

| OMB APPROVAL | |
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| | | |
|--|---|--|
| 1. Name and Address of Reporting Person* <u>Daunt John</u> (Last) (First) (Middle) C/O LIQUIDITY SERVICES, INC. 6931 ARLINGTON ROAD SUITE 200 (Street) BETHESDA MD 20814 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>LIQUIDITY SERVICES INC [LQDT]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chief Commercial Officer</u> |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>02/10/2021</u> | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|-----------------------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 02/10/2021 | | M ⁽¹⁾ | | 2,989 | A | \$6.58 ⁽²⁾ | 79,560 | D | |
| Common Stock | 02/10/2021 | | S | | 2,989 | D | \$16.86 | 76,571 | D | |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------|---|--|--|---|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | |
| Employee Stock Option | \$10.3 | | | | | | | (3) | 12/20/2026 | Common Stock | 989 | 989 | D | |
| Employee Stock Grant | (4) | | | | | | | (5) | 10/01/2027 | Common Stock | 1,656 | 1,656 | D | |
| Employee Stock Grant | (4) | | | | | | | (6) | 10/01/2021 | Common Stock | 2,014 | 2,014 | D | |
| Employee Stock Grant | (4) | | | | | | | (7) | 01/01/2023 | Common Stock | 1,675 | 1,675 | D | |
| Employee Stock Option | \$6.11 | | | | | | | (3) | 12/04/2028 | Common Stock | 14,033 | 14,033 | D | |
| Employee Stock Option | \$6.11 | | | | | | | (8) | 10/01/2022 | Common Stock | 9,600 | 9,600 | D | |
| Employee Stock Grant | (4) | | | | | | | (9) | 01/01/2024 | Common Stock | 12,225 | 12,225 | D | |
| Employee Stock Option | \$6.58 | 02/10/2021 | | M ⁽¹⁰⁾ | | 2,677 | | (3) | 04/29/2029 | Common Stock | 10,458 | \$0 | 7,781 | D |
| Employee Stock Option | \$6.58 | | | | | | | (11) | 05/01/2029 | Common Stock | 14,344 | 14,344 | D | |
| Employee Stock Grant | (4) | | | | | | | (12) | 05/01/2023 | Common Stock | 11,250 | 11,250 | D | |
| Employee Stock Option | \$6.69 | 02/10/2021 | | M ⁽¹⁰⁾ | | 5,269 | | (3) | 12/03/2029 | Common Stock | 38,950 | \$0 | 33,681 | D |
| Employee Stock Option | \$6.69 | | | | | | | (13) | 12/03/2029 | Common Stock | 38,950 | 38,950 | D | |

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------|---|----------------------------|--|--|---|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Employee Stock Grant | (4) | | | | | | | (14) | 01/01/2025 | Common Stock | 30,000 | | 30,000 | D | |
| Employee Stock Option | \$9.46 | | | | | | | (15) | 12/01/2030 | Common Stock | 61,200 | | 61,200 | D | |
| Employee Stock Option | \$9.46 | | | | | | | (16) | 12/01/2030 | Common Stock | 61,200 | | 61,200 | D | |
| Employee Stock Grant | (4) | | | | | | | (17) | 01/01/2025 | Common Stock | 11,050 | | 11,050 | D | |
| Employee Stock Grant | (4) | | | | | | | (18) | 01/01/2025 | Common Stock | 11,050 | | 11,050 | D | |

Explanation of Responses:

- The reporting person exercised 7,946 stock options on a share withhold basis. 4,957 shares were withheld to cover the cost of the options as well as related taxes resulting in a net amount of 2,989 shares acquired.
- The reporting person exercised a total of 7,946 options, 2,677 of which had an exercise price of \$6.58 and 5,269 of which had an exercise price of \$6.69.
- These options become exercisable, if at all, based on total shareholder return (TSR) milestones. TSR is calculated based on the change in a the issuer's stock price during the performance period, taking into account any dividends paid during that period, which are assumed to be reinvested in the stock.
- Each restricted stock unit is the economic equivalent of one share of Liquidity Services, Inc. Common Stock.
- These restricted stock units vest, if at all, based on total shareholder return (TSR) milestones. TSR is calculated based on the change in a the issuer's stock price during the performance period, taking into account any dividends paid during that period, which are assumed to be reinvested in the stock.
- Twenty-five percent of this restricted stock unit grant vested on April 1, 2019 and thereafter, an additional 1/4th vests on each of July 1, 2019, October 1, 2020, and October 1, 2021.
- Twenty-five percent of this restricted stock unit grant vested on January 1, 2020 and thereafter, an additional 1/4th vests on each of January 1, 2021, January 1, 2022, and January 1, 2023.
- 15/48th of this option grant vested on January 1, 2020 and thereafter, an additional 1/48th vests each month for thirty-three months.
- Twenty-five percent of this restricted stock unit grant vested on January 1, 2021 and thereafter, an additional 1/4th vests on each of January 1, 2022, January 1, 2023 and January 1, 2024.
- Represents the exercise of stock options.
- 12/48th of this option grant vested on May 1, 2020 and thereafter, an additional 1/4th will vest on each of May 1, 2021, May 1, 2022 and May 1, 2023.
- Twenty-five percent of this restricted stock unit grant vested on May 1, 2020 and thereafter, an additional 1/4th vests on each of May 1, 2021, May 1, 2022 and May 1, 2023.
- 12/48th of this option grant vested on January 1, 2021 and thereafter, an additional 1/48th vests each month for thirty-six months.
- These restricted stock units vest, if at all, based on certain commercial contribution margin milestones of the issuer.
- 12/48th of this option grant will vest on January 1, 2022 and thereafter, 1/48th will vest each month for thirty-six months.
- This option becomes exercisable, if at all, based on the Issuer's achievement of certain stock price appreciation milestones.
- These restricted stock units vest, if at all, based on the Issuer's achievement of certain stock price appreciation milestones.
- Twenty-five percent of this restricted stock unit grant will vest on January 1, 2022 and thereafter, an additional 1/4th will vest on each of January 1, 2023, January 1, 2024 and January 1, 2025.

Remarks:

/s/ Mark A. Shaffer, by power of attorney 02/12/2021

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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