HERITAGE GLOBAL INC.

Asset Conversion with Purpose

2022
Sustainability Report

Content of the Report

Forward Looking Statements

This communication includes forward-looking statements based on our current expectations and projections about future events. All statements contained in this communication other than statements of historical fact, including any statements regarding our future operating results and financial position, our business strategy and plans, potential acquisitions, market growth and trends, and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “could,” “would,” “project,” “plan,” “potentially,” “preliminary,” “likely,” and similar expressions are intended to identify forward-looking statements. For these statements, Heritage Global Inc. (the “Company”) claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

The forward-looking statements contained in this communication are based on knowledge of the environment in which the Company currently operates and are subject to change based on various important factors, including variability in magnitude and timing of asset liquidation transactions, the impact of changes in the U.S. national and global economies (including the uncertain conditions created by the coronavirus [COVID-19] pandemic), interest rate and foreign exchange rate sensitivity, as well as other factors beyond the Company's control.

Unless required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In light of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation.

Although we believe that our expectations are based on reasonable assumptions, we can give no assurance that our expectations will materialize. For more details on factors that could affect these expectations, please see our filings with the Securities and Exchange Commission including the “Risk Factors” section in our most recent annual report on Form 10-K.

Introduction

The concept of the circular economy is gaining traction in today's society, and for good reason. It is pivotal to re-evaluate our production and consumption practices in order to become increasingly sustainable. Heritage Global Inc. ("HG") is altering the way we think about industrial assets and financial services. By providing acquisition, disposition, valuation and lending services for surplus and distressed assets, HG is actively committed to furthering the growth of the circular economy. This includes sourcing and repurposing industrial assets that might otherwise have been discarded, while upholding ethical practices and transparency throughout our supply chain.

HG offers a wide range of services, including acting as an adviser and brokering or acquiring turnkey manufacturing facilities, surplus industrial machinery and equipment, industrial inventories, real estate, and charged-off account receivable portfolios.

OUR MISSION IS CLEAR

To provide innovative financial and industrial asset solutions to continue facilitating the transition from a linear to a circular economy, while aiming for increased monetization and decreased environmental impact.

A Message from our CEO

"Our near 100% employee retention rate is evidence of our dedication to running a sustainable business."

Ross Dove
Chief Executive Officer & Director

At Heritage Global, we recognize the importance of our economic performance in order to meet shareholder expectations and are deeply committed to upholding Environmental, Social, and Governance ("ESG") standards across our businesses. To this end, we are proud to announce the introduction of a new ESG program that underscores our commitment to sustainability. This program comprises three drivers: Running a Responsible Business, Enabling the Circular Economy, and Supporting our Communities. Together these initiatives demonstrate our dedication to making positive contributions and achieving financial goals.

Industrial assets, such as machinery, tools, electronic components, and even buildings, are integral to powering any economy. Yet when these resources become obsolete or no longer fulfill their roles, the typical response has been to simply discard them. This can negatively impact the environment by contributing to landfill waste and pollution.

At our company, we understand the importance of offering a more sustainable solution. We promote a circular economy by connecting buyers and sellers of used industrial assets, thereby enabling reuse of items that might otherwise have been discarded. In this manner, we are able to make an important contribution within our industry towards reducing global waste.

Additionally, we strive to adhere to all applicable laws and regulations governing our data, systems and facilities. We are committed to providing dependable and ethical services while helping clients reduce costs, recover value, extend asset life and generate additional revenue opportunities. Throughout these activities, we maintain a strong focus on ethical practices within our supply chain. Our dedication to sustainable practices has made it possible for us to make a revolutionary step towards a more environmentally conscious and equitable future from the start.

