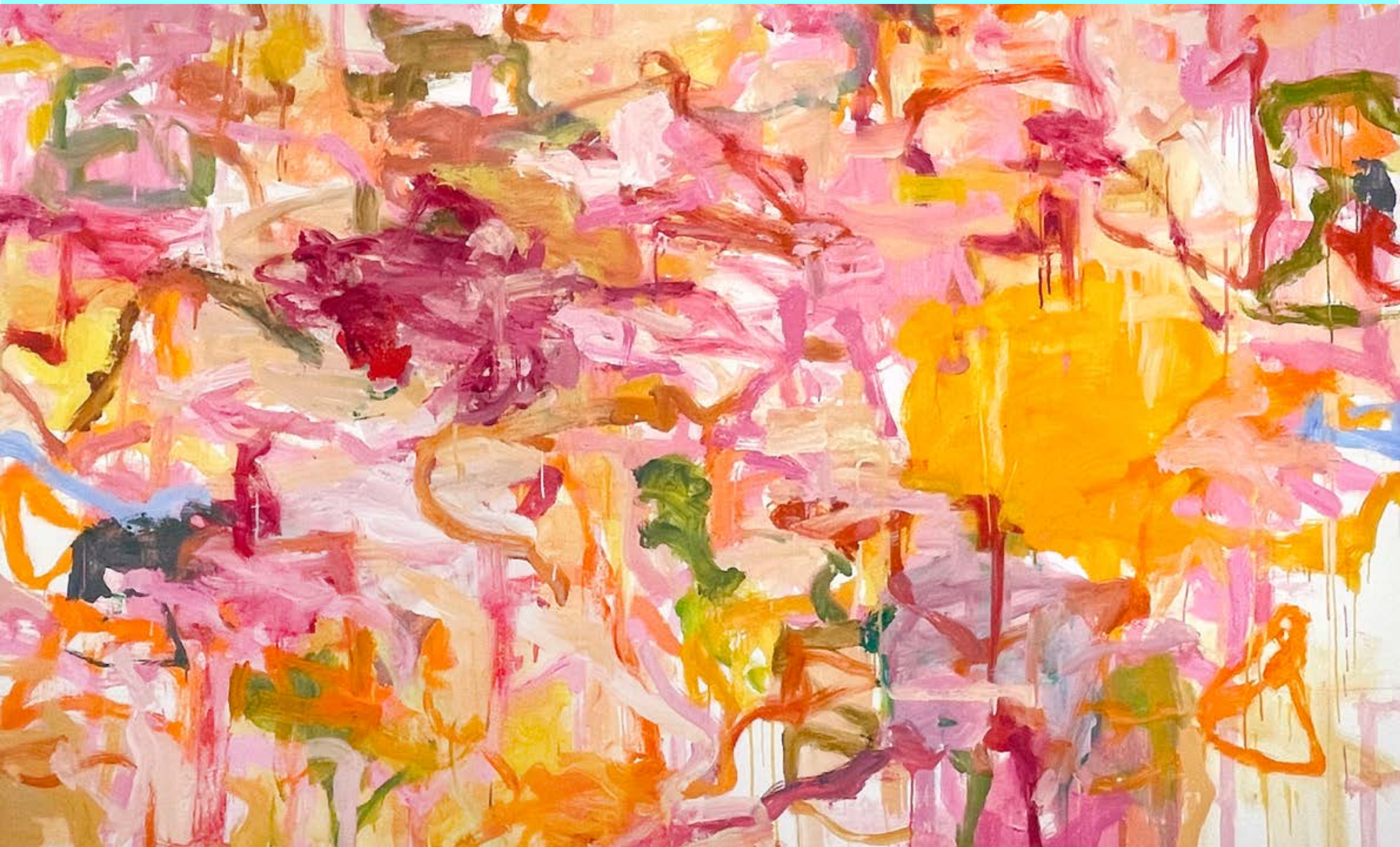
artnet



Artnet AG

Annual Report 2024

Our Vision

“As we enter 2025, we will continue to provide our global clients with the tools and information to make the best possible decisions.”

From the outset, Hans Neuendorf gave Artnet a clear vision: to create a global digital art market built on the foundations of transparency. Since 1989, we have envisioned a world where buying, selling, and researching fine art is accessible, efficient, and highly rewarding for the modern collector. Artnet nurtures a family spirit underpinned by its unwavering long-term commitment to this corporate goal. Catalyzed by the pandemic, the past three years have witnessed a systemic shift toward online art transactions and digital experiences. As the art world continues this transformation, Artnet is centrally positioned as the one of the industry’s leading online platform to build and shape the digital future. Our vision is more relevant now than ever.

Hans Neuendorf, Founder Artnet AG and Supervisory Board Member

Key Achievements in 2024

Over 30 million users
across the platform

Release
of Enterprise Data Services

Marketplace

Artnet auctions realized numerous high-value sales and record prices. Among those were:

450,000 USD
for a work by Lee Ufan

275,000 USD
for a work by Andy Warhol

200,000 USD
for a work by Jean Dubuffet

Several high-value works were sold through Artnet's 'Private Sales' platform

Increased AI Integration

Artnet is developing an AI-powered chatbot that will redefine how the art world interacts with auction data. Launching in 2025, this next-generation tool will combine large language models and data processing to surface instant, intelligent insights, turning static auction records into dynamic, conversational intelligence.

Partnerships

Range Rover
JP Morgan Private Bank
Van Cleef & Arpels
TEFAF New York

The Values of a Deeply Committed Art and Technology Business

Transparency
Transparency is part of Artnet's DNA; it is the foundational idea on which the company was built. Fostering transparency internally, as well as in the art market is the basis of Artnet's reputation as the industry's trusted information provider.

Efficiency
Artnet is driven by the aim of creating a more efficient art market. By leveraging digital solutions to minimize friction and transaction costs, Artnet seeks to deliver a growing, efficient transactional art market. As a company, Artnet works to be efficient in its pursuit of that goal.

Innovation
As a pioneering disruptor in the art industry, Artnet continually strives for innovation. As a platform built from within the art world, Artnet always maintains a careful balance between looking to the future while respecting the industry's unique complexities.

Curation
Quality can never be compromised. The curation of our marketplace is handled with the utmost attention to detail, so that our customers have the best possible experience. It is in this quest for excellence that Artnet differentiates itself.

Accessibility
Artnet's global audience is testament to its desire to create an open, accessible art world that is more easily understood, researched, and learned about. We wish to be an accessible platform, and an accessible company that offers an open door to anyone wishing to engage with our shared passion.

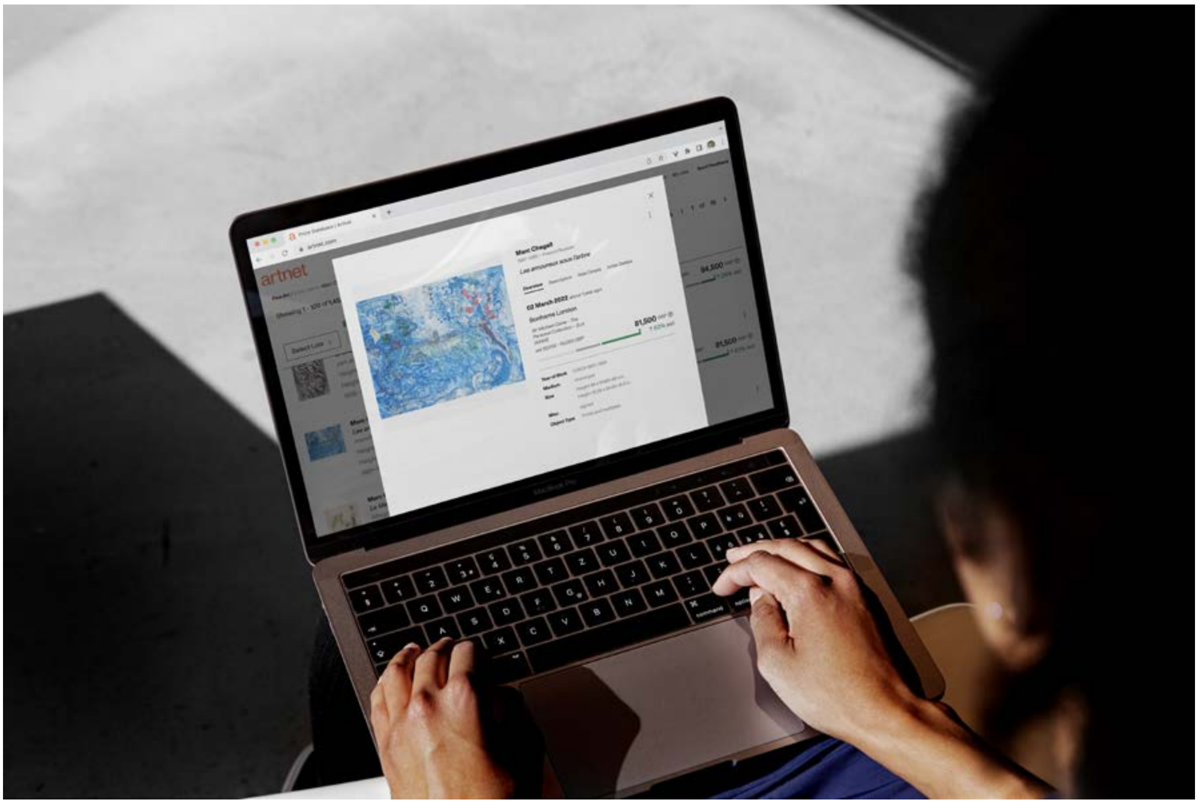


Table of Contents

Message from the Chief Executive Officer

Jacob Pabst, CEO, artnet AG

Dear Shareholders,

Artnet, together with Sotheby's and Christie's, remains one of the most well-known and strongest brands in the art market. This is a credit to our continued hard work and the fact that, in pursuing and achieving our strategic goals over the years, we have never compromised the integrity of our mission.

In recent years, we have consistently attracted the most traffic in the art market to our site—by a wide margin, more than Sotheby's and Christie's combined. In 2025, we welcomed 67 million new users and achieved over 176 million page views. These numbers reaffirm our unique market position.

Artnet News, now firmly established as the most widely read publication in the art world, continues to elevate visibility not only for our editorial content but also for our Marketplace and Data verticals. While our users may not transact or conduct price research every day, they seek reliable, up-to-date insights on the art world—and we deliver. This dynamic forms the foundation of our successful content-to-commerce strategy. Artnet News has played a pivotal role in reinforcing our leadership across the industry.

The Artnet Price Database remains the industry gold standard with nearly 18 million lots—by far the most-used and trusted data resource in the art world. Meanwhile, our Marketplace, with a total GMV of USD 3.5 billion, continues to serve the largest galleries and auction houses on the B2B side and ranks among the top five online art sales platforms for B2C. It has cemented its place as a vital infrastructure for global art trade.

These successes are all the more remarkable considering that we have financed them through our own cash flow. While many competitors raised hundreds of millions in capital, often incurring substantial losses, Artnet has stayed focused, efficient, and resilient. No competitor has been able to bypass our market leadership.

That said, 2024 was again a challenging year for the entire art market. Geopolitical instability, persistent inflation, and high interest rates continued to weigh on investor sentiment, leading to reduced transaction volume across the board. Major auction houses saw notable declines in sales—and so did we.

Nevertheless, we were able to weather the storm better than many, thanks to the breadth of our product portfolio. Our diversified business model and multi-channel revenue streams once again proved their strength, allowing us to remain adaptable and robust in a volatile environment.

As part of our long-term strategy, we launched a comprehensive restructuring program in early 2023 to further streamline our operations and increase efficiency. The impact of these measures has been substantial, with cost savings of over USD 3.5 million realized in 2024, and a full-year effect of more than USD 4 million in 2025. These improvements will enable us to reinvest more efficiently into growth areas moving forward.

I want to express my deepest thanks to the entire Artnet team. Their talent, dedication, and commitment to our mission continue to drive our success. Without them, we would not be where we are today.

Importantly, we believe we have only begun to tap into Artnet's full potential. What lies ahead is a continuation—and acceleration—of the promising development we set in motion years ago. As recently announced, we will be taking artnet private together with Beowolff Capital. Following the take private, we will be merging with artsy, who have a formidable product offering and talented team. With our strong foundation, visionary team, and your continued trust, I am confident that we will further transform the art market, making it more efficient, transparent, and accessible—while driving meaningful growth.

I look forward to shaping this future together with you.

Sincerely,

Jacob Pabst
Chief Executive Officer

Supervisory Board

Dr. Pascal Decker
Head of the Supervisory Board

Prof. Dr. Michaela Diener
Supervisory Board Member

Hans Neuendorf
Founder, Artnet, and Supervisory Board Member

Executive Team

Jacob Pabst
Chief Executive Officer

Albert Neuendorf
Chief Strategy Officer

Quentin Rider
Chief Technology Officer

Bill Fine
President

Message from the Chief Strategy Officer

Albert Neuendorf, Chief Strategy Officer

“Looking ahead to 2025, we are excited to capitalize on the opportunities presented by organic and inorganic growth strategies.”

In a year dominated by stagnant markets, major elections, and geopolitical unrest, the art market experienced significant downward pressure. Collector confidence remained low, driving supply and demand side shortages. Galleries and auction houses around the world have needed to adapt their strategies in this market environment.

At artnet we continued to implement a comprehensive cost optimization plan, started in 2023, that ensured financial stability through the this challenging period while safeguarding our technology development, product strength, and go-to-market functions. This enabled us to never lose sight of our long-term strategic objectives while operating within a leaner structure.

We were able to deliver foundational platform enhancements that unlocked value from our data, drove platform engagement and traffic, and laid critical infrastructure. A unified header and unified data warehouse marked important steps in delivering a highly personalized, best-in-class user experience that unlock synergies between product areas, while LLM powered artist biographies and an upcoming AI database assistant are beginning to harness the unique strength of our datasets in the new world of AI.

Looking ahead to 2025, we are excited to capitalize on the opportunities presented by organic and inorganic growth strategies as the market starts to recover from two consecutive years of strong downward pressure. Artnet’s data, brand, and audience hold enormous value that will be foundational in the digital-first art market of the future.

Core Statement and Vision

We envision a world where buying, selling, and researching art is accessible, efficient, and highly rewarding for the modern collector.

Founded in 1989, Artnet has revolutionized the way collectors, professionals, and art enthusiasts discover, research, and collect art today. Artnet has an unparalleled 67 million unique users annually, making it the largest global platform for fine art. Artnet's market data is a mission-critical resource for the art industry, encompassing more than 18 million auction results and AI- and ML-driven analytics providing an unparalleled level of transparency and insight into the art market. Artnet's independence as an objective information provider is key to the trusted reputation it has built.

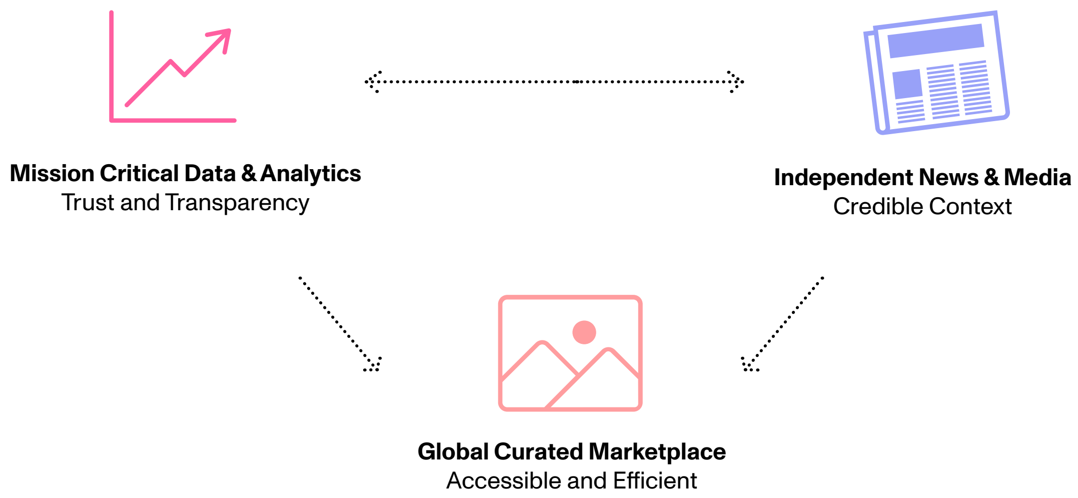
Marketplace: Artnet's Marketplace connects leading galleries and auction houses with our global audience, offering a curated selection of over 367,000 artworks for sale worldwide. A core element of the Marketplace, Artnet Auctions, the pioneering online-only auction platform, offers unprecedented reach, liquidity, and efficiency – powered by artnet's Data and Media segments.

Media: A Media powerhouse, Artnet News covers the events, trends, and people shaping the global art market with up-to-the-minute analysis and expert commentary. It is the single most-read news publication in the fine art industry, with a rapidly growing, and dedicated audience.

Data: Artnet has an unparalleled 18 Million auction results in its Price Database, combined with Primary Market and NFT Data points. This renowned segment brings price transparency to an otherwise inaccessible market. Subscribers to the database receive access to upcoming auction information, recent auction results, mission critical deep analytics, as well as the up-to-date and impartial appraisal value of artworks.

Together, Artnet's unique, synergistic product offering, Data, Marketplace, and Media, provide a comprehensive ecosystem that drives and informs the modern art market - executing on this vision forms a key element of our strategy for 2024 and beyond.

How we will deliver on our Vision
By leveraging the combined strength of our business units, we can create a unique, unified experience for our clients wherein our data and news products provide critical information and relevant context to ensure absolute confidence in their marketplace decision making.



Message from the Chief Technology Officer Quentin Rider

Quentin Rider, Chief Technology Officer

"In 2024, Artnet's Technology team laid the infrastructure for the next era of digital innovation in the art market. We moved beyond incremental improvements to deliver foundational platform enhancements that will accelerate growth, deepen engagement, and unlock new commercial opportunities across our ecosystem. "

Key among these was the introduction of a Global User ID—a secure, unified identity layer across all Artnet products—enabling seamless authentication for our users and setting the stage for personalized experiences and cross-platform commerce. Our migration to Google Analytics 4 significantly upgraded our data architecture, providing behavioral insights that now inform product strategy and monetization.

We launched a new API Suite to deliver real-time market intelligence to enterprise clients, expanding our B2B data services and opening a new revenue channel. The redesigned Artwork Page and Price Database Analytics (PDB) introduced modern UX patterns, intuitive interaction models, and dynamic visualizations—enhancing user trust and commercial performance. We also completed a full redesign of Artnet News, inspired by the editorial elegance of T Magazine, elevating the brand's presence and positioning it for sustained growth.

To address UX fragmentation, we rolled out a Unified Header, aligning our verticals (News, Auctions, and .com) into a single, coherent experience—resulting in increased site engagement and incremental revenue gains. At the same time, we embraced generative AI to automatically enrich artist bios, boosting SEO performance, reducing editorial costs, and driving a 50% increase in traffic to enhanced artist pages.

These initiatives were not surface-level changes. They addressed technical debt, modernized our architecture, and strengthened the resilience, speed, and scalability of our systems. More importantly, they reaffirmed Artnet's position as the digital leader for collectors, galleries, and institutions navigating an increasingly data-driven art market.

In 2025, we will build on this momentum with a unified marketplace discovery experience, personalized real-time messaging, enhanced payment systems, and an AI-powered Price Database assistant—developed with leading cloud-based AI infrastructure and early support from top-tier partners. As CTO, my focus remains on delivering scalable, intelligent systems that create lasting value for collectors, galleries, and the global art community.

Key Figures

22,2 million Revenue
Nearly 100 million pageviews
67 million users

Highlights

47

auctions on Artnet Auction

3,800

articles published on Artnet News

18 million

auction results

Launch

of Enterprise Data Services

Demographics

48% access the Marketplace via mobile

82% of Artnet Auctions clients are private collectors

Responsible Culture

Mentoring program for employees, fostering a culture of learning and curiosity

85 female team members, which represents 66% of employees

Web Traffic Sources

North America 45 %
ope 30%
Asia 15%*
South America 5 %
Middle East3%
Other Regions 2 %

*Our top three traffic sources for Asia are the Philippines, India and China.

Our Reach

Reach our passionate users where they like to be

1.200.000+
Instagram

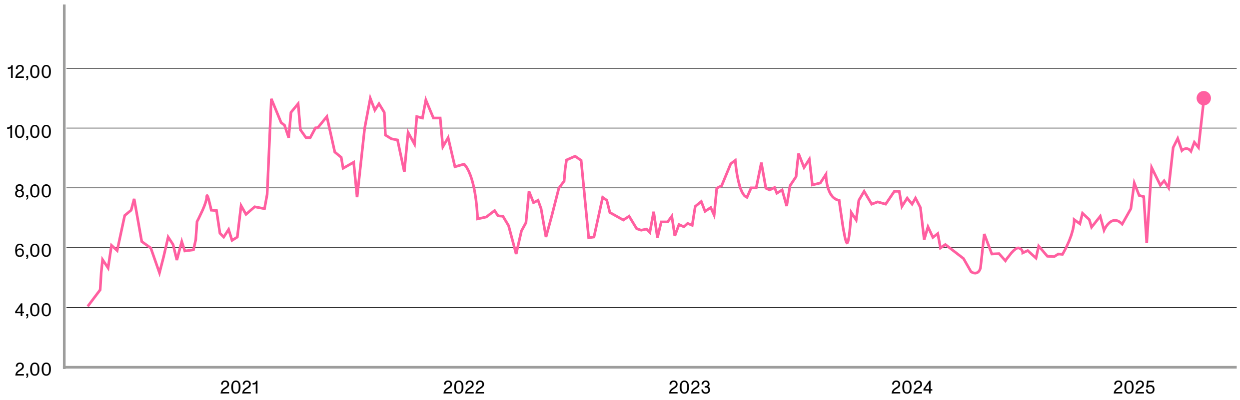
395.000+
Facebook

1.970.000+
X

245.000+
LinkedIn

Performance Measure: the Artnet Share

Artnet Share in o



The development of the Artnet share is a key indicator of the company's performance and of the capital market's confidence in our strategy. Despite a persistently challenging economic environment, the share was able to hold its ground in a volatile market in 2024. A contributing factor is the current public offer by Beowolff Capital. Management supports this offer and looks positively toward Artnet's future development.

In addition to financial indicators, the valuation of the share is primarily influenced by progress in digital transformation, Artnet's position as a market leader in the intersection of art and technology, and the opening of new revenue streams through innovations such as Enterprise Data Services and AI-powered products.

The Artnet share thus reflects not only past performance, but also the company's future viability and growth potential. With a clear strategic focus, operational efficiency, and a unique business model, we believe we are well positioned to create sustainable long-term value for our shareholders.

Strong Financial Structure

Asset light and low risk two-sided Marketplace

Valuable unique data asset

Diverse revenue streams

Long term, low churn partnerships

Message from the Editor in Chief artnet News, Naomi Rea

Naomi Rea, Chief Marketing Officer

In 2024, Artnet News reinforced its position as the global art market's essential editorial voice, continuing to deliver high-impact journalism, data-led research, and strategic innovation—despite shifting media dynamics and market headwinds.

Our article output grew by 15% year-over-year, reflecting the productivity and ambition of our newsroom. We also saw a 38% increase in direct traffic and a 7% rise in returning visitors, underscoring the value of our independent reporting with our core audience.

This year, The Art Angle, our flagship podcast, surpassed 3 million lifetime downloads, a major milestone as we diversify formats to meet evolving audience habits. Our micro-podcast, Art Market Minute, launched in September, is also building momentum, reaching thousands of new listeners with clear, concise market coverage.

Artnet Pro, our premium subscriber product, continues to produce recurring revenue, driven by paywalled coverage and newsletters like The Back Room and The Asia Pivot, which celebrated its one-year anniversary in 2024. Our exclusive events—held during Frieze L.A. and the Armory Show in New York—each drew more than 700 RSVPs, demonstrating strong demand for direct engagement with our editorial team. While recent adjustments to our paywall model have softened engagement and retention, we are actively assessing refinements to strike a balance between accessibility and sustainability.

The Artnet Intelligence Report, published twice annually with dedicated financial backing from Morgan Stanley, continues to be an agenda-setting resource for the industry thanks to its proprietary data analytics and original reporting. Its findings were reported on by major international news outlets, including in The New York Times, Bloomberg, and The Guardian, and the September 2024 issue realized a 30% increase in downloads year-over-year. Additionally, the cover story for our 2023 midyear edition earned the top Arts and Entertainment prize from the L.A. Press Club, affirming our role as a preeminent source of art industry data and analysis.

Commercially, we diversified revenue through high-impact content partnerships with premier art-world events and brands including TEFAF, the Art Business Conference, Art Market 2050, and Art for Tomorrow, reinforcing our leadership in cultural brand storytelling. We also delivered bespoke content solutions for global brands including UBS, Lexus, and LG OLED.

