11 to the financial statements including material accounting policy information
Consolidated Statement of Cash Flows for the year then ended	
Related notes 1 to 25 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC’s Ethical Standard were not provided to the Group or the parent Company and we remain independent of the Group and the parent Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors’ assessment of the Group and parent Company’s ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of management’s going concern assessment process in conjunction with our walkthrough of the Group’s financial statements close process and engaging with management to ensure key factors such as covenant compliance, the Group’s net current liability position and the Group’s liquidity position were considered in their assessment, ensuring this is consistent with our own independent risk assessment.
- Obtaining management’s assessment of going concern, being for the period to 31 December 2025, including the underlying forecast models used in the assessment. For the period assessed, we confirmed that the forecasts used were consistent with the longer term forecasts used in the impairment assessments.
- Challenging the appropriateness of management’s forecasts and consideration of downside sensitivities. This involved:
 - Challenging management’s ability to forecast accurately by reviewing management’s previous assessments against actual results
 - Confirming that the forecasts used were the same as those which were approved by the Board
 - Challenging the forecasts by comparing key assumptions (including revenue, costs and cash flows) against current business activity

Independent Auditor's Report to the Members of Auction Technology Group plc continued

- Ensuring that management's downside scenarios were reflective of the principal risks of the business and had been quantified within the modelling in a sufficient manner
- Performing an independent reverse stress test to determine the relevant combination of downturn factors during the period under assessment which would eliminate the covenant and liquidity headroom and comparing this with actual historical performance.
- Considering whether there are other potential downsides for the Group which are not modelled in management scenarios and the potential impact of these.
- Engaging EY specialists to test the clerical accuracy and logical integrity of the cash flow forecast model used to prepare the Group's going concern assessment, as well as challenging the overall appropriateness of management's forecast in the context of future cash flows.
- Reviewing the underlying terms, including covenant requirements, of the debt facilities by examination of executed documentation.
- Extending our procedures to consider events beyond 31 December 2025 (the end of the going concern period) including enquiries of management and reviewing the maturity of debt to challenge the Group's assumptions around its access to continued financing.
- Assessing whether there was a reasonable possibility of ATG being able to refinance the current facility prior to its scheduled expiry with assistance from our debt advisory specialists, noting the maturity of the Group's senior facility which is due to expire within six months of the going concern period (June 2026).
- Assessing whether any material climate-related risks should be incorporated into the Group's forecasts in the period assessed for going concern, including the shorter term cash costs associated with the actions the Group intends to take to achieve its longer term science based targets.
- Considering whether any contradictory evidence exists that indicates additional uncertainty in management's forecast, including reviewing board minutes, analyst reports, press reports and making other enquiries of management. We additionally reviewed external forecasts in relation to the underlying industry verticals and economic forecasts to identify inconsistencies with management's assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and parent Company's ability to continue as a going concern for the period through to 31 December 2025.

In relation to the Group and parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' Statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of four components, audit procedures on specific balances for one component, and specified audit procedures on three additional components. • The components where we performed full, specific or specified audit procedures accounted for 88% of EBITDA, 74% of revenue and 99% of total assets.
Key audit matters	• Overstatement of revenue recognition as a result of management override • Capitalisation and impairment of internally generated software costs • Impairment of goodwill and acquired intangibles
Materiality	• Overall Group materiality of \$1.4m which represents 2% of EBITDA.

An overview of the scope of the parent Company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each Company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent Internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 29 reporting components of the Group, we selected five components covering entities within the UK and North America, which represent the principal business units within the Group.

Of the five components selected, we performed an audit of the complete financial information of four components ("full scope components") which were selected based on their size or risk characteristics. For the remaining component ("specific scope component"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 88% of the Group's EBITDA, 74% of the Group's revenue and 99% of the Group's total assets. For the current year, the full scope components contributed 88% of the Group's EBITDA, 74% of the Group's revenue and 99% of the Group's total assets. The specific scope component which is solely a financing entity in the Group contributed 0% of the Group's EBITDA, revenue and total assets but included all of the Group's external financing liabilities and interest costs. We also selected three components to perform specified procedures such as revenue analytical procedures including correlation and cash anchor testing, testing the existence of accounts receivable/contract assets through to delivery support and cash receipt, expected credit loss assessment, cash confirmation testing, and data-driven journal entry testing as described in the Risk section above.

Independent Auditor's Report to the Members of Auction Technology Group plc continued

Of the remaining 21 components that together represent less than 1% of the Group's EBITDA. For these components, we performed other procedures, including analytical review, testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken over each of the components by us, as the primary audit engagement team, or by our component team.

The Group audit team performed procedures over the two full scope UK components, the specific scope component, and one of the specified procedures components operating under the oversight of the Group Senior Statutory Auditor.

For the remaining two full scope entities and two specified procedures entities, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

For these components, there were regular face to face interactions between the primary team and component team due to the Group Senior Statutory Auditor being located in the same location as the component team. There were regular discussions on the audit approach and any issues arising from the work, including reviewing relevant audit working papers on risk areas and meeting with component management.

The primary team attended meetings with management to understand the flow of revenue transactions in the component locations including relevant controls in operation. We were also directly involved in determining the audit approach in these areas.

This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact Auction Technology Group plc. The Group has determined that the most significant future impacts from climate change on its operations will be from potential outages of data centres as a result of acute weather events, increased competition in the online secondary goods market and increasing costs from hosting providers from increased carbon prices. These are explained on pages 60 to 63 in the Task Force on Climate Related Financial Disclosures and on pages 37 to 40 in the principal risks and uncertainties. They have also explained their climate commitments on page 59. All of these disclosures form part of the "Other information", rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially consistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in note 1, the basis of preparation, how they have reflected the impact of climate change in their financial statements, including how this aligns with their commitment to the aspirations of the Paris Agreement to achieve net zero emissions by 2050. There are no significant judgements or estimates relating to climate change in the notes to the financial statements, given that the Group's operations focus on providing digital marketplace technology, which is considered to have a lower environmental impact.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 60 to 63 and whether these have been appropriately reflected in line with the requirements of the relevant accounting framework. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Independent Auditor’s Report to the Members of Auction Technology Group plc continued

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Overstatement of revenue recognition as a result of management override (FY24: \$174.2m, FY23: \$165.9m)

Refer to the Accounting policies (pages 150 and 151); and note 5 of the Consolidated Financial Statements (page 158)

The recognition of revenue across the Group’s revenue streams includes manual processes, primarily in relation to the recognition of contract assets and liabilities, as well as with respect to the accounting for manual provisions for revenue earned but not yet reconciled with Auction Houses.

There is a risk that revenue may be manipulated through management override of the manual processes to meet key performance targets which are based on revenue performance and adjusted diluted EPS growth.

Our response to the risk	Key observations communicated to the Audit Committee
For all significant revenue balances which we deemed to be in scope, we: - Performed walkthroughs of the revenue processes and assessed the design effectiveness of key controls. - Obtained management’s year end reconciliation of the Customer Relationship Management (“CRM”) system and the general ledger. We tested any reconciling items identified in the reconciliation as the manual nature of this exercise increases the opportunity for management override to occur. - Obtained management’s calculation of credit note and hammer value provisions recognised at the balance sheet date. These provisions are calculated manually and therefore are more susceptible to management override. The key input in the calculation is the provision rate, which is calculated based on historic trends. We corroborated this provision rate to the historic actuals. We additionally obtained the listing of credit notes issued subsequent to the balance sheet date to ensure that the provisions recognised by management were consistent with actual credit notes raised post the balance sheet date. - For contract assets, which represent accrued income for when the Group has satisfied its performance obligations prior to invoicing, we have a selected a sample and obtained supporting evidence to validate the timing of auction completion. We have also traced the amounts to subsequent invoices and agreed the amounts recognised through to the underlying contract to validate the recognition of revenue of event fees and commissions earned. - For contract liabilities, which represent deferred income for software/subscription fees received in advance of all performance obligations being fully satisfied or satisfied over time, we selected a sample and obtained supporting evidence in the form of the supporting invoice and proof of payment. We tested the amounts that has been released from deferred revenue by recalculating the subscription period which had elapsed since the service was activated compared with the length of the service to validate the correct allocation between the revenue recognised in the current and future period. We have also: - Performed disaggregated analytical reviews by revenue stream and, where applicable, by underlying revenue data points, investigating any trends outside of expectations. - Used data analytics to complete a correlation of revenue transactions recognised during the period through to trade receivables and cash receipts, in full scope locations. We have performed additional substantive testing on a sample of journal entries not following the expected flow of transactions. - Reviewed the Group’s revenue accounting policy in accordance with IFRS 15. - Reviewed the Group’s disclosures in relation to revenue recognition in the Annual Report and Accounts to confirm the adequacy of disclosure of the Group’s revenue accounting policy and associated judgements. Data driven journal entry testing was also performed over full and specific scope locations on a risk-based approach, to identify and evaluate any unusual journals posted by Group/component management to revenue, including testing consolidation journals. We performed full scope procedures over revenue over three components, which covered 74% of all Group revenue. We performed the full extent of procedures noted above for revenue on two further components within our specified procedures scope.	Revenue for the year to 30 September 2024 has been recognised appropriately in accordance with IFRS 15 Revenue from Contracts with Customers. We concluded that management’s disclosures in relation to revenue, including disclosed accounting policies, are appropriate. As part of our procedures, we noted no indication of deliberate or other manipulation of revenue cut-off or management override.

Independent Auditor's Report to the Members of Auction Technology Group plc continued

Capitalisation and impairment of internally generated software (FY24: \$18.9m net book value including \$10.8m additions, FY23: \$14.3m net book value including \$10.8m additions)

Refer to the Audit Committee Report (page 98); Accounting policies (page 148); and note 12 of the Consolidated Financial Statements (page 163)

There is a risk that costs could be inappropriately capitalised as internally generated software as an opportunity for management to improve market KPIs such as EBITDA and performance targets linked to remuneration, such as adjusted diluted EPS growth.

There is also significant judgement relating to IAS 38 capitalisation criteria and a risk that the carrying values of capitalised costs are not supported by incremental future cashflows, in line with IAS 36.

Our response to the risk

Key observations communicated to the Audit Committee

Our procedures focused on assessing the projects with significant capitalisation in the period, in particular in relation to whether these projects met the criteria for capitalisation under IAS 38 and SIC-32 (capitalisation criteria for website costs), and whether there were any indicators of impairment for the projects.

We concluded that the capitalisation of internally generated software under IAS 38 are materially correct, and that it is appropriate that no impairment has been recorded on these assets at 30 September 2024.

For all significant balances of internally generated software costs which had been capitalised, which we deemed to be in scope, we:

- Performed walkthroughs of the capitalised internally generated software process and assessed the design effectiveness of key controls.
- Selected a sample of key feature projects to understand the nature of the additions and assessed whether items have been appropriately capitalised in accordance with IAS 38 at a project level. We specifically challenged this with respect to features that are already in use, in order to corroborate management's judgements around whether the costs are likely to give rise to incremental economic benefit.
- Performed analytical procedures, including comparisons of amounts capitalised year on year, and the ratio of costs capitalised versus expenses in comparison to prior periods and comparator benchmarks.
- Challenged management with respect to the useful economic life of the assets capitalised.
- Audited a sample of underlying capitalised costs to supporting documentation, including third party invoices where these related to external contractor costs, and underlying payroll records for internal capitalised salaries, challenging the reasonableness of the allocation of salary costs being capitalised through reviewing the proportion of their time spent on the project and discussions directly with project managers to corroborate this.
- Reviewed the Group's disclosures in relation to capitalised internally generated software in the Consolidated Financial Statements to confirm the adequacy of disclosure of the Group's capitalisation policy and associated judgements.
- Assessed the impairment of assets in use and those still under development in accordance with IAS 36 by considering whether there are any indicators of impairment, including obsolescence/replacement of technology or key features.
- Searched for journal entries posted in relation to capitalised internally generated software that meet certain unusual qualitative criteria, such as those posted by senior finance personnel or those posted outside of the standard close process. We obtained supporting evidence to validate the amounts posted, including obtaining relevant approvals for the journal entry. No such journal entries were identified.

All procedures were performed by the Group primary team covering 95% of the balance.

Independent Auditor's Report to the Members of Auction Technology Group plc continued

Impairment of goodwill and acquired intangibles (FY24: \$590.0m net book value of goodwill and \$225.4m net book value of acquired intangibles, FY23: \$578.6m net book value of goodwill and \$255.5m net book value of acquired intangible assets)

Refer to the Audit Committee Report (page 96); Accounting policies (page 149); and note 12 of the Consolidated Financial Statements (pages 163 to 165)

Management applies judgement in assessing the valuation of goodwill and acquired intangibles, particularly in estimating future cash flows and deriving the appropriate discount rates. There is a risk that impairments are not identified, and that the value of goodwill and acquired intangibles are overstated.

Our response to the risk	Key observations communicated to the Audit Committee
We performed the following: • Understood the annual goodwill and acquired intangible impairment process and assessed the design effectiveness of key controls. • We compared management's process and methodology against the requirements of IAS 36 Impairment of Assets, including reviewing management's paper on the cash generating units ("CGUs"). • Validated the mathematical accuracy of the model management uses to quantify its impairment assessment. • Compared the discount rates and growth rates used by management to a range of acceptable outcomes determined independently by EY specialists. • Challenged management in relation to the key assumptions included within the forecast through enquiries of local management, commercial finance and product development teams, as well as external market data. We ensured consistency of key assumptions with forecasts used in other management assessments, including going concern. • Searched for any contradictory evidence, including whether any indicators of impairment are omitted from management's assessment, including review of Board minutes, analyst reports, press reports and other enquiries of management. We also challenged management as to the robustness of the process performed by discussing potential external and internal sources of indicators of impairment. • Assessed the adequacy of sensitivity analysis performed by management and performed additional sensitivities for known uncertainties within the business that may not have been modelled directly by management. • Assessed the historical accuracy of management's forecasting process through reviewing forecast versus actuals analyses for the current year. • Reviewed the Group's disclosures in accordance with the requirements of IAS 36 and IAS 1 to confirm the adequacy of disclosure. All procedures were performed by the Group primary team covering 100% of the balance.	Based on our procedures performed, we are satisfied goodwill is appropriately stated and concluded that the disclosure in the Consolidated Financial Statements in relation to the impairment assessment of goodwill is appropriate. The impairment test for Auction Services cash-generating units is sensitive to adverse changes that could arise given the uncertainties surrounding future cash flows. Management describes these sensitivities appropriately in note 12 to the financial statements, in accordance with IAS 36.

Independent Auditor's Report to the Members of Auction Technology Group plc continued

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be \$1.4m, which is 2% of EBITDA. We believe that EBITDA provides us with the most relevant performance measure to the stakeholders of the Group, taking into account the maturity of the Group as a listed business, the metrics on which the most focus is given by the users of the financial statements (including analysts and external banking arrangements, and benchmarks to comparable companies).

We determined materiality for the parent Company to be £5.4m, which is 1% of net assets. Where parent Company balances were audited as part of the Group audit, they were audited to an allocation of the Group's performance materiality.