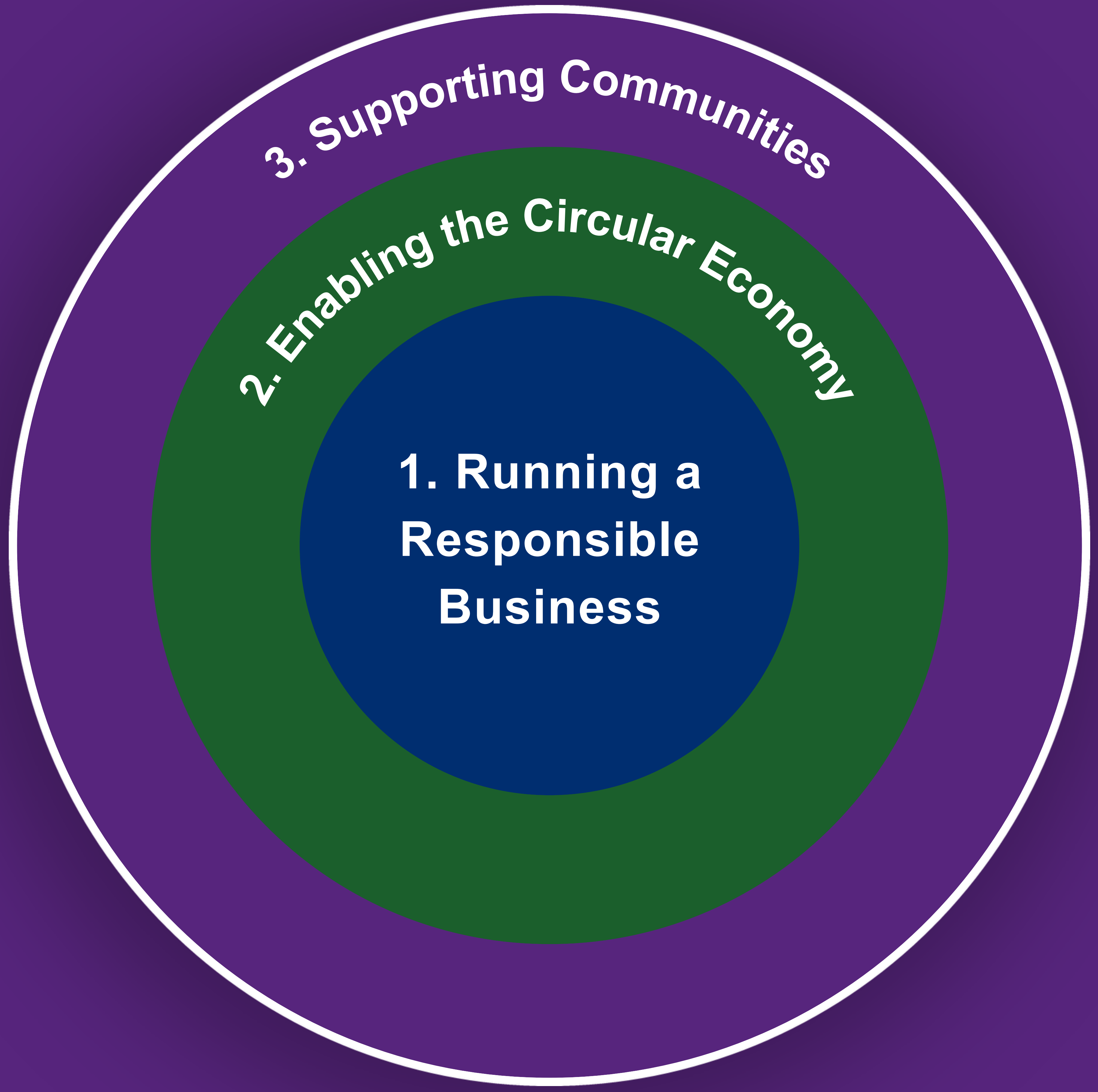
From our beginnings as an auction house in 1937 to today, as a publicly traded asset services company, we have always held onto our family business roots. My grandfather was a liquidator, my father was an auctioneer, my brother and I were asset conversion consultants, and now our sons are environmentalists. Throughout our evolution, there has been one core value that we have never lost sight of: diverting equipment from landfills and nurturing an ethical supply chain. The near 100% employee retention rate is evidence of our dedication to running a sustainable business.