Looking ahead to 2025, we plan to expand our live journalism and subscriber engagement strategy, while deepening our original research—including launching a landmark survey on women's experiences in the art world. We are also exploring new content formats such as automated voiceovers to improve accessibility. We remain committed to editorial innovation while managing costs with discipline and focus.

As digital advertising remains volatile and organic traffic shifts with evolving search technologies, our strategy is to build resilience through quality, adaptability, and trust. With a focused team, loyal readership, and a clear editorial mission, Artnet News is well-positioned to continue setting the agenda for the global art market.

Company Development 2024

Artnet AG has built its reputation on a unique, synergetic product offering, a visionary company for the modern collector.

The 2024 financial year saw the development of new services as well as the completion of key components of Artnet's technological infrastructure rebuild, setting the foundation for transformative front end platform renewals and robust continued growth.

Within the Media segment, Artnet News continued to outperform its competitors as the industry's leading content vertical, reaching over 96 million pageviews.

Harnessing the power of Artnet's data, our global team of acclaimed journalists publish market driven insights and critical analyses for the art world professional. An essential product for, especially, art market professionals, Artnet News Pro also ensures that Artnet can maintain its high journalistic standards while also paving the way to increased profitability. The high amount of traffic continues to ensure steady advertising revenue growth. During the 2024 financial year, revenue in the Media segment decreased 3.8% to 8.277 million os (2023: 8.601 million os).

2024 was a steady yet memorable year for the Data segment. Artnet continued to invest in its core product and is excited for the new era of transparency that the new Price Database will bring as it strives towards its vision of creating an efficient, global art market.

Published for all users in Q1 2023, the renewed Price Database is built on a new API-first architecture, introducing the opportunity for transformational new data delivery formats. A mobile optimized design ensures easy access to our global user base and drives search volume; and the implementation of elastic search introduces vast new search possibilities. Artnet's Data Science team has produced intelligent, reactive analytics that generate deep insight and understanding of the art market.

Core to the Artnet Group's vision is providing a holistic ecosystem for the global art market. Finalized at the end of the fourth quarter, Artnet piloted its entry into Enterprise Data Services. This service empowers our clients to access Artnet's raw data in a controlled environment, giving them unprecedented access to millions of data points. An immediate success, Artnet was able to generate over 100,000 USD in revenue within 4 weeks of publishing this service.

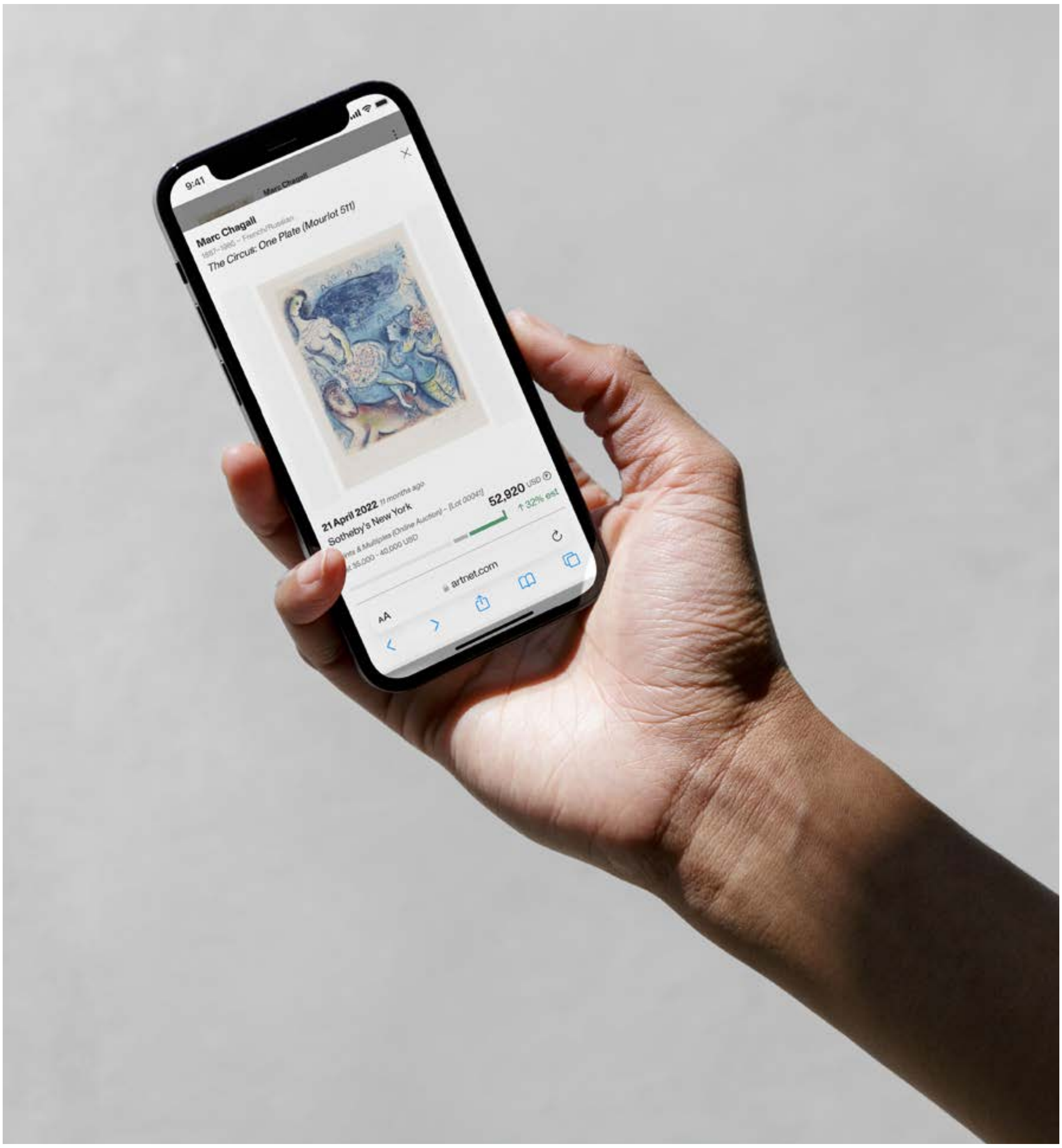
Artnet's Marketplace Segment strives to deliver an accessible and efficient art market by providing global access to the world's fine art. Through partnerships with the leading international galleries and auction houses, Artnet offers a diverse, curated selection of over 280,000 artworks to an unparalleled global audience. Artnet Auctions is a fast and cost-effective way to transact fine art today, with a global team of specialists sourcing an expert selection of modern, post-war, contemporary art, and ultra contemporary art.

During the 2022 financial year, Artnet completed key operational steps in realizing the strong synergies between its business segments. Thus, in 2023 and 2024 Artnet was able to capitalize on these synergies and complete critical technological projects which have drastically improved not only the user experience, but also cross selling opportunities. Now, Artnet will be able to drive value to its Gallery Partners while generating increased opportunities for Artnet Auctions and Private Sales.

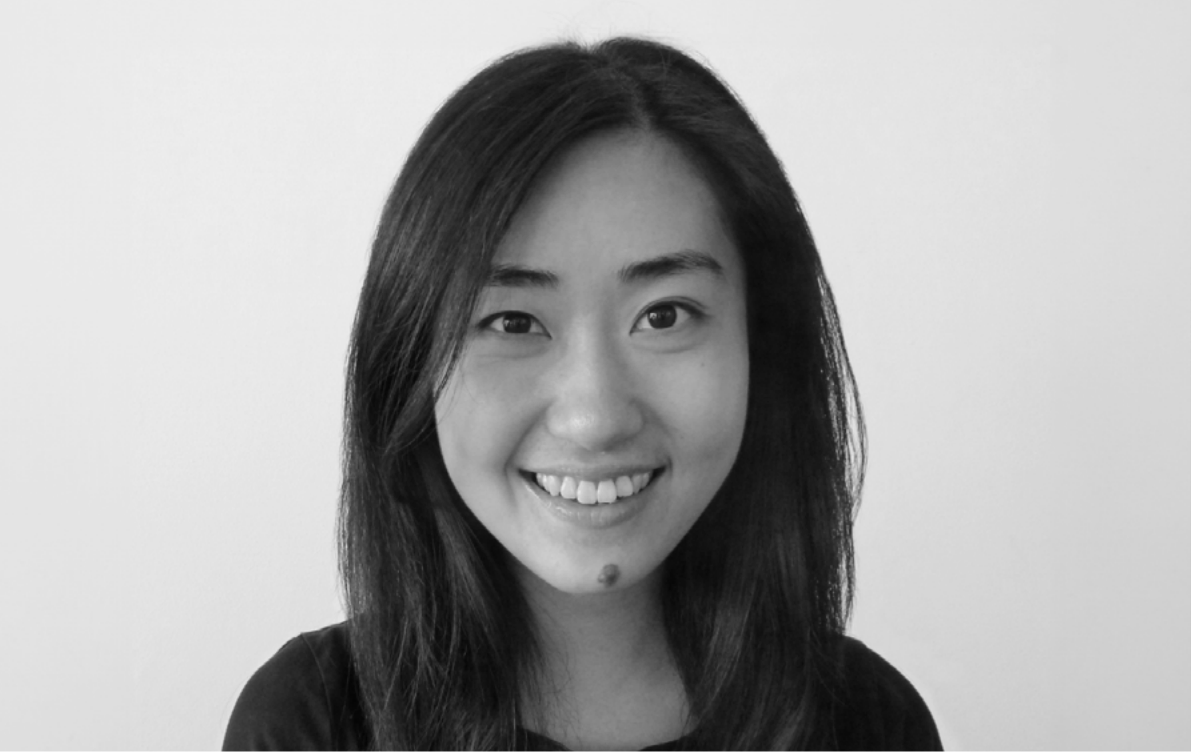
Company Background and Development

Artnet.com AG was incorporated under the laws of Germany in 1998. In 1999, Management took the Company public on the Neuer Markt of the Frankfurt Stock Exchange. In 2002, Artnet.com AG changed its name to Artnet AG. On October 4, 2002, Artnet AG left the Neuer Markt and was listed in the General Standard of the Frankfurt Stock Exchange, a segment of the EU-regulated Geregelter Markt. Effective February 1, 2007, Artnet AG was listed in the Frankfurt Stock Exchange's Prime Standard, the segment with the highest transparency standards. Since autumn 2024 artnet is listed in the General Standard of the stock exchange. Its principal holding is its wholly owned subsidiary, Artnet Worldwide Corporation, a New York corporation founded in 1989.

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as applied in the opean Union.



Message from the Vice President, Data Segment Ning Lu



Ning Lu, Vice President

“In 2025, The Price Database experience will be upgraded with an AI Chatbot, offering a brand new way of mining valuable insights from our rich database.”

2024 was a challenging year for the Price Database as we fought against unexpected technical challenges. But this was also a year marked with greater and longer lasting opportunities for the Data segment. We launched Enterprise Data Services, making it possible to access the Price Database via API for the first time. This will fuel innovations in the intersection of art, finance and technology as we enter the era of artificial intelligence. Interactive data analytics were surfaced in the New Price Database as we continue to modernize our user experience, providing new dimensions of market insights to subscribers. Behind the scenes, we’ve also started modernizing our data production capabilitites allowing us to significantly expand the speed and scope of data processing. This will permit us to drastically expand the volume of data within the price database and broaden our data sources to include areas outside auction results.

In 2025 we are anticipating significant growht inEnterprise Data Solution. The Price Database experience will be upgraded with an AI Chatbot, offering a brand new way of mining valuable insights from our rich database. We are also very excited about an upcoming release of a brand new dataset on fairs, offering access to artwork level pricing data in the primary market for the first time. Our work in modernizing our production tool will also start to bring a positive impact to our production speed and capacity. We look forward to introducing these exciting new initiatives as they become available throughout the year.

Governance and Organization

The rights of Artnet AG shareholders are protected by law and the principles of corporate governance which govern the way Artnet AG operates

Artnet's Board of Directors is the strategic body of the Company that is primarily responsible for enhancing the Company's value and protecting its corporate interests, taking into account the social and environmental issues facing its business and, where applicable, the Company's mission statement. It also endeavors to promote the Company's long-term value creation, in particular by taking into account the social and environmental issues facing its business. Its principal assignments are to approve the Company's and the Group's major strategies and supervise their implementation; to verify the fair and accurate presentation of information about the Company and the Group; to protect its corporate assets; and to ensure that core business risks are fully accounted for in the management of the Company. It also ensures that procedures to prevent corruption and influence-peddling are implemented, and that a non-discrimination and diversity policy is in place, notably with regard to gender equality within the governing bodies of the Group and, on the recommendation of Executive Management, sets diversity targets for these bodies. Lastly, it acts as guarantor with respect to the rights of each of its shareholders and ensures that shareholders fulfill all of their duties.

Corporate Governance Report
Artnet attaches great importance to corporate governance. Artnet AG complies with the German Corporate Governance Code (GCGC) recommendations in the version dated February 7, 2017, published in the German Bundesanzeiger on April 24, 2017, except for the recommendations in No. 3.8 para. 3, No. 4.1.3 sent. 2, No. 4.2.1 sent. 1, No. 5.1.2 para. 2 sent. 3, No. 5.3.1, No. 5.3.2, No. 5.3.3, No. 5.4.1 para. 2, and section 7.1.2 sentence 3. Additionally, Artnet AG complies with the recommendations of the German Corporate Governance Code as amended on December 16, 2019 ("Code 2019"), as published in the official section of the Federal Gazette on March 20, 2020, except for the recommendations in B.5, C.2, D.2, D.3, D.4, D.5, and G.1 to G.16, and will continue to comply with the recommendations in the future with the exceptions mentioned above. The Management and Supervisory Boards of Artnet AG have adopted the declaration of conformity with the Code detailed at the end of this report. It is published online at artnet.com/investor-relations.

Supervisory Board
According to the German Aktiengesetz, Artnet AG has a dual-pronged management and control structure, comprising a sole member of the Management Board and a three-person Supervisory Board. Management and control functions are strictly split in the dual-management system. It is not legally permissible to simultaneously work for the Management Board and the Supervisory Board. The tasks and responsibilities of these two bodies are clearly legally defined in each case.

The Supervisory Board monitors and advises the Management Board in conducting business. The Supervisory Board also is responsible for regularly supervising the business growth and forecasts, as well as the corresponding strategy and its implementation. In addition, the Supervisory Board reviews the annual financial statements and appoints the members of the Management Board. The Supervisory Board has defined approval requirements by the Supervisory Board for transactions of fundamental importance. These include decisions or activities that have a fundamental impact on the Company's financial position or result of operations. The Management Board provides the Supervisory Board with regular, timely, comprehensive information on all issues of relevance to the Company with regard to forecasting, business growth, risks, and risk management.

The members of the Supervisory Board are independent in their decision-making and are not subject to instructions or specifications by third parties. In addition, consulting, service, and certain other agreements between Artnet and the members of its Supervisory Board must be approved by the Supervisory Board. According to item 5.4.1 of the Code, the Supervisory Board shall specify concrete objectives regarding its composition, which, whilst considering the specifics of the enterprise, take into account the international nature of the enterprise, potential conflicts of interest, age limits for the members of the Supervisory Board, and diversity. These concrete objectives shall, in particular, stipulate an appropriate degree of female representation. The concrete objectives of the Supervisory Board and the status of the implementation shall be published in the Corporate Governance Report.

Management Board
The Management Board is responsible for the Company's management. It must uphold the Company's interests and endeavor to increase its sustained enterprise value. It is responsible for the Company's strategic orientation in agreement with the Supervisory Board. The Management Board cooperates closely with the Supervisory Board.

The Management Board ensures that statutory provisions are upheld and suitable risk management and risk control at the Company.

Relationship with Shareholders
Artnet AG reports to its shareholders four times each financial year on business growth and the Group companies' financial position and the result of operations. The Annual General Meeting is held during the first eight months of each financial year, unless the company holds the Annual General Meeting later in the year due to extenuating circumstances. . The general meeting resolves, among other things, issues including the appropriation of profits, the ratification of the Management and Supervisory Boards, and the auditor's election. Changes to the articles of incorporation and capitalization activities are resolved exclusively by the general meeting.

The Artnet Group values its shareholders and continually strives to foster a positive relationship with this key stakeholder group. To that end, Artnet sends regular updates to its shareholders and is always available for thoughts and feedback, via its Investor Relations website. Key points of contact can be found at the end of this report.

Message from the President
Bill Fine

Bill Fine, President, Artnet AG

Most in the art world would agree that, while once competitors, Artnet and Artsy have been the key players driving the art market.

When Hans Neuendorf launched the Artnet Price Database in 1989, many in the trade felt he had opened Pandora's Box. As with many innovations, the long-term consequences were not entirely foreseeable.

Artnet has historically been gallery-focused. While Hans aimed to level the playing field between galleries and auction houses, galleries were highly resistant to publishing prices. Despite successfully gaining the support of auction houses—and becoming the gold standard for secondary market data—we were never able to secure full participation from galleries at the retail level.

Over the past 12 years, Artsy has developed front- and back-end tools tailored to galleries. They've demonstrated that price transparency is not only viable but good for business. Artsy has become a key source of retail-level data, particularly in the primary market, where younger and emerging artists often don't appear at auction.

From a data standpoint, a merger between Artnet and Artsy may seem almost inevitable.

Looking ahead—and despite speculation about AI-assisted systems integration—both companies intend to maintain their respective brand identities and operate independently in the near term.

That said, there are clear synergies and cross-selling opportunities, particularly across news content and marketplace channels.

Most importantly, both organizations share a common mission: to promote transparency in the art market. With mutual respect and aligned values, we are optimistic about a successful path forward.

Our Products and Services

Artnet AG comprises three business groups: Data, Media, and Marketplace. Each business group includes a selection of products and services.

Artnet AG was formed in 1998 as an independent information service provider for the art market. Artnet has modernized the way people buy, sell, and research art. Its products provide reliable and transparent information used by collectors, gallery owners, museums, and investors, and have become indispensable tools for independent market players.

Media
The Media Segment includes Artnet News, Artnet News Pro, Advertising, and Partnerships. Artnet News is a destination for the events, trends, and people that shape the art market and global art industry, providing up-to-the-minute analysis and commentary, with the highest possible cultural and data journalism standards. With over 51% market share, Artnet News is the most widely-read publication within the art industry, with more visitors than our top four competitors combined. Artnet News Pro is a subscription-based paywall, delivering data-driven, key market stories to industry professionals.

Marketplace
The Marketplace includes Artnet Auctions, ArtNFT, and the Gallery Network. The synergies between these three B2B and B2C products have produced the most widely-used News and online fine art transaction platform of the industry. Created in 2008, Artnet Auctions was the first online platform dedicated to buying and selling art. With the launch of Artnet's ArtNFT platform, Artnet continues its tradition of spearheading positive change and innovation for its customers. With approximately 1000 galleries and over 280,000 artworks by over 23,300 artists from around the globe, the Gallery Network is the most comprehensive platform for galleries online. Through the Marketplace, Artnet has developed from a pure information service provider to an online transaction platform and has further expanded its leading position in the art market.

Data
The Data segment includes Artnet's industry-leading Price Database as well as Artnet Analytics, Market Alerts, and Art Secured Lending. Artnet has gradually built up its information services and transaction platform around its first product, the Price Database. The database was created as a response to the decentralized art market of the late 1980s. At the time, the market lacked transparency, which was a stumbling block for buyers in particular.

The Price Database provides diverse markets with a global standard of comparison, listing fine art, design, and decorative art auction results, including more than 378,000 artists and designers. Today, the Price Database contains more than 18 million auction results from more than 1,878 international auction houses, dating back to 1985.

Complementing the Price Database are the Market Alerts, Analytics, Enterprise Data Services, and Art Secured Lending. The Market Alerts make subscribers aware whenever an artwork from one of their favorite artists comes up for sale in galleries or auction houses. Powered by the Price Database, Analytics reports are custom made by Artnet's data science team and provide comparables between fine art and other assets, such as gold or the S&P500. Enterprise Data Services is draws on an API infrastructure to empower our clients to directly access Artnet's raw data. This is particularly useful for banks, family offices, and auction houses.

Report of the Supervisory Board for the year 2024

Dr. Pascal Decker, Chairman of the Supervisory Board, Artnet AG

In the 2024 reporting year, the Supervisory Board performed the duties required by law and the Articles of Association and monitored the management of the company.

There were no personnel changes on the Supervisory Board during the 2024 reporting year. The Board was made up of Dr. Pascal Decker as Chairman, Prof. Dr. Michaela Diener as Deputy Chairman and Hans Neuendorf. Jacob Pabst, who has worked for the company since 2000, was the sole member of the Management Board of Artnet AG during the reporting period. During the reporting period, the Supervisory Board initiated the expansion of the Management Board in order to distribute management responsibility across more shoulders in future and to strengthen the areas of technology and strategy development in particular.

In the 2024 financial year and up to the publication of the 2024 Annual Report, the Supervisory Board held twelve meetings, all of which were attended by all members of the Supervisory Board. The meetings were held on January 29, 2024 (attended online by Mr Neuendorf, Mr Pabst, Ms Diener and Ms Bärenklau as recording secretary), February 26, 2024 (via video conference), April 8, 2024 (face-to-face meeting without Mr Pabst), April 29, 2024 (via video conference), May 6, 2024 (without Mr Pabst), and April 8, 2024 (via video conference). April 2024 (by video conference), May 6, 2024 (by video conference), June 3, 2024 (by video conference), June 17, 2024 (by video conference without Mr. Pabst), June 24, 2024 (by video conference), July 9, 2024 (by video conference without Mr. Pabst). July 2024 an extraordinary Supervisory Board meeting on the status of the audit of the annual financial statements (by video conference), on July 23, 2024 extraordinary Supervisory Board meeting on the revocation of admission to the Prime Standard (by video conference with Ms. Neuendorf, Mr. Schmidt Noerr Rechtsanwälte)), on August 30, 2024 (online with the auditors Mr. Storbeck, Mr. Mattner and Ms. Stecher (Rödl & Partner) on agenda items 1, 3 and 4), on December 16, 2024 (by video conference).

On August 4, 2025 the meeting with the auditors from HLB Stückmann, Bielefeld, to approve the financial statements took place via video conference.

The Supervisory Board received detailed information from the Management Board in oral and written reports on business development, corporate strategy and all important measures. The management reports with key figures on the company, which the Management Board sent to all members of the Supervisory Board on a monthly basis, were essential for reporting. The management reports, the quarterly statements and the half-year report 2024 were discussed with the Management Board. The Management Board was in regular contact with the Supervisory Board on issues of fundamental importance to business policy and corporate strategy.

In the regular reports of the Management Board, the Supervisory Board pointed out that Artnet, as the world's largest platform for art with around 60 million users per year, has a strong market position that can be further expanded with bold innovations and new types of services. This includes in particular the systematic development of the company's unique digital treasure trove of data for the various customer groups. The Supervisory Board also received reports on innovations and new products during the year.

The annual financial statements prepared by the Management Board for the 2024 financial year in accordance with the German Commercial Code (HGB) and the consolidated financial statements in accordance with IFRS, together with the management report and the Group management report, were audited by the auditing firm HLB Stückmann, Bielefeld.

The Supervisory Board has satisfied itself of the independence of the auditors. The auditors came to the conclusion that both the annual financial statements in accordance with the German Commercial Code (HGB) and the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations for the financial year in accordance with the provisions of IFRS and issued an unqualified audit opinion in each case. After completion of the audit, the auditors attended a Supervisory Board meeting on August 4, 2025 to discuss the annual financial statements and explain the results of their audit.

The Supervisory Board approved the results of the audit by the auditor. The Supervisory Board examined the annual financial statements and the consolidated financial statements of Artnet AG as well as the associated management reports. Following the final result of its own detailed examination, the Supervisory Board raised no objections. The Supervisory Board approved the annual financial statements of Artnet AG prepared by the Management Board in the version audited by the auditing firm by resolution dated August 4, 2025. The annual financial statements as at December 31, 2024 are thus adopted.

We would like to thank the Management Board and all employees for their work over the past year.

Berlin, August 4, 2025

For the Supervisory Board
Dr. Pascal Decker Chairman of the Supervisory Board

Mickey Mouse by Andy Warhol, sold via artnet Auctions in 2024

Corporate Governance Declaration

In this declaration, the Management Board and Supervisory Board report on the corporate governance of artnet AG in the financial year from January 1, 2024 to December 31, 2024 in accordance with Sections 289f and 315d HGB and Principle 23 of the German Corporate Governance Code in the version dated April 28, 2022.

I. Declaration of Conformity with the German Corporate Governance Code

Declaration pursuant to § 161 AktG

The Management Board and Supervisory Board of artnet AG hereby declare in accordance with Section 161 of the German Stock Corporation Act ("AktG") that artnet AG has complied and will continue to comply with the recommendations of the German Corporate Governance Code in the version dated April 28, 2022, published in the Federal Gazette on June 27, 2022, ("Code") with the following exceptions since the last Declaration of Conformity dated February 3, 2024, as updated on August 7, 2024, and October 2, 2024.

1. Age limit for members of the Management Board (B.5 of the Code)
Section B.5 of the Code recommends setting an age limit for members of the Management Board and stating this in the corporate governance declaration.