The previous auditor determined materiality for the Group to be £1.6m, based on a blended assessment of 3% of adjusted EBITDA and 5% of profit before tax.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely \$0.7m. We have set performance materiality at this percentage on the basis that this is our first year as auditors of the Group.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was \$0.2m to \$0.6m.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of \$0.07m, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 131, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the Consolidated Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Independent Auditor's Report to the Members of Auction Technology Group plc continued

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 34;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 41 and 42;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 34;
- Directors' statement on fair, balanced and understandable set out on page 99;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 37 to 40;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 100; and

The section describing the work of the Audit Committee set out on pages 94 and 95.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 131, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (namely UK-adopted international accounting standards, Financial Reporting Standard 101 Reduced Disclosure Framework, the Companies Act 2006, the UK Corporate Governance Code), the Listing Rules of the London Stock Exchange, and the tax legislation in the Group's various jurisdictions. In addition, we concluded there to be other significant laws and regulations with a material indirect effect on the financial statements, being the General Data Protection Regulations, UK Bribery Act, employment law, Energy and Carbon regulations, USA Firearms legislation, Laws around sale of Nazi memorabilia in Germany, Restrictions of ivory items and Competition law in the Group's various jurisdictions.
- We understood how Auction Technology Group plc is complying with those frameworks through enquiries of Group management, the Internal Audit function and internal legal counsel. We corroborated our enquiries through reviewing Board and Audit Committee minutes, as well as considering the results of our audit procedures across the Group.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of analysts. We considered the programmes and controls that the Group has established to address the risk identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Independent Auditor's Report to the Members of Auction Technology Group plc continued

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing Board minutes to identify non-compliance with such laws and regulations, reviewing reports issued to the Audit and Risk Committee on compliance with regulations, enquiries with legal counsel, Group management and internal audit, as well as performing journal entry testing. We performed specific key word searches using criteria defined based on our understanding of the business, enquiries of Group management, Our focus centred around journal entries indicating unusual transactions using our data analytics platform, supported by discussions with our internal forensics specialists.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee we were appointed by the Company on 28 February 2024 to audit the financial statements for the year ending 30 September 2024 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is one year, covering the year ended 30 September 2024.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Katie Dallimore-Fox (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
26 November 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income or Loss

for the year ended 30 September 2024

	Note	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Revenue	4,5	174,148	165,886
Cost of sales		(56,924)	(53,301)
Gross profit		117,224	112,585
Administrative expenses		(82,596)	(85,834)
Net impairment (loss)/gain on trade receivables	14	(2,224)	210
Other operating income		24	666
Operating profit	6	32,428	27,627
Finance income	8	258	220
Finance costs	8	(14,303)	(19,183)
Net finance costs	8	(14,045)	(18,963)
Profit before tax		18,383	8,664
Income tax	9	5,809	11,879
Profit for the year attributable to the equity holders of the Company		24,192	20,543
Other comprehensive income/(loss) for the year attributable to the equity holders of the Company			
<i>Items that may subsequently be transferred to profit and loss:</i>			
Foreign exchange differences on translation of foreign operations		944	3,826
Fair value gain arising on hedging instruments during the year	22	13,019	14,478
Tax relating to these items	9	(3,255)	(3,186)
Other comprehensive income for the year, net of income tax		10,708	15,118
Total comprehensive income for the year attributable to the equity holders of the Company		34,900	35,661
Earnings per share		cents	cents
Basic	10	19.7	16.8
Diluted	10	19.5	16.7

The above results are derived from continuing operations.

The notes on pages 145 to 178 are an integral part of these Consolidated Financial Statements.

The Consolidated Financial Statements for the year ended 30 September 2023 have been restated throughout to be presented in US dollars, as detailed in note 1. In addition, net impairment (loss)/gain on trade receivables is separated from administrative expenses, where they were reported in previous periods.

Consolidated Statement of Financial Position

as at 30 September 2024

		30 September 2024 \$000	Restated 30 September 2023 \$000	Restated 1 October 2022 \$000
Note				
ASSETS				
Non-current assets				
Goodwill	12	589,989	578,572	546,167
Other intangible assets	12	244,274	269,729	275,332
Property, plant and equipment	13	827	874	550
Right of use assets	17	2,699	3,941	1,915
Trade and other receivables	14	1,427	138	100
Total non-current assets		839,216	853,254	824,064
Current assets				
Trade and other receivables	14	17,423	19,965	16,725
Contract assets	5	1,499	1,856	927
Tax assets		–	124	1,754
Cash and cash equivalents	15	6,826	10,416	57,876
Total current assets		25,748	32,361	77,282
Total assets		864,964	885,615	901,346
LIABILITIES				
Non-current liabilities				
Loans and borrowings	18	(98,530)	(132,923)	(167,391)
Tax liabilities		–	(976)	(1,200)
Lease liabilities	17	(2,549)	(3,240)	(1,185)
Deferred tax liabilities	19	(34,673)	(49,629)	(72,175)
Total non-current liabilities		(135,752)	(186,768)	(241,951)
Current liabilities				
Trade and other payables	16	(11,491)	(30,343)	(19,097)
Contract liabilities	5	(1,639)	(1,851)	(1,886)
Loans and borrowings	18	(22,953)	(15,688)	(34,606)
Tax liabilities		(4,483)	(3,779)	(535)
Lease liabilities	17	(886)	(731)	(870)
Total current liabilities		(41,452)	(52,392)	(56,994)
Total liabilities		(177,204)	(239,160)	(298,945)
Net assets		687,760	646,455	602,401

		30 September 2024 \$000	Restated 30 September 2023 \$000	Restated 1 October 2022 \$000
Note				
EQUITY				
Share capital	20	17	17	17
Share premium	20	334,463	334,458	334,045
Other reserve	20	330,310	330,310	330,310
Capital redemption reserve	20	7	7	7
Share option reserve	20	31,418	32,683	46,313
Foreign currency translation reserve	20	(28,862)	(42,825)	(61,129)
Retained earnings/(losses)	20	20,407	(8,195)	(47,162)
Total equity		687,760	646,455	602,401

The Consolidated Financial Statements for the year ended 30 September 2023 have been restated throughout to be presented in US dollars and the Consolidated Statement of Financial Position has been restated to separately disclose contracts assets and contract liabilities, as detailed in note 1.

The notes on pages 145 to 178 are an integral part of these Consolidated Financial Statements.

The Consolidated Financial Statements were approved by the Board of Directors on 26 November 2024 and signed on its behalf by:

John-Paul Savant

Tom Hargreaves

Company registration number 13141124

Consolidated Statement of Changes in Equity

for the year ended 30 September 2024

	Note	Share capital \$000	Share premium \$000	Other reserve \$000	Capital redemption reserve \$000	Share option reserve \$000	Foreign currency translation reserve \$000	Retained earnings/ (losses) \$000	Total equity \$000
1 October 2022 (restated see note 1)		17	334,045	330,310	7	46,313	(61,129)	(47,162)	602,401
Profit for the year		–	–	–	–	–	–	20,543	20,543
Other comprehensive income/(loss)		–	–	–	–	–	18,304	(3,186)	15,118
Total comprehensive income for the year		–	–	–	–	–	18,304	17,357	35,661
Transactions with owners									
Shares issued	20	–	413	–	–	–	–	–	413
Options exercised related to previous business combination	20	–	–	–	–	(19,297)	–	19,297	–
Share-based payments	20	–	–	–	–	5,667	–	2,313	7,980
30 September 2023 (restated see note 1)		17	334,458	330,310	7	32,683	(42,825)	(8,195)	646,455
Profit for the year		–	–	–	–	–	–	24,192	24,192
Other comprehensive income/(loss)		–	–	–	–	–	13,963	(3,255)	10,708
Total comprehensive income for the year		–	–	–	–	–	13,963	20,937	34,900
Transactions with owners									
Shares issued	20	–	5	–	–	–	–	–	5
Share-based payments	20	–	–	–	–	(1,265)	–	7,665	6,400
30 September 2024		17	334,463	330,310	7	31,418	(28,862)	20,407	687,760

Consolidated Statement of Cash Flows

for the year ended 30 September 2024

	Note	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Cash flows from operating activities			
Profit before tax		18,383	8,664
Adjustments for:			
Amortisation of acquired intangible assets	12	32,484	32,625
Amortisation of internally generated software	12	6,532	4,725
Depreciation of property, plant and equipment	13	426	391
Depreciation of right of use assets	17	939	1,099
Loss on derecognition of right of use assets	17	99	–
Share-based payment expense	21	6,015	8,616
Finance income	8	(258)	(220)
Finance costs	8	14,303	19,183
Operating cash flows before movements in working capital		78,923	75,083
Decrease/(increase) in trade and other receivables		1,907	(3,078)
Decrease/(increase) in contract assets		433	(878)
Decrease in trade and other payables		(9,383)	(211)
Decrease in contract liabilities		(253)	(239)
Cash generated by operations		71,627	70,677
Income taxes paid		(13,396)	(10,120)
Net cash from operating activities		58,231	60,557
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	11	–	(30,004)
Additions to internally generated software	12	(10,843)	(10,765)
Payment for property, plant and equipment	13	(362)	(503)
Payment for right of use assets	17	–	(230)
Receipt of interest on lease receivable	17	9	–
Receipt of lease asset	17	132	–
Finance income received		249	220
Net cash used in investing activities		(10,815)	(41,282)
Cash flows from financing activities			
Payment of deferred consideration	11	(10,000)	–
Repayment of loans and borrowings	18	(37,150)	(80,014)
Proceeds from loans and borrowings	18	9,500	26,300
Payment of interest on lease liabilities	17	(281)	(232)
Payment of lease liabilities	17	(749)	(964)
Shares issued	20	5	413
Interest paid	18	(12,459)	(13,097)
Net cash used in financing activities		(51,134)	(67,594)
Cash and cash equivalents at the beginning of the year		10,416	57,876
Net decrease in cash and cash equivalents		(3,718)	(48,319)
Effect of foreign exchange rate changes		128	859
Cash and cash equivalents at the end of the year	15	6,826	10,416

Notes to the Consolidated Financial Statements

1. Accounting policies

General information

Auction Technology Group plc (the “Company”) is a company incorporated in the United Kingdom under the Companies Act.

The Company is a public company limited by shares and is registered in England and Wales. The registered office of the Company is The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom.

The Group’s principal activities are the operation of several online auction marketplaces, through which the Group generates income. The nature of the Company and its subsidiaries (the “Group”) are set out in note 25 and in the Strategic Report on pages 2 to 77.

Restatements

- The Consolidated Financial Statements for the year ended 30 September 2023 have been restated throughout to be presented in US dollars as set out below.
- The Consolidated Statement of Profit or Loss has been restated to separate net impairment (loss)/gain on trade receivables from administrative expenses, where they were reported in previous periods.
- The Consolidated Statement of Financial Position has been restated to separately disclose contracts assets (FY23: \$1.8m, FY22: \$0.9m) and contract liabilities (FY23: \$1.8m, FY22: \$1.9m), as defined within the accounting policies on pages 149 and 150. All balances relating to contract assets and contract liabilities had previously been included in trade and other receivables and trade and other payables respectively. There is no impact to the Consolidated Statement of Profit and Loss and Other Comprehensive Income or Loss, the Consolidated Statement of Changes in Equity or the Consolidated Statement of Cash Flows as a result of this restatement.

Change in presentation currency

On 17 May 2023, the Group announced that from the beginning of the current financial year, 1 October 2023, it would be changing the currency in which it presents its financial results from pound sterling to US dollars. The Group’s US dollar denominated earnings account for over 80% of the Group’s revenues and profits. This change reduces the impact of currency movements on reported results. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, this change in presentation currency was applied retrospectively.

In accordance with the provisions of IAS 21 The Effects of Changes in Foreign Exchange Rates, the historic consolidated financial information has been re-presented from pound sterling to US dollars as follows:

- items of income and expenditure, other than single material identifiable transactions, denominated in non-US dollar currencies were translated into US dollars at the average exchange rate (per month) of the reporting period. Single material identifiable transactions have been translated at the exchange rate at the time of the transaction;
- assets and liabilities denominated in non-US dollar currencies were translated into US dollars at the exchange rates at the relevant balance sheet dates;

- share capital, share premium and other equity items have been translated into US dollars at historical exchange rates on the date of each relevant transaction;
 - all resulting exchange differences have been recognised in other comprehensive income and in the foreign currency translation reserve in accordance with the Group’s existing accounting policy; and
 - there is no impact to the Consolidated Statement of Profit or Loss as a result of the restatement.
- The principal rates used for the translation of results, cash flows and balance sheets in US Dollars were:

	Average rate		Closing rate		
	FY24	FY23	FY24	FY23	FY22
Pound sterling	1.27	1.23	1.34	1.22	1.12
Euro	1.08	1.07	1.12	1.06	0.98

Basis of preparation

The Consolidated Financial Statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”). The parent Company accounts present information about the entity and not about its Group.

The Consolidated Financial Statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards (“UK-adopted IAS”) and with the requirements of the Companies Act 2006. The Company has elected to prepare its parent Company Financial Statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”) and the Companies Act 2006; these are presented on pages 179 to 183.

The Consolidated Financial Statements have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. All accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements.

New and amended accounting standards adopted by the Group

The following amendments became applicable during the current reporting period:

- IFRS 17: Insurance Contracts
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendment to IAS 12: International Tax Reform – Pillar Two Model Rules

The adoption of the standards and interpretations has not led to any changes to the Group’s accounting policies or had any other material impact on the financial position or performance of the Group. The Group is not in scope for Pillar Two rules, as it does not meet the threshold of annual revenue of €750m and therefore the amendment to IAS 12 in relation to Pillar Two has no impact.

Notes to the Consolidated Financial Statements continued

1. Accounting policies continued

New and amended accounting standards that have been issued but are not yet effective

New standards and interpretations that are in issue but not yet effective are listed below:

- Amendment to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1: Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
- Amendments to IAS 21: Lack of Exchangeability
- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments
- IFRS 18: Presentation and Disclosure in Financial Statements

With the exception of the adoption of IFRS 18, the adoption of the above standards and interpretations are not expected to lead to any material changes to the Group's accounting policies nor have any other material impact on the financial position or performance of the Group. IFRS 18 was issued in April 2024 and is effective for periods beginning on or after 1 January 2027. Early application is permitted and comparatives will require restatement. The standard will replace IAS 1 Presentation of Financial Statements and although it will not change how items are recognised and measured, the standard brings a focus on the income statement and reporting of financial performance. Specifically classifying income and expenses into three new defined categories – “operating”, “investing” and “financing” and two new subtotals “operating profit and loss” and “profit or loss before financing and income tax”, introducing disclosures of management defined performance measures and enhancing general requirements on aggregation and disaggregation. The impact of the standard on the Group is being assessed and it is not yet practicable to quantify the effect of IFRS 18 on these Consolidated Financial Statements, however there is no impact on presentation for the Group in the current year given the effective date – this will be applicable for the Group's FY28 reporting period.

Going concern

The Directors are required to assess going concern at each reporting period. The Directors have undertaken the going concern assessment for the Group for the period to 31 December 2025. The Directors have assessed the Group's prospects, both as a going concern and its longer-term viability as set out on pages 41 and 42. After considering the current financial projections, the bank facilities available and then applying severe but plausible sensitivities, the Directors of the Company are satisfied that the Group has sufficient resources for its operational needs and will remain in compliance with the financial covenants in its bank facilities until at least 31 December 2025. For this reason, the Directors continue to adopt the going concern basis in preparing the Consolidated Financial Statements for the year ended 30 September 2024. The process and key judgements in coming to this conclusion are set out below:

Liquidity

The Group entered into the Senior Facilities Agreement on 17 June 2021 which included the Senior Term Facility for \$204.0m for the acquisition of LiveAuctioneers. The Senior Term Facility was drawn down in full on 30 September 2021 prior to completion of the acquisition of LiveAuctioneers on 1 October 2021. The loan is due to be fully repaid by 17 June 2026. In the absence of any other prepayments, the next scheduled repayment would be \$6.1m on 31 March 2025. At 30 September 2024 the loan balance outstanding was \$122.6m and was subject to interest at a margin of 2.75% over US SOFR.

In addition, the Group has a multi-currency revolving credit working capital facility (the “RCF”) for \$49.0m. Any sums outstanding under the RCF will be due for repayment on 17 June 2026. On 13 February 2024, \$9.5m was drawn down to partly fund the payment of deferred consideration and retention bonuses relating to the acquisition of ESN (see note 11), and has been repaid in full.

The Directors are in the early stages of renegotiations on the financing arrangements for the Group in advance of the current facilities expiring in June 2026. The Directors assume that the Group will continue to have funding throughout the going concern period and the three-year viability period (as discussed on page 41) on the basis that the Group will either renew the facility or have sufficient time to agree an alternative source of finance on comparable terms. As at 30 September 2024 the Group has adjusted net debt of \$114.7m and is in a net current liability position which includes the current Senior Term Facility of \$23.0m.