The HG ESG Program Centers on

Three Main Drivers

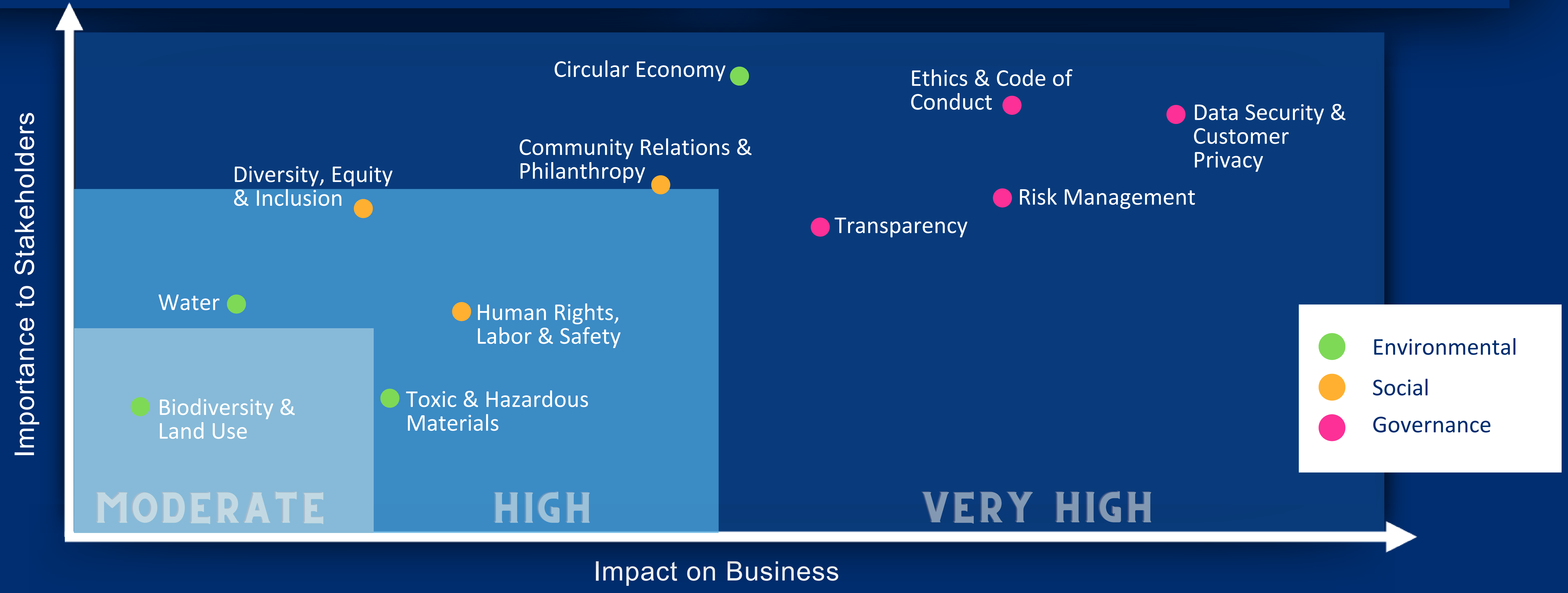
Heritage Global Inc. and its subsidiaries firmly uphold the highest standards of integrity and ethical behavior in their dealings with employees, clients, buyers, suppliers, shareholders and the public.

In 2022, we collaborated with an independent third-party firm to perform a comprehensive Environmental, Social and Governance (ESG) Materiality Assessment of our operations. As part of this assessment, our most pivotal ESG topics were identified as corporate governance, our role in the circular economy, and our commitment to supporting local communities.



HG Materiality Matrix

To ensure we prioritize important issues, we asked our internal stakeholders to use a materiality matrix to identify the ESG topics with the greatest potential impact on our business and stakeholders, helping us focus our efforts where they can have the greatest effect.



Leadership

The leadership team has tremendous bench strength and depth, bringing over 200 years of collective industry experience in both industrial and financial asset transactions.

Employee Wellness

To ensure that our employees can access quality healthcare, we offer a generous monthly health insurance reimbursement program to supplement our health benefits plans.

Key Governance

We have established transparent policies related to essential governance matters, including Conflicts of Interest, Bribery and Corruption, Intellectual Property, and Data Security, Confidentiality, and Customer Privacy.

38% FEMALE

Board of Directors

Our Board of Directors represents a wide variety of perspectives, with 75% of directors independent and 38% female.**

As of 12.31.22

NATIONAL LOAN EXCHANGE INC.

Risk Management, Accuracy and Data Security are of Paramount Importance

National Loan Exchange (NLEX), our charged-off asset portfolio brokerage, leverages technology to provide a secure, user-friendly centralized platform through which clients can deliver and receive sensitive information.

NLEX is committed to the security and compliance of its data, systems and facilities. NLEX undergoes SOC 2 Type II examinations, conducts penetration testing and maintains security controls designed to protect sensitive information. Its data and facility security protocols are also subject to review by financial institution clients and independent third-party security firms.

RMAi
CERTIFIED
CERTIFIED RECEIVABLES BUSINESS

IS PARTNERS LLC
SOC 2
CERTIFIED PUBLIC ACCOUNTANTS

Running a Responsible Business

Unlocking Flexibility with Creative Financial Solutions

Heritage Global Capital (HGC) offers flexible funding structures and creative solutions for businesses with non-traditional models. Since 2019, HGC has been providing customized one-stop credit solutions designed to deliver cost-effective debt capital to buyers acquiring financial portfolios.