In the past, these recommendations were not complied with in order to avoid restricting flexibility in the selection of suitable candidates for the Supervisory Board by setting blanket age limits.

The Supervisory Board has now set a standard age limit of 65 years at the time of appointment of Executive Board members and will state this in the corporate governance declaration. The only member of the Management Board did not exceed the specified standard age limit at the time of appointment. The recommendation in section B.5 of the Code is therefore fully complied with today and in future.

2. Qualifications matrix on the status of implementation of the skills profile (C.1 of the Code)
In accordance with recommendation C.1 of the Code, the status of implementation of the skills profile for the Supervisory Board as a whole should be disclosed in the form of a skills matrix in the corporate governance statement. In view of the fact that the Supervisory Board only has three members, artnet AG does not consider the disclosure of such a skills matrix to be appropriate. In order to avoid additional expense, such a qualification matrix is not disclosed.

3. Age limit for Supervisory Board members (C.2 of the Code)
Section C.2 of the Code recommends setting an age limit for Supervisory Board members and stating this in the corporate governance declaration.

In the past, these recommendations were not complied with in order to avoid restricting flexibility in the selection of suitable candidates for the Supervisory Board by setting blanket age limits.

The Supervisory Board has now set a standard age limit of 70 years at the time of the election of Supervisory Board members and will state this in the declaration on corporate governance. The standard age limit of 70 years was already observed at the last Supervisory Board election. The recommendation in section C.2 of the Code is therefore fully complied with today and in future.

4. Formation of committees (D.2, D.3 sentence 5 and D.4 of the Code)
The Supervisory Board of artnet AG consists of only three members. It therefore does not make sense for it to form committees from among its members, such as a nomination committee, especially since committees with a quorum would have to consist of at least three members. In this respect, artnet AG deviates from recommendations D.2 and D.4 of the Code.

However, Section 107 (4) sentence 2 AktG stipulates that a three-member Supervisory Board is also the Audit Committee. However, this means that the Chairman of the Supervisory Board of artnet AG is also the Chairman of the Audit Committee as defined in Section 107 para. 4 sentence 2 AktG, which represents a deviation from recommendation D.3 sentence 5 of the Code (no personal identity of the Chairman of the Supervisory Board and the Chairman of the Audit Committee).

5. Information on the expertise of the members of the Audit Committee (D.3 sentence 4 of the Code)

According to recommendation D.3 sentence 4 of the Code, the corporate governance statement should contain more detailed information on the expertise of the members of the Audit Committee with expertise in the areas of accounting and auditing. To date, the corporate governance statement has not contained these details, as artnet AG does not consider such information to be appropriate for the audit committee, which is only deemed to exist in accordance with Section 107 (4) sentence 2 AktG. As long as artnet AG has a three-member Supervisory Board, there are currently no plans to comply with this recommendation in the future.

6. Publication of financial information (F.2 of the Code)

The consolidated financial statements, the Group management report, the quarterly statement for the first quarter and the half-year financial report, each for the 2023 financial year, were not published within the periods of 90 days or 45 days from the end of the respective reporting period recommended by the Code. The delays were due to difficulties in preparing the consolidated financial statements.

The consolidated financial statements and the Group management report for the 2024 financial year are also not expected to be published within 90 days of the end of the 2024 financial year, as recommended. The reason for this is that the auditor for the financial year was not elected until the company's Annual General Meeting on February 27, 2025 and an audit of the financial statements cannot be carried out within the deadlines stipulated by the Code at such short notice.

For future reporting periods, it is intended to follow recommendation F.2 of the Code again.

7. Recommendations on Management Board remuneration (G.2 to G.16 of the Code)

The remuneration system for the Management Board most recently approved by the Supervisory Board of artnet AG corresponds in content to the employment contract currently concluded with the sole member of the Management Board. The implementation of this employment contract does not comply with the recommendations in G.2 to G.16 of the Code.

The company's Annual General Meeting on February 27, 2025 did not approve the remuneration system last adopted by the Supervisory Board. The Supervisory Board will review the remuneration system for the Management Board again. A reviewed and, if necessary, revised remuneration system is to be submitted to the Annual General Meeting for the 2025 financial year for approval.

Berlin, July 28, 2025

Jacob Pabst
Chief Executive Officer, Artnet AG

Responsibility Statement

To the best of all knowledge, and in accordance with the applicable reporting principles, the following consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of Artnet AG. Artnet AG's Management Report includes a fair review of the development and performance of the business, as well as the position of the Group, along with a description of the principal opportunities and risks attributed to the expected Group development.

Berlin, July 30, 2025

Jacob Pabst
Chief Executive Officer, Artnet AG

Pictured: 'From Line 80041, 1980,' by Lee Ufan, sold via artnet Auctions for 450,000 USD in Autumn 2024

Business Model of the Artnet Group and Artnet Group Organization

Artnet AG is a holding company whose shares are listed on the Regulated Market of the Frankfurt Stock Exchange. artnet AG's principal investment is its wholly-owned subsidiary Artnet Worldwide Corporation, which was founded in New York in 1989. Artnet AG ("the Company"), Artnet Worldwide Corporation ("Artnet Corp.") and Artnet UK Ldt ("Artnet UK") (together "Artnet" or "the Group") operate under the brand name "Artnet". Artnet UK Ltd, based in London, is a wholly owned subsidiary Artnet Corp.

Artnet has three primary operating segments: Data, Marketplace and Media. With over 176 million page views in 2024, Artnet is one of the leading art market platforms in the world. This is underlined by statistics from Similarweb: Artnet has more reach than its competitors Artsy, Theartnewspaper, ArtNews and Hyperallergic combined (source: Similarweb) By providing up-to-date information on market movements, galleries, price developments, exhibitions, news and reviews, it enables art enthusiasts, collectors and art experts to navigate the art market.

The declaration required under 161of the German stock corporation act concerning the German Corporate Governance codex have been issued and made available to shareholders via the Artnet website.

28%

Data

Price Database
Analytics
API

The Price Database is an industry-critical tool. It's an highly accurate and comprehensive archive of more than 18 million auction results from more than 1,900 auction houses dating back to 1985.

Artnet Analytics provides AI generated market insights and custom analytics reporting.

35%

Marketplace

Gallery Network
Artnet Auctions
Auction House Partnerships

The Marketplace provides access to the world's leading galleries, auction houses, artworks, artists, and events. Artnet hosts around 367,000 artworks (2023: 359,000) for sale online, with an estimated value of $3.2 billion.

Artnet Auctions provides online only auctions of Modern, Postwar, Contemporary, and Ultra Contemporary art.

37%

Media

Artnet News
Artnet News Pro
Advertising
Partnerships

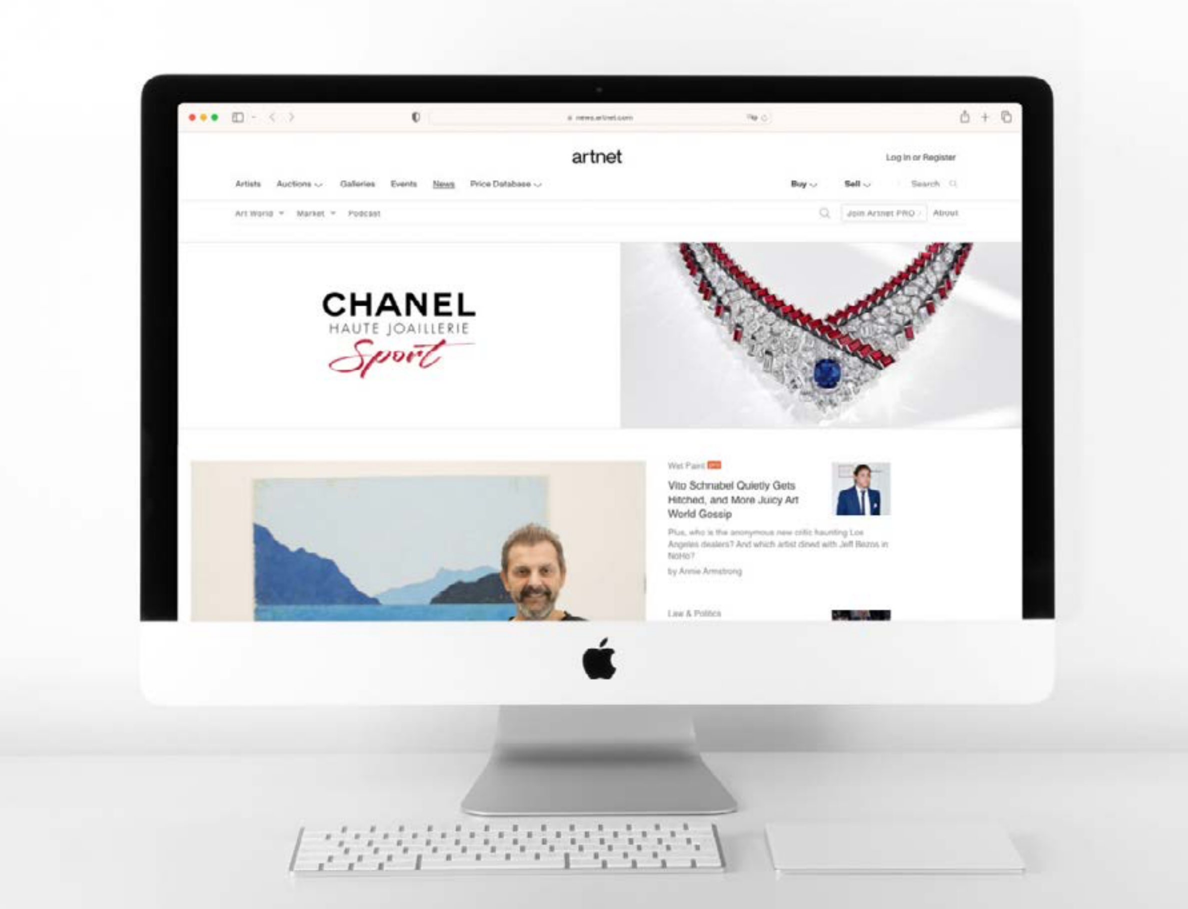
Artnet News provides up to the minute, 24 hour news on the trends, events, and people shaping the industry.

Artnet News Pro is accessible via a paywall and harnesses Artnet's unparalleled data to provide deep insights into the art market.

Leading industry players, financial institutions, and luxury brands trust Artnet with their advertising. The Group also partners with brands on events and activations.

Media

Artnet's Media segment includes Artnet News, Artnet News Pro, Advertising and Sponsorships.



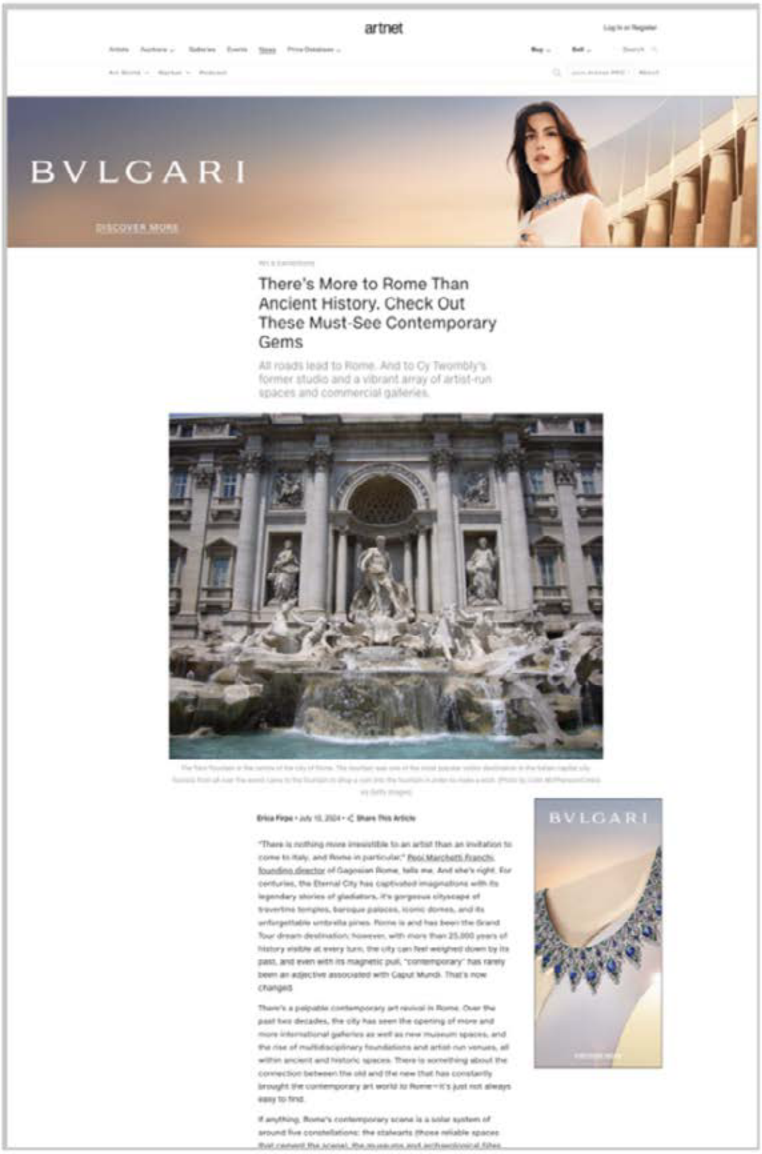
Media Highlights 2024

- -3.7% decrease in Revenue
- Partnerships with Range Rover, JP Morgan Private Bank, Van Cleef & Arpels
- One of the largest online art businesses with over 51% market share in comparison to competitors
- Over 96 million pageviews

Artnet News is the world's 24-hour international online art world newswire. It informs, engages, and connects members of the art community to the events, trends, and people shaping the market and global art industry through timely articles and insightful opinion pieces. Artnet News has a larger audience than the next four art focused content publishers combined. This is underlined by data from the platform Similarweb; Artnet's reach is wider than that of its next four competitors combined: Artsy, Theartnewspaper, Hyperalleric, and ArtNews (Source: Similarweb)

With the launch of Artnet News Pro, the metered partial paywall, Artnet News offers subscribers market- critical, data-driven editorial. Harnessing Artnet's Data, our journalists give our readers an unparalleled level of insight into the art market.

Artnet News attracts a high-value audience that is a desirable target market for fashion and luxury brands. Media revenue decreased 3.7% to 8,277 k through 2024 (2023: 8,601 k). This was primarily due to economic headwinds resulting in lower advertising budgets at both luxury brands and galleries. Sponsorships and brand partnerships were an increasingly significant revenue driver as the team pursues larger scale bespoke opportunities that deliver strong margins and drive brand alignment and value to Artnet's audience.

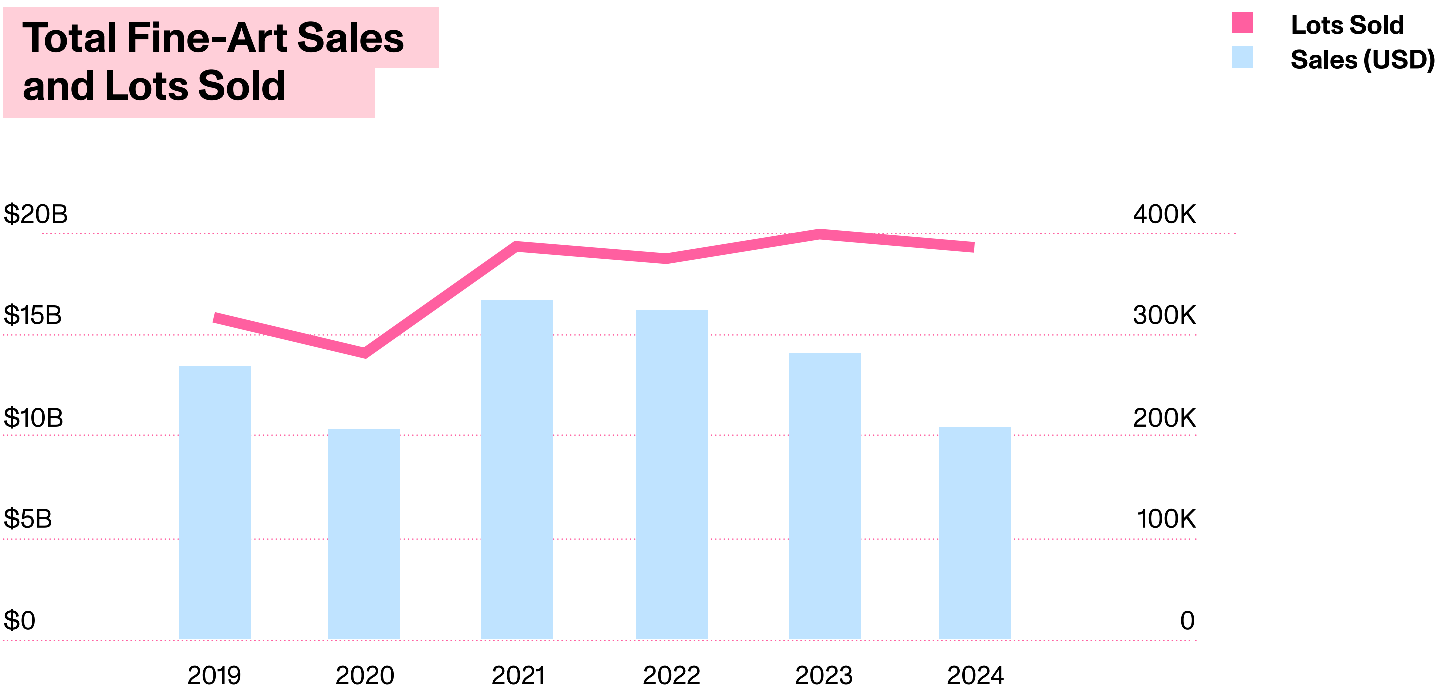


Pictured: luxury advertising partner Bulgari in a 2024 campaign on artnet

Data

The data segment includes the Price Database, Analytics, Market Alerts, and Data Services and Partnerships.

Total Fine-Art Sales and Lots Sold



Data Highlights 2024

- New Price Database features and mobile-optimized product
- Art secured lending product introduced, in partnership with leading specialized loan providers
- Enterprise Data Services introduced
- Biannual Intelligence Reports published, sponsored by Morgan Stanley

The Price Database is an online database of more than 18 million (2023: 17 million) color-illustrated auction results from all the world's leading international auction houses. Composed of the Price Database Fine Art and Design and the Price Database Decorative Art, this product introduced price transparency to a historically opaque market. The Price Database is a B2B and B2C subscription product with a diverse client base, including appraisers, dealers, auctioneers, wealth managers, banks, family offices, and private and government institutions such as the IRS and the FBI. Subscribers to the database receive access to upcoming auction information, recent auction results, and auction records dating back to 1983, as well as the up-to-date and impartial assistance with the appraisal value of artworks.

During 2024, new features were added to the new Price Database. Additional features are being added regularly, with a view to continually optimizing our services. Artnet has invested in its core product and is excited for the new era of transparency that the new Price Database will bring as it strives towards its vision of creating an efficient, global art market. The renewed Price Database is built on a new API-first architecture, introducing the opportunity for transformational new data delivery formats. A mobile optimized design will ease access to our global user base and drive search volume, and the implementation of elastic search introduces vast new search possibilities. Artnet's Data Science team has produced intelligent, reactive analytics that generate deep insight and understanding of the art market.

The Price Database provides a vital tool for private collectors to appraise the works they own and evaluate opportunities at upcoming auctions or on the dealer market. Dealers and auctioneers can use comparable sales from the Price Database to support the valuation and sale of important works of art. With an estimated 84 trillion USD wealth transfer happening over the next few years, artnet's data is poised to be essential in the valuation and transaction process of this seismic shift (Source: UBS Global Wealth Report 2024)

Enterprise Data Services is a recently introduced service within the Data segment. It empowers our clients to take full control over the data analysis by accessing the raw data and data updates directly.

Market Alerts inform subscribers by email when artworks by their favorite artists come up at auction (including Artnet Auctions), are featured in upcoming events, or are offered through Artnet Galleries.

Artnet Analytics is also part of the Data segment. Reports created by the Data Science team analyze the market development of artists, art movements, art genres or a selection of artworks, and include comparisons to more traditional investments including equities, government debt, and commodities.

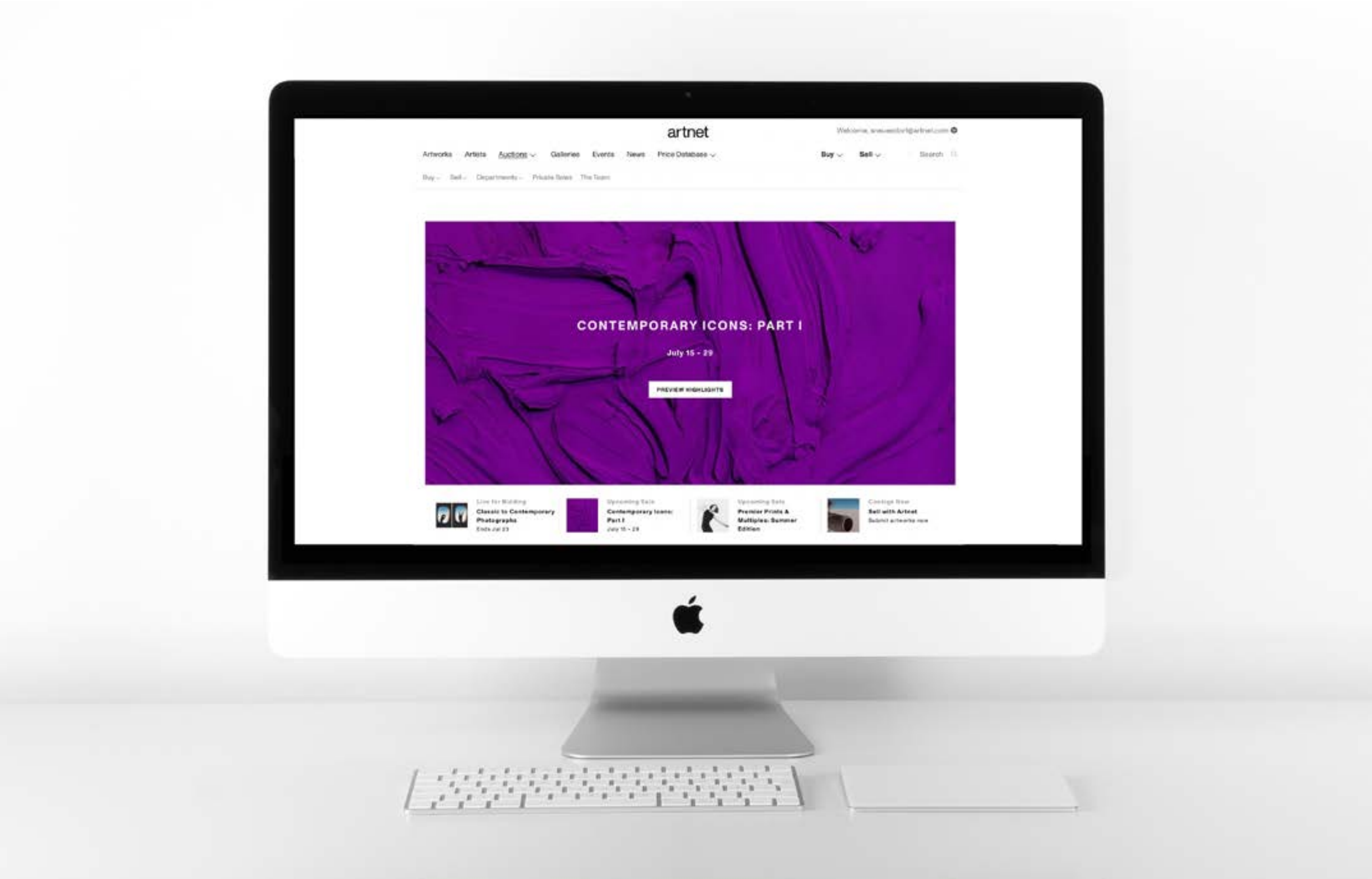
Fine Art Lending also forms part of Artnet's Data services. Fine Art Lending refers to the practice of taking out loans against Fine Art & Collectibles. This provides borrowers with additional liquidity to expand their collections or fund new alternate investments, without selling items from their collections or disrupting their investment strategy. Deloitte estimates that the overall market size of outstanding loans against art may have reached between 29.3 and 34.1 billion USD (26.6 - 34.3 B) in 2023, a 11% growth rate YoY. (Source: Deloitte Art & Finance Report 2023). Artnet supports clients by connecting them to a loan-provider – and also providing the underlying data to support the loan.

Core to the Artnet Group's vision is providing a holistic ecosystem for the global art market. As one of the industry's primary data providers, Artnet is a natural home for Fine Art Lending activities. By partnering with some of the world's leading asset backed lending providers, Artnet is pleased to offer its customers a valuable additional amenity in the renewed Price Database.