Covenants

The Group is subject to covenant tests on the Senior Term Facility, with the most sensitive covenant being the net leverage ratio covenant (adjusted net debt: trailing 12-month adjusted EBITDA). The net leverage ratio covenant was 2.75x at 30 September 2024. Under the base case forecasts and each of the downside scenarios, including the combined downside scenario, the Group is forecast to be in compliance with the covenants and have cash headroom, without applying mitigating actions which could be implemented such as reducing capital expenditure spend. At 30 September 2024, the net leverage ratio was 1.4x compared to the limit of 2.75x and therefore the Group was comfortably within the covenant.

Scenario planning

The Directors have undertaken the going concern assessment for the Group, taking into consideration the Group's business model, strategy, and principal and emerging risks. As part of the going concern review the Directors have reviewed the Group's forecasts and projections, and assessed the headroom on the Group's facilities and the banking covenants. This has been considered under a base case and several plausible but severe downside scenarios, taking into consideration the Group's principal risks and uncertainties. These scenarios include:

- significant reduction in marketplace revenue due to an 8% reduction in THV versus the base case
- significant reduction in marketplace revenue due to conversion rate decline of 6% versus the base case; and,
- 50% lower revenue growth from value-added services across the Group versus the base case.

Notes to the Consolidated Financial Statements continued

1. Accounting policies continued

None of these scenarios individually, or in the combined scenario, which reduces adjusted EBITDA by \$21m, threaten the Group's ability to continue as a going concern. Even in the combined downside scenario modelled (the combination of all downside scenarios occurring at once) the Group would be able to operate within the level of its current available debt facilities and covenants. Accordingly, the Directors continue to adopt the going concern basis in preparing the Consolidated Financial Statements for the year ended 30 September 2024.

Climate change

The Group has assessed the impacts of climate change on the Group's Consolidated Financial Statements, including our commitment to achieving Net Zero by 2040 and the actions the Group intends to take to achieve those targets. The assessment did not identify any material impact on the Group's significant judgements or estimates at 30 September 2024, or the assessment of going concern and the Group's viability over the next three years. Specifically, we have considered the following areas:

- the physical and transition risks associated with climate change; and
- the actions the Group is taking to meet its carbon reduction and Net Zero targets.

As a result, the Group has assessed the potential impacts of climate change on the Consolidated Financial Statements, and in particular on the following areas:

- the impact on the Group's future cash flows, and the resulting impact such adjustments to the future cash flows would have on the outcome of the annual impairment testing of goodwill balances (see note 12), the recognition of deferred tax assets and our assessment of going concern;
- the carrying value of the Group's assets, in particular the recoverable amounts of intangible assets and property, plant and equipment; and
- changes to estimates of the useful economic lives of intangible assets and property, plant and equipment.

Basis of consolidation

The Consolidated Financial Statements consist of the financial statements of the ultimate parent Company and all entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity, has the rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The results of subsidiaries acquired or sold are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Employee Benefit Trust

The assets and liabilities of the Employee Benefit Trust have been included in the Consolidated Financial Statements. Any assets held by the Employee Benefit Trust cease to be recognised on the Consolidated Statement of Financial Position when the assets vest unconditionally in identified beneficiaries.

The costs of purchasing own shares held by the Employee Benefit Trust are shown as a deduction against equity. The proceeds from the sale of own shares held increase equity. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Consolidated Statement of Comprehensive Income.

Business combinations

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date.

Goodwill is stated after separate recognition of other identifiable intangible assets.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

If the accounting for business combinations involves provisional amounts, which are finalised in a subsequent reporting period during the 12-month measurement period as permitted under IFRS 3, restatement of these provisional amounts may be required in the subsequent reporting period.

Notes to the Consolidated Financial Statements continued

1. Accounting policies continued

Foreign currency

Functional currency

The functional currency of Auction Technology Group plc and its subsidiaries, other than the US holding companies, is measured using the currency of the primary economic environment in which the entity operates. The US holding companies in FY24 which had a functional currency of pound sterling include ATG US Holdings Limited and ATG US Holdings Inc.

Transactions and balances

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rates of exchange at the reporting date. Gains and losses arising on foreign currency borrowings, to the extent that they are used to provide a hedge against the Group's equity investments in overseas undertakings, are taken to the Statement of Other Comprehensive Income together with the exchange difference arising on the net investment in those undertakings. All other exchange differences on monetary items are taken to profit and loss.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into US dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in the Statement of Other Comprehensive Income and accumulated in a foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that foreign operation is recognised in the Statement of Profit or Loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the acquisition closing rate. This is then revalued at the year-end rate with any foreign exchange difference taken directly to the translation reserve.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged to the Consolidated Statement of Profit or Loss over the estimated useful lives of each part of an item of property, plant and equipment. The Directors reassess the useful economic lives and estimated residual values on an annual basis. The estimated useful lives are as follows:

Leasehold improvements	3 to 7 years straight line
Computer equipment	3 to 5 years straight line
Fixtures and fittings	3 to 5 years straight line

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit or Loss.

Intangible assets

Identifiable intangibles are those which can be sold separately, or which arise from legal rights regardless of whether those rights are separable.

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortised but is reviewed for impairment at least annually.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Internally generated software

Included within internally generated software are development costs in relation to software which are capitalised when the related projects meet the recognition criteria of an internally generated intangible asset, the key criteria being as follows:

- technical feasibility of the completed intangible asset has been established;
- it can be demonstrated that the asset will generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development;
- the expenditure attributable to the intangible asset can be reliably measured; and
- management has the ability and intention to use or sell the asset.

These projects are designed to develop new features for the Group's marketplaces. Salaries associated with development time and directly attributable overheads are capitalised within intangible assets.

The Group only capitalises internally generated costs from the configuration and capitalisation of SaaS projects when it is able to obtain economic benefits from the activities independent from the SaaS solution itself.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development costs recognised as assets are amortised on a straight-line basis over their expected useful life. Development expenditure is amortised from the point at which the asset is available for use. Assets are amortised over the period the Group is expected to benefit and are subject to annual impairment testing.

Notes to the Consolidated Financial Statements continued

1. Accounting policies continued

Acquired intangible assets

Acquired intangible assets include software, customer relationships, brand and non-compete agreements. Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation relating to capitalised software development costs is recognised through cost of sales whilst amortisation in respect of non-software intangibles is recognised through administrative expenses. Amortisation is charged to the Consolidated Statement of Profit or Loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. The estimated useful lives are as follows:

Internally generated software	3 years
Software	3 to 10 years
Customer relationships	2 to 14 years
Brand	5 to 15 years
Non-compete agreement	4 years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment of non-financial assets (excluding goodwill)

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit or Loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

Cash and cash equivalents

Cash and cash equivalents include cash at banks, cash in transit due from credit card providers and cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and restricted cash.

Restricted cash includes cash held by the Group which can only be used to exchange or settle a specific liability in the future and cash held by the Trustee of the Group's Employee Benefit Trust.

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, the Group classifies its financial assets into the following categories: financial assets at amortised cost, financial assets at fair value through profit or loss ("FVTPL") and financial assets at fair value through other comprehensive income.

Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, contract assets, trade and most other receivables fall into this category of financial instruments.

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Notes to the Consolidated Financial Statements continued

1. Accounting policies continued

The Group recognises lifetime ECL on trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

All income and expenses relating to financial assets that are recognised in the Consolidated Statement of Profit or Loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other administrative expenses.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings, contract liabilities and trade and other payables.

Financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried at fair value with gains or losses recognised in the Consolidated Statement of Profit or Loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the Consolidated Statement of Profit or Loss are included within finance costs or finance income.

Hedge accounting

The Group designates foreign currency loans as hedging instruments in respect of foreign currency risk and hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group hedges and the quantity of the hedging instrument that the Group uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Gains and losses accumulated in the foreign currency translation reserve are included in the Consolidated Statement of Profit or Loss on disposal of the foreign operation.

Revenue recognition

The Group recognises revenue when it has transferred the promised services to customers in an amount that reflects the consideration to which they expect to be entitled in exchange for those services.

Marketplace revenues

Marketplace revenues include commissions (based on a percentage of the price of items sold at auction), auction fees (both pay-as-you-go and subscription based), value-added services, digital marketing and advertising and auction-related services.

Commission fees

The Group recognises commission fees as an agent on the basis that there is no contractual relationship with the bidder, the end-consumer of goods sold at auction, and the Group will receive its commission from the auction house irrespective of whether the end-consumer makes its payment to the auction house.

The commission element of both subscription and pay-as-you-go contracts (see below) is based on the value of the items sold at auction. The commission element of auction revenue is not recognised until the auction has completed and the revenue value is known.

Auction fixed fees

Contracts will typically specify an event (pay-as-you-go) or period of time during which the auction house may host a number of events (subscription) as well as other auction-related services.

Auction fixed fees sold under subscription-based contracts, in which the performance obligation is the provision of access to the technology platform and any auction-related services specified in the contract for that period of time, are recognised straight-line over the term of the contract. This recognition reflects the fact that the contract allows for continuous usage of the technology platform and its functionality together with any auction-related services.

Auction fixed fees sold under pay-as-you-go contracts result in a performance obligation that is satisfied by providing access for the duration of that specific auction. As auctions typically complete within one to three days, the Group recognises revenue on completion of the auction.

Notes to the Consolidated Financial Statements continued

1. Accounting policies continued

Value-added services

Value-added services include atgPay and atgShip. These services have a distinct performance obligation based on the capability of being separately identified as an optional service on the Group's marketplaces and providing the end-customer a service that can be used on its own.

There is judgement involved in determining whether these services should be recognised based on an agent or principal basis.

For atgPay, the Group has primary responsibility for fulfilling the services to the customer and has sole discretion in establishing the prices charged to the auction house for the services provided. On this basis the revenue is recognised on a principal basis, and it is recognised at the point in time when control of the promised service is transferred to the customer, i.e. the payment from the bidder has been processed for the auction house.

For atgShip, the Group has applied judgement to conclude it has the primary responsibility in fulfilling the shipping services to the bidder. Given the complexity involved in shipping Arts & Antiques across North America, the logistics required to operate our atgShip service requires significant involvement of the Group including the sole responsibility for selecting an appropriate shipping agent that must be used for each delivery based on the nature of the item sold at auction (e.g. its size, shape and fragility) and the location which it is being shipped to across North America. Further, the Group takes responsibility for delivery of the shipped items by the shipping agent. The Group also has the primary responsibility for receiving and resolving customer service enquiries, including directly keeping the bidder informed of the status of their delivery and handling complaints for lost or damaged items. The Group also has sole discretion in establishing the prices charged for the atgShip service. Our network of shipping carriers arrange insurance for the shipped item hence, retain the inventory risk of the products in transit. Having assessed the overall substance of the arrangements within this revenue stream, it has been concluded that the Group is acting as the principal in the shipping arrangements. For practical reasons, the revenue is recognised on the auction sale date rather than on delivery of the item to the bidder. The impact of this timing difference for recognition is assessed at each reporting period and is immaterial to the Group's revenue and profits.

The revenue for both services is recognised as the full fees. The expenses for the fees paid to the other parties involved in the atgPay and atgShip process are recognised separately within cost of sales.

Digital marketing and advertising

Marketing revenues are principally derived from banner advertising and fees generated from email campaigns. Revenue is recognised in line with the satisfaction of the campaign objectives (i.e. at the point that the campaign emails are sent or over the period that the banner is provided on the website).

Auction-related services

Auction-related services include mirrored bidding, customer support, buy-it-now functionality, online cataloguing and the provision of personnel to operate the auction. These contracts are deemed to represent a single performance obligation, on the basis that the customer could not benefit from the auction-related services without also having access to the auction platform, and therefore are not distinct performance obligations.

Auction services revenues

For back-office and software technology products, auction revenues sold under subscription-based contracts, in which the performance obligation is the provision of access to the technology platform and any auction-related services specified in the contract for that period of time, are recognised straight-line over the term of the contract. This recognition reflects the fact that the contract allows for continuous usage of the technology platform and its functionality together with any auction-related services.

Auction revenues sold under pay-as-you-go contracts result in a performance obligation that is satisfied by providing access for the duration of that specific auction. As auctions typically complete within one to three days, the Group recognises revenue on completion of the auction.

Content-related services

Content-related services primarily include print and digital advertising revenues and subscriptions to the Antiques Trade Gazette.

The Group identified one performance obligation for print advertising services which is to include the advert in a particular edition of the Antiques Trade Gazette. The performance obligation is satisfied and revenue is recognised at the point that the magazine is published. Where the advert is featured in a number of editions, the performance obligation is satisfied over the period that the advertisement is featured. Revenue is recognised evenly over the period that the advertisement is featured.

For magazine subscriptions, customers receive a specified number of editions during the subscription period. Revenue is recognised evenly over the subscription period.

Contract balances

Timing of revenue recognition may differ from the timing of invoicing to customers. Contract assets represent revenue recognised prior to invoicing when it has satisfied its performance obligation and has the unconditional right to payment.

Contract liabilities consist of fees received related to unsatisfied performance obligations at the end of the period.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Profit or Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates and laws enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Notes to the Consolidated Financial Statements continued

1. Accounting policies continued

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the taxable temporary difference arising from initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates and laws enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amounts of deferred tax assets are reviewed at each reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is provided in respect of the undistributed earnings of subsidiaries other than where it is intended that those undistributed earnings will not be remitted in the foreseeable future.

Employee benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Statement of Profit or Loss as incurred.

Share-based payments

The Group measures the cost of services received in exchange for share options based on the grant-date fair value of the award and recognises the cost over the period of required service for the award. The Group accounts for awards of shares to employees as share-based compensation as they vest with a corresponding credit to reserve for share-based payments. The fair value of share options is calculated as the share price at grant date, where the options are nil cost and have no market performance conditions. Where share options have an exercise price or market performance condition, an option pricing model is used to determine the fair value.

The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Upon the exercise of share options, any proceeds received from share option holders are recorded as an increase to share capital.

Leases

As a lessee

The Group's leases predominantly relate to property, mainly offices, however the Group's lease portfolio also includes other assets such as motor vehicles and computer equipment.

The Group recognises all leases on the Consolidated Statement of Financial Position, apart from in cases where the lease is for a period of less than 12 months or is for an asset with a low value. Low-value and short-term leases continue to be charged to the Consolidated Statement of Profit or Loss on a straight-line basis over the period of the lease.

Lease liabilities are recognised at the present value of future lease payments, determined using the implicit interest rate in the lease where available, or using an incremental borrowing rate appropriate to the subsidiary and lease term where an implicit interest rate is not available or appropriate. A corresponding right of use asset is recognised, equivalent to the value of the lease liability, which is depreciated in a straight line over the shorter of the useful economic life of the asset and the lease term. The depreciation is recognised as an administrative expense within overheads. The unwinding of the discount on the present value of the lease liability is recognised as a finance charge over the lease term. Rent payments are used to reduce the lease liability and are disclosed as debt repayments in the Consolidated Statement of Cash Flows. Lease terms include any options to extend when it is reasonably certain that the extension will be taken.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

As a lessor

Leases for which the Group is a lessor are classified as finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership to the lessee, and classified as an operating lease if it does not. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment in the lease.

Alternative performance measures

Management exercises judgement in determining the adjustments to apply to UK-adopted IAS measurements in order to derive suitable alternative performance measures ("APMs"). As set out and reconciled in note 3, APMs are used as management believes these measures provide additional useful information on the underlying trends, performance and position of the Group. These measures are used for performance analysis. The APMs are not defined by UK-adopted IAS and therefore may not be directly comparable with other companies' APMs. These measures are not intended to be a substitute for, or superior to, their equivalent UK-adopted IAS.

Notes to the Consolidated Financial Statements continued

2. Significant judgements and key sources of estimation uncertainty

The preparation of the Group's Consolidated Financial Statements requires the use of certain judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are evaluated continually, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key estimation uncertainties are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimates were based, or as a result of new information or more experience. For the year ended 30 September 2024, the key sources of estimation are detailed below:

Impairment of goodwill for Auction Services cash-generating unit

At least on an annual basis, or if there is an impairment indicator, management performs a review of the carrying values of goodwill and intangible assets. This requires an estimate of the value in use of the cash-generating unit ("CGU") to which the goodwill and intangible assets are allocated. To estimate the value in use, management estimates the expected future cash flows from the CGU and discounts them to their present value at a determined discount rate, which is appropriate for the country where the goodwill and intangible assets are allocated.