HGC strives to provide dependable services that go beyond traditional funding solutions. We work hard to bring modern-day capital access to businesses while maintaining ethical standards. Our membership in reputable organizations such as Receivables Management Association International (RMAI) and the Association of Credit and Collection Professionals (ACA International) reflects our dedication to upholding best practices in our field. We are committed to supporting responsible access to capital for businesses.

Running a Responsible Business

HERITAGE GLOBAL VALUATIONS

Economic Sustainability through Precise Asset Valuations

Heritage Global Valuations (HGV) provides a comprehensive range of services to help our clients make timely strategic business and lending decisions. Our team of specialists has access to a wide variety of data sources including, but not limited to, our proprietary database of past transactions; firsthand knowledge of local markets; and diverse industry relationships.

By utilizing HGV's valuation and advisory services, organizations can make more informed decisions about asset management, financing and disposition. HGV's market knowledge and transaction data help clients assess asset values and evaluate strategic options for surplus or underutilized equipment. As members of the American Society of Appraisers (ASA), Turnaround Management Association (TMA), Association for Corporate Growth (ACG), and Secured Finance Network, we are committed to professional standards and reliable valuation services.

ASA American Society of Appraisers Providing Value Worldwide MEMBER

Secured Finance Network MEMBER

TMA Turnaround Management Association MEMBER

ACG Association for Corporate Growth MEMBER

Enabling the Circular Economy

HGP
HERITAGE GLOBAL PARTNERS

Leveraging Second-Hand Assets to Accelerate Growth

When it comes to industrial auctions and liquidations, Heritage Global Partners (HGP) has been a leader with over 150 years of collective management experience spanning across 25+ industrial sectors. HGP has conducted 5,000 auctions in 30 countries around the world.

For years, HGP has used its expertise to connect buyers and sellers of pre-owned industrial assets. Buyers can benefit from lower acquisition costs and shorter lead times compared with purchasing new equipment, while sellers can recover value from surplus or obsolete assets. By keeping usable equipment in circulation longer, the pre-owned asset marketplace can help reduce waste and support the circular economy.

ALT
AMERICAN LABORATORY TRADING

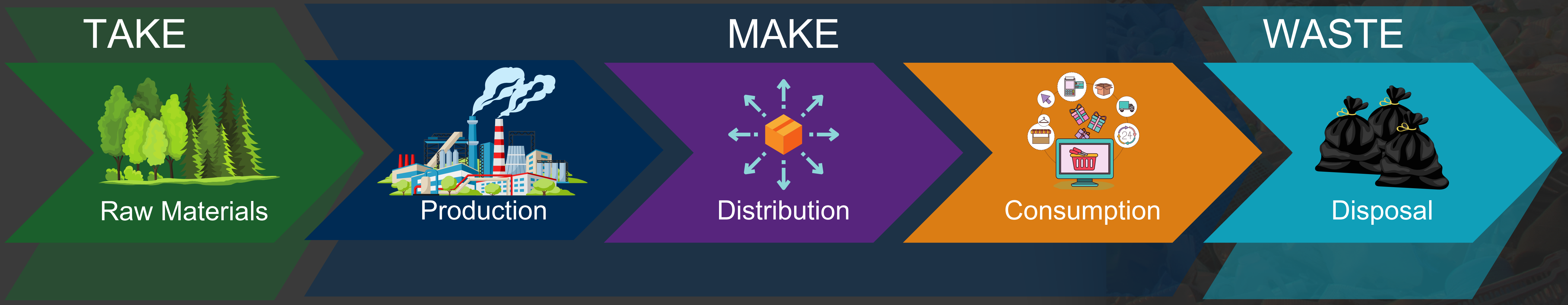
Extended Life Strategies for Life Science Equipment

Since 1999, American Laboratory Trading (ALT) has been providing surplus strategy services for the recovery, refurbishment and resale of assets in the life sciences industry with added benefits such as lifetime support to customers, a price match guarantee, and a white glove service that includes installation and removal of all packaging.

ALT is endorsed by 40 states in the BIO Business Solutions program and is partnered with Agilent, allowing buyers to purchase certified pre-owned analytical instruments at competitive prices while aiding sustainability. By extending the useful life of existing equipment, these programs can help reduce waste and demand for newly manufactured replacements. ALT's white-glove service can also help streamline delivery and installation. Ultimately, ALT offers businesses a cost-effective way to recover, refurbish and resell laboratory equipment.

Traditional "Linear Economy" has a one-way flow of resources from production to consumption, lacking any form of cyclical reuse or regeneration.