Price Database revenue decreased 7.5% to 6,213k in 2024 (2023: 6,722 k). Even though the Data Segments User Experience and product offering was thoroughly optimized, this hasn't been reflected in contracts and pricing models. Optimized B2B and B2C contracts and pricing will lead to growth within the Data segment in 2025.

Marketplace

Artnet's Marketplace segment includes Artnet Galleries as well as Artnet Auctions. The Marketplace is one of the industry's leading curated platform for fine art and design.



Marketplace Highlights 2024

- Over 367,000 artworks for sale across the Marketplace as of the balance sheet date
- Increased sales at mid-market price levels (up to 10 M USD); including 840,000 USD for a work by Damien Hirst sold on Artnet Auctions
- 47 Auctions held, including three private sales

Artnet Auctions, launched in 2008, provides unique value to buyers and sellers in the art market. Through an online-only model, transaction costs are lower than at incumbent brick-and-mortar competitors. Agile operations and sale calendars permit significantly higher degrees of liquidity and pay-out for sellers. The innovative model also permits the reduction of operational overheads, logistics costs, and warehouse risks are also significantly reduced. Buyers and sellers value the leaner commission structure, fast end-to-end execution time for transactions, and intuitive user experience. Artnet Auctions focuses on the Modern, Post-war and Contemporary, and Ultra Contemporary art categories. Within those segments, Artnet Auctions is focused on the mid-market (defined as works priced between $100,000 - $10m or 91,000 – 9,1 T), which carries the largest proportion of transaction volumes. The platform has continued to pursue a strategy of increasing average transaction values to drive operating margins, and now more regularly sells works above 100,000 USD (91.9 T). Interestingly, 63% of pageviews were from mobile devices, most of which were from the US, India and China (in that order). 49% of transactions on mobile devices were carried out in the US, UK and Germany.

Artnet Galleries represent the world's most prestigious galleries from 35 countries. Galleries members are indexed by specialty and location, with approximately 367,000 artworks featured on the platform in 2024 (2023: 359,000). Artnet provides extensive informational depth with content-rich pages to help buyers from around the world discover artworks from leading galleries. A strong SEO profile and a focused content-to-commerce strategy is one of the ways in which qualified traffic and engagement to partner inventory is enabled, offering galleries introductions to buyer pools on a global scale.

Similarly, Artnet Auction House Partnerships offer auction houses a way to gain international exposure for their sales and drive a high volume of potential buyers directly to their proprietary sites. With a partnership, auction houses have the flexibility to post complete or partial sales on Artnet, with the option of linking every lot on Artnet back to the same lot in their online catalog. All upcoming sales are listed on our Events page and rank high on both Artnet and external search engines. Auction House partnerships are a tool for auction houses to expand their international presence and direct many potential buyers to their website.

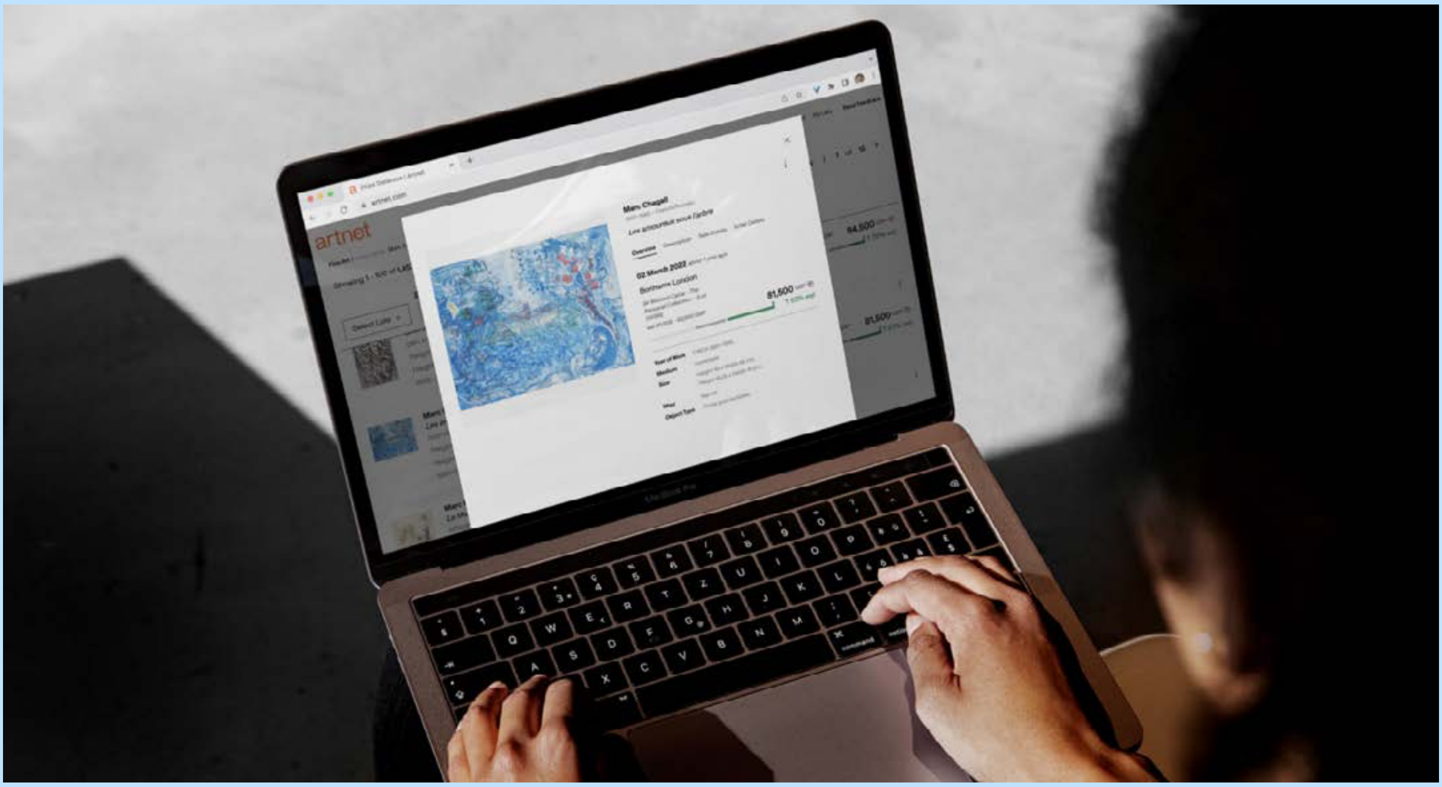
Revenue from the Marketplace segment decreased 3.4% in 2024 to 7,752 k (2023: 8,026 k). This is primarily due to strong economic headwinds the ripple effect of which was a decrease in collectors' purchasing power and appetite for risk; as well as a decrease in artworks brought to market. The result of which was a 27% decline of sales at auction houses worldwide, also impacting the Marketplace segment (Source: Artnet Intelligence Report Year Ahead 2025).

Objectives and Strategies

We envision a world where buying, selling, and collecting art is simple, efficient, and highly rewarding for the modern collector. Our purpose is to empower art enthusiasts and collectors to pursue their passion and facilitate seamless transactions based on trust and transparency.

Artnet is a tech business within the art market and is one of the companies spearheading its digitization. Artnet aims to overcome inefficiencies in the art market through digital solutions. Artnet's services provide market transparency, insights, fast transactions, and liquidity for thousands of clients and millions of users throughout the world. Liquidity is offered due to faster processes and turn-around time in comparison to traditional auction houses where receiving the proceeds of a sale can take up to 3 months. The general technological progress means that the Artnet Group, and therefore also the AG, are continuously trying to improve our products, which is a key objective of the Artnet Group. Artnet operates a diversified B2B and B2C business model and offers a synergetic range of products and services to a diverse group of customers.

Financial stability is a significant objective for the Group, which is safeguarded by close and consistent monitoring of a detailed set of financial and performance indicators throughout the year; especially liquidity and revenue of the Group. Product development is a priority as Artnet aims to further increase scale and market share; this is achieved largely through synergies between segments and thus, possible product development. The CEO sees potential especially in the growth of online transactions,the ensuing benefits for the Marketplace segment, and the potential for synergies between segments. Artnet operates in a highly competitive online market with significant growth potential (Source: UBS Art Basel, The Global Art Market Report 2024). It is crucial for the Company to scale in order to pursue the consolidation of the online art market and drive operating margins.



An employee at the artnet NY office

Control System

Artnet AG's central objective is to maintain the company's financial stability. This objective is ensured throughout the Group by means of precise and consistent monitoring of detailed financial information and performance indicators throughout the year.

The Management Board always takes the Group perspective when making business decisions. In doing so, the Management Board evaluates monthly reporting on the Group, in which the most important financial performance indicators from the Group's perspective (revenue, cost of sales, gross profit, operating result) are analyzed both in aggregated form and at segment level. Other important key figures, but not among the most significant, are cash and cash equivalents, accounts receivables, and accounts payable.

Regarding the Group's overall performance, the most significant financial performance indicators within the meaning of DRS 20 are sales revenue and operating result. In relation to the segments, revenue is the most important financial performance indicator. The operating result is only monitored at Group level. The Group has no key non-financial performance indicators as defined by DRS 20.

When managing the individual segments, the Group takes other relevant performance indicators into account, however these are not among the most important ones:

In the Marketplace segment and the associated Artnet Auctions division, the financial performance indicator of the sell-through rate, which is determined on the basis of the volume and value of transactions, is significant. In the Galleries division, the non-financial performance indicator of memberships is also used. The number of total memberships, new memberships and membership terminations are relevant here.

Within the Data segment, indicators are the amount of new clients as well as the amount of searches.

In the Media division, the number of visitors to the website (traffic) is a non-financial performance indicator, as is the number of Artnet News Pro subscribers.

Another aspect of the management control system is the ongoing monitoring of traffic and user engagement, in which essential patterns are evaluated and analyzed. The traffic of the entire Artnet site is subject to seasonal changes. Artnet evaluates site visits daily, weekly, and monthly to obtain information about performance in each segment. The website traffic is seasonally affected. This analysis is also important for billing advertising contracts based on traffic performance. Key indicators for Internet advertising analyzed by Artnet are the number of actual views (impressions) and unique users on the ad on the page.

Research and Development

The Artnet website remains the cornerstone of the Group's products and services, and staying at the forefront of technological innovation and industry best practices is a top priority. To achieve this, Artnet's developers and engineers leverage third-party software and cutting-edge tools to enhance platform performance, flexibility, and user satisfaction.

Throughout the 2024 financial year and into early 2025, the Artnet Technology Team focused on delivering impactful updates and solutions that elevate the user experience and provide substantial value to our customers across Media, Data, and Marketplace segments. Our key focuses and achievements included:

- **Enhanced News Search and Syndication**: In 2024, we launched a revamped search page for Artnet News, powered by advanced technology to deliver more relevant results and a seamless user experience. Building on this, we introduced a syndicated news component, enabling news articles to be integrated across the platform, enhancing content accessibility and engagement.

- **Data Services Expansion**: We significantly upgraded our Data Services offerings, adding new features to the Price Database, such as statistical insights, artist trend indices, and the Repeat Sales API. These tools solidify Artnet's position as the leading source of art market data, empowering clients with deeper analytical capabilities.

- **Marketplace Functionality Upgrades**: The team rolled out key enhancements to Gallery, PDB, and Past Lots artwork pages, focusing on SEO optimization and design improvements to boost visibility and user interaction. Additionally, the introduction of Payment Requests in early 2025 allows sales representatives to send secure payment links directly to clients, streamlining transactions.

- **Google Analytics 4 Migration**: We successfully advanced our migration to Google Analytics 4 (GA4), implementing a Global User ID to track user journeys across our ecosystem. This upgrade, paired with the integration of GA4 data into our data warehouse, enhances our ability to merge and leverage first-party data for operational insights.

- **AI-Powered Artist Biographies**: Nearing completion in 2024, we collaborated with a vendor to generate AI-driven artist biographies using Artnet's rich internal datasets. This initiative fills content gaps, providing comprehensive bios for artists previously without them, and enriching the platform's value.

Economic Report

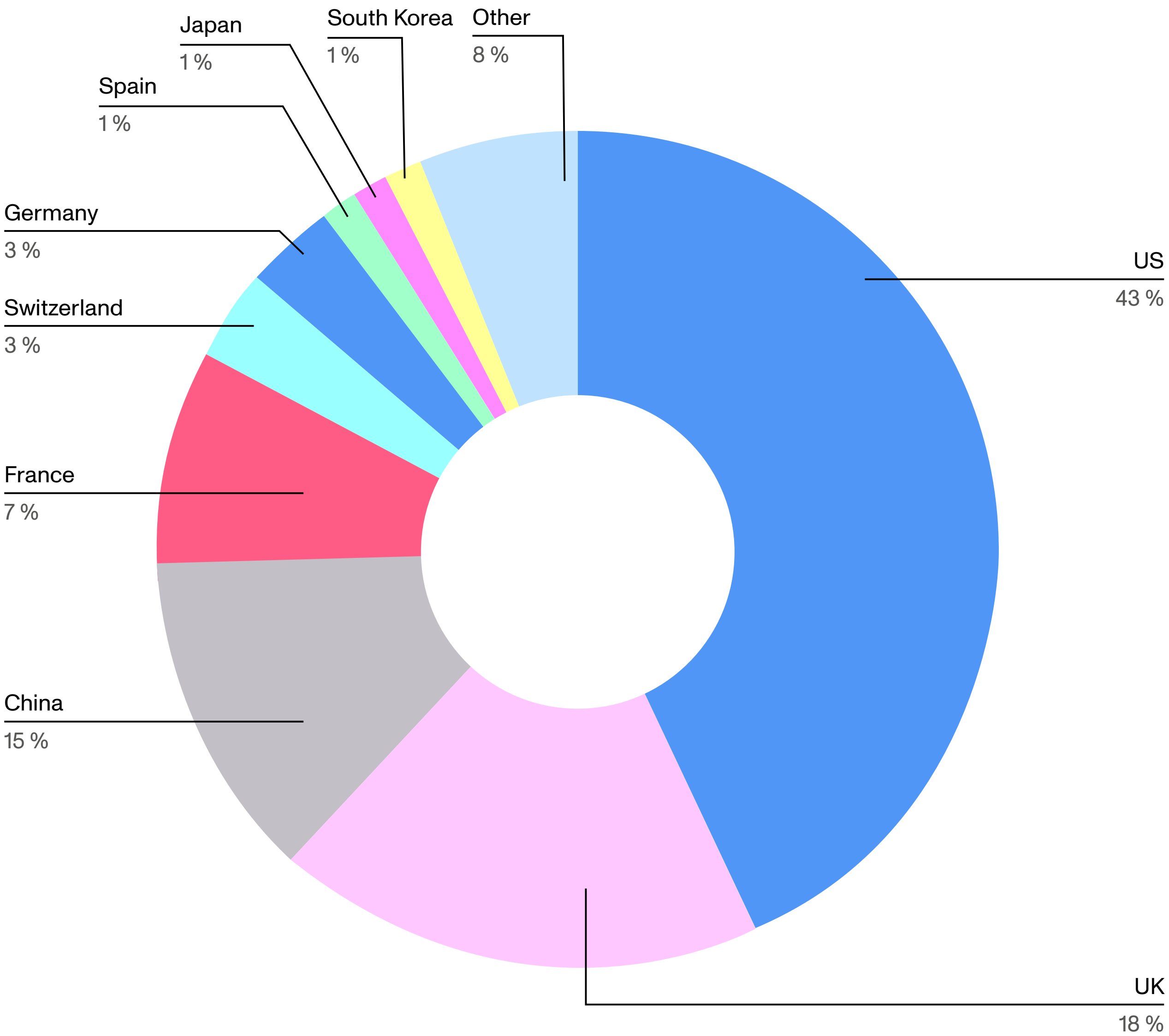
Global Economic Situation
The 2024 financial year saw moderate growth amid numerous macroeconomic challenges that have carried through to the beginning of 2025. Global GDP growth is expected to moderate from 3.2% in 2024 to 2.9% in 2025 and 2.9% in 2026, with higher trade barriers in several G20 economies and increased policy uncertainty weighing on investment and household spending. Annual real GDP growth in the United States is projected to slow from 2.8 in 2024 to 1.6% in 2025 and 1.6% in 2026. o area real GDP growth is projected to grow from 0.8 in 2024 to 1.0% in 2025 and 1.2% in 2026, as heightened uncertainty keeps growth subdued. Growth in China is projected to slow from 4.8% this year to 4.4% in 2026. (Source: OECD June 2025). This subdued performance was attributed to various factors, including persistent inflationary pressures and geopolitical tensions. (Source: McKinsey & Company + IMF)

Trade dynamics played a significant role in shaping the economic landscape. The Organisation for Economic Co-operation and Development (OECD) highlighted that escalating trade tensions, particularly from increased U.S. tariffs on imports, hindered global growth and elevated inflation rates. These protectionist measures led to reduced investment and consumer spending, especially impacting economies like Mexico and Canada. (Source: The Guardian)

Despite these challenges, certain regions showed resilience. Emerging Asian economies, notably China, the Middle East, and India, benefited from surging demand in sectors like artificial intelligence, bolstering their growth prospects. However, the overall global economic environment remained fragile.

Against this backdrop, the Artnet Group is prepared for another year of tepid growth in the art industry, as it is affected by consumer confidence and spending.

Global Art Market Share by Value in 2024



Arts Economics for UBS Art Market Report 2024

Art Market Development

In 2024, the global art market faced notable challenges, reflecting broader economic and geopolitical uncertainties. Fine-art sales totaled $10.2 billion in 2024, down 27.3% year over year, which roughly parallels the pandemic-related contraction of 2020, when sales dropped 22.3%, to $10.2 billion. The decline extends a downward trend that began around two years ago, amid interest rate hikes and rising geopolitical uncertainty. In luxury, fashion, and related industries, many consumers focused on value-for-money categories and experiences over high-priced or extravagant nonessential goods, which filtered down into more cautious and lower spending. The art market was not exempt from this, with robust activity at lower levels but more reserved spending at higher price points (Source: UBS Art Basel Art Market Report 2025).

That instability continued into 2024, becoming more pronounced as a record number of countries, including the U.S. and U.K. (two of the top three global art markets) held elections.1 China's economic slowdown further dampened total sales. (Source: Artnet Intelligence Report Year Ahead 2025).

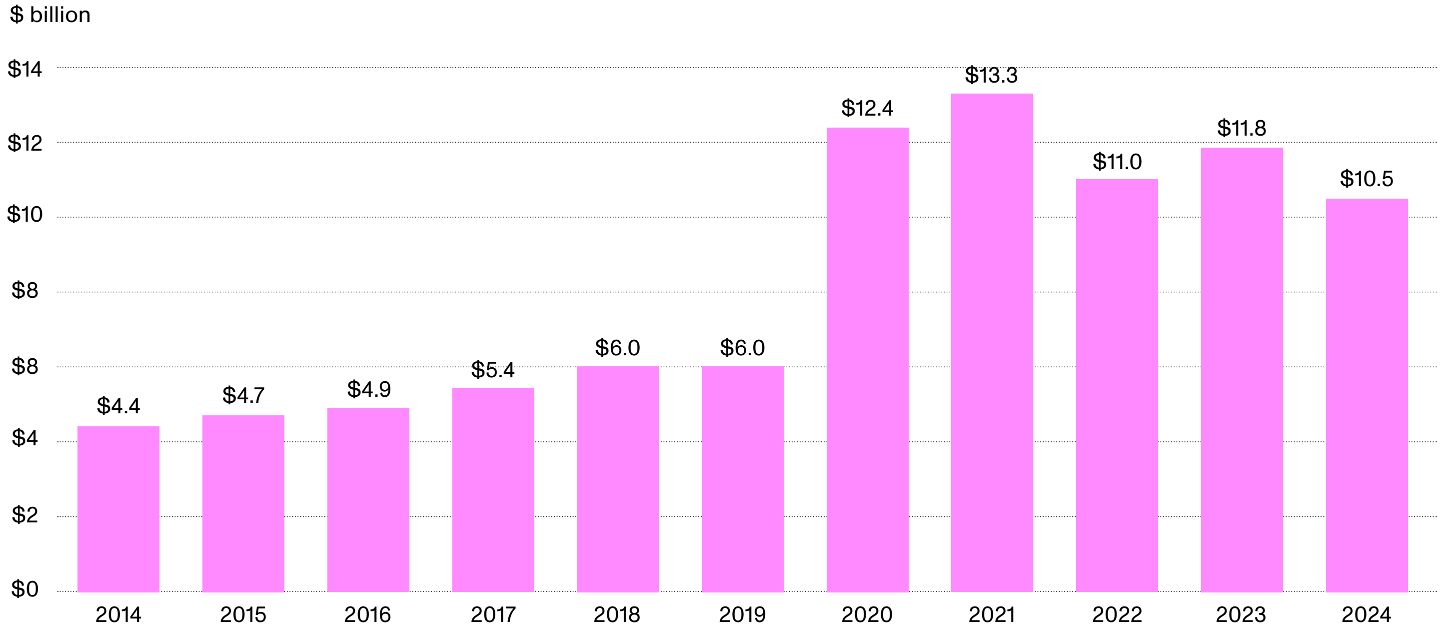
Consequently, major auction houses reported severe declines. Christie's generated $3.2 billion in fine art sales, 18% less than in 2023 and 47.3% less than in 2022. Sotheby's realized $2.5 billion, a 38.1% decrease from 2023, despite new auction rooms in Paris and Hong Kong (Source: Artnet Intelligence Report Year Ahead 2025). Additionally, Sotheby's struggled with substantial debt and restructuring efforts, leading to deferred payments and concerns about cash flow. Both houses also expanded their presence in the Middle East, with Sotheby's planning its first live auction in Saudi Arabia and Christie's opening an office in Riyadh (Source: Artnet News)

High-net-worth individuals (HNWIs) adapted their collecting habits in response to market conditions. Impulse buying decreased from 10% in 2023 to 1% in 2024, with collectors favoring thorough research before acquisitions. Additionally, there was a notable rise in the collection of works by female artists, reaching a seven-year high with a ratio of 44% compared to male artists (Source: UBS Global Survey of Collecting 2024).

The U.S. remained the largest art market globally, with fine-art auction sales generating $4.3 billion in 2024, down 25.5 percent year over year. Inflation remained high for most of the year, driving costs up and sales down, while few high-value single-owner sales—which buoyed totals in previous years—went under the hammer. Although this is the third-lowest U.S. sales total in a decade, it is still around $1 billion above pandemic-altered 2020.

China's $1.9 billion total represents a serious 46.1% contraction from 2023. China experienced a slowdown in GDP growth in 2024, which has been attributed to a struggling property sector and weakened consumer demand (Source: IMF). Even as Christie's and Sotheby's launched new Hong Kong headquarters last year, a few Chinese auction houses, like Beijing Hanhai, declined to report some sales, presumably because of poor performance, and Beijing Cheng Xuan ceased operating in October.

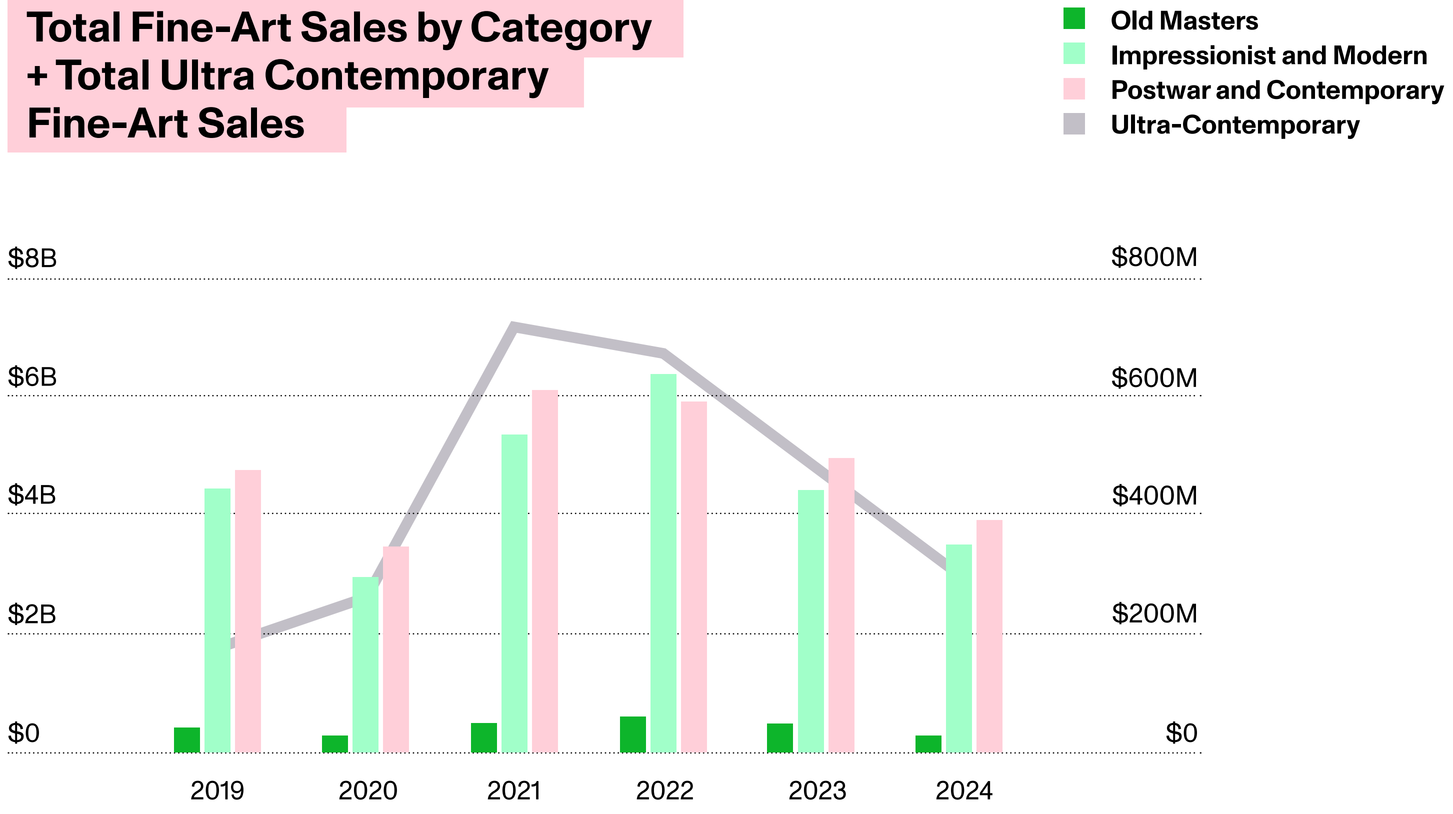
The U.K. market contracted by 20.5% year over year, with just $1.4 billion in sales, the lowest total in a decade (Source: Artnet Intelligence Report Year Ahead 2025). Like the US, the UK market experienced cooling in the high-priced segments, leaving it 15% belowits pre-pandemic size in 2019, though still 5% above 2020 values (Source: UBS Art Basel Art Market Report 2025).