Forecasting expected cash flows and selecting an appropriate discount rate inherently require estimation. The resulting calculation for Auction Services is sensitive to any one of the key assumptions in respect of future cash flows, the discount rate and long-term growth rate applied. Sensitivity analysis has been performed over the estimates (see note 12). Management considers that the assumptions made represent their best estimate of the future cash flows generated by the CGUs, and that the discount rate and long-term growth rate used are appropriate given the risks associated with the specific cash flows.

Significant judgements are those that the Group has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. For the year ended 30 September 2024, there were no significant judgements. The significant judgements disclosed in the annual financial statements for the year ended 30 September 2023 which are no longer applicable are:

- Goodwill and other intangible assets arising from business combinations as no business combinations have occurred in FY24, and no changes have been made in FY24 to the judgements in respect of goodwill and other intangible assets previously recognised.
- Functional currency of subsidiaries as there have been no changes to the functional currency of the US holding entities during the year. The impact of the US holding entities having a functional currency of pound sterling does impact the deferred tax as a result of movements in exchange rates but the level of judgement is not expected to significantly change the amounts recognised in the Consolidated Financial Statements.

3. Alternative performance measures

The Group uses a number of alternative performance measures ("APMs") in addition to those measures reported in accordance with UK-adopted IAS. Such APMs are not defined terms under UK-adopted IAS and are not intended to be a substitute for any UK-adopted IAS measure. The Directors believe that the APMs are important when assessing the ongoing financial and operating performance of the Group and do not consider them to be more important than, or superior to, their equivalent UK-adopted IAS. The APMs improve the comparability of information between reporting periods by adjusting for factors such as one-off items and the timing of acquisitions.

The APMs are used internally in the management of the Group's business performance, budgeting and forecasting, and for determining Executive Directors' remuneration and that of other management throughout the business. The APMs are also presented externally to meet investors' requirements for further clarity and transparency of the Group's financial performance. Where items of income or expense are being excluded in an APM, these are included elsewhere in our reported financial information as they represent actual income or costs of the Group.

Other commentary within the Annual Report and Accounts (CFO's Review pages 30 to 34), should be referred to in order to fully appreciate all the factors that affect the Group.

Adjusted EBITDA

Adjusted EBITDA is the measure used by the Directors to assess the trading performance of the Group's businesses and is the measure of segment profit.

Adjusted EBITDA represents profit/(loss) before taxation, finance costs, depreciation and amortisation, share-based payment expense and exceptional operating items. Adjusted EBITDA at segment level is consistently defined but excludes central administration costs including Directors' salaries.

The following table provides a reconciliation from profit before tax to adjusted EBITDA:

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Profit before tax	18,383	8,664
Adjustments for:		
Net finance costs (note 8)	14,045	18,963
Amortisation of acquired intangible assets (note 12)	32,484	32,625
Amortisation of internally generated software (note 12)	6,532	4,725
Depreciation of property, plant and equipment (note 13)	426	391
Depreciation of right of use assets (note 17)	939	1,099
Share-based payment expense (note 21)	6,015	8,616
Exceptional operating items	1,145	3,311
Adjusted EBITDA	79,969	78,394

Notes to the Consolidated Financial Statements continued

3. Alternative performance measures continued

The following table provides the calculation of adjusted EBITDA margin which represents adjusted EBITDA divided by revenue:

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Reported revenue (note 4, 5)	174,148	165,886
Adjusted EBITDA	79,969	78,394
Adjusted EBITDA margin	46%	47%

The basis for treating these items as adjusting is as follows:

Share-based payment expense

The Group has issued share awards to employees and Directors: at the time of IPO; for the acquisition of LiveAuctioneers; and operates several employee share schemes. The share-based payment expense is a significant non-cash charge driven by a valuation model which references the Group's share price. As the Group is still early in its lifecycle as a newly listed business the expense is distortive in the short term and is not representative of the cash performance of the business. In addition, as the share-based payment expense includes significant charges related to the IPO and LiveAuctioneers acquisition, it is not representative of the Group's steady state operational performance.

Exceptional operating items

The Group applies judgement in identifying significant items of income and expenditure that are disclosed separately from other administrative expenses as exceptional where, in the judgement of the Directors, they need to be disclosed separately by virtue of their nature or size in order to obtain a clear and consistent presentation of the Group's ongoing business performance. Such items could include, but may not be limited to, costs associated with business combinations, gains and losses on the disposal of businesses, significant reorganisation or restructuring costs and impairment of goodwill and acquired intangible assets. Any item classified as an exceptional item will be significant and not attributable to ongoing operations and will be subject to specific quantitative and qualitative thresholds set by and approved by the Directors prior to being classified as exceptional.

The exceptional operating items are detailed below:

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Acquisition costs	(828)	(3,311)
Finance transformation	(317)	–
Total exceptional operating items	(1,145)	(3,311)

The acquisition costs were primarily in respect of the costs relating to the acquisition of ESN on 6 February 2023 (see note 11). The business has undertaken focused acquisitive activity which has been strategically implemented to increase income, service range and critical mass of the Group. Acquisition costs comprise legal, professional, other consultancy expenditure incurred and retention bonuses for ESN employees payable one year after completion. The retention bonus is subject to service conditions and was accrued over the period.

Costs of \$0.3m were incurred as a result of the transformation of the North America finance department. These exceptional operating items include the sublease of the Omaha office (see note 17) which is no longer being occupied by the finance team, the merger of trading entities and costs associated with the system finance transformation which were not capitalised. These costs include professional fees, retention costs and loss on derecognition of a right of use asset.

The net cash outflow related to exceptional operating items in the period was \$2.5m (FY23: \$2.0m).

Adjusted earnings and adjusted diluted earnings per share

Adjusted earnings excludes share-based payment expense, exceptional items (operating and finance), amortisation of acquired intangible assets, and any related tax effects.

The following table provides a reconciliation from profit after tax to adjusted earnings:

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Profit attributable to equity shareholders of the Company	24,192	20,543
Adjustments for:		
Amortisation of acquired intangible assets	32,484	32,625
Exceptional finance items	906	5,258
Share-based payment expense	6,015	8,616
Exceptional operating items	1,145	3,311
Deferred tax on unrealised foreign exchange differences	(8,054)	(8,810)
Tax on adjusted items	(8,929)	(12,607)
Adjusted earnings	47,759	48,936

	Number	Number
Diluted weighted average number of shares (note 10)	123,848,562	123,088,377
	cents	cents
Adjusted diluted earnings per share (cents)	38.6	39.8

Notes to the Consolidated Financial Statements continued

3. Alternative performance measures continued

The basis for treating these items not already defined above as adjusting is as follows:

Amortisation of acquired intangible assets through business combinations

The amortisation of acquired intangibles arises from the purchase consideration of a number of separate acquisitions. These acquisitions are portfolio investment decisions that took place at different times and are items in the Consolidated Statement of Financial Position that relate to M&A activity rather than the trading performance of the business.

Exceptional finance items

Exceptional finance items include foreign exchange differences arising on the revaluation of the foreign currency loans, intra-group balances and restricted cash, movements in contingent consideration and costs incurred on the early repayment of loan costs. These exceptional finance items are excluded from adjusted earnings to provide readers with helpful additional information on the performance of the business across periods because it is consistent with how the business performance is reported and assessed by the Board.

Deferred tax on unrealised foreign exchange differences

In calculating the adjusted tax rate, the Group excludes the potential future impact of the deferred tax effects on unrealised foreign exchange differences arising on intra-group loans. 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 (see note 9).

Tax on adjusted items

Tax on adjusted items includes the tax effect of acquired intangible amortisation, exceptional (operating and finance items) and share-based payment expense. In calculating the adjusted tax rate, the Group excludes the potential future impact of the deferred tax effects on deductible goodwill and intangible amortisation (other than internally generated software), as the Group prefers to give users of its accounts a view of the tax charge based on the current status of such items. Deferred tax would only crystallise on a sale of the relevant businesses, which is not anticipated at the current time, and such a sale, being an exceptional item, would result in an exceptional tax impact.

Organic revenue

The Group has made certain acquisitions that have affected the comparability of the Group's results. Organic revenue shows the current period results excluding 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. Refer to the Glossary on page 184 for the full definition.

The following table provides a reconciliation of organic revenue from reported results:

	Unaudited Year ended 30 September 2024 \$000	Restated Unaudited Year ended 30 September 2023 \$000
Reported revenue	174,148	165,886
Acquisition related adjustment	(11,982)	(7,063)
Constant currency adjustment	–	945
Organic revenue	162,166	159,768
Increase in organic revenue %	2%	

Adjusted net debt

Adjusted net debt comprises external borrowings net of arrangement fees and cash at bank which allows management to monitor the indebtedness of the Group. Adjusted net debt excludes lease liabilities and restricted cash (see note 15).

Cash and cash equivalents includes cash held by the Trustee of the Group's Employee Benefit Trust, which is not available to circulate within the Group on demand. This has been included in restricted cash.

	30 September 2024 \$000	Restated 30 September 2023 \$000
Cash at bank (note 15)	6,824	7,437
Current loans and borrowings (note 18)	(22,953)	(15,688)
Non-current loans and borrowings (note 18)	(98,530)	(132,923)
Total loans and borrowings	(121,483)	(148,611)
Adjusted net debt	(114,659)	(141,174)

Notes to the Consolidated Financial Statements continued

3. Alternative performance measures continued

Adjusted free cash flow and adjusted free cash flow conversion

Adjusted free cash flow represents cash flow from operations less additions to internally generated software and property, plant and equipment. Internally generated software includes development costs in relation to software that are capitalised when the related projects meet the recognition criteria under UK-adopted IAS for an internally generated intangible asset. Movement in working capital is adjusted for balances relating to exceptional items. The Group monitors its operational efficiency with reference to operational cash conversion, defined as free cash flow as a percentage of adjusted EBITDA.

The Group uses adjusted cash flow measures for the same purpose as adjusted profit measures, in order to assist readers of the accounts in understanding the operational performance of the Group. The two measures used are free cash flow and free cash flow conversion. A reported free cash flow and cash conversion rate has not been provided as it would not give a fair indication of the Group's free cash flow and conversion performance given the high value of working capital from exceptional items.

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Adjusted EBITDA	79,969	78,394
Cash generated by operations	71,627	70,677
Adjustments for:		
Exceptional operating items	1,145	3,311
Working capital from exceptional and other items	4,282	(1,348)
Additions to internally generated software (note 12)	(10,843)	(10,765)
Additions to property, plant and equipment (note 13)	(362)	(503)
Payment for right of use assets (note 17)	–	(230)
Adjusted free cash flow	65,849	61,142
Adjusted free cash flow conversion (%)	82%	78%

4. Operating segments

The operating segments reflect the Group's management and internal reporting structure, which is used to assess both the performance of the business and to allocate resources within the Group. The assessment of performance and allocation of resources is focused on the category of customer for each type of activity.

The Board has determined an operating management structure aligned around the four core operations of the Group.

The four operating segments are as follows:

- **Arts & Antiques ("A&A") marketplaces:** focused on offering auction houses that specialise in the sale of arts and antiques access to the platforms thesaleroom.com, liveauctioneers.com, lot-tissimo.com and EstateSales.NET. A significant part of the Group's services is provision of a platform as a marketplace for the A&A auction houses to sell their goods. The segment also generates earnings through additional services such as listing subscriptions, marketing income, atgPay and atgShip. The Group contracts with customers predominantly under service agreements, where the number of auctions to be held and the service offering differs from client to client.
- **Industrial & Commercial ("I&C") marketplaces:** focused on offering auction houses that specialise in the sale of industrial and commercial goods and machinery access to the platforms BidSpotter.com, BidSpotter.co.uk and proxibid.com, as well as i-bidder.com for consumer surplus and retail returns. A significant part of the Group's services is provision of the platform as a marketplace for the I&C auction houses to sell their goods. The segment also generates earnings through additional services such as marketing income and atgPay. The Group contracts with customers predominantly under service agreements, where the number of auctions to be held and the service offering differs from client to client.
- **Auction Services:** includes revenues from the Group's auction house back-office products such as Auction Mobility and other white label products including Wavebid.com.
- **Content:** focused on the Antiques Trade Gazette paper and online magazine. The business focuses on two streams of income: selling subscriptions of the Gazette and selling advertising space within the paper and online. The Directors have disclosed information required by IFRS 8 for the Content segment despite the segment not meeting the reporting threshold.

There are no undisclosed or other operating segments.

Notes to the Consolidated Financial Statements continued

4. Operating segments continued

An analysis of the results for the year by reportable segment is as follows:

	Year ended 30 September 2024					
	A&A \$000	I&C \$000	Auction Services \$000	Content \$000	Centrally allocated costs \$000	Total \$000
Revenue	90,289	71,795	8,406	3,658	–	174,148
Adjusted EBITDA (see note 3 for definition and reconciliation)	72,398	60,746	5,040	1,224	(59,439)	79,969
Amortisation of intangible assets (note 12)	(25,688)	(11,413)	(1,915)	–	–	(39,016)
Depreciation of property, plant and equipment (note 13)	(158)	(240)	(12)	(16)	–	(426)
Depreciation of right of use assets (note 17)	(678)	(199)	(5)	(57)	–	(939)
Share-based payment expense (note 21)	(1,477)	(1,810)	(65)	–	(2,663)	(6,015)
Exceptional operating items (note 3)	(828)	–	–	–	(317)	(1,145)
Operating profit/(loss)	43,569	47,084	3,043	1,151	(62,419)	32,428
Net finance costs (note 8)	–	–	–	–	(14,045)	(14,045)
Profit/(loss) before tax	43,569	47,084	3,043	1,151	(76,464)	18,383

	Year ended 30 September 2023 (restated)					
	A&A \$000	I&C \$000	Auction Services \$000	Content \$000	Centrally allocated costs \$000	Total \$000
Revenue	80,551	71,378	10,190	3,767	–	165,886
Adjusted EBITDA (see note 3 for definition and reconciliation)	66,211	61,171	6,403	1,366	(56,757)	78,394
Amortisation of intangible assets (note 12)	(24,383)	(11,235)	(1,732)	–	–	(37,350)
Depreciation of property, plant and equipment (note 13)	(129)	(236)	(10)	(16)	–	(391)
Depreciation of right of use assets (note 17)	(678)	(342)	(10)	(69)	–	(1,099)
Share-based payment expense (note 21)	(1,828)	(2,163)	(103)	–	(4,522)	(8,616)
Exceptional operating items (note 3)	(3,311)	–	–	–	–	(3,311)
Operating profit/(loss)	35,882	47,195	4,548	1,281	(61,279)	27,627
Net finance costs (note 8)	–	–	–	–	(18,963)	(18,963)
Profit/(loss) before tax	35,882	47,195	4,548	1,281	(80,242)	8,664

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

	30 September 2024		30 September 2023 (restated)	
	Total non-current assets \$000	Additions to non-current assets \$000	Total non-current assets \$000	Additions to non-current assets \$000
<i>By operating segment</i>				
A&A	572,367	5,033	589,956	46,142
I&C	234,171	6,088	228,752	7,365
Auction Services	32,398	105	34,212	423
Content	280	18	334	314
	839,216	11,244	853,254	54,244

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
<i>By geographical location</i>		
United Kingdom	68,202	70,698
United States	765,716	777,618
Germany	5,298	4,938
	839,216	853,254

The Group has taken advantage of paragraph 23 of IFRS 8 Operating Segments and does not provide segmental analysis of net assets as this information is not used by the Directors in operational decision-making or monitoring of business performance.