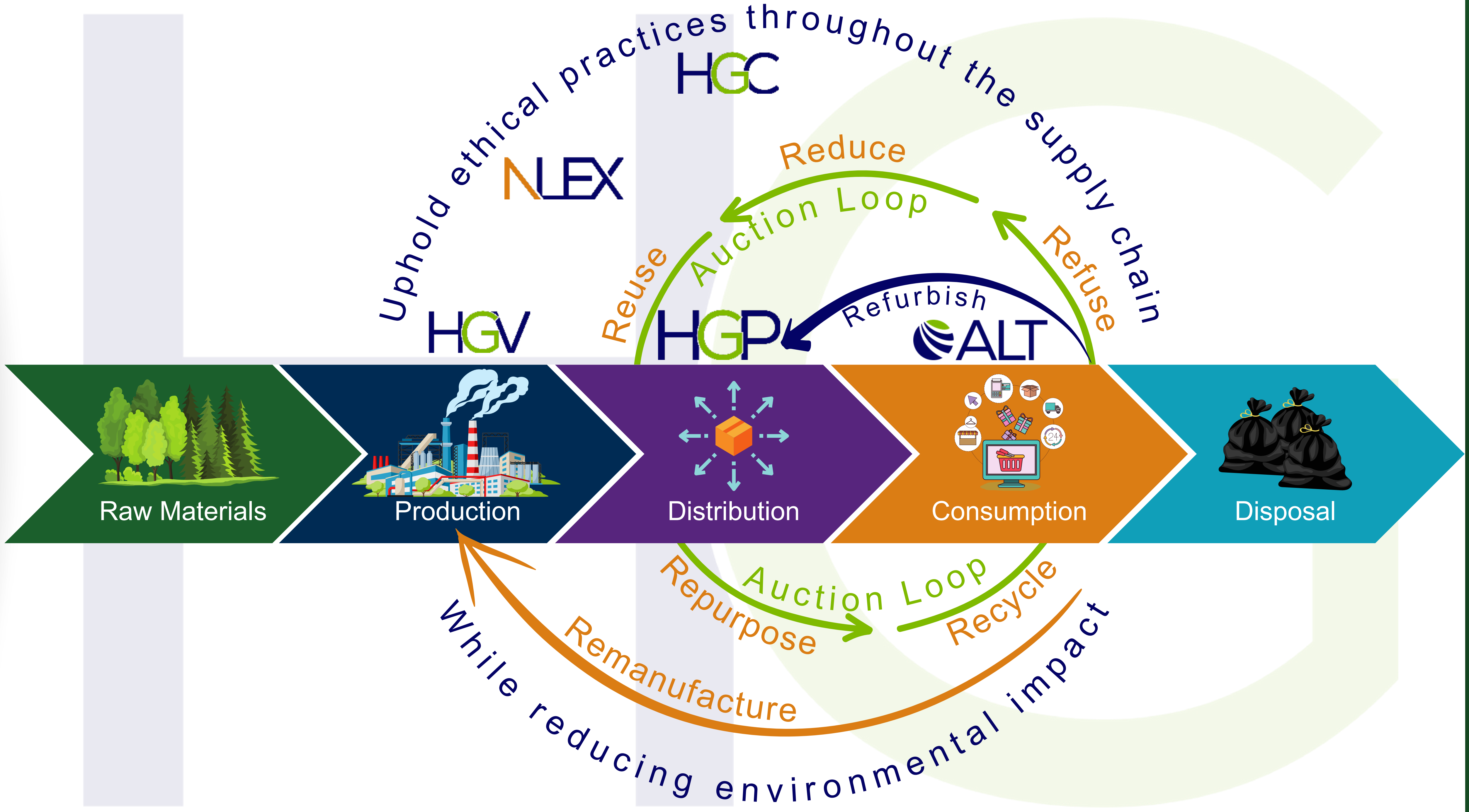
TRADITIONAL LINEAR ECONOMY



Enabling the Circular Economy

HG has been extending the life of second-hand assets since long before sustainability became mainstream.

Our "Circular Economy" approach supports the repair, refurbishment, resale, reuse, repurposing and recycling of assets, helping keep usable equipment in circulation and out of landfills. Together with ethical practices across our supply chain, these efforts help reduce environmental impact and support sustainability throughout the asset lifecycle.