Pictured: Global online art sales 2024. Source: Arts Economics

A total of $392.7 million worth of fine art sold in online-only sales at Sotheby's, Christie's, Phillips, Bonhams, and Artnet Auctions in 2024. That is equivalent to a 10.8% decrease from 2023, in line with the market's overall decline. Total online sales by volume were 189.2% higher than pre-pandemic levels, with the number of works sold continuing to rise year on year. More than 29,000 works sold online in 2024, a 6.6% increase from the previous year and 27% more than in 2020, when many sales moved online (Source: Artnet Intelligence Report year Ahead 2025).

Total Fine-Art Sales by Category + Total Ultra Contemporary Fine-Art Sales



Source: Artnet Intelligence Report 2025

The integration of technology, particularly artificial intelligence (AI), began reshaping the art market. Notably, an AI-created artwork sold for $1.1 million at Sotheby's, marking a significant development in digital art. Looking ahead, the market anticipates a shift as younger, tech-savvy collectors emerge, potentially influencing future trends and preferences. (Source: Artnet News)

Technological advancements continued to reshape the art market, with digital art gaining prominence at major fairs. Despite macroeconomic challenges, there is optimism for a recovering art market, supported by a vibrant cultural ecosystem and adaptability to new technologies. (Source: Financial Times)

In summary, 2024 was a year of both challenges and resilience for the international art market. While high-end auction sales declined, the adaptability of dealers, the growth of online platforms, and evolving collector behaviors highlighted the market's capacity to navigate and adjust to changing global dynamics.

Image: a work by Anish Kapoor, sold via artnet Auctions

Business Development

The global art market faced major economic challenges in the 2023 and 2024 financial years. Data from Artnet and Deloitte shows that there is usually a six-month gap between a global economic downturn and the point at which it is felt in the art industry (source: Medium). The global art market experienced a decline of 27% in the past financial year, which affected all of the Group's segments (source: Artnet Intelligence Report Year Ahead 2025). Revenue and the operating result fell compared to 2023. The forecasts presented in the 2023 consolidated financial statements for the 2024 financial year were also not realized. The deviation is mainly due to transactions that could not be carried out as expected. These transactions mainly related to the Media segment.

Result of Operations, Financial Position, and Net Assets

The consolidated financial statements were prepared in os. This is the functional currency of artnet AG. Unless otherwise indicated, amounts are stated in k (thousand) or rounded to the nearest million. The addition of the individual amounts may therefore deviate slightly from the stated total.

Artnet's main business activities are conducted in the US dollar currency area. To improve comparability, particularly for our US investors, the consolidated balance sheet, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity are also presented in US dollars.

Artnet generates its revenue primarily in US dollars. The headquarters of Artnet's subsidiary, Artnet Corp., is located in New York, the global center of the art market, and thus incurs its expenses mainly in US dollars.

Result of Operations
The Group's revenue in the 2024 fiscal year totaled 22,242 k (2023: 23,350 k), reflecting lower growth than anticipated by management. This shortfall was primarily driven by weaker than expected performance across all segments.

Income from operations improved significantly to –1,136 k (2023: –1,900 k), mainly due to cost reductions. However, this result still fell short of management's expectations. The cost reductions were primary attributable to lower Selling and Marketing expenses, along with a decrease in General Administrative expenses. These savings resulted from downsizing the New York office, a reduction in executive headcount and lower consultant expenses.

Revenue
In 2024, Artnet's total revenue decreased 4.8% to 22,242 k compared to 2023 (23,350). The decrease was primarily driven by the Data segment, followed by the Media segment.

In 2020, the Marketplace segment became the Group's largest revenue generator, outperforming both Data and Media segments; and this continued till 2022. The decrease in the Marketplace and Data Segments in 2023 and 2024 was primarily due to strong economic headwinds negatively impacting the art market.

In 2024, the Media segment experienced a slight 3,8% decrease, from 8,601 k in 2023 to 8,277 k . The Data segment experienced a 7.6% decrease from 6,722 k 2023 to 6,213 k in 2024.

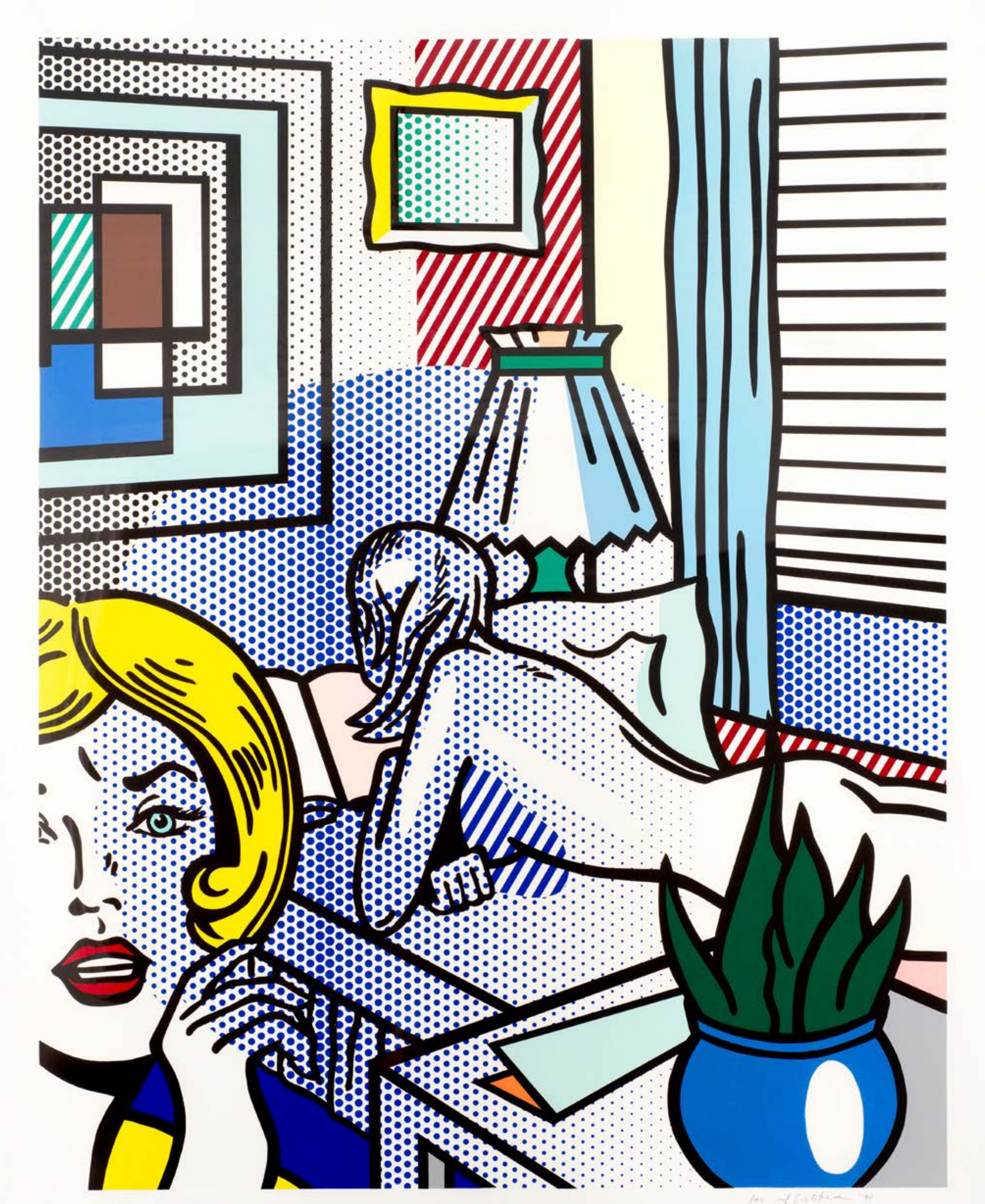
Data

Revenue in Artnet's Data segment in 2024 decreased 7.6% to 6,213k (2023: 6,722 k) reflecting difficult market conditions and compressed sales volumes in 2024. Search volumes are expected to increase in 2025, as new pricing initiatives take effect.

Leveraging insights gained from the Price Database, Artnet's data science team creates custom reports for auction houses, banks, insurance companies, wealth managers, and others. Valued between 500 os and 5,000 os per report, Analytics Reports offer valuable insight into the art market as market participants increasingly turn to data to drive decision making.

Core to the Artnet Group's vision is providing a holistic ecosystem for the global art market. As on of the industry's most renowned data providers, Artnet is a natural home for Fine Art Lending activities. By partnering with some of the world's leading Asset Backed Lending Providers, Artnet is pleased to offer its customers a valuable additional amenity in the renewed Price Database. Artnet launched the program with The Fine Art Group and Luxury Asset Capital as the primary loan providers. In Q4 2023, Artnet launched its new Enterprise Data Services. This new service empowers our customers to easily access our raw data, with the ability to generate their own insights and gain business critical advantages.

Pictured: the artnet Intelligence Report 2025



Pictured: Roommates (from the Nudes Series), 1994, sold via artnet Auctions Private Sales

Marketplace

Total revenue from the Marketplace decreased by 3,4% to 7,752k (2023: 8,026 k).

Artnet Auctions achieved a 64% Sell Through Rate (STR), a steady performance given the global art market contraction. The Average Transaction Value increased 9% YoY to 15,400 USD or 14 k (2023: 14,100 USD or 12,600 k). Overall consignment volumes were down due to market uncertainty surrounding a difficult macroeconomic environment. Management closely tracks team performance and strategies. Revenue achieved by Prints & Multiples makes up the highest share total revenue for Artnet Auctions at 49%, while Photography achieved 27% and Postwar & Contemporary achieved 24%. In comparison to other auction houses, Artnet performed well with only a 2.1% decrease in sales while Christie's reported an 18% decrease and Sotheby's reported a 38.1% decrease in the 2024 financial year (Source: Artnet Intelligence Report 2025 Year Ahead).

There were a total of 47 sales hosted and a 2% increase in lots offered on Artnet Auctions in 2024 (2023: 46 sales), of which 3 were private sales. Selected top lots included Damien Hirst's 'Purity,' which sold for 840,000 USD (ca 776.000), well-exceeding the pre-sale estimate; Lee Ufan's '80041' which sold for 450,000 USD (ca 416.000); and Andy Warhol's Siberian Tiger, which sold for 275,000 USD (ca 254.000).

Artnet Galleries added many new members as gallerists worldwide turned to Artnet to boost their online visibility and facilitate transactions. Higher-tier memberships, which provide access to Artnet's Data and Media products, proved particularly attractive. The Galleries product underwent a strategic review in Q3 2022, with new membership packages launched in Q4 2023; they have had a positive impact on new member volume, particularly amongst higher tier memberships. A change to membership terms towards a minimum 6 month term is also set to lower churn moving forward, leading to an increase in membership numbers.

Media

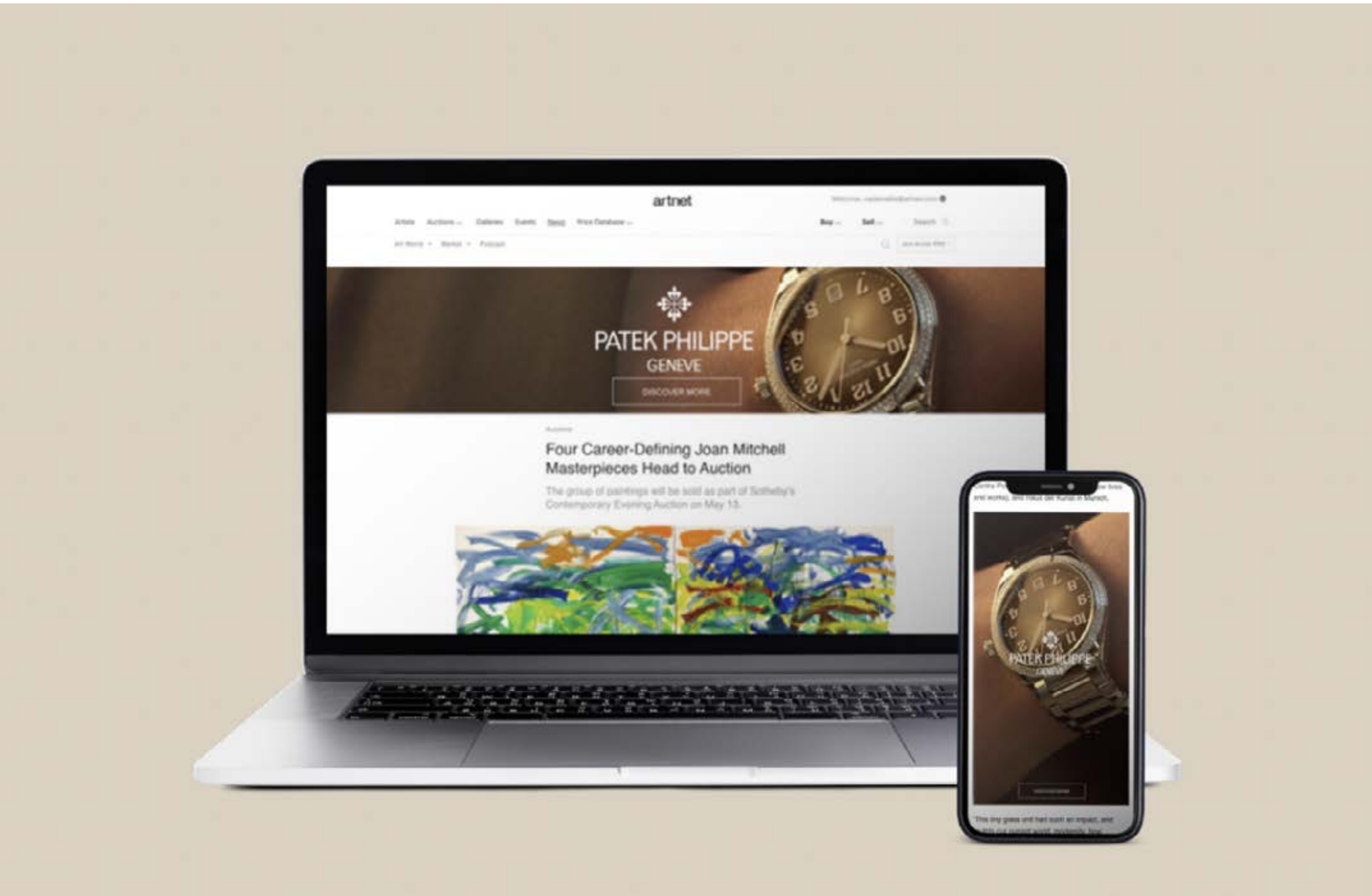
Media revenue decreased by 3.7% to 8,277 k (2023: 8,601 k). This was primarily due to slightly lower advertising revenues, as economic headwinds forced companies continued to decrease their marketing budgets.

Traffic on Artnet News decreased slightly. The number of pageviews on the Artnet News site decreased to 96 million. Following planned platform and algorithm improvements in 2025, traffic is calculated to increase again.

In total, Artnet News published more than 3,854 (2023: 3,330) stories ranging from data-heavy reports on market movements, to mission critical insights, and reports on current events in the industry.

With the launch of Artnet News Pro in the 2022 financial year, a new revenue stream was added to the Media segment of the group. A metered paywall, Artnet News Pro provides subscribers with mission-critical journalism and data insights into the art industry. Revenue from Artnet News Pro was 898k (2023: 990 k).

Sponsorships provide an additional revenue stream for the Media segment outside of digital advertising. These larger brand partnerships provide opportunities for exposure outside of Artnet's traditional formats and new ways to engage with our audience while generating value for our partners. Sponsorships are an additional format of revenue diversification in the media segment with strong margin potential. Notable sponsorships included the Morgan Stanley sponsored 'Intelligence Report' as well as sponsorships and events with Range Rover, Chanel, and Lexus.



Pictured: Luxury advertising partner Patek Philippe on artnet

Changes in Costs and Results

Gross profit in 2024 decreased by 7% to 12,264 k compared to the previous year (2023:13,226 k), due primarily to decreased revenues from all segments but was partially offset by decreased costs of sales.

Operating expenses decreased 11% to 13,400 k in comparison to the previous year (2023:15,126 k), primarily due to the reduced cost in Selling and Marketing expenses as well as General Administrative expenses. As a result, operating income increased to –1,136 k as compared to the previous year (2023: -1,900 k).

Sales and marketing expenses decreased to 7,809 k (2023: 8,800 k), mainly due to lower personnel cost resulting from cost cutting measures as well as reduced expenses associated with decreased sponsorship revenue. Expenses for product development increased by 68 k to 2,502 k in comparison to the previous year (2023: 2,434). In 2024, Artnet developed further its renewed Price Database segment, among other product improvements. The product development costs, which were simultaneously capitalized as an intangible asset, amounted to 1,505 k (2023: 1,820 k).

General and administrative expenses decreased significantly to 3,089 k (2023: 3,891 k), which mainly resulted from the downsizing of the New York office. The remaining costs include the personnel expenses of administrative staff and management compensation of 1,240 k (2023: 1,538 k), depreciation of the right-of-use asset and ancillary rental costs of 285 k (2023: 747 k), legal and consulting fees, as well as travel expenses.

Other Income decreased to -80 k (2023: 77 k). The Other Income in 2023 was primary from a refund of 86 k related the Artnet X Anish Kapoor partnership; the partnership was postponed and was later cancelled due to Covid-related shut downs.

The Earning before tax was –1,398 k (2023: –1,912 k) which was improved from the previous year's outlook.

Development of Segments
The Group reports on the operating segments the same way it reports this information internally to the Management and Supervisory Boards. For further reference, see the detailed presentation in the notes to the consolidated financial statements.

The Contribution Margin II (CM II) for the Data segment was 3,503 k (2023: 4,000 k). Within the Marketplace segment, the CM II was 1,945 k (2023: 1,607 k . In the Media segment, the CM II was 945 k (2023: 966 k).
The improved performance of the Marketplace was offset by the decreased performance of the Data and Media segments.

Group Profit or Loss
The operating result increased year-on-year to –1,136 k (2023: -1,900 k) but is still below the expectations of the Management Board. The improvement was primarily driven by a 1% reduction in cost of sales, an 11% decrease in Selling and Marketing expenses, and a 21% decline in General Administrative expenses. Interest expenses of 183 k (2023: 90 k) were mainly related to loan interest and interest expenses in connection with right-of-use assets.

In 2024, tax income from the capitalization of deferred taxes in the amount of 55 k (2023:937 k) was also recognized. The deferred tax assets recognized in the consolidated balance sheet in the amount of 2,606 k (2023: 2,389 k) reflect the positive economic effect of the tax loss carryforwards and deductible temporary differences of Artnet Corp. They embody the expected tax relief that is likely to be realized within the next three financial years.

Due to the factors described above, consolidated net income fell year-on-year to -1,396 k (2023: -1,004 k).

The Group's overall result of -1,065 k (2023: -1,148 k) was also influenced by exchange rate effects of 332 k (2023: -144 k).

Currency Conversion and Profit Situation in os

Currency conversion in the consolidated statement of comprehensive income is based on the average exchange rate from January 1 to December 31,2024. Throughout 2024, the average exchange rate was 0.9246 USD/ compared to 0.9246 USD/ during the 2023 fiscal year. Currency conversion for the balance sheet is based on the exchange rate at the end of the financial year. As of December 31, 2024, the rate was 0.9661 USD/ compared to 0.9059 USD/ on December 31, 2023.

Artnet is subject to these exchange rate fluctuations since it invoices in os, US dollars, and British pounds, but conducts most of its business in the United States. In 2024, the Group generated approximately 12% of its revenue in os (2023: 13%) and about 10% in British pounds (2023:98%) respectively.

In 2023 and 2024, the Group's financial performance in the reporting currency of the o was greatly influenced by exchange rate effects due to the appreciation of the o against the US dollar. The currency trend in US dollars only has a moderate impact on general administrative expenses on a o basis since a significant portion of the expenses (for example, all holding costs of Artnet AG) are already settled in os.

Financial Position

In 2024, operating cash flow decreased to 1,287 k (2023: 980 k).

Cash outflow from investing activities amounted to 1,530 k in comparison to the previous year (2023: 1,658 k). The payments for intangible assets are mainly related to the API product and artnet News redesign as well as enhancements across all products.

The 2024 cashflow from financing activities increased to 455 k compared to 199 k in 2023 mainly due to new loans granted in 2024.

Cash and cash equivalents decreased to 424 k as of December 31, 2024 (December 31, 2023: 534 k). The cash flow changes from operating, investing, and financing activities in os vary from US dollars. Because of the fluctuations in the value of both the o and British pound against the US dollar from December 31, 2023, to December 31, 2024, cash and cash equivalents decreased by 151 k USD.

In os, cash and cash equivalents decreased by 110 k since the holdings in US dollars appreciated. Therefore, the liquidity portfolio of the Group decreased by 21% to 424 k as of December 31, 2024 (December 31, 2023 534 k).

The cash investment policy for the Group is conservative and is used solely for short-term investments, allowing all cash to be liquid and available. As of December 31, 2024, the liquidity per share totaled 0.08 USD (0.07) based on an average number of 5,706,067 outstanding shares compared to 0.10 USD (0.09) on December 31, 2023.

Financial Status
Consolidated total assets amounted to 13,017 k on December 31, 2024, compared to 12,618 k on December 31, 2023, representing an increase of 3.1%. The increase was mainly due to an increase in the Intangible Assets.

The Group's non-current assets are primarily held in US dollars. The Non-Current Financial Asset was primary for security deposit, decreased to 13 k (2023: 61 k) primarily due to the downsizing of the New York office. The Non-Current Non-Financial Assets are comprised of intangible assets, tangible assets, right of use assets and Deferred Tax Assets which increased by 539k to 9,508 k . The increase was mainly coming from the capitalization of development costs for intangible assets in the amount of 1,505 k (2023: 1,820 k) but was slightly offset by a decreased deprecation expenses of tangible assets and right of use asset; and the increase was also coming from the increase in Deferred Tax Assets by 216 k to 2,606 k .

Total current liabilities and provisions increased to 9,023 k (2023: 7,308 k). This was primarily due to an increase in the accounts payable balances and other financial and non financial liabilities as well as increase in short term loan liabilities but was partially offset by a decrease in liabilities from Finance lease mainly due to the downsizing of NY office.

Non-current liabilities decreased in the reporting year to 729 k as of December 31, 2024 compared to 981 k as of December 31, 2023. A loan of 256k granted by an Artnet executive in July 2022 was extended in December 2023 to a term until January 2025 and supplemented by a further loan of 136 k, also with a term until 2025. In 2024, another loan of 58 k was granted with a term until January 2025. All loans granted by the Artnet executive were extended to July 2026. In July 2023, Artnet received a loan of 453 k from Galerie Neuendorf AG. This was increased by 58 k in December 2023 and extended until January 2025 bearing an interest of 10%. All loans with Galerie Neuendorf, valued at 248 k , are extended to July 2026 and bear interest at 10%. Additionally, 966 k was granted in May 2024 from a current board member with a term until May 2025 and bear interest at 11.5%.

The Group's consolidated equity decreased to 3,265 k as of December 31, 2024 (December 31, 2023: 4,330 k).