Notes to the Consolidated Financial Statements continued

5. Revenue

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
<i>Product and customer types</i>		
A&A	90,289	80,551
I&C	71,795	71,378
Auction Services	8,406	10,190
Content	3,658	3,767
	174,148	165,886
<i>Primary geographical markets by location of operations</i>		
United Kingdom	25,299	24,096
United States	143,282	136,964
Germany	5,567	4,826
	174,148	165,886
<i>by location of customer</i>		
United Kingdom	25,889	24,557
United States	132,708	125,308
Europe	8,892	8,645
Rest of world	6,659	7,376
	174,148	165,886
<i>Timing of transfer of goods and services</i>		
Point in time	155,285	150,274
Over time	18,863	15,612
	174,148	165,886

The Group has recognised the following assets and liabilities related to contracts with customers:

	30 September 2024 \$000	Restated 30 September 2023 \$000	Restated 1 October 2022 \$000
Contract assets	1,499	1,856	927
Contract liabilities	(1,639)	(1,851)	(1,886)

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	1,797	1,782

Notes to the Consolidated Financial Statements continued

6. Operating profit

Operating profit is stated after charging/(crediting) the following:

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Employment costs (note 7)	45,278	50,043
Amortisation of intangible assets (note 12)		
– Acquired intangible assets	32,484	32,625
– Internally generated software	6,532	4,725
Depreciation of property, plant and equipment (note 13)	426	391
Depreciation of right of use assets (note 17)	939	1,099
Exceptional operating items (note 3)	1,145	3,311
Research and development	9,523	11,520
Net exchange differences	3	9

The total remuneration of the Group's auditors, which changed to EY in FY24 from Deloitte in FY23, for services to the Group is analysed below:

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
The audit of parent Company and Consolidated Financial Statements	1,120	991
The audit of the Company's subsidiaries	162	110
Total audit fees	1,282	1,101
Fees payable for other assurance services:		
– Interim review	180	123
– Non-audit fees	15	12
Total auditor's remuneration	1,477	1,236

The non-audit fees relate to covenant compliance reporting.

7. Staff costs and numbers

Staff costs for the year were as follows:

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Wages and salaries	35,504	37,540
Social security costs	3,062	3,115
Pension costs	697	772
Share-based payment expense (note 21)	6,015	8,616
Total employment costs	45,278	50,043

The monthly average number of employees (including Executive Directors) by function:

	Year ended 30 September 2024 Number	Year ended 30 September 2023 Number
Management	17	13
Administrative employees	59	56
Operational employees	294	327
Average number of employees	370	396

8. Net finance costs

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Interest income	249	220
Interest on lease receivable (note 17)	9	–
Finance income	258	220
Interest on loans and borrowings	(12,437)	(12,985)
Amortisation of finance costs	(679)	(612)
Foreign exchange loss	(525)	(4,995)
Movements in deferred consideration (note 16)	(131)	(263)
Interest on lease liabilities (note 17)	(281)	(232)
Interest on tax	(250)	(96)
Finance costs	(14,303)	(19,183)
Net finance costs	(14,045)	(18,963)

Notes to the Consolidated Financial Statements continued

9. Taxation

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Current tax		
Current tax on profit for the year	9,731	11,660
Adjustments in respect of prior years	214	(205)
Total current tax	9,945	11,455
Deferred tax		
Current year	(15,967)	(22,368)
Adjustments from change in tax rates	(278)	(629)
Adjustments in respect of prior years	491	(337)
Deferred tax	(15,754)	(23,334)
Tax credit	(5,809)	(11,879)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard tax rate applicable to profits of the Group as follows:

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Profit before tax	18,383	8,664
Tax at United Kingdom tax rate of 25% (FY23: 22%)	4,596	1,907
Tax effect of:		
Deferred tax on unrealised foreign exchange differences	(8,054)	(8,810)
Foreign exchange difference not taxable for tax purposes	(3,440)	(3,077)
Non-deductible expenditure	1,313	1,278
Deductible items	(582)	(1,695)
Movement in provisions for tax uncertainties	(439)	(312)
Differences in overseas tax rates	370	1
Adjustments from change in tax rates	(278)	(629)
Adjustments in respect of prior years	705	(542)
Tax credit	(5,809)	(11,879)

The deferred tax credit on unrealised foreign exchange differences of \$8.1m (FY23: \$8.8m) arises from US holding companies with pound sterling as their functional currency for the Consolidated Financial Statements but US dollar functional currency under US tax rules. Per the US tax basis these holding companies included an unrealised foreign exchange loss of \$30.6m on intra-group loans denominated in pound sterling totalling £246.2m (FY23: \$34.6m on intra-group loans of £295.6m). Unrealised foreign exchange differences are not taxable until they are realised, giving rise to deferred tax (see note 19). On 25 September 2024, the intra-group loan was redenominated into US dollars and a loss of \$0.7m realised. From this date there is no foreign exchange exposure on this loan and deferred tax liability at 30 September 2024 is \$nil.

The Group's profit before tax includes foreign exchange gain of \$13.5m (tax effected: \$3.4m) from US holding companies on their US dollar denominated intra-group balances (FY23: \$12.3m, tax effected \$3.1m) which are not taxable for US tax purposes.

Non-deductible expenditure primarily relates to share-based payments and in FY23 it also included non-deductible exceptional operating items.

Deductible items include research and development tax credits and in FY23 it also included deductions for the exercise of management rollover options and restricted stock units granted for the acquisition of LiveAuctioneers.

The movement in provisions for tax uncertainties reflects releases due to the expiry of relevant statutes of limitation. The Group's tax affairs are governed by local tax regulations in the UK, North America and Germany. Given the uncertainties that could arise in the application of these regulations, judgements are often required in determining the tax that is due. Where management is aware of potential uncertainties in local jurisdictions, that are judged more likely than not to result in a liability for additional tax, a provision is made for management's expected value of the liability, determined with reference to similar transactions and third-party advice. This provision at 30 September 2024 amounted to \$0.6m (FY23: \$1.0m).

In the current period, uncertain tax liabilities are recorded within current tax liabilities on the face of the Consolidated Statement of Financial Position. In the prior period, uncertain tax liabilities were recorded within non-current tax liabilities. Management has reassessed the fact pattern of the uncertain tax liabilities taking into account requirements of IAS 1 and considers that they are better reflected as current tax liabilities.

Tax recognised in other comprehensive income:

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Current tax	(3,255)	(3,186)

Tax recognised in other comprehensive income includes current tax on the Group's net investment hedge.

Notes to the Consolidated Financial Statements continued

10. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, after excluding the weighted average number of non-vested ordinary shares.

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares including non-vested/non-exercised ordinary shares. During the year and prior year, the Group awarded conditional share awards to Directors and certain employees through an LTIP (see note 21).

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Profit attributable to equity shareholders of the Company	24,192	20,543
	Number	Number
Weighted average number of shares in issue	121,711,636	121,050,307
Weighted average number of options vested not exercised	1,082,642	1,338,182
Weighted average number of shares held by the Employee Benefit Trust	(67,210)	(162,934)
Weighted average number of shares	122,727,068	122,225,555
Dilutive share options	1,121,494	862,822
Diluted weighted average number of shares	123,848,562	123,088,377
	cents	cents
Basic earnings per share	19.7	16.8
Diluted earnings per share	19.5	16.7

11. Business combinations

Business combinations for the year ended 30 September 2024

There were no business combinations during FY24.

Business combinations for the year ended 30 September 2023

Acquisition of Vintage Software LLC., trading as EstateSales.NET ("ESN")

On 6 February 2023, the Group acquired 100% of the equity share capital of ESN. ESN provides a 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. The purpose of the acquisition was to further strengthen the Group's presence in the US and expand its A&A segment into an attractive adjacent channel for the resale of second-hand items.

The maximum consideration payable was \$40.0m, with an initial cash payment of \$30.2m, deferred consideration of \$10.0m was payable after 12 months and a working capital adjustment of \$27,000. The deferred consideration was paid in full in February 2024.

Management calculated the fair value of the deferred consideration using the acquisition's internal rate of return to discount the liability, resulting in a liability of \$9.6m. The unwinding of discount of \$0.4m was reported as a finance cost in the Consolidated Statement of Profit or Loss over the period of the earn-out (see note 8).

Notes to the Consolidated Financial Statements continued

11. Business combinations continued

Final purchase price allocation

Management assessed the fair value of the acquired assets and liabilities as part of the purchase price allocation ("PPA"). The final fair values of the assets and liabilities are set out below.

	Book value \$000	Fair value adjustments \$000	Final fair value \$000
Acquired intangible assets – software	–	2,605	2,605
Acquired intangible assets – customer relationships	–	11,521	11,521
Acquired intangible assets – brand	274	2,900	3,174
Property, plant and equipment	194	–	194
Right of use assets	528	–	528
Cash and cash equivalents	187	–	187
Trade receivables and other receivables	50	–	50
Lease liabilities	(528)	–	(528)
Trade and other payables	(356)	–	(356)
Net assets on acquisition	349	17,026	17,375
Goodwill (note 12)			22,422
Total consideration			39,797
Consideration satisfied by:			
Initial cash consideration			30,191
Deferred consideration			9,606
			39,797
Net cash flow arising on acquisition:			
Initial cash consideration			30,191
Less: cash and cash equivalent balances acquired			(187)
			30,004

Acquired intangible assets

Acquired intangible assets represent customer relationships, auction technology platform and brand. The intangible assets are being amortised over their respective expected useful economic lives: customer relationships of two to seven years, auction technology platform of five years and brand of 15 years.

Deferred tax

Goodwill and acquired intangible assets of \$39.8m are deductible for income tax purposes.

Goodwill

Goodwill arises as a result of the surplus of consideration over the fair value of the separately identifiable assets acquired. The main reason leading to the recognition of goodwill is the future economic benefits arising from assets which are not capable of being individually identified and separately recognised; these include the value of synergies expected to be realised post-acquisition, new customer relationships and the fair value of the assembled workforce within the business acquired.

Acquisition costs of \$0.8m (FY23: \$3.3m) directly related to the business combination were immediately expensed to the Consolidated Statement of Profit or Loss as part of administrative expenses and included within exceptional operating items (see note 3). Between 6 February 2023 and 30 September 2023, ESN contributed \$7.1m to FY23 Group revenues and a profit before tax of \$1.3m. If the acquisition had occurred on 1 October 2022, FY23 Group revenue would have been \$168.5m and FY23 Group profit before tax would have been \$10.0m.

Notes to the Consolidated Financial Statements continued

12. Goodwill and other intangible assets

	Software \$000	Customer relationships \$000	Brand \$000	Non-compete agreement \$000	Total acquired intangible assets \$000	Internally generated software \$000	Goodwill \$000	Total \$000
Cost								
1 October 2022 (restated as detailed in note 1)	47,347	232,108	42,940	1,672	324,067	21,911	546,167	892,145
Acquisition of business (note 11)	2,605	11,521	3,174	–	17,300	–	22,422	39,722
Additions	–	–	–	–	–	10,765	–	10,765
Exchange differences	683	4,416	624	–	5,723	687	9,983	16,393
30 September 2023 (restated as detailed in note 1)	50,635	248,045	46,738	1,672	347,090	33,363	578,572	959,025
Additions	–	–	–	–	–	10,843	–	10,843
Exchange differences	780	5,048	702	–	6,530	975	11,417	18,922
30 September 2024	51,415	253,093	47,440	1,672	353,620	45,181	589,989	988,790
Amortisation and impairment								
1 October 2022 (restated as detailed in note 1)	13,884	36,182	5,770	785	56,621	14,025	–	70,646
Amortisation	5,626	22,992	3,589	418	32,625	4,725	–	37,350
Exchange differences	615	1,610	166	–	2,391	337	–	2,728
30 September 2023 (restated as detailed in note 1)	20,125	60,784	9,525	1,203	91,637	19,087	–	110,724
Amortisation	4,412	23,925	3,694	453	32,484	6,532	–	39,016
Exchange differences	780	3,026	299	–	4,105	682	–	4,787
30 September 2024	25,317	87,735	13,518	1,656	128,226	26,301	–	154,527
Net book value								
1 October 2022 (restated as detailed in note 1)	33,463	195,926	37,170	887	267,446	7,886	546,167	821,499
30 September 2023 (restated as detailed in note 1)	30,510	187,261	37,213	469	255,453	14,276	578,572	848,301
30 September 2024	26,098	165,358	33,922	16	225,394	18,880	589,989	834,263

Included within internally generated software is capital work-in-progress of \$5.7m (FY23: \$4.3m).

Intangible assets, other than goodwill, have a finite life and are amortised over their expected useful lives at the rates set out in the accounting policies in note 1.

Notes to the Consolidated Financial Statements continued

12. Goodwill and other intangible assets continued

The expected amortisation profile of acquired intangible assets is shown below:

	Software \$000	Customer relationships \$000	Brand \$000	Non-compete agreement \$000	Total \$000
One to five years	19,639	92,964	18,161	16	130,780
Six to 10 years	6,459	60,871	11,210	–	78,540
11 to 15 years	–	11,523	4,551	–	16,074
30 September 2024	26,098	165,358	33,922	16	225,394

Impairment assessment

The goodwill and intangibles attributed to each of the group of cash-generating units (“CGUs”) are assessed for impairment at least annually or more frequently where there are indicators of impairment. The Group tests for impairment of goodwill at the operating segment level representing an aggregation of CGUs, the level at which goodwill is monitored by management. No group of CGUs is larger than an operating segment as defined by IFRS 8 Operating Segments before aggregation. The recoverable amount for the group of CGUs has been determined on a value in use basis (“VIU”).

The table below sets out the carrying values of goodwill and other acquired intangible assets allocated to each group of CGUs at 30 September 2024 along with the pre-tax discount rates applied to the risk-adjusted cash flow forecasts and the long-term growth rate.

	Goodwill \$000	Acquired intangible assets \$000	Valuation method	Long-term growth rate	Pre-tax discount rate
2024					
A&A marketplaces	367,618	194,215	VIU	3%	11.8%
I&C marketplaces	197,707	23,878	VIU	3%	11.9%
Auction Services	24,664	7,301	VIU	3%	10.3%
Total	589,989	225,394			
2023 (restated)					
A&A marketplaces	364,604	215,977	VIU	3%	12.7%
I&C marketplaces	189,304	30,468	VIU	3%	12.7%
Auction Services	24,664	9,008	VIU	3%	11.4%
Total	578,572	255,453			

When testing for impairment, recoverable amounts for all the groups of CGUs are measured at their value in use by discounting the future expected cash flows from the assets in the group of CGUs. These calculations use cash flow projections based on Board approved budgets and approved plans. While the Group prepares a five-year plan, levels of uncertainty increase as the planning horizon extends. The Group's plan focuses more closely on the next three years, however for the purposes of the impairment testing the five-year forecasts are used as we do not anticipate the long-term growth rate to be achieved until after this time.

The key assumptions and estimates used for value in use calculations are summarised as follows:

Assumption	Approach
Risk-adjusted cash flows	are determined by reference to the budget for the year following the balance sheet date and forecasts for the following four years, after which a long-term perpetuity growth rate is applied. The most recent financial budget approved by the Board has been prepared after considering the current economic environment in each of the Group's markets. These projections represent the Directors' best estimate of the future performance of these businesses.
CAGR	is the five-year compound annual growth rate from FY24 of the risk-adjusted cash flows above.
Long-term growth rates	are applied after the forecast period. These are based on external reports on long-term GDP growth rates for the main markets in which each CGU operates. Therefore, these do not exceed the long-term average growth rates for the individual markets.
Pre-tax discount rates	are derived from the post-tax weighted average cost of capital (“WACC”) which has been calculated using the capital asset pricing model. They are weighted based on the geographical area in which the CGU group's revenue is generated. The assumptions used in the calculation of the WACC are benchmarked to externally available data and they represent the Group's current market assessment of the time value of money and risks specific to the CGUs. Movements in the pre-tax discount rates for CGUs since the year ended 30 September 2023 are driven by changes in market-based inputs. Any unsystematic risk on the CGUs has been inherently built into the cash flows of each of the CGUs and therefore no additional element of risk has been included in the discount rates used at 30 September 2024.

Notes to the Consolidated Financial Statements continued

12. Goodwill and other intangible assets continued

Sensitivity analysis

At 30 September 2024 under the impairment assessments prepared there is no impairment required. Management have performed sensitivity analysis based on reasonably possible scenarios including increasing the discount rates and reducing the CAGR on the future forecast cash flows, both of which are feasible given the current future uncertainty of macroeconomics. The Auction Services CGU is sensitive to a movement in any one of the key assumptions.

