Unlocking the value of the curated secondary goods market

Annual Report 2021
Auction Technology Group plc

atg AUCTION TECHNOLOGY GROUP

Auction Technology Group plc

Our purpose

Unlocking the value of the second-use market, for good.

We exist to unlock the value in the second, third and infinite reuse of the world's items, from the every-day to the high value. All through auctions curated by trusted experts; and all for the benefit of auctioneers, their consignors, buyers and our planet.

By giving millions of items multiple lives, 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, and more buyers from around the world, placing more bids. This generates a virtuous circle of growth between auctioneers, those who consign to auctioneers, and a massive pool of interested 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, their consignors, bidders, our people and our community.

How we do it

ATG operates six industry-leading digital marketplaces across the Art & Antiques ("A&A") and Industrial & Commercial ("I&C") sectors. We connect c.2,300 auction houses to bidders in 160 countries, listing over 14 million items, and generating over 120 million web sessions annually.

For auctioneers: We make these local businesses global, extending their buyer reach, reducing costs, and ensuring they achieve optimal asset sale prices, thereby perpetuating future consignments.

For bidders: We provide the widest range of curated second-hand items in the world. Be it a professional bidder seeking a tractor; a dealer seeking Asian art; or a consumer looking for a new dining table or a Rolex watch. We make buying these items convenient, secure and engaging.

Contents

FY21 Group Overview

Reported revenue
£70.1m
FY20: £52.3m[2]

Adjusted EBITDA[1]
£31.8m
FY20: £22.2m[2]

Loss before tax
£(27.3)m
FY20: £(19.0)m

Basic loss per share
(33.6)p
FY20: (34.3)p

Adjusted diluted earnings per share[1]
6.6p
FY20: Loss of (5.6)p

Adjusted free cash flow[1]
£30.4m
FY20: £13.9m

Gross merchandise value ("GMV")[3]
£2.2bn
FY20: £1.6bn

Online share[3]
35%
FY20: 33%

Total hammer value ("THV")[3]
£6.3bn
FY20: £4.8bn

Footnotes:
1. This report provides alternative performance measures ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards as adopted by the EU. 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 2 to the Consolidated Financial Statements, with definitions, an explanation of how they are calculated, why we use them and how they can be reconciled to a statutory measure where relevant.
2. The comparative period is presented on an aggregate basis to aid comparison. Refer to note 2 in the Consolidated Financial Statements for further details on the APMs presented.
3. Refer to the glossary for full definitions. Operational figures disclosed are unaudited.

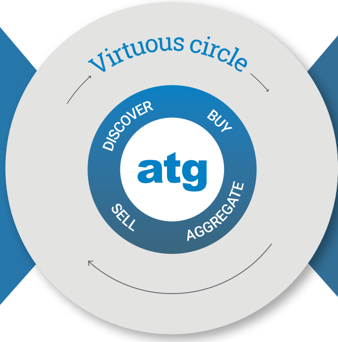
ATG at a Glance

We are a truly sustainable business. By leading the transformation of the auction industry online, we are unlocking the value of the circular secondary goods market, connecting bidders to an under-explored world curated by thousands of trusted auctioneer experts.

Our model

680k Bidders

Collectors, professionals, dealers consumers, businesses worldwide benefit from access to millions of unique and specialised items in a trusted, convenient environment.



2,300 Auction Houses

Specialised auctioneers across two verticals benefit from an integrated suite of marketplace technology and access to a global bidder base.

Consignments

Consignors benefit from auctioneer expertise in valuations, storage, curation, and sale of assets, with maximum exposure.

Our differentiators

01
Largest online bidder base

extending the reach of thousands of auction houses.

02
Six diverse marketplaces

each with first mover advantage in its vertical and geography, creating a network effect.

03
Dynamic digital marketplace technology

which enables incremental volume at minimal cost.

04
Economies of scale

our volume justifies more investment, in more areas, simultaneously.

Our sectors

Industrial & Commercial

Our marketplaces:

proxibid

BidSpotter

BidSpotter.co.uk

i-bidder.com

Summary of sector:

The Industrial & Commercial ("I&C") market covers used equipment, machinery and commercial vehicles from industries such as manufacturing (including plastic moulding, metalworking, woodworking, food and beverage production), laboratories and pharmaceuticals, warehousing, construction and agriculture. It also includes surplus stock of consumer goods and retail returns, from all areas of retail (including apparel, electronics, homewares, furniture).

FY21 THV growth	FY21 revenue
31.3%	£43.7m

Art & Antiques

Our marketplaces:

the saleroom

LOT-TISSIMO

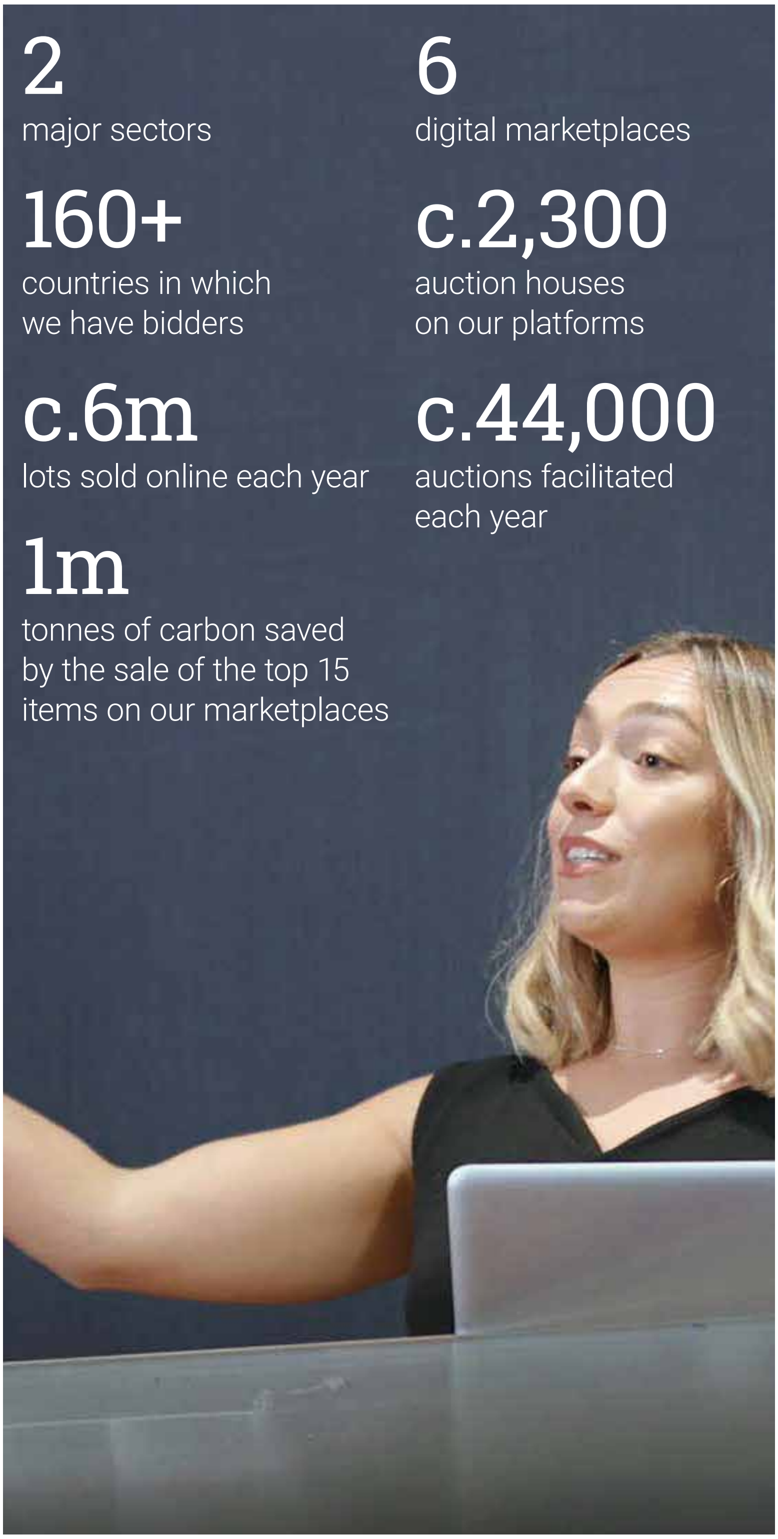
proxibid

Summary of sector:

The Art & Antiques ("A&A") market covers several different categories, including watches and jewellery, furniture, fine art, decorative art, collectables (e.g. sporting memorabilia, antiquarian books, stamps and coins, vintage toys), vintage fashion and classic cars.

FY21 THV growth	FY21 revenue
28.6%	£16.2m

ATG key statistics:



2
major sectors

6
digital marketplaces

160+
countries in which we have bidders

c.2,300
auction houses on our platforms

c.6m
lots sold online each year

c.44,000
auctions facilitated each year

1m
tonnes of carbon saved by the sale of the top 15 items on our marketplaces

Our history:

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

2021
Listing on the London Stock Exchange

2020
Acquisition of Auction Mobility, a US-based provider of customised auction software, website design and e-commerce solutions for auctioneers

2020
ATG and Proxibid merge under ATG Management

2018
Acquisition of Lot-tissimo, the leading Art & Antiques marketplace in Germany

2013
Acquisition of BidSpotter.com expanding our reach for Industrial & Commercial auctions

2013
Global Auction Platform ("GAP") is launched, a comprehensive cloud-based auction management SaaS

2010
ATG partners with BidSpotter.com in North America to launch a service for insolvency auctioneers in the UK

2007
i-bidder is launched to cater to consumer surplus & retail returns auctions

2006
First live bidding for Art & Antiques auctions on thesaleroom.com

2000
ATG begins listing auction calendars online

1971
Antiques Trade Gazette is founded

Unlocking value by transforming a historic industry

The auction industry is large, and our business model sits at the centre. We are leading the structural transformation of one of the last great industries to shift from offline to online.

We provide the tools, services and expertise, that are enabling this historic – and sustainable – industry to continue to compete in an evolving digital world, and to unlock the value in the circular economy.

Four key differentiators set ATG apart from every other company competing in this space:

01

Largest online bidder base

extending the reach of thousands of auction houses.

02

Six diverse marketplaces

each with first mover advantage in its vertical and geography, creating a network effect.

03

Dynamic digital marketplace technology

which enables incremental volume at minimal cost.

04

Economies of scale

our volume justifies more investment, in more areas, simultaneously.

Further detail on the following pages

01 Largest online bidder base

Over 680,000 unique bidders, generating over 120 million web sessions per year.

Bidders from
160
countries

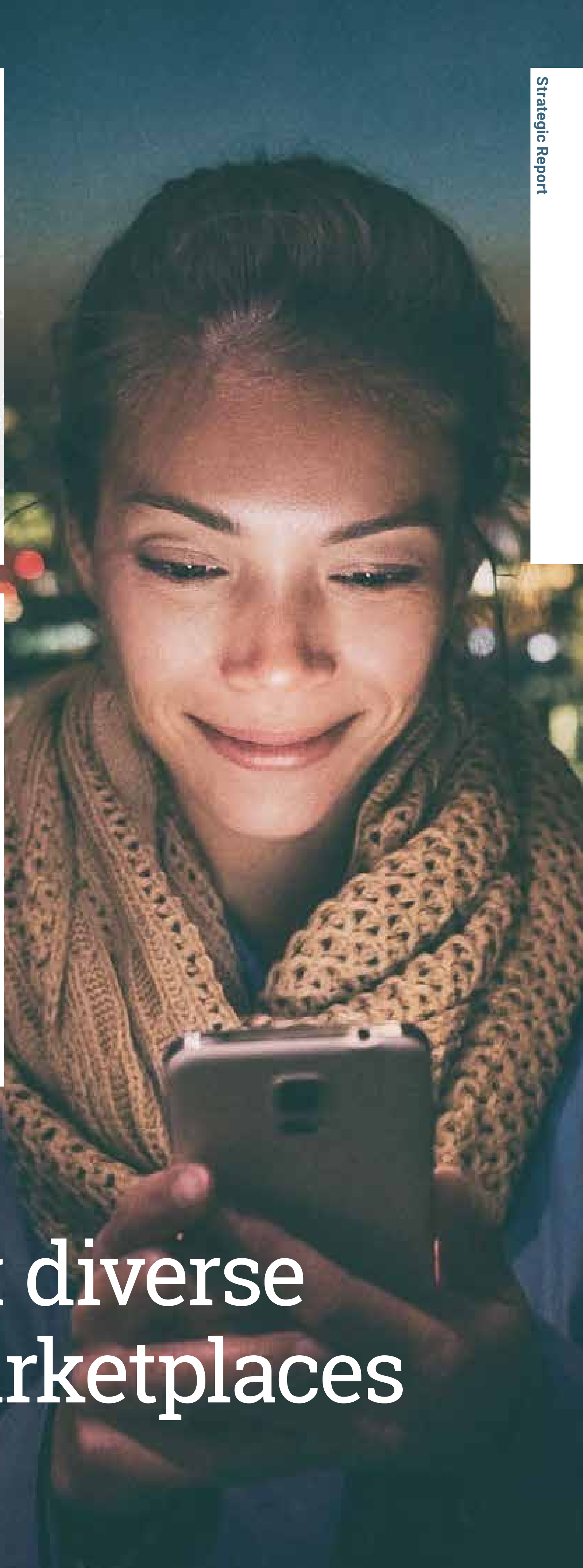
120m+
web sessions each year

680k
unique bidders each year

+20%
increase in bidders coming to auction online in FY21

Our six marketplaces have the broadest inventory and largest bidder base from around the world, which creates a virtuous circle and dramatically lowers new buyer acquisition costs.

We were the first to establish critical mass in each of our marketplaces. This leads to a virtuous circle whereby the most bidders are attracted to the best inventory, and then more inventory is attracted because ATG brings the best bidder base.



02 Six diverse marketplaces

Five of our marketplaces sit on a single tech stack and data warehouse, enabling efficient investment.

£50m
invested in specialised auction market platform technology in the last five years

+31%
year-on-year increase in THV

Data obtained in each auction enables us to demonstrate the quantitative value we bring to each sale

03 Dynamic digital marketplace technology

04 Economies of scale

The scale of our operations helps us enhance value for all our stakeholders.

Over 44,000 online auctions per year means ATG can invest in the buying experience, product features, marketing and team to build on its leading market position.

44k+
auctions facilitated each year

250
members of our team globally

Investment Case

Our success is driven by these factors:

01
Geographic and vertical sector leader – we sit at the intersection of auctioneers and bidders

02
Structural tailwinds as auctioneers and bidders shift steadily from offline to online, and the circular economy grows in importance

03
We have generated a virtuous circle effect by creating an open two-sided marketplace, with a critical mass of auctioneers and buyers

04
Our "shared success" revenue model, whereby we grow as our customers grow, ensures we are united in growing the auction industry

05
Proven attractive and resilient financial model with multiple areas of added value through the auction life cycle

06
Experienced management team that blends deep tech experience with deep auction experience

We will continue to be successful in the future as we build on six key growth levers:

- Expanding our addressable market via onboarding new auction houses, new geographies and new verticals
- Growing our online share by facilitating the move to timed bidding and by delivering end-to-end user experience improvements, thereby increasing conversion
- Enhancing the network effect by enabling cross-listing on multiple marketplaces, facilitating the cross-pollination of bidders
- Expanding operating leverage by retaining a disciplined hub and spoke operating model with centralisation, shared purchasing, and joint investment wherever possible
- Growing take rate by extending our integrated suite of product and value added services, enabling us to keep costs low for auctioneers and improve user experience for bidders
- Pursuing strategic accretive mergers and acquisitions (“M&A”) in the fragmented auction industry globally, improving our network effect and economies of scale

Chairman's Statement

ATG has an exciting future ahead, with strong growth opportunities.

> "Proud to provide a channel of green commerce by facilitating the sale of secondary goods."

I am pleased to introduce my first Annual Report as Chairman of ATG following our Initial Public Offering ("IPO") on the London Stock Exchange in February 2021. I would like to thank the ATG team for their hard work during the IPO process and I look forward to working with them and my colleagues on the Board on delivering the Group's strategy in the years to come.

Following the successful IPO, the Group has continued to lead the evolution of the auction industry from offline to online. With strong brands, a compelling proposition for both auctioneers and bidders and multiple levers for growth, the Group is well positioned to benefit from the significant opportunities ahead.

There has been a significant trend towards online auctions in recent years, a trend which was greatly accelerated due to the impact of the COVID-19 pandemic. The improved awareness of online auction capabilities and efficiencies, coupled with a growing public awareness of the wide range of unique and specialised items available at auction online and the convenience and sustainability benefits of online auction purchases, has led, and is continuing to lead, to a structural shift by auctioneers from offline to online auctions and by bidders from room and phone bids to online bids.

The Group's strong relationships with auctioneers, supported by its well-developed scalable and reliable technological platform and significant bidder pool, as well as strategic acquisitions and investments, puts ATG in a strong position for the future.

The Group is proud to provide a channel of green commerce through its marketplaces and its platform, addressing sustainability concerns by facilitating the sale of secondary goods and extending their life cycles through re-use, supporting the circular economy.

There are further details on the Group's contribution to sustainability and its environment, social and governance ("ESG") strategy on pages 40-48.

Financial and strategic results

Following the IPO in February the Group's financial performance has been strong throughout the year, achieving reported revenue of £70.1m, with growth in all six marketplaces and adjusted EBITDA of £31.8m. The loss before tax of £27.3m is a largely driven by the one-off costs incurred during the year in relation to the IPO and LiveAuctioneers acquisition.

The Group's strategic performance was demonstrated during the year with the successful IPO, signalling confidence in the scale of the ATG opportunity. THV was up 31.3% year-on-year, with the attraction of new volume to auctions further expanding options for growth and online share of 35.0%, up 2pp year-on-year. There were over 120m bidder sessions, which was a growth of 14.0% year-on-year driven by the increasing appeal of the online channel and the quality of the ATG inventory.

Auction Mobility, which was acquired in October 2020, is expected to realise operational synergies over the next 12 months and is subject to oversight and strategic direction from the Group's management team, with the Group beginning to leverage Auction Mobility's existing relationships with auctioneers in the North American A&A vertical.

On 1 October 2021, after the end of this reporting period, the Group acquired LiveAuctioneers. The acquisition of LiveAuctioneers was strongly supported by our shareholders at the Company's General Meeting on 20 August 2021. This acquisition supports the Group's strategic rationale and falls directly in line with the Group's M&A strategy that was outlined at the time of the IPO. The acquisition transforms the reach, capabilities and efficiencies of ATG's platform, adding momentum to the Group's growth trajectory, generating significant value for the auction industry and providing strong returns to shareholders.

We continue to focus on our key financial and strategic priorities and monitor the Group's performance against these.

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.

COVID-19

The direct impact of the COVID-19 pandemic on the Group to date has been largely accretive to revenue, due to the closure of many physical auction rooms resulting in more auctions being held online. As restrictions have started to ease, we have not seen a significant change in behaviour of auctioneers and bidders returning to the use of physical auctions away from online, however there is a risk this could happen, therefore reducing the number of bids won on the marketplaces or platform.

Our employees have begun returning to the office and visiting customers, but we will be retaining the benefits seen through the use of technology and flexible working as part of our normal working practices going forward.

Board members and composition

I would like to thank my fellow Board members for their contribution to the Group since their respective appointments. Their input and experience has been particularly beneficial as the Group moved from a private equity owned group to one listed on the premium segment of the London Stock Exchange.

Following a review of the Board and its composition as at Admission, the Board commenced a search for an additional Non-Executive Director to complement the capabilities already on the Board.

Stakeholder Engagement

The interests of our stakeholders are at the heart of everything we do and we work closely with our stakeholders to ensure our continued success.

Further detail
Stakeholder engagement on pages 36-39.

Following Penny Ladkin-Brand's appointment as CFO of Future plc, and due to this additional commitment, she will not be seeking re-election as a Director at the Company's forthcoming Annual General Meeting. I would like to thank Penny for her contribution during the course of the IPO and our first year as a listed Company. The search for a successor has been commenced and an announcement will be made in due course.

Our employees

I would also like to thank our employees for their hard work over the last year. It has continued to be a challenging and busy year whilst the COVID-19 restrictions remained in place. As the restrictions have been lifted, our employees are beginning to return to the office and the Board has fully endorsed the decision of management, following feedback from its employees, to move to flexible working practices to ensure an appropriate work/life balance.

Looking to the future

I believe that ATG has an exciting future ahead and I look forward to working with everyone at ATG in helping them to continue to leverage its market-leading position, maximise its growth potential, market share and revenues.

Breon Corcoran
Chairman

1 December 2021

Our approach to ESG

Our marketplaces support an increased focus on sustainability concerns. The products sold on the marketplaces are secondary goods and include items as wide-ranging as vintage clothing, antique furniture and used commercial vehicles. In recent years, consumers, particularly younger consumers, have increasingly focused on environmental concerns and re-using items, which the marketplaces and the platform support.

With the increased focus of companies and investors on environmental, social and governance considerations, our marketplaces also provide an ideal opportunity for businesses to more fully embrace the purchase of secondary goods in order to reduce their environmental impact.

We are proud to provide a channel of green commerce through our marketplaces and our platform, addressing sustainability concerns by facilitating the sale of secondary goods and extending their life cycles through re-use, supporting the circular economy. This has a lower carbon impact than the creation of a new item and diverts these old items from landfills or scrapping. In this way, we support "re-use" and "repair" ahead of "recycle", which saves the energy otherwise associated with dismantling and remanufacturing products.

Further information on the Group's ESG strategy can be found on pages 40-49.

Chief Executive Officer's Statement

We have delivered strong operational and financial results whilst simultaneously delivering value to auctioneers and bidders, managing historically high levels of online auction activity across all our marketplaces.

"ATG has been well-positioned amidst the uncertainties created by the pandemic, which has accelerated the auction industry's ongoing structural shift to online."

Overview

The past 12 months saw ATG take yet another large step in its mission to transform the auction industry.

Before covering what we have achieved this year, I wanted to take a moment to recognise briefly how the transformation of the Company in FY20 enabled such a strong FY21.

In FY20, just as the pandemic hit, we bought Proxibid, a major auction marketplace in North America. We then focused on the extreme demands placed by COVID-19 on every aspect of ATG.

While the pandemic presented significant challenges for us, our auctioneer customers and bidders, we were aided by the fact that the industry had already been going through a structural shift from offline to online for the past 15 years. The pandemic simply accelerated this transition.

Auctioneers moved heavily into timed auctions and bidders who used to bid online, in the room or on the phone were often given online as the only choice. This important dynamic affected not only our customers but our employees as well. Our team went from one in which we worked in the office five days per week to one where we are almost never in the office.

While this change would have been a challenge for any other business, our team supports customers conducting events and sales where the auction activity and bidding activity is happening in real time. Real time support means that any glitch is felt instantly, and quality is paramount. As auction houses increased the amount of their business being conducted online, the need for robust technology and quality service was even more imperative.

Our differentiators

1. Largest online bidder base

2. Six diverse marketplaces

3. Dynamic digital marketplace technology

4. Economies of scale

Further detail on pages 4-9

The fact that our team of c.250, spread across the US, UK, and Europe, has for the past 18 months been able to transfer so effectively from office to home-work life whilst remotely supporting almost 1,000 auctions per week on our technology, is a testament to their dedication, ability, knowledge and raw perseverance. Their performance the previous year in incredibly challenging personal and work situations is truly commendable. Their work is what enabled us to have the FY21 we delivered.

In FY21, we delivered strong operational and financial results whilst simultaneously managing historically high levels of online auction activity across all our marketplaces, as well as significant corporate events. In October 2020, we purchased Auction Mobility, the best white label provider to the art, antiques and collectables sector globally. In June 2021 we announced the proposed acquisition of LiveAuctioneers, the largest curated online marketplace for art, antiques and collectables in North America. This will add a massive and fast-growing new geography to our A&A network and greatly expand both the inventory we offer and the breadth of bidder base for auctioneers.

In February 2021, we successfully led an IPO of the Company on the London Stock Exchange. The transition to becoming a public company has given us access to capital to grow and continue to lead the transformation of the industry; it has enabled us to fund the purchase of LiveAuctioneers post the year end in October 2021, with additional institutional funding; it also gives us a more visible platform, with valuable transparency, and demonstrates a commitment to our customers that we hold ourselves and our strategy accountable to a public level of scrutiny. This supports our credibility with customers as they look to choose their online partner of the future, providing the reassurance of our solid financial profile and giving them the confidence that ATG will be able to serve them as a reliable and trusted partner for many years to come.

> “We facilitated the sale of over £6bn of second-hand items in the past year.”

Summary of operating performance

We have seen revenue increase this year, reflecting an increase in THV, GMV, number of bidder sessions and online share. Through our platforms, we attracted over 680,000 bidders from 160 countries to 44,000 auctions and sold c.6 million items on our marketplaces.

We delivered strong financial results and added value to the auction industry in unique circumstances.

We firmly believe that the shift online will continue as we move into our post COVID-19 future, as we have demonstrated the advantages that online selling and buying bring to both sides of the marketplace.

Supporting our stakeholders

Over the last year, we focused on:

1. Supporting our customers – both auctioneers and bidders – to enable them to keep running their businesses;
2. Supporting our employees, both in terms of physical and mental health;
3. Emerging from the pandemic in a stronger position than we entered it.

We delivered against all of these priorities:

- **We supported our customers.** The auction industry, across all verticals, is moving increasingly from live auctions to timed. We acted swiftly to facilitate this change. We invested heavily in our client relationship management capabilities to better help auctioneers optimise their digital marketing spend. We also invested in tools such as our timed bidding dashboard which made it more convenient and efficient for them to run online. For bidders, we invested in better user experience, and kept c.1,000 auctions up and running each week, facilitating the sale of over £6bn of second-hand items in the past year. For many whose businesses depend on buying at auction, this meant they could keep going.
- **We supported our people.** We supported our people with a structured health and wellness programme that was packed with activities each month to help people focus time on their wellbeing. These included flexible working when needed, access to an employee assistance and support helpline, external talks with nutritionists, and scheduled get-togethers to keep in touch regularly. In our annual survey, our employees rated as exceptionally positive our response to taking care of their and their families' wellbeing this past year.
- **We are emerging from the pandemic stronger than we entered it.** We grew our key financial metrics, we strengthened our team, and we reinforced our technology. When combined with the expansion of our bidder base, we are now undeniably more valuable to auctioneers and to bidders than just one year ago. We successfully integrated Proxibid operationally into the Group and enabled cross-listing on the BidSpotter and Proxibid platforms, resulting in higher online share from the cross pollination of bidders. The acquisition of Auction Mobility at the beginning of the financial year, and the acquisition of LiveAuctioneers post the year end, will further transform our capabilities and strengthen our position. One of the value drivers for acquiring LiveAuctioneers is their online payments product, which we intend to roll out in the latter half of FY22 to ATG's North American customers and then into Europe.

The past year has transformed the industry and the value of what we provide to auctioneers and bidders. An industry with a history and business model thousands of years old demonstrated that the move it had made online amidst the pandemic was truly a structural shift, evolving with the needs and expectations of customers and aligned with online commerce trends.

As we continue to invest in serving auctioneers and their consignors, as well as the growing pool of bidders both internationally and domestically, we will unlock further value in this exciting and diverse segment of digital commerce.

Our purpose and strategic focus

We exist to unlock the value of the curated secondary goods market for the benefit of auctioneers, buyers and our society as a whole. By giving millions of items second, third and even infinite lives, we are accelerating the growth of the circular economy and creating a new global channel of sustainable commerce.

We connect bidders to millions of curated specialised and unique items sold by auctioneers each year. We are changing the way millions of people buy and sell tens of billions of pounds worth of secondary market items by providing an integrated suite of digital products and services that expand the capabilities and reach of auctioneers, while presenting bidders with the best end-to-end online bidding experience for auctions.

> "ATG sits at the intersection of two major trends: a shift to buying and selling online; and a growing urgency to make it easier for consumers to make green buying choices."

We are leading the transformation of the auction industry by building close partnerships with our auctioneer customers as part of a shared success business model and by establishing ourselves as the most trusted and easy buying option for bidders. We use our insight, digital expertise, technical breadth and passion for the auction industry to drive better outcomes for the consignors and buyers of goods at auction. In the process, we attract more assets to this powerful channel for accelerating the adoption of a more circular economy.

Our vision is to be the largest curated online marketplace in the world for secondary items traded at auction.

Our strategy for achieving this is to provide clear value to both auctioneers and their consignors, as well as to bidders, through an integrated product and service offering that meets the end-to-end expectations of auctioneers and bidders alike.

For our auctioneer customers, we help auction houses achieve target asset sale prices for their consignors by giving auction houses access to world-leading digital marketplaces that massively extend their audience reach. Putting them into contact with bidders from over 160 countries around the world, generating over 120m web sessions per year, helps auctioneers ensure that they have maximised the number of eyeballs on each and every item they are selling and therefore feel confident they have achieved the maximum possible sale price for their consignor. At the same time as driving their top line higher, our integrated offering helps auctioneers lower their operating costs by eliminating process and service inefficiencies and delivering high return on investment for their marketing spend, resulting in more profitable auction houses.

For bidders, our strategy is to enable them to benefit from the incredible range and value available in the secondary market by giving them access to the best and largest selection of specialised and unique secondary market items in the world in an efficient, trusted and secure online marketplace environment.

Our strategy plays out through execution against six growth levers, which are explored in detail on page 22:

- Extending our addressable market
- Growing our online share
- Enhancing the network effect
- Expanding operating leverage
- Growing take rate via value-added services
- Pursuing accretive M&A

Executing on all six growth levers while running an IPO process this year is testament to the strength of our value proposition to auctioneers and bidders alike and the commitment and capabilities of our team.

ESG

We believe in doing the right thing, and ESG is both at the heart of our operations and central to our purpose. For the environment, the auction industry plays an important role in accelerating the growth of the circular economy, with the evolution of online auctions supporting the market for second-hand goods. Our services are a vital contribution towards this.

However, we acknowledge that there are environmental impacts of our operations that we must address, which is why, as a new plc, we have calculated carbon emissions for which we are directly responsible as well as carbon emissions resulting from the use of our products. This is a vital first step to allow us to identify our largest emission sources and therefore where we need to focus future efforts.

For our people, we are committed to being a company where everyone can work and thrive in a supportive environment. Our people bring talent, energy and experience to the business and diversity is vital to our success. In line with our mission to be a trusted partner to our industry we support educational programmes across auctions, technology and the markets we serve, as well as sponsorships and partnerships that promote auctioneering, industry standards and the trade in secondary goods.

Further information on ESG on pages 40-49

Outlook

Financially, we ended the year in a strong position. Aggregate revenue is up 34.0%, with adjusted EBITDA growing to £31.8m. We reported an operating loss of £20.6m, which was largely related to exceptional costs associated with the IPO and acquisition of Auction Mobility and LiveAuctioneers, pre IPO equity grants, increased employee costs as the Group has expanded, and the amortisation of intangible assets.

The management team and Board are excited by the year ahead and confident in the value we can continue to bring to the industry.

Auctioneers are entrepreneurs at heart, and innovation in the face of new opportunities or changing circumstances is a hallmark of the most successful. Establishing the true market value for any item has enabled auctions to be one of the longest-standing and most reliable building blocks of the modern commercial economy.

For centuries, auctions have survived and thrived through economic change, wars, the birth of the internet and now, a global pandemic The auction landscape has been changed forever by this event. New bidders have been introduced to the world of auctions, and bidders who had previously bid only in person and never considered buying online are now using the internet like seasoned dealmakers.

It's too early to know how many of those new bidders will keep coming back to buy at auction and how many will remain online, but, as with all retail-related industries, COVID-19 has accelerated the inexorable shift towards online. The opportunities ahead are phenomenal.

John-Paul Savant
Chief Executive Officer,

1 December 2021

Q&A

As we look to the future, John-Paul explains ATG's key areas of focus.

Interview with
John-Paul Savant
Chief Executive Officer

"We've been busy integrating Proxibid in North America and led the Company through a successful listing on the London Stock Exchange."

Q. How have you found being CEO of a newly listed company?

A. It has been extremely exciting and fulfilling. I have particularly enjoyed spending more time with investors and other stakeholders. Educating people about the business and speaking in detail about our work to date, as well as the opportunity ahead, is something I love doing. Importantly, being a listed business has enabled our employees to become shareholders. Our team is of the utmost importance to us and I am proud to work with such talented, hard-working people. All of my colleagues have been extremely dedicated throughout lockdown and the IPO, and I can't wait to continue achieving great results together.

Q. What are you most excited about in the coming year?

A. There are so many exciting developments in the pipeline for ATG – it's hard to pick just one! I think that the integration of LiveAuctioneers' payment product into our North America business will have a huge impact. Payments can be a real pain point and administrative hassle in the buying and selling process. The ability to provide a quality service at a lower cost than auctioneers can today is an important achievement for the business. It also takes us another step closer to providing a truly seamless end-to-end buying experience for bidders, which we think will massively raise new account acquisitions and drive more bids. The better we do this, the more assets we attract to the auction world and the less goes to landfill. Everything we do at ATG furthers the goals of creating a more circular economy, and payments is a big next step.

Our people
page 44

Q. What are the Group's biggest challenges or threats?

A. The biggest challenge we have is prioritising our key workstreams – focusing on combining improvements in the end-to-end selling and buying experiences across our marketplaces, while continually assessing opportunities to pursue additional strategic accretive M&A. We are playing a key role in transforming an industry and so the management team spends a considerable amount of time considering how to execute our growth strategy in the most effective way possible, in order for us to achieve our potential and deliver for our stakeholders. Another focus for us has been on acquiring the right talent to support the rapid growth in the business. Competition is fierce for top technology candidates, but we are pleased that our people-focused and ambitious culture means that we remain a highly attractive workplace. Our recent acquisition of LiveAuctioneers has added further depth and expertise to our strong existing bench, which was one of our key strategic reasons for the transaction. My time at PayPal taught me that you can never have enough talented, motivated people when you have an ambitious growth plan. I am very much looking forward to continuing to execute against our strategy with our expanding team, while further promoting the interests and growth of the industry.

> "Our people are always front of mind. For me, it is vital we support and grow talent."

Q. How do you intend to advance the role of auctions in accelerating the circular economy?

A. Auctions play an important role in the circular economy which is a critical part of the journey to restoring the health of our planet. I am so pleased that the growth of the online auction industry is amplifying the important benefits of extending the life of items that are sold through auctions, thereby preventing the need to manufacture new goods. The combination of increasing awareness of the benefits of buying second-hand goods, and the growing reach of online auctions to serve increasingly conscious companies and consumers is accelerating the circular economy in many verticals, including across the areas which our marketplaces serve.

As highlighted in our ESG section on pages 40-49, there are clear savings in carbon emissions from buying second-hand across a range of product areas. With data such as this, we intend to work alongside our marketplaces to promote the benefits of selling through auctions and buying second-hand and attract more items and bidders to our online auctions. In line with our strategy, we will continue to look for opportunities to add value to our auctioneers and bidders, including by incorporating sustainability and circular economy principles into parts of the value chain and adjacent services such as packaging and transportation.

Q. Where do you see ATG in five years?

A. This is a very exciting time for the auction industry, which makes me feel very confident about both our medium-term plans and long-term prospects. Auction houses are embracing online auctions and recognising the benefits on offer at a time when a new generation of bidders is turning to auctions having been attracted by the opportunity to acquire unique items, specially curated, that are intrinsically sustainable. We exist to make the digital interaction between auctioneer and bidder as intuitive as possible and over the next five years we have exciting plans to bring them even closer together. That means more ancillary services, investment in our marketplaces, a presence in more geographies and in new verticals, so that in five years we remain the technology partner of choice to auctioneers, working with them to bring all the benefits of this unique industry to an ever growing and international audience.

Our Business Model

Connecting millions of secondary market items sold by thousands of auctioneers to bidders from around the world via our auction platform technology.

Our differentiators

Largest online bidder base
Over 120m web sessions per year generating over 100m bids for auctioneers.

Six diverse marketplaces
We were the first to establish critical mass in each of our marketplaces.

Dynamic digital marketplace technology
Well invested technology and data warehouse that is multi-geography and multi-vertical.

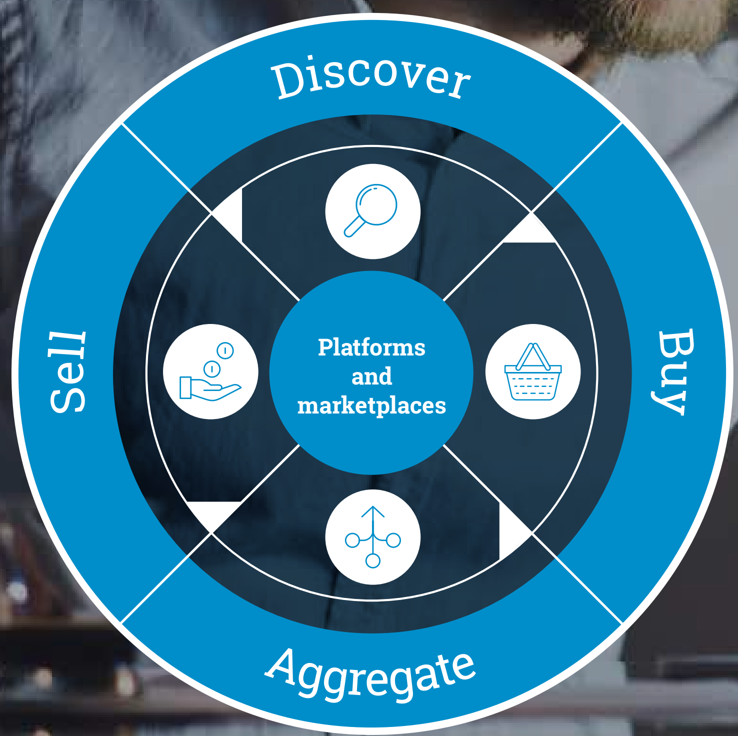
Economies of scale
Over 44,000 online auctions per year means we can invest in the buying experience, product extensions, marketing and team.

Further detail
can be found from page 4

We provide services across the auction process

What we do

Unlocking the discovery of millions of items at 44,000 auctions each year



Discover
Quick and easy search of a huge range of inventory across the verticals in which the Group specialises.

Buy
Intuitive bidding process that keeps the buyer informed at all stages of the bidding process.

Aggregate
Over 14m lots of curated inventory offered by c. 2,300 expert auction houses around the world.

Sell
Multiple selling formats from timed auction and "buy it now" to live auction.

Our marketplaces

1. Industrial & Commercial

proxibid

BidSpotter

BidSpotter .co.uk

i-bidder.com

2. Art & Antiques

the saleroom

LOT-TISSIMO

proxibid

Services and content

- News & industry insight
- E-commerce & auction strategy
- Marketing & demand generation
- Auction Management Systems
- Logistics & support
- Analytics & data
- White label solutions
- Antiques Trade Gazette

gazette

Creating value

ATG combines technology and market expertise to deliver phenomenal results for businesses and informed consumers with limitless possibilities to expand further.

For shareholders

We invest in our platform and marketplaces to create a long-term sustainable business. We generate long-term value for our shareholders through driving revenues, increasing earnings, re-investing in the business both organically and through acquisition and prudently managing our cash position.

£70.1m
FY21 revenue

£31.8m
FY21 Adjusted EBITDA

45.4%
FY21 Adjusted EBITDA margin

£15.9m
FY21 cash generated from operations

For customers

Our customers include auction houses and bidders. We empower bidders to buy at auction in a trusted, convenient, secure and engaging forum for specialised and unique items.

- Collectors
- Professionals
- Casual
- Dealers
- Business

20%
active bidders growth

35%
online share

14m
lots offered

680k
active bidders

6.0m
lots sold online

160
country reach

For our people

We provide opportunities for our people to develop personally and professionally so they can enjoy rewarding careers with us. We foster a culture where everyone feels they belong, has a voice and can reach their full potential.

92%
Employee engagement rate

The environment

We are proud to provide a global channel of green commerce through our marketplaces and platforms, addressing sustainability concerns by facilitating the sale of secondary goods and extending their life cycles through re-use, supporting the circular economy. This has a lower carbon impact than the creation of a new item and diverts these old items from landfills or scrapping. In this way, the Group supports "re-use" and "repair" ahead of "recycle", which saves the energy otherwise associated with dismantling and re-manufacturing products.

1m tonnes
of carbon emissions saved by the sale of 15 of the popular sold at auctions run on our marketplaces

Our Strategy

Our vision is to be the largest curated online marketplace provider in the world for all secondary items traded at auction.

Our strategy plays out through execution against six growth levers:

1. Extending our addressable market

Focus areas:
We are focusing on four main areas: working with existing auction house clients to put more of their assets onto ATG marketplaces; bringing new auction houses in existing verticals onto each marketplace; expanding into new geographies in existing verticals; and, finally, expanding into new verticals.

Progress in 2021:
We grew this by securing more assets from auctioneers we already work with and by expanding into new verticals. In the UK, we added a new vertical in classic cars and by growing our relationship with Bonhams. In the US, we expanded into oil and gas drilling equipment. The combination of organic and new vertical expansion enabled ATG to grow THV from £4.8bn to £6.3bn, a gain of 31.3%.

How progress is measured
This is measured through the growth rate in THV which reflects our ability to maintain and expand our addressable market. Macro events can significantly influence the volume of assets consigned through auction, both positively and negatively.

Associated risks
Risks 1, 2, 3, 4, 5 and 6 as further detailed in the Principal Risks and Uncertainties section of this report.

2. Growing our online share

Focus areas:
Our focus is two-pronged. On the auctioneer side, we will continue to grow online share by supporting auction houses in the shift from live auctions to live online-only and timed auctions. On the bidder side, we will be working to enhance end-to-end user experience and conversion by improving user interface and search. We will also be enhancing client relationship management capabilities to better engage with bidders and make ATG their preferred buying channel.

Progress in 2021:
We have grown online share this year by improving our product marketing and account management teams' efforts to facilitate the shift online. A particular focus has been to support the acceleration of a move from live auctions to timed auctions. This helped us grow our online share from 33% to 35%, a gain of 2pp increase year-on-year. We also attracted more site sessions, more account creations, and more bidders than ever before. This has led to total online bids growing from 73.4m to 100.2m, a gain of 36.5%.

How progress is measured
This is measured through the growth in online share which demonstrates the importance of the online channel to auction houses. Online share can be subject to strong mix effects, e.g. new THV typically carries a low online share. Therefore a decline in online share may not in isolation reflect an unwinding of the online shift.

Associated risks
Risks 1, 2, 3, 4, 5 and 6 as further detailed in the Principal Risks and Uncertainties section of this report.

3. Enhancing the network effect

Focus areas:
By bringing together auction houses globally with bidders in 160 countries we generate a strong network effect and "virtuous circle". By expanding the ability for auction houses to cross list on multiple marketplaces, they gain access to an increased bidder pool and higher visibility for their auctions, while bidders are attracted by the larger range and number of items available. The core strategic focus area for this year was enhancing cross-bidding capabilities on Proxibid and BidSpotter.

Progress in 2021:
This year we invested in an integrated bidding service on Proxibid and BidSpotter, making bidding more seamless for both the auctioneer and bidder. By enabling cross-listing on both marketplaces we grew the number of bidders active at a given auction. This is a significant gain for auction houses, who saw more bidders bidding at each auction, and for bidders as they were able to see and bid on more assets.

How progress is measured
Progress is measured by GMV. The combination of THV and online share delivers GMV. Whilst THV and online share explain part of the story, GMV ultimately indicates the value we are delivering to auctioneers (see case studies overleaf).

Associated risks
Risks 1, 2, 3, 4, 5 and 6 as further detailed in the Principal Risks and Uncertainties section of this report.

4. Expanding operating leverage

Focus areas:
Our focus is on centralising costs wherever possible while ensuring the different units of our business remain nimble and able to respond to competing conditions.

Progress in 2021:
A high proportion of our cost base is fixed. The advantage of this is that once the core fixed costs are incurred, we can process more volume at a minimal incremental cost. The value we deliver as we grow is therefore greater because our costs do not rise as a proportion of the incremental volume. This has enabled us to expand our Adjusted EBITDA margins this year, which we grew from 44.8% to 45.4%.

How progress is measured
Adjusted EBITDA margin demonstrates our ability to expand our operating leverage.

Associated risks
All risks as further detailed in the Principal Risks and Uncertainties section of this report.

5. Growing take rate via value-added services

Focus areas:
We are focused on growing take rate by adding additional integrated auction services to the Group that will save auctioneers money while providing a better end-to-end value proposition for bidders. Such services include integrated payments and, eventually, integrated delivery solutions, reducing costs for auctioneers and improving the online buying experience for bidders. We intend to offer auction houses a wider suite of services under the ATG roof, meaning they get a better service at a lower cost.

Progress in 2021:
Our overall take rate went down slightly this year due to the fact that we grew more quickly in our lower take rate I&C division than in the higher take rate A&A division. However, we grew digital marketing, which is a key component of growing our take rate. We also laid the groundwork this year for the acquisition of LiveAuctioneers, which will enable us to offer a payments solution to auction houses for the first time – a key service that will enhance our value and aid auctioneers.

How progress is measured
This is measured based on the Group's take rate growth. Take rate growth indicates we are capturing more revenue for every £ of GMV supported.

Associated risks
Risk 2 and 5 as further detailed in the Principal Risks and Uncertainties section of this report.

6. Pursuing accretive M&A

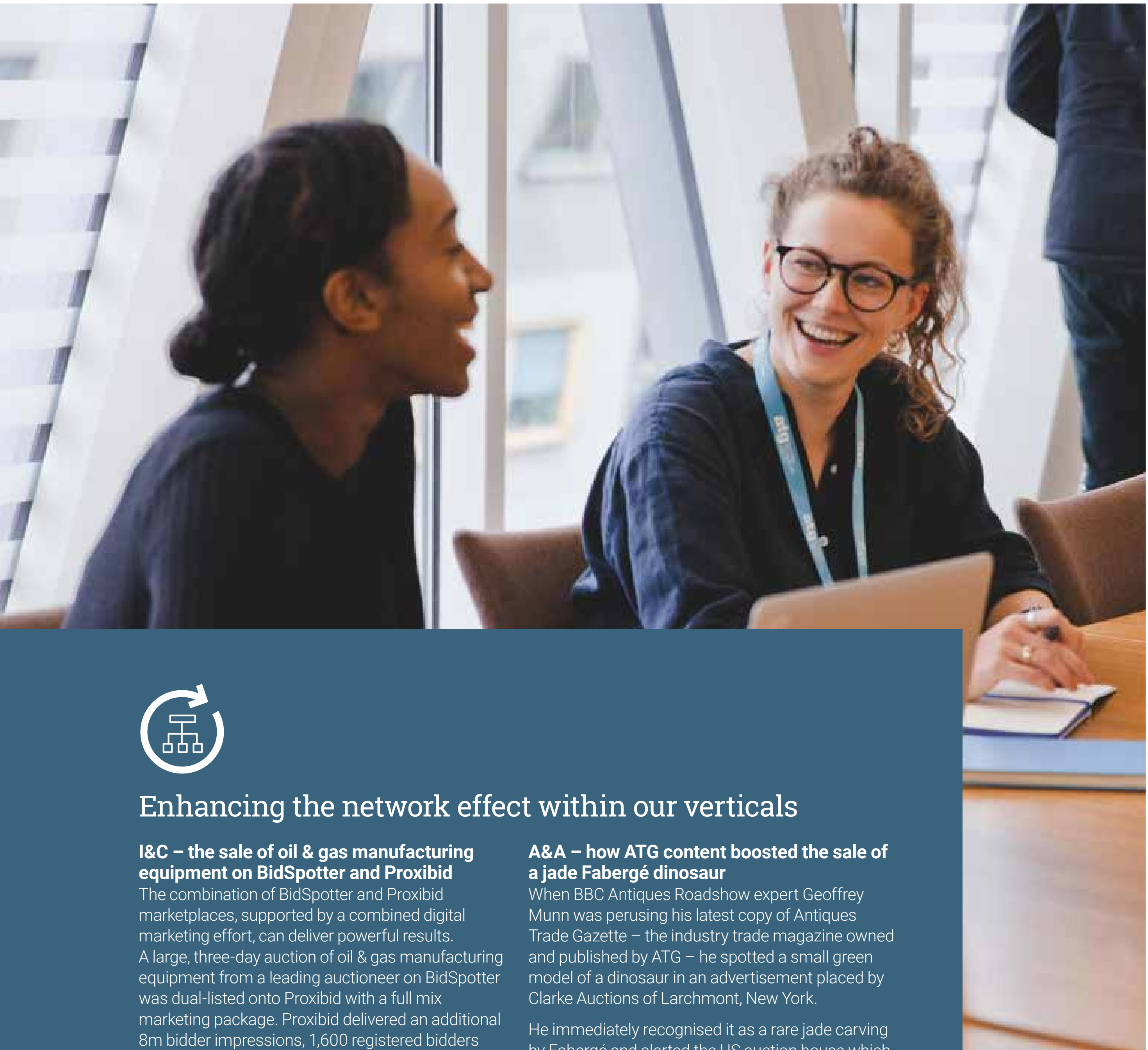
Focus areas:
Acquisitions and investments are a significant component of our growth strategy, adding further inorganic growth on top of forecast organic growth by integrating new businesses acquired and new services into a seamless, streamlined buying experience. Our focus is on expanding into new verticals and/or geographies by acquiring businesses that enhance our leadership position in the online auction space, enhance the value of the network to auctioneers and bidders, and/or accelerate our ability to offer new value-added services.

Progress in 2021:
In October 2020, we purchased Auction Mobility, the leading white label globally for the A&A space. Then, shortly after our IPO, we pursued and agreed terms with LiveAuctioneers, the leading A&A marketplace in North America, opening up a huge new market to ATG while being instantly accretive to our shareholders. This acquisition closed in early October 2021 and will be integrated into the business in the coming financial year.

How progress is measured
Progress is measured through our coverage of verticals / geographies, coupled with adding to the breadth of our value-added services across the Group. Progress will typically drive growth in all core metrics identified in the other strategic levers.

Associated risks
Risk 5 as further detailed in the Principal Risks and Uncertainties section of this report.

Strategy in Action – Case Studies



Enhancing the network effect within our verticals

I&C – the sale of oil & gas manufacturing equipment on BidSpotter and Proxibid
The combination of BidSpotter and Proxibid marketplaces, supported by a combined digital marketing effort, can deliver powerful results. A large, three-day auction of oil & gas manufacturing equipment from a leading auctioneer on BidSpotter was dual-listed onto Proxibid with a full mix marketing package. Proxibid delivered an additional 8m bidder impressions, 1,600 registered bidders and 100,000 extra catalogue views of the event. 28% of the total available assets sold on Proxibid and 49% were sold on BidSpotter – meaning 77% of items in the auction sold to ATG bidders. The additional bidder impressions delivered by the Proxibid marketplace and associated auctioneer marketing programme delivered a final sales result that was more than $2m higher than pre-auction expectations.

A&A – how ATG content boosted the sale of a jade Fabergé dinosaur
When BBC Antiques Roadshow expert Geoffrey Munn was perusing his latest copy of Antiques Trade Gazette – the industry trade magazine owned and published by ATG – he spotted a small green model of a dinosaur in an advertisement placed by Clarke Auctions of Larchmont, New York.

He immediately recognised it as a rare jade carving by Fabergé and alerted the US auction house which updated its lot description while the Gazette team put out a news story online about the discovery. Bids poured in and instead of the original estimate of $800-$1,200, the lot sold for $65,000 with the underbidder on liveauctioneers.com.

Growing take rate via value-added services

Digital marketing to maximise conversion
ATG provides uniquely impactful, full marketing mix campaigns to help drive auction registrations and bidder conversions at online auctions for auctioneers using our marketplaces. On BidSpotter.com we have shown that auctioneers who utilise at least seven pieces of digital marketing from the BidSpotter Auctioneer Marketing Programme ("AMP") are seeing an average 67% increase in registered bidders vs those opting for just one piece of marketing. On Proxibid auctioneers are seeing on average over $140,000 of online sales directly attributed to a Proxibid AMP investment of just $3,000.

Market Overview

We are uniquely positioned to leverage our industry's key drivers:

Throughout our 50-year history, we have adapted with and helped shape the evolution of the auction industry. Our actively managed digital marketplaces have grown with specialist auctioneer and bidder needs, while responding to external market drivers, enabling us to capture the wider market opportunity across verticals.

Industry-wide shift to online

For 15 years the auction industry has been gradually moving online – accelerating over the past four years, then further amplified by the COVID-19 pandemic.

Both sellers and buyers have driven this shift as commerce has moved online. Throughout this shift, we have played a pivotal role in developing the capabilities of and bringing visibility to online auctions.

Auctioneers have seen both efficiencies and scale by moving online. Operations streamlined by our back-office offering have freed auction house employees up to pursue new consignments. Exposure to global bidder bases allow these consigned items to achieve higher prices, in turn, attracting more consignors and thus yet more bidders. This is the virtuous circle at the core of our business.

As consumer life has moved online, bidder expectations have shifted towards aggregated browsing and borderless bidding. Online, bidders can bid around the clock, on 14 million expertly curated items annually, from anywhere in the world. This, combined with a growing trend towards sustainable buying, has contributed to a steady growth in the number of bidders on our marketplaces.

Key trends fuelling growth in online auctions:

- A shift from live to timed auctions. While bidders can join live auctions either online or offline, timed auctions are online only and can only be run on one platform, lowering costs for auction houses.
- Higher proportions of lots selling to online bidders as businesses and individuals become more accustomed to buying online.

Our response

We responded swiftly to the opportunities presented by the shift to online:

- We provided auctioneers with transparent analysis on the commercial advantages of timed auctions.
- We purchased Auction Mobility, to offer auctioneers the "best of both worlds", both a marketplace and the world's best auction white label product.
- We invested in a redesign of thesaleroom.com website, to meet ever evolving user expectations.
- We re-platformed our German A&A marketplace, Lot-tissimo, to ATG's technology stack, providing stronger tech to our German customers.
- Post our year end, we acquired LiveAuctioneers, exposing ATG's auctioneers and bidders to North America's largest marketplace for art, antiques and collectables.
- By acquiring LiveAuctioneers we will accelerate our timeline for introducing integrated payments into the ATG marketplaces with a goal of going live in FY22.
- The volume of THV transacted in a live online only or timed online auction has increased by 44.8% year-on-year.
- Auctioneers are achieving similar asset values selling online as they were achieving in the room or on site.

U35s bidders increase

+29%

Rise in the number of "digitally native" bidders under age 35[1]

A&A marketplace share increase

+8%

Driven by thesaleroom user experience and Lot-tissimo[2]

Consumer online research

61%

Nearly two-thirds of consumers we spoke to look for big household items online first before buying[3]

1. Share of visits to ATG marketplaces from under 35s (excl Lot-tissimo)
2. Source ATG KPIs TTM August 2021 thesaleroom and Lot-tissimo
3. Survey conducted by Opinium in November 2020

Growth of the circular economy

Consumers and businesses are increasingly conscious of their carbon footprint and waste footprint, seeking new ways to become "circular" and leading to an acceleration of the growth of the circular economy.

We are proud to provide a global channel of green commerce. Through ATG, the lifecycles of secondary goods are extended through re-use, and reducing the need to manufacture new. In doing so we help reduce both production waste and emissions (see page 40) for more information). Furthermore, we support "re-use" and "repair" ahead of "recycle", saving the energy associated with remanufacturing.

We are well placed to benefit from "circularity" trends favourable to the auction market, including the fashion for vintage items as a means to better express personality, as well as the enduring popularity of auctions and restoration projects in popular media and TV shows. There has also been a flurry of new shows focusing on how consumers can reduce their carbon footprint, and reduce waste, with their buying choices.

Our research shows that most consumers do consider sustainability in their purchasing decisions[6]. By providing easier access to auctions, we empower bidders to make environmentally friendly buying decisions more easily, especially as items at auction typically cost less than an equivalent new item.

As well as sustainability, vintage is in vogue, as individuality wins out over the mass produced popularity of auctions and restoration projects in the media grows day by day.

Our response

Everything ATG does helps accelerate the circular economy. By unlocking the highest possible value in secondary goods, we perpetuate the appetite to sell rather than dispose of secondary goods, thus constantly feeding the virtuous circle at the core of our business. Our response has been to invest in visibility, bidder experience and auctioneer offering, to attract yet more bidders and assets.

Investing in visibility and reinforcing the reason to buy secondary goods online has been key. In our ESG report (see page 40) we have published the initial findings of a piece of our own research that shows how, across a huge range of items, buying second-hand is always better for the environment.

1m tonnes

of carbon emissions saved by the purchase of 15 top items sold at auctions run on our marketplaces[4]

81%

of consumers would consider buying furniture second-hand online[5]

4. Small World Consulting on behalf of ATG.
5. Survey conducted by Opinium in November 2020.

Economic tail winds

As our economies see post-pandemic recovery begin, spending remains high, particularly online, while supply stalls in many places. This has meant steadily high prices for second-hand items across all verticals as several key trends continue to provide wind in our sails:

Increased demand across verticals

– Announcements of massive investments in infrastructure by the US and UK governments ($1tn announced by President Biden and £600bn announced by Boris Johnson) means demand for industrial equipment will remain high.
– Low unemployment rates in the UK and US means more demand for the art, antiques and collectables sold by ATG in the US, UK and Germany.

Reduction in the availability of newly manufactured assets

Supply chain problems caused by the pandemic have combined with spiking demand, causing a significant backlog in new machinery production. This is particularly felt in industrial and construction sectors, placing even more importance on the used market where prices achieved at I&C auctions in the UK and US are buoyant.

Increase in inventory at auction

The I&C auction markets in FY21 have seen significant increases in available auction inventory across our core segments.

– Strong auction prices, caused by the supply and demand struggle, are resulting in more assets coming to the auction market.
– Business insolvency due to the pandemic and increased M&A activity amongst asset dealers are underpinning this trend which we expect to continue into FY22.
– Our consumer goods marketplace, i-bidder, has seen a supply phenomenon of its own as a growing shift to online buying brings a higher level of returns.

Brexit

The UK's exit from the EU has had little impact on the Group or our marketplaces.

Our response
Our response is to do more of what we have always done and do it steadily better.

A key part of this was our decision to become a public company. As the auction world shifts online, we wanted to stand above the crowd of service providers. By becoming a PLC, we made a statement to the auction industry that we would be transparent in our strategy, we would share our financials publicly so they knew they could count on us to be here in three, five and 10 years, and we showed that we were willing to be held to a public level of accountability by our investors and customers.

THV of equipment available on Proxibid and BidSpotter has grown:

31%
growth in industrial

27%
growth in heavy construction

24%
growth in agricultural

Helping the auction industry to achieve world-class e-commerce standards

Like every retailer in the world, auction houses are evolving in response to consumers and businesses moving to online buying. For over a decade the trend in live attendance at auctions has been downward as buyers prefer the choice, security, convenience and familiarity of online buying.

The digital age for auctions – This means that the auction industry now is competing with overall e-commerce.

As an aggregator that has achieved some measure of scale, we are able to invest in the platform, the tools, the marketing and the organic and inorganic expansion that ensures we will have the resources to invest and keep the auction industry relevant for many years to come.

We enable auction houses to compete more effectively with large e-commerce companies by amplifying their pre-existing brand and providing the technology needed for a constantly evolving digital age.

A customer-to-customer e-commerce alternative – Other e-commerce platforms provide a stage for consignors to sell directly to buyers. On our marketplaces, auctioneers curate their own sales and manage the logistics. This reduces the administrative burden for consignors and ensuring their inventory is expertly described and valued.

Strategic M&A – Our acquisition of LiveAuctioneers (which took place shortly after the end of FY21) will enhance the Group's ability to invest in key elements of the end-to-end buying and selling experience, including a payments solution. Similarly, the acquisition of Auction Mobility in October 2020 added additional white label functionality, positioning the Group well to improve and expand its white label offering for auction houses.

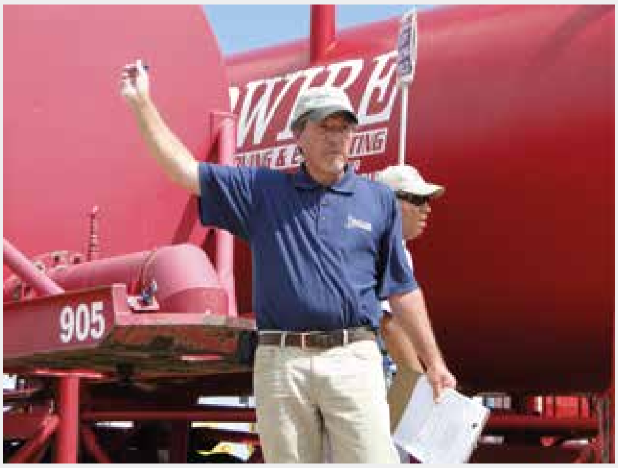
Data-driven decision-making – Understanding the performance metrics which underpin an online auction is an integral part of being able to optimise an auction business. As the auction industry further embraces digital, we help auction houses to understand the digital drivers of success for their auctions.

Increased bidder acquisition – Driven by increasing online buyer power and the competitiveness of the auction industry, auction houses are increasingly focusing on cost-effective online bidder acquisition. Our online share for FY21 was 35% compared with 33% in FY20.

The Group provides an unrivalled suite of digital assets to auctioneers, enabling them to run their online business more efficiently, while also enhancing the bidder experience.

35%

ATG online share, up 2pp year-on-year

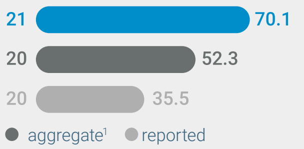


Key Performance Indicators

We monitor progress against delivery of our strategic goals using financial and non-financial key performance indicators.

Financial

Revenue
(£m)



Description
Revenue is used to measure the Group's overall growth. FY20 has been presented on both a reported and aggregate basis to aid comparability[1].

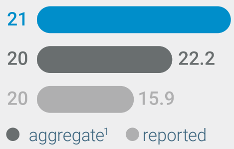
Progress
The Group's revenue of £70.1m has increased 97.5% on a reported basis year-on-year and 34.0% on an aggregate basis with growth achieved across all six marketplaces.

Principal risks
1 2 4 5 6

Link to remuneration
Yes – see page 81 of the Directors' Remuneration Report for further details.

Strategy/focus area

Adjusted EBITDA[1]
(£m)



Description
Adjusted EBITDA is the measure used to assess the trading performance of the Group. FY20 has been presented on both a reported and aggregate basis to aid comparability[1].

Progress
The Group's adjusted EBITDA has increased 100.0% year-on-year, 43.2% on an aggregate basis.

Principal risks
1 2 3 4 5 6

Link to remuneration
Yes – see page 81 of the Directors' Remuneration Report for further details.

Strategy/focus area

Basic loss per share
(p)

(33.6)p

FY20: (34.3)p

Description
Basic loss per share represents the loss for the year attributable to ordinary shareholders.

Progress
As the Group only listed during FY21 this is the first year where the basic loss per share has been monitored by the Group.

Principal risks
1 2 3 4 5 6

Link to remuneration
No

Strategy/focus area

Adjusted free cash flow conversion[1] (%)

Description
The Group monitors its operational efficiency with reference to operational cash conversion, defined as free cash flow as a percentage of adjusted EBITDA.

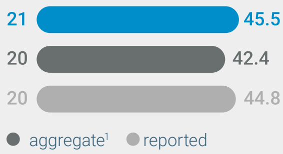
Progress
The Group has continued to maintain a healthy free cash flow position.

Principal risks
1 2 3 4 5

Link to remuneration
No

Strategy/focus area

Adjusted EBITDA[1] margin (%)



Description
The adjusted EBITDA margin represents the Group adjusted EBITDA as a percentage of total Group revenue.

Progress
The Group's adjusted EBITDA margin has increased 0.7% year-on-year, with an increase of 3.1% on an aggregate basis.

Principal risks
1 2 3 4 5 6

Link to remuneration
No

Strategy/focus area

Adjusted earnings per share[1] (p)

6.6p

FY20: Loss of (5.6)p

Description
Adjusted earnings per share represents the adjusted EBITDA 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.

Progress
As the Group only listed during FY21 this is the first year where the adjusted earnings per share has been monitored by the Group.

Principal risks
1 2 3 4 5 6

Link to remuneration
Yes – see page 83 of the Directors' Remuneration Report for further details.

Strategy/focus area

1. This report provides alternative performance measures ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards as adopted by the EU. 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 2 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.
2. Refer to the glossary for full definitions.

Operating

Strategy/focus area

- Extending our addressable market
- Growing our online share
- Enhancing the network effect
- Expanding operating leverage
- Growing take rate via value added services
- Pursuing accretive M&A

Detail on our strategy is set out on pages 22-23

Total hammer value ("THV") (£bn)

21	6.3
20	4.8

aggregate[1]

Description
The Group's THV represents the total final sale value of all lots listed on the marketplaces or the platform.

Progress
THV has increased by 31.3% year-on-year as a result of the higher levels of online auction activity.

Principal risks
1 2 4

Link to remuneration
No

Strategy/focus area

Online share (%)

21	35
20	33

aggregate[1]

Description
The Group's online share is calculated based on the GMV as a percentage of the THV.

Progress
Online share has increased year-on-year due to a continuing shift of bidders to online, and from live to timed auctions across the Group's marketplaces.

Principal risks
1 2 4 5

Link to remuneration
No

Strategy/focus area

Gross Merchandise Value ('GMV') (£m)

21	2.2
20	1.6

aggregate[1]

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

Progress
GMV has increased 37.5% year-on-year due to increased THV and our online share increasing.

Principal risks
1 2 4 5

Link to remuneration
No

Strategy/focus area

Take rate (%)

21	2.7
20	3.0

aggregate[1]

Description
Take rate represents the marketplace revenue as a percentage of GMV.

Progress
There has been a slight decrease year-on-year due to GMV increasing at a greater rate across our I&C marketplaces which have a lower take rate than A&A.

Principal risks
1 2 4 5

Link to remuneration
No

Strategy/focus area

Chief Financial Officer's Review

Significant revenue growth achieved in our first year as a listed Group.

Thomas Hargreaves
Chief Financial Officer

Reported revenue

£70.1m

FY20: £52.3m[1]

Loss before tax

£(27.3)m

FY20: £(19.0)m

Adjusted EBITDA

£31.8m

FY20: £22.2m[1]

Footnotes:
1. The comparative period is presented on an aggregate basis to aid comparison. Refer to note 2 in the Consolidated Financial Statements for further details on the APMs presented.

Group re-structure and presentation of results

The financial results for FY21 are presented for the year ended 30 September 2021.

Prior to the Group embarking on its journey to list on the London Stock Exchange, in February 2020 (a year before IPO) the Group underwent a significant restructure at the same time as acquiring the Proxibid Inc. ("Proxibid Group". Full details of the restructure and the accounting implications are detailed in note 1 of the Consolidated Financial Statements. The reported financial results for FY20 represent only an eight-and-a-half month period to 30 September 2020.

During the current financial year, the Group continued with its growth strategy and acquired Auction Mobility LLC ("Auction Mobility") on 16 October 2020 for consideration of up to £33.4m. The results for Auction Mobility are included within the auction services operating segment in FY21.

On 26 February 2021, the Group successfully completed its IPO on the London Stock Exchange. Immediately prior to this, as part of the Group's capital reorganisation, all shares held in Auction Topco Limited, the Group's previous parent Company, were transferred to Auction Technology Group plc, a newly incorporated parent entity, in a share for share exchange. The reorganisation did not constitute a business combination under IFRS 3 "Business Combinations" and therefore the Group has presented its Consolidated Financial Statements as though the current Group structure had been in place from the date of incorporation of Auction Topco Limited on 13 January 2020.

The impact of the above restructures affects the comparability of the Group's results. Therefore to aid comparisons between FY20 and FY21 alternative performance measures ("APMs") have been presented. The prior period unaudited aggregate results have been presented as if the acquisitions of Turner Topco Limited ("Standalone ATG") and Proxibid Group had occurred on 1 October 2019 and include the full year actual results for this period.

Note 2 of the Consolidated Financial Statements includes a full reconciliation of all APMs presented to the reported results for FY21 and FY20.

Revenue

	FY21 £m	FY20 £m	Movement
Reported revenue			
Art & Antiques ("A&A")	16.2	8.4	92.9%
Industrial & Commercial ("I&C")	43.7	24.7	76.9%
Total marketplace	**59.9**	**33.1**	**81.0%**
Auction Services	7.1	0.8	787.5%
Content	3.1	1.6	93.8%
Total	**70.1**	**35.5**	**97.5%**
Aggregate revenue			
Art & Antiques ("A&A")	16.2	13.4	20.9%
Industrial & Commercial ("I&C")	43.7	34.6	26.3%
Total marketplace	**59.9**	**48.0**	**24.8%**
Auction Services	7.1	1.5	373.3%
Content	3.1	2.8	10.7%
Total	**70.1**	**52.3**	**34.0%**

Group

Reported revenue was £70.1m for the year, an increase of 97.5%, reflecting a full 12-month contribution for FY21 compared to only eight-and-a-half months contribution for FY20. Aggregate revenue grew 34.0%, reflecting strong performance across both the A&A and I&C marketplace segments, which increased 24.8% combined with the contribution from the acquisition of Auction Mobility in FY21 within Auction Services.

Auction houses across the Group's verticals and geographies remained active, driving growth in THV above historical levels. In addition, the trends accelerated by COVID-19, such as the shift to online auctions, have continued, with the Group's online share remaining strong in spite of the record THV growth.

Art & Antiques

Reported revenue increased by 92.9% and aggregate revenue by 20.9%. The growth in both reported and aggregate revenue was driven by the impact of COVID-19 which has led to an acceleration of the structural trend towards online activity. The second half of FY20 started to see the beginnings of disruption caused by the national lockdowns as a result of COVID-19, particularly in the UK, with some reduction in levels of auction activity. Although there have been further periods of lockdown during FY21, the overall auction activity has been less impacted.

FY21 has benefitted from the deferral of some activity in the second half of FY20, which contributed to overall strong growth in THV in the year.

Industrial & Commercial

Reported revenue increased by 76.9% and aggregate revenue by 26.3%. Revenue grew significantly in the I&C segment due to both THV growth above historic levels and elevated online share.

Overall levels of activity amongst our auction house base remained extremely high with a high level of inventory coming to market for sale through auction. THV growth has further benefitted from growth in verticals which have not traditionally been a major source of activity (for example equine and real estate). Elevated levels of THV began in the second half of FY20 and have remained through FY21.

I&C continued to benefit from the structural trends towards online auctions and timed auctions which were significantly accelerated as a result of the COVID-19 pandemic. The Group has not seen material reversion to live auctions from auction houses who adopted timed auctions for the first time during the early months of COVID-19, which were particularly prevalent in the US I&C market.

Auction Services

Following the acquisition of Auction Mobility during the year, a fourth operating segment for Auction Services has been separated from the previous three reported segments. Further details are provided in note 4 of the Consolidated Financial Statements.

The significant increase in the Group's reported and aggregate revenue attributable to auction services in FY21 was due to the acquisition of Auction Mobility on 16 October 2020. Revenue from the Group's back-office products remained stable.

Content

There has been an increase in both reported and aggregate revenue year-on-year. In the second half of FY20 there was a significant decline in reported and aggregate revenue from advertising fees generated by the Antiques Trade Gazette that occurred due to the impact of the COVID-19 pandemic. During the second half of FY21 there has been some recovery in advertising volumes, however, overall it remains below levels achieved pre-pandemic.

Financial performance

	Reported			Aggregate	
	FY21 £m	FY20 £m	Movement	FY20 £m	Movement
Revenue	70.1	35.5	97.5%	52.3	34.0%
Cost of sales	(24.5)	(15.1)	62.3%	(22.3)	9.9%
Gross profit	**45.6**	**20.4**	**123.5%**	**30.0**	**52.0%**
Administrative expenses	(66.5)	(25.6)	159.8%	(33.1)	100.9%
Other operating income	0.3	0.2	50.0%	0.2	50.0%
Operating loss	**(20.6)**	**(5.0)**	**312.0%**	**(2.9)**	**610.3%**
Adjusted EBITDA (as defined in note 2)	**31.8**	**15.9**	**100.0%**	**22.2**	**43.2%**
Finance income	10.4	–	100.0%	–	100.0%
Finance cost	(17.1)	(14.0)	(22.1)%	(16.4)	(4.3)%
Net finance costs	**(6.7)**	**(14.0)**	**52.1%**	**(16.4)**	**59.1%**
Loss before tax	**(27.3)**	**(19.0)**	**(43.7)%**	**(19.3)**	**(41.5)%**
Tax (expense) / credit	(2.3)	2.6	(188.5)%	2.6	(188.5)%
Loss for the period attributable to the equity holders of the Company	**(29.6)**	**(16.4)**	**(80.5)%**	**(16.7)**	**(77.2)%**

Reported loss before tax

The Group's gross profit margin has increased to 65.1%, from the reported margin of 57.5% in FY20. As a result of the Group's operating model, increases in revenue largely flow through to gross profit.

The Group's administrative expenses have increased, reflecting the nature of the one-off events which have taken place during the year such as the IPO and the acquisitions. Costs related to the IPO and the acquisition of Auction Mobility and LiveAuctioneers totalled £21.8m (FY20: £9.8m related to the acquisition of Proxibid and the Group restructuring). These costs have been classified as exceptional items as further detailed in note 2 of the Consolidated Financial Statements.

As the Group is now operating in a listed environment and has continued to grow and recruit, employee costs have increased to £21.3m (FY20: £13.3m).

As part of the Group's IPO process shares were issued to Directors and employees and new share option schemes were launched post the IPO. The share-based payment expense was £11.9m, which included a one-off charge of £10.9m arising from the equity grants made in the run up to the IPO (FY20: £0.3m). With the addition of Auction Mobility, and the full year charge for previous acquisitions, the Group's acquired intangible assets amortisation charge has also increased to £13.2m (FY20: £7.3m).

The above all contributed to the Group's increased loss before tax of £27.3m (FY20: £19.0m).

Adjusted EBITDA

Adjusted EBITDA and aggregate adjusted EBITDA definitions and reconciliations to the reported results are presented in note 2 of the Consolidated Financial Statements.

Adjusted EBITDA increased by 100.0% to £31.8m and aggregate adjusted EBITDA increased by 43.2% for the year ended 30 September 2021. The adjusted EBITDA margin for FY21 was 45.4% and in FY20 was 44.8%.

The Group continues to benefit from a high operating leverage with a significant proportion of revenue dropping through to adjusted EBITDA.

Refinancing

During the year the Group has restructured its financing facilities. The following events took place:

- 13 October 2020, an additional loan of $75.0m was entered into, of which $33.5m was drawn down.
- 1 March 2021, proceeds from the IPO were used to part repay the Old Senior Facilities Agreement leaving £39.4m outstanding under the facility.
- 17 June 2021, the Old Senior Facilities Agreements were repaid in full, and the Group entered into a New Senior Facilities Agreement.

The New Senior Facilities Agreement comprises:

- a senior term loan facility (the "New Senior Term Facility") for $204.0m for the acquisition of LiveAuctioneers. The New 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 will be due for repayment on 17 June 2026.
- a multi-currency revolving credit working capital facility (the "New Revolving Credit Facility") for $49.0m. Any sums outstanding under the New Revolving Credit Facility will be due for repayment on 17 June 2024, subject to the optionality of two 12-month extensions. The facility had not been drawn down as at 30 September 2021.

Finance costs

Net finance costs were £6.7m (FY20: £14.0m). Finance income of £10.4m (FY20: nil) related to foreign exchange gains of £8.9m, primarily arising from the £223.8m cash in escrow balance which is held in US dollars and the £1.5m movement in contingent consideration for Auction Mobility.

Finance costs of £17.1m (FY20: £14.0m) relate to interest costs on the borrowings of £8.1m including the early repayment fees for the Old Senior Facilities Agreement, £2.6m for amortised finance costs and £6.3m interest on the preference shares. In the prior period £8.9m of interest costs were incurred on the preference shares and £5.0m on the Old Senior Facilities Agreement. The preference shares were fully settled as part of the IPO restructure.

Taxation

The overall tax charge during the year was £2.3m, giving an effective tax rate of 8.5% (FY20: credit of £2.6m). The tax charge for FY21 arises due to expenses incurred on the IPO and acquisitions that were not deductible for tax purposes and changes to future tax rates on deferred tax liabilities.

Tax uncertainties and risks are increasing for all multinational groups which could affect the future tax rate. The Group takes a responsible attitude to tax, recognising that it affects all our stakeholders. The Group seeks at all times to comply with the law in each of the jurisdictions in which we operate, and to build open and transparent relationships with those jurisdictions' tax authorities. The Group's tax strategy is aligned with the commercial activities of the business, and within our overall governance structure the governance of tax and tax risk is given appropriate priority by the Board.

Loss per share and adjusted earnings per share

Basic loss per share was 33.6 pence in FY21 compared to 34.3 pence in FY20. The weighted average number of shares in issue during the period was 88.2m (FY20: 47.8m shares). Adjusted earnings per share for FY21 was 6.6 pence (FY20: loss of 5.6 pence). A reconciliation of the Group's basic and diluted loss per share to adjusted earnings per share is set out in note 2 of the Consolidated Financial Statements.

Foreign currency impact

The Group's reported performance is sensitive to movements in both the US dollar and the euro against the British pound sterling. The pound sterling strengthened by 7.1% against the US dollar and 0.8% on an average rate basis against the euro compared to FY20, as shown in the table below.

	Average rate			Closing rate		
	FY21	FY20	Movement	FY21	FY20	Movement
Euro	1.14	1.14	0.8%	1.16	1.10	5.2%
US dollar	1.37	1.28	7.1%	1.35	1.29	5.0%

When comparing aggregate revenue in FY20 to FY21, changes to currency exchange rates had an adverse impact on aggregate revenue of £3.1m.

Statement of financial position

Overall net assets have increased by £454.9m to £439.5m at 30 September 2021. Total assets increased by £394.9m, and the main drivers for the increase were the cash held in escrow of £223.8m for the LiveAuctioneers acquisition, the draw down of the New Senior Term Facility of £148.7m and the additional goodwill in respect of Auction Mobility of £19.0m. Total liabilities decreased by £60.0m, primarily due to the change in financing arrangements.

Equity

The capital structure of the Group has undergone two significant events during the year. The first was the IPO on 26 February 2021, when the Company issued 41,239,257 ordinary shares for a cash consideration of £247.4m. The second was the equity raise via a cash-box placing for the LiveAuctioneers acquisition on 17 June 2021, whereby the Company issued 19,999,990 for a cash consideration of £244.0m.

Cash flow and adjusted net debt

The Group continued to be cash generative at the operating level. Cash generated from operations (before tax) amounted to £15.9m (FY20: £6.8m), after incurring cash outflows of £19.1m (FY20: £8.5m) in relation to exceptional items referred to above.

The net cash used in investing activities during the year was £27.3m (FY20: £182.6m) primarily driven by the acquisition of Auction Mobility for £24.9m. The net cash generated from financing activities was £396.1m (FY20: £190.5m) reflecting the repayment of the preference shares, the Old Senior Facilities Agreement, the draw down on the New Senior Term Facility and the equity raises through the IPO and cash-box placing.

Adjusted net cash at 30 September 2021 stood at £24.6m (30 September 2020: net debt of £200.4m). The Group had cash in bank of £173.7m (FY20: £14.2m) and borrowings of £149.0m (FY20: £214.6m).

The Group's adjusted free cash flow was £30.4m (FY20: £14.0m), a conversion rate of 95.7% (FY20: 88.0%). A reconciliation of the Group's cash generated by operations to adjusted free cash flow and adjusted free cash flow conversion is set out in note 2 of the Consolidated Financial Statements.

Dividends

As outlined in our IPO prospectus, the Group sees strong growth opportunities through organic and inorganic investments and, as such, intends to retain any future earnings to finance such investments. No dividends have been paid or proposed for FY21 or FY20.

Post balance sheet events

On 17 June 2021, the Group announced the proposed purchase of LiveAuctioneers by means of an acquisition of the entire issued and to be issued share capital of Platinum Parent, Inc. The acquisition was based on an implied enterprise value of US$525.0m.

Due to its size, the acquisition was classed as a Class 1 transaction under the Listing Rules, and therefore required shareholder approval. The Company's shareholders approved the acquisition on 20 August 2021. Prior to the acquisition completing, approval by the relevant antitrust authorities, including approval in the UK and US, had to be obtained. The acquisition completed post the year end on 1 October 2021.

The consideration for the acquisition of US$525.0m was settled with US$500.0m in cash on completion and earn-out consideration of up to US$25.0m. The consideration was financed through the Group's New Senior Term Loan and the equity raise.

Given the acquisition had not yet completed at 30 September 2021, no accounting for the acquisition in accordance with IFRS 3 "Business Combinations" has been included in the FY21 financial statements.

There were no other events after the balance sheet date.

Tom Hargreaves
Chief Financial Officer

1 December 2021

Our Section 172 Statement

The Board has regard to the matters set out in Section 172(1) of the Companies Act 2006, when performing its duties under Section 172 to act in a way it considers, in good faith, would be most likely to promote the success of the Company and for the benefit of its stakeholders. The following statements demonstrate how the Board have had regard to its duties under Section 172 during the year.

The Company's desirability to maintain a reputation for high standards

The Board is committed to the highest standards of corporate governance and the Group's governance arrangements were thoroughly reviewed as part of the IPO process. It is essential we manage our risks appropriately to ensure that we meet the appropriate levels of governance at all times. Further detail is set out on the Group's governance arrangements in the governance section of the ESG report on pages 47-48 and its approach to risk is detailed in the risk management section of this report on pages 50-55. The Group's stakeholders are taken into consideration across all aspects of our business.

The below details our key decisions taken during the year – these are decision made out of the ordinary course of the business and have long-term and significant impacts on our stakeholders.

Key Decision: IPO

Background	Stakeholders
Background: In making its decision to proceed with the IPO the Board considered the risks and opportunities this would give to the Company's stakeholders. As part of the IPO process the Board ensured that appropriate governance processes were introduced to help protect the interests of shareholders, its employees and other stakeholders. As the Group underwent the IPO restructure and continues to be acquisitive we considered debt and equity structures carefully for the Group and our stakeholders. In light of these events the Board made the decision to part repay the Group's existing finance facilities following the IPO.	**Stakeholders:** **Employees:** Transitioning from a private company to a publicly listed company provides employees with further opportunities for career development, to learn new skills and to take on additional responsibilities. As part of this transition, we needed to ensure that all employees understood their new legal and regulatory obligations in relation to insider trading, cyber security and data security. This included new policies to acknowledge and accept, and the requirement to undertake online training. All our employees were gifted an award of shares on Admission to align their interests with shareholders. Additional benefits also include participation in a share purchase plan with effect from 1 November 2021. **Community:** The IPO raises the Company's profile and the environmental benefits of buying secondary goods. **Customers:** The IPO demonstrates our commitment to our customers by making ATG publicly accountable for our strategy and reassuring them of our solid financial profile. The IPO also raises the profile of the auction industry as a whole and the advantages of selling via an expert auctioneer and enables us to invest in our products, technology, service level and marketing to evolve our offering for auctioneers. **Shareholders:** The IPO gives shareholders the opportunity to invest in, and benefit from the success of, ATG. The shareholders of the Company were consulted and fully supported the proposed IPO and remained as significant shareholders.

Key Decision: Acquisition of Auction Mobility and LiveAuctioneers

Background	Stakeholders
Background: The Directors believe the acquisitions of Auction Mobility LLC and LiveAuctioneers had a compelling strategic rationale and the acquisitions fall directly in line with the Group's strategy that was set out at the time of the IPO. When the Directors were considering the acquisitions, they considered the impact on shareholders, employees and other stakeholders. The Company also undertook a broader re-financing exercise, repaying all outstanding debt and entered into the New Senior Finance Facilities Agreement. Further detail on the financing can be found on page 34. Further detail on the acquisitions can be found in the Strategic Report on page 23.	**Stakeholders:** **Employees:** The acquisition of both LiveAuctioneers and Auction Mobility aligns well with our products, mission, vision and company values increasing further opportunities for global mobility. **Community:** The acquisitions allow the Group to expand its footprint and broaden our impact on the community by growing access to the second-hand goods market. **Customers:** The acquisition of LiveAuctioneers gives our UK and EU A&A auctioneer base access to the North American A&A market and expand the inventory we can offer to our UK and EU A&A bidder base. It also allows us to offer the LiveAuctioneers online payments product to ATG customers starting with our North American customers. The acquisition of Auction Mobility allows us to offer our auction house customers a leading white label and allows us to support customers locally (e.g. from our London or Hamburg offices). **Shareholders:** The acquisition of Auction Mobility in October 2020 was considered in conjunction with our private equity shareholders at the time as the leading white label globally for A&A. LiveAuctioneers is the leading A&A marketplace in North America and the proposed acquisition was strongly supported by voting shareholders at the general meeting on 20 August 2021. The Board consulted with the Company's major institutional shareholders ahead of announcing the proposed acquisition. Given the expected revenue accretion of the acquisition to be funded in part with proceeds from the share placing (the "Placing"), the Company felt that the structure of the Placing, including its issue of shares on a non-pre-emptive basis, was very much aligned with shareholder and other stakeholder interests. The Placing structure was chosen as it minimised the time to signing of the acquisition reducing both the complexity and time required to provide certainty of funds to the Company in the context of the acquisition. This consultation confirmed the Board's view that the Placing was in the best interests of shareholders, as well as wider stakeholders in the Company and would promote the success of the Company. The acquisition opens up a huge new market to ATG while being instantly accretive to our shareholders.

Our stakeholders	How we engage	What we did
Customers		
Our customers – bidders and auction houses – are key to our success. We strive to provide the best level of service to them while carrying out robust due diligence checks to ensure we maintain a reputation for the highest standards of business conduct. We constantly strive to improve the customer experience.	For auction houses we provide access to a global bidder base ensuring optimal asset values are achieved, new services to reduce auction houses' costs and best in class white labels along with relevant content and bidder insights. We give bidders access to the widest possible range of unique and specialised second-hand items in a trusted, simple, sustainable and convenient manner. We engage with bidders via onsite requests for feedback as well as onsite surveys and offer live chat and email support on all of our marketplaces. We pursue a true "shared success" business model, whereby we earn only if our auction house customers earn incremental revenue through using our services. We have over a 50-year history of working in partnership with both auctioneers and bidders.	Engagement with auction houses is conducted through structured and rigorous account management combined with a high level of support before, during and after auctions. Robust due diligence checks are undertaken before new auction houses are onboarded as customers, to protect from fraud and money laundering. We have specific policies with regards to prohibited items on our marketplaces and we employ a compliance team to monitor adherence to these restrictions. We have the ability to remove auction houses who we believe are unethical or selling or promoting goods in contravention of our contractual terms and policies.
People		
Our people are our most valuable asset and we strongly believe in attracting and retaining the best people possible. The Board and senior management are keen to understand the views of our people and therefore we conduct an annual workforce engagement survey and pulse surveys to see how progress is being made on areas of focus. Following the IPO, Breon Corcoran was appointed as the Board's workforce engagement Director to add an additional layer of engagement with our people.	Since the start of the COVID-19 global pandemic our employees have continued to work from home and a number of initiatives have been put in place to ensure the wellbeing of our people during this time. The results of the recent employee engagement survey were presented to the Board in May, who fully supported the feedback given by the majority of the Group's employees that flexible working practices be adopted going forward. We aim to attract and retain our people and strive to be a company where people of all races, religions, backgrounds and beliefs can work and thrive. All our people are issued with the employee handbook which includes all appropriate policies in this regard. We offer a competitive benefits package and an employee recognition scheme for long service and commendable achievements All our people complete online training modules as required. Twice yearly performance reviews are conducted.	All our employees were gifted an award of shares on Admission to align their interests with shareholders. Additional benefits also include participation in a share purchase plan with effect from 1 November 2021. We conducted the annual employee engagement survey in January 2021. The result increased this year to its highest score to date where 92% of the respondents felt personally engaged with the Company and their roles. The results were reviewed by the Board, senior management and smaller groups in focused sessions to encourage further feedback. The Board fully supported the action to implement flexible working practices going forward for employees, following the overriding feedback from the employee engagement survey. The CEO holds regular "Global All Hands" meetings to update the workforce on key activities within the business. Breon Corcoran, the Board's workforce engagement Director, conducted his first engagement session with representatives of the Group's employees in September and has reported back to the Board following this session. Our people were supported during the year with a structured health and wellness programme. We are in the process of implementing our diversity and inclusion strategy as well as introducing diversity, equality and inclusion training.
Suppliers		
Our key supply chains consist of: technology service providers including outsourced software development, managed hosting services, cloud solutions, software licences and hardware supply; people services including recruitment agencies, professional service advisers and benefits providers; and facilities management including building maintenance, refreshment providers and office consumable suppliers, transport and logistics.	We are committed to improving our practices to ensure slavery and human trafficking are not taking place in any part of our business or our supply chain. This is detailed in our Modern Slavery Statement published on the Group's website. We expect the same commitment from our suppliers, contractors and business partners.	We engage in business relationships with established and reputable business partners/clients, with whom we aim to build long-term partnerships. As part of our initiative to identify and mitigate risk, we have appropriate controls and systems in place. We have continued to pay all our suppliers promptly and in accordance with their payment terms. We seek to work with a range of suppliers, big and small, to ensure we receive the best services appropriate for our business. As detailed in the environmental report on pages 40-43 we intend to work closely with our Tier 1 suppliers to obtain more specific emissions data in FY22.
Communities and environment		
Environmental sustainability is at the heart of our operations, with our online auction marketplaces ensuring that millions of items are resold for re-use or repurpose each year, extending their value within the economy and preventing wasted raw materials. The Group's purpose informs our business strategy and commitment to being a supportive and trusted partner to the industry, our people and our community.	We exist to make it easier to buy and sell at auction thereby supporting the transformation of the auction industry in its structural shift to online, and bringing exciting new opportunities to further enable auctions to play their part in accelerating the growth of the circular economy. We do this by generating a virtuous circle of growth between auction houses, those who consign to auction, and bidders. We are committed to making an impact not only for our industry, but also for the communities and industries that we operate in. To this end, we run a number of programmes and initiatives that enable our business and our people to make a difference.	In line with our aim to be a trusted partner to the auction industry we support educational programmes, promoting auctioneering, industry standards and the trade in secondary goods. We launched Payroll Giving as a simple way for our people to support causes close to them with tax-free giving. We facilitated 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 almost £7.0m for good causes. We worked with The Pennine Kids company, a social enterprise that gives young people the skills and meaningful careers advice to thrive in a competitive world.

Our stakeholders	How we engage	What we did
Shareholders		
We value our shareholders and investors and want to ensure they understand our business, our strategy and the environment within which we work. During the year we moved from being private equity owned to listing on the London Stock Exchange. We continue to work closely with TA Associates who were a controlling shareholder on Admission, although their shareholding has now been reduced to around 17%. The formalities of this relationship remain detailed in the Relationship Agreement; see the Directors' Report on pages 84-85.	We are happy to engage in open and transparent relationships with our shareholders. The Board reviews and approves material communications to investors, such as trading updates and results announcements. The results announcements and subsequent investor presentations, along with the AGM, are an important opportunity for the Board to share directly with shareholders the performance and strategic direction of the Company. The Company's first AGM will be held on 25 January 2022. Regular feedback on investor views is provided by our corporate brokers.	Multiple investor meetings were conducted throughout the IPO process and the proposed acquisition of LiveAuctioneers. Investors are invited to virtually attend our trading and results announcements, which include a dedicated question-and-answer session. Meetings with existing and potential shareholders were also held throughout the period. All investor announcements are made available on our website. We formalised our relationship with TA Associates, who were a controlling shareholder on Admission, with a relationship agreement, and includes the appointment of Morgan Seigler as a non-independent Non-Executive Director. The Remuneration Committee Chair wrote to our major shareholders outlining the proposed remuneration policy for which the Company will seek approval at its first AGM.

In addition to the information detailed on pages 36-39, the table below sets out where you can find further information throughout this Annual Report on how the Directors consider their responsibilities under Section 172 of the Act.

Responsibility	Report	Page Numbers
Consequences of decision-making	Chairman's Statement	12-13
	Chief Executive Officer's Statement	14-17
	Our Strategy	22-23
	Key Performance Indicators	30-31
	Chief Financial Officer's Review	32-35
	Principal Risks and Uncertainties	52-55
	Corporate Governance Report	59-63
	Audit Committee Report	66-69
	Remuneration Committee Report	72-83
Our employees	Chairman's Statement	12-13
	Chief Executive Officer's Statement	14-17
	Our Business Model	20-21
	ESG Report	44-46
	Principal Risks and Uncertainties	52-55
	Corporate Governance Report	59-63
	Nomination Committee Report	70-71
	Directors' Remuneration Report	72-83
Fostering of business relationships with suppliers, customers and others	Purpose	Inside front cover
	Our Investment Case	10-11
	Chief Executive Officer's Statement	14-17
	Our Business Model	20-21
	Our Strategy	22-25
	Key Performance Indicators	30-31
	ESG Report	40-48
The impact of the Company's operations on the community and environment	Purpose	Inside front cover
	Chairman's Statement	12-13
	Chief Executive Officer's statement	14-17
	Our Business Model	20-21
	ESG report	40-48
The Company's desirability to maintain a reputation for high standards	Purpose	Inside front cover
	Chairman's Statement	12-13
	Chief Executive Officer's Statement	14-17
	ESG Report	40-48
	Corporate Governance Report	59-63
The need to act fairly as between members of the Company	Chairman's Statement	12-13
	Chief Executive Officer's Statement	14-17
	Our Business Model	20-21
	Stakeholder Engagement Report	36-39
	Corporate Governance Report	59-63
	Directors' Remuneration Report	72-83

Environmental Sustainability

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, extending their value within the economy and preventing wasted raw materials.

Introduction

As the world transitions to a resource efficient, low carbon economy, the ability to extend product lifespans and maintain value within a circular economy will be vital. The auction industry plays an important role in accelerating the growth of the circular economy with the evolution of online auctions facilitating the market for second-hand goods. Our services are a vital contribution towards this circular economy. However, we acknowledge that there are environmental impacts of our operations that we must address.

Additionally, we recognise that a changing climate will impact upon our business and, in order to ensure we are resilient to the changing climate and regulatory requirements, we treat the climate crisis as a Board level governance matter. We are committed to going beyond compliance and leading the way on addressing the direct and indirect greenhouse gas ("GHG") emissions associated with our operations, to minimise the impact both on our business and society as a whole.

Our first year commitment

As a new plc, in our first year we have committed to conducting a thorough review of our GHG emissions, accounting for all emissions associated with our operations to the best of our knowledge. This is a vital first step to allow us to identify our largest emission sources and therefore where we need to focus future efforts, including making disclosures in accordance with the Task Force on Climate-related Financial Disclosures ("TCFD") in line with future requirements.

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 (see Streamlined Energy Carbon Reporting, "SECR", table on page 42), we are committed to going beyond our statutory duty and comprehensively calculating and reporting indirect (scope 3) emissions (see table on page 41). 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.

This approach is in line with the UK's Competition and Markets Authority ("CMA") Green Claims Code[1], which ensures green claims are truthful, accurate, clear and unambiguous, do not hide or omit important information, consider the full life cycle of a product or service and are substantiated.

Methodology

The methodology used to calculate our greenhouse gas, "GHG inventory", is based on the World Resources Institute GHG Protocol – A Corporate Accounting and Reporting Standard, Revised Edition[2] ("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 consulting company ClearLead Consulting Ltd.

A financial control approach has been taken, meaning that the inventory covers emissions from all operations that are under the Group's financial control, including operations in the UK, US and Germany. Emission factors have been chosen based on the location of the emissions. However, where emission factors are not available, UK Government emission factors have been applied. Emissions are reported in line with the Group's financial year, the baseline year being the 2019/20 financial year.

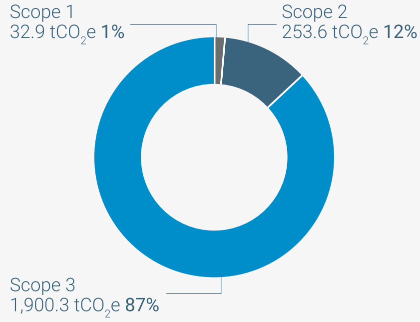
Direct scope 1 and 2 emissions are based on primary data, however, to enable us to fully understand our indirect emissions some secondary data has been used and some assumptions made to calculate scope 3 emissions (where primary data was unavailable). This has allowed us to calculate emissions from all relevant scope 3 categories, covering nine out of the GHG Protocol's 15 categories. The remaining scope 3 categories, including emissions from upstream and downstream leased assets, franchises, processing of sold products and investments, are not applicable to ATG, whereas insufficient data was available for upstream transportation and distribution.

Specifically, we have chosen to include emissions from the use of our online platforms, such as the energy consumed by customers' devices, as well as remote working emissions, to ensure we account for all emissions that exist as a result of our operations. Taking this rigorous approach for our first year carbon footprint has provided a thorough understanding of the climate related impacts of our operations, which we plan to build upon in future years. In particular we aim to work with our supply chain to obtain supplier specific emission factors for goods and services procured.

Our first year carbon footprint

Completing an in-depth review of our entire emissions has provided a comprehensive understanding of our impact on the climate. 13% of our emissions are under our direct control in scopes 1 and 2, whereas 87% of emissions fall in scope 3, our indirect emissions, which we can work to influence.

Total carbon inventory
(2020-21 financial year)



Scope 3 emissions, which are under the Group's influence but not control, typically make up the largest proportion of a company's carbon emissions, particularly if scope 3 emissions have been investigated in detail. Our largest emission source is from purchased goods and services (47% of total footprint), which predominantly arise from the hosting of our online platforms in data centres operated by

1. HM Government, 2021. Green Claims Code. Available: https://greenclaims.campaign.gov.uk/.
2. WRI GHG Protocol Corporate Standard. Available: https://ghgprotocol.org/corporate-standard.

others. Other significant scope 3 categories include use of our products (14%) and employee commuting and remote working (9%).

Within our direct control (scopes 1 and 2), purchased electricity (7%) is the largest contributor to our overall footprint. In line with the GHG Protocol we are reporting location-based emissions from purchased electricity in place of market-based emissions, to ensure we fully account for the emissions from the electricity we consume. The electricity in our London Headquarters is, however, sourced from a renewable energy provider.

Our 2021 impact

As an expanding Group, we accept that our overall emissions may rise and we will work to minimise any increase in absolute emissions to ensure we grow sustainably. Absolute emissions have grown by 39%, mainly due to new businesses being added to the Group, whereas our carbon intensity, across all scopes – a measure of our carbon emissions as a proportion of our overall activity – has decreased by 10%, indicating that we are becoming more carbon efficient as we grow.

We have seen an increase in scope 1 and 2 emissions, with our footprint rising from 142 tCO_2e to 287 tCO_2e. This is a 30.4% rise in proportion to our revenue, which is attributed to an increase in emissions from natural gas, used for heating, and purchased electricity.

Reductions, however, have been seen in scope 3 emissions. In the 2021 financial year we saw a proportional reduction in emissions from purchased goods and services, and use of sold products, as well as decreases in emissions from employee commuting and remote working, and waste generated from our operations.

Some of our emission reductions are due to our baseline year partly covering the COVID-19 pandemic, where our workforce was predominantly home-based and online auctions grew in popularity. We have accounted for this by including remote working emissions and use of sold products (our websites) in our first year carbon footprint.

Overleaf, we disclose our full SECR report, and a commitment to further mitigating our climate impact.

Total greenhouse gas emissions

GHG emissions (tCO_2e)	FY21	FY20[3]	% change
Scope 1	32.9	19.0	73%
Scope 2	253.6	123.0	106%
Total (scopes 1 & 2)	**286.5**	**142.0**	**102%**
Scope 3	1,900.3	1,426.4	33%
Total (scopes 1, 2 & 3)	**2,186.8**	**1,568.4**	**39%**

GHG emission intensity			
Revenue (£m)	£70.1m	£45.3	55%
Carbon intensity (tCO_2e per £m revenue scopes 1 & 2)	4.1	3.1	30%
Carbon intensity (tCO_2e per £m revenue scopes 1, 2 & 3)	31.2	34.61	-10%

3. Based on 12 months revenue for the Standalone ATG Group from 1 October 2019 to 30 September 2020 and 7.5 months revenue for the Proxibid Group from 13 February 2020 to 30 September 2020.

Streamlined Energy Carbon Reporting ("SECR") Report

Category	Scope	Current reporting year: Financial year 2020/21 (2021) October 1st 2020-30th September 2021		Baseline reporting year: Financial year 2019/20 (2020) October 1st 2019-30th September 2020	
		UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)
Emissions from activities for which the company own or control including the combustion of fuel and operation of facilities (tCO_2e)	1	5.63	29.57	6.27	12.74
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (location based, tCO_2e)	2	31.34	219.99	17.52	105.48
Total gross Scope 1 and Scope 2 emissions (tCO_2e)	1 & 2	36.97	249.56	23.79	118.22
Energy consumption used to calculate the above emissions (kWh)	1 & 2	170,341.68	530,190.47	100,476.28	365,307.73
			UK and Global		UK & Global
Total gross Scope 1 and Scope 2 emissions UK and Global (tCO_2e)	1 & 2		286.53		142.01
Intensity ratio UK and Global: emissions (tCO_2e) per million £ revenue	1 & 2		4.09		3.13

SECR Change Log

Change in consumption, emissions, and intensity ratio between the baseline and reporting year.	
Category	**Percentage change**
Energy consumption (kWh)	50.4%
Total gross Scope 1 & Scope 2 emissions UK and Global (tCO_2e)	101.8%

	Scope	Current reporting year: Financial year 2020/21 (2021) October 1st 2020-30th September 2021		Baseline reporting year: Financial year 2019/20 (2020) October 1st 2019-30th September 2020	
		UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)
Energy consumption used to calculate the above emissions (kWh)	1 & 2	170,341.68	530,190.47	100,476.28	365,307.73

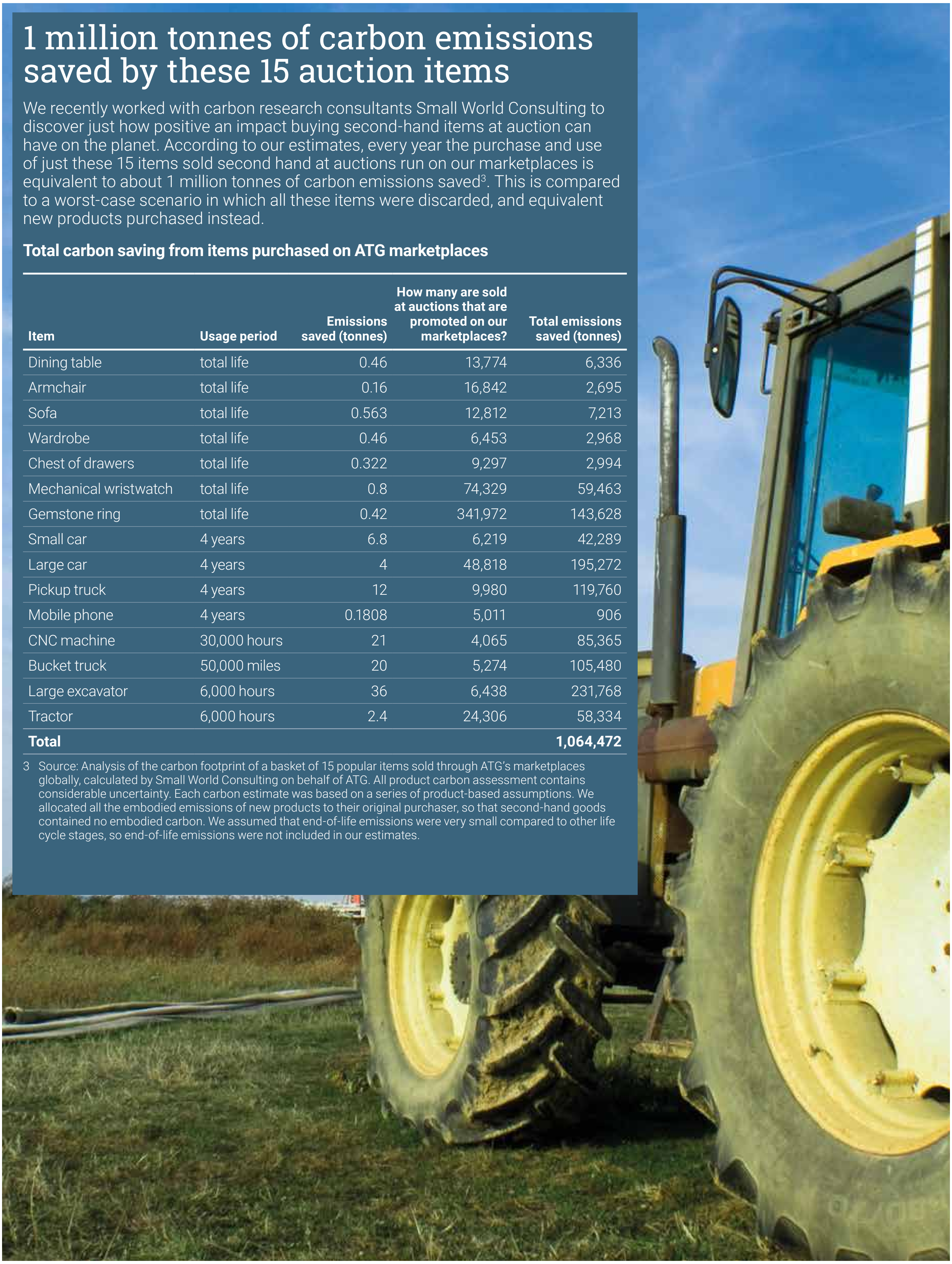
Our future commitment

Calculating an in-depth international carbon inventory covering all applicable scope 3 emission categories for our business is a challenge and, whilst we have made some assumptions in this process to obtain a thorough understanding of our impact, we have taken a rigorous approach to calculating our overall climate impact.

We intend to improve the accuracy of our calculations in future years, working across the Group to improve consistency in data, as well as working with key suppliers to obtain more specific emission factors for the goods and services they supply to us.

Our next step is to target our largest emission sources and identify reduction strategies, as well as to fully understand our climate risks in order to disclose these under the TCFD guidelines in due course. As a group we will then review how to achieve net zero emissions, ensuring we continue to reduce emissions in line with a Science Based Target. Finally, we will look to offset our unavoidable emissions through reputable offsetting schemes, whilst continuing to work to reduce these emissions.

As we are an expanding business, we expect our absolute emissions to increase over the short term, particularly as we return to the office post-Covid19. However, our carbon intensity – our emissions in proportion to our growth – is expected to reduce.



1 million tonnes of carbon emissions saved by these 15 auction items

We recently worked with carbon research consultants Small World Consulting to discover just how positive an impact buying second-hand items at auction can have on the planet. According to our estimates, every year the purchase and use of just these 15 items sold second hand at auctions run on our marketplaces is equivalent to about 1 million tonnes of carbon emissions saved[3]. This is compared to a worst-case scenario in which all these items were discarded, and equivalent new products purchased instead.

Total carbon saving from items purchased on ATG marketplaces

Item	Usage period	Emissions saved (tonnes)	How many are sold at auctions that are promoted on our marketplaces?	Total emissions saved (tonnes)
Dining table	total life	0.46	13,774	6,336
Armchair	total life	0.16	16,842	2,695
Sofa	total life	0.563	12,812	7,213
Wardrobe	total life	0.46	6,453	2,968
Chest of drawers	total life	0.322	9,297	2,994
Mechanical wristwatch	total life	0.8	74,329	59,463
Gemstone ring	total life	0.42	341,972	143,628
Small car	4 years	6.8	6,219	42,289
Large car	4 years	4	48,818	195,272
Pickup truck	4 years	12	9,980	119,760
Mobile phone	4 years	0.1808	5,011	906
CNC machine	30,000 hours	21	4,065	85,365
Bucket truck	50,000 miles	20	5,274	105,480
Large excavator	6,000 hours	36	6,438	231,768
Tractor	6,000 hours	2.4	24,306	58,334
Total				**1,064,472**

3 Source: Analysis of the carbon footprint of a basket of 15 popular items sold through ATG's marketplaces globally, calculated by Small World Consulting on behalf of ATG. All product carbon assessment contains considerable uncertainty. Each carbon estimate was based on a series of product-based assumptions. We allocated all the embodied emissions of new products to their original purchaser, so that second-hand goods contained no embodied carbon. We assumed that end-of-life emissions were very small compared to other life cycle stages, so end-of-life emissions were not included in our estimates.

Our People and Community

We are a responsible employer and a valued contributor to our industry and the communities we operate in.

Enabling people to thrive

Our people bring talent, energy and experience to the business and are vital to our success. It is important to senior management to make ATG a great place to work, and we regularly engage with our employees to understand their values and concerns.

Every year we run a Company-wide survey to understand employee sentiment and engagement, which is followed by focus groups and actions for the coming year. The most recent survey saw 92% of the respondents feeling personally engaged with the Company and their roles – the highest score since we started conducting the survey a number of years ago. This was driven by employees' trust in our leadership, purpose and Company direction.

The challenges of remote working saw health and wellbeing emerge as a key theme. Throughout this period, we supported parents with flexible working patterns and offered paid and non-paid time off to support their childcare responsibilities.

The senior leadership and managers ensured that all employees remained connected during this period of homeworking, which was achieved via business updates through regular Global All Hands meetings, which all employees are invited to attend. Team meetings were also held focusing on specific work activities and for managers to ensure the wellbeing of their teams whilst based at home.

We set up a global wellbeing programme this year, which facilitated two or three activities per month allowing employees to connect with each other away from work responsibilities.

Whilst it was important to return to some normality and have employees return to the office, management considered the return to the office in light of the feedback received from the employee engagement survey whereby the majority of employees requested flexible working and permanent opportunities to work from home. With this in mind, we have adopted three different models according to local government guidelines and the needs of the business operating in that country.

Employee recognition

Each employee is rewarded for long service and performance through an employee voucher scheme at key milestones and commendable achievements. Employee performance is also celebrated with an annual awards ceremony known as the ATG Spotlight Awards.

Diversity, inclusion and equal opportunities

We strive to be a company where all people can work and thrive in a supportive environment. We are fully committed to the elimination of unlawful and unfair discrimination, and we value the differences that a diverse workforce brings to our organisation. 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 and as such are in the process of implementing our diversity and inclusion strategy in accordance with our Board and workforce diversity policies.

In the last 12 months, 45% of our new hires have been female, however as with most tech companies, there is a shortage of female applicants in technology specific roles. Our hiring strategy looks to increase the sourcing of more female candidates by engaging with women in tech forums and working with agencies to balance out applications where possible. As well as improving gender balance, we look to increase our mix of ethnic backgrounds. In the US, we have forged a partnership with the Professional Diversity Network where every role is posted to 17 ethnically diverse job boards with the aim to increase our sourcing of diverse candidates.

Our hiring practice is committed to fair and equal treatment regardless of an individual's race, age, gender, ethnic background, religion or beliefs, gender reassignment, sexual orientation, marital or civil partnership status, or disabilities. Our recruitment and selection processes focus on selecting the best candidate for each role and we hire based on merit and the right skills for the role.

As well as hiring, we continue to track the gender and ethnic minority balance of our workforce and are committed through our initiatives to ensure that we improve this.

Our other initiatives include:

- A talent review to identify female high potentials with clear development and progression plans. The Board continues to focus on succession planning and developing diversity and potential within the senior leadership team.
- We have reviewed all employee pay and taken steps to level up pay gaps for male and female employees doing the same role with similar experience levels.
- Diversity, equality and inclusion training for all employees. Through online interactive training we educate employees and create awareness on the following topics:
  - Microaggression in the workplace
  - Unconscious bias
  - Workplace cultural competency and humility
  - Diversity, inclusion and sensitivity
- Celebration and recognition of internationally diverse days including Pride Month, International Women's Day, and World Day for Cultural Diversity. In our North America office; all staff will be given Juneteenth as a paid holiday to support our black communities commemorating the emancipation of enslaved people in the US from 1865.
- We will seek to actively gain employee feedback on what more we could be doing to support diversity, equality and inclusion by adding a new theme in the next employee engagement survey.
- In the UK and Germany, we have shown support to government initiatives such as the Kickstarter programme and apprenticeships in offering 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.
- In North America we are aiming to create more internships which support young people gaining quality work experience through the University of Nebraska supported schemes.

Our core values are ingrained in our culture and help us achieve our strategy. Our employees understand that how they work is as important as what they deliver, and every member of our team knows what's expected of them and how they can succeed.

Company Core Values

Build Trustworthy Relationships
We are professional, reliable and trustworthy in the commitments we make
We respect each other and our bidders, customers and suppliers
Integrity is the cornerstone in all that we do

Raise the Bar
We value results over simple effort, each and every day
We challenge ourselves and others to strive for excellence in all that we do

Lead Creatively
We are empowered to take the initiative and innovate
We take ownership to deliver

Collaborate to Win
We collaborate globally to ensure ATG is the preferred solution in a highly competitive market
We are transparent, open, and respectful in our written and verbal communications
We work together to achieve results and to drive the most important initiatives forward

Employees with disabilities

We strive to be an inclusive employer and are committed to ensuring that people with disabilities are not disadvantaged in our hiring process. We offer flexibility and support to any employees that are disabled upon joining or who become so during employment.

Gender diversity

The Group is diverse in terms of gender mix with women comprising 40% of the total workforce. The Group's employee base is diverse at the management level with three women amongst the eight most senior employees in the Group, and below this level, strong, capable female leaders are being developed for future management roles in multiple parts of the organisation. The Group's senior management team, as defined by the Corporate Governance Code, comprises five males and four females, . As illustrated on pages 64-65 the Board comprises five males and one female. We strive to achieve a gender balance across all levels of the organisation and with initiatives listed earlier in this report, we hope to be able to bridge that gap each year.

Ethnic diversity

The Group's employee base is also ethnically diverse, whereby 17% of our employees have disclosed that they identify as non-white. We believe there is a higher representation but it is employee choice to disclose identity. We are committed to increasing ethnic diversity (with proportional representation to the regions in which we work) across all levels throughout the organisation through recruitment and succession planning.

The Board has considered the Parker Review recommendation for all FTSE 250 Boards to have at least one director from an ethnically diverse background by 2024 and aims to achieve this target.

People development and training

We ensure that all employees have access to the training they need to support their development. All employees are required to undertake mandatory training annually to ensure they understand their legal and regulatory duties in relation to insider trading, cyber security and data security.

We also offer a bespoke training programme that is run by internal experts, sharing knowledge and learning technical skills from other departments to develop a well-rounded range of skillsets.

Other training includes professional qualification sponsorship for all employees. During objective setting periods, employees review training needs with their managers. Training will be offered on a case by case basis and subject to supporting developmental skills and meeting objectives.

New hires are all presented with a 30/60/90-day onboarding programme to set them up for success and ensure they receive a comprehensive plan to learn about the Company goals, infrastructure, processes and ways of working cross functionally and within their department. In the UK, new hires are subject to probation reviews which take place at three months and at six months.

Performance reviews are carried out twice a year, allowing managers to have meaningful conversations about their employees' development, discussing talent profiling and career development. To support these conversations, we offer access to development plans and 360 feedback tools.

Employee benefits

We believe it is necessary to offer a competitive benefits package to ensure we can recruit and retain the right calibre of person. As well as some key financial benefits and paid vacation leave, we ensure different demographics are catered for.

We believe in supporting growing families and offer paid leave benefits for new parents across each country, with the UK offering enhanced pay. Additionally, we offer a Cycle to Work scheme which supports our commitment to reducing carbon emissions and improving employee health and wellbeing.

Financial security; pensions, 401(k) and insurances

We currently provide pension arrangements for the benefit of our employees in the UK and US, including a defined contribution scheme in the UK and a 401(k) plan in the US. All new UK and US employees, once eligible, can join the Group's defined contribution scheme or 401(k), respectively. Auto enrolment applies to both plans.

The UK's defined contribution pension plan matches employees' contributions up to 6%.

Other countries comply with the statutory law within that country.

The UK and US benefits package also offers life insurance.

Employee share schemes

Staff gift

On Admission, the Trustee of the Employee Benefit Trust ("EBT") facilitated the making of a gift of shares to non-equity holding employees of ATG using, in aggregate, 53,967 shares held in the Trust Fund. The shares subject to this gift were freely transferrable following Admission and not subject to forfeiture nor any other transfer restrictions (including lock-in restrictions). The gift was given on a net of tax basis and the Trustee has agreed to use the proceeds of sale of its shares in the offer to cover all associated tax liabilities arising on the making of this gift. Recipients will be responsible for paying all taxes due on any subsequent disposal of their shares.

Purchasing share schemes

In order to encourage our employees to align their interests with shareholders and to benefit from their contribution to the Company's success, we will offer all UK and German employees the opportunity to take part in the Share Incentive Plan ("SIP"). For every share an employee purchases, the Company will match it. US employees will be invited to buy shares under the Employee Share Purchase Plan ("ESPP") purchasing shares at a 15% discount.

Supporting our industry and communities

We are committed to making an impact not only for our industry, but also for the communities and industries that we operate in. To this end, we run a number of programmes and initiatives that enable our business and our people to make a difference.

Supporting educational programmes

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.

One area that's particularly important to us is increasing the number of girls and young women that choose technology as a career. This year we worked with The Pennine Kids company, a social enterprise that gives young people the skills and meaningful careers advice to thrive in a competitive world. Through their flagship Cyberstreet business collaboration scheme, we spoke to girls at schools in the UK who are interested in STEM careers, about the skills, qualifications and personal qualities to succeed in a future workforce.

It is also essential that fresh talent is continually attracted to the exciting opportunities in the auction industry as a whole. 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.

Sponsorships and partnerships

Each year we support industry events, whether through sponsorship or devotion of expertise, helping to support a virtuous circle of growth in the auction industry.

- Firsts – London's Rare Book Fair. Every year we sponsor the Antiquarian Booksellers' Association annual fair, which promotes the trading and collecting of rare books, maps, prints and manuscripts.
- Asian Art in London. Every year we are a primary sponsor of the festival, which promotes connoisseurship of – and trading in – Asian art and highlights London's key role as a global art market hub.
- RICS (Royal Institute of Chartered Surveyors) Global Valuation Conference. We sponsor this event, which presents new opportunities for collaboration and the advancement of the valuation profession.
- National Auctioneers Association. Every year, we sponsor the NAA Conference and Show in North America, an event which explores innovative solutions to accelerate the future auction industry.

Charities

Charities are facing unprecedented fundraising challenges as a result of the pandemic, which means they are more reliant than ever on regular donations. We make an impact by supporting charities and causes that matter to our teams.

- This year, we launched Payroll Giving as a simple way for our people to support causes close to them with tax-free giving.
- Our Christmas charity appeal for Southwark Food Bank raised thousands of pounds, with employee donations matched by the Group.
- Other fundraising activities organised internally have this year raised valuable funds for mental health charity, Mind.

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 almost £7m for good causes.

Governance

The Board is committed to the highest standards of corporate governance. The Board is responsible for leading and controlling 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 and compliance controls) and for reviewing the overall effectiveness of systems in place.

A complete review of the Group's governance policies and procedures was undertaken as part of the IPO process. The Board will continue to review its existing governance procedures to ensure they remain effective for the Group, particularly as the Group grows through acquisitions.

The Board has overall responsibility for our ESG strategy and will continue to monitor our progress against any set objectives and targets.

Further details on the Group's governance framework, its Committees and key policies is detailed in our Corporate Governance report on pages 58-63.

The Group has in place policies which demonstrate that it is a responsible and ethical company and employer, and acts with honesty and integrity.

Regulatory environment

The Group's operations are subject to various laws and regulations, including regulations with respect to e-commerce and consumer data protection. Its operations are global and so it is subject to local laws and regulations across multiple jurisdictions, but the Group's primary focus is in the EU, UK and US. It is therefore primarily subject to a number of EU regulations and national laws within the EU, UK and US.

Protecting personal data

Protecting personal data is core to the Group's operations. We invest heavily in data security and privacy controls and work hard to ensure our marketplaces, white labels and SaaS back-office solutions are safe to use, that the data we store is secure and that we comply with all applicable local and national data protection legislation.

We have undertaken both internal and external audits of our cyber security and data protection controls and continue to review and strengthen our processes and policies to meet the new threats that face online marketplaces, white labels and SaaS products. We have organisational and technical measures implemented across the Group to ensure that our services and data are protected. We undertake periodic analysis to identify potential vulnerabilities and risks. We have processes in place to quickly identify potential incidents and mitigate accordingly.

We have an internal governance framework for data protection and information security including various policies, procedures and training. Our policies are frequently reviewed and updated. All employees must certify that they have read and understood our core policies. Further specialised policies and standards are required for employees in engineering, product and design. Our Data Protection Officer has extensive experience in cyber security and data privacy, data breach prevention and reporting, policy compliance, record keeping and data subject rights.

Card payments from bidders are handled by third-party suppliers on behalf of the Group and by auction houses clients. Therefore, the Group does not store card details and does not need to comply with Payment Card Industry Data Security Standard ("PCI DSS") as it does not store bidder card data. Under its contract with the Group, the supplier agrees to comply with the PCI DSS in respect of the storage of bidder card data. Online subscriptions to the Antiques Trade Gazette are managed in a similar fashion.

Anti-money laundering

In accordance with anti-money laundering regulations, auction houses are required to conduct appropriate due diligence on any bidders spending more than €10,000 in any single transaction or series of linked transactions. The Group works closely with auction houses in order to support this process and assist with compliance. In particular, the Group has developed and continues to develop practicable procedures for bidders and auction houses to follow. Through its central platform, the Group is able to centralise this verification process for bidders, reducing friction across different marketplaces.

Restricted items

The Group has strict rules with regard to the listing of prohibited items on its marketplaces, such as offensive items, illegal arms, and illegal wildlife products, and we employ a compliance team to monitor adherence to these restrictions.

Security of buying on our marketplaces

It is important that bidders can trust the buying experience on our marketplaces and that they know that auctioneers are following best practice. Auction houses wishing to list on our marketplaces must complete our application form to ensure they meet best practice standards. Equally it is important to auction houses that they are protected against fraudulent bidders. To this end we have bidder security teams dedicated to minimising the number of marketplace bidders who default on their purchases.

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. There were no instances of bribery reported during the year.

Whistleblowing

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

A whistleblowing policy has been adopted which includes access to a whistleblowing telephone service run by an independent organisation, allowing employees to raise concerns on a strictly confidential basis. The Audit Committee will receive regular reports on the use of the service, and any issues that are raised, the findings of any investigations and any actions arising.

There were no reports made under the whistleblowing policy during the year.

Modern slavery

We are committed to improving our practices to ensure slavery and human trafficking are not taking place in any part of our business or our supply chain. We expect the same commitment from our suppliers, contractors and business partners. We will not tolerate the mistreatment of people in our employment and, wherever possible, employed in our supply chain. Our Modern Slavery Act Statement can be found on our website www.auctiontechnologygroup.com.

During FY21, no incidents of modern slavery or human rights abuse have been identified.

Human rights

We are 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 Code of Conduct and associated policies require respect and equal and fair treatment of all persons we come into contact with. We safeguard our employees through a framework of policies and statements in respect of equal opportunities and inclusion policies.

Tax transparency

The Group takes a responsible attitude to tax, recognising that it affects all our stakeholders. The Group seeks at all times to comply with the law in each of the jurisdictions in which we operate, and to build open and transparent relationships with those jurisdictions' tax authorities. Further details on our tax strategy can be found in the Chief Financial Officer's review on pages 32-35.

Risk Management

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

How we manage risk

The Board has overall responsibility for determining the nature and extent of its principal and emerging risks, the extent of the Group's risk appetite, and for monitoring and reviewing the effectiveness of the Group's systems of risk management and internal control.

The Board is responsible for identifying the significant strategic, operational, financial, compliance and reputational risks and ensuring there is an appropriate risk management framework in place to manage these risks. On an annual basis the Board formally approves the Group's strategic risk register.

The Board has implemented a monitoring system to ensure that risk management and all aspects of internal control are considered on a regular basis. The monitoring system assists in determining the nature and extent of the significant risks the Board is willing to take in achieving its strategic objectives. The Group applies the principles of the "Three Lines of Defence" model, as illustrated in the diagram below.

Whilst having overall responsibility for risk identification and management, the Board delegates the day-to-day responsibility for risk management to the senior management team. The overall monitoring and review of the effectiveness of the internal controls and risk management is delegated to the Audit Committee.

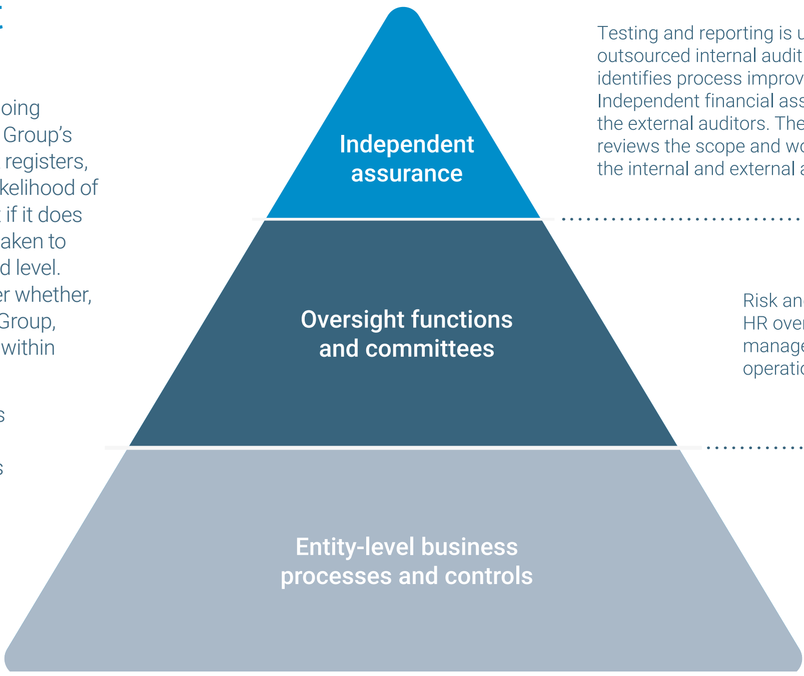
New and emerging risks

The Board continues to review and monitor external and internal business environments to establish and understand risks and issues that are new, developing, growing or becoming more prominent. We do this through a combination of operational risk assessments and other horizon scanning initiatives. This enables us to plan our strategy and operations to minimise threats of this nature.

Our risk management framework

Risks are reviewed on an ongoing basis and are captured in the Group's strategic and operational risk registers, identifying the risk area, the likelihood of the risk occurring, the impact if it does occur and the actions being taken to manage the risk to the desired level. The Board's role is to consider whether, given the risk appetite of the Group, the level of risk is acceptable within its strategy.

The Group has a "Three Lines of Defence" approach to risk management. The three lines of defence are as follows:



Testing and reporting is undertaken by an outsourced internal audit function, which identifies process improvements and efficiencies. Independent financial assurance is provided from the external auditors. The Audit Committee reviews the scope and work performed by both the internal and external auditors.

Risk and compliance, legal and HR oversee the formal risk management framework and operational risk registers.

The operational leadership team have primary responsibility for day-to-day risk management – identifying, assessing, monitoring, managing and mitigating risks.

Our risk management process

The Board applies the following process to manage the Group's risks.

Identify risks
This is done through a top down and bottom up approach

Assess risks
Each risk is reviewed, categorised and assessed against the Group's risk appetite

Manage and mitigate risks
Each risk is assigned an owner and a mitigation plan

Monitor and review
The strategic and operational risks are monitored on an ongoing basis

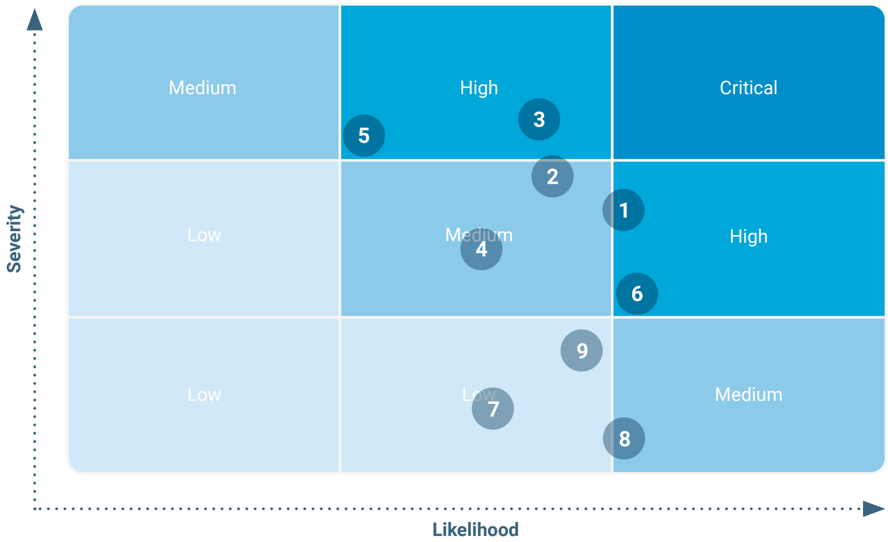
Risk appetite

The Board takes a prudent approach when deciding upon its appetite for risk. There are areas of the Group's business where it is necessary to accept risks to achieve a satisfactory return for shareholders; such risks reflect the Board's overall appetite for risk.

The Group wants to be seen as the best in class and be respected across the industry. Therefore 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 Group will not accept negative impacts on employees.

In the pursuit of the Group's strategy and objectives, the Board is willing to accept that in some circumstances risks may result in some financial loss or exposure. The Board is not willing to accept revenue opportunities or cost saving initiatives unless a positive return is probable.

The Board is only willing to accept low to moderate exposure on operational performance such as information integrity, disaster recovery, or succession planning.



Our risk assessment matrix prior to mitigating actions:

1 IT infrastructure – stability and business continuity of auction platforms
2 IT infrastructure – inability to keep pace with innovation and changes
3 Data security/data loss
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

Principal Risks and Uncertainties

Identifying, monitoring and managing the Group's principal risks

The Board has carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. This included an assessment of the likelihood and impact of each risk identified, and the mitigating actions being taken. Risk levels were modified to reflect the current view of the relative significance of each risk.

The principal risks and uncertainties identified are detailed in this section. Additional risks and uncertainties to the Group, including those that are not currently known or that the Group currently deems immaterial, may individually or cumulatively also have a material effect on the Group's business, results of operations and/or financial condition.

Whilst we operate in an evolving environment with several clear risks, we take a proactive and robust approach to identifying any new risks, and evaluating and mitigating all known risks through a regular review process. Climate change is not currently considered to be a principal risk for the Group given the nature of our business. The Board will continue to monitor the environmental impact of our business on the environment and the potential impact of climate change.

COVID-19

The COVID-19 pandemic caused unprecedented levels of disruption globally, with periods of national and local lockdowns in each of the territories we operate. However, the Group has continued to trade strongly and has experienced accelerated growth during the COVID-19 pandemic, in part due to acceleration of the shift from offline to online auctions. As restrictions have started to ease, we have not seen a significant change in behaviour of auctioneers and bidders returning to the use of physical auctions away from online however, there is a risk this could happen therefore reducing the number of auctioneers and/or bidders using the marketplaces or platform. The pandemic may also have longer-term impacts on other stakeholders such as employees, customers, suppliers and the wider economy which in turn may impact the Group.

The safety of our employees has been a priority, with staff supported in their need to work from home according to their personal circumstances. Intra-company communication has continued at regular intervals using accessible technology with regular town hall streaming of communications to all staff including real time Q&A sessions. We have ensured our supplier payments have continued to be made in accordance with supplier payment terms.

Strategic alignment

- Extending our addressable market
- Growing our online share
- Enhancing the network effect
- Expanding operating leverage
- Growing take rate via value added services
- Pursuing accretive M&A

Principal risks

Risks	Strategic alignment	Trend	Owner
1. IT infrastructure – stability and business continuity of auction platforms		↔	CTO
2. IT infrastructure – inability to keep pace with innovation and changes		↔	CTO
3. Data security/data loss		↔	CTO
4. Competition		↔	CEO
5. Failure to deliver expected benefits from acquisitions and/or integrate the business into the Group effectively		↑	CEO
6. Attracting and retaining skills/capabilities and succession planning		↑	CEO
7. Regulatory compliance		↑	CFO/COO
8. Governance and internal control		↑	CEO/CFO
9. Economic and geo-political uncertainty		↑	CEO/CFO

1. IT infrastructure – stability and business continuity of auction platforms	
Description of risk	**Mitigating action/controls**
An inability to maintain a consistently high-quality experience, including network or server failure for the Group's auction house and bidder customers across its marketplaces or platform, could affect the Group's reputation, increase its operational costs and cause losses.	The Group maintains a scalable and resilient IT infrastructure with real-time monitoring and alerting. Processes are in place to ensure that dedicated technical and client operations teams are mobilised to minimise client impact.

2. IT infrastructure – inability to keep pace with innovation and changes	
Description of risk	**Mitigating action/controls**
If the Group fails to keep pace with innovation and changes in technology this could result in fewer auction houses and/or bidders using the marketplaces or platform and therefore a loss of revenue.	The Group has a dedicated team of product managers responsible for keeping pace with changes in customer expectations and technology, and defining the roadmap of features for the platform 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.

3. Data security/data loss	
Description of risk	**Mitigating action/controls**
A key asset to our business is our data. Like many technology businesses, the risk of security breaches and/or targeted attacks and other disruptions is ever present. Whilst we design security into the way we operate, we are acutely aware that any compromise to our systems could disrupt the Group's business, compromise sensitive and confidential information, affect the Group's reputation, increase its operational costs and cause potential financial losses in the form of penalties.	The Group has an internal governance framework for data protection and security policies and procedures in place along with robust IT and security controls. Annual penetration tests are performed on all proprietary systems along with security recommendations from third-party security providers which are reviewed each month. The Group appointed an experienced Data Protection Officer during the year to oversee all data protection matters and work with stakeholders across the Group to review, develop and improve our data practices and procedures. Further details are set out in the governance section of the ESG report on page 40.

4. Competition

Description of risk	Mitigating action/controls
The Group's business model may come under significant 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.	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.

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

Description of risk	Mitigating action/controls
The Group has in the past 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.	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 their performance is in line with original expectation.

6. Attracting and retaining skills/capabilities and succession planning

Description of risk	Mitigating action/controls
Our business depends on hiring and retaining first class talent in the highly competitive tech industry. Inability to attract and retain critical skills and capabilities could hinder our ability to deliver on our strategic objectives.	During the year the Group has recruited a number of senior hires, including a new Chief Marketing Officer. Following the IPO, the Nomination Committee has been established to help review succession planning for the Board and senior management. A variety of techniques are applied to attract, retain and motivate our staff, with particular attention to those in key roles. These techniques include the regular review of remuneration packages, share incentive schemes, training, regular communication with staff, annual employee surveys and a thorough performance review process. Further details on our people can be found in the ESG section on page 40.

7. Regulatory compliance

Description of risk	Mitigating action/controls
The Group operates in a constantly changing and complex regulatory environment, increasingly so following its listing on the LSE during the year. There is a risk that the Group, or its subsidiaries, fail to comply with these requirements or to respond to changes in regulations, including the Financial Conduct Authority's rules and guidance, GDPR, or specific legislation in the territories in which the Group operates including the Competition and Markets Authority in the UK. This could lead to reputational damage, financial or criminal penalties and impact on our ability to do business.	Compliance for the Group is overseen by the Audit Committee and the Board is ultimately responsible. They 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. 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.

8. Governance and internal control

Description of risk	Mitigating action/controls
As a newly listed Group, establishing and maintaining corporate governance standards, and an effective and efficient risk management and internal control system, proportionate to the needs of the Group, is a key part of our short and long-term success. Any failure and/or weakness in this area (financial and non-financial) could have an impact on the operations of the Group.	During the IPO process a complete review of the Group's policies and procedures was conducted to ensure they were appropriate for a listed Group. At the same time the Audit Committee was established to monitor these and review progress against the implementation of controls, as detailed in the Financial Position and Prospects Procedures. 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 59-74.

9. Economic and geo-political uncertainty

Description of risk	Mitigating action/controls
Group performance could be adversely impacted by factors beyond our control such as the economic conditions and political uncertainty in key markets. The macroeconomic climate including the continued uncertainty following Brexit on the UK economy and the US political landscape has impacted the second-hand goods markets both directly and indirectly. More details on the impact in FY21 can found in the Market Overview section on page 26.	This risk is mitigated by keeping abreast of macroeconomic developments and ensuring that the Group responds swiftly to any as they materialise. The Group has demonstrated through the ongoing pandemic, and last year in particular, 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.

Viability Statement and Going Concern

Overview
The Directors have assessed the Group's prospects, both as a going concern and its viability longer term, which includes the LiveAuctioneers acquisition (referred to as the "Enlarged Group"). Understanding of the Group's business model, strategy and principal 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 22-23 and the risk management framework is described on pages 50-51.

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 over the next three years. This exercise is completed annually and was signed off by the Board in September 2021. As part of this the Board considers the appropriateness of key assumptions, taking into account the external environment and the Group's strategy.

Liquidity and financing position
The Group's modelling has been prepared based on the Enlarged Group's financing arrangements which include the following:

- a $204.0m New Senior Term Facility for the acquisition of LiveAuctioneers. The New Senior Term Facility was drawn in full immediately prior to completion of the acquisition on 30 September 2021 and will be due for repayment on 17 June 2026; and
- a $49.0m multi-currency New Revolving Credit Facility. Any sums outstanding under the New Revolving Credit Facility will be due for repayment on 17 June 2024, subject to the optionality of two 12-month extensions.

The assessment period
The Board 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. On this basis the Directors have determined that three years was the most appropriate period for assessing the Enlarged Group's prospects.

Operational and business impact of COVID-19
While the COVID-19 pandemic has caused widespread disruption to normal business activity across the globe, including the imposition of restrictions on movement and social distancing, the Group has continued to trade strongly and has experienced accelerated growth during the pandemic, in part due to acceleration of the shift from offline to online auctions. The Group has also benefitted from being more geographically diverse, due to its recent US acquisitions, and its portals which cater for insolvency auctioneers which have benefitted from the current macroeconomic environment.

In considering the forecast trading performance of the Enlarged Group, the Directors have considered the impact of the COVID-19 pandemic. Although the overall impact on the Group to date has been largely positive, this trend may not continue at the same rate following the easing of restrictions associated with the pandemic. The assessment made recognises the inherent uncertainty associated with any forecasting at the present time.

Assessing the Group's viability
The viability of the Enlarged Group has been assessed, taking into account the current financial position, including external funding for the Enlarged 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 on pages 52-54 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.

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 have also been run should the proposed acquisition of LiveAuctioneers not deliver the results that are expected.

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.

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

Viability statement

Based on these severe but plausible scenarios the Directors 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 considered.

Going concern statement

The Directors have undertaken the going concern assessment for the Group for a minimum of 12 months from the date of signing these financial statements. The Directors have assessed the Group's prospects, both as a going concern and its longer-term viability which includes the LiveAuctioneers acquisition on 1 October 2021.

As part of the going concern review the Directors have reviewed the Enlarged Group's forecasts and projections, assessed the headroom on the Enlarged Group's New 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 are detailed below and none of these scenarios individually, or collectively threaten the viability of the Group. Even in the most extreme 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.

As at 30 September 2021 the Group had cash of £173.7m and is in a net current asset position.

After due consideration, the Directors have concluded that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of this report. For this reason, the Directors continue to adopt the going concern basis in preparing the Consolidated Financial Statements for the Group.

Downside scenario	Associated principal risks	Description
Significant reduction in commission revenue due to THV reduction	– IT infrastructure – stability and business continuity of auction platforms – IT infrastructure – inability to keep pace with innovation and changes – Data security/data loss – Competition	This scenario assumes an absolute reduction in THV of 8% versus the base case over the three-year period.
Significant reduction in commission revenue due to share decline	– IT infrastructure – stability and business continuity of auction platforms – IT infrastructure – inability to keep pace with innovation and changes – Data security / data loss – Competition	This scenario assumes an absolute reduction in the Group's online share of 15% over the three-year period.
Delay in the roll-out of payments technology across the Enlarged Group	– Failure to deliver expected benefits from acquisitions and / or integrate the business into the Group effectively	This scenario assumes that the roll-out of the payments technology is delayed until mid FY23.

Approval

This Strategic Report was approved by the Board on 1 December 2021.

John-Paul Savant
Chief Executive Officer

1 December 2021

Corporate Governance

During the year we continued to promote our values to the highest standard.

In this section:

Chairman's Introduction

Read our Chairman's statement on page 12

See Breon's Biography on page 64

Corporate Governance report

I am pleased to introduce our first Corporate Governance report as a listed entity, which details how the Company has applied the principles of the 2018 UK Corporate Governance Code (the "Code") since becoming a listed entity on 26 February 2021. A copy of the Code can be found at the Financial Reporting Council's website frc.org.uk. The Board is committed to the highest standards of corporate governance.

Compliance with the Code

The Code recommends that at least half the board of directors of a company listed in the UK, excluding the Chair, should comprise Non-Executive directors determined by the Board to be independent in character and judgement and free from relationships or circumstances which are likely to impair, or could appear to impair, this independence.

On Admission, the Company had two Executive Directors, two independent Non-Executive Directors, one additional Non-Executive Director plus the Chair (who was independent on appointment) and therefore did not fully comply with the UK Corporate Governance Code in this respect for the period ended 30 September 2021.

Other than the above, the Company has complied with the principles of the Code for the period under review.

We are aware that the current composition of the Remuneration Committee and the Audit Committee does not satisfy the UK Corporate Governance Code requirements for FTSE 350 companies. The Board is actively recruiting Non-Executive Director candidates with skills and experience and will be compliant early in the upcoming calendar year.

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 UK Corporate Governance Code. Whilst all the Non-Executive Directors, other than Morgan Seigler, hold shares in the Company, they 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 will assist the Group with the implementation of its growth strategy, particularly given his 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 will enable the Group to function independently of TA Associates notwithstanding TA Associates' appointment of Morgan Seigler to the Board.

Board composition

The Board undertook a board strategy review at the time of the IPO and identified the capabilities and experience that should be represented on the Board including gender and ethnic diversity. On Admission, the Board did not meet its diversity targets but intends to meet such targets with appointments in due course. The Board has been engaged in a Director recruitment process during the period, based on the role specifications identified in the board strategy review, with the intention of making progress towards achieving the Board's diversity targets.

Board meetings

Board meetings were held virtually throughout much of the period following Admission but with the easing of restrictions the Board has started to meet in person since September 2021.

Board evaluation

Our first Annual Report covers a partial year as a listed company (seven month period since IPO). Accordingly, the Board will conduct regular board evaluations commencing in FY22. The Chair has met privately with the Chief Executive Officer and separately with the independent Non-Executive Directors, without the Executive Directors being present, during which time they have been invited to raise any concerns they may have about the Board and its effectiveness. An evaluation of the operation and effectiveness of the Board, its Committees and individual Directors will take place during the next financial year, the process and the outcomes of which will be reported upon in the next Annual Report. The Board intends to comply with Code Provision 21 whereby an externally facilitated evaluation will take place at least every three years.

Annual General Meeting

The Company's first Annual General Meeting ("AGM") will be held on Tuesday 25 January 2022. We currently intend to hold the AGM as a physical meeting, however we will be closely monitoring restrictions over public gatherings and will communicate any necessary changes. We strongly encourage all shareholders to cast their votes by proxy, and to send any questions in respect of AGM business to investorrelations@auctiontechnologygroup.com.

Breon Corcoran
Chairman

1 December 2021

The governance framework

The Board
The Board is responsible for leading and controlling 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 and compliance controls) 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.

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.

Audit Committee
The Audit Committee is chaired by Penny Ladkin-Brand and it has had one other member during the period from Admission, Scott Forbes.

The Audit Committee will meet 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.

Overview of responsibilities
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 Consolidated Financial Statements and accounting policies, internal and external audits and controls, 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 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 66-69.

Remuneration Committee
The Remuneration Committee is chaired by Scott Forbes and its other members are Breon Corcoran and Penny Ladkin-Brand. The Remuneration Committee will meet 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.

Overview of responsibilities
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 responsibilities of the Remuneration Committee is 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 and share incentive plans.

There is further detail on the Remuneration Committee's activities on pages 72-83.

Nomination Committee
The Nomination Committee is chaired by Breon Corcoran, and its other members are Penny Ladkin-Brand and Scott Forbes. The Nomination Committee will meet 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.

Overview of responsibilities
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 pages 70-71.

Disclosure Committee
The Board has established a Disclosure Committee in order 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 Listing Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Rules.

The Disclosure Committee will meet 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 John-Paul Savant and its other members are Tom Hargreaves, the Company Secretary and any one Non-Executive Director.

The following table details how the Company has complied with the 2018 UK Corporate Governance Code (the "Code"), since Admission.

The Company has complied with the provisions of the Code for the period from Admission to 30 September 2021 other than in relation to Provision 11 which states that at least half the Board, excluding the Chair, should be Non-Executive Directors whom the Board considers to be independent (see pages 64-65).

		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 can be found as follows:	Chairman's Statement Chief Executive Officer's Statement Delivery of Strategy Key Performance Indicators Principle Risks and Uncertainties Governance, Board and Group purpose Committee Reports	**12-13** **14-17** **30-31** **36-39** **52-55** **61-63** **66-83**
Division of responsibilities The Board has clear written guidelines on the division of responsibilities between the Chairman, Chief Executive, Senior Independent Director, Board and Committee. Further information can be found as follows:	Division of responsibilities Board attendance Board independence Board committees	**63** **63** **64-65** **66-83**
Composition, succession and evaluation 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. The Board and its Committees will undertake an annual evaluation of its effectiveness in the early part of FY22. Further information can be found as follows:	Board Biographies Board composition Nomination Committee report	**64-65** **63-65** **70-71**
Audit, risk and internal control 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 can be found as follows:	Principle Risks and Uncertainties Audit committee report	**52-55** **66-69**
Remuneration 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, reporting and disclosure and share incentive plans to support the Group's strategy. Further information can be found as follows:	Remuneration Committee Report	**72-83**

Compliance with the Disclosure and Transparency Rules

The disclosures required under DTR7.2 of the Disclosure 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 leadership and Group purpose

The Board is responsible for leading and controlling the Company and has overall authority for the management and conduct of its business, strategy and development.

The Board is confident that the strategy will achieve great results following the IPO and this has been demonstrated in the increase in the Company's share price since Admission in February. The strategy is intended to drive long-term sustainable success and growth and meet the interests of our key stakeholders.

The Group's purpose is to unlock the value of the second-use market, for good.

We exist to unlock the value in the second, third and infinite re-use of the world's items, from the every-day to the high value. All through auctions curated by trusted experts; and all for the benefit of auctioneers, their consignors, buyers and our planet.

By giving millions of items multiple lives, 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, and more buyers from around the world, placing more bids. This generates a virtuous circle of growth between auctioneers, those who consign to auctioneers, and a massive pool of interested 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, their consignors, 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 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 22-23.

The key strategic matters discussed during the period under review, included:

Strategy	– The Group's strategy was thoroughly reviewed as part of the IPO process and the M&A strategy was considered as part of the proposed acquisition of LiveAuctioneers – Received updates on the IT strategy, projects and market trends
Risk and risk management	– A thorough review of the Group's risks and the potential impacts on the business was undertaken at IPO – The Audit Committee conducted a review of the risk register and risk appetite statement
Financial performance	– Reviewed the Group's performance against budget – Approved the annual business plan and budget – Approved the interim and full year results
Governance	– The Group's governance structure was reviewed and established at IPO to ensure compliance with the Code – Received regular reports from the Board Committees – Approved the Modern Slavery Statement
Stakeholders	– Received feedback from shareholders following the interim results – Engaged with major shareholders regarding the proposed remuneration policy – Engaged with the workforce – Received results of the employee engagement survey

Culture
Our innovation and collaboration-driven culture is core to its 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, during the pandemic the Group has maintained its collaborative culture which has been demonstrated by the performance of the business during this time, successfully delivering its service to its customers, in a period of increased demand, largely due to the acceleration in auction activity migrating from offline to online.

As the Group expands, its international workforce has grown and the Board understands 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 Group monitors its culture through the use of workforce engagement surveys, workforce engagement sessions, data on employee turnover and via any breaches of our codes of conduct and through our whistleblowing policy.

Workforce engagement
The Group's employees have continued to work from home during the COVID-19 pandemic. The senior management have continued to engage with the workforce during this time, and have implemented a number of initiatives to ensure the workforce's welfare; there is further information on these initiatives detailed in the Strategic Report.

An employee engagement survey has recently been conducted and overall results showed a high level of satisfaction amongst our employees as 92% of the respondents felt that they were personally engaged with the Company and their roles. The key feedback from the workforce engagement was in relation to future working practices once the COVID-19 restrictions were lifted, where the workforce strongly recommended a flexible working approach going forward. There is more detail on the new flexible working practices being introduced in the ESG report on pages 44-46.

The Board recognises the importance of continuing to engage with its workforce and takes their views into consideration in Board discussions and decision-making. The Company has appointed Breon Corcoran as its designated Non-Executive Director for workforce engagement. He will meet with representatives of the Group's employees at least twice a year to discuss culture, strategy, remuneration and any other key issues the employees wish to discuss. The first engagement session was held in September and Breon reported back to the Board on the outcome of this session at the following Board meeting to discuss any issues and actions to be taken. These engagement sessions will be conducted alongside the annual employee engagement survey, the results of which are reviewed in feedback sessions in smaller groups, to encourage further feedback and participation to help prepare a list of actions that will improve the next survey results.

Shareholder engagement
The Board recognises the importance of engaging with existing, and potential, shareholders. The Executive Directors have met with shareholders during the period to give formal presentations as part of the IPO process and following the interim results. There will be further meetings with shareholders following the release of these first results following the IPO. The updates were and will be webcast live and then published on the Group's website and are available to all shareholders and will be followed by one-to-one and group meetings. To date these meetings have been held virtually in line with the government guidelines at the time.

The Board will receive reports on any shareholder feedback received which will be considered accordingly.

Senior Independent Director
The Code also recommends that the board of directors of a company should appoint one of the independent non-executive directors to be the senior independent director 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. Scott Forbes has been appointed as the Senior Independent Director of the Board.

Whistleblowing
A whistleblowing policy has been adopted which includes access to a whistleblowing telephone service run by an independent organisation, allowing employees to raise concerns on a strictly confidential basis. The Audit Committee will receive regular reports on the use of the service, and issues that have been raised and the findings of any investigations and any actions arising.

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.

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 64-65 of this report and details about the Directors' interests in the shares of the Company are detailed on page 82.

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.

Division of responsibilities

Board balance and independence

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

Chairman

- 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
- Review and recommends the Group's strategy to the Board and ensure its implementation
- Provides regular updates to the Board on all significant matters
- Delivers the Group's ESG 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 Chairman
- Acts as an intermediary for the other Board members and/or shareholder and other key stakeholders
- Evaluates the Chairman'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 key inputs and issues through the Board Committees

Board and Committee meetings and attendance

As detailed on page 60 the Board has in place a number of Committees that supports the Board in providing oversight of specific areas of Audit, Remuneration and Composition. For most of the period since Admission, meetings have been held virtually, however from September the Board has started to introduce face-to-face meetings where possible.

The table below details the number of meetings held during the period from Admission to 30 September 2021 and the attendance by each Director. There were three scheduled Board meetings, four ad hoc meetings plus two meetings of a Committee of the Board.

Name	Board	Audit Committee	Remuneration Committee	Nomination Committee
Breon Corcoran	7/7	–	1/1	1/1
John-Paul Savant	7/7	–	–	–
Tom Hargreaves	7/7	–	–	–
Scott Forbes	7/7	3/3	1/1	1/1
Penny Ladkin-Brand	7/7	3/3	1/1	1/1
Morgan Seigler	7/7	–	–	–

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.

Time commitments

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 required to seek prior approval before taking on any additional external appointments and they are expected to attend all Board and relevant Committee meetings. The Board proposes to schedule six meetings each year to allow the Board sufficient time to discharge its duties with ad hoc meetings convened as and when required.

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.

Re-election

In accordance with the Company's Articles of Association and the Code, the Directors intend to put themselves up for election at the Company's forthcoming AGM and for annual re-election at each further AGM of the Company. In addition, prior to recommending their re-election to shareholders, the Board will carry out an annual re-assessment of the ongoing independence of each of the Non-Executive Directors and make the appropriate statement disclosing their status in this Annual Report on pages 64-65.

On 2 November 2021, the Company announced that Penny Ladkin-Brand would not be seeking re-election at the AGM following her Executive Director appointment at Future plc.

Induction and continuing development

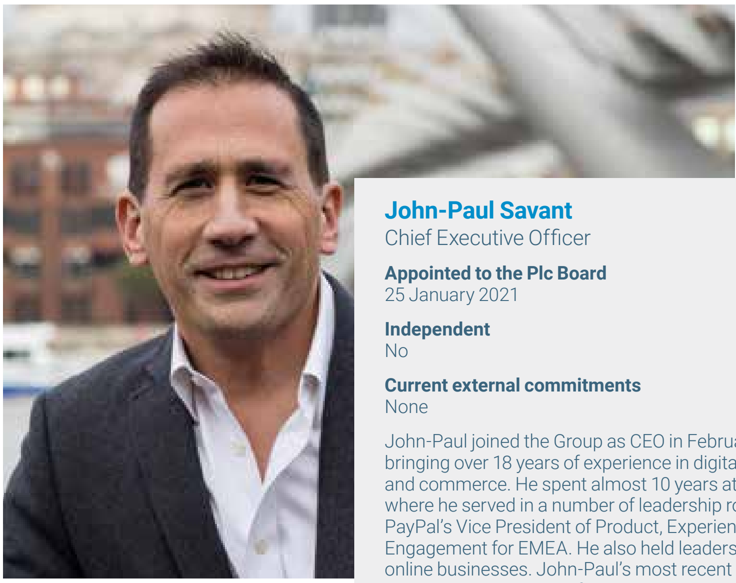
The Company Secretary in conjunction with the Chairman is responsible for ensuring that newly appointed Directors receive appropriate induction training. The Board have also received updates on governance matters during the year, particularly in relation to Directors' responsibilities and the Listing Rules as part of the IPO process and with further training as part of the Board meeting where the acquisition of LiveAuctioneers was considered.

Board of Directors

Committee membership key

- **N** Nomination Committee
- **A** Audit Committee
- **R** Remuneration Committee
- **D** Disclosure Committee
- Committee chair

Leadership and Board
auctiontechnologygroup.com/about-us/leadership-and-board



John-Paul Savant

D

Chief Executive Officer

Appointed to the Plc Board
25 January 2021

Independent
No

Current external commitments
None

John-Paul joined the Group as CEO in February 2016, bringing over 18 years of experience in digital marketplaces and commerce. He 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 City after graduating from Georgetown University in Washington DC. He earned his MBA at the University of Chicago.

Breon Corcoran

N R

Chairman

Appointed to the Plc Board
25 January 2021

Independent
Yes

Current external commitments
CEO of Zepz (formerly WorldRemit Group)

Breon joined the Group as Non-Executive Chairman in December 2020. Formerly CEO of Paddy Power Betfair plc, in 2016 Breon Corcoran led the merger of Betfair and Paddy Power to form one of the world's largest online gaming companies. Prior to this, Breon was the CEO at Betfair until 2016 and COO of Paddy Power until 2011. Breon was formerly non-executive director of Tilney Investment Management Services and Bestinvest, both part of the Tilney Group. In the 1990s, Breon was a Vice-President, Equity Derivative Trading, at J.P Morgan and he has also worked at Bankers Trust. He has a BA (Mathematics) from Trinity College, Dublin and an MBA from INSEAD. In 2016, Breon was awarded the UK's Sunday Times' "Business Leader of the Year" award.

Tom Hargreaves

D

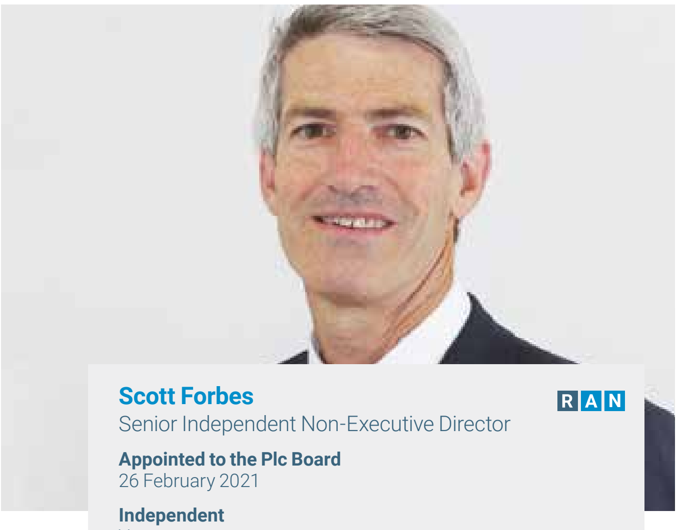
Chief Financial Officer

Appointed to the Plc Board
25 January 2021

Independent
No

Current external commitments
None

Tom joined the Group in January 2018 as Group CFO. He joined from Yell, where, as CFO, he was a key member of the leadership team who 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 10 years' CFO experience, trained with Arthur Andersen, is a qualified Chartered Accountant and holds an MBA.



Scott Forbes

R A N

Senior Independent Non-Executive Director

Appointed to the Plc Board
26 February 2021

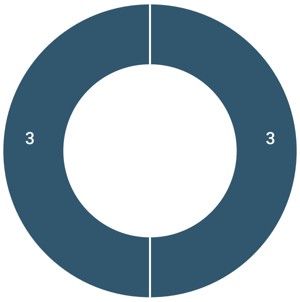
Independent
Yes

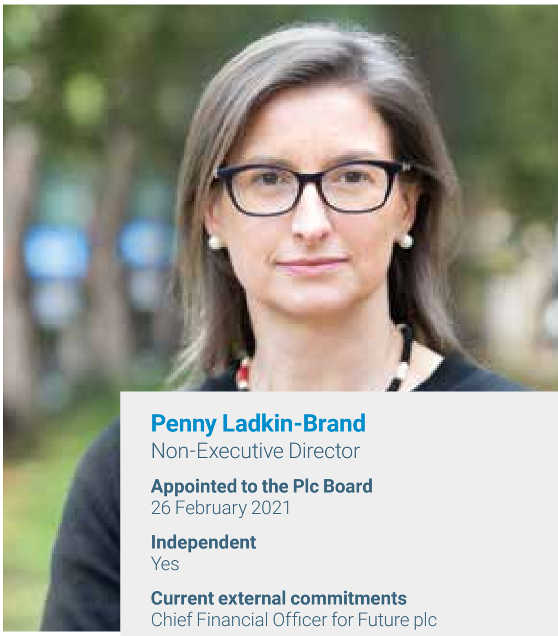
Current external commitments
Chair of Ascential plc and Cars.com Inc

Scott has over 40 years' experience in operations, finance and mergers and acquisitions including 15 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, where he was Chairman from July 2005 to December 2019. He has also been Chair of Orbitz Worldwide, Non-executive Director of Travelport and has held the role of Chair of Nomination and Remuneration Committees multiple times.

Independents

Independents (3)
Non-independents (3)





Penny Ladkin-Brand

A R N

Non-Executive Director

Appointed to the Plc Board
26 February 2021

Independent
Yes

Current external commitments
Chief Financial Officer for Future plc

Chair of Next Fifteen Communications plc

Penny is currently CFO of Future plc where she was CFO from 2015 to 2020 during which period the company went through a full digital transformation. She was previously Commercial Director at Auto Trader Group plc responsible for digital monetisation. Penny brings considerable experience of digital disruption and transformation to the Board. Penny qualified as a Chartered Accountant with PwC before moving into corporate finance, gaining experience of M&A in both public and private markets.

Morgan Seigler

Non-Executive Director

Appointed to the Plc Board
18 January 2021

Independent
No

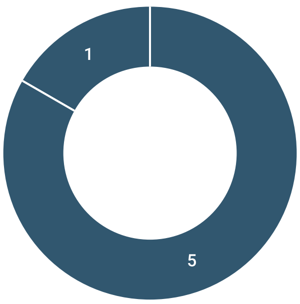
Current external commitments
Co-head of TA Associates' EMEA Technology

Board director of The Access Group, Eurowag, ITRS, Netrisk Sovos, thinkproject and Unit 4

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 is an active investor of Compusoft, IFS, RLDatix and Workwave. He 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.

Board gender diversity

Male (5)
Female (1)



Audit Committee Report

Members	Number of meetings
Penny Ladkin-Brand (Chair)	3 of 3
Scott Forbes	3 of 3

Membership
The Committee comprised two independent Non-Executives, Scott Forbes and myself, for the period from IPO to 30 September 2021.

The biographies of each Committee member are detailed on page 65.

I am pleased to present ATG's first report of the Audit Committee, which provides a summary of the Audit Committee's role and activities for the period since IPO to 30 September 2021.

The Committee is comprised of independent Non-Executive Directors, chaired by myself having the relevant financial experience and my fellow Committee member, Scott Forbes, having appropriate business experience.

During the period we reviewed the matters delegated to us by the Board, in accordance with the Committee's terms of reference. The key focus for this first year as a listed company was monitoring progress against the implementation of controls agreed in the Financial Position and Prospects Procedures as well as reviewing and approving the interim and full year results and the contents of this Annual Report to ensure that it is fair, balanced and understandable.

We have also reviewed the independence and effectiveness of the external auditors, including their tenure as the Group's auditor and the partner rotation requirements, noting that the current audit partner will need to rotate following the signing of the FY22 Group Consolidated Financial Statements.

As this was our first year as a public company, we have outsourced our internal audit function to Smith & Williamson. We have agreed an internal audit plan for the year and will receive a report of their findings on each audit at our Committee meetings. We will consider the effectiveness of the internal audit function as part of our FY22 plans.

This report provides further information on the matters mentioned above and other activities considered by the Audit Committee during the period under review and proposed for FY22. This report should be read in conjunction with the external auditor's report on pages 88-97 and the Consolidated Financial Statements on pages 98-137.

Penny Ladkin-Brand
Audit Committee Chair

1 December 2021

Committee's key activities during the period ended 30 September 2021

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

Key areas of focus for the Committee have included:

- During the IPO a complete review of the Company's policies and procedures was conducted ensuring they were appropriate for a listed company, and the Committee has continued to monitor these and review progress against the implementation of controls agreed in the Financial Position and Prospects Procedures;
- Reviewing and challenging the accounting principles, policies and practices adopted by the Group, which included the significant financial reporting matters such as the acquisition of Auction Mobility and the accounting treatment of the IPO and pre and post-IPO share schemes, significant judgements and estimates and the use of alternative performance measures;
- Review of the going concern and viability statement;
- Reviewing the external financial reporting and associated announcements;
- Reviewing the overall presentation of APMs including evaluating the clarity of definitions and reconciliations;
- Considering whether this Annual Report and the interim results, taken as a whole, is fair, balanced and understandable, provides shareholders with the information necessary to assess the Group's position, performance, business model and strategy, and the completeness of the included disclosures;
- Establishing the internal audit plan for the period to ensure it is appropriately planned, resourced and effective;
- Overseeing the appointment, independence, effectiveness and remuneration of the Group's external auditor, including the policy on the supply of non-audit services;
- Developing, monitoring and reviewing the Group's risk management process, including the risk appetite and risk register; and
- Monitoring and overseeing the Group's fraud prevention process and whistleblowing policy.

Key activities proposed for the financial year ending 30 September 2022

- Review the risks, integration and accounting associated with the acquisition of LiveAuctioneers.
- Review of internal audit reports on our key risk areas such as data and cyber security.
- Continue to monitor legislative and regulatory changes that may impact the work of the Committee.
- Conduct an internal evaluation of the Committee's performance and a review of the terms of reference.
- Review the Group's tax strategy.

Role and work 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.

Meetings are held quarterly to coincide with key events, in particular the reporting and audit cycle for the Group. The Chair of the Committee reports at the next subsequent Board meeting on the business conducted at the previous Committee meeting, and informs the Board of any recommendations made by the Committee.

Key areas of focus for the Audit Committee during the period ended 30 September 2021

Going concern and viability assessments

The Committee reviewed and advised the Board on the Group's going concern and viability statements included in this Annual Report and the assessment reports prepared by management in support of the statements. The external auditor discussed the statements with the Committee and reviewed the conclusions reached by management regarding going concern and viability. The going concern and viability statement together with the details of the assessment work is set out on pages 56-57.

Financial statements and reporting

The Committee monitored the financial reporting process for the Group, which included receiving reports from, and discussing these with, the external auditor. As part of the year end reporting process the Committee reviewed this Annual Report, management reports on the significant accounting matters, including the significant judgements and estimates disclosed in the financial statements, management's report and reconciliation on alternative performance measures, the external auditor's report on internal controls, accounting and reporting matters, and management representation letters concerning accounting and reporting matters.

Monitoring the integrity of the Group's financial statements, the financial reporting process and reviewing the significant accounting issues are key roles of the Committee. The Committee is responsible for advising the Board when it considers whether the 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.

Significant accounting matters

The Committee assessed whether suitable accounting policies had been adopted and the reasonableness of the judgements and estimates that had been made by management. The Committee, alongside management and the external auditor, identified the areas set out in the table below as the key areas of significant risks including judgement and/or estimation.

Significant accounting matters

Key issue considered	How the issue was addressed by the Audit Committee
Goodwill and other intangible assets arising from the Auction Mobility acquisition The Group acquired Auction Mobility LLC on 16 October 2020. On acquisition of Auction Mobility, judgements were required to be made in respect of the value of assets and liabilities acquired. Judgement was also required in determining the appropriate useful economic lives ("UEL") of the intangible assets arising from the acquisition.	The Committee has satisfied itself that: – the fair value of the acquired total net identifiable assets (with particular reference to the identification and valuation of intangible assets), was consistent with the advice received from external experts; – the fair value exercise was thorough and included all categories of assets and liabilities; – management has performed a detailed balance sheet review and is satisfied that the classification of assets and liabilities is correct and that recognition is appropriate; and, – the subjectivity of the valuation process, including the extent of fair value adjustments, has been appropriately disclosed in the Consolidated Financial Statements.
Contingent consideration arising on the acquisition of Auction Mobility The consideration for the Auction Mobility comprised $33.0m, which was paid on completion, deferred consideration of $0.3m and a contingent amount up to a maximum of $10.0m, which is payable subject to the achievement of certain revenue targets.	The Committee has satisfied itself that the approach taken by management to determine the deferred consideration is appropriate and the assumptions are reasonable based on the information available to date regarding the performance of Auction Mobility post acquisition.
Goodwill and other intangible assets impairment reviews As disclosed in note 12 the Group's goodwill and other intangible asset balance as at 30 September 2021 is £209.2m. At each reporting date assessment for impairment for goodwill and other intangible assets is undertaken comparing the book value of an 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. Both the cash flows and the discount rate involve a significant degree of estimation uncertainty.	The Committee has satisfied itself that: – the approach taken by management in preparing the impairment calculations is appropriate; – the assumptions within the discounted cash flow models are reasonable; – through enquiry of management, knowledge of the business and review of the Board papers that all significant events which may have impacted on the valuation of goodwill and other intangibles has been appropriately captured in management's assumptions and reflected in the valuation models; and – appropriate disclosures, including in relation to sensitivities, have been included in the Consolidated Financial Statements.
Exceptional items and costs capitalised As part of the Group's IPO process and acquisition of LiveAuctioneers significant transaction costs were incurred. These costs comprised of legal, professional and consultancy fees. Judgement is involved in determining which costs are charged to the Group's Statement of Profit or Loss as exceptional items and those which are recorded in the Group's Statement of Financial Position.	The Committee has satisfied itself that the costs have been appropriately accounted for based on reviewing the analysis provided by management, understanding the nature of the costs incurred and considering these against IFRS accounting requirements. The Committee reviewed and agreed with the nature of the exceptional items presented in the Group's Consolidated Financial Statements based on how the business is monitored internally and the nature of adjusting items.
Pre and post-IPO share schemes Prior to the IPO the Company granted share options to executive management and qualifying employees of the business that are payable when certain conditions are met. The fair value was estimated through a share option valuation model which required variable inputs. This value is then expensed over the vesting period. Some of the inputs used are not market observable and are based on estimates derived from available data, such as share price of a private company.	The Committee has satisfied itself that the share option valuation model used to determine the fair value is appropriate and the judgements applied within the model are reasonable based on the information available.
Alternative performance measures ("APMs") The Group uses a number of APMs in addition to those measures reported in accordance with IFRS. The Directors believe that the APMs are important when assessing the underlying financial and operating performance of the Group. 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.	The Committee has reviewed and evaluated the clarity of the definitions and reconciliations provided in note 2 of the Consolidated Financial Statements for each of the APMs presented in the Annual Report. The Committee has satisfied itself that the inclusion of these APMs is appropriate to provide the user of the Annual Report greater clarity, comparability and transparency of the Group's underlying trading performance, adjusting for factors such as one-off items and the timing of acquisitions.

Internal audit

The Group appointed Smith & Williamson, a professional services firm, to provide the internal audit function. These arrangements will be reviewed annually and we believe that the current internal audit provision gives greater access to specific areas of expertise and the ability to challenge management independently. The purpose of internal audit is to provide the senior management team and the Board, through the Audit Committee, with an independent and objective assessment of the risk, control and governance arrangements in place. The Audit Committee has reviewed and agreed the proposed audit strategy for the period to ensure that it was proportionate, focused and provides the necessary assurance over the organisation's risk, control and governance arrangements. 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 Audit Committee receives reports on the findings of the audits conducted and reviews any actions and improvements needed in the specific area of audit.

Internal controls review

The Committee supports the Board in monitoring the key elements of the Group's internal control and risk management framework arrangements. The Group has specific internal controls and risk management systems to govern the financial reporting process. Group policies include what is reported monthly to the Board, the Group's accounting policies, the consolidation process to prepare the consolidated financial information which is reviewed for accuracy by internal review and externally audited where required. During the period the Committee received reports on the effectiveness of the systems and processes including financial, operational and compliance controls. As this is the first year following IPO, the implementation and monitoring of the internal controls has been a particular focus of the Committee.

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 has reviewed the Group's risk register, the whistleblowing policy and considered the Group's overall risk appetite, tolerance and strategy. 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 52-55.

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

Effectiveness

The Committee reviewed and approved the annual audit plan to ensure it was consistent with the scope of the audit engagement. 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 and materiality threshold.

The Committee also met privately with the external auditor, without management present, to discuss their remit and issues arising from their work.

Independence

The Committee is responsible for reviewing the independence of the Group's external auditor and ensuring their continued independence. The auditor has provided confirmation that they remain independent and this was considered by the Committee. To preserve objectivity and independence, the external auditor is asked not to provide other services unless it is in the best interests of the Company that these are provided by Deloitte rather than another supplier. For this reason, the committee has approved a written policy governing the services that can be provided by the external auditors.

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 2021. Refer to note 6 of the Consolidated Financial Statements for the breakdown of audit and non-audit fees paid to Deloitte in FY21 and FY20.

During the year, Deloitte received non-audit fees of £5.0m. The non-audit fees largely related to the reporting accounting work for the IPO and LiveAuctioneers acquisition. Deloitte were chosen due to their detailed knowledge of our business and understanding of our industry, as well as demonstrating that they had the necessary expertise and capability to undertake the work.

Whilst the Group will not breach the cap permitted of 70% of the average audit fee over a consecutive three-year period in this financial year, to ensure the continuing independence of the auditor, the Committee has agreed a policy on non-audit services. The key principles of this policy are:

- The Audit Committee has adopted the FRC's "Whitelist" of permitted services for UK incorporated EU Public Interest entities ("EU PIEs") as set out in the Revised Ethical Standard 2019 (Ethical Standard) which are allowed under UK statutory legislation and complies 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 have been approved:

  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 Audit Committee Chair

  c) in excess of £150,000, requires the approval of the Committee.

External audit tender

The Group will continue to comply with the relevant tendering and auditor rotation requirements applicable under UK and EU regulations, which require the next external audit tender to occur by FY24. Deloitte were first appointed as statutory auditor for the previous Turner Topco Group for the year to 30 September 2014. In addition, the external auditor will be required to rotate the audit partner responsible for the Group audit every five years and, as a result, the current lead audit partner, Kate Darlison, who has been the lead audit partner since 2018, will be required to change following the FY22 audit. The Committee continues to review the auditor appointment and the need to tender the audit.

The Company confirms that it has complied with the provisions of the Competition and Markets Authority's Order for FY21 in respect to audit tendering and the provision of non-audit services.

Nomination Committee Report

Members	Number of meetings
Breon Corcoran (Chair)	1 of 1
Scott Forbes	1 of 1
Penny Ladkin-Brand	1 of 1

Committee's key activities during the period ended 30 September 2021

The Committee's key activities during the period from IPO:

- The recruitment of an additional independent Non-Executive Director bearing in mind the Board's existing skills, experience and diversity.
- Approval of the Board's diversity policy.

Key activities proposed for the financial year ending 30 September 2022

Key activities proposed for the forthcoming financial year are:

- The recruitment of an additional independent Non-Executive Director and Audit Committee Chair.
- Monitor Board composition for alignment of relevant skills, experience and diversity to Company strategy.
- Review of succession planning for the Board and senior management.
- Review of the Group's diversity policy.

I am delighted to present ATG's first report of the Nomination Committee for the period from IPO to 30 September 2021.

During the period we reviewed the matters delegated to us by the Board, in accordance with the Committee's terms of reference.

The biographies of each committee member are detailed on pages 64-65

Role of the Committee during the period

The Committee met once during the period. Usually, the Committee will meet at least twice a year.

The Committee reports at the next subsequent Board meeting on the business concluded at the previous Committee, meeting on the discharge of its responsibilities and informs the Board of any recommendations made by the Committee. The Committee acts in accordance with its terms of reference and the matters delegated to it by the Board.

Key area of focus during the period

As briefly mentioned, the key activity of the Committee during the period under review was the recruitment of an additional independent Non-Executive Director. At IPO the Board recognised that it did not comply with the Code which recommends that at least half the Board of directors of a UK listed company, excluding the Chair, should comprise non-executive directors who are determined by the Board to be independent in character and judgement and free from relationships or circumstances that could impair this independence. The Board commenced a recruitment process for a suitable additional independent Non-Executive Director which would enable the Company to comply with the Code going forward.

Process for appointment of new Non-Executive Directors

To assist the Board in finding suitable candidates, for the additional Non-Executive Director position, the Company selected the executive search company, Egon Zehnder, to assist with agreeing the specification and shortlisting of appropriate candidates.

Suitable candidates were invited for interview by the Chair, Chief Executive Officer and the other Non-Executive Directors. The successful candidate will be duly selected and recommended for appointment to the Board.

The Board has also commenced a search for a successor to Penny Ladkin-Brand as Audit Committee chair, using the executive search company, Redgrave Partners.

Egon Zehnder and Redgrave Partners do not have any other connections with the Company, or any of the Directors, other than they may be used as an executive search company for other companies of which they are Directors.

Succession planning

The Committee will, during FY22, conduct a review of the succession plans in place for the senior management to ensure that there are appropriate arrangements in place and that these support the development of a diverse pipeline of candidates.

Diversity and inclusion

The Board is committed to maintaining a Board with diverse skills and backgrounds. The Committee has reviewed its diversity as part of the recruitment process for the appointment of an additional Non-Executive Director.

The Board's policy is to encourage diversity within long and shortlists, including with regard to gender and ethnicity, as part of the overall selection process for Non-Executive Director roles when appointments are made.

The Committee believes that following the appointment of an additional Non-Executive Director we will have a diverse Board which is able to effectively serve the Company's interests.

The Board has considered the Parker Review recommendation for all FTSE 250 Boards to have at least one director from an ethnically diverse background by 2024 and aims to achieve this target. The Corporate Governance overview on page 59 provides further information on the Board's current composition and future plans to work towards its diversity targets.

As at 30 September 2021 the Board consisted of five males and one female, and the senior management team, as defined by the Corporate Governance Code, consists of five males and four females.

The Committee proposes to review the Group's diversity and inclusion policies as part of its agenda for FY22, to consider how they link to the Group's strategy, how they are being implemented and measuring progress towards achieving these objectives.

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 in the ESG report on pages 44-46.

Board induction and training

New Directors joining the Board will undertake a tailored induction programme including meetings with key members of the 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.

Director reappointment

In accordance with the provisions of the Code, all Directors, other than Penny Ladkin-Brand who will not be standing for re-election, will retire at the forthcoming AGM of the Company and the Board has recommended their reappointment. In reaching its decision to recommend reappointment, the Board acted on the advice of the Nomination Committee. All the Directors being proposed for reappointment attended all meetings they were scheduled to attend and the Committee is satisfied they devote sufficient time to their duties and demonstrate enthusiasm and commitment to their roles.

Breon Corcoran
Chairman

1 December 2021

Directors' Remuneration Report

Members	Number of meetings
Scott Forbes (Chair)	1 of 1
Breon Corcoran	1 of 1
Penny Ladkin-Brand	1 of 1

Committee activities to date

- Implementation of the Group's remuneration policy established at the IPO in February 2021.
- Receiving and considering reports and advice from advisers on a range of matters based on market and governance environment.
- Evaluating performance of plans relative to recruiting, retention and fair reward.
- Establishment of employee share schemes.
- Granting the first awards under the LTIP.
- Setting the targets for the annual bonus scheme and assessing performance after the year end.
- Engaging with major shareholders on the key features of the Group's Remuneration Policy.
- Agreeing the terms of reference for the Committee.

Annual statement from the Chair of the Remuneration Committee

Dear Shareholder

I am pleased to present the first Directors' Remuneration Report, for the period ended 30 September 2021, following the Company's successful Admission to listing on the London Stock Exchange in February 2021. The Remuneration Committee was established prior to Admission and as part of the IPO process the Committee undertook a review of the Group's remuneration policy for senior management, including the Executive Directors, in order to ensure that it was appropriate for the listed company environment. We agreed a number of key principles and structures which were summarised in the IPO prospectus.

This Directors' Remuneration Report includes the full formal Directors' remuneration policy, for which we will seek shareholder approval at the AGM to be held on 25 January 2022. The report also summarises how the Committee operated the policy for the period from Admission and includes supporting detail required by UK legislation.

Development of remuneration philosophy

The Company's overall remuneration strategy is to provide pay packages that attract, retain and motivate high-calibre talent to help ensure its continued growth and success as a listed company. It aims to encourage and support a high-performance culture; reward for achievement of the Group's corporate strategy and delivery of sustainable growth; and align the interests of the Executive Directors, senior management and employees to the long-term interests of shareholders; whilst ensuring that remuneration and incentives adhere to the principles of good corporate governance and support good risk management practice and sustainable Company performance.

Consistent with this remuneration strategy, ahead of the IPO the Remuneration Committee agreed a structure for future remuneration arrangements for Executive Directors and senior management, taking into account evolving market and best practice. Remuneration is set at a level that is considered by the Committee to be appropriate for the size and nature of the business. Performance-related pay is based on stretching targets and forms an important part of the overall remuneration package. There is an appropriate balance between short and longer-term performance targets linked to delivery of the Group's business plan. The Company delivers this policy for senior management, including Executive Directors, via a remuneration framework which combines base salary, pension contributions (or salary supplement in lieu), benefits, an annual bonus plan and share-based awards.

The Directors' remuneration policy, set out on pages 75-79, includes full details of the above approach as it relates to the Directors. We have adopted a market-standard policy which we believe is appropriate for the Company and consistent with the expectations of our major shareholders. In addition to their fixed remuneration, the Executive Directors participate in an annual bonus scheme which currently pays out subject to the achievement of financial performance conditions, with a portion of any bonus payable in shares which must be deferred for three years. They also receive annual awards of shares through the Long Term Incentive Plan ("LTIP"). The awards vest after three years subject to the achievement of challenging performance targets, with a two-year post-vesting holding period applying to any vested awards. The Directors are also subject to minimum shareholding requirements both during their period of service and for two years after the cessation of their employment, in line with best practice.

Subsequent to the financial year end, I wrote to shareholders representing in excess of 73% of our share interest, and governance associations setting out the key terms of the Directors' remuneration policy and inviting any comments on our approach. I am pleased to have received feedback and further report that the general response was supportive with no significant concerns raised.

The Remuneration Committee will keep the remuneration arrangements for the Executive Directors and key senior management under regular review, taking into consideration (among other things) business strategy, overall corporate performance, market conditions affecting the Company, the remuneration of the wider workforce and evolving best practice.

The UK Corporate Governance Code

The Committee believes that the remuneration policy and its implementation are consistent with the principles set out in Provision 40 of the UK Corporate Governance Code, as illustrated below.

Clarity: The remuneration policy has been designed to provide clarity to all interested parties. The Remuneration Committee has endeavoured to explain the policy and its implementation in a clear and transparent fashion in this Directors' Remuneration Report. The Committee has engaged in two-way dialogue with major shareholders and with representatives of the workforce on the terms of the remuneration policy and has received generally positive feedback.

Simplicity: The Committee has designed the policy to be 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 for the Committee's decisions in respect of operating the policy for FY21 (and the plans for FY22) 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 outsize payments are highly unlikely. The policy includes an illustration of potential outcomes under different scenarios (see page 79).

Proportionality: The performance conditions chosen for the annual bonus scheme and the LTIP in each year will be closely linked to the successful delivery of strategy over the short and long term. The Committee will carefully consider 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 to date has been based on a combination of innovation, collaboration and performance which has driven strong levels of growth. 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.

Remuneration for FY21

Prior to Admission in February 2021, the remuneration of the Executive Directors was determined by shareholders of the private company business under a pre-Admission policy and transitioned to a post-Admission policy commencing with the IPO.

For the period from Admission to the end of the financial year, the Committee operated the remuneration policy as agreed at Admission and as set out in the IPO prospectus. This was consistent with the remuneration policy for which shareholder approval will be sought at the forthcoming AGM.

The annual bonus scheme in operation for the period from Admission to the end of the financial year was based on targets linked to adjusted EBITDA and revenue performance, both of which are key measures of growth for the business. Given the very strong level of performance recorded over the period, the bonus targets were met in full and both of the Executive Directors received bonuses at the maximum level. Full details of the specific bonus targets and the performance achieved are set out on page 81.

As disclosed in the IPO prospectus, the first award of shares under the LTIP was granted to the Executive Directors on Admission. These shares will vest subject to the achievement of stretching targets linked to adjusted Earnings Per Share ("EPS") performance over the period ending 30 September 2023. The targets are disclosed on page 81. In line with the remuneration policy, any shares which vest will be subject to a two-year post-vesting holding period.

As also disclosed in the IPO prospectus, a pre-Admission equity award was made to the Executive Directors (and a number of other senior employees) which was converted into an award over ATG shares on Admission. These shares are subject to forfeiture and holding provisions for a period of up to four years from Admission. Full details of this award are included on page 82. This was a one-off award of shares. The ability for the Committee to make similar awards in the future to Directors is not included in the forward-looking Directors' remuneration policy. In addition to the pre-Admission equity award, a separate gift of shares was made to those employees who did not hold equity in the business prior to Admission to recognise their contribution to the success of the organisation.

The Remuneration Committee has concluded that the remuneration policy operated as intended over the period since Admission. The Committee did not exercise any discretion in respect of Directors' remuneration during the period.

Intended operation of remuneration policy for FY22

Subject to shareholder approval of the remuneration policy at the AGM, the Committee intends to operate the policy in a manner broadly similar to the arrangements in place since Admission.

The basic salaries of the Executive Directors for FY22 have been set at £437,750 for the CEO and £334,750 for the CFO, representing a 3.0% increase on their post-Admission salaries. This is in line with the budgeted salary increase for all Company employees in the UK. There are no changes to their pension and benefits entitlements.

The Directors will participate in the annual bonus scheme, with the maximum opportunity set at 125% of basic salary for the CEO and 100% for the CFO. They will also receive an award of shares under the LTIP at a level of 150% of basic salary. These shares will vest subject to challenging EPS targets that require substantial growth over the three year period ending 30 September 2024. The specific targets are detailed on page 83.

Engagement with key stakeholders

As noted above, I recently wrote to shareholders, representing in excess of 73% of our share interest, and governance associations setting out the terms of the Directors' remuneration policy. I intend to maintain regular dialogue with shareholders to ensure that their views about our approach to remuneration are fully taken into account.

As one of the Company's methods to consider and gather views of the workforce during our Board discussions and decision-making, the Company has appointed Breon Corcoran (Board Chair and a member of the Remuneration Committee), with effect from Admission, as its designated Non-Executive Director for workforce engagement. The first engagement with the wider workforce took place in September 2021 as recommended in the UK Corporate Governance Code.

The AGM

At the Company's forthcoming first AGM on 25 January 2022, shareholders will be asked to approve three resolutions on remuneration:

- A binding resolution to approve the Directors' remuneration policy set out on pages 75-79; and
- An advisory resolution to approve this Annual Statement and the Annual Report on Remuneration, as set out on pages 80-83.
- A binding resolution in respect of the ESPP which is being introduced to ensure that we can extend the benefits of all-employee share ownership to colleagues in the US.

I hope the Committee can count on your support for the three resolutions. I will be present at the AGM to answer any questions you may have on our approach to executive remuneration.

Scott E Forbes

Scott Forbes
Chair of the Remuneration Committee

1 December 2021

Directors' remuneration policy

This remuneration policy sets out the framework for the remuneration of the Directors of the Company. It has been prepared in line with the relevant legislation for UK companies. The policy was designed following a review undertaken by the Remuneration Committee during the process of planning for the IPO. The Committee engaged external advisers to provide independent insight and input into the design of the policy framework, taking into account the strategy of the business, its growth plans for the coming years and wider market practice for UK-listed companies. The Committee held a number of meetings to discuss and finalise the terms of the policy, with additional input from the senior management team, including the CEO. 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.

As part of the preparation for submitting the formal policy to a binding shareholder vote at the forthcoming AGM, the Committee reviewed the full details of the policy and reaffirmed its appropriateness. The Committee also wrote to shareholders representing more than 73% of share interest to solicit views about the policy.

Subject to shareholder approval, the policy will formally apply from the date of the AGM on 25 January 2022. In practice, the Remuneration Committee has operated the policy since the date of Admission in February 2021.

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.

Policy table for Executive Directors

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	Provides 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 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 payable 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.

Element	Purpose and link to strategy	Operation	Opportunity
Annual bonus scheme and Deferred Share Bonus Plan ("DSBP")	Provides 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 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 77. 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. The Committee has agreed to operate the bonus scheme with a limit of 125% of basic salary for the CEO and 100% of basic salary for the CFO. 50% of the maximum bonus opportunity is payable for on-target performance. 25% of the maximum bonus opportunity is payable for threshold performance.
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, 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 77.	The maximum annual award is 200% of basic salary (or 250% of basic salary if the Remuneration Committee determines that exceptional circumstances apply). The Committee's current policy is to issue awards for the Executive Directors based upon 150% of basic salary, Awards were granted to the Executive Directors at the time of the IPO at a level of 150% of basic salary (based on the IPO price of 600 pence per share). Performance conditions are structured such that, for threshold levels of performance, no more than 25% of the award will vest.
All-employee share plans	Provides all employees with the opportunity to participate in tax-advantaged share plans and increases 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 with effect from 1 November 2021.	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	Requires 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 will select 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 immediate focus post-Admission on the financial performance of the Company, for FY21 the Committee operated the annual bonus scheme for the Directors with performance targets based wholly on financial metrics, namely revenue and adjusted EBITDA. These measures reflect important key performance indicators for the business and are closely tracked internally and by major shareholders and market analysts. For the LTIP award granted at the time of Admission, the Committee decided that the vesting of the full award should be subject to the satisfaction of adjusted EPS targets to be achieved over the period to the end of the 2023 financial year. This ensures that the Executive Directors are focused on driving earnings growth over the critical three-year period following Admission.

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.

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 the adjustment in the audited consolidated accounts 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; and/or
- 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.

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.

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 Group'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 9.4.2 (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 agreements with the Company dated 17 February 2021. The agreements 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 and on the Company's website.

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.

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 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 this 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. There was no direct consultation with employees on the design of the policy but, as noted on page 74, the Committee has subsequently sought to engage with employees on a wide range of matters, including executive remuneration.

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.

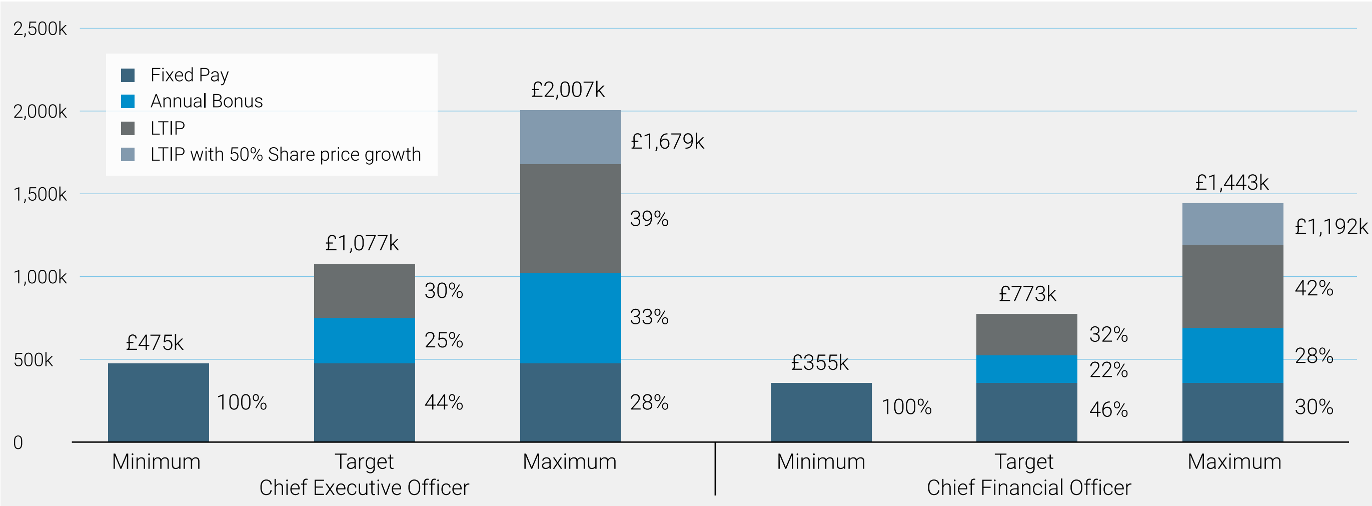
There is no requirement for LTIP awards for below-Board employees to be granted with a requirement for performance conditions to be met prior to vesting. Instead, LTIP awards may be granted as restricted shares for these employees. Such awards may also have a different vesting profile to the awards granted 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 US technology sector.

Approximately 55 senior employees received pre-Admission equity awards on the same terms as the awards granted to the Executive Directors, reflecting the desire of the Board and the Committee to lock in key talent within the organisation for an extended period post-Admission (up to four years). A separate gift of shares was made to those employees who did not hold equity in the business prior to Admission to recognise their contribution to the success of the organisation to date.

Consideration of shareholder views
The general views of institutional shareholders and other key market participants were taken into account as part of the Remuneration Committee's pre-IPO review of the appropriate remuneration policy to apply to the Company post-Admission. More recently, the Chair of the Remuneration Committee wrote to major shareholders outlining the key features of the policy and seeking their feedback, ahead of the policy being presented for formal shareholder approval at the forthcoming AGM. None of the shareholders that responded to this engagement approach raised any material issues of concern with the policy.

Illustrations of the application of the remuneration policy ("Scenario charts")

The charts below give an indication of the level of total annual remuneration that would be received by each Executive Director in accordance with the new remuneration policy (as it will apply in FY22) 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 2021, benefits estimated at £11,000 for the CEO and £0 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.

Policy table for the Board Chair and Non-Executive Directors

Element	Purpose and link to strategy	Operation	Opportunity
Fees	Provides 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 for acting as Senior Independent Director and as chair of the Board's Audit and Remuneration Committees. 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 paid in cash. Non-Executive Directors are also entitled to reimbursement of reasonable business expenses (and any related tax).	The current fee levels were agreed prior to the IPO and will be reviewed (and potentially increased) 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 dated 17 February 2021. The letters of appointment are available for inspection at the Company's registered office and on the Company's website.

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 one month's prior written notice.

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 is chaired by Scott Forbes and its other members are Breon Corcoran and Penny Ladkin-Brand. Penny will be retiring from the Board and the Committee at the AGM on 25 January 2022 and a replacement will be appointed to the Committee in due course.

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 has formally met once since the date of Admission to the end of the financial year. All members of the Committee attended all meetings.

Committee support

The Committee is supported by the Company Secretary. Additional input is provided by the CEO and CFO, whose attendance at Committee meetings is by invitation from the 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, who advised the Committee on remuneration matters on IPO and on a continuing basis throughout the year. 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 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 period since Admission were £15,190 (excluding VAT). No other services were provided by Korn Ferry to the Company during the period and Korn Ferry have no other connection with the Company or individual Directors.

Single total figure of remuneration (audited)

The following table sets out the total remuneration for Executive and Non-Executive Directors for the period from Admission on 26 February 2021 to 30 September 2021. No prior year comparison has been provided as the Company was not listed at that time.

All figures shown in £000	Salary and fees	Benefits	Pension	Total fixed pay	Annual bonus	LTIP	Total variable pay	Total remuneration
John-Paul Savant	248	7[1]	15		310	–	**310**	**580**
Tom Hargreaves	190	–	11	**201**	190	–	**190**	**391**
Breon Corcoran	44	–	–	**44**	–	–	–	**44**
Morgan Seigler	–	–	–	–	–	–	–	–
Penny Ladkin-Brand	41	–	–	**41**	–	–	–	**41**
Scott Forbes	44	–	–	**44**	–	–	–	**44**

1. Benefits for John-Paul Savant relate to private health insurance.

Salary and fees

Base salaries on Admission for John-Paul Savant (CEO) and Tom Hargreaves (CFO) were £425,000 and £325,000 respectively. These salaries applied for the period from Admission to the end of the financial year.

The fees for the Board Chair and the Non-Executive Directors were set on Admission. The annual fee for Breon Corcoran as Board Chair is £75,000. For other Non-Executive Directors, the basic fee is £60,000, with additional fees of £10,000 paid to each of the Chairs of the Audit and Remuneration Committees (Penny Ladkin-Brand and Scott Forbes respectively), and an additional fee of £5,000 paid to the Senior Independent Director (Scott Forbes). Morgan Seigler does not receive any fees in respect of his role as a Non-Executive Director.

Total pensions entitlements

Both Executive Directors received pension contributions at a level of 6% of basic salary during the period from Admission to the end of the financial year.

Annual bonus for FY21

The annual bonus for FY21 was structured in line with the remuneration policy. Performance was based on adjusted EBITDA and revenue targets from Admission. The targets set and the achievement against these are shown below:

Measure	Weighting	Threshold £m	Target £m	Stretch £m	Actual £m	Achievement % of maximum opportunity
		25% of maximum	50% of maximum	100% of maximum		
Adjusted EBITDA	50%	24.7	27.4	31.5	31.8	100%
Revenue	50%	60.6	63.8	68.6	70.1	100%

There is straight-line pay-out between the targets above.

Based on performance during the year and their pro-rata annualised salaries, the amounts that Executives will receive are set out below. The Committee believes that the formulaic outcome of the bonus is appropriate and so it has not applied discretion in relation to the bonus outcome.

	Overall annual incentive outcome		
	% of maximum	% of salary	Value pro-rata for proportion of year since Admission (£000)
John-Paul Savant	100%	125%	310
Tom Hargreaves	100%	100%	190

Of the total bonus, 75% will be paid in cash (£232.5k for the CEO and £142.5k for the CFO) and the remaining 25% (£77.5k for the CEO and £47.5k for the CFO) will be deferred into shares to be held for three years.

LTIP awards granted during FY21

As disclosed in the IPO prospectus, LTIP awards were granted to the CEO and CFO on Admission. These awards were granted as nil-cost options at a level of 150% of basic salary, based on the Admission price of 600 pence per share.

Executive	Basis of the award (% of salary)	Threshold vesting (% of award)	Number of shares granted	Face value of the award (£000)	Grant date	Vest date
John-Paul Savant	150%	25%	106,250	637.5	26/02/21	26/02/24
Tom Hargreaves	150%	25%	81,250	487.5	26/02/21	26/02/24

These awards will vest subject to the achievement of challenging earnings per share ("adjusted EPS") targets over the period to 30 September 2023:

Performance level	Percentage of award vesting	Percentage adjusted EPS growth per annum
Below "threshold"	0%	Below 12%
"Threshold"	25%	At 12%
"Stretch"	100%	At 17%

There is straight-line vesting in between the above points.

These IPO awards will vest on the third anniversary of grant, based on performance to the financial year ended 30 September 2023 and continued employment with the Group. 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.

It is the Committee's policy to review performance targets for the impact of any material acquisitions or divestments during the relevant performance period and to adjust targets, where necessary, to ensure they are no more or less challenging than when they were originally set. The Committee will review the above targets in light of the recent acquisition of LiveAuctioneers, and describe the Committee's rationale for any adjustments and provide appropriate detail in next year's Directors' Remuneration Report.

Payments to past Directors/payments for loss of office

There were no payments to past Directors or payments for loss of office made during the year.

Statement of Directors' shareholding (audited)

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 2021. The table below summarises each Director's current shareholding, and share awards subject to performance conditions, and whether or not the shareholding requirement has been met.

Director	Beneficially owned shares on 30 September 2021	Vested shares subject to holding periods	Options exercised in year	Vested unexercised share options	Unvested share awards subject to performance conditions	Shareholding requirement (% of base salary)	Requirement met
John-Paul Savant[1]	2,723,631	–	–	–	106,250	200%	Yes
Tom Hargreaves	1,580,497	–	–	–	81,250	200%	Yes
Breon Corcoran	729,497	–	–	–	–	–	–
Morgan Seigler[2]	–	–	–	–	–	–	–
Penny Ladkin-Brand	127,215	–	–	–	–	–	–
Scott Forbes	160,548	–	–	–	–	–	–

1. Shares also held in the name of spouse (Samantha Savant) and the Savant Discretionary Trust (whose trustees are John-Paul Savant and Samantha Savant).
2. Morgan Seigler is not directly interested in any Shares but acts as a representative of TA Associates on the Board.

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 remuneration policy.

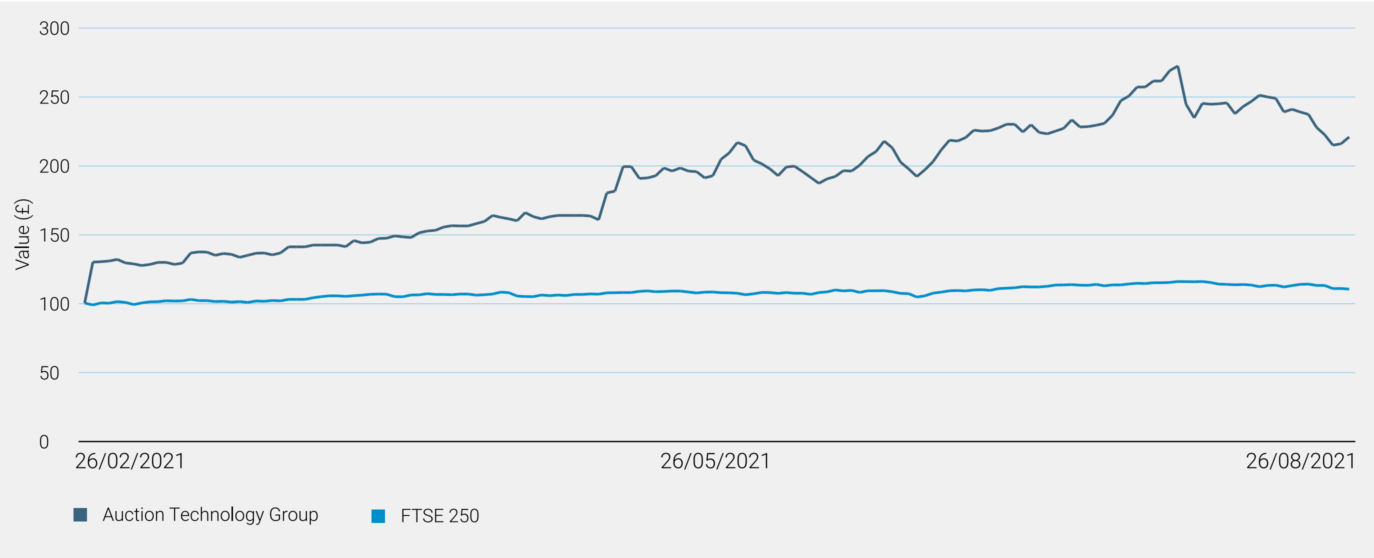
As disclosed in the IPO prospectus, pre-Admission equity awards were granted to John-Paul Savant and Tom Hargreaves on Admission. John-Paul Savant holds an equity award over 83,409 shares and Tom Hargreaves holds an equity award over 97,261 shares. These awards were originally granted to them over 1,391 and 1,622 ATL B ordinary shares respectively.

The shares over which the pre-Admission equity awards were granted will be forfeited if the holder leaves the Group for any reason prior to the third anniversary of Admission (other than in cases of death or a change of control). In normal circumstances the shares must also be held for a further year, until the fourth anniversary of Admission, before they can be sold or otherwise transferred. The forfeiture and holding periods cease to apply in the event of a change of control.

There has been no change in the Directors' interests in the ordinary share capital of the Company between those set out above and 1 December 2021.

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 600 pence per share) to 30 September 2021 against the FTSE 250 index. The FTSE 250 index is considered an appropriate comparison as ATG is positioned within this index.



	2021
CEO single figure total remuneration (£000s)	580
Annual bonus (as % of maximum opportunity)	100%
Long-term incentive vesting (as % of maximum opportunity)	N/A

Annual percentage change in remuneration of Directors and employees

As ATG listed in February 2021, there is no comparable remuneration to disclose for the prior year. Full disclosure on the percentage change for Director and employee remuneration, in line with the reporting regulations, will be provided in future Annual Reports.

CEO pay ratio

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. Nevertheless, the Remuneration Committee reviews wider workforce remuneration when setting the remuneration policy for the Executive Directors. Following the review undertaken during FY21, the Committee is 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. A summary of the pay arrangements for other employees is included in the policy section on page 78.

Relative importance of spend on pay

The table below shows the Company's expenditure on employee pay compared to distributions to shareholders from Admission to 30 September 2021.

	FY21 £m
Distribution to shareholders	0
Total employee pay	11.3

Statement of implementation of remuneration policy during FY22

Base salary

The Committee has agreed that the Executive Directors will each receive an increase in basic salary of 3.0% for FY22. This is in line with the budgeted salary increase for all employees in the UK.

Executive Director	Salary on Admission	Salary with effect from 1 Oct 21	% increase
Chief Executive Officer	£425,000	£437,750	3
Chief Financial Officer	£325,000	£334,750	3

Pension and benefits

Executive Directors will receive a pension contribution of 6% of salary aligned to the rate currently payable to the majority of the wider workforce. Other benefits include private medical insurance, permanent health insurance and life assurance.

Annual bonus

The maximum annual bonus opportunity will be in line with policy, 125% of salary for the CEO and 100% of salary for the CFO. The bonus will be payable subject to revenue (50% weighting) and adjusted EBITDA (50% weighting) targets. Targets have been set on a constant currency basis to reflect underlying performance so that executives are not rewarded or penalised due to currency movements during the year. This approach will be retained in future years. Full details of the FY22 bonus targets 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 shares to be held for three years.

Malus and clawback provisions apply in line with the policy, as set out on page 77.

Long Term Incentive Plan

LTIP awards of 150% of salary will be made to the Executive Directors with the performance being measured over the three-year period to 31 September 2024. The award will vest subject to the adjusted EPS growth targets shown below:

Performance level[1]	Percentage of award vesting	FY24 adjusted EPS
Below "threshold"	0%	Below 29.1p
"Threshold"	25%	29.1p
"Stretch"	100%	35.3p

1. There will be straight-line vesting in between the above points.

The targets were set after considering both internal planning and external market expectations of future performance and to strike an appropriate balance between being realistic and meaningful for participants at the lower end of the range and providing a stretch at the top end of the range. We have moved to a target range based on a pence per share number at the end of the performance period rather than a percentage growth approach because this would have required us to re-base the FY20/21 adjusted EPS given it was impacted by one-off financing costs arising as a result of the IPO. The Committee believes this disclosure is more transparent and takes account of the expected benefits of the LiveAuctioneers acquisition.

With regards to the impact of future material acquisitions and divestments, the Committee's policy is to review the performance targets and, if appropriate, adjust the targets to ensure they are no more or less challenging than when they were originally set.

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 policy, as set out on page 77.

Non-Executive Director remuneration

Prior to Admission, Non-Executive Director fees were reviewed. A summary of the fees set on Admission is shown below. These fees will remain unchanged for FY22

Non-Executive Director	Fee
Chair of the Board	£75,000
Non-Executive Director base fee	£60,000
Senior Independent Director	£5,000
Audit Committee Chair's fee	£10,000
Remuneration Committee Chair's fee	£10,000

Scott Forbes
Chair of the Remuneration Committee

1 December 2021

Directors' Report

Auction Technology Group plc is a public limited company incorporated in the United Kingdom and registered in England and Wales with registered number 13141124. ATG acts as a holding company; a list of its subsidiary companies is set out in note 25.

Corporate Governance Statement

The Disclosure Guidance and Transparency Rules ("DTR") require certain information to be included in a corporate governance statement in the Directors' Report. This Directors' Report should be read in conjunction with the other sections of this Annual Report as detailed below to fulfil these requirements and are incorporated into the Directors' Report by reference. 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.

Other disclosures

Topic	Section of report	Pages
Strategy and future developments	Strategic Report	14-25
Risk management	Strategic Report	50-55
Going concern and viability statement	Strategic Report	56-57
Employee matters	Strategic Report	44-46
Carbon emissions disclosures	Strategic Report	40-43
Corporate governance	Corporate Governance Report	59-63
Internal controls	Audit Committee Report	66-69
Employee share plans	Directors' Remuneration Report	72-83

Listing Rule 9.8.4R disclosures

The following sets out where disclosures required in compliance with Listing Rule 9.8.4R are located.

Topic	Section of report	Page number
Details of long-term incentive schemes	Directors' Remuneration Report	72-83
Non pre-emptive issues of equity for cash (including major subsidiaries)	Chief Financial Officer's review	32-35
Agreement with controlling shareholder(s)	Directors' Report	84-85

Results for the year ended 30 September 2021

The Directors present their Annual Report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 30 September 2021.

Details of significant events since the date of the Statement of Financial Position are contained in note 24 to the Consolidated Financial Statements. An indication of likely future developments in the business of the Company is included in the Strategic Report on pages 14-25.

Information about the use of financial instruments by the Company and its subsidiaries is given in note 22 to the Consolidated Financial Statements.

Dividend

The Directors do not propose the payment of a dividend.

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.

Board of Directors

The Board of Directors as at 30 September 2021 is detailed below; further details about each Director are given on pages 64-65 of this report.

Name	Position	Date of appointment
Breon Corcoran	Chairman	25 January 2021
John-Paul Savant	Chief Executive Officer	25 January 2021
Thomas Hargreaves	Chief Financial Officer	25 January 2021
Scott Forbes	Senior Independent Non-Executive Director	26 February 2021
Penny Ladkin-Brand	Non-Executive Director	26 February 2021
Morgan Seigler	Non-Executive Director	18 January 2021

Stefan Dandl also served as a Director of the Company from 18 January 2021 until he resigned on 16 February 2021.

All Directors, other than Penny Ladkin-Brand who will not be seeking re-election, will retire, and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

Directors' interests in the share capital and equity of the Company as at 30 September 2021 are contained in the Directors' Remuneration Report on page 82.

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' indemnities

The Group maintains Directors' and Officers' insurance in respect of any liabilities arising from the performance of their duties. During the period and to the date of this report, the Directors also have the benefit of the qualifying third-party indemnity under with 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.

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 1 December 2021 being the last practicable date prior to the publication of this report, consisted of 119,999,990 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.

Other than the IPO Lock Up Agreements in place for senior management which expire 365 days after the IPO, 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.

Powers of the Company to purchase own shares

The Company has authority to make market purchases of its own ordinary shares up to a maximum of 10,000 ordinary shares. The authority will expire at the conclusion of the Company's first AGM and a new resolution will be proposed to seek further authority to make market purchases up to a maximum of 11,999,999 ordinary shares. No ordinary shares were purchased during the period from Admission to date.

Please refer to note 20 to the Consolidated Financial Statements in respect of the purchase of own shares prior to Admission.

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.

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 Trustees, who may take account of any recommendation from the Company.

Controlling shareholder

TA Associates held more than 30% of the issued share capital of the Company at Admission. The Relationship Agreement, which was entered into on 17 February 2021 complies with the requirements of the Listing Rules and remains effective whilst TA Associates holds at least 10% of the voting rights of the Company. As at 30 September 2021 TA holds 17.85% of the issued share capital of the Company. The Board is satisfied that the Company has complied with the independence provisions included in the Relationship Agreement during the period ended 30 September 2021. As far as the Company is aware, such provisions have been complied with during the period ended 30 September 2021 by TA Associates.

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 as at 1 December 2021 being the nearest practicable date to publication:

Shareholder	Holding	% Voting rights
TA Associates Management, L.P.	Indirect	17.85
BlackRock, Inc	Indirect	11.15
ECI 11 LP	Indirect	5.40
Caledonia (Private) Investments Pty Limited	Indirect	4.85
Standard Life Aberdeen Plc	Indirect	5.17[1]
The Capital Group Companies, Inc	Indirect	5.17[1]
Jupiter Fund Management Plc	Indirect	7.57[1]

1. Notification based on total voting rights at the time of 100,000,000

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 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.

Holders of the pre-Admission equity awards will forfeit their shares for no payment if they leave the Group for any reason prior to the third anniversary of Admission (other than in the case of their death or the sale of the company or business that they work for out of the Group). In normal circumstances the shares must also be held for a further year, 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 forfeiture and holding periods 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 77.

Energy and carbon reporting

The Group's energy and carbon disclosures are detailed in the environmental section of the Strategic Report on pages 40-43.

Engagement with employees, suppliers, customers and others

The Group's engagement with its stakeholders are detailed in the Stakeholder Engagement section of the Strategic Report on pages 36-39.

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 Auction Technology Group plc Matters Reserved to the Board document and the Articles of Association, both of which can be found on our website.

Political donations
No donations were made by the Company to any political party during the year. It is not the intention of the Company, or its subsidiaries, to make political donations, however the application of the relevant provisions of the Companies Act is very wide in nature and the Board intends to seek shareholder authority at the Company's first AGM to ensure that the Company does not inadvertently breach these provisions.

Charitable donations
The Company made charitable donations of £12,600 during the course of the year. This was in addition to the charitable activities detailed in the social report on page 46.

Post balance sheet events
On 17 June 2021, the Group announced the proposed purchase of LiveAuctioneers by means of an acquisition of the entire issued, and to be issued share capital of Platinum Parent, Inc. The acquisition was based on an implied enterprise value of US$525.0m.

Due to its size, the acquisition was classed as a Class 1 transaction under the Listing Rules, and therefore required shareholder approval. The Company's shareholders approved the acquisition on 20 August 2021. Prior to the acquisition completing, approval by the relevant antitrust authorities, including approval in the UK and US, had to be obtained. The acquisition completed post the year end on 1 October 2021.

The consideration for the acquisition of $525.0m was settled with $500.0m in cash on completion and earn-out consideration of up to $25.0m. The consideration was financed through the Group's new Senior Term Loan and the equity raise.

Given the acquisition had not yet completed at 30 September 2021 no accounting for the acquisition in accordance with IFRS 3 "Business Combinations" has been included in the FY21 financial statements.

There were no other 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 auditors are 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 auditors are 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
Deloitte LLP has indicated its willingness to continue in office and the Board recommends the reappointment of Deloitte at the forthcoming AGM.

Annual General Meeting
The Company's first AGM will be held at the office of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL on 25 January 2022. The Notice of AGM accompanies this report as a separate document.

This report was approved by the Board of Directors on 1 December 2021 and signed on its behalf by:

M. Edwards.

Marie Edwards
Company Secretary

1 December 2021

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 Group and parent Company financial statements 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 Consolidated Financial Statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and Article 4 of the IAS Regulation and have elected 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". Under company law the Directors must not approve the accounts 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, relevant, reliable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group Consolidated Financial Statements, International Accounting Standard 1 requires the Directors to:

- 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 in IFRSs 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 financial report

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 the Consolidated Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 1 December 2021 and is signed on its behalf by:

John-Paul Savant
Chief Executive Officer

1 December 2021

Tom Hargreaves
Chief Financial Officer

1 December 2021

Independent Auditor's Report to the Members of Auction Technology Group plc

Report on the audit of the Financial Statements

1. Opinion

In our opinion:

- the Financial Statements of Auction Technology Group plc (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2021 and of the Group's loss for the year then ended;
- the Group Consolidated Financial Statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of Companies Act 2006 and International Financial Reporting Standards (IFRSs) as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board (IASB);
- the Parent Company Financial Statements have been properly prepared in accordance with United Kingdom adopted Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements which comprise:

- the Consolidated Statement of Profit or Loss and Other Comprehensive Income;
- the Consolidated and Parent Company Statements of Financial Position;
- the Consolidated and Parent Statements of Changes in Equity;
- the Consolidated Statement of Cash Flows ;
- the related notes 1 to 25 to the Consolidated Financial Statements ; and
- the related notes 1 to 9 to the Company Financial Statements.

The financial reporting framework that has been applied in the preparation of the Group Consolidated Financial Statements is applicable law and international accounting standards in conformity with the requirements of Companies Act 2006 and IFRSs as adopted by the European Union and as issued by the IASB. 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).

2. 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 are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the Financial Reporting Council's (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. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: – Acquisition accounting: Valuation of contingent consideration; – Acquisition accounting: Valuation of intangibles arising on acquisition; – IFRS 2: Share based payment valuation on IPO and – Revenue recognition: Accuracy and completeness.
Materiality	The materiality that was used for the Consolidated Financial Statements was £1,270,000, which was determined on the basis of 4% of adjusted earnings before interest tax, depreciation, and amortisation (Adjusted EBITDA – refer to note 2). We also considered revenue and loss before tax as supporting benchmarks.
Scoping	We selected five components where we performed a full scope audit of the components' financial information. All work performed on components was performed by the Group audit team. Coverage from full scope components totals 95% of the Group's adjusted EBITDA, 88% of revenue and 72% of net assets.
Significant changes in our approach	In the current year, the Group completed an Initial Public Offering ('IPO'). Immediately prior to, and in contemplation of, this transaction, all shares held in Auction Topco Limited were transferred to Auction Technology Group plc, a newly incorporated parent entity in a share for share exchange.

4. 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's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Understanding the relevant controls performed by management during the going concern assessment;
- Evaluating management's assessment of the Group's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the Directors' plans for future actions in relation to their going concern.
- Testing the integrity and mechanical accuracy of the going concern model by recalculating the cash headroom available using committed facilities in each of the scenarios prepared by management and approved by the directors;
- Understanding financing facilities including assessing compliance with interest cover ratio covenants;
- Assessing the reasonableness of key assumptions used in the forecasts, such as revenue; and
- Performing sensitivity analysis based on the contradictory evidence, including consideration of market, latest third-party economic forecasts and FY22 results to date.
- Assessing the appropriateness of the going concern disclosures made in the Financial Statements.

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's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

In relation to the reporting on how the Group has 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.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, 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 forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Acquisition accounting: Valuation of Contingent Consideration

Key audit matter description	The Group acquired Auction Mobility LLC on 16 October 2020. The consideration payable comprises \$33.00m (£25.55m) which was paid on completion, deferred consideration of \$308k (£234k) and a contingent amount up to a maximum of \$10.00m (£7.74m) payable subject to the achievement of certain revenue targets. There is inherent judgement in the determination of the fair value of the contingent consideration to be recognised at the date of acquisition, which is calculated based on the revenue forecast of the business in the 3 month period to 31 December 2021. We deem this to be a significant judgement exercised in the valuation of the liability and so have focussed our key audit matter to the revenue forecast. Further details are included in notes 11 and 12 to the Financial Statements in relation to the sensitivities reflecting the risks inherent in the valuation of contingent consideration and also in note 3 to the Financial Statements in relation to the key sources of estimation uncertainty. Refer also to page 71 of the Report of the Audit Committee.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the relevant controls over management's detailed review of the fair value calculation of the contingent consideration, which is performed periodically. We assessed management's acquisition paper, underlying analysis and supporting financial models, and challenged the reasonableness of the assumptions that underpin management's forecasts. Specifically, our work included, but was not limited to: – evaluating the underlying process used to determine the risk adjusted cash flow projections specifically the appropriateness of the growth assumption used on revenue; – assessing management's forecasting accuracy by comparing forecasted revenue to management's post year end actual results; and – testing the integrity of the acquisition calculation through testing the mathematical accuracy and testing the application of the input used.
Key observations	We concluded the key assumptions used in the valuation of contingent consideration were appropriate and that the conclusions reached were supported by the evidence obtained.

5.2. Acquisition accounting: Valuation of intangibles arising on acquisition

Key audit matter description	The Group acquired Auction Mobility LLC on 16 October 2020. IFRS 3 "Business Combinations" requires management to apply acquisition accounting, which includes the recognition of assets acquired and liabilities assumed in the acquisition at their fair value together with any non-controlling interests (of which there were none). Management is also required to measure goodwill, which is predicated on the fair value of the consideration paid together with the measurement conclusions on all of the other elements of acquisition accounting. There is both complexity and judgement in this process and as such the key audit matter is focussed to the revenue growth assumptions and discount rates that feed into the valuation of intangible assets. Management engaged an expert to undertake an exercise to determine the required purchase price accounting ("PPA") including the valuation of separately identifiable intangible assets acquired (totalling £10.54m) and goodwill (£18.97m). Further details are included in notes 11 and 12 to the Consolidated Financial Statements in relation to the sensitivities reflecting the risks inherent in the valuation of intangibles arising on acquisition and also in note 3 to the Financial Statements in relation to the key sources of estimation uncertainty. Refer also to page 71 of the Report of the Audit Committee.

How the scope of our audit responded to the key audit matter	We obtained an understanding of the relevant controls over the valuation of intangible assets, in particular the relevant controls over the forecasts that underpin the valuation of intangibles arising on acquisition. We assessed management's underlying analysis and supporting financial models and challenged the reasonableness of the assumptions that underpin management's forecasts. Specifically, our work included, but was not limited to: – obtaining and reviewing the sale and purchase agreement for the acquisition; – assessing the acquisition in line with the requirements of IFRS 3 and assessing management's proposed accounting of the acquisition in line with the requirements; – assessing the competence, capability, and objectivity of management's expert; – engaging valuation specialists to assess the appropriateness of the PPA exercise; – assessing the valuation methods used on the intangible assets, key assumptions including revenue forecasts and the useful life attributed to the separately identifiable intangible assets; – assessing management's sensitivity analysis to identify the key assumptions that have a significant effect on the model; and – assessing the appropriateness of the sensitivity disclosures included by management in note 3 to the Consolidated Financial Statements, and re-performing the underpinning calculations.
Key observations	We concluded the assumptions applied in the valuation of intangibles arising on acquisition were within an acceptable range, the overall position adopted was reasonable and the disclosures in respect of sensitivity to reasonably possible changes to key assumptions are appropriate

5.3. IFRS 2: Share based payment valuation on IPO

Key audit matter description	Shares were granted to management and employees of the Group between 30 September 2020 and 26 February 2021 prior to the IPO. In addition, various B shares were granted to management (either directly or via nil cost options) over the period from 15 October 2020 to 22 February 2021. Management prepared a calculation of the charge required under IFRS 2 Share based payments with reference the Group's value on IPO of £600m during February 2021. Having used this valuation, the charge recognised on IPO is £18.4m. The key audit matter relates to the judgement of the valuation and accounting treatment of the shares granted to management and employees. The fair value is estimated through a share option model which required assumptions such as expected leavers or non-attainment of the EPS performance condition. Some of the inputs used are not market observable and are based on estimates derived from available data ,such as share price of a private company which is a subjective area and can have a significant impact on the total fair value expense. Further details are included in note 21 to the Financial Statements in relation to share based payments. Refer also to page 71 of the Report of the Audit Committee.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the relevant controls over the recognition of the share-based payment charge which involves management's detailed review of underlying calculations and valuations. In responding to this key audit matter, internal specialists were engaged to assess: – the appropriateness of the approach adopted, and the models used to value the share-based payments granted during the period. – the appropriateness of the assumptions used for the IFRS 2 calculations particularly the share price of a private company: and – the recognition of the fair value expense recognised for the period. In addition to the above we: – challenged the share price valuation at the date of each issuance through the engagement of a valuation specialist as well as benchmarking to market data; – agreed the expected life allocated to each award to share option agreements; and – assessed the appropriateness of the Group's financial statement disclosures and compliance with relevant accounting standards.
Key observations	We concluded the valuation of the pre-IPO share based payments and the related disclosures are appropriate.

5.4 Revenue recognition: accuracy and completeness

Key audit matter description	Revenue consists of commission £59.9m, auction services £7.1m and content-related services £3.0m. Commission represents live auction revenue which is the sales commission percentage made via the group owned websites. Auction service revenue represents the group's auction house back-office products with Auction Mobility and other white label products including Wavebid.com. Content-related services revenue represents print advertising and subscriptions.
	As a result of the acquisitions in the current year and the prior period, various systems are used in the processing of revenue derived from live auctions which includes the calculation of commission. This increases the level of complexity in recognising revenue. In terms of accounting for the transaction, commission is automatically calculated and recognised as revenue when the auction is complete, in line with IFRS 15 as the group acts as an agent. Invoicing occurs afterwards, which could result in additional complexities
	Revenue could be misstated if all the data does not pass through all the systems from initial recognition within the auction platform to the financial reporting systems accurately and completely. Outliers can occur where commission is deferred or accrued, or credit notes are issued. We considered this to be a key audit matter due to the risk that commission recorded between the auction platforms and the general ledger is incomplete or inaccurate
	Further details are included in note 4 and 5 of the Financial Statements.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the relevant controls over revenue. In particular, we have obtained an understanding of the reconciliation performed by management to assess whether the auction platform data reconciles to the general ledger.
	As part of our year-end audit, we performed the following procedures:
	– tested 100% of transactions by using analytics to reconcile commission revenue that passes through all systems from point of entry to recognition within the general ledger; and
	– for commission revenue that did not pass through all systems we obtained an understanding of the nature and cause of these transactions and
	– tested a sample of credit notes identified as outliers by agreeing to credit notes issued;
	– tested a sample of deferred revenue by tracing these through to the underlying supporting evidence and recalculating the deferred revenue;
	– tested a sample of revenue accruals as at year end to invoices issued subsequent to year end; and
	– performed substantive test of detail on a sample of other outliers identified.
	We have assessed the disclosure provided in the Consolidated Financial Statements in relation to revenue recognition against the requirements of IFRS 15
Key observations	We concluded that revenue is being recognised appropriately and in line with the requirements of IFRS 15.

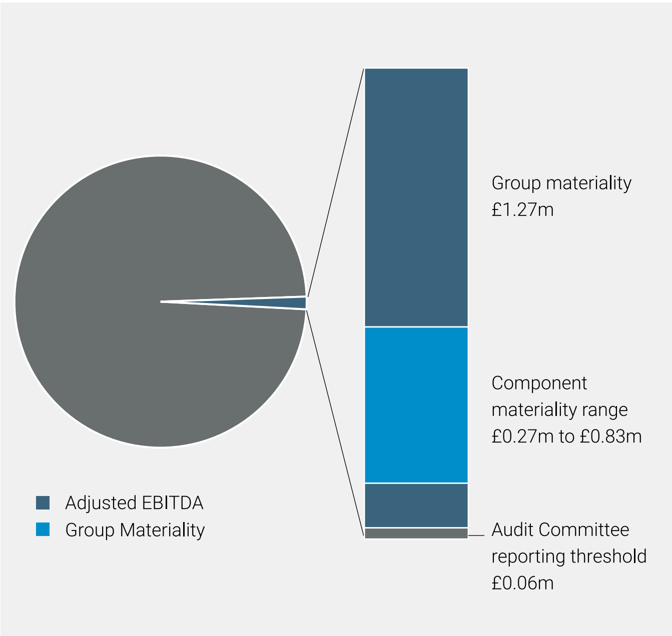
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

	Group Financial Statements	Parent Company Financial Statements
Materiality	£1,270,000	£1,181,100
Basis for determining materiality	Using professional judgement, we determined materiality to be £1,270,000 based on 4% of Adjusted EBITDA. We also considered revenue and loss before tax as supporting benchmarks	We determined materiality based on net assets, which was then capped at 93% of Group materiality in order to address the risk of aggregation when combined with other businesses
Rationale for the benchmark applied	We determined materiality principally based on adjusted EBITDA given the importance of this as a measure of overall performance of the Group.	The Company acts principally as a holding company and therefore net assets is a key measure for this business.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the Financial Statements as a whole.

	Group Financial Statements	Parent Company Financial Statements
Performance materiality	70% of Group materiality	70% parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we primarily considered our risk assessment of the Group's overall control environment, the history of a low number of aggregated uncorrected prior period adjustments and our assessment of the competence of key management and accounting personnel.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.06m (2020: £0.02m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

Financial statements

7. An overview of the scope of our audit

7.1. Identification and scoping of components

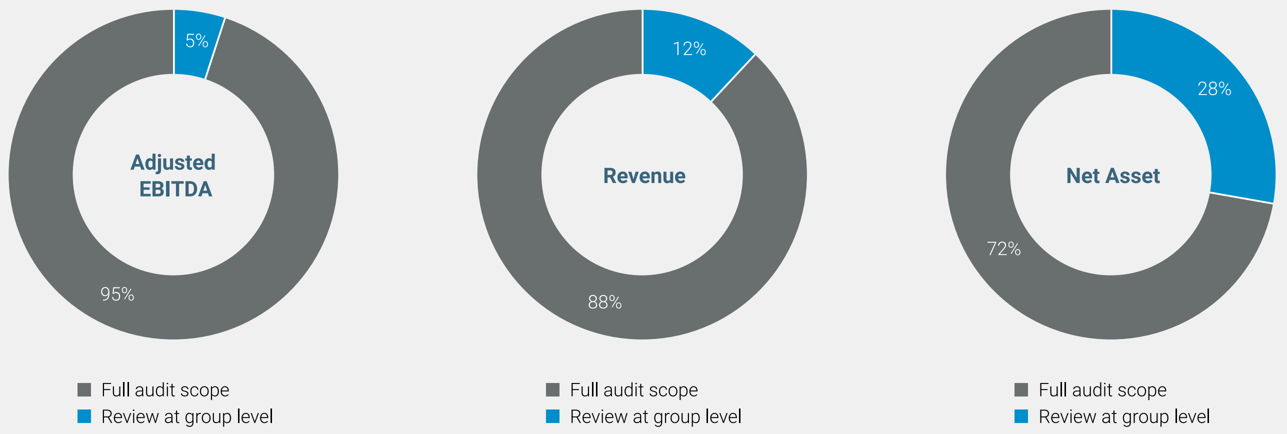
Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

We performed scoping of the Group components using relevant benchmarks, adjusted EBITDA, revenue and net assets to determine which entities we consider to be significant components. We considered components that contribute in excess of 15% of the benchmarks to be significant and require full audit procedures ("full audit scope"). Five out of seventeen components have been identified as significant and full audit procedures were performed. Coverage from full scope components totals 95% of the group's adjusted EBITDA, 88% of revenue and 72% of net asset

All procedures were completed by the Group engagement team, we did not engage the use of component auditors.

At the Group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit.

Identification and scoping of components



7.2. Our consideration of the control environment

We involved IT specialists to test the general IT controls over the main financial Enterprise Resource Planning (ERP) systems. We obtained an understanding of controls over revenue, the financial close and reporting and management's review of judgements and estimates (including intangibles, contingent considerations liability valuation and share based payments). We have not taken a control reliance approach as the control environment is still developing therefore it is not feasible to follow a controls approach.

8. Other information

The other information comprises the information included in the annual report 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 Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, 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's and the 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.

10. 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.

A further description of our responsibilities for the audit of the Financial Statements is located on the FRC's website at: www.frc.org.uk/auditors responsibilities. This description forms part of our auditor's report.

11. Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets.
- results of our enquiries of management, internal audit, the legal function including the Group's General Counsel, and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance.
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud.
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement and relevant internal specialists, including tax, valuations, and IT specialist regarding how and where fraud might occur in the Financial Statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the Financial Statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules and tax legislation in the Group's various jurisdictions.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the General Data Protection Regulations, UK Bribery Act, employment law, USA Firearms legislation, Laws around sale of Nazi memorabilia in Germany, Restrictions of ivory items and Competition law in the Group's various jurisdictions.

11.2. Audit response to risks identified

As a result of performing the above, we identified revenue recognition as a key audit matter related to the potential risk of fraud. The key audit matter section of our report explains the matters in more detail and describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the Financial Statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the Financial Statements;
- enquiring of management, the audit committee, in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. 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.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

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 and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 91;
- the Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 54;
- the Directors' statement on fair, balanced and understandable set out on page 90;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 54;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 48; and
- the section describing the work of the audit committee set out on page 64.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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 are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the audit committee, we were appointed by the Board of Directors in 2014 to audit the Financial Statements for the year ending 30 September 2014 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 7 years, covering the years ending 30 September 2014 to 30 September 2021.

15.2. Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

16. 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.

Kate Darlison

Kate Darlison, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
1 December 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income or Loss

for the year ended 30 September 2021

	Note	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020[1] £000
Revenue	4,5	**70,080**	35,478
Cost of sales		**(24,544)**	(15,042)
Gross profit		**45,536**	20,436
Administrative expenses		**(66,506)**	25,594)
Other operating income		**346**	179
Operating loss	6	**(20,624)**	(4,979)
Finance income	8	**10,394**	2
Finance cost	8	**(17,078)**	(14,002)
Net finance costs	8	**(6,684)**	(14,000)
Loss before tax		**(27,308)**	(18,979)
Tax (expense)/credit	9	**(2,322)**	2,591
Loss for the year/period attributable to the equity holders of the Company		**(29,630)**	(16,388)
Other comprehensive loss for the year/period attributable to the equity holders of the Company			
Items that may subsequently be transferred to profit and loss:			
Foreign exchange differences on translation of foreign operations		**(507)**	(440)
Other comprehensive loss for the year/period, net of tax		**(507)**	(440)
Total comprehensive loss for the year/period attributable to the equity holders of the Company		**(30,137)**	(16,828)
Loss per share		**p**	p
Basic and diluted	10	**(33.6)**	(34.3)

The above results are derived from continuing operations.

The notes on pages 102-137 are an integral part of these Consolidated Financial Statements.

1 8.5 months ended 30 September 2020 represents the period from date of incorporation of Auction Topco Limited on 13 January 2020 to 30 September 2020. See note 1 for details on the Group reorganisation.

Consolidated Statement of Financial Position

as at 30 September 2021

	Note	30 September 2021 £000	30 September 2020 £000
ASSETS			
Non-current assets			
Goodwill	12	**141,160**	124,023
Other Intangible assets	12	**68,077**	74,830
Property, plant and equipment	13	**379**	478
Right of use assets	17	**1,401**	1,924
Deferred tax asset	19	**366**	–
Trade and other receivables	14	**85**	88
Total non-current assets		**211,468**	201,343
Current assets			
Trade and other receivables	14	**9,699**	8,653
Current tax asset		**437**	–
Cash and cash equivalents	15	**397,451**	14,193
Total current assets		**407,587**	22,846
Total assets		**619,055**	224,189
LIABILITIES			
Non-current liabilities			
Trade and other payables	16	**–**	(522)
Current tax liabilities		**(1,392)**	(1,578)
Loans and borrowings	18	**(148,686)**	(213,444)
Lease liabilities	17	**(775)**	(1,208)
Deferred tax liabilities	19	**(9,260)**	(11,588)
Total non-current liabilities		**(160,113)**	(228,340)
Current liabilities			
Trade and other payables	16	**(17,310)**	(7,231)
Current tax liabilities		**(1,168)**	(2,119)
Loans and borrowings	18	**(353)**	(1,159)
Lease liabilities	17	**(657)**	(756)
Total current liabilities		**(19,488)**	(11,265)
Total liabilities		**(179,601)**	(239,605)
Net assets/(liabilities)		**439,454**	(15,416)
EQUITY			
Share capital	20	**12**	11
Share premium	20	**235,903**	–
Other reserve	20	**238,385**	1,125
Capital redemption reserve	20	**5**	–
Share option reserve	20	**1,649**	276
Foreign currency translation reserve	20	**(947)**	(440)
Retained losses		**(35,553)**	(16,388)
Total equity		**439,454**	(15,416)

The notes on pages 102-137 are an integral part of these Consolidated Financial Statements. The Consolidated Financial Statements were approved by the Board of Directors on 1 December 2021 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 2021

	Share capital £000	Share premium £000	Other reserve £000	Capital redemption reserve £000	Share option reserve £000	Foreign currency translation reserve £000	Retained losses £000	Total equity £000
13 January 2020	–	–	–	–	–	–	–	–
Comprehensive loss								
Loss for the period	–	–	–	–	–	–	(16,388)	(16,388)
Other comprehensive loss	–	–	–	–	–	(440)	–	(440)
	–	–	–	–	–	(440)	(16,388)	(16,828)
Transactions with owners								
Issue of ordinary shares	11	–	1,125	–	–	–	–	1,136
Movement in equity-settled share-based payments	–	–	–	–	276	–	–	276
30 September 2020	11	–	1,125	–	276	(440)	(16,388)	(15,416)
Comprehensive loss								
Loss for the year	–	–	–	–	–	–	(29,630)	(29,630)
Other comprehensive loss	–	–	–	–	–	(507)	–	(507)
	–	–	–	–	–	(507)	(29,630)	(30,137)
Transactions with owners								
Issue of ordinary shares as consideration for a business combination, net of transaction costs and tax	6	235,903	237,260	–	–	–	–	473,169
Share buyback of ordinary shares, net of tax	(5)	–	–	5	–	–	–	–
Movement in equity-settled share-based payments	–	–	–	–	1,373	–	10,401	11,774
Tax relating to items taken directly to equity	–	–	–	–	–	–	64	64
30 September 2021	**12**	**235,903**	**238,385**	**5**	**1,649**	**(947)**	**(35,553)**	**439,454**

Consolidated Statement of Cash Flows

for the year ended 30 September 2021

	Note	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020[1] £000
Cash flows from operating activities			
Loss before tax		**(27,308)**	(18,979)
Adjustments for:			
Amortisation of acquired intangible assets	12	**13,219**	7,306
Amortisation of internally generated software	12	**4,576**	2,843
Depreciation of property, plant and equipment	13	**228**	167
Depreciation of right of use assets	17	**743**	483
Share-based payment expense	21	**11,892**	276
Loss on disposal of property, plant and equipment		**–**	10
Net exchange differences		**–**	(3)
Net finance costs	8	**6,684**	14,000
Increase in trade and other receivables		**(439)**	(1,527)
Decrease in trade and other payables		**6,271**	2,248
Cash generated by operations		**15,866**	6,824
Income taxes paid		**(6,090)**	(513)
Net cash generated from operating activities		**9,776**	6,311
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	11	**(24,948)**	(181,195)
Payment for internally generated software	12	**(1,956)**	(1,304)
Payment for property, plant and equipment	13	**(149)**	(81)
Payment of deferred consideration	11	**(234)**	–
Net cash used in investing activities		**(27,287)**	(182,580)
Cash flows from financing activities			
Payment of contingent consideration		**(492)**	(1,847)
Repayment of loans and borrowings		**(108,956)**	(2,697)
Repayment of preference shares		**(117,716)**	–
Proceeds from loans and borrowings		**176,639**	86,088
Proceeds from the issue of preference shares		**714**	111,859
Interest element of lease payments	12	**(74)**	(71)
Capital element of lease payments	12	**(742)**	(509)
Issue of new share capital, net of share issue costs		**473,158**	857
Interest paid		**(26,428)**	(3,187)
Net cash generated by financing activities		**396,103**	190,493
Cash and cash equivalents at beginning of the year/period		**14,193**	–
Net increase in cash and cash equivalents		**378,592**	14,224
Effect of foreign exchange rate changes		**4,666**	(31)
Cash and cash equivalents at the end of the year/period		**397,451**	14,193

1 8.5 months ended 30 September 2020 represents the period from date of incorporation of Auction Topco Limited on 13 January 2020 to 30 September 2020. See note 1 for details on the Group reorganisation.

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 principal activities of the Company and its subsidiaries (the "Group") and the nature of the Group's operations are set out in note 25 and in the Strategic Report on pages 2-46.

Presentation currency
The Consolidated Financial Statements are presented in pounds sterling, generally rounded to the nearest thousand.

Group reorganisation
On 13 February 2020, Auction Topco Limited, through its subsidiary Auction Bidco Limited, simultaneously purchased Turner Topco Limited and its subsidiaries ("Standalone ATG") and Proxibid Inc. and its subsidiaries ("Proxibid Group") (together forming the "Auction Topco Limited Group"). Prior to the acquisition of Standalone ATG and Proxibid Group, Auction Topco Limited had no trading activity.

On 17 February 2021, as part of the capital reorganisation, all shares held in Auction Topco Limited were transferred to Auction Technology Group plc, a newly incorporated parent entity, in a share for share exchange. Following this reorganisation Auction Technology Group plc completed an Initial Public Offering ("IPO") on the London Stock Exchange for a proportion of its share capital. The Company was admitted to the premium listing segment of the Official List of the FCA and London Stock Exchange's Main Market for listed securities effective 26 February 2021.

As there were no changes in rights or proportion of control exercised because of the insertion of Auction Technology Group plc on top of the existing Auction Topco Limited Group, the reorganisation does not constitute a business combination under IFRS 3 "Business Combinations". Following guidance from IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the integration of the Company has been prepared under merger accounting principles. This policy, which does not conflict with IFRS, reflects the economic substance of the transaction. Under these principles, the Group has presented the Consolidated Financial statements of the Group as though the current Group structure had been in place from the date of incorporation of Auction Topco Limited. The comparative and current year consolidated reserves of the Group are adjusted to reflect the statutory share capital, share premium and other reserve of Auction Technology Group plc as if it had always existed. A merger reserve of £1,527,000 has been recognised in other reserves to complete the equity position as a result of the application of merger accounting (see note 20).

These Consolidated Financial Statements are the first full year set of financial statements presented for the newly formed Group and the prior period comparison is to that of the former Auction Topco Limited Group. Although there has been a capital reorganisation, the underlying structure of the Group is unchanged and as such the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement have been presented on a consistent basis to the prior period.

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 international accounting standards in conformity 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 138-142.

The accounts 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 standards, interpretations and amendments issued but not yet effective
The following new accounting standards, amendments and interpretations to accounting standards have been issued but these are not mandatory for 30 September 2021 and they have not been adopted early by the Group:

- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform
- Amendment to IFRS 16: COVID-19 Related Rent Concessions beyond June 2021
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IAS 16: Property, Plant and Equipment: proceeds before intended use
- Amendments to IFRS 3: Business Combinations: reference to conceptual framework
- IFRS 17: Insurance Contracts
- Amendments to IAS 1: Classification of liabilities as current and non-current
- IAS 37: Onerous Contracts: costs of fulfilling a contract
- IFRS 4: Extension of the temporary exemption from applying IFRS 9
- 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
- Amendments to IAS 8: Definition of accounting estimates

The Directors anticipate that the adoption of planned standards and interpretations in future periods will not have a material impact on the financial statements of the Group.

Going concern
At 30 September 2021, the Group's adjusted net cash position, excluding lease liabilities and cash held, was £24.6m and comprise of cash and cash equivalents of £173.7m and loans and borrowings of £149.0m.

The following changes took place after the Company was admitted to the London Stock Exchange on 26 February 2021:

- Primary proceeds were used to, amongst other things, repay all outstanding liabilities with financing parties except for the loans under the Senior Facilities Agreement.
- On 1 March 2021 an Amendment and Restatement Deed resulted in £39.4m (US$43.2m and £8.0m) left outstanding under the Old Senior Facilities Agreement.
- As part of the proposed acquisition for LiveAuctioneers Group, a New Senior Facilities Agreement was entered into on 17 June 2021. The New Senior Facilities Agreement includes the following:
  - US$204.0m New Senior Term Facility for the acquisition of LiveAuctioneers Group. The New Senior Term Facility was drawn in full immediately prior to completion of the acquisition on 1 October 2021 and will be due for repayment on 17 June 2026; and
  - US$49.0m multi-currency New Revolving Credit Facility. Any sums outstanding under the New Revolving Credit Facility will be due for repayment on 17 June 2024, subject to the optionality of two 12-month extensions.
- All outstanding liabilities under the Old Senior Facilities Agreement were repaid in full on 25 June 2021.

On 17 June 2021, as part of a capital raising (see note 23) the Company issued 19,999,990 ordinary shares of 0.01p each for a cash consideration of £244.0m. The proceeds net of expenses were received and held in escrow for the purposes of the acquisition of LiveAuctioneers Group.

The Directors have undertaken the going concern assessment for the Group for a minimum of 12 months from the date of signing these financial statements. The Directors have assessed the Group's prospects, both as a going concern and its viability longer term of three years, which includes the LiveAuctioneers Group acquisition on 1 October 2021 (the "Enlarged Group"). Further details of this assessment are set out on pages 56-57.

As part of the going concern review the Directors have reviewed the Enlarged Group's forecasts and projections and assessed the headroom on the Enlarged Group's New 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 are detailed in the Viability Statement on page 57 and none of these scenarios individually threaten the viability of the Group. Even in the most extreme downside scenario (the combination of all downside scenarios occurring at once) modelled the Group would be able to operate within the level of its current available debt facilities and covenants.

As 30 September 2021 the Group has cash of £173.7m (excluding the cash held in escrow) and is in a net current asset position.

After due consideration, the Directors have concluded that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of this report. For this reason, the Directors continue to adopt the going concern basis in preparing the Consolidated Financial Statements for the year ended 30 September 2021.

Climate change
In preparing the Consolidated Financial Statements management has considered the impact of climate change, particularly in the context of the disclosures included in the Strategic Report this year. These considerations did not have a material impact on the financial reporting judgements and estimates.

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 ("EBT") have been included in the Consolidated Financial Statements. Any assets held by the EBT 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 EBT 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 consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values 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 expensed as incurred.

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.

Identifiable assets acquired and liabilities assumed are measured at their acquisition date fair values.

Goodwill is stated after separate recognition of other identifiable intangible assets.

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.

1. Accounting policies continued

Foreign currency

Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Consolidated Financial Statements are presented in pounds sterling.

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 pounds sterling at the rates of exchange at the reporting date. 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 pounds sterling 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 other comprehensive income and accumulated in a foreign exchange translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that foreign operation is recognised in 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	5-7 years straight line
Computer equipment	3-5 years straight line
Fixtures and fittings	3-5 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 (or groups of 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 intangible assets

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
- management has the ability and intention to use or sell the asset

These projects are designed to enhance the existing software within the Group. Salaries associated with development time and directly attributable overheads are capitalised within intangible assets.

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 only amortised over the period the Group is expected to benefit and is subject to annual impairment testing.

Other intangible assets

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:

Software	3 years
Brand	5 to 10 years
Customer relationships	7 to 14 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 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, and restricted cash

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

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.

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 ("FVTOCI").

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, 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.

The Group always recognises lifetime ECL on trade receivables. The expected credit losses 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 debtors, 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, convertible loan notes, trade and other payables, preference shares and derivative financial instruments.

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.

1 . Accounting policies continued

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.

Auction revenues

Auction 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) and other fees, including fees to promote listings and catalogue fees. The Group recognises commission fees as an agent on the basis that there is no contractual relationship with the end-consumer of goods sold at auction and the Group will receive its commission irrespective of whether the end-consumer makes its payment to the auction house.

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 including 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 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.

The commission element of both subscription and pay-as-you-go contracts is based on the value of the items sold at auction and as such is subject to inherent uncertainty and cannot be estimated reliably in advance. The Group has determined that it is not possible to make a reliable estimate of the commissions that will be earned under a particular contract and as such the commission element of auction revenue is not recognised until the auction has completed and the revenue value is known.

Marketing services

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).

Content-related services

Content-related services primarily includes print 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 consists 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 balance sheet date, and any adjustment to tax payable in respect of previous years.

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 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 balance sheet 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 balance sheet date.

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 or profit-sharing plans 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 options is calculated using an option pricing model.

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

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 and Loss on a straight-line basis.

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.

2. Alternative performance measures

The Group uses a number of alternative performance measures ("APMs") in addition to those measures reported in accordance with IFRS. Such APMs are not defined terms under IFRS and are not intended to be a substitute for any IFRS 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 IFRS. 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 profits or costs 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 32-35), 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 items. Adjusted EBITDA at segment level is consistently defined but excludes central administration costs including Directors' salaries.

The following table provides a reconciliation from loss before tax to adjusted EBITDA:

	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020 £000
Loss before tax	**(27,308)**	(18,979)
Adjustments for:		
Net finance costs (note 8)	**6,684**	14,000
Amortisation of acquired intangible assets (note 12)	**13,219**	7,306
Amortisation of internally generated software (note 12)	**4,576**	2,843
Depreciation of property, plant and equipment (note 13)	**228**	167
Depreciation of right of use assets (note 17)	**743**	483
Share-based payment expense (note 21)	**11,892**	276
Exceptional operating items	**21,765**	9,789
Adjusted EBITDA	**31,799**	15,885

The following table provides the calculation of adjusted EBITDA margin which represents adjusted EBITDA divided by revenue:

	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020 £000
Reported revenue (note 4,5)	**70,080**	35,478
Adjusted EBITDA	**31,799**	15,885
Adjusted EBITDA margin	**45.4%**	44.8%

The basis for treating these items as adjusting is as follows:

Share-based payment expense

The Group issued several share awards to employees and Directors before the IPO and operates employee share schemes. Income statement charges relating to such schemes are a significant non-cash charges (and related expenses) and are driven by a valuation model which references the Group's share price and future performance expectations. The income statement charge or credit is consequently subject to volatility and does not fully reflect current 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, listing costs associated with the IPO, 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 2021 £000	8.5 months ended 30 September 2020 £000
Acquisition costs	**(13,323)**	(7,963)
Listing costs	**(8,442)**	–
Restructuring costs	**–**	(1,826)
Total exceptional operating items	**(21,765)**	(9,789)

For the year ended 30 September 2021, the Group's exceptional operating costs are in respect of listing costs of the IPO and the acquisition costs predominantly relating to the acquisition of LiveAuctioneers Group (see note 24) and Auction Mobility LLC (see note 11). These costs comprise legal, professional and other consultancy expenditure incurred. The business has undertaken focused acquisitive activity in the year which has been strategically implemented to increase income, service range and critical mass of the Group. The cash related to exceptional operating items is £19,058,000 (2020: £8,534,000).

For the period ended 30 September 2020, acquisition costs comprise legal, professional and incidental expenditure incurred in relation to the acquisition of Proxibid Inc. and Turner Topco Limited. Restructuring costs comprise costs levied for professional advice and redundancy costs in connection with restructuring activities.

Adjusted earnings/(losses) and adjusted diluted earnings per share

Adjusted earnings/(losses) excludes share-based payment expense, exceptional items (operating and finance), amortisation of acquired intangible assets, and any related tax effects.

The basis for treating these items as adjusting is as follows:

Amortisation of intangible assets acquired through business combinations

The amortisation of acquired intangibles arises for customer relationships, brands and non-compete agreements from the purchase consideration of a number of separate acquisitions. These acquisitions are portfolio investment decisions that took place at different times and are balance sheet items that relate to M&A activity rather than the trading performance of the business. The adjustment comprises amortisation of acquired intangible assets – brand, customer relationships and non-compete agreements but does not include amortisation of acquired software.

Exceptional finance items

Exceptional finance items include foreign exchange differences arising on the revaluation of the foreign currency loans and cash held on escrow(restricted cash) and costs incurred on the early repayment of loan costs. The income statement charge does not fully reflect current operational performance.

Number of ordinary shares

The number of ordinary shares for 30 September 2021 reflects the number of shares in issue at IPO adjusted for the dilutive effect from non-vested/non-exercised ordinary shares granted after the IPO through the Long Term Incentive Plan awards to the Executive Directors and other senior management. The number of ordinary shares for 30 September 2020 reflects the number of shares in issue for the IPO.

2. Alternative performance measures continued

The following table provides a reconciliation from loss after tax to adjusted earnings/(losses):

	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020 £000
Loss attributable to equity shareholders of the Company	**(29,630)**	(16,388)
Adjustments for:		
Amortisation of acquired intangible assets for customer relationships, brands and non-compete agreements	**9,797**	5,345
Exceptional finance items	**(5,652)**	–
Share-based payment expense	**11,892**	276
Exceptional operating items	**21,765**	9,789
Tax on adjusted items	**(1,538)**	(4,583)
Adjusted earnings/(losses)	**6,634**	(5,561)

	Number	Number
Reported weighted average number of shares	**88,248,037**	47,784,365
Adjustment for: weighted average effect of shares issued in the period up to and including the IPO	**11,751,963**	52,215,635
Number of shares in issue at IPO	**100,000,000**	100,000,000
Weighted average number of shares held by the Trust	**(622)**	–
Effect of dilutive share options	**128,106**	–
Number of ordinary shares and dilutive options at 30 September	**100,127,484**	100,000,000

Adjusted diluted earnings per share (pence)	**6.6**	(5.6)

Aggregate revenue, adjusted EBITDA and adjusted EBITDA margin

The Group has made certain acquisitions that have affected the comparability of the Group's results. To aid comparisons between FY21 and FY20 in the CFO's review on pages 32-35 the prior period results have been presented to include the full year results as if the acquisitions of Turner Topco Limited ("Standalone ATG") and Proxibid Inc. ("Proxibid Group") had occurred on 1 October 2019. The adjustment below reflects the actual revenue, adjusted EBITDA and adjusted EBITDA margin from Proxibid Group and Standalone ATG for the period 1 October 2019 to 12 February 2020. These aggregate measures will fall away after FY21.

The following table provides reconciliation of aggregate revenue and aggregate adjusted EBITDA from reported results for the year ended 30 September 2020:

	Year ended 30 September 2020 £000
Reported revenue	35,478
Unaudited revenue from 1 October 2019 to 12 February 2020	16,828
Aggregate revenue (unaudited)	52,306
Adjusted EBITDA	15,885
Unaudited Adjusted EBITDA from 1 October 2019 to 12 February 2020	6,353
Aggregate adjusted EBITDA (unaudited)	22,238
Aggregate adjusted EBITDA margin (unaudited)	42.5%

Adjusted net cash/(debt)

Adjusted net cash/(debt) comprises external borrowings net of arrangement fees, cash and cash equivalents and allows management to monitor the indebtedness of the Group. Adjusted cash/(debt) excludes lease liabilities and cash held in escrow (restricted cash).

	30 September 2021 £000	30 September 2020 £000
Cash and cash equivalents excluding restricted cash (note 15)	**173,675**	14,193
Current loans and borrowings (note 18)	**(353)**	(1,159)
Non-current loans and borrowings (note 18)	**(148,686)**	(213,444)
Total loans and borrowings	**(149,039)**	(214,603)
Adjusted net cash/(debt)	**24,636**	(200,410)

Adjusted free cash flow and adjusted free cash flow conversion

Free cash flow represents cash flow from operations less capitalised development costs, which include development costs in relation to software that are capitalised when the related projects meet the recognition criteria under IFRS 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 adjusted free cash flow and adjusted 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 exceptional items.

	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020 £000
Adjusted EBITDA	**31,799**	15,885
Cash generated from operations	**15,866**	6,824
Adjustments for:		
Exceptional items	**21,765**	9,789
Working capital from exceptional and other items	**(5,098)**	(1,255)
Additions to internally generated software (note 12)	**(1,956)**	(1,304)
Additions to property, plant and equipment (note 13)	**(149)**	(81)
Adjusted free cash flow	**30,428**	13,973
Adjusted free cash flow conversion (%)	**95.7%**	88.0%

3. 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.

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.

Significant judgements and key sources of estimation uncertainty are provided below:

Estimates

Impairment of goodwill and other intangible assets

At least on an annual basis 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 to.

Forecasting expected cash flows and selecting an appropriate discount rate inherently requires estimation. Sensitivity analysis has been performed over the estimates (see note 12). The resulting calculation is sensitive to the assumptions in respect of future cash flows and the discount rate applied. Management considers that the assumptions made represent their best estimate of the future cash flows generated by the CGUs, and that the discount rate used is appropriate given the risks associated with the specific cash flows. Although based on the sensitivity analysis performed there is no impairment charge to goodwill or other intangible assets, and this estimate does not meet the definition of a key source of estimation uncertainty as per IAS 1, it is considered appropriate to disclose this as an area of significant estimation due to the size of the balance and the fact that it could change as a result of future events.

Contingent consideration arising on the acquisition of Auction Mobility

The Group acquired Auction Mobility LLC on 16 October 2020. The consideration comprised US$33.0m, which was paid on completion, deferred consideration of US$0.3m and a contingent amount up to a maximum of US$10.0m, which is payable in early 2022 subject to the achievement of certain revenue targets. For further details please see note 11.

Management has prepared a forecast of the expected revenue performance and fair valued the contingent consideration using a weighted average probability model, discounting the cash outflow to its net present value using a risk-free rate. Forecasting expected revenue performance inherently requires estimation and the potential range of outcomes of the contingent consideration payable is US$nil to US$10.0m.

Judgements

Goodwill and other intangible assets arising from business combinations

The purchase price of an acquired company is allocated between intangible assets and the net tangible assets of the acquired business with the residual of the purchase price recorded as goodwill. The determination of the value of the intangible assets requires significant judgements and estimates to be made by the Directors. These judgements can include, but are not limited to, the cash flows that an asset is expected to generate in the future and the appropriate weighted average cost of capital.

Judgement is also required in determining appropriate useful economic lives ("UEL") of the intangible assets arising from business combinations. Management makes this judgement on an asset class basis and has determined that contracts with customers have a UEL of seven to 14 years; brands have a UEL of five to 10 years; software has a UEL of three years; and non-compete agreements have a UEL of four years.

4. Operating segments

Segmental information is presented in respect of the Group's segments and reflects 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 activities of the Group. Following the acquisition of Auction Mobility during the year, a fourth operating segment for Auction Services has been separated from the previous three reported segments. The comparative split of segmental revenue has been restated to separately analyse Auction Services products previously incorporated into the A&A and I&C segments. This change is an alignment of how the businesses are managed internally.

The four operating segments are as follows:

– **Art & Antiques ("A&A") auction revenues:** focused on offering auction houses that specialise in the sale of arts and antiques access to the platforms thesaleroom.com and lot-tissimo.com. A significant part of the Group's services is provision of the platform as a marketplace for the A&A auction houses to sell their goods. The segment also generates earnings through additional services such as marketing income. 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") auction revenues:** 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 our 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. 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 with 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 to the Gazette and also 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.

An analysis of the results for the year/period by reportable segment is as follows:

	Year ended 30 September 2021					
	A&A £000	I&C £000	Auction Services £000	Content £000	Centrally allocated costs £000	Total £000
Revenue	16,203	43,695	7,129	3,053	–	**70,080**
Adjusted EBITDA (see note 2 for definition and reconciliation)	13,938	37,897	5,276	1,063	(26,375)	**31,799**
Amortisation of intangible assets (note 12)	(4,307)	(12,321)	(1,167)	–	–	**(17,795)**
Depreciation of property plant and equipment (note 13)	(53)	(160)	(6)	(9)	–	**(228)**
Depreciation of right of use assets (note 17)	(259)	(410)	(17)	(57)	–	**(743)**
Share-based payment expense (note 21)	(1,415)	(3,276)	(61)	–	(7,140)	**(11,892)**
Exceptional items (note 2)	–	–	(1,107)	–	(20,658)	**(21,765)**
Operating profit/(loss)	7,904	21,730	2,918	997	(54,173)	**(20,624)**
Net finance costs (note 8)	–	–	–	–	(6,684)	**(6,684)**
Profit/(loss) before tax	7,904	21,730	2,918	997	(60,857)	**(27,308)**

4 . Operating segments continued

	8.5 months ended 30 September 2020					
	A&A £000	I&C £000	Auction Services £000	Content £000	Centrally allocated costs £000	Total £000
Revenue	8,352	24,684	840	1,602	–	35,478
Adjusted EBITDA (see note 2 for definition and reconciliation)	6,932	19,747	672	513	(11,979)	15,885
Amortisation of intangible assets (note 12)	(2,686)	(7,463)	–	–	–	(10,149)
Depreciation of property plant and equipment (note 13)	(36)	(121)	(5)	(5)	–	(167)
Depreciation of right of use assets (note 17)	(189)	(244)	(10)	(40)	–	(483)
Share-based payment expense (note 21)	–	–	–	–	(276)	(276)
Exceptional items (note 2)	–	(4,767)	–	–	(5,022)	(9,789)
Operating profit/(loss)	4,021	7,152	657	468	(17,277)	(4,979)
Net finance costs (note 8)	–	–	–	–	(14,000)	(14,000)
Profit/(loss) before tax	4,021	7,152	657	468	(31,277)	(18,979)

Segment assets which exclude deferred tax 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 2021		30 September 2020	
	Total non-current assets £000	**Additions to non-current assets £000**	Total non-current assets £000	Additions to non-current assets £000
A&A	**50,433**	**1,714**	53,448	56,310
I&C	**133,320**	**715**	147,652	155,464
Auction Services	**27,218**	**29,511**	56	70
Content	**131**	**10**	187	219
	211,102	**31,950**	201,343	212,063

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.

5. Revenue

	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020 £000
Product and customer types		
A&A	**16,203**	8,352
I&C	**43,695**	24,684
Auction Services	**7,129**	840
Content	**3,053**	1,602
	70,080	35,478
Primary geographical markets		
United Kingdom	**18,901**	9,605
North America	**47,773**	24,116
Germany	**3,406**	1,757
	70,080	35,478
Timing of transfer of goods and services		
Point in time	**62,142**	32,886
Over time	**7,938**	2,592
	70,080	35,478

The Group has recognised the following assets and liabilities related to contracts with customers:

	30 September 2021 £000	30 September 2020 £000
Contract assets	**597**	784
	597	784
Contract liabilities	**1,367**	575
	1,367	575

6. Operating loss

Operating loss is stated after charging/(crediting) the following:

	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020 £000
Employment costs (note 7)	**33,234**	13,563
Amortisation of intangible assets (note 12)		
– Acquired intangible assets	**13,219**	7,306
– Internally generated software	**4,576**	2,638
Depreciation of property, plant and equipment (note 13)	**228**	167
Loss on disposal of property, plant and equipment (note 13)	**–**	10
Depreciation of right of use assets (note 17)	**743**	483
Share-based payment expense (note 21)	**11,892**	276
Exceptional operating items (note 2)	**21,765**	9,789
Net exchange differences	**–**	139

The total remuneration of the Group auditor, and its affiliates for services to the Group is analysed below:

	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020 £000
Fees payable for the Group's annual financial statements	**437**	234
Fees payable for other services to the Group:		
– Audit of subsidiaries pursuant to local legislation	**100**	156
Total audit fees	**537**	390
Non-audit assurance services	**4,990**	240
Total non-audit fees	**4,990**	240
Total auditor's remuneration	**5,527**	630

Costs in relation to other non-audit assurance services have been incurred in respect of fees associated with acquisitions and the IPO. These have been included as exceptional operating items (see note 2).

7. Staff costs and numbers

Staff costs for the year/period were as follows:

	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020 £000
Wages and salaries	**19,318**	12,007
Social security costs	**1,666**	1,085
Pension costs	**358**	195
Share-based payment expense (note 21)	**11,892**	276
Total employment costs	**33,234**	13,563

The average number of employees (including Executive Directors) by function:

	Year ended 30 September 2021 Number	8.5 months ended 30 September 2020 Number
Management	**9**	7
Administrative employees	**39**	66
Operational employees	**195**	106
Average number of employees	**243**	179

8. Net finance costs

	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020 £000
Foreign exchange gain	**8,923**	–
Interest income	**9**	2
Movements in contingent consideration (note 11)	**1,462**	–
Finance income	**10,394**	2
Interest on loans and borrowings	**(8,071)**	(5,014)
Movements in contingent consideration	**–**	(31)
Interest on lease liabilities	**(65)**	(71)
Interest payable on preference shares	**(6,328)**	(8,886)
Amortisation of finance costs	**(2,614)**	–
Finance cost	**(17,078)**	(14,002)
Net finance costs	**(6,684)**	(14,000)

9. Taxation

	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020 £000
Current tax		
Current tax on loss for the year	**4,566**	2,174
Adjustments in respect of prior years	**(40)**	–
Total current tax	**4,526**	2,174
Deferred tax		
Current year	**(3,039)**	(4,765)
Adjustments from change in tax rates	**1,299**	–
Adjustments in respect of prior years	**(464)**	–
Deferred tax	**(2,204)**	(4,765)
Tax expense/(credit)	**2,322**	(2,591)

The tax on the Group's loss 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 2021 £000	8.5 months ended 30 September 2020 £000
Loss before tax	**(27,308)**	(18,979)
Tax at United Kingdom tax rate of 19% (2020: 19%)	**(5,189)**	(3,606)
Tax effect of:		
Expenses not deductible for tax purposes	**6,839**	3,388
Differences in US tax rates	**283**	70
Deferred tax not recognised	**(381)**	102
Adjustment to tax charge in respect of deferred tax arising on acquisition	**(25)**	(3,218)
Adjustments to tax charge in respect of current period deferred tax	–	673
Adjustments in respect of change in tax rates	**1,299**	–
Adjustments in respect of prior years and change in tax rates	**(504)**	–
Tax expense/(credit)	**2,322**	(2,591)

The Group's tax affairs are governed by complex local tax regulations in the UK, US 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 best estimate of the liability, determined with reference to similar transactions and third-party advice. This provision at 30 September 2021 amounted to £1,392,000 (2020: £1,576,000).

Factors that may affect future tax charges
The UK Budget on 3 March 2021 announced an increase in the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The effect of the rate increase is reflected in the Consolidated Financial Statements as has been substantively enacted at the balance sheet date. The current tax expense for the year would have been £5,607,000 if the expected increased rate of corporation tax at 25% for the UK entities had applied.

10. Loss per share

Basic loss per share is calculated by dividing the loss 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 loss 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 ended 30 September 2021, the Group awarded conditional share awards to Directors and certain employees through an LTIP (see note 21). The non-vested/non-exercised ordinary shares are anti-dilutive given the loss for the year and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share calculation.

	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020 £000
Loss attributable to equity shareholders of the Company	**(29,630)**	(16,388)

As set out in note 1, a reorganisation of the Group in February 2021 has resulted in a significant change in the capital structure of the Company. This is reflected in the weighted average numbers of shares used in the basic loss per share calculations which are as follows:

	Number	Number
Weighted average number of shares	**88,248,037**	47,784,365
Weighted average number of shares held by the Employee Benefit Trust	**(622)**	–
Weighted average number of shares	**88,247,415**	47,784,365
Dilutive share options	**128,106**	–

	p	p
Basic and diluted loss per share	**(33.6)**	(34.3)

Financial Statements

11. Business combinations

Business combinations for the year ended 30 September 2021

(i) Acquisition of Auction Mobility LLC

On 16 October 2020, the Group acquired 100% of the equity share capital of Auction Mobility LLC for a total maximum consideration of $43,308,000 (equivalent to £33,350,000), comprising upfront cash consideration of $33,000,000 (equivalent to £25,424,000), deferred consideration of $305,000 (£234,000) and contingent consideration of up to a maximum $10,000,000 (equivalent to £7,692,000), subject to the performance of the acquired company against certain targets. Auction Mobility provides a customised auction software platform, a leading white label app and web developer, for auction houses. The purpose of the acquisition was to further strengthen the Group's presence in the US.

At acquisition, the Directors calculated the fair value of the contingent consideration expected to be paid, based on a weighted average probability model, resulting in a liability of £3,918,000. The key inputs to the model were revenue growth assumptions and percentage probability weightings applied to forecast earn-out cash flows.

At the date of acquisition, Auction Mobility LLC had net assets with a fair value of US$13,786,000 (equivalent to £10,604,000). The acquisition accounting is set out below.

	At fair value £000
Intangible assets – software	2,786
Intangible assets – customer relationships	6,094
Intangible assets – brand	371
Intangible assets – non-compete agreement	1,286
Trade receivables	462
Other debtors and prepayments	647
Cash and cash equivalents	476
Trade payables	(129)
Accruals and contract liabilities	(1,389)
Net assets on acquisition	**10,604**
Goodwill (note 12)	**18,972**
Total consideration	**29,576**
Consideration satisfied by:	
Cash consideration	25,424
Contingent consideration (note 16)	3,918
Deferred consideration	234
	29,576
Net cash outflow arising on acquisition:	
Cash consideration	25,424
Less: cash and cash equivalents balances acquired	(476)
	24,948

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 the assembled workforce within the business acquired. All of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition costs of £1,107,000 directly related to the business combination have been immediately expensed to the Consolidated Statement of Profit or Loss as part of administrative expenses and included within exceptional items (see note 2).

The fair value of the assets acquired includes gross trade receivables of £462,000 which are expected to be fully recoverable.

The Group's contingent consideration as at 30 September 2021 amounted to £2,301,000. The Group regularly performs a review of the ongoing businesses to assess the impact of the fair value of the contingent consideration. The change of £1,462,000 (2020: nil) in these fair values was reported as a finance income in the Consolidated Statement of Profit or Loss. Exchange differences to reserves were recorded within foreign exchange differences on translation of foreign operations in the Consolidated Statement of Comprehensive Profit or Loss.

Between 16 October 2020 and 30 September 2021, Auction Mobility LLC contributed £5,801,000 to Group revenues and a profit of £246,000 for the period ended 30 September 2021. If the acquisition had occurred on 1 October 2020, Group revenue would have been £70,326,000 and Group loss before tax would have been £27,348,000.

Business combinations for the year ended 30 September 2020

(i) Acquisition of Turner Topco Limited ("TTL")

On 13 February 2020, Auction Bidco Limited acquired the entire share capital of TTL for £150,101,000. The purpose of the acquisition was a part of the Group's reorganisation which involved investment by TA Associates and a new private equity corporate structure added to the Group.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	At fair value £'000
Property, plant and equipment	134
Intangible assets – brand	6,065
Intangible assets – software	7,972
Intangible assets – customer relationships	42,923
Right of use asset	1,397
Trade and other receivables	4,714
Cash and cash equivalents	8,900
Trade and other payables	(4,827)
Lease liabilities	(1,397)
Deferred tax liabilities	(10,993)
Contingent consideration	(1,844)
Net assets on acquisition	**53,044**
Goodwill (note 12)	**97,057**
Total consideration	**150,101**
Consideration satisfied by:	
Cash consideration	74,659
Issuance of preference shares	5,066
Debt amounts settled	70,376
Total consideration	**150,101**
Net cash outflow arising on acquisition:	
Cash consideration	74,659
Debt amounts settled	70,376
Less: cash and cash equivalents balances acquired	(8,900)
	136,135

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 the assembled workforce within the business acquired.

The debt amounts settled disclosed as consideration above relate to the repayment of £13,990,00 due in respect of the secured loan due to a third-party lender and £56,386,000 in respect of the secured loan notes. This has been disclosed above as consideration on the basis that the acquirer, Auction Topco Limited, was not exposed to these liabilities with the respective counterparties post acquisition and the amounts were settled by the selling shareholders from acquisition proceeds.

Acquisition costs of £4,175,000 directly related to the business combination have been immediately expensed to the Consolidated Statement of Profit or Loss as part of administrative expenses and included within exceptional operating Items (see note 2).

Between 13 February 2020 and 30 September 2020, TTL contributed £18,004,000 to Group revenues and a loss before tax of £23,165,000 for the period. If the acquisition had occurred on 17 January 2020, Group revenue would have been £37,394,000 and Group un-audited loss after tax would have been £15,227,000.

11. Business combinations continued

(ii) Acquisition of Proxibid Inc.

On 13 February 2020, the Company incorporated Proxibid Bidco Inc. which acquired the entire share capital of Proxibid Inc. for £45,810,000. The purpose of the acquisition was to strengthen the Group's Industrial & Commercial offering in North America.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	At fair value £'000
Property, plant and equipment	440
Intangible assets – brand	5,218
Intangible assets – software	9,991
Intangible assets – customer relationships	11,506
Right of use asset	1,010
Trade and other receivables	2,599
Cash and cash equivalents	750
Trade and other payables	(2,576)
Bank loans acquired	(2,678)
Lease liabilities	(1,054)
Deferred tax liabilities	(5,360)
Contingent consideration	(1,002)
Net assets on acquisition	**18,844**
Goodwill (note 12)	**26,966**
Total consideration	**45,810**
Net cash outflow arising on acquisition:	
Cash consideration	45,810
Less: cash and cash equivalents balances acquired	(750)
	45,060

The consideration was all paid in cash, with no deferred or contingent consideration.

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 the assembled workforce within the business acquired.

Acquisition costs of £2,941,000 directly related to the business combination have been immediately expensed to the Consolidated Statement of Profit or Loss as part of administrative expenses and included within exceptional operating Items (see note 2).

Between 13 February 2020 and 30 September 2020, Proxibid Inc. contributed £17,474,000 to Group revenues and a profit before tax of £4,186,000 for the period. If the acquisition had occurred on 13 January 2020, Group revenue would have been £36,549,000 and Group un-audited loss after tax would have been £16,047,000.

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								
13 January 2020	–	–	–	–	–	–	–	–
Acquisition of business	9,373	54,429	11,283	–	75,085	8,590	124,023	207,698
Additions	–	–	–	–	–	1,304	–	1,304
1 October 2020	9,373	54,429	11,283	–	75,085	9,894	124,023	209,002
Acquisition of business (note 11)	2,786	6,094	371	1,286	10,537	–	18,972	29,509
Additions	–	–	–	–	–	1,956	–	1,956
Exchange differences	(214)	(706)	(228)	(50)	(1,198)	(365)	(1,835)	(3,398)
30 September 2021	**11,945**	**59,817**	**11,426**	**1,236**	**84,424**	**11,485**	**141,160**	**237,069**
Amortisation and impairment								
13 January 2020	–	–	–	–	–	–	–	–
Amortisation	1,961	4,717	628	–	7,306	2,843	–	10,149
1 October 2020	1,961	4,717	628	–	7,306	2,843	–	10,149
Amortisation	3,422	8,246	1,258	293	13,219	4,576	–	17,795
Exchange differences	(7)	(16)	(6)	4	(25)	(87)	–	(112)
30 September 2021	**5,376**	**12,947**	**1,880**	**297**	**20,500**	**7,332**	**–**	**27,832**
Net book value								
1 October 2020	7,412	49,712	10,655	–	67,779	7,051	124,023	198,853
30 September 2021	**6,569**	**46,870**	**9,546**	**939**	**63,924**	**4,153**	**141,160**	**209,237**

During the year £1,157,000 (2020: £434,000) of research and development costs were capitalised as internally generated software.

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 of this report.

Impairment assessments for cash-generating units ("CGUs") containing goodwill
During the year, the goodwill in respect of each of the CGUs was tested for impairment. The Group tests for impairment of goodwill at the operating segment level (see note 4) representing an aggregation of CGUs reflecting the level at which goodwill is monitored.

The recoverable amount for CGU groups has been determined on a value in use basis ("VIU"). The key assumptions are those regarding the projected cash flows, the long-term growth rate and the discount rates applied.

The carrying amount of goodwill recorded in the CGU groups and basis of recoverable amounts are set out below:

	30 September 2021 £000	30 September 2020 £000	Valuation method	Long-term growth rate	Discount rate
A&A	**32,742**	32,742	VIU	2.00%	9.07%
I&C	**90,179**	91,281	VIU	2.24%	10.12%
Auction Services	**18,239**	–	VIU	2.24%	10.12%
Total goodwill	**141,160**	124,023			

12. Goodwill and other intangible assets continued

The Directors have determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach
Estimated future cash flows	are determined by reference to the budget for the year following the balance sheet date and forecasts for the following two 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.
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 Group's benchmarked weighted average cost of capital ("WACC"). They represent the Group's assessment of the current market and other risks specific to the CGUs.

Sensitivity analysis

Sensitivity analysis has been performed based on changes to key assumptions considered to be reasonably possible by management. Sensitivity analysis has been performed around the key assumptions including, reducing the long-term growth rate, increasing the discount rates in isolation, reducing the long-term growth rate and discount rate by 100 BPS and applying the long-term growth rate to the FY21 cash flows which reduces the three-year CAGR. Results for both goodwill and intangibles testing showed that the CGU was not impaired when applying these reasonably possible sensitivity scenarios.

13. Property, plant and equipment

	Land and buildings leasehold £000	Computer equipment £000	Fixtures, fittings and equipment £000	Total £000
Cost				
13 January 2020	–	–	–	–
Acquisition of business	239	243	92	574
Additions	10	43	28	81
Disposals	–	–	(10)	(10)
1 October 2020	249	286	110	645
Additions	16	95	38	149
Exchange differences	(20)	(11)	(4)	(35)
30 September 2021	**245**	**370**	**144**	**759**
Accumulated depreciation				
13 January 2020	–	–	–	–
Charge for the period	37	89	41	167
1 October 2020	37	89	41	167
Charge for the year	73	138	17	228
Exchange differences	(8)	(6)	(1)	(15)
30 September 2021	**102**	**221**	**57**	**380**
Net book value				
1 October 2020	212	197	69	478
30 September 2021	**143**	**149**	**87**	**379**

There is no material difference between the property, plant and equipment's historical cost values as stated above and their fair value equivalents.

14. Trade and other receivables

	30 September 2021 £000	30 September 2020 £000
Current		
Trade receivables	**6,744**	7,374
Less: loss provision	**(503)**	(458)
	6,241	6,916
Other debtors and prepayments	**2,861**	953
Contract assets	**597**	784
	9,699	8,653
Non-current		
Other debtors and prepayments	**85**	88
	9,784	8,741

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 2021 (2020: nil) there were no customers who owed in excess of 10% of the total trade debtor balance.

The ageing of trade receivables at 30 September was:

	2021			2020		
	Gross £000	Loss provision £000	Expected loss rate %	Gross £000	Loss provision £000	Expected loss rate %
Within 30 days	**5,728**	**23**	**–**	4,517	64	1%
Between 30 and 60 days	**336**	**6**	**2%**	1,578	45	3%
Between 60 and 90 days	**149**	**34**	**23%**	1,020	90	9%
Over 90 days	**531**	**440**	**83%**	259	259	100%
30 September	**6,744**	**503**	**7%**	7,374	458	6%

The movement in the loss provision during the year/period was as follows:

	Year ended 2021 £000	8.5 months ended 2020 £000
1 October	**458**	–
Arising on acquisition	–	560
Provision for impairment of receivables	**611**	–
Unused amounts reversed	**(437)**	(102)
Uncollectable amounts written off	**(111)**	–
Exchange differences	**(18)**	–
30 September	**503**	458

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 were £206,000 (2020: £930,000).

15. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and cash held in escrow.

The carrying amount of these assets approximates to their fair value.

	30 September 2021 £000	30 September 2020 £000
Cash in bank	**173,675**	14,193
Restricted cash	**223,776**	–
	397,451	14,193

Cash in bank includes cash of £2,402,000 (2020: £nil) held by the Trustee of the Group's Employee Benefit Trust relating to pre-IPO share awards for employees. These funds are restricted and are not available to circulate within the Group on demand.

As a result of the capital raising on 17 June 2021, the cash, net of transaction fees associated with the acquisition and financing of LiveAuctioneers (see note 24), was transferred to an escrow account. These funds are restricted and are not available to circulate within the Group on demand.

16. Trade and other payables

	30 September 2021 £000	30 September 2020 £000
Current		
Trade payables	**931**	1,128
Payroll tax and other statutory liabilities	**2,810**	561
Contingent consideration	**2,794**	518
Accruals	**9,408**	4,449
Contract liabilities	**1,367**	575
	17,310	7,231
Non-current		
Contingent consideration	**–**	522
	17,310	7,753

The carrying amount of trade and other payables classified as financial liabilities at amortised cost approximates to their fair value.

Contingent consideration comprises liabilities contingent on the future performance of acquired businesses held at fair value and deferred consideration payable at a set amount in the future. These liabilities are remeasured each period and the remeasurement is recognised in the Consolidated Statement of Profit or Loss.

17. Leases

The Group leases assets including property, motor vehicles and computer equipment.

The German office lease expired in July 2021 but included an option to extend through to July 2027. For the year ended 30 September 2020, the Directors concluded that it was reasonably certain that they would exercise the option to extend the lease through July 2027 and had therefore accounted for the lease cost over that period. However, during the year ended 30 September 2021 the Directors decided a more favourable location was better suited to the business and therefore the associated right of use asset and lease liability has been subject to modification. At 1 July 2021, the Group entered into a new lease with an option to extend until July 2031 which is treated as an addition. The Directors concluded that it was reasonably certain that they would exercise their right to extend the lease through to July 2031.

The weighted average incremental borrowing rate contracted in 2021 was 5.2% (2020: 4.2%).

	Land and buildings leasehold £000	Computer equipment £000	Motor vehicles £000	Total £000
Right of use assets				
13 January 2020	–	–	–	–
Acquisition of business	1,861	535	11	2,407
Depreciation charge for the period	(342)	(138)	(3)	(483)
1 October 2020	1,519	397	8	1,924
Additions	336	–	–	336
Modification	(79)	–	–	(79)
Depreciation charge for the year	(522)	(214)	(7)	(743)
Exchange differences	(17)	(20)	–	(37)
30 September 2021	**1,237**	**163**	**1**	**1,401**
Lease liabilities				
13 January 2020	–	–	–	–
Acquisition of business	1,886	545	20	2,451
Interest charge for the period	57	13	1	71
Lease payments	(416)	(149)	(15)	(580)
Exchange differences	11	11	–	22
1 October 2020	1,538	420	6	1,964
Additions	336	–	–	336
Modification	(88)	–	–	(88)
Interest charge for the year	60	13	1	74
Lease payments	(575)	(234)	(7)	(816)
Exchange differences	(18)	(20)	–	(38)
30 September 2021	**1,253**	**179**	**–**	**1,432**
Current	481	176	–	657
Non-current	772	3	–	775
30 September 2021	**1,253**	**179**	**–**	**1,432**

The charge recognised in the Consolidated Statement of Profit or Loss for the year/period was as follows:

	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020 £000
Depreciation charge	**(743)**	(483)
Interest charge including net gain on modification	**(65)**	(71)
	(808)	(554)

17. Leases continued

The non-cancellable lease rentals are payable as follows:

	30 September 2021 £000	30 September 2020 £000
Within 1 year	**747**	1,216
Between 1 and 2 years	**467**	1,131
Between 2 and 5 years	**114**	483
Over 5 years	**–**	36
	1,328	2,866

At 30 September 2021, there was £nil (2020: £nil) of non-cancellable commitments relating to short-term leases. There were £nil (2020: £nil) low-value lease commitments.

18. Loans and borrowings

The carrying amount of loan and borrowings classified as financial liabilities at amortised cost approximates to their fair value.

	30 September 2021 £000	30 September 2020 £000
Current		
Secured bank loan	**–**	789
Unsecured loan notes	**353**	370
	353	1,159
Non-current		
Secured bank loan	**148,686**	77,754
Preference shares	**–**	125,414
Subordinated loan notes	**–**	9,947
Unsecured loan notes	**–**	329
	148,686	213,444
	149,039	214,603

On 13 October 2020, new parties added to the Old Senior Facilities Agreement, were entered with Macquarie and Sixth Street for US$75.0m, of which US$33.5m (equivalent of £25.7m) was drawn at this date. The loan carried an effective rate of interest of EURIBOR+6.5% payable half yearly and was secured on the assets of the Group.

Primary proceeds from the IPO were used to, amongst other things, repay all outstanding liabilities with financing parties except for the Old Senior Facilities Agreement and current unsecured loan notes.

An Amendment and Restatement Deed under the Old Senior Facilities Agreement effective from 1 March 2021 resulted in £39.4m (US$43.2m and £8.0m) available under the facility. The loan, net of loan arrangement fees of £1.4m, was repayable on 10 February 2027.

The Group entered into a New Senior Facilities Agreement on 17 June 2021 which included:

– a senior term loan facility (the "New Senior Term Facility") for US$204.0m for the acquisition of LiveAuctioneers. The New 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 will be due for repayment on 17 June 2026.

– a multi-currency revolving credit working capital facility (the "New Revolving Credit Facility") for US$49.0m. Any sums outstanding under the New Revolving Credit Facility will be due for repayment on 17 June 2024, subject to the optionality of two 12-month extensions. The facility had not been drawn down as at 30 September 2021.

The New 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, as at the last date of each financial quarter, commencing with the financial quarter ending 30 September 2021.

On 25 June 2021, the Group repaid all outstanding indebtedness in relation to the Old Senior Facilities Agreement and all facilities thereunder were cancelled. The security provided by the Group in connection with the Old Senior Facilities Agreement was also released.

The movements in loans and borrowings are as follows:

	30 September 2021 £000	30 September 2020 £000
1 October	**214,603**	–
Arising on acquisition	**–**	8,479
Repayment of loans and borrowings	**(108,956)**	(2,697)
Repayments of preference shares	**(117,716)**	–
Proceeds from loans and borrowings	**176,639**	86,088
Proceeds from the issue of preference shares	**714**	111,859
Accrued interest and amortisation of finance costs	**16,953**	13,676
Repayment of interest	**(26,388)**	(3,186)
Exchange differences	**(6,810)**	384
30 September	**149,039**	214,603

The currency profile of the loans and borrowings is as follows:

	30 September 2021 £000	30 September 2020 £000
GBP	**–**	146,456
USD	**149,039**	68,147
	149,039	214,603

The weighted average interest charge (including early repayment fees and amortised cost written off) for the year/period is as follows:

	Year ended 30 September 2021 %	8.5 months ended 30 September 2020 %
Secured bank loan	**16%**	6%
Preference shares	**12%**	12%
Subordinated loan notes	**16%**	12%
Unsecured loan notes	**12%**	12%

Financial Statements

19. Deferred taxation

The movement of deferred tax liabilities is as follows:

	Capitalised goodwill and intangibles £000	Tax losses £000	Other £000	Total £000
13 January 2020	–	–	–	–
Acquisition of business	(16,368)	6	9	(16,353)
Amount credited to Consolidated Statement of Profit or Loss	1,693	2,112	960	4,765
1 October 2020	(14,675)	2,118	969	(11,588)
Amount credited/(charged) to Statement of Profit or Loss	1,993	(748)	959	2,204
Amount credited to equity	–	–	64	64
Exchange differences	453	–	(27)	426
30 September	**(12,229)**	**1,370**	**1,965**	**(8,894)**
Deferred tax asset	**(2,628)**	**1,370**	**1,624**	**366**
Deferred tax liabilities	**(9,601)**	–	**341**	**(9,260)**

No deferred tax asset has been recognised in respect of unused tax losses in the UK of £695,000 (2020: £3,210,000) as it is not considered probable that there will be future taxable profits available to offset these particular tax losses. The losses may be carried forward indefinitely.

The temporary differences relating to the unremitted earnings of overseas subsidiaries amounted to £22.8m (2020: £nil). 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.

20. Share capital and reserves

	30 September 2021 £000	30 September 2020 £000
Allotted, called up and fully paid		
119,999,990 ordinary shares at 0.01p each (2020: 1,052,743 ordinary share at 0.1p each)	**12**	11
	12	11

As detailed in note 1, the Group completed a capital reorganisation during February 2021. The issued share capital as at 30 September 2021 represents the authorised share capital of Auction Technology Group plc and Auction Topco Limited as at 30 September 2020. The Company was incorporated on 18 January 2021 to act as the holding company for the Group and issued one ordinary share of 0.1p at £1. On 25 January 2021 the Company issued 50,000 non-voting redeemable preference shares with a nominal value of £1.00 each. On 17 February 2021, the Company issued 1,083,793 ordinary shares of 0.1p each with an aggregate nominal value of £10,838 following the share for share exchange for the entire share capital of Auction Topco Limited.

The issued share capital as at 30 September 2020 represents the authorised share capital of Auction Topco Limited and the share premium has been restated as an other reserve to reflect the reorganisation as a result of the application of merger accounting.

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
13 January 2020	1	–	–	–
Shares issued for grant of pre-IPO share awards	1,052,742	11	–	1,125
1 October 2020	1,052,743	11	–	1,125
Shares issued for grant of pre-IPO share awards and pre-admission awards	41,834	–	–	402
Share buyback	(10,783)	–	–	–
Capital reorganisation				
– Subdivision of shares creating 97,994,100 shares at 0.01p each	97,014,159	–	–	–
– Share buyback	(39,337,210)	(5)	–	–
– Shares issued for IPO	41,239,257	4	247,431	–
Shares issued for business combination	19,999,990	2	–	243,998
Share issue costs	–	–	(11,528)	(7,140)
30 September 2021	**119,999,990**	**12**	**235,903**	**238,385**

From 1 October 2020 to 17 February 2021, the Group issued 41,834 share awards (see note 21). On 17 February 2021 a purchase for cancellation of 10,783 ordinary shares of £0.01p was cancelled. The aggregate nominal values of the shares cancelled was £107.83.

On 26 February 2021, the capital reorganisation comprised:

– the ordinary shares were subdivided such that the number of ordinary shares increased by 100 and the nominal value of shares decreased from 0.1p to 0.01p.
– the Company completed the purchase for cancellation of 39,233,357 ordinary shares of 0.01p each and 103,853 ordinary shares of 0.1p for cash consideration of £2. The aggregate nominal value of the shares cancelled was £4,962.
– the Company repurchased and cancelled the 50,000 redeemable preference shares of £1.00 at nominal value.
– in connection with the IPO, the Company issued 41,239,257 ordinary shares of 0.01p each with an aggregate nominal value of £4,124 for a cash consideration of £247,435,000.

On 17 June 2021, as part of a capital raising (see note 24), the Company issued 19,999,990 ordinary shares of 0.01p each with an aggregate nominal value of £2,000 for a cash consideration of £244,000,000.

Other reserve
The other reserve comprised:

– a merger reserve that arose on the Group reorganisation 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.
– share premium, net of share issue costs, was recognised in the other reserve in accordance with section 612 of the Companies Act 2006 for the equity raise on 17 June 2021 was via a cash-box placing.

Capital redemption reserve
The capital redemption reserve arose on the redemption or purchase of the Company's own shares.

Share option reserve
The share option reserve relates to share options awarded (see note 21).

Foreign exchange reserve
The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

21. Employee benefits

Defined contribution pension plans
The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £358,000 (2020: £195,000). There was £48,000 accruing to these pension schemes as at 30 September 2021 (2020: £51,000).

Share-based payments
The Group had two share-based payment plans in effect in the 2021 financial year, of which one was in place prior to Admission on the London Stock Exchange. After Admission on the London Stock Exchange, the Company adopted a discretionary share plan called the Auction Technology Group plc Long Term Incentive Plan (the "LTIP"), details of which are set out in this note and the Directors' Remuneration Report.

Shares awards pre-IPO including pre-admission awards
From 1 October 2020 to 17 February 2021, the Group issued the following pre-IPO share awards:

– 6,500 Auction Topco Limited B Ordinary shares to certain employees.
– 16,260 Auction Topco Limited A Ordinary shares to certain Non-Executive Directors.
– 8,097 Auction Topco Limited B Ordinary shares to the ATG Employee Benefit Trust for the benefit of certain employees as a staff gift and payment of associated tax liabilities for share awards issued to employees and Executive Directors.

From 1 October 2020 to 17 February 2021, the Group issued the following pre-admission awards:

– 10,977 Auction Topco Limited B Ordinary shares ("pre-admission awards") to the Executive Directors and certain employees.

From 13 January 2020 to 17 February 2021, 231,293 ordinary shares in Auction Topco Limited, including the share awards detailed above, have been issued to its employees and Non-Executive Directors. As part of the Group reorganisation described in note 1 and 20 the ordinary shares in Auction Topco Limited were exchanged in a share for share exchange with Auction Technology Group plc, subdivided such that the number of ordinary shares increased by 100 to 23,129,300 and reduced by 9,627,043 shares as part of the share buyback. This resulted in 13,502,257 ordinary shares listed in the IPO.

The holders were subject to a service condition and, as such, the shares represent remuneration for service thereby constituting an IFRS 2 equity-settled, share-based arrangement. In addition, the pre-admission awards are subject to a three-year holding period subject to the recipient's continued employment. In January 2021, the Group made an announcement to pursue an IPO on the London Stock Exchange. As a result, a share-based payment expense was recognised in the Consolidated Statement of Profit or Loss, being the fair value of the awards at their respective grant dates. The pre-IPO share awards vested on the date of the IPO.

LTIP options
On admission to the London Stock Exchange on 26 February 2021, the Company granted conditional nil-cost share options over 437,665 shares through the LTIP to the Executive Directors and other senior management. A further 59,859 and 4,720 were granted on 5 April 2021 and 5 July 2021 respectively to senior management. It is expected that these awards will normally vest over a three-year period 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.

21. Employee benefits continued

The fair value charge for the year ended to 30 September 2021 is as follows:

	Pre-IPO share awards £000	Pre-admission awards £000	LTIP options £000	Total £000
Expense arising from equity-settled share-based payments	10,124	795	855	11,774
Payroll tax	–	–	118	118
Total share-based payment expense	**10,124**	**795**	**973**	**11,892**

The fair value charge for the period ended 30 September 2020 for the pre-IPO shares was £276,000.

The share awards/options set out below are outstanding at 30 September 2021. All share options outstanding are equity-settled and are options to subscribe for new ordinary shares of 0.01p each in the Company. There are no share options exercisable at 30 September 2021 (2020: nil). Further details of the Group's share plans are provided in the Directors' Remuneration Report.

	Pre-IPO share awards Number	Pre-admission awards Number	LTIP options Number	Total Number
13 January 2020	37,110	–	–	37,110
Granted during the period	152,349	–	–	152,349
1 October 2020	189,459	–	–	189,459
Granted in the year	30,857	10,977	502,244	544,078
Subdivision of share awards	21,811,284	1,086,723	–	22,898,007
Exercised during the year	(12,834,327)	–	–	(12,834,327)
Cancelled/forfeited during the year	(9,197,273)	(455,014)	(18,603)	(9,670,890)
30 September 2021	**–**	**642,686**	**483,641**	**1,126,327**

The weighted average exercise price of the pre-IPO share awards exercised was £3.20 (2020: £nil) and the market price at date of exercise was £7.80 (2020: £nil). The options outstanding at 30 September 2021 had a weighted average exercise price of £nil (2020: £nil) and a weighted average remaining contractual life of 2.4 years (2020: nil).

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 regarding financial instruments are disclosed in note 1.

Financial instruments by category

	30 September 2021 £000	30 September 2020 £000
Financial assets held at amortised cost		
Trade and other receivables (excluding prepayments and non-financial assets)	**7,385**	8,143
Cash and cash equivalents	**397,451**	14,193
	404,836	22,336
Financial liabilities held at amortised cost		
Trade and other payables (excluding non-financial liabilities)	**11,706**	6,152
Loans and borrowings	**149,039**	89,189
Preference shares	**–**	125,414
Financial liabilities held at fair value through profit or loss		
Contingent consideration	**2,794**	1,040
	163,539	221,795

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.

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. For banks and financial institutions only independently rated parties with a minimum rating of "A" are accepted.

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 ECL using both qualitative and quantitative information and analysis based on the Group's historical experience and forward-looking information. During the year there was a debit to the Consolidated Statement of Profit or Loss of £50,000 (2020: credit of £102,000) to increase the loss allowance.

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.

22. Financial instruments continued

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.

2021	Carrying amount £000	Contractual cash flows £000	Due less than 1 year £000	Between 1 and 5 years £000	Over 5 years £000
Loans and borrowings	149,039	151,223	353	150,870	–
Trade and other payables	11,706	11,706	11,706	–	–
Contingent consideration	2,794	2,794	2,794	–	–
30 September 2021	**163,539**	**165,723**	**14,853**	**150,870**	**–**

2020	Carrying amount £000	Contractual cash flows £000	Due less than 1 year £000	Between 1 and 5 years £000	Over 5 years £000
Loans and borrowings	89,189	91,845	1,159	–	90,686
Preference shares	125,414	125,414	–	–	125,414
Trade and other payables	6,152	6,152	6,152	–	–
Contingent consideration	1,040	1,040	518	522	–
30 September 2020	221,795	224,451	7,829	522	216,100

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, euro or US dollars) 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 euro and the US dollar against sterling 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 2021 £000	30 September 2020 £000
Net foreign currency monetary assets/(liabilities)		
US dollars	**233,466**	(57,867)
Euros	**791**	1,673

The US dollar-denominated monetary assets included cash held on escrow (see note 15).

The following table details the Group's sensitivity to a 5% strengthening and weakening in pound sterling against US dollar and euro. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. Where pound sterling strengthens 5% against the relevant currency, a negative number below indicates an increase in loss in the Consolidated Statement of Profit or Loss and the Consolidated Statement of Changes in Equity and a positive number indicates a decrease in loss in the Consolidated Statement of Profit or Loss and the Consolidated Statement of Changes in Equity. For a 5% weakening in pound sterling against the relevant currency, there would be an equal and opposite impact on the loss in the Consolidated Statement of Profit or Loss and the Consolidated Statement of Changes in Equity .

	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020 £000
US dollars		
Change in loss for the year/period in Consolidated Statement of Profit or Loss	**(11,063)**	3,450
Change in loss in Consolidated Statement of Changes in Equity	**(610)**	(438)
Euros		
Change in loss for the year/period in Consolidated Statement of Profit or Loss	**(49)**	(29)
Change in loss in Consolidated Statement of Changes in Equity	**10**	56

Interest rate risk

The Group was exposed to interest rate risk during the year because entities in the Group borrowed funds at both fixed and floating interest rates. All outstanding liabilities at 30 September 2020 with financing parties were repaid during the year. There were loans of £149.0m outstanding at 30 September 2021

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. A 100bps (1%) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100bps (1%) higher/lower and all other variables were held constant, there would be no impact (2020: £nil) on the Group's loss for the year ended 30 September 2021.

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 makes adjustments to 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.

Fair value of financial instruments

The fair value 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.

The Group's contingent considerations are classified as level 3 (for further details of fair value method see note 11). There are no other financial instruments.

Financing activities

The movements in assets/(liabilities) arising from financing activities are as follows:

2021	1 October 2020 £000	Arising on acquisition £000	Fair value movements £000	Other non-cash movements £000	Cash flow £000	Exchange differences £000	30 September 2021 £000
Cash and cash equivalents	**14,193**	**476**	**–**	**–**	**378,116**	**4,666**	**397,451**
Total financing assets	**14,193**	**476**	**–**	**–**	**378,116**	**4,666**	**397,451**
Preference shares	**(125,414)**	**–**	**–**	**(6,328)**	**131,742**	**–**	**–**
Bank loans	**(78,543)**	**–**	**–**	**(8,507)**	**(67,659)**	**6,023**	**(148,686)**
Loan notes	**(10,646)**	**–**	**–**	**(2,118)**	**11,624**	**787**	**(353)**
Contingent consideration	**(1,040)**	**(3,918)**	**1,462**	**(7)**	**522**	**187**	**(2,794)**
Lease liabilities	**(1,964)**	**–**	**–**	**(322)**	**816**	**38**	**(1,432)**
Total financing liabilities	**(217,607)**	**(3,918)**	**1,462**	**(17,282)**	**77,045**	**7,035**	**(153,265)**

2020	Arising on acquisition £000	Fair value movements £000	Other non-cash movements £000	Cash flow £000	Exchange differences £000	30 September 2020 £000
Cash and cash equivalents	9,650	–	–	4,574	(31)	14,193
Total financing assets	9,650	–	–	4,574	(31)	14,193
Preference shares	(4,682)	–	(8,873)	(111,859)	–	(125,414)
Bank loans	(2,678)	–	(4,013)	(71,468)	(384)	(78,543)
Loan notes	(1,119)	–	(790)	(8,737)	–	(10,646)
Contingent consideration	(2,846)	–	(41)	1,847	–	(1,040)
Lease liabilities	(2,451)	–	(71)	580	(22)	(1,964)
Total financing liabilities	(13,776)	–	(13,788)	(189,637)	(406)	(217,607)

23. Related party transactions

The following related party transactions took place in FY21 and FY20:

On 13 February 2020 preference shares of £86,401,000 were issued to funds advised by TA Associates Management LP. The preference shares including interest amounting to £97,085,000 were repaid on 1 March 2021 (accrued interest as at 30 September 2020: £6,562,000).

On 13 February 2020 preference shares of £26,093,000 were issued to funds advised by ECI Partners LLP. The preference shares including interest amounting to £29,377,000 were repaid on 1 March 2021 (accrued interest as at 30 September 2020: £1,982,000).

On 13 February 2020 preference shares of £4,508,000 were issued to members of the management team. The preference shares including interest amounting to £5,269,000 were repaid on 1 March 2021 (accrued interest as at 30 September 2020: £342,000).

On 13 February 2020 a loan note of £385,000 was issued to a member of the management team. Interest of £49,000 (accrued interest as at 30 September 2020: £24,000) was waived on 26 February 2021 and the loan note repaid on 26 February 2021.

On 13 February 2020 a subordinated loan note of US$13,000,000 (equivalent of £9,334,000) was issued to funds held by ECI Partners LLP and TA Associates Management LP. The subordinated loan note and related accrued interest of US$15,157,000 (equivalent of £10,883,000) (accrued interest as at 30 September 2020: £759,000) were repaid on 1 March 2021.

On 30 September 2020, Tom Hargreaves, a Director of the Company, received a loan of £7,000; the full amount and related interest were repaid on 26 February 2021.

On 30 December 2020 preference shares of £272,000 were issued to Breon Corcoran, a Non-Executive Director. On 15 January 2021 preference shares were issued to Non-Executive Directors Scott Forbes and Penny Ladkin-Brand for £221,000 each. The proceeds from the redemption of their preference shares including interest amounting to £724,000 were used to apply for the subscription of ordinary shares on IPO.

Key management personnel compensation for the period is set out below. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any Directors (whether Executive or otherwise) of the entity as set out in the Directors' Remuneration Report. The Directors consider that key management personnel are those persons who are members of the Executive Committee of Auction Technology Group plc.

	Year ended 30 September 2021 £000	8.5 months ended 30 September 2020 £000
Short-term employee benefits	**2,726**	1,259
Post-employment benefits	**55**	19
Share-based payment expense	**2,287**	276
Total key management personnel compensation	**5,068**	1,554

24. Events after the balance sheet date

On 17 June 2021, the Group announced the proposed purchase of LiveAuctioneers by means of an acquisition of the entire issued and to be issued share capital of Platinum Parent, Inc. The acquisition was based on an implied enterprise value of US$525.0m.

Due to its size, the acquisition was classed as a Class 1 transaction under the Listing Rules, and therefore required shareholder approval. The Group's shareholders approved the acquisition on 20 August 2021. Prior to the acquisition completing, approval by the relevant antitrust authorities, including approval in the UK and US, had to be obtained. The acquisition completed post the year end on 1 October 2021.

The consideration for the acquisition of US$525.0m was settled with US$500.0m in cash on completion and earn-out consideration of up to US$25.0m. The consideration was financed through the Group's new Senior Term Loan and the equity raise.

Given the acquisition had not yet completed at 30 September 2021 no accounting for the acquisition in accordance with IFRS 3 "Business Combinations" has been included in the FY21 financial statements.

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 2021 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 Media US Inc.	Suite 800, 1125 S. 103rd Street, Omaha, NE, 68,124, United States	Holding company	100%
ATG Nominees Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Dormant	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	Holding company	100%
Auction Mobility LLC	1209 Orange Street, Wilmington, DE, 19801, United States	Provision of auction trading software	100%
Auction Payment Network LLC	Suite 800, 1125 S. 103rd Street, Omaha, NE, 68,124, United States	Provision of auction trading software	100%
Auction Technology Group Germany GmbH	Grosse Backerstrasse 9, 20095, Hamburg, Germany	Provision of auction trading software	100%
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	Holding company	100%
Bidspotter Inc.	Suite 800, 1125 S. 103rd Street, Omaha, NE, 68,124, United States	Provision of auction trading software	100%
Metropress Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Provision of auction trading software	100%
Peddars Management Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Dormant	100%
Proxibid Bidco Inc.	Suite 800, 1125 S. 103rd Street, Omaha, NE, 68,124, United States	Holding company	100%
Proxibid Inc.	Suite 800, 1125 S. 103rd Street, Omaha, NE, 68,124, United States	Provision of auction trading software	100%
Proxibid UK Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Provision of auction trading software	100%
Turner Bidco Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Holding company	100%
Turner Topco Limited	The Harlequin Building, 65 Southwark Street, London, SE1 0HR, United Kingdom	Holding company	100%

All holdings of subsidiaries are of ordinary shares. In addition thre 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 Section 394 and 448 of the Companies Act 2006 respectively.

For the year ended 30 September 2021, 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
Auction Bidco Limited	12401140
Auction Holdco Limited	12400986
Auction Midco Limited	12400881
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 2021

	Note	30 September 2021 £000
ASSETS		
Non-current assets		
Investments	5	**134,048**
Trade and other receivables	6	**111,594**
Total non-current assets		**245,642**
Current assets		
Trade and other receivables	6	**105**
Cash and cash equivalents	7	**223,776**
Total current assets		**223,881**
Total assets		**469,523**
Liabilities		
Current liabilities		
Trade and other payables	8	**(3,830)**
Total current liabilities		**(3,830)**
Total liabilities		**(3,830)**
Net assets		**465,693**
Equity		
Share capital	9	**12**
Share premium	9	**235,903**
Other reserve	9	**238,389**
Capital redemption reserve	9	**5**
Share option reserve	9	**1,649**
Retained losses		**(10,265)**
Total equity		**465,693**

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or Statement of Comprehensive Income is presented in respect of the parent Company. The loss for the period attributable to the shareholders of the Company and recorded through the accounts of the Company was £20,390,000.

The Company financial statements on pages 138-142 were approved by the Board of Directors on 1 December 2021 and signed on its behalf by:

John-Paul Savant **Tom Hargreaves**

(Company registration number 13141124)

Company Statement of Changes in Equity
for the period ended 30 September 2021

	Share capital £000	Share premium £000	Other reserve £000	Capital redemption reserve £000	Share option reserve £000	Retained losses £000	Total £000
18 January 2021	–	–	–	–	–	–	–
Comprehensive loss							
Loss for the period	–	–	–	–	–	(20,390)	(20,390)
	–	–	–	–	–	(20,390)	(20,390)
Transactions with owners							
Issue of ordinary shares as consideration for a business combination, net of transaction costs and tax	17	235,903	238,389	–	–	–	474,309
Share buyback of ordinary shares, net of tax	(5)	–	–	5	–	–	–
Movement due to equity-settled share-based payments	–	–	–	–	1,649	10,125	11,774
30 September 2021	**12**	**235,903**	**238,389**	**5**	**1,649**	**(10,265)**	**465,693**

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 on 18 January 2021 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 102.

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 International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with 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
- 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 financial statements have been prepared on the historical cost basis except for the remeasurement of certain financial instruments that are measured at fair values at the end of each reporting period. The principal accounting policies adopted are the same as those set out in note 1 to the Consolidated Financial Statements except as noted below.

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 financial statements.

3. Staff costs

The Company has no employees other than the Directors. The monthly average number of persons employed by the Company during the period amounted to three. Details of Directors' remuneration are set out in the Directors' Remuneration Report on pages 72-83.

4. Auditor's remuneration

The fees payable for the audit of the Company's annual accounts amounted to £437,000.

5. Investments

	30 September 2021 £000
18 January 2021	–
Additions	**134,048**
	134,048

On 17 February 2021, the Company acquired 100% of the equity of Auction Topco Limited for £134,048,000 in a share-for-share exchange (see note 1 and 23 of the Consolidated Financial Statements).

Details of the principal subsidiary undertakings of the Company at 30 September 2021 can be found in note 25 of the Consolidated Financial Statements.

6. Trade and other receivables

	30 September 2021 £000
Current	
Other debtors and prepayments	**105**
	105
Non-current	
Amounts owed by Group undertakings	**111,594**
	111,594
	111,699

Amounts owed by Group undertakings are interest free and repayable on demand. The Directors do not expect these assets to be realised in the next 12 months and have classified the balances as non-current.

7. Cash and cash equivalents

	30 September 2021 £000
Restricted cash	**223,776**
	223,776

As a result of the capital raising on 17 June 2021, the cash net of transaction fees associated with the acquisition and financing of the LiveAuctioneers Group (see note 24 of the Consolidated Financial Statements) was transferred to an escrow account. These funds are restricted and are not available to circulate within the Group on demand.

Notes to the Company Financial Statements continued

8. Trade and other payables

	30 September 2021 £000
Payroll tax and other statutory liabilities	**49**
Accruals	**3,781**
	3,830

9. Share capital and reserves

	30 September 2021 £000
Allotted, called up and fully paid	
119,999,990 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.

Share option reserve
The share option reserve relates to share options awarded (see note 21 of the Consolidated Financial Statements).

Other reserve
The other reserve comprised:

– a merger reserve that arose on the Group reorganisation and is the adjustment of the cost of the equity to reflect the statutory share capital and share premium of Auction Topco Limited.

– share premium, net of share issue costs, was recognised in the other reserve in accordance with section 612 of the Companies Act 2006 for the equity raise on 17 June 2021 was via a cash-box placing.

10. Post balance sheet events

On 17 June 2021, the Company announced the proposed purchase of LiveAuctioneers by means of an acquisition of the entire issued and to be issued share capital of Platinum Parent, Inc. The acquisition was based on an implied enterprise value of US$525.0m.

Due to its size, the acquisition was classed as a Class 1 transaction under the Listing Rules, and therefore required shareholder approval. The Company's shareholders approved the acquisition on 20 August 2021. Prior to the acquisition completing, approval by the relevant antitrust authorities, including approval in the UK and US, had to be obtained. The acquisition completed post the year end on 1 October 2021.

The consideration for the acquisition of US$525.0m was settled with U$500.0m in cash on completion and earn-out consideration of up to US$25.0m. The consideration was financed through the Group's new Senior Term Loan and the equity raise.

Given the acquisition had not yet completed at 30 September 2021 no accounting for the acquisition in accordance with IFRS 3 "Business Combinations" has been included in the FY21 financial statements.

There were no other events after the balance sheet date.

Glossary

Glossary	
A&A	Art & Antiques
Aggregate basis	certain measures have been used as the acquisitions of Turner Topco Limited and Proxibid Inc. on 13 February 2020 have affected the comparability of the Group's results of operations for 2021. The measures are presented for the Group to provide comparisons of the Group's results between 2020 and 2021 as if the acquisitions had occurred on 1 October 2019
Auction Mobility	Auction Mobility LLC
Bidder sessions	web sessions on the Group's marketplaces online within a given time frame
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
Enlarged Group	the existing Group including the proposed acquisition of LiveAuctioneers Group
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 fee 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
KPIs	key performance indicators
LiveAuctioneers Group	Platinum Parent, Inc. and its subsidiaries
Live auctions	Live auctions typically feature a physical auction room (with bidders participating in the room and by phone) supplemented by bids made online. Lots are run consecutively and so apart from the first lot there is no fixed time for specific lots to be called
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
Online share	represents GMV as a percentage of THV.
Proxibid	the Group's marketplace operated via the www.proxibid.com domain
Proxibid Group	the operations of Proxibid Inc. and its subsidiaries prior to acquisition by Auction Topco Limited
The Saleroom	the Group's marketplace operated via the www.the-saleroom.com domain
Standalone ATG	the operations of Turner Topco Limited and its subsidiaries prior to acquisition by Auction Topco Limited
Take rate	represents the Group's marketplace revenue as a percentage of GMV. Marketplace revenue is the Group's reported revenue excluding Content 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 fee 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
Verticals	like-for-like industry or inventory, for example, art and antiques, industrial and construction, consumer surplus and returns and sub-verticals such as equine, real estate and classic cars.

Shareholder Information

Company website
The Company's website at www.auctiontechnologygroup.com contains the latest information for shareholders.

Annual General Meeting
The 2022 AGM will be held on 25 January 2022 at 10am 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 and any special arrangements that will be in place in light of the UK Government's prevailing restrictions regarding COVID-19 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 share register is maintained by Equiniti. Shareholders should contact the registrar, Equiniti, in connection with changes of address, lost share certificates, transfers of shares etc and they can be contacted as follows:

Shareholders helpline: 0371 384 2030 (International +44 121 415 7047). Open Monday to Friday 9.00am to 5.00pm.

Further contact details can be found here: https://equiniti.com/uk/contact-us/shareholder-enquiries/

Equiniti Limited
Aspect House
Spencer Road, Lancing
West Sussex
BN99 6DA

Advisers:

Sponsor and Joint Financial Adviser
Numis Securities Limited
45 Gresham Street
London EC2V 7BF

Joint Financial Adviser
J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London
E14 5JP

Legal advisers to the Company
Travers Smith LLP
10 Snow Hill
London
EC1A 2AL

Auditor
Deloitte LLP
Hill House
1 Little New Street
London
EC4A 3TR

Public relations advisers to the Company
Tulchan Communications LLP
85 Fleet Street
London
EC4Y 1AE

MIX
Paper from responsible sources
FSC® C001785
FSC
www.fsc.org

Designed and produced by **SampsonMay**
Telephone: 020 7403 4099
www.sampsonmay.com

Printed by Park Communications

The material used in this Report is from sustainable resources. The paper mill and printer are both registered with the Forestry Stewardship Council (FSC) ® and additionally have the Environmental Management System ISO 14001.

It has been printed using 100% offshore wind electricity sourced from UK wind and all the inks used are vegetable based.