The Group's Accounts Payable totaled 4,183 k as of the end of the financial year. The balance is included in the Group's financial forecast.

Accumulated Deficit
The accumulated deficit of 53,492 k (2023: 52,488 k) does not reflect the Group's current value creation, as it arose particularly after the IPO of Artnet AG in conjunction with a severe market crash. In addition, a carried forward loss is common, especially for companies which are focused on innovation and growth. It's primarily due to start-up losses that necessarily arose in connection with new products and innovations.

Pictured: John Wayne (from Cowboys and Indians), 1986, sold via artnet Auctions for 175,000 USD

Statement by the Management Board About Artnet

2024 was another challenging year for people and businesses across the world. The socio-economic difficulties from previous years continued to weigh on global markets, exacerbating an already fragile economic environment. Inflation, while showing signs of easing in some regions, remained elevated and continued to influence monetary policy, leading to sustained economic headwinds.

The art market, which has traditionally been somewhat insulated from broader economic fluctuations, experienced further softening. Sales volumes and average price levels continued to decline. According to the Artnet Intelligence Report 2025, combined sales at Sotheby's, Christie's, and Phillips fell by 18% in 2024 compared to the prior year. The high end of the market (works priced $10 million and above) contracted by 32% in 2024, while the Ultra Contemporary segment saw a 21% decrease compared to 2023.

This ongoing downward pressure reinforced the need for agility and strategic focus. The Company conducted frequent performance reviews and adjusted its strategy throughout the year to concentrate on its most resilient markets and engaged audiences. These measures enabled gradual improvements in performance during the latter half of the year and helped mitigate broader market volatility. Furthermore, the continued shift in consumer behavior towards digital platforms brought stability to online transactions. Notably, the Marketplace segment demonstrated stronger performance than many traditional auction houses globally, as highlighted in the Art Market Report.

Total revenue from the Marketplace decreased by 3.4% to 7,752k (2023: 8,026k).

Data revenue in 2024 decreased 7.6% to 6,213k (2023: 6,722k) because of the difficult economic environment and thus decreased global auction sales. During the 2023 financial year, management invested in adding more tools to the Data segment, with a focus on UX/UI and AI-powered technologies. Management expects increased revenue in the current financial year, following the improved customer experience and the introduction of Enterprise Data Services and Art Secured Lending services.

Within the Media segment, Artnet News continues to experience steady growth. With over 96 million pageviews during the year, Artnet News published over 3,000 articles, reaching a global audience of art collectors and professionals. Artnet News Pro continues to prove its worth - delivering a new revenue stream for the Media segment. Nevertheless, the revenue generated in this segment decreased by 3,8% to 8,277 k (2023: 8,601 k), in particular due to a slight decline in advertising revenue, as companies were forced to cut their marketing budgets due to the difficult economic situation.

The Group generated a negative operating income of –1,136k compared to a negative operating income of –1,900k in the previous year. Total revenue decreased 4,8% primarily due to losses from the Data Segment. The improvement in operating income was primarily driven by a 1% reduction in cost of sales, an 11% decrease in Selling and Marketing expenses and a 21% decline in General Administrative expenses.

Overall, the Group's business performance has fallen short of expectations. The deteriorating global business environment has had a negative impact on the Group's development.

With an experienced and committed management team and taking into account the public offer by Beowolff Capital as well as loans received in the current financial year, the Executive Team believes that Artnet is in a position to accelerate growth and development in the 2025 financial year and beyond.

Non-Financial Performance Indicators
The development of the non-financial performance indicators is described below. Although these are important performance indicators, they are not among the most significant performance indicators according to DRS 20, which the Executive Board uses for management purposes.

Employees
As of December 31, 2024, the Group employed 112 full-time employees as compared to 131 in the previous year. Additionally, the Group employed 3 part-time employees in 2024.

Other Non-Financial Performance Indicators
The quality of our services and the satisfaction of clients and visitors to the site are of the utmost importance to Artnet's business. In-depth analyses of the reasons for the popularity and success of certain products and services help optimize the website and package our services. Likewise, feedback for contract cancellations of our Data and Marketplace segments are evaluated for quality assurance purposes through customer surveys and direct input from clients. This process allows Artnet to reduce risks while continuously improving products and services.

Within the Marketplace segment, there were over 367,000 artworks for sale with a total value of over 3.2 Billion os as of the balance sheet date. At Artnet Auctions, despite economic headwinds, average transaction value in 2024 increased to 9% to 15,400 USD. Overall, economic headwinds and an overall decline in the Ultra Contemporary Art segment also affected Artnet Auctions.

An invaluable part of the Marketplace segment, Artnet Galleries is monitored and indicators include the number of inquiries received, activity of each member, as well as pageviews for each member site. A change in consumer behavior favoring online discovery and transactions facilitated the increased popularity of Artnet Galleries as a sales and marketing tool. However, the amount of member galleries decreased by 68 to 921 galleries, in comparison to the previous year (2023: 987). This is mainly due to economic headwinds forcing galleries globally to economize.

Within the Data segment, the Artnet Price Database indicators, which include the number of subscribers, searches, and lots added, is monitored every month. In 2024, the average amount of searches per month was 177,389 (2023: ca 194,950). The decline was primarily due to a charging bug which adversely affected Price Database searches.

The number of auction results added to the Fine Art Database was 1,2 million, a record amount in the history of the Price Database. On average, auctions were added to the Price Database around ten days ahead of the sale, unchanged from the previous year. Auction lots are added before the sale to give potential buyers the opportunity to discover the upcoming sales. The year 2023 marked an important milestone for the Data segment, which now boasts over 18 Million auction results. Additionally, more functionalities were added to the Price Database, improving the user experience for artnet's customers.

As an online-only business, site traffic is of the most significant importance to Artnet and is closely monitored, recorded, and evaluated. Overall traffic decreased slightly during the 2024 financial year. This is primarily due to a decrease during Q4. After optimizing during the current financial year, website traffic should increase again.

Risk management system and internal control system (ICS)

According to the provisions of Section 91 (3) AktG, the Management Board of a listed company must set up an appropriate and effective internal control system and risk management system in view of the scope of the company's business activities and its risk situation. The systems implemented at artnet AG are continuously developed further.

The internal control and risk management system at the Artnet Group comprises the entirety of all monitoring measures to minimize risks in corporate processes. It is designed to address all significant operational and financial corporate risks and to manage the risks and opportunities for the achievement of business objectives, the correctness and reliability of accounting and compliance with the legal regulations and internal guidelines relevant to the company. The internal control system covers all key business processes. Considering the flat hierarchies, an important component is the comprehensive involvement of the Management Board, which can identify deviations from the target status via detailed monthly reports and then act, approve payments and be involved in the submission of significant offers. In this way, it exercises preventive and detective controls and represents a key component of quality assurance.

Artnet AG's CEO bears overall responsibility for the development and maintenance of an effective and appropriate risk management system, internal control system and compliance management system for the Artnet Group.

Risk management system

The Management Board has further developed and optimized a comprehensive risk management system for the purpose of systematically and organizationally dealing with risks and opportunities. Suitable instruments for identifying, analyzing, evaluating and deriving measures have been defined and systematically implemented for this purpose and are being continuously developed.

artnet AG and the Artnet Group as a whole operate in a less complex business environment. The social, internal and external contractual structures are also manageable and not very complicated. The risk management system implemented by the Management Board in the past was geared towards the scope of the business activities and the risk situation of the Artnet Group and was designed and dimensioned accordingly. The Management Board is constantly developing the risk management system as part of the continuous improvement of internal processes, particularly with regard to formal requirements.

The aim of the risk management system is to proactively collect relevant information about potential and actual risks and their direct and indirect financial impact on Artnet at an early stage in order to manage them and secure the company's value in the long term. Overall responsibility for risk management lies with the Management Board. Lean organizational structures and transparent decision-making processes ensure that the Management Board is directly involved in all significant risk-relevant processes.

The Artnet Group's risk management system ensures that risks are systematically identified, recorded, managed and, if necessary, communicated internally and externally. Identified risks are assessed in particular on the basis of the estimated probability of occurrence. 2024 documents risks and opportunities. The same time, the management has decades of in-depth knowledge of the art market and the developments and opportunities that arise in this market and was and is therefore in a position to act on risks and opportunities at all times.

Operational management is directly responsible for the early identification, analysis, management and communication of risks. As part of target agreement meetings between the Management Board and those responsible for the respective divisions, as well as through regular reporting, the divisions provide information on changes to the risk situation in their individual divisions. This process includes reporting on regularly conducted market and competition analyses as well as changes in customer relationships.

Existing risk potentials are monitored on an ongoing basis and appropriate measures are taken to limit risks where necessary. This enables Artnet to react comprehensively and in a targeted manner to potential risks. The risk policy is based on the objectives of achieving sustainable growth and securing the company's value in the long term.

The risk management system implemented by the CEO essentially consists of the following components:

- the Finance department, which monitors the actual results of business activities and presents plan/actual comparisons and prior-year comparisons as part of monthly reporting;
- the IT infrastructure, which always ensures and monitors the availability and functionality of the website;
- Compliance, where an artnet representative monitors both internal and external legal risks and changes to the law;
- project management, which monitors the development and progress of individual projects; and
- ongoing traffic monitoring, which evaluates and analyzes important areas of web traffic.

The risk management system ensures that critical information is forwarded directly and promptly to the Central Risk Management Team, Management Board and/or Supervisory Board. The internal risk report is compiled on a quarterly basis and the assessments are categorized according to probability and potential damage.

Internal control system
The Group's executive team established an internal control system for the organizational, technical and economic processes within the Group, the main components of which also apply to artnet AG itself.

The Artnet Group's internal control system defines minimum requirements for the design of internal controls within the processes central to the Group and the company. The Artnet Group has implemented appropriate controls. The internal control system (ICS) is reported on at least once a year as part of the annual reports.

The central risk of accounting and financial reporting is that the annual and half-year financial statements may contain inaccurate information. In order to avoid sources of error, Artnet has established various internal controls for financial reporting and for the accounting process as part of the internal control system.

A key component is the principle of segregation of duties, which is intended to ensure that different teams (e.g. sales), accounting (e.g. financial accounting) and administrative (e.g. IT administration) departments are kept separate. The dual control principle ensures that no important processes are left unchecked.

The consolidated financial statements are prepared by the accounting department at Artnet Corp., which has many years of experience and special expertise in consolidation issues. The final accounting decisions are made by Artnet AG's CEO.

Compliance management system
Artnet promotes and demands open communication and trusting interaction among and with all employees, customers and business partners. In addition to direct communication with their superiors, employees of the Artnet Group have the opportunity to use a whistleblower protection system to provide anonymous and protected information on possible legal violations and other misconduct at any time, to which management can respond immediately and appropriately.

However, it should be noted that risk and control systems such as the ICS and the risk management system, regardless of their breadth, complexity and specific design, cannot provide absolute certainty that all risks that actually occur can be uncovered in advance or that all process violations can be prevented.

Unaudited information on the appropriateness and effectiveness of the internal control system (ICS) and the risk management system
In the view of the Executive Team, the risk management system implemented by the CEO in the past was and is designed to meet these requirements and was appropriately dimensioned for the scope of the business activities and the risk situation of the Artnet Group in the financial year. With regard to the size and complexity of the company, the Management Board has no indications based on the ICS and risk management system described that the ICS and risk management system would not have been appropriate or effective in their respective entirety as at December 31, 2024.

The German Corporate Governance Code contains recommendations on the disclosure of the internal control system and the risk management system that go beyond the statutory requirements for the management report. Accordingly, the disclosures made in accordance with these recommendations are not part of the audit of the combined management report conducted by the auditor.

Risk and Opportunity Report

Artnet operates in a dynamic market with a strong growth potential. In order to monitor and adapt to changing conditions, Artnet continuously monitors internal and external risks and opportunities, which are explained in the following risk and opportunity report.

Opportunity Report

The online art market is becoming increasingly dynamic and has grown significantly in the last 5 years. Total online sales by volume were 189.2% higher in 2024 than pre-pandemic levels, with the number of works sold continuing to rise year on year. More than 29,000 works sold online in 2024, a 6.6% uptick from the previous year and 27% more than in 2020, when many sales moved online. This development leads to new possibilities and opportunities for Artnet AG's online products and services. The short decision-making channels allow the Group to react quickly to current circumstances and trend reversals while weighing up the risks. Opportunities can arise from within the Group or from external circumstances.

Pictured: artnet partnered with the Art Business Conference

Art as an Asset Class
With the transfer of wealth from Baby Boomers to Millennials, a new generation stands to inherit nearly 84 trillion USD (66 trillion) over the next 25 years (Source: Forbes), a sizable part of which will be fine art and collectibles. Thus, a growing number of high-net-worth individuals worldwide is and will be expanding the Group's client base. They will probably come to Artnet because they either want to sell artworks via artnet or very likely want to find out the value of the artworks using the Price Database. These individuals consider art as a passion project as well as an asset class or a collectible for investment. With Artnet's renowned data, analytics, and Marketplace, the Group is poised to be a mission-critical tool in the valuation, information, and trading process.

In recent decades, art as a form of investment has become increasingly accepted, as a greater understanding of its appreciation of value is more closely studied and understood. In fact, "Big Four" accounting firm Deloitte estimates that by 2026 over $2.86 trillion (2.6 trillion) will be invested in collectible assets, largely comprised of art objects. Although fine art is appreciated and collected for its cultural and aesthetic value, it is a formidable financial asset—one that has gained tremendous traction over the past decade, with upwards of 85% of wealth managers as of 2023 recommending art as a means for portfolio diversification. (Source: Deloitte Art & Finance Report 2024)

Consumer Behavior
E-commerce is a very important growth market in the luxury and fine art segment, with over 35% of fine art transactions now happening online (Source: UBS Art Market Report 2024). The data shows that collectors have embraced online-only auctions as an easy, efficient, and cost-effective method of buying and selling low and mid priced fine art. Artnet's Marketplace consistently achieves high prices and sell-through rates with its clear focus on savoir-faire, quality and transparency. This performance, as well as the incline of online transactions globally, indicates strong growth potential in this dynamic segment (Source: UBS Art Basel Report 2024).

Artnet Auctions is particularly successful in the categories Prints & Multiples, Photography and Post-War & Contemporary art. With the launch of Artnet's Marketplace segment in 2021, merging two successful products into one global marketplace, Artnet is poised to capture more market share in the online transaction segment of the market. The ease, efficiency and transparency of the browsing and end-to-end purchasing process is particularly attractive for clients.

Transaction Speeds and Liquidity
Within the Marketplace segment, Artnet Auctions' online-only model liberates art buyers and sellers from the constraints of traditional spring or fall auction seasons and lets them transact from the comfort of their homes or offices. This also allows Artnet to bring artworks to market in a short time, thereby gaining a competitive edge.

The simplicity, speed, trust and efficiency of Artnet's marketplace enable art as an asset class to be more liquid and tradable than ever before. Compared to other online providers, Artnet's incorporation of data and media allows for greater confidence in the transaction process and prices. By displaying comparable artworks and their realized prices, Artnet justifies estimated prices and inspires confidence through transparency.

In our B2B segment, Galleries showcase their artists and works online through Artnet Galleries. Artnet offers these businesses essential alternatives to maintain their business throughout the year and reach a global audience. In this way, the company could attract new clients and users and convince them of the advantages of online transactions.

Advertising on Artnet websites and social media channels
Within the Media segment, Artnet News has become the leading online platform for news covering the art industry. The Artnet site attracts more visitors than all its direct competitors combined, over 176 Million pageviews during 2024 (Source: similarweb). The platform's quality journalism, exclusive stories and original reporting has made Artnet a sought-after advertising platform for luxury brands, financial services companies, and art-related businesses. Artnet's vast social media reach is also being leveraged for advertising campaigns. Although Artnet has seen a small decrease in page views in 2024, the Management Team is confident that this is an exception to the continuous increase over the past four years. This trend will continue as advertising budgets are increasingly reserved for online channels and social media and move away from traditional print media.

Asia
The Company's large and growing presence on WeChat, China's leading social media platform, has already led to new registrations for Artnet Auctions the number of which could rise even further. Interest in Modern and Contemporary art is growing in China (Source: UBS Art Market Report 2024) from which Artnet could benefit strategically. Artnet would like to capitalize on this opportunity in Asia, especially in China.

Synergies Within the Company
The Company's different segments, Marketplace, Media, and Data, offer opportunities for synergies within the Group, which give Artnet an edge and will ensure growth opportunities through 2024 and beyond. Collectors can research and compare artists and movements with other asset classes using the Price Database, inform themselves via Artnet News, and transact in the marketplace, via Artnet Auctions or the Artnet Galleries platform.

There are further opportunities to leverage and highlight Artnet's broad product portfolio for new product development and to explore additional revenue streams. Artnet has in 2021 and 2022 already taken steps to realize this potential, introducing a metered paywall at Artnet News; harness Artnet Data to launch an art secured lending and Data Enterprise service.

Opportunities through the Artnet brand
Artnet's focus on curation, transparency, and trust is strengthening Artnet's brand internationally. This will lead to growing revenue from marketplace transactions, subscriptions, memberships, and advertising. The strong brand continues to ensure that the Company is competitive in finding and retaining talent and clients.

Artnet plays a leading role in the online art market and has stood for quality, reliability, and influence within the industry for more than three decades. Therefore, the Group is an attractive partner for brands and institutions both inside and outside the art industry, further increasing brand awareness and its customer base. Luxury brands such as Saint Laurent, Tiffany's, and Cartier trust the Artnet brand with their business.

Workplace mobility
Thanks to its business model, the Group is able to employ staff decentrally and worldwide.

During the Covid-19 pandemic, employee productivity remained stable and, in many cases, even increased. Following successful remote working during the Covid-19 pandemic, Artnet employees have expressed a preference for non-traditional, flexible workplaces. For example, Artnet was able to reduce the amount of office space required and close its existing office in New York in the second quarter of 2023 in favor of smaller, more affordable space. This will result in significant cost savings on rent. For similar reasons, Artnet moved into smaller office space in Berlin.

Employees' desire for flexibility remains. In contrast to other large companies that are demanding a return to the office, Artnet is opting to retain the measures implemented and sees this as an opportunity to increase employee satisfaction.

FALCON and other Technology
Artnet has improved its website and is rebuilding its technology infrastructure with project FALCON. Project FALCON ensured that Artnet has a very effective and efficient technological foundation to successfully compete and grow in a rapidly changing business environment. It has already made Artnet faster, more agile, and more efficient, on the tech side. Operational and personnel costs is lower, productivity has increased, and new products have been developed and launched more quickly. Project Falcon was completed during the 2022 financial year - and the first product to be launched with Falcon was the revamped Price Database in Q1 2023.

In 2024, the Artnet Technology Team will be concentrating on three critical areas of development: enhancing UI/UX, leveraging Artificial Intelligence, and implementing cost reduction strategies.

- UI/UX Development: Artnet's primary goal is to significantly improve the user experience for our customers. The team is focusing on refining key aspects of our platform, including the artwork pages, artist pages, and the Marketplace. These efforts are aligned with our vision to provide customers with a 360-degree view of the art market, making them some of the most informed individuals on the market.

- Artificial Intelligence Integration: Artificial Intelligence will remain a pivotal area of focus. Artnet plans to strategically integrate AI across the technology stack, emphasizing content and data analysis. This targeted deployment is aimed at aligning our advertisers with brand safe content and generating insights from our large dataset of articles and auction lot data.

- Cost Reduction Initiatives: Artnet is undertaking a thorough review of multi-year cost reduction strategies. A significant part of this initiative involves reconsidering the current Software as a Service solutions. Management believes that bringing some of these solutions in-house will offer substantial long-term benefits to Artnet. The first phase of this strategic shift is set to commence this year, marking the beginning of a more cost-efficient operational model.

Risk Report
As explained above, the risk management system was further developed in spring 2024 as part of a continuous improvement process, particularly with regard to formal requirements. The risks described here and their level assessment still relate to the risk surveys used by the Executive Board in 2024. The risk management system identifies "risk levels" (low, medium, high) and "risk tolerance levels", whereby the first variable relates to the probability of a risk occurring and the second variable to possible quantitative damage.

The Group monitors and analyzes various types of risks, categorizing them as:

- liquidity risks

- legal risks and those associated with Compliance

- Competitive risks

- Technology and product development risks

- Risks associated with Employees

The Group has identified the following material risks (those assessed by Artnet with a risk level of "medium" or "high"):

Liquidity

General
Since the Artnet Group, with its products and services, targets a wide range of customers and industries, there is no significant concentration of credit risk in the Group. Nevertheless, a global economic downturn—such as one resulting from the global COVID-19 crisis—could negatively impact the liquidity of the Group's customers and lead to extended average payment terms or defaults on receivables. This would adversely affect the Group's earnings and financial position. The Group seeks to mitigate these risks by, where possible, agreeing on advance payments with customers and collecting receivables promptly.

Liquidity Risk
Liquidity risk refers to the risk that Artnet may not be able to meet its payment obligations as they fall due. Artnet finances its ongoing expenses and investments from its existing liquidity reserves, external loans, and operational cash flow. As of December 31, 2024, the Group's liquidity reserves decreased to 424 thousand (2023: 534 thousand).

The Artnet Group's operating cash flow is positive. At the same time, as a technology company, Artnet continues to invest heavily in the technologies and software it uses—both of which are essential for the Group's growth and development. As long as the revenue targets planned by the Executive Board and the cost-saving measures initiated are not fully achieved and/or only take effect with a delay, liquidity support may be necessary to fund these critical investments in the Group's technological and entreprenial development. Such support would have to be realized through equity or debt financing. In addition, the current macroeconomic and art market-specific conditions have impacted revenue in all three segments, which has had a negative effect on the Group's liquidity.

The Management Team continuously monitors the Group's liquidity. In this challenging economic environment, measures are being taken to reduce costs and secure loans.

Loans
The Artnet Group holds several loans from related parties with a maturity date at the end of July 2026. In July 2025, to ensure liquidity, external lenders provided an additional loan of USD 2 million, with a term until the end of June 2026.

The Management Team has assessed the risk associated with these loans as medium.

Economic trends in the art market and the global economy
The Group may be exposed to fluctuations within the art market. Changes in local and global conditions can have an impact on the art market and it's often difficult to predict the extent to which these developments will shape the market in the future. There are still downside risks due to geopolitical tensions between Russia and the EU and in the Middle East, strained relations between the United States and its trading partners and ongoing inflationary pressure.

The art market generally reacts to major geopolitical and economic trends in industrialized countries, which in turn have an impact on the financial markets. An economic slowdown or recession, accompanied by high price fluctuations on the financial markets, could lead to a further decline in private demand - which could also weaken interest in works of art.

The risk level determined by the Executive team is classified as medium

Legal Risks and those in Conjunction with Compliance
The Company is vigilant regarding any potential legal issues and defers to legal counsel to mitigate any potential risks. The executive team determined the risk associated with regulatory enforcement at Medium.

Legal
A current lawsuit against the Group has a low chance of success. However, in the event of a settlement outside of court, the Group has determined that the risk level is Medium.

Protection of customer data
Artnet stores customer data in accordance with current laws and regulations. Currently, there are several new legislative initiatives worldwide that could tighten these regulations. If third parties were able to circumvent the security measures taken by Artnet and gain access to customer information, Artnet could be held liable for any damages incurred.

Artnet works with data protection experts at home and abroad in order to react promptly to changes in data protection. Artnet has both an EU-US Privacy Shield certification and a Swiss-US Privacy certification, which regulates the transfer of personal data from member states of the opean Union or Switzerland to the USA. Furthermore, Artnet has implemented the EU General Data Protection Regulation (EU GDPR), which came into force on May 25, 2018.

The risk level determined by the Executive team is classified as very low.

Competitive Risks
The artnet Group operates in a very competitive market. New, well-financed start-ups regularly enter the market, representing a potential risk to the Group.

The Marketplace's main competitors, Sotheby's, Christie's and Phillips, are developing their own online auctions. Smaller and newer auction houses are using the latest technologies to compete with Artnet Auctions.

The Data segment also faces competitive risks. New competitors with new technologies could build up a data store and try to entice Artnet customers with lower prices.

Artnet News is still one of the largest art internet news services compared to its direct competitors, with a share of over 51% of internet page views. Nevertheless, competitors are trying to take market share from Artnet News through M&A activities.

The risk level determined by the Executive Board was classified as medium.

Technical and product development risks

Infrastructure of the technology systems
The main risks in the area of technology are Microsoft Dynamics or ERP systems and SQL Server. These will be replaced with more up-to-date systems.

The risk level determined by the Management Board is classified as medium.

Security
In terms of overall security, Artnet's Upguard Security Score remains above 900 (970 being the highest). Artnet remains extremely secure and is cognizant of the recent issues our competitor Christie's has had. Due to the Christie's hack, Artnet took the opportunity to review possible holes that Christie's had and found that our security was sound.

The executive team determined the level of risk at Very Low.