Enabling the Circular Economy

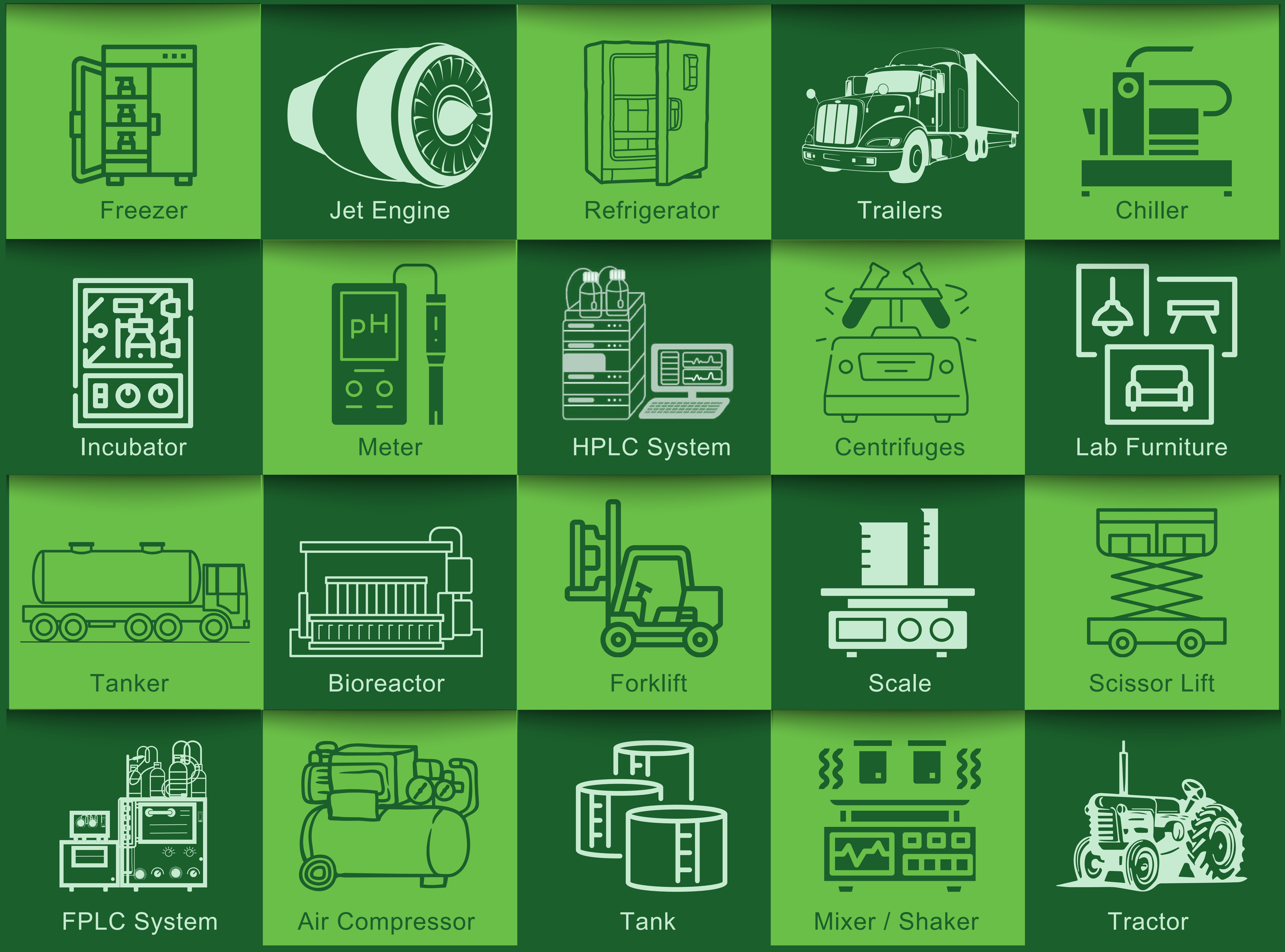
How much of an impact does buying used instead of new have on greenhouse gas emissions? To help answer this question, HG estimates the GHG emissions avoided through the resale and reuse of qualifying secondhand assets sold through HGP and ALT.

To estimate GHG emissions avoided through the resale and reuse of qualifying assets, HG applies a Spend-Based Emissions Factors Approach. Conservatively estimated emissions factors are applied to the sales value of eligible asset categories. Because emissions factors are not available or appropriate for every asset type, only qualifying categories are included in our calculations.

These estimates vary by asset category because emissions factors differ based on the materials and manufacturing processes associated with comparable new equipment.

Estimating GHG Emissions Avoided Through Secondhand Asset Sales

The asset types below account for approximately 25% of the total assets sold each year



Enabling the Circular Economy

56,000 Metric Tons CO_2e Avoided

Greenhouse Gas Emissions Avoided

In 2021 & 2022, our initial years of tracking, we helped avoid over 56,000 metric tons of greenhouse gas emissions, equivalent to recycling more than 19,000 tons of waste instead of landfilling it.