For Auction Services, with a headroom of \$0.9m (FY23: \$7.4m), for the recoverable amount to fall to the carrying value, the discount rate would need to be increased to 10.5% from 10.3% (FY23: 13.4% from 11.4%), the long-term growth rate reduced to 2.7% from 3.0% (FY23: 0.2% from 3.0%), or the CAGR on the five-year future forecast cash flows reduced by 0.5 ppt (FY23: 2 ppt). In the future forecast cash flows there is an assumption that the take rate CAGR improves by 2% over the five-year period. If this is not achieved this would give rise to an impairment of \$7.5m.

For the A&A and I&C marketplaces CGUs, there is no reasonable change of assumption that would cause the CGU's carrying amount to exceed its recoverable amount. Under the base case scenario for the A&A marketplaces CGU there is headroom of \$147.8m at 30 September 2024 (FY23: \$302.6m). The year-on-year decrease in headroom is largely driven by the reduction in five-year CAGR based on the slower consumer environment experienced in FY24. Under the base case scenario for the I&C marketplaces CGU there is headroom of \$74.5m at 30 September 2024 (FY23: \$417.5m). The year-on-year decrease in headroom is largely driven by the reduction in five-year CAGR based on the slower consumer environment in A&A and softer performance in I&C in FY24.

13. Property, plant and equipment

	Land and buildings leasehold \$000	Computer equipment \$000	Fixtures, fittings and equipment \$000	Total \$000
Cost				
1 October 2022 (restated as detailed in note 1)	581	689	414	1,684
Acquisition of business (note 11)	194	–	–	194
Additions	63	353	87	503
Disposals	(462)	(25)	(12)	(499)
Exchange differences	–	41	5	46
30 September 2023 (restated as detailed in note 1)	376	1,058	494	1,928
Additions	43	307	12	362
Exchange differences	70	53	6	129
30 September 2024	489	1,418	512	2,419
Accumulated depreciation				
1 October 2022 (restated as detailed in note 1)	440	403	291	1,134
Charge for the year	117	215	59	391
Disposals	(462)	(25)	(12)	(499)
Exchange differences	–	23	5	28
30 September 2023 (restated as detailed in note 1)	95	616	343	1,054
Charge for the year	74	298	54	426
Exchange differences	68	38	6	112
30 September 2024	237	952	403	1,592
Net book value				
1 October 2022 (restated as detailed in note 1)	141	286	123	550
30 September 2023 (restated as detailed in note 1)	281	442	151	874
30 September 2024	252	466	109	827

There is no material difference between the property, plant and equipment's historical cost values as stated above and their fair value equivalents.

Notes to the Consolidated Financial Statements continued

14. Trade and other receivables

	30 September 2024 \$000	Restated 30 September 2023 \$000
Current		
Trade receivables	13,807	15,819
Less: loss provision	(1,505)	(500)
	12,302	15,319
Other receivables	2,199	1,329
Prepayments	2,786	3,317
Lease receivable	136	–
	17,423	19,965
Non-current		
Other receivables	1,276	138
Lease receivable	151	–
	1,427	138
	18,850	20,103

The Group applies the IFRS 9 Financial Instruments simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts. The expected loss model incorporates current and forward-looking information on macroeconomic factors affecting the Group's customers.

The average credit period on sales is 30 days after the invoice has been issued. No interest is charged on outstanding trade receivables. At 30 September 2024 there were no customers who owed in excess of 10% of the total trade debtor balance (FY23: \$nil).

The ageing of trade receivables at 30 September was:

	2024			2023 (restated)		
	Gross \$000	Loss provision \$000	Expected loss rate %	Gross \$000	Loss provision \$000	Expected loss rate %
Within 30 days	11,011	351	3%	12,120	52	0%
Between 30 and 60 days	1,176	25	2%	1,310	3	0%
Between 60 and 90 days	479	23	5%	640	12	2%
Over 90 days	1,141	1,106	97%	1,749	433	25%
30 September	13,807	1,505	11%	15,819	500	3%

The movement in the loss provision during the year was as follows:

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
1 October	500	935
Increase/(decrease) in loss allowance recognised in Consolidated Statement of Profit or Loss	2,224	(210)
Uncollectable amounts written off	(1,233)	(234)
Exchange differences	14	9
30 September	1,505	500

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. The carrying amount of trade and other receivables approximates to their fair value. The total amount of trade receivables that were past due but not impaired was \$0.5m (FY23: \$1.9m).

The decrease in trade receivables held by the Group is driven by the focused effort on collections pre-year end in addition to the increased level of amounts written off in the year relating to aged balances which were deemed uncollectable. The increase in the loss provision is due to the level of uncollectable amounts written off in the year which impacts the expected credit loss model calculation combined with the specific risk factors identified for specific customer groups.

Notes to the Consolidated Financial Statements continued

15. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and restricted cash. Cash at bank includes cash in transit due from credit card providers. The carrying amount of these assets approximates to their fair value.

	30 September 2024 \$000	Restated 30 September 2023 \$000
Cash at bank	6,824	7,437
Restricted cash	2	2,979
	6,826	10,416

Restricted cash consists of cash held by the Trustee of the Group's Employee Benefit Trust ("EBT") relating to share awards for employees. Prior to the IPO, the EBT facilitated the making of pre-IPO equity awards to beneficiaries of the sub-fund out of sweet equity that had been allocated to management by the private equity investors. However, not all of the assets in the sub-fund were allocated to beneficiaries on IPO. Given February 2024 was three years since the Company's IPO it was agreed that the legacy sub-fund should be wound up by the Trustee in February 2024 and the assets of the sub-fund be distributed to its beneficiaries.

16. Trade and other payables

	30 September 2024 \$000	Restated 30 September 2023 \$000
Current		
Trade payables	2,820	4,516
Payroll tax and other statutory liabilities	3,248	6,694
Deferred consideration	–	9,869
Accruals	5,423	9,264
	11,491	30,343

The carrying amount of trade and other payables classified as financial liabilities at amortised cost approximates to their fair value.

The deferred consideration was settled in cash in February 2024. The unwinding of the discount on deferred consideration in the year is \$0.1m (FY23: \$0.3m) which is included as a finance cost (note 8) in the Consolidated Statement of Profit or Loss.

17. Leases

The Group leases assets including property and motor vehicles.

During the year ended 30 September 2024, as part of the Group's restructure of the North America finance team, it was determined the office in Omaha was no longer required. The original lease was entered into in April 2023 and a decision was made to sublet the office from June 2024 until the end of the five-year lease in April 2028. The loss on derecognition of the right of use asset of \$0.1m has been treated as an exceptional operating item (see note 3). The sublease has been treated as a lease receivable included in trade and other receivables (see note 14).

The Group also entered into two new motor vehicle lease agreements. The new leases have been treated as additions.

At 30 September 2023 and 2024, there were no non-cancellable commitments relating to short-term leases or low-value lease commitments.

Notes to the Consolidated Financial Statements continued

As a lessee

The weighted average incremental borrowing rate contracted in FY24 was 7.8% (FY23: 7.5%).

	Land and buildings leasehold \$000	Computer equipment \$000	Motor vehicles \$000	Total \$000
Right of use assets				
1 October 2022 (restated as detailed in note 1)	1,912	3	–	1,915
Acquisition of business (note 11)	528	–	–	528
Additions	687	–	–	687
Modifications	1,845	–	–	1,845
Depreciation charge for the year	(1,096)	(3)	–	(1,099)
Exchange differences	65	–	–	65
30 September 2023 (restated as detailed in note 1)	3,941	–	–	3,941
Additions	–	–	39	39
Transfer to lease receivable	(419)	–	–	(419)
Loss on derecognition	(99)	–	–	(99)
Depreciation charge for the year	(932)	–	(7)	(939)
Exchange differences	174	–	2	176
30 September 2024	2,665	–	34	2,699
Lease liabilities				
1 October 2022 (restated as detailed in note 1)	2,051	4	–	2,055
Acquisition of business (note 11)	528	–	–	528
Additions	687	–	–	687
Modifications	1,615	–	–	1,615
Interest charge for the year	232	–	–	232
Lease payments	(1,192)	(4)	–	(1,196)
Exchange differences	50	–	–	50
30 September 2023 (restated as detailed in note 1)	3,971	–	–	3,971
Additions	–	–	39	39
Interest charge for the year	280	–	1	281
Lease payments	(1,020)	–	(10)	(1,030)
Exchange differences	172	–	2	174
30 September 2024	3,403	–	32	3,435
Current	874	–	12	886
Non-current	2,529	–	20	2,549
30 September 2024	3,403	–	32	3,435

The charge recognised in the Consolidated Statement of Profit or Loss for the year was as follows:

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Depreciation charge	(939)	(1,099)
Interest charge	(281)	(232)
Loss on derecognition of right of use asset	(99)	–
	(1,319)	(1,331)

The non-cancellable lease rentals are payable as follows:

	30 September 2024 \$000	Restated 30 September 2023 \$000
Within 1 year	1,030	922
Between 1 and 2 years	924	945
Between 2 and 5 years	1,328	2,085
	3,282	3,952

As a lessor

	Land and buildings leasehold \$000
Lease receivable (see note 14)	
Transfer from right of use assets	419
Interest income for the year	9
Lease income received	(141)
30 September 2024	287
Current	136
Non-current	151
30 September 2024	287

The income recognised in the Consolidated Statement of Profit or Loss for the year was as follows:

	Year ended 30 September 2024 \$000
Interest income	9

The non-cancellable lease rentals receivables are as follows:

	30 September 2024 \$000
Within 1 year	117
Between 1 and 2 years	121
Between 2 and 5 years	82
	320

Notes to the Consolidated Financial Statements continued

18. Loans and borrowings

The carrying amount of loans and borrowings classified as financial liabilities at amortised cost approximates to their fair value.

	30 September 2024 \$000	Restated 30 September 2023 \$000
Current		
Secured bank loan	22,953	15,688
Non-current		
Secured bank loan	98,530	132,923
	121,483	148,611

The Group entered into a Senior Facilities Agreement on 17 June 2021 which included:

- A senior term loan facility (the “Senior Term Facility”) for \$204.0m for the acquisition of LiveAuctioneers. The Senior Term Facility was drawn down in full on 30 September 2021 prior to completion of the acquisition of LiveAuctioneers on 1 October 2021. In FY24, a payment of \$27.7m (FY23: \$53.7m) was paid on the Senior Term Facility. In the absence of any other prepayments, the scheduled repayment in FY25 is \$6.1m on 31 March 2025 and then \$8.7m quarterly from 30 June 2025. The loan will be due for repayment on 17 June 2026.
- A multi-currency revolving credit working capital facility (the “Revolving Credit Facility”) for \$49.0m. Any sums outstanding under the Revolving Credit Facility will be due for repayment by 17 June 2026. On 13 February 2024, \$9.5m (FY23: \$26.3m) was drawn down to partly fund the payment of deferred consideration and retention bonuses relating to the acquisition of ESN in FY23 (see note 11), and has been fully repaid by 30 September 2024.
- The Senior Facilities Agreement contains an adjusted net leverage covenant which tests the ratio of adjusted net debt against adjusted EBITDA and an interest cover ratio which tests the ratio of adjusted EBITDA against net finance charges. In each case the covenant is measured as at the last date of each financial quarter, commencing with the financial quarter ending 30 September 2021. The Group has complied with the financial covenants of its borrowing facilities during the year ended 30 September 2024.

The movements in loans and borrowings are as follows:

	30 September 2024 \$000	Restated 30 September 2023 \$000
1 October	148,611	201,997
Repayment of loans and borrowings	(37,150)	(80,014)
Proceeds from loans and borrowings	9,500	26,300
Accrued interest and amortisation of finance costs	13,116	13,597
Interest paid	(12,459)	(13,097)
Exchange differences	(135)	(172)
30 September	121,483	148,611

The currency profile of the loans and borrowings is as follows:

	30 September 2024 \$000	Restated 30 September 2023 \$000
US dollar	121,483	148,611

The weighted average interest charge (including amortised cost written off) for the year is as follows:

	Year ended 30 September 2024 %	Year ended 30 September 2023 %
Secured bank loan	8%	8%

Notes to the Consolidated Financial Statements continued

19. Deferred taxation

The movement of net deferred tax liabilities is as follows:

	Capitalised goodwill and intangibles \$000	Tax losses \$000	Share-based payments \$000	Foreign exchange \$000	Research and development \$000	Other temporary differences \$000	Total \$000
1 October 2022 (restated as detailed in note 1)	(65,101)	6,832	1,267	(15,350)	–	177	(72,175)
Amount credited to Consolidated Statement of Profit or Loss	8,055	4,644	827	7,634	1,900	274	23,334
Exchange differences	(834)	–	111	–	–	(65)	(788)
30 September 2023 (restated as detailed in note 1)	(57,880)	11,476	2,205	(7,716)	1,900	386	(49,629)
Deferred tax assets	–	–	–	–	–	–	–
Deferred tax liabilities	(57,880)	11,476	2,205	(7,716)	1,900	386	(49,629)
1 October 2023 (restated as detailed in note 1)	(57,880)	11,476	2,205	(7,716)	1,900	386	(49,629)
Amount credited/(charged) to Consolidated Statement of Profit or Loss	5,568	546	(672)	8,038	1,627	647	15,754
Exchange differences	(621)	–	172	(322)	(31)	4	(798)
30 September 2024	(52,933)	12,022	1,705	–	3,496	1,037	(34,673)
Deferred tax assets	–	–	–	–	–	–	–
Deferred tax liabilities	(52,933)	12,022	1,705	–	3,496	1,037	(34,673)

Tax losses include unrelieved interest in the US, where there are sufficient taxable profits forecast to be available in the future to enable them to be utilised. These losses are available indefinitely. Tax on foreign exchange include unrealised foreign exchange differences arises from US holding companies with pound sterling as their functional currency for the Consolidated Financial Statements but US dollar functional currency under US tax rules (see note 9). On 25 September 2024, the intra-group loan which has given rise to the temporary differences on foreign exchange was redenominated into US Dollars realising the foreign exchange and reducing the temporary difference to \$nil. A deferred tax asset of \$3.5m (FY23: \$1.9m) relates to the US research and development credit which is spread over future years rather than fully deductible in the year it arises.

No deferred tax asset has been recognised in respect of unused tax losses in the UK of \$0.8m (FY23: \$0.9m) as it is not considered probable that there will be future taxable profits available to offset these tax losses. The losses may be carried forward indefinitely. The temporary differences relating to the unremitted earnings of overseas subsidiaries amounted to \$0.8m (FY23: \$1.1m). However, as the Group can control whether it pays dividends from its subsidiaries and it can control the timing of any dividends, no deferred tax has been provided on the unremitted earnings on the basis there is no intention to repatriate these amounts. In presenting the Group's deferred tax balances, the Group offsets assets and liabilities to the extent we have a legally enforceable right to set off the arising income tax liabilities and assets when those deferred tax balances reverse.

Notes to the Consolidated Financial Statements continued

20. Share capital and reserves

	30 September 2024 \$000	Restated 30 September 2023 \$000
Authorised, called up and fully paid		
121,819,130 ordinary shares at 0.01p each (FY23: 121,491,412)	17	17

The movements in share capital, share premium and other reserve are set out below:

	Number of shares	Share capital \$000	Share premium \$000	Other reserve \$000
1 October 2022 (restated as detailed in note 1)	120,525,304	17	334,045	330,310
Shares issued	680,794	–	413	–
Shares issued in respect of share-based payment plans	285,314	–	–	–
30 September 2023 (restated as detailed in note 1)	121,491,412	17	334,458	330,310
Shares issued	1,978	–	5	–
Shares issued in respect of share-based payment plans	325,740	–	–	–
30 September 2024	121,819,130	17	334,463	330,310

For the year ended 30 September 2024

327,718 ordinary shares of 0.01p each with an aggregate nominal value of £33 (\$42) were issued for options that vested for a cash consideration of £4,000 (\$5,000). These included Long-term Incentive Plan Awards ("LTIP Awards"), Share Incentive Plan ("SIP") and Employee Stock Purchase Plan ("ESPP") and to the Trust for LTIP Awards that have vested in the year.

For the year ended 30 September 2023

966,108 ordinary shares of 0.01p each with an aggregate nominal value of £97 (\$118) were issued for options that vested for a cash consideration of £328,000 (\$413,000). These included management rollover options and restricted stock units granted in FY22 for the acquisition of LiveAuctioneers, Long-term Incentive Plan Awards ("LTIP Awards"), shares issued under the Share Incentive Plan ("SIP") and Employee Stock Purchase Plan ("ESPP") and to the Trust for LTIP Awards that have vested in the year.

Reserves

The movements in reserves are set out below:

	Capital redemption reserve \$000	Share option reserve \$000	Foreign currency translation \$000	Retained earnings/ losses \$000
1 October 2022 (restated as detailed in note 1)	7	46,313	(61,129)	(47,162)
Total comprehensive income for the year	–	–	18,304	17,357
Options exercised related to previous business combination	–	(19,297)	–	19,297
Share-based payment expense	–	7,980	–	–
LTIP options exercised	–	(2,313)	–	2,313
30 September 2023 (restated as detailed in note 1)	7	32,683	42,825	(8,195)
Total comprehensive income for the year	–	–	13,963	20,937
Share-based payment expense	–	6,400	–	–
LTIP options exercised	–	(7,665)	–	7,665
30 September 2024	7	31,418	(28,862)	20,407

The following describes the nature and purpose of each reserve within equity:

Retained earnings/ (losses)	represent the profits/(losses) of the Group made in current and preceding years.
Other reserve	comprises: - a merger reserve that arose on the Group reorganisation on 13 January 2020 and is the adjustment of the comparative and current year consolidated reserves of the Group to reflect the statutory share capital and share premium of Auction Technology Group plc as if it had always existed; and - share premium, net of share issue costs, recognised in the other reserve in accordance with section 612 of the Companies Act 2006 for the equity raise on 17 June 2021 via a cashbox placing.
Capital redemption reserve	arose on the redemption or purchase of the Company's own shares. The Company issued shares directly to the Trust of 275,876 during the year and held 24,280 as at 30 September 2024 (FY23: 210,475).
Share option reserve	relates to share options awarded (see note 21) and options granted in FY22 for the acquisition of LiveAuctioneers.
Foreign currency translation reserve	comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Notes to the Consolidated Financial Statements continued

21. Employee benefits

Defined contribution pension plans

The Group operates several defined contribution pension plans. The total expense relating to these plans in the current year was \$0.7m (FY23: \$0.8m). There was \$86,000 accruing to these pension schemes as at 30 September 2024 (FY23: \$85,000).

Share-based payments

The Group had three share-based payment plans in effect in FY24, details of which are set out in this note and the Remuneration Committee Report.

Pre-admission awards

Pre-admission awards were granted to employees in January and February 2021 in advance of the IPO. Pre-admission awards subject to a three-year holding period subject to the recipient's continued employment vested in FY24.

LTIP

The Long-term Incentive Plan ("LTIP") is the primary long-term incentive plan for approximately 180 employees within the Group. Under the plan, annual awards, based on a percentage of salary, may be offered. These awards will vest over a range from one to four years subject to the recipient's continued employment at the date of vesting and, for Executive Directors, the satisfaction of performance conditions to be measured over three financial years.

LA LTIP

Nil-cost awards under the LTIP were granted to employees on acquisition of LiveAuctioneers on 1 October 2021. These awards will vest over a range from one to six years subject to the recipient's continued employment at the date of vesting.

SIP and ESPP

The Group operates a Share Incentive Plan ("SIP") and Employee Stock Purchase Plan ("ESPP") in which all employees, including Executive Directors, are eligible to participate. The plans were approved by shareholders in 2021 and implemented with effect from 1 November 2021.

UK participants in the SIP may invest up to £1,800 of their pre-tax salary each year to purchase shares in the Company. For each share acquired, the Company purchases a matching share. Employees must remain with the Group for three years from the date of purchase of each Partnership Share in order to qualify for the matching share, and for five years for the shares to be transferred to them tax free. The employee is entitled to dividends on shares purchased, and to vote at shareholder meetings. There is a similar scheme for employees in Germany. US participants in the ESPP may contribute a portion of their monthly salary over six-month periods up to a maximum of \$12,500. At the end of the period, the employee has the option to withdraw their accumulated funds or purchase shares at a price equal to 85% of the lower of the market prices prevailing at the beginning or end of the period. Employees purchased 60,986 (FY23: 50,184) shares of the Company at a weighted average exercise price of \$6.90 (FY23: \$7.23).

Deferred bonus – equity settled

The Deferred Share Bonus Plan ("DSBP") is a discretionary plan for Executive employees to defer a portion of their cash bonus into an award of shares. Of the annual incentive to Executive Directors, 25% is deferred into shares under the DSBP. Deferred shares must normally be held for a period of three years.

The share awards/options set out below are outstanding at 30 September 2024.

	Share-based payment expense \$'000	Options at 1 October 2023 Number	Granted in the year Number	Exercised during the year Number	Cancelled/ forfeited during the year Number	Options at 30 September 2024 Number
Pre-admission awards	1,623	483,566	–	(483,566)	–	–
LTIP	4,476	1,572,292	1,724,333	(270,136)	(747,312)	2,279,177
LA LTIP	74	171,178	–	(92,672)	(26,425)	52,081
Deferred bonus – equity settled	127	27,823	10,923	–	–	38,746
SIP and ESPP	100	12,671	16,605	(751)	(6,427)	22,098
Payroll tax	(385)	n/a	n/a	n/a	n/a	n/a
Total	6,015	2,267,530	1,751,861	(847,125)	(780,164)	2,392,102

The share awards/options set out below are outstanding at 30 September 2023.

	Restated Share-based payment expense \$'000	Options at 1 October 2022 Number	Granted in the year Number	Exercised during the year Number	Cancelled/ forfeited during the year Number	Options at 30 September 2023 Number
Pre-admission awards	975	549,069	–	–	(65,503)	483,566
LTIP	5,987	1,043,047	919,954	(147,167)	(243,542)	1,572,292
LA LTIP	813	236,241	82,289	(39,820)	(107,532)	171,178
Deferred bonus – equity settled	97	8,636	19,187	–	–	27,823
SIP and ESPP	108	–	14,343	–	(1,672)	12,671
Payroll tax	636	n/a	n/a	n/a	n/a	n/a
Total	8,616	1,836,993	1,035,773	(186,987)	(418,249)	2,267,530

All share options outstanding are equity-settled and are options to subscribe for new ordinary shares of 0.01p each in the Company.

The weighted average exercise price of the options granted was \$0.54 (FY23: \$nil). The weighted average exercise price of options exercised and forfeited was \$nil (FY23: \$nil) and the market price at date of exercise was \$6.99 (FY23: \$8.67). The options outstanding at 30 September 2024 had a weighted average exercise price of \$0.40 (FY23: \$nil) and a weighted average remaining contractual life of 1.4 years (FY23: 1.1 years). There are 262,750 share options with a weighted average exercise price of \$nil exercisable at 30 September 2024 (FY23: 18,850).

Notes to the Consolidated Financial Statements continued

21. Employee benefits continued

Fair value

The fair value is determined at the date of grant and is not subsequently remeasured unless conditions on which the award was granted are modified.

On 8 December 2023, 150,000 LTIP options were granted with an exercise price of £4.96 (\$6.23). The fair value of these options has been measured using the Black-Scholes model. The principal assumptions were:

Exercise price	£4.96
Share price	£4.87
Expected life	3 years
Risk free interest rate	4.3%
Expected volatility	43.8%
Expected dividend yield	0%

Expected volatility is measured over a three-year period immediately prior to the date of the grant.

The remaining nil-cost share options granted in the year have no market performance conditions associated with them and so fair value is deemed to be the share price at date of grant. The weighted average fair value per option granted during the year was \$6.00 (FY23: \$9.21). The resulting fair value which is expensed over the service period is adjusted, based on management's best estimate, for a percentage of employees that will leave the Group. The fair value of the performance options is reviewed at each balance sheet date and adjusted through the number of options expected to vest.

22. Financial instruments

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. The significant accounting policies are disclosed in note 1.

Financial instruments by category

	30 September 2024 \$000	Restated 30 September 2023 \$000
<i>Financial assets held at amortised cost</i>		
Trade and other receivables (excluding prepayments)	16,064	16,786
Contract assets	1,499	1,856
Cash and cash equivalents	6,826	10,416
	24,389	29,058
<i>Financial liabilities held at amortised cost</i>		
Trade and other payables (excluding non-financial liabilities)	(8,243)	(23,649)
Contract liabilities	(1,639)	(1,851)
Loans and borrowings	(121,483)	(148,611)
	(131,365)	(174,111)

Financial risk management

The Group's activities and the existence of the above financial instruments expose it to a variety of financial risks. The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce ongoing risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

Notes to the Consolidated Financial Statements continued

22. Financial instruments continued

The Group is exposed to the following financial risks:

Credit risk

The Group's exposure to credit risk arises from cash and cash equivalents, as well as outstanding receivables (note 14).

The Group's cash and cash equivalents are all held on deposit with leading international banks and hence the Directors consider the credit risk associated with such balances to be low. It is the Group's policy that banks and financial institutions with a minimum rating of 'A' are accepted. If a bank rating is downgraded the business is required to move banks as soon as practicably possible.

The Group provides credit to customers in the normal course of business. The amounts presented in the Consolidated Statement of Financial Position in relation to the Group's trade receivables are presented net of loss allowances. The Group measures loss allowances at an amount equal to the lifetime expected credit losses using both qualitative and quantitative information and analysis based on the Group's historical experience and forward-looking information. During FY24 there was a charge to the Consolidated Statement of Profit or Loss of \$2.2m (FY23: credit of \$0.2m) to increase the loss allowance and write off uncollectible amounts. See note 14 for further details about trade receivables including movements in loss provisions.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the amount of funding required for growth. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group manages its cash and borrowing requirements through preparation of annual cash flow forecasts reflecting known commitments and anticipated projects in order to maximise interest income and minimise interest expense, whilst ensuring that the Group has sufficient liquid resources to meet the operating needs of the Group. Borrowing facilities are arranged as necessary to finance requirements.

The table below analyses the Group's financial liabilities based on the period remaining to the contractual maturity dates at the reporting date. The amounts disclosed in the table are the carrying amounts and undiscounted net contractual cash flows.

	Carrying amount \$000	Contractual cash flows \$000	Due less than 1 year \$000	Between 1 and 5 years \$000	Over 5 years \$000
2024					
Loans and borrowings	121,483	122,772	23,686	99,086	–
Trade and other payables	8,243	8,243	8,243	–	–
Contract liabilities	1,639	1,639	1,639	–	–
30 September 2024	131,365	132,654	33,568	99,086	–

	Carrying amount \$000	Contractual cash flows \$000	Due less than 1 year \$000	Between 1 and 5 years \$000	Over 5 years \$000
2023 (restated)					
Loans and borrowings	148,611	150,392	16,335	134,057	–
Trade and other payables	23,649	23,649	23,649	–	–
Contract liabilities	1,851	1,851	1,851	–	–
30 September 2023	174,111	175,892	41,835	134,057	–

Foreign exchange risk

Foreign exchange risk is the risk that movements in exchange rates affect the profitability of the business. The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their local functional currency (primarily pound sterling, US dollars or euro) with the cash generated from their own operations in that currency.

The Group earns revenue and incurs costs in local currencies and is able to manage foreign exchange risk by matching the currency in which revenue is generated and expenses are incurred.

Movements in the exchange rate of the pound sterling and the euro against US dollar have an impact on both the result for the period and equity.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	30 September 2024 \$000	Restated 30 September 2023 \$000
Net foreign currency monetary assets/(liabilities)		
Pound sterling	845	(3,318)
Euros	665	152

The following table details the Group's sensitivity to a 10% (FY23: 10%) strengthening and weakening in US dollar against the pound sterling and euro. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. Where the US dollar strengthens 10% (FY23: 10%) against the relevant currency, a negative number below indicates an increase in profit in the Consolidated Statement of Profit or Loss and the Consolidated Statement of Changes in Equity and a positive number indicates a decrease in profit in the Consolidated Statement of Profit or Loss and the Consolidated Statement of Changes in Equity. For a 10% (FY23: 10%) weakening in US dollar against the relevant currency, there would be an equal and opposite impact on the profit in the Consolidated Statement of Profit or Loss and the Consolidated Statement of Changes in Equity.

Notes to the Consolidated Financial Statements continued

22. Financial instruments continued

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Pound sterling		
Change in profit for the year in Consolidated Statement of Profit or Loss	(130)	(283)
Change in profit in Consolidated Statement of Changes in Equity	(85)	332
Euro		
Change in profit for the year in Consolidated Statement of Profit or Loss	(58)	(10)
Change in profit in Consolidated Statement of Changes in Equity	(9)	(5)

Deferred tax on unrealised foreign exchange differences arises from US holding companies with pound sterling as their functional currency for the Consolidated Financial Statements but US dollar functional currency under US tax rules (see note 9). Under the US tax basis these holding companies incurred an unrealised foreign exchange loss of \$30.6m on intra-group loans denominated in pound sterling totalling £246.2m (FY23: gain of \$34.6m on intra-group loans of £295.6m). Unrealised foreign exchange differences are not taxable until realised, giving rise to deferred tax. Movements in the exchange rate of the US dollar against sterling have an impact on the result for the period. A 10% strengthening or weakening in pound sterling against the US dollar would result in an decrease or increase in the profit in the Consolidated Statement of Profit or Loss of \$7.6m (FY23: \$7.6m). On 25 September 2024, the intra-group loan was redenominated into US dollars and a loss of \$0.7m realised. From this date there is no foreign exchange exposure on this loan and deferred tax liability at 30 September 2024 is \$nil.

Net investment hedge

In June 2022, the Senior Term Facility was designated as a hedge of the net investment in the US dollar denominated subsidiaries. There was no ineffectiveness recorded from the net investment in foreign entity hedges.

	30 September 2024 \$000	Restated 30 September 2023 \$000
Net investment hedge		
Loans and borrowings	121,483	148,611
Pound sterling carrying amount of Senior Term Facility	£90,833	£121,830
Hedge ratio	1:1	1:1
Change in carrying amount of Senior Term Facility as a result of foreign currency movements recognised in Consolidated Statement of Profit or Loss and Other Comprehensive Income or Loss	13,019	14,478
Change in value of hedged item used to determine hedge effectiveness	(13,019)	(14,478)

Interest rate risk

The Group was exposed to interest rate risk during the year because entities in the Group borrowed funds at floating interest rates. There were loans of \$121.5m outstanding at 30 September 2024 (FY23: \$148.6m).

The sensitivity analyses below have been determined based on the exposure to interest rates. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole period.

If interest rates had been 200bps higher/lower and all other variables were held constant, the Group's profit for the year ended 30 September 2024 would increase or decrease by \$1.9m (FY23: \$2.8m). This is mainly attributable to the Group's exposure on its variable rate Senior Term Facility and Revolving Credit Facility.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure which provides an adequate return to shareholders. The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Notes to the Consolidated Financial Statements continued

22. Financial instruments continued

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined in accordance with IFRS 13 Fair Value Measurement as follows:

Level 1

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

Level 2

The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Level 3

If one or more significant inputs are not based on observable market data, the instrument is included in level 3.

There are no financial instruments classified as level 3.

Financing activities

The movements in assets/(liabilities) arising from financing activities are as follows:

	Restated 1 October 2023 \$000	Arising on acquisition \$000	Other non-cash movements \$000	Cash flow \$000	Exchange differences \$000	30 September 2024 \$000
2024						
Cash and cash equivalents	10,416	–	–	(3,718)	128	6,826
Lease receivable	–	–	428	(141)	–	287
Total financing assets	10,416	–	428	(3,859)	128	7,113
Bank loans	(148,611)	–	(13,116)	40,109	135	(121,483)
Lease liabilities	(3,971)	–	(320)	1,030	(174)	(3,435)
Total financing liabilities	(152,582)	–	(13,436)	41,139	(39)	(124,918)
	1 October 2022 \$000	Arising on acquisition \$000	Other non-cash movements \$000	Cash flow \$000	Exchange differences \$000	30 September 2023 \$000
2023 (restated)						
Cash and cash equivalents	57,876	–	–	(48,319)	859	10,416
Total financing assets	57,876	–	–	(48,319)	859	10,416
Bank loans	(201,997)	–	(13,597)	66,811	172	(148,611)
Lease liabilities	(2,055)	(528)	(2,534)	1,196	(50)	(3,971)
Total financing liabilities	(204,052)	(528)	(16,131)	68,007	122	(152,582)

Other non-cash movements include accrued finance costs, amortisation of finance costs and additions to lease receivable and liabilities.

Notes to the Consolidated Financial Statements continued

23. Related party transactions

In FY24, the Group paid rent of \$122,700 (FY23: \$80,000) to McQuade Enterprises LLC, a company owned by the previous owners of ESN. There were other no related party transactions.

Key management personnel compensation

The Group has determined that the key management personnel constitute the Board and the members of the Senior Management Team.

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Short-term employee benefits	2,757	3,907
Post-employment benefits	83	75
Share-based payment expense	2,536	4,797
Total key management personnel compensation	5,376	8,779

Remuneration of Directors

Further details of the Directors' remuneration and share options are set out in the Remuneration Committee Report on pages 107 to 125. The total amounts for Directors' remuneration were as follows:

	Year ended 30 September 2024 \$000	Restated Year ended 30 September 2023 \$000
Short-term employee benefits	1,131	1,269
Non-Executive Directors' fees	497	410
Post-employment benefits	66	59
Share-based payment expense	569	1,994
Total Directors' remuneration	2,263	3,732

24. Events after the balance sheet date

There were no other events after the balance sheet date.

25. List of subsidiaries

In accordance with section 409 of the Companies Act 2006, a full list of subsidiaries, the registered office and the effective percentage of equity owned included in these Consolidated Financial Statements at 30 September 2024 are disclosed below.

Subsidiary undertakings	Registered office	Principal activity	Proportion held
ATG Media Holdings Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Holding company	100%
ATG Nominees Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Dormant*	100%
ATG US Holdings Inc.	251 Little Falls Drive, Wilmington, Delaware, 19808, United States	Holding company	100%
ATG US Holdings Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Holding company	100%
Auction Bidco Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Holding company	100%
Auction Fluency Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Dormant*	100%
Auction Holdco Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Holding company	100%
Auction Midco Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Dormant	100%
Auction Mobility LLC	251 Little Falls Drive, Wilmington, Delaware, 19808, United States	Provision of auction trading software	100%
Auction Payment Network LLC	233 South 13th Street Suite 1900, Lincoln, Nebraska, 68508, United States	Dormant	100%
Auction Technology Group Germany GmbH	Grosse Backerstrasse 9, 20095, Hamburg, Germany	Provision of auction marketplaces	100%
ATG Mexico Holdings Limited (previously known as Auction Technology Group UK Holdings Limited)	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Holding company	100%
Auction Topco Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Dormant	100%
LiveAuctioneers LLC	80 State Street, Albany, New York, 12207-2543, United States	Provision of auction marketplaces	100%
Metropress Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Provision of auction marketplaces	100%

Notes to the Consolidated Financial Statements continued

25. List of subsidiaries continued

Subsidiary undertakings	Registered office	Principal activity	Proportion held
Auction Technology Group Mexico S.A. DE C.V.	Severo Diaz 38, Int. E, Colonia Ladron de Guevara, CP 44600, Guadalajara, Jalisco México	Shared service centre	100%
Peddars Management Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Dormant*	100%
Proxibid Inc.	1209 Orange Street, Wilmington, Delaware, 19801, United States	Provision of auction marketplaces	100%
Proxibid UK Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Dormant	100%
Turner Bidco Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Dormant	100%
Turner Topco Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Dormant	100%
Vintage Software LLC	221 Bolivar Street, Jefferson City, Missouri, 65101, United States	Provision of auction marketplaces	100%

All holdings of subsidiaries are of ordinary shares. In addition, there are 100% preference shares held in Auction Topco Limited.

* The United Kingdom dormant companies listed above are exempt from preparing individual accounts and from filing with the registrar individual accounts by virtue of Sections 394 and 448 of the Companies Act 2006 respectively.

For the year ended 30 September 2024, the following subsidiary undertakings of the Group were exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of the Companies Act 2006.

Company	Company registration number
ATG Media Holdings Limited	06521301
ATG US Holdings Limited	15024003
Auction Bidco Limited	12401140
Auction Holdco Limited	12400986
Auction Midco Limited	12400881
ATG Mexico Holdings Limited (previously known as Auction Technology Group UK Holdings Limited)	06636047
Auction Topco Limited	12400807
Proxibid UK Limited	09023785
Turner Bidco Limited	08968359
Turner Topco Limited	08968154

Company Statement of Financial Position

as at 30 September 2024

	Note	30 September 2024 £000	Restated 30 September 2023 £000
ASSETS			
Non-current assets			
Investments	5	270,351	270,351
Trade and other receivables	6	274,312	257,155
Deferred tax asset	9	256	432
Total non-current assets		544,919	527,938
Current assets			
Trade and other receivables	6	201	314
Cash and cash equivalents	7	38	32
Total current assets		239	346
Total assets		545,158	528,284
LIABILITIES			
Current liabilities			
Trade and other payables	8	(3,357)	(1,589)
Tax liability		–	(40)
Total current liabilities		(3,357)	(1,629)
Total liabilities		(3,357)	(1,629)
Net assets		541,801	526,655
EQUITY			
Share capital	10	12	12
Share premium	10	236,235	236,231
Other reserve	10	238,389	238,389
Capital redemption reserve	10	5	5
Share option reserve	10	22,555	23,485
Retained earnings		44,605	28,533
Total equity		541,801	526,655

As permitted by Section 408 of the Companies Act 2006, no separate Statement of Profit or Loss and Other Comprehensive Income or Loss is presented in respect of the parent Company. The profit for the year attributable to the shareholders of the Company and recorded through the accounts of the Company was £10.0m (FY23: £6.3m).

The Company Statement of Financial Position has been restated to separate the deferred tax asset and current tax liability previously included in trade and other receivables and trade and other payables respectively.

The Company Financial Statements on pages 179 to 183 were approved by the Board of Directors on 26 November 2024 and signed on its behalf by:

John-Paul Savant **Tom Hargreaves**

Company registration number 13141124

Company Statement of Changes in Equity

for the year ended 30 September 2024

	Share capital £000	Share premium £000	Other reserve £000	Capital redemption reserve £000	Share option reserve £000	Retained earnings/ (losses) £000	Total £000
1 October 2022	12	235,903	238,389	5	34,690	4,541	513,540
Comprehensive income							
Profit and total comprehensive income for the period	–	–	–	–	–	6,273	6,273
Transactions with owners							
Shares issued	–	328	–	–	–	–	328
Share-based payments	–	–	–	–	(11,205)	17,719	6,514
30 September 2023	12	236,231	238,389	5	23,485	28,533	526,655
Comprehensive income							
Profit and total comprehensive income for the year	–	–	–	–	–	10,023	10,023
Transactions with owners							
Shares issued	–	4	–	–	–	–	4
Share-based payments	–	–	–	–	(930)	6,049	5,119
30 September 2024	12	236,235	238,389	5	22,555	44,605	541,801

Notes to the Company Financial Statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

General information

Auction Technology Group plc (the "Company") is a company incorporated in the United Kingdom under the Companies Act.

The Company is a public company limited by shares and is registered in England and Wales. The registered office of the Company can be found on page 145.

The principal activity of the Company is to act as an investment holding company that provides management services to its subsidiaries.

Basis of preparation

These financial statements present information about the Company as an individual undertaking and not about its Group. These financial statements have been prepared under the historic cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of the UK-adopted International Accounting Standards ("UK-adopted IAS") but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of share-based payments;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures, including disclosures in respect of the compensation of key management personnel;
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 "Impairment of Assets"; and
- a separate Statement of Profit or Loss in line with the Section 408 exemption.

Where required, equivalent disclosures are given in the Consolidated Financial Statements.

The Company has no other related party transactions other than the compensation of key management personnel, set out in note 23 of the Consolidated Financial Statements.

The principal accounting policies adopted are the same as those set out in note 1 to the Consolidated Financial Statements except as noted below.

Foreign currency

Functional and presentational currency

The Company's functional and presentational currency is pounds sterling.

Share-based payments

The Company had three share-based payment plans in effect in FY24, as set out in note 21 of the Consolidated Financial Statements and the Directors' Remuneration Report.

Investments

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less provision for any impairment in value.

Impairment of investments

The Company evaluates its investments for financial impairment where events or circumstances indicate that the carrying amount of such assets may not be fully recoverable. When such evaluations indicate that the carrying value of an asset exceeds its recoverable value, an impairment is recorded.

2. Significant accounting judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements and estimates made by the Directors in the application of these accounting policies that have significant effect on these financial statements and estimates with a significant risk of material adjustment in the next financial year are set out below. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected. There are no significant estimates or judgements in the Company Financial Statements.

Notes to the Company Financial Statements continued

3. Staff costs

The Company has no employees other than the Directors. The monthly average number of persons employed by the Company during the year amounted to two (FY23: two). Details of Directors' remuneration are set out in the Directors' Remuneration Report.

4. Auditor's remuneration

The Company has incurred audit fees of £17,000 (FY23: £15,000) for the year.

5. Investments

	30 September 2024 £000	30 September 2023 £000
1 October and 30 September	270,351	270,351

The Company's market capitalisation of £511.6m on 30 September 2024 was less than total of the cost of investments and amounts owed by Group undertakings of £544.7m. The Company evaluated its investments for impairment and concluded that no impairment was required. The basis of the calculation, key assumptions and estimates used for the impairment assessment can be found in note 12 of the Consolidated Financial Statements. No reasonable change in assumption would result in an impairment. Details of the principal subsidiary undertakings of the Company at 30 September 2024 can be found in note 25 of the Consolidated Financial Statements.

6. Trade and other receivables

	30 September 2024 £000	30 September 2023 £000
Current		
Other debtors and prepayments	201	314
Non-current		
Amounts owed by Group undertakings	274,312	257,155
	274,513	257,469

Non-current amounts owed by Group undertakings is a loan with interest rate of 5.5% and repayable in September 2029.

7. Cash and cash equivalents

	30 September 2024 £000	30 September 2023 £000
Cash at bank	38	32

8. Trade and other payables

	30 September 2024 £000	30 September 2023 £000
Trade payables	266	530
Amounts owed to Group undertakings	2,504	–
Payroll tax and other statutory liabilities	154	319
Accruals	433	740
	3,357	1,589

9. Deferred tax asset

	30 September 2024 £000	30 September 2023 £000
1 October	432	229
Amount credited/(charged) to profit	(176)	203
30 September	256	432

The deferred tax asset is made up of temporary differences related to share options. The Directors are of the opinion that based on recent and forecast trading it is probable that the level of profits in future years is sufficient for the deferred tax assets to be recovered.

Notes to the Company Financial Statements continued

10. Share capital and reserves

	30 September 2024 £000	30 September 2023 £000
Authorised, called up and fully paid		
121,819,130 ordinary shares at 0.01p each (FY23: 121,491,412 ordinary shares at 0.01p each)	12	12

Further details of movements in share capital and reserves are outlined in note 20 of the Consolidated Financial Statements.

Reserves

The following describes the nature and purpose of each reserve within equity:

Retained earnings	represent the profits/(losses) of the Company made in current and preceding years.
Other reserve	comprises: - a merger reserve that arose on the Group reorganisation on 13 January 2020 and is the adjustment of the comparative and current year consolidated reserves of the Group to reflect the statutory share capital and share premium of Auction Technology Group plc as if it had always existed; and - share premium, net of share issue costs, recognised in the other reserve in accordance with section 612 of the Companies Act 2006 for the equity raise on 17 June 2021 via a cashbox placing.
Capital redemption reserve	arose on the redemption or purchase of the Company's own shares. The Company issued shares directly to the Trust of 275,876 during the year and held 24,280 as at 30 September 2024 (FY23: 210,475).
Share option reserve	relates to share options awarded and options granted for the FY22 acquisition of LiveAuctioneers (see note 20 and 21 of the Consolidated Financial Statements). Equity-settled share-based payments made available to employees of the Company's subsidiaries are treated as increases in equity over the vesting period of the award with a corresponding charge to the Company's subsidiaries.

11. Post balance sheet events

There were no other events after the balance sheet date.

Glossary

A&A	Arts & Antiques
atgAMP	the Group's auctioneer marketing programme
atgPay	the Group's integrated payment solution
atg Partner Network	the Group's partnerships with other Industrial & Commercial sites, which enables an auctioneer to cross-list on these sites
atgShip	the Group's integrated shipping solution
atgXL	the Group's cross-listing solution enabling auctioneers to simultaneously run timed auctions across ATG marketplaces and ATG white label
Auction Mobility	Auction Mobility LLC
Bidder sessions	web sessions on the Group's marketplaces online within a given timeframe
BidSpotter	the Group's marketplace operated via the www.BidSpotter.co.uk and www.BidSpotter.com domain
Big 4	Christie's, Sotheby's, Phillips and Bonhams A&A auction houses
EBITDA	earnings before interest, taxes, depreciation and amortisation
ESN	the Group's marketplace operated via the www.EstateSales.NET domain
GMV	gross merchandise value, representing the total final sale value of all lots sold via winning bids placed on the marketplaces or the platform, excluding additional fees (such as online fees and auctioneers' commissions) and sales of retail jewellery (being new, or nearly new, jewellery)
i-bidder	the Group's marketplace operated by the www.i-bidder.com domain
I&C	Industrial & Commercial
LiveAuctioneers	the Group's marketplace operated via the www.liveauctioneers.com domain
Lot-tissimo	the Group's marketplace operated via the www.lot-tissimo.com domain
LTIP Awards	the Company's Long-term Incentive Plan
Marketplaces	the online auction marketplaces operated by the Group
Conversion rate	represents GMV as a percentage of THV; previously called 'online share'

Organic revenue	shows the current period results excluding 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
Proxibid	the Group's marketplace operated via the www.proxibid.com domain
The Saleroom	the Group's marketplace operated via the www.the-saleroom.com domain
Take rate	represents the Group's marketplace revenue, excluding EstateSales.NET, as a percentage of GMV. Marketplace revenue is the Group's reported revenue excluding Content and Auction Services revenue
THV	total hammer value, representing the total final sale value of all lots listed on the marketplaces or the platform, excluding additional fees (such as online fees and auctioneers' commissions) and sales of retail jewellery (being new, or nearly new, jewellery)
Timed auctions	auctions which are held entirely online (with no in-room or telephone bidders) and where lots are only made available to online bidders for a specific, pre-determined timeframe

Shareholder Information

Company website

The Company's website at www.auctiontechnologygroup.com contains the latest information for shareholders.

Annual General Meeting

The 2025 AGM will be held on Thursday 30 January 2025 at 2:00pm at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL. The AGM provides the Board with the opportunity to engage with shareholders. Full details of the business to be considered at the meeting will be included in the Notice of Annual General Meeting. The Notice of Meeting and all other details for the AGM will be available on the Company's website, www.auctiontechnologygroup.com.

Share price information

The latest price of the Company's ordinary shares is available on www.londonstockexchange.com. ATG's ticker symbol is ATG.

Registrar

The Company's Registrars is Equiniti Limited. Equiniti provide a range of services to shareholders.



Extensive information including many answers to frequently asked questions can be found online.

Use the QR code to register for FREE at
www.shareview.co.uk

Equiniti's registered address is:
Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA

Electronic communications

If you would like to receive all shareholder information such as the Annual Report and Notice of Meeting via our website and receive a notification by email each time new information is available, please register for electronic communications at www.shareview.co.uk.

Investor relations

investorrelations@auctiontechnologygroup.com

Advisers:

Joint financial advisers

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J.P. Morgan Securities plc
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Legal advisers to the Company

Travers Smith LLP
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EC1A 2AL

Auditor

Ernst and Young LLP
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Public relations advisers to the Company

Teneo Communications
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