Risks associated with Employees
The Company actively pursues a working environment that is optimal for all current employees and also future talent. To that end, artnet conducts bi-annual surveys and regular conversations between HR and employees to ascertain if there are any concerns. In order to attract highly skilled employees, artnet makes every effort to create an attractive working environment.

The executive team has determined that the risk level is Very Low.

The above list cannot include all risks to which Artnet could be exposed at any time. Risks may surface that have not been identified or reported on and which could have a negative impact on business development. The Group will continue to monitor its environment and review the effectiveness of the risk management system. Despite continuous adjustments to the risk management system, it is not possible to fully quantify the probability of certain risks occurring or their financial impact.

Statement from the Management Board Concerning Risks and Opportunities
The management team monitors and evaluates all risks and opportunities with the utmost care. The extent of the recent and ongoing economic crisis has so far only increased the risk level in some of the identified risks. In the “liquidity” category, there are individual risks that have been classified as high. Cost-cutting measures have already been taken, both at the level of artnet AG and at Group level, for example with regard to office space and employees. To secure the Group’s liquidity, the CEO negotiated several loans.

The management considers the established business model and its strategy to be solid. The pivotal role of online experiences and transactions in the current crisis has led to fundamental changes in consumer behavior. As one of the first companies to introduce online transactions in the art market, Artnet has and will further benefit from the opportunities in the online art market as well as in the data and media segments.

Having embraced the increasing digitalization of the industry, Artnet is seizing the opportunity to enhance the synergies between its unique products and services to provide a superior user experience. Thanks to the global interest in art, the rise of art as a viable alternative asset and a growing number of high net worth individuals, Artnet will be able to play an increasingly important role in the global art market.

The management concludes that the opportunities outweigh the risks and is optimistic about the future of Artnet.

Outlook

2025 outlook: A focus on margins and performance with simultaneous investment into technology for the future.

The following report describes forecasts made by the Management Board regarding the future performance of the Artnet group.

Global GDP is projected to grow by 2.7% in 2025, a modest increase from the estimated 2.4% in 2024, though still below the historical trend levels seen prior to the pandemic (Source: World Bank). This compares to 2.6% in 2023, 3.0% in 2022, and 6.2% in 2021, which was driven by the post-pandemic rebound. The 2020–2024 period has, overall, reflected weaker growth than the years following previous crises such as the 2008–2009 global financial crisis or the early 2000s downturns (Source: Reuters).

The outlook for 2025 was recently revised downward from a June forecast of 3.0%, reflecting persistent headwinds in advanced economies. ope, a key region for the Artnet Group, is expected to see a modest acceleration in growth from 2.4% in 2024 to 2.7% in 2025 (Source: World Bank). Key growth drivers include gradually improving private consumption, supported by declining inflation, and stronger exports as the ozone continues to recover. Nevertheless, geopolitical uncertainty—particularly surrounding the ongoing Russian invasion of Ukraine—continues to cloud the regional outlook. Most EU countries are likely to ease monetary policy in response to falling inflation (Source: World Economic Outlook), although fiscal consolidation efforts may temper growth prospects.

Pictured: artnets CEO Jacob Pabst

Risks to the global and regional outlook remain pronounced. An escalation of conflicts in the Middle East could push up energy prices, worsen financial conditions, and erode business and consumer confidence (Source: IMF). A more aggressive or prolonged conflict in Ukraine could have deeper economic implications for ope. Additional risks include persistently high inflation prompting tighter monetary policies and a sharper-than-expected slowdown in China, which would put pressure on global trade and investment (Source: IMF).

On a more positive note, the United States may experience stronger-than-forecast growth in 2025 if inflation continues to recede and labor markets ease, allowing for a looser monetary stance. US GDP is expected to rise to 1.7% in 2025, aligning more closely with its trend growth rate as easing monetary policy begins to support broader economic activity (Source: World Economic Outlook). Nevertheless, the Group views the development of the United States with caution, given the current trade wars and possible ensuing recessionary pressure.

Despite persistent macroeconomic challenges and a still-fragile art market, Artnet enters 2025 in a good but challenging strategic position. The Company's diversified business model—anchored in three synergistic segments—and its digital-first approach continue to support resilience. Artnet's deep integration of online transactions into the art market ecosystem remains a structural advantage, positioning the Company well against both legacy players and new digital entrants. With nearly 180 million pageviews and 67 million users in 2024, Artnet continues to command unparalleled reach and engagement in the global art industry. The strength of the Artnet brand, built on decades of data transparency, trusted journalism, and innovation, remains a key differentiator.

Following the profit warning issued in Q4 2023, driven by unrealized transactions primarily in the Media segment, Artnet closed the year with revenue below target. Forecast revenue of 25–27 million was not met, and the operating result (EBIT) came in at –1,136 k, significantly below the forecasted 0.75 million–1.5 million. This deviation was primarily attributable to a challenging macroeconomic backdrop and lower marketplace sales, particularly in the final quarter of 2024.

For 2025, management continues to adopt a cautious but opportunity-driven stance. While the economic environment remains uncertain, there is potential for improvement in the second half of the year. As such, Artnet is pursuing a conservative growth strategy centered on improving operating income through efficiency gains. Although the Company remains committed to organic growth, it may pursue additional financing. Although there are several clear opportunities to accelerate expansion, a staged, disciplined approach will be key to safeguarding financial stability while positioning for long-term value creation.

Compared to the budget for the 2024 financial year, Artnet fell short of expectations. Revenue of between 25-27 million was forecast for 2024. The deviation is mainly due to transactions that could not be realized as expected in the fourth quarter of 2024. These transactions mainly related to the Data segment. At –1,136 k, the operating result (=EBIT) in 2024 is below the forecast of an operating result of between 750 k and 1.5 million. The deviation is due to the current macroeconomic and industry-specific market situation and the associated decline in marketplace sales, particularly in the fourth quarter of 2024.

Management anticipates this dampened economic environment to continue in the year ahead, with the possibility of improved conditions in the second half of 2025. With that in mind management has set a conservative growth target is focused on generating increased operating income through the realization of efficiencies in 2025. Artnet is operating with some outside financing and management sees several clear opportunities to significantly accelerate growth - a cautious, staged approach is necessary to safeguard the company's financial health.

Data: Revenue in the Data segment fell slightly from 6.722 k to 6,213 k due to a decreased amount of auctions held in 2024. The revenue generated was lower than forecast by the executive team in the previous year, which at the time assumed a slight increase. The release of the revised price database in the first quarter of 2023 increased competitiveness through a better user experience, optimized for mobile devices. Management is reviewing the pricing strategy for price database subscriptions and will introduce a unified subscription to achieve a higher conversion rate of the platform's large user base during 2025. The API-first architecture also opens up new revenue potential through analytics and customized direct data partnerships in the current financial year. Management expects a performance of –4% in this segment in 2025 compared to 2024.

Marketplace: Artnet Auctions continues to be among the top international auction houses for online-only transactions (source: artnet Analytics), as trust, efficiency, and transparency strengthen its market position versus brick-and-mortar auction houses. Interestingly, in economically challenging conditions, Marketplace revenue decreased by 3,4%, while the auction house Christe's recorded an 18% decline in revenue in the past financial year (source: Artnet Intelligence Report Year Ahead 2025). The global art market recorded a decline of 27% in 2024.

After executing on a revised resourcing and sale strategy, management anticipates that the auctions department will achieve steady results in 2025. Part of this is the increased focus on private sales, which support high-value sales.

Unlike other online platforms, which primarily attract younger collectors of more affordable art, Artnet's information-rich products attract the attention of the market's major collectors, creating a significant growth opportunity for the group.

Overall, the Marketplace segment recorded a decline in revenue from 8.026 k to 7.752 k . The previous year's forecast by the executive team, which still assumed revenue growth for 2024, was therefore missed.

Despite planned product improvements, Artnet's management remains conservative in its forecast given market conditions and expects slightly higher revenue in the Marketplace segment in 2025.

Media: Artnet News remains one of the leading online platforms for news, commentary, and data-driven reports on the art market. Revenue in the Media segment decreased from 8.601 k to 8,277 k in 2024. This is primarily due to the slight decline in advertising income, as companies were forced to cut their marketing budgets due to the difficult economic situation.

With the introduction of the fee-based Artnet News Pro service, the Media segment tapped into a new source of revenue to maintain its highly valued journalistic integrity. Revenues from advertising contracts and sponsorships are expected to increase in 2025, albeit slightly less than in previous years, as the luxury advertising market is expected to weaken. The improvements planned for Artnet News Pro are expected to drive growth by moving to a unified subscription product. Management expects moderate revenue growth for the Media segment in 2025.

In the still uncertain geopolitical and economic environment, the executive team is cautiously optimistic that it will be able to achieve slight growth in 2025. The Group’s indispensable and highly valued services for the art market, innovation and the professionalism of its executive team will help the Group to gain market share.

With regard to the Group, the Executive Team forecasts a revenue increase of between 24.0 million and 26.0 million , the most important performance indicators for the financial year. It expects an operating result of between 600 k and 1.0m . This forecast is driven by the executive team’s decision to continue to consistently implement the initiated cost savings and thus increase margins. While focusing on margins, growth will be achieved by Artnet's core team of key employees in all segments to increase revenue and conversions.

Driven by the dedication of our international team and a highly competitive product suite, Artnet enters 2025 with confidence and once again sets an objective of maintaing its global leadership position in the art world.

Subsequent Report

On 8 July 2025, Leonardo Art Holdings GmbH, published the offer document for its voluntary public takeover and delisting offer to the shareholders of artnet AG, for the acquisition of all no-par value registered shares (ISIN DE000A1K0375), each with a proportionate notional amount of the share capital of artnet of 1.00 per share ("artnet Share"), not directly held by the Bidder against payment of a cash consideration of 11.25 per artnet Share ("Offer Price") ("Offer").

According to a May 2025 press release, the offer for artnet follows Beowolff Capital's recent acquisition of a majority stake in Artsy, the largest online marketplace for discovering and buying art. These two transactions mark key steps in the development of a portfolio of market-leading companies, with the aim of scaling them, fostering collaboration, and increasing profitability.

On July 16, 2025, artnet received a loan of USD 2 million to strengthen its liquidity.

There is currently a disagreement with one lender regarding the repayment of the loan. A standstill agreement has been signed.

Legal Information

Information on Management Practices Applied
(§ 289f HGB / § 315d HGB)

The current Corporate Governance Report (§ 289f HGB / § 315d HGB) can be accessed on the Company's site at artnet.com/investor-relations. In addition to the Declaration of Conformity with the German Corporate Governance Code pursuant to Section 161 of the Aktiengesetz (German Public Limited Companies Act), the report contains statements about corporate governance practices and a description of the operating principles of the Management Board and the Supervisory Board. Artnet AG thus aims to keep the account of its corporate governance clear and concise.

Disclosure of Takeover Provisions
Composition of Capital Stock
Artnet AG's fully paid-in capital stock, as of December 31, 2024, totaled 5,706,067 and comprised 5,706,067 no-par value-bearer shares based on a notional common stock of 1.00 per share. All shares are registered shares.

As of December 31, 2023, the Group no longer holds any Treasury Shares. For further reference, see the notes to the consolidated financial statements.

Voting Limits or Assignment Limits
There are no restrictions on voting rights or transfer of these shares.

Direct or Indirect Shareholdings which Exceed 10% of Voting Rights
Direct or indirect shareholdings exceeding 10% of voting rights for Artnet AG in 2024 were held by Galerie Neuendorf AG, Berlin, Germany at 26.65%, and Weng Fine Art AG, Krefeld, Germany at 28.83%, as of December 31, 2024208.

Preferred Shares
There are no preferred shares.

Voting Rights Monitoring in the Event of Employee Holdings
Any employee with holdings in Artnet AG is obliged to exercise his or her control rights directly.

Appointment and Dismissal of Members of the Executive Board, Amendments to the Articles of Incorporation

Members of the Supervisory Board are appointed and dismissed according to §§ 84, 85 of the German Stock Corporation Act (AktG). The amendments to the Articles of Incorporation were made in accordance with §§ 133, 179 AktG.

Change of Control Clause

Jacob Pabst reserves the right of termination in the event of a change of control, without cash compensation.

Authorization of the Executive Board to Issue and Repurchase Shares

Authorized Capital

Currently, Artnet has no Authorized Capital.

Conditional Capital

Currently, there is no longer any conditional capital.

Berlin, July 17, 2025

Jacob Pabst
CEO, Artnet AG

Endnotes

1. Artnet News, Intelligence Report Year Ahead 2025
2. Financial Times, Why Hong Kong Has Become The Art World's Enigma, Melanie Gerlis, March 22, 2025
3. Artnet News, The Art Market Is Ripe For Change. Here's Where The State of Play Is Shifting, Margaret Carrigan, December 26, 2024
4. IMF, Policy, Pivot, Rising Threats, October 2024
5. The Guardian, Trump Trade Wars Are Slowing Global Growth And Fuelling Inflation Says OECD, Richard Partington, March 17, 2025
6. Art Basel & UBS, Survey Of Global Collecting 2024
7. Artnet News, Millenials & GenZers Are Coming Into Great Fortunes. What Art Do They Want To Buy?, Katya Kazakina, March 19, 2025
8. OECD, Economic Outlook, Interim Report March 2025
9. Art Basel and UBS Art Market Report 2025
10. Forbes, The Great Wealth Transfer is Happening but not How You Think, Joseph Coughlin, June 26, 2024

Consolidated Financial Statements 2024

artnet AG, Consolidated Balance Sheet as of December 31, 2024

Assets		12/31/2024	12/31/2023	12/31/2024	12/31/2023
	Notes No.	USD	USD		
Current Assets					
Cash and Cash Equivalents	8.7	439,126	590,015	424,240	534,495
Accounts Receivable	8.4	2,793,145	2,924,130	2,698,457	2,648,969
Other financial receivables and assets	8.5	73,117	215,036	70,638	194,801
Other non-financial receivables and assets	8.6	313,984	231,787	303,340	209,976
Total Current Assets		**3,619,372**	**3,960,968**	**3,496,675**	**3,588,241**
Non-Current Assets					
Property, Plant and Equipment	8.2	49,072	50,969	47,408	46,173
Right of use Asset	8.3	88,544	335,758	85,542	304,163
Intangible Assets	8.1	7,007,023	6,876,599	6,769,485	6,229,511
Deferred Tax Assets	7.9	2,696,947	2,637,639	2,605,520	2,389,437
Other Financial Assets	8.5	13,216	67,401	12,768	61,059
Total Non-Current Assets		**9,854,802**	**9,968,366**	**9,520,723**	**9,030,343**
Total Assets		**13,474,174**	**13,929,334**	**13,017,398**	**12,618,584**

Equity and Liabilities					
Current Liabilities					
Accounts Payable		4,330,342	4,245,169	4,183,543	3,845,698
Other financial liabilities	8.12	233,582	154,429	225,664	139,897
Other non-financial liabilities	8.13	841,834	693,479	813,296	628,223
Liabilities from Finance Leases – short-term	8.10	67,494	244,378	65,206	221,382
Loans	8.9	1,205,018	6,970	1,164,168	6,314
Contract Liabilities	8.11	2,661,188	2,722,594	2,570,974	2,466,398
Total Current Liabilities		**9,339,458**	**8,067,019**	**9,022,851**	**7,307,912**
Long-Term Liabilities					
Liabilities from Finance Leases – long-term	8.10	21,781	942,42	21,043	85,374
Loans	8.9	733,164	988,532	708,310	895,511
Total Non Current Liabilities		**754,945**	**1,082,774**	**729,353**	**980,885**
Total Liabilities		**10,094,403**	**9,149,793**	**9,752,204**	**8,288,797**

Shareholders' Equity					
Common Stock	8.8	6,032,262	6,032,262	5,706,067	5,706,067
Treasury Stock	8.8	0	0	0	0
Additional Paid-In Capital	8.8	52,995,401	52,995,401	51,523,761	51,523,761
Accumulated Deficit		(54,852,297)	(53,766,338)	(53,492,427)	(52,488,327)
Current Net Profit		(1,510,336)	(1,085,959)	(1,396,391)	(1,004,100)
Foreign Currency Translation		714,741	604,175	924,185	592,386
Total Shareholders' Equity		**3,379,771**	**4,779,541**	**3,265,195**	**4,329,787**
Total Liabilities and Shareholders' Equity		**13,474,174**	**13,929,334**	**13,017,399**	**12,618,584**

artnet AG, Consolidated Income Statement for the Period from January 1 to December 31, 2024

		01/01/2024	01/01/2023	01/01/2024	01/01/2023
		12/31/2024	12/31/2023	31/12/2024	31/12/2023
	Notes No.	USD	USD		
Revenue	7.1				
artnet Marketplace		**8,384,905**	**8,680,424**	**7,752,315**	**8,026,096**
artnet Galleries		4,492,979	4,704,044	4,154,011	4,349,454
artnet Auctions		3,891,926	3,976,380	3,598,304	3,676,642
artnet Data		**6,719,801**	**7,270,533**	**6,212,832**	**6,722,482**
artnet Price Database		6,719,801	7,270,533	6,212,832	6,722,482
artnet Media		**8,952,199**	**9,302,592**	**8,276,809**	**8,601,365**
artnet Advertising		7,980,716	8,231,602	7,378,619	7,611,106
artnet News Subscriptions		971,483	1,070,990	898,190	990,259
Total Revenue		**24,056,905**	**25,253,549**	**22,241,956**	**23,349,943**
Cost of Sales	7.2	10,791,927	10,949,092	9,977,741	10,123,752
Gross Profit		**13,264,978**	**14,304,457**	**12,264,215**	**13,226,191**
Operating Expenses					
Selling and Marketing	7.3	8,446,064	9,517,898	7,808,859	8,800,441
General Administrative	7.4	3,341,019	4,208,396	3,088,959	3,891,168
Transfer Pricing - Expenses		0	0	0	0
Product Development	7.5	2,706,314	2,632,747	2,502,139	2,434,291
Non-Cash Compensation		0	0	0	0
Total Operating Expenses		**14,493,397**	**16,359,041**	**13,399,957**	**15,125,900**
Operating Income		**(1,228,419)**	**(2,054,584)**	**(1,135,742)**	**(1,899,709)**
Interest Expenses	7.8	197,820	96,950	182,896	89,642
Interest Income	7.8	0	580	0	536
Extraordinary Depreciation		0	0	0	0
Other Income/ (Expenses)	7.7	(86,183)	82,856	(79,681)	76,610
Transfer Pricing - Income		0	0	0	0
Earnings Before Taxes		**(1,512,422)**	**(2,068,098)**	**(1,398,319)**	**(1,912,205)**
Income Taxes	7.9	(57,223)	(31,129)	(52,906)	(28,783)
Deferred Tax Benefit/ (Expense)	7.9	59,309	1,013,268	54,834	936,888
Net Profit/(Loss)		**(1,510,336)**	**(1,085,959)**	**(1,396,391)**	**(1,004,100)**
Other comprehensive income					
OCI Recycled:					
Exchange differences on translating foreign operations		110,566	(11,577)	331,799	(144,327)
Total comprehensive income		**(1,399,770)**	**(1,097,536)**	**(1,064,592)**	**(1,148,427)**
Result per Share					
Basic and Diluted	10.4	(0,26)	(0,19)	(0,24)	(0,18)

artnet AG, Consolidated Statement of Cash Flows for the Fiscal Year/Period from January 1 to December 31, 2024

	Notes No.	2024 USD	2023 USD	2024	2023
Cash Flow from Operating Activities	9				
Net Profit		**(1,510,336)**	**(1,085,959)**	**(1,396,391)**	**(1,004,100)**
Adjustments to Reconcile Net Profit to Net Cash provided by Operating Activities:					
Depreciation and Amortization		1,764,454	1,844,258	1,704,639	1,705,238
Gain/loss on Asset Disposal		2,000	(26,619)	1,932	(24,612)
Impairments/Write-Offs for Receivables	8.4	413,226	387,052	399,218	357,876
Changes in Deferred Tax Assets	7.9	(59,308)	(1,013,269)	(216,083)	(875,849)
Other Non-Cash Transactions		7,209	(15,335)	259,174	(114,295)
Changes in Operating Assets and Liabilities:					
Accounts Receivables*	8.4	(282,241)	(152,366)	(448,705)	(63,460)
Other financial receivables and assets	8.5	196,104	92,537	172,454	93,541
Other non-financial receivables and assets	8.6	(82,197)	2,414,850	(93,364)	2,256,160
Accounts Payable**		85,173	78,512	337,845	(20,620)
Other Financial Liabilities	8.12	79,153	54,458	85,767	46,744
Other non-financial liabilities	8.13	148,355	(771,913)	185,073	(737,230)
Contract liabilities	8.11	(61,406)	(706,565)	104,576	(728,892)
Interest Expenses	7.8	197,820	96,950	191,114	89,642
Total Adjustments		**2,408,342**	**2,282,550**	**2,683,638**	**1,984,243**
Cash Flow Provided by Operating Activities		**898,006**	**1,196,591**	**1,287,247**	**980,143**
Cash Flow from Investing Activities					
Purchase of Property and Equipment	8.2	(25,576)	(40,907)	(23,802)	(35,705)
Right of Use Asset		0	0	0	0
Purchase and Development of Intangible Assets	8.1	(1,627,400)	(1,968,456)	(1,504,623)	(1,647,057)
Proceeds from asset disposal		(2,000)	26,619	(1,932)	24,612
Cash Flow Used in Investing Activities		**(1,654,977)**	**(1,982,744)**	**(1,530,356)**	**(1,658,150)**
Cash Flow from Financing Activities					
Repayment of financial lease	8.10	(249,345)	(615,514)	(220,507)	(569,945)
Loan	8.9	1,060,000	713,533	980,029	648,107
Loan repayment	8.9	(140,922)	(482,718)	(136,145)	(458,824)
Interest Expenses	7.8	(174,218)	(97,159)	(168,312)	(89,836)
Other Changes in Equity	8.8	0	739,524	0	669,935
Cash Flow Used in Investing Activities		**495,515**	**257,666**	**455,066**	**199,438**

artnet AG, Consolidated Statement of Cash Flows for the Fiscal Year/Period from January 1 to December 31, 2024

	Notes No.	2024 USD	2023 USD	2024	2023
Effects of Exchange Rate Changes on Cash		**110,566**	**(11,578)**	**(322,211)**	**(39,945)**
Changes in Cash and Cash Equivalents		**(150,889)**	**(540,065)**	**(110,255)**	**(518,514)**
Cash and Cash Equivalents—Start of Year	8.7	**590,015**	**1,130,080**	**534,495**	**1,053,009**
Cash and Cash Equivalents—End of Year	8.7	**439,126**	**590,015**	**424,240**	**534,495**
Supplemental Discosures of Cash Flow					
Income Tax Receipts/ (Payments)	7.9	(41,737)	(15,996)	(38,588)	(14,790)
Interest Payments		(174,218)	0	(168,312)	0
Interest Receipts		0	50,078	0	46,303

artnet AG, Consolidated Statements of Changes in Shareholders Equity (USD) for the Fiscal Year from January 1 to December 31, 2024

	Issued Shares	Amount	Treasury Stock	Additional Paid-In Capital	Accumulated Deficit	Foreign Currency Translation	Total
BALANCE - December 31, 2022	**5,706,067**	**6,032,262**	**(269,241)**	**52,547,769**	**(53,766,338)**	**615,752**	**5,160,204**
Net Income / (Loss)	0	0	0	0	(1,085,959)	(11,577)	(1,097,536)
Sale of treasury stock	0	0	269,241	447,632	0	0	716,873
BALANCE - December 31, 2023	**5,706,067**	**6,032,262**	**0**	**52,995,401**	**(54,852,297)**	**604,175**	**4,779,541**
BALANCE - December 31, 2023	**5,706,067**	**6,032,262**	**0**	**52,995,401**	**(54,852,297)**	**604,175**	**4,779,541**
Net Income / (Loss)	0	0	0	0	(1,510,336)	110,566	(1,399,770)
BALANCE - December 31, 2024	**5,706,067**	**6,032,262**	**0**	**52,995,401**	**(56,362,633)**	**714,741**	**3,379,771**

artnet AG, Consolidated Statements of Changes in Shareholders Equity () for the Fiscal Year from January 1 to December 31, 2024

	Issued Shares	Amount	Treasury Stock	Additional Paid-In Capital	Accumulated Deficit	Foreign Currency Translation	Total
BALANCE - December 31, 2022	**5,706,067**	**5,706,067**	**(264,425)**	**51,118,251**	**(52,488,327)**	**736,714**	**4,808,280**
Net Income / (Loss)	0	0	0	0	(1,004,100)	(144,327)	(1,148,427)
Sale of treasury stock	0	0	264,425	405,510	0	0	669,935
BALANCE - December 31, 2023	**5,706,067**	**5,706,067**	**0**	**51,523,761**	**(53,492,427)**	**592,387**	**4,329,788**
BALANCE - December 31, 2023	**5,706,067**	**5,706,067**	**0**	**51,523,761**	**(53,492,427)**	**592,387**	**4,329,788**
Net Income / (Loss)	0	0	0	0	(1,396,391)	331,799	(1,064,592)
BALANCE - December 2024	**5,706,067**	**5,706,067**	**0**	**51,523,761**	**(54,888,818)**	**924,185**	**3,265,195**

Notes to the Consolidated Financial Statements 2024

Table of Contents

1. Corporate Information and Statement of Compliance

artnet AG (hereinafter referred to as “artnet AG” or the “Company”) is a publicly traded corporation headquartered in Berlin, Germany. The address of its registered office is Niebuhrstraße 78, 10629 Berlin, Germany. The company is entered in the Commercial Register of Charlottenburg District Court under HRB 980060 B.

artnet AG holds 100% of the shares in Artnet Worldwide Corporation (“Artnet Corp.”), which is located in New York, NY, USA. Artnet Corp., in turn, holds 100% of the shares in London-based Artnet UK Ltd. artnet AG and Artnet Corp., together with the latter’s wholly owned subsidiaries, are referred to as the “Artnet Group,” the “Group,”, the “Company”, or “Artnet.”

The Group’s goal is to provide collectors, galleries, publishers, auction houses, and art enthusiasts with a platform to buy, sell, and research fine art. Users can find artworks that are currently available for sale in the Gallery Network, Auction House Partnerships, or on Artnet Auctions, an online transaction platform. Artnet News, the 24-hour newswire, informs users about the events, trends, and people shaping the global art market.

The declaration on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) was published in May 2025, and is available to shareholders on the Artnet website at https://www.artnet.de/investor-relations.

2. Accounting Policies

2.1 Basic Principles Underlying Preparation

The Consolidated Financial Statements of artnet AG and its subsidiaries as of December 31, 2024, were prepared in accordance with the International Financial Reporting Standards (IFRS published by the International Accounting Standards Board (IASB), London, United Kingdom, and the interpretations of the IFRS Interpretations Committee (IFRS IC), which had been adopted and endorsed by the opean Union as of December 31, 2024. Section 315e of the German Commercial Code (HGB) was also applied. In accordance with Section 315e HGB in conjunction with Section 315 HGB, the Consolidated Financial Statements are supplemented by a Group Management Report. The Consolidated Balance Sheet contains the disclosures under IAS 1, Presentation of Financial Statements, and is classified based on the maturity of the assets and liabilities. The Statement of Comprehensive Income is broken down using the cost of sales method.

The Consolidated Financial Statements and the Group Management Report of artnet AG as of December 31, 2024, were approved for publication by the Management Board on July 30, 2025, and submitted to the Company’s Supervisory Board on the same day. The Consolidated Financial Statements and the Group Management Report are published in the electronic company register. The fiscal year is the calendar year.

The Consolidated Financial Statements have been prepared in os. This is the functional currency of artnet AG. Unless otherwise stated, amounts are shown in thousands of os (k) or rounded up/down to the nearest million. As a result, the total calculated by adding up the individual amounts may deviate slightly from the total stated.

The currency of the primary economic environment in which the Group operates is the US dollar. For convenience, especially for our US-based investors, the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity are also presented in US dollars.

The Consolidated Financial Statements were also prepared on the basis of the going concern principle, which assumes that the Group will be able to settle its liabilities, including repayment obligations under credit facilities. The Group's ongoing solvency and, as a result, the assumption that it will continue as a going concern is determined by its core business and external lenders.

2.2 Impact of New Accounting Standards

Impact of Significant Changes in Accounting Policies

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have issued additional standards, interpretations, and amendments to standards that are not yet mandatory for the 2024 financial year and have not been applied in this consolidated financial statement. These include:

Interpretation	Content	Date of effect
IAS 1	Amendments regarding the classification of liabilities, initial application, and covenants	01.01.2024
IAS 7	Statement of cashflows	01.01.2024
IFRS 7	Disclosures on supplier financing arrangements	01.01.2024
IFRS 16	Amendments to clarify the subsequent measurement of sale-and-leaseback transactions by a lessee	01.01.2024

The accounting standards or revisions to standards applied for the first time in the 2024 financial year have no material impact on the consolidated financial statements.

Standards and interpretations to be mandatorily applied in the future

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have adopted additional standards, interpretations, and amendments to standards that are not yet mandatory for the 2024 financial year and have also not been applied in the present consolidated financial statements. These include:

Interpretation	Content	Date of effect
IAS 21	Effects of changes in exchange rates – Lack of exchangeability	01.01.2025
IFRS 18	Presentation of and disclosures infinancial statements	01.01.2027
IFRS 9 and IFRS 7	Changes in the classification and measurement of financial instruments	01.01.2026
IFRS 19	Disclosures on subsidiaries without public accountability	01.01.2027
Diverse	Annual Improvments, Version 11	01.01.2026

The effects are continuously reviewed by the Management Board. In the judgment of the Management Board, these changes have no significant impact on the consolidated financial statements.

2.3 Changes in Accounting Estimates and Adjustments to the Classification of Items in the Financial Statements
In the 2023 fiscal year, amendments were made to the classification of items and to accounting-related estimates. There were no amendments in 2024.

Changes in Item Classification
There were no changes in classifications.

Changes in Accounting Estimates
The Consolidated Financial Statements are based on estimates and assumptions concerning the future. Based on historical experience and reasonable expectations regarding future events, the derived estimates and judgments are continuously reviewed and adjusted if necessary. Nevertheless, the estimates do not always correspond to the circumstances that actually end up materializing, in particular due to new findings with regard to comparable market information.

At the beginning of 2024, the Group reassessed the useful lives of internally generated intangible assets. This involved taking factors such as the current market conditions into account. The result was a reduction in the expected useful life of specific assets.

The impact of these changes on actual and expected amortization expense was as follows.

in k	2023	2024	2025	2026	2027	2028 and beyond
Increase/Decrease in amortization expense	478	475	332	51	(276)	(1,060)

2.4 Consolidation
The Consolidated Financial Statements include the legal parent company, artnet AG, its wholly owned subsidiary Artnet Worldwide Corp. and the latter's wholly-owned subsidiary, Artnet UK Limited. A company defines its status as the parent company by examining whether it controls one or more investees. Control over a company, leading to its inclusion in the Consolidated Financial Statements, is deemed to exist if Artnet has power over the investee. This means that Artnet has existing rights that give it the current ability to direct the relevant activities. These are activities that significantly affect the investee's returns. In addition, Artnet is exposed, or has rights, to varying returns from its involvement with the investee. Furthermore, it has the ability to use its power over the investee to affect the amount of the returns.

artnet AG has decision-making powers over a company if it has rights that give it the current opportunity, either directly or through third parties, to control the relevant activities of the investee. The relevant activities are those which, depending on the type and purpose of the company, have a material influence on its returns. Such returns must have the potential to vary as a result of the investee's performance and can be positive, negative, or both. Variable returns include dividends, fixed and variable interest rates, fees and charges, fluctuations in the value of investments, and other economic benefits.

The inclusion of an investee in the Consolidated Financial Statements begins when control is obtained and ends when control is lost. The financial statements of the investee are prepared as of the same reporting date as the parent company and in accordance with the same accounting policies as those applied by the parent company.

As part of the consolidation, all significant intragroup transactions, receivables and liabilities as well as income and expenses were eliminated in full. The income and expenses resulting from intragroup transfers of assets are also eliminated. Accounting policies at subsidiaries are based on uniform group-wide standards.

The subsidiaries are presented below:

Name	Registered office	Capital share
Artnet Worldwide Corporation	New York, US	100%
Artnet UK Limited	London, UK	100%

2.5 Functional and Presentation Currency

Transactions in currencies other than the functional currency of the relevant Group companies are translated at the exchange rate that applies on the transaction date. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses from foreign currency transactions are recognized as other income or expenses. Non-monetary Consolidated Balance Sheet items in foreign currencies are carried at historical exchange rates.

On consolidation, the Group's assets and liabilities are translated into the presentation currency, the o, at the closing rate. Income and expense items are translated at the average exchange rates for the period. Using the average exchange rate leads to a reasonable approximation of the currency effects of the exchange rates that apply on the transaction date, as long as there are no significant fluctuations. The accumulated gains and losses resulting from translation are recorded as a separate component of the Group equity.

If the conditions of IAS 21.15 are met, intragroup loan receivables are classified as part of a net investment. Accordingly, exchange differences on the loan amount in os will be recognized in the foreign currency adjustment item in equity at closing dates (including interim reports). The amount recognized in the foreign currency adjustments is reflected in the profit or loss of the Group if and when the ownership interest is dissolved in full or partly.

Currency exchange rates significant to the Artnet Group are the translation of US dollars to os and of US dollars to British pounds (GBP). The following exchange rates have been used for the currency translation in the years presented:

	USD to		USD to GBP		to GBP	
	December 31, 2024	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
Closing price at the end of the year	0,9661	0,9059	0,7987	0,7854	0,8267	0,8670
Annual average rate	0,9246	0,9246	0,7827	0,8044	0,8466	0,8700

3. Key Accounting Policies

Cost Principle

The cost principle is generally applied when preparing the Consolidated Financial Statements. This does not apply to derivative financial instruments or to specific non-derivative financial assets; these are measured at fair value.

Determination of Fair Value

The fair value is the price that would be paid, in a standard transaction on the measurement date, to sell an asset or transfer a liability.

All assets or liabilities for which a fair value is recognized in the Consolidated Financial Statements are broken down using the hierarchy described below, based on the lowest input that is significant for overall fair value measurement:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability.

In cases involving assets and liabilities that are recognized in the Consolidated Financial Statements on a recurring basis, the Group determines whether there have been reclassifications between the hierarchy levels by reviewing the classification (based on the lowest input that is significant for overall fair value measurement) at the end of each reporting period.

The reported fair value of all currently outstanding assets and liabilities corresponds to Level 3.

Intangible Assets

Intangible assets comprise acquired and internally developed software and website development costs.

They are recorded at cost and amortized on a straight-line basis over their estimated useful life of three to ten years. All intangible assets have a finite useful life. The period and method of amortization for intangible assets with finite useful lives are reviewed annually by the Group. If the expected useful life of the asset differs from previous estimates, the amortization period is changed accordingly. Intangible assets with a finite useful life are amortized over their useful lives and tested for impairment if there are indications that the intangible asset is impaired.

Expenses incurred during the research, planning, and post-processing phases of website development and ongoing maintenance are expensed immediately. Expenses incurred during the development phase are capitalized if all of the following criteria are met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset
- The ability to use the intangible asset
- The intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

The criterion for recognizing website development costs is specified by capitalizing only expenses for the development of new products and for significant enhancements and improvements to the website that are expected to lead directly to future revenue. Capitalized software development costs generate future economic benefits also in the form of cost savings. The Group reviews intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The corresponding accounting policies are described in the section on impairment.

Property, Plant and Equipment
The cost of property, plant and equipment is recognized as an asset if the following two criteria apply:

- It is probable that the property, plant and equipment will generate future economic benefits
- The cost can be measured reliably

The cost comprises the purchase price, including import duties and non-refundable purchase taxes, and the costs directly attributable to bringing the item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended.

Property, plant and equipment is measured using the cost model, i.e. at historical cost less accumulated depreciation and impairment.

Depreciation begins when the asset is available for use and ends as soon as it is classified as held for sale, or on the date of derecognition, whichever is earlier. The Group's property, plant and equipment includes computer equipment and operating and office equipment, which are depreciated over an expected useful life of three years, office furniture and fixtures, which are depreciated over an expected useful life of five to thirteen years, and leasehold improvements, which are depreciated over an expected useful life of ten years or the remaining lease term, whichever is shorter. The Artnet Group depreciates its assets using the straight-line method.

The carrying amounts of property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected from their use. The gains and losses from derecognition are recognized in the income statement.

Maintenance expenses that neither enhance the value of an item of property, plant or equipment nor prolong its useful life are expensed as incurred. The residual values, useful lives and amortization method are reviewed at the end of each fiscal year and adjusted prospectively if necessary, as described in the "Impairment" section.

Leases
Right-of-use assets under leases are initially measured at cost, which is equivalent to the initial measurement of the lease liability, adjusted for payments made on or before the start of the lease term (less any lease incentives received), plus any initial direct costs, as well as the estimated costs incurred at the end of the term for dismantling the leased asset or restoring it to the contractually agreed condition. The right-of-use asset is then depreciated on a straight-line basis from the date of commencement to the end of the lease term unless ownership of the underlying asset is transferred to Artnet at the end of the lease term, or the cost of the right-of-use asset reflects the fact that Artnet will exercise a purchase option.

Liabilities from leases comprise all obligations from leases in accordance with IFRS 16. In addition to leases for operating and office equipment, rental agreements for office space are shown in particular. The present value of future lease payments is recognized as a financial liability.

Lease liabilities are measured at the present value of the lease payments that have not yet been made at the beginning of the lease term. The lease payments included in the valuation of the lease liabilities comprise the fixed payments. The lease term relates to the non-cancelable minimum term of the lease. Lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, discounting is based on the lessee's incremental borrowing rate.

The Group is often unable to determine the interest rate implicit in a lease. In such cases, the lease liability is measured using the incremental borrowing rate. This is the rate of interest that the Group would have to pay to borrow – over a similar term, and with a similar security – the funds necessary to obtain an asset of a similar value to the right of use related to the leased asset in a similar economic environment.

The Group determines the incremental borrowing rate on the basis of observable data, such as market interest rates, taking company-specific adjustments into account.

The Group made use of the relief of short-term leases (term of less than 12 months) and low value assets and recognized the lease payments as expenses over the term of the respective lease.

Impairment
The Group reviews property, plant and equipment and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In addition, intangible assets with an indefinite useful life, as well as intangible assets not yet available for use, are subject to an annual impairment test. Recoverability of assets is measured by the comparison of the carrying amount of the asset to the recoverable amount. The recoverable amount is the higher amount of the asset's value in use and its fair value less costs of disposal. In the event that the asset does not generate cash flow independent of other assets, the impairment test is not performed at an individual asset level; instead, it is performed at the level of the cash-generating unit to which the asset belongs.

If the recoverable amount of the cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense as soon as it occurs. The asset's value in use, either at an independent level or at a cash-generating unit level, is basically measured by discounting the asset's estimated future cash flow. Alternatively, the value in use is also determined on the basis of expected lower cash outflow, which in turn is discounted.

If there is an indication that the reasons that caused the impairment loss no longer exist, the Group will assess the need to reverse all or a portion of the impairment, as long as it does not exceed the original carrying amount. In 2024 and 2023, no impairment or attribution of property, plant and equipment or intangible assets was recorded.

Financial Liabilities

Classification and Measurement of Financial Assets

According to IFRS 9, financial assets are classified into the following measurement categories:

1. Financial assets measured at amortized cost (debt instruments)
2. Financial assets measured at fair value through other comprehensive income (debt instruments)
3. Financial assets measured at fair value through other comprehensive income (equity instruments)
4. Financial assets measured at fair value through profit or loss

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows and the business model conditions of the financial asset.
At initial recognition, financial assets are measured at their fair value.

In the case of financial assets not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial asset are also included.
Transaction costs related to financial assets measured at fair value through profit or loss are recognized in profit or loss.
The Group determines the classification of its financial assets at the time of initial recognition. Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets. In that case, all affected financial assets are reclassified on the first day of the reporting period following the change in business model.

For regular way purchases and sales of financial assets, accounting is based on the settlement date, i.e., the date on which an asset is delivered to or by the company.
Regular way purchases or sales are purchases or sales of financial assets that require delivery of the assets within a time frame established by market regulation or convention.

Based on this, Artnet applies the following measurement for financial assets:
Financial assets measured at amortized cost include all assets whose contractual terms give rise to cash flows at specified times that are solely payments of principal and interest on the principal amount outstanding, provided the assets are held with the intention of collecting the contractual cash flows over their life.

In subsequent periods, these financial assets are measured using the effective interest method. Interest income, foreign exchange gains and losses, impairments, as well as gains or losses from derecognition of such financial assets are recognized in profit or loss.
Financial assets measured at amortized cost primarily include trade receivables.

As of the balance sheet date, Artnet held neither financial assets in the form of debt or equity instruments measured at fair value through other comprehensive income nor financial assets measured at fair value through profit or loss.

Impairment of Financial Assets

The Group recognizes an impairment allowance for expected credit losses (ECLs) for all debt instruments not measured at fair value through profit or loss.
ECLs are based on the difference between the contractual cash flows expected under the agreement and the discounted expected cash flows.

ECLs are determined in a three-stage model.
For credit risks that have not increased significantly since initial recognition, ECLs are recognized for potential default events within the next 12 months (12-month ECL).
For credit risks that have significantly increased since initial recognition, a lifetime ECL is recognized, regardless of the timing of default.
Individual circumstances and specific knowledge are also considered in assessing credit risk.

For trade receivables, the Group applies a simplified approach to calculate ECLs.
Therefore, the Group does not monitor changes in credit risk but recognizes a loss allowance based on lifetime ECLs at each balance sheet date.

The Group has developed an impairment matrix based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Liabilities
Classification and Measurement of Financial Liabilities
In accordance with IFRS 9, financial liabilities are assigned to the following measurement categories:

(1) Financial liabilities at amortized cost (debt instruments)
(2) Financial liabilities measured at fair value through profit or loss

If they are classified as held through trading, are derivatives or the liability is designated at fair value through profit or loss at the time of recognition.

The Group's financial liabilities comprise trade payables, other liabilities and loans.

All financial liabilities are initially recognized at fair value, less directly attributable transaction costs in the case of loans and liabilities. Subsequent measurement is at amortized cost. The liabilities are derecognized when the contractual obligations are settled, reversed, or have expired.

Tax Assets, Tax Liabilities and Deferred Taxes
The current tax expense is determined on the basis of the taxable income of each Group company for the fiscal year. The taxable income is adjusted for items that are non-taxable or tax deductible. The current tax expense is calculated based on the applicable tax rates on the balance sheet date.

Deferred taxes are recognized in respect of deductible temporary differences between the carrying amounts of assets and liabilities in the annual financial statements and their tax bases using the asset and liability method, and tax loss carryforwards as long as they can be used in the future. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets and liabilities are measured using the tax rates expected at the time at which the differences are expected to reverse.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offsetcurrent tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority, on either the same taxable business or different taxable businesses where there is an intention to offset the balances on a net basis.

Revenue Recognition
In accordance with IFRS 15, revenue is recognized when Artnet transfers control of a good or a service to the customer.

With the exception of the Marketplace segment, all contracts include mostly one performance obligation. In the Marketplace segment, the allocation of the transaction price is based on the performance obligations associated with the transaction concerned.

For Gallery Network memberships and Auction House Partnerships, revenue is recognized when Artnet meets its performance obligation and the relevant member or partner site is created, and made available on the Artnet website.

Revenue for news subscriptions is recognized in the period in which Artnet has fulfilled its contractual performance obligation. News subscriptions are offered as monthly and annual subscriptions and are processed via Stripe. Revenue for monthly subscriptions is recognized when customers are granted access to the new content. Revenue for annual subscriptions is recognized pro rata over the year in which customers have access to the news content.

Revenue recognition for advertising contracts is based on the billing terms mentioned in the contract, with a distinction made between a fixed price and a performance-based model. Revenue from advertising contracts with a fixed price is recorded similarly to the revenue from gallery memberships and subscriptions to the Price Database for the period in which banners appear on the website or in newsletters. Revenue for performance-based advertising contracts is recognized after the agreed performance indicators are evaluated and coordinated with the relevant customer. In scenarios involving performance obligations that are fulfilled over a longer period of time, revenue is recognized over time by measuring the progress made until the performance obligation is fulfilled in full.
The Group uses the input-based method to recognize revenue on the basis of the costs incurred relative to the expected total cost of satisfying this performance obligation. If the efforts or input are distributed evenly over the period of the performance obligation, revenue is recognized on a straight-line basis over this performance period.

For Artnet Auctions and the ArtNFT platform, buyer and seller commissions are realized at the moment at which the Group has arranged the corresponding business successfully.

Therefore, revenue from the Price Database, gallery memberships, advertising, and Auction House Partnerships is mainly recognized over time, whereas revenue from online auctions is recognized at a specific point in time. Artnet acts as an agent for online auctions, and therefore only recognizes the commission income. In contrast, the sale price of an artwork is not realized.

Revenue is measured at the fair value of the consideration received, or to be received, minus any discounts, VAT, and other sales tax. The transaction price is allocated to the identified performance obligations for which the duration of the underlying contracts is mainly less than one year. As the transaction price is allocated based on the underlying contract, no further judgments are necessary.

If the advance payment made is higher than the proceeds attributable to the performance obligations that have been satisfied, this amount is recognized under contract liabilities. Revenue for monthly subscriptions is recognized in the month in which the customer has access to the content; revenue for annual subscriptions is recognized under contract liabilities for services not yet rendered. This revenue is recognized over the 12-month period.

4. Significant Estimates and Judgments

Preparing the Consolidated Financial Statements requires, to a limited extent, using assumptions and estimates that impact the amount and disclosure of the assets and liabilities, income and expenses, and contingent liabilities recognized. Although these estimates were made by the Management Board to the best of its knowledge and taking into account all of the information currently available, the actual results may deviate from these estimates.

Estimates and assumptions were used when measuring and determining the useful life of intangible assets. These are subject to an annual review. The actual results could differ from those estimates. Any changes are recognized accordingly as and when better information is available.

The following accounting policies, in particular, are significantly impacted by the Management Board's estimates and judgments:

Estimated Useful Lives

Depreciation and amortization rates are determined based on current knowledge of the expected useful lives of property, plant and equipment and intangible assets. The expected useful lives are reviewed at regular intervals. Details on the depreciation/amortization periods can be found in the notes in section 3.

Current and Deferred Taxes

Current income taxes are recognized in the balance sheet at the time they are incurred. The actual tax refund claims and tax liabilities for the current period and for previous periods are to be measured at the amount expected to be refunded by, or paid to, the tax authorities. The calculation is based on the local tax legislation and previous court decisions. The complexity of these regulations, and possible differences in their interpretation, create uncertainty regarding the tax treatment of individual transactions. In accordance with IFRIC 23, these uncertain tax items are measured at the value most likely to be utilized.

Deferred taxes are recognized on the loss carryforwards of Group companies existing on the reporting date if it can be assumed, based on projections, that the loss carryforwards will be utilized. Deferred tax assets for differences between the tax balance sheet values and the IFRS balance sheet values recognized by the corresponding companies were offset against deferred tax liabilities, taking the maturities into account. If there is a surplus of deferred tax assets, these are capitalized if it is considered probable that taxable income will be available.

Internally Generated Intangible Assets

The capitalization of website or software development costs relates to new products, material additions, or improvements to the website that the Group anticipates will lead to revenues or cost savings in the future. The revenue and cost projections for these new products and developments are based on the best estimates on the measurement date. The actual results can, however, deviate from the estimates.

Leases

The Group defines the lease term as the non-cancelable term of the lease and all periods covered by an option to extend the lease if it is reasonably certain that the option will be exercised.

Artnet has leases that include extension options. The Group makes an assessment as to whether it is reasonably certain that the option to extend the lease will be exercised.

The Group is often unable to determine the interest rate implicit in a lease. In such cases, the lease liability is measured using the incremental borrowing rate. This is the rate of interest that the Group would have to pay to borrow – over a similar term, and with a similar security – the funds necessary to obtain an asset of a similar value to the right of use related to the leased asset in a similar economic environment.

The Group determines the incremental borrowing rate on the basis of observable data, such as market interest rates, taking company-specific adjustments into account.

5. Financial Risk Management

Financial Risk Management Objectives and Methods

The Group aims to maintain strong capital resources in order to preserve the confidence of investors, lenders and markets, and to ensure the Group's sustainable growth. The Management Board monitors the return on capital and dividend amount on a regular basis.

The financial risk management system comprises all organizational regulations and activities for the systematic, regular, and Group-wide implementation of those processes that are necessary for risk management. The Management Board is regularly informed about the overall risk situation of the Group, which in turn reports to the Supervisory Board. The financial risk system is part of the risk management system, which is documented in a risk manual. Significant risks monitored and controlled by the Group's financial risk management system include credit risk, liquidity risk, currency risk, and interest rate risk.

Credit Risk

Credit risk refers to the risk that a counterparty defaults on its contractual obligations, resulting in a financial loss. The book value of the financial assets represents the Group's maximum exposure to credit risk.

The Group's credit risk results primarily from trade receivables, cash and cash equivalents, and security deposits. The Group accepts payments by credit card, bank transfer and also checks from customers. Cash and cash equivalents mainly comprise bank balances held at Bank of America and Commerzbank. The maximum credit risk corresponds to the balance sheet values.

The Artnet Group has no significant concentration of default risk since the exposure is distributed over a large number of customers, including individuals and entities dealing within the fine art market. Nevertheless, a global economic downturn could influence the solvency of the Group's customers, leading to an increase in the average credit period, or, at worst, leading to an increase in defaults. This scenario would have a negative impact on the Group's earnings and cash flows. Artnet endeavors to counteract such risks by requiring upfront payments from customers whenever possible. Artnet has in-house debt collection specialists and