On average, these account for only 25% of the total assets sold through HGP for 2021 & 2022 and through ALT for 2022

56,000 Metric Tons CO_2e Avoided*
is equivalent to the GHG emissions avoided by

=

2,778 Garbage Trucks of Waste
recycled instead of landfilled

=

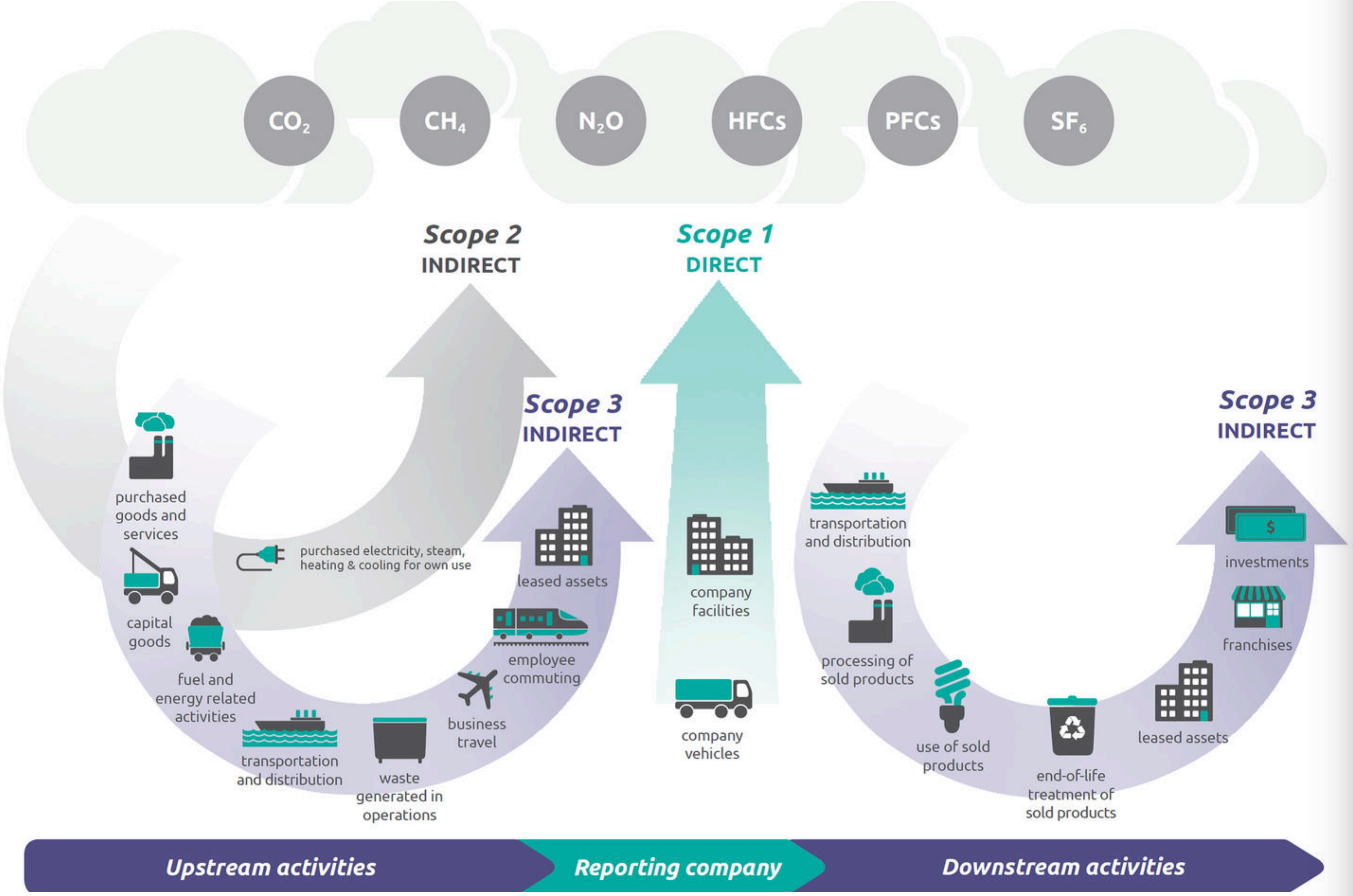
19,444 Tons of Waste
recycled instead of landfilled

=

2,432,412 Trash Bags of Waste
recycled instead of landfilled

In 2024, we updated our GHG emissions calculations for the years 2021, 2022, and 2023 to reflect a Spend-Based Emissions Factors Approach. This method applies conservatively estimated emissions factors to asset sales values, enhancing the consistency, transparency, and stakeholder understanding of our environmental impact. Previously, we used a Detailed Emissions Calculation Process. Waste equivalencies are based on the U.S. EPA Greenhouse Gas Equivalencies Calculator, which uses EPA's Waste Reduction Model (WARM) to estimate greenhouse gas emissions avoided by recycling mixed recyclables instead of landfilling them. At the time of the July 2024 update, EPA used an emissions factor of 2.88 metric tons CO_2e per short ton of waste recycled instead of landfilled.

*Equivalencies based on EPA.gov https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator



Source: WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard (PDF), page 5.

Our Clients Focus on Scope 3 Emissions

Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain.

1

A MULTINATIONAL FOOD CORPORATION

"Our zero net carbon commitment means that we are responsible for the carbon emissions from the farms where we source our ingredients to the facilities that manage packaging once our products are consumed."

September 2022 Auction Client

2

AN OIL AND GAS "SUPERMAJOR"

"We are aiming to be net zero across operations, production and sales. By 2050 or sooner, we aim to get to net zero across our entire operations (Scope 1 and 2), for the carbon in our upstream oil and gas production (Scope 3), for the carbon intensity of the energy products we sell (full value chain)."

September 2022 Auction Client

3

A GLOBAL PHARMA AND BIOTECH CO.

"Working to accelerate change across our supply chain driving 64% of our suppliers of goods and services by spend to also set science-based GHG reduction goals by 2030."

December 2022 Auction Client

Supporting Communities

Smaller Charities, Bigger Impact

At HG, we take pride in our commitment to charitable causes and programs that serve the needs of those within our communities. We understand how important it is to give back to one's local community and are passionate about providing opportunities for those who may be less fortunate.

What sets us apart is our focus on assisting smaller charities, which often lack the necessary funding or resources to make an impact. Giving priority to these organizations not only helps those most in need but also strengthens our community as a whole.

Supporting Communities

In 2022, HG was honored to support more than 20 small organizations and individuals working to enhance quality of life for people of all backgrounds and capabilities.

These groups work passionately for the benefit of veterans, seniors, children, those with disabilities, and countless others.

Our company takes pride in supporting these individuals and organizations; we congratulate them on their commitment to making our communities stronger.

Our Impact

Clients

Clients benefit from HG's Industrial and Financial Asset divisions, which draw on over 200 years of collective industry experience and extensive transaction data. We leverage proprietary data and market knowledge to provide tailored solutions designed to deliver measurable outcomes. For organizations managing surplus or end-of-life assets, effective disposition can help recover value that might otherwise be lost. Our team is committed to transparency and data security throughout each project, helping clients manage assets responsibly and efficiently.

Buyers

For years, HG has been a go-to source for buyers seeking access to a wide range of specialized industrial and financial assets in an effective, often cost-efficient manner. Buying secondhand can provide cost savings and shorten lead and delivery times. Holding auctions for global corporations can also give buyers opportunities to source assets closer to their operations, potentially reducing transportation distances and associated logistics impacts. Additionally, debt buyers receive opportunities to bid on distressed asset portfolios from financial institutions and creditors. Our extensive expertise and dedication to excellence help us provide solutions that meet our buyers' needs.

Planet

The implementation of a reverse supply chain can offer numerous environmental benefits. By extending the useful life of existing resources, businesses can reduce demand for newly manufactured replacement assets and help keep usable equipment out of landfills. Effective asset disposition processes, including the resale, refurbishment, repurposing and recycling of excess, obsolete and surplus assets, can help reduce waste. Transparency and responsible supply chain practices support these efforts and contribute to both short- and long-term sustainability objectives.

Looking Ahead

We are proud to be part of the global transition towards a circular economy. We're excited to continue building upon our previous efforts in this area, and to report on our company's contributions to the circular economy.

As HG grows, we will evaluate these additional ESG reporting, metrics, and partnerships to maintain our commitment to sustainability.

- 01 Broaden our initiatives and contributions to provide assistance to our local communities
- 02 Perform a Client case study utilizing data on material, emissions, and cost savings
- 03 Provide all employees time off for a day of service to a local non-profit organization of their choice
- 04 Incorporate external stakeholder feedback in our ESG Materiality Assessment
- 05 Join an external organization to promote meeting ESG objectives

HG

HERITAGE GLOBAL INC.

Asset Conversion with Purpose

THANK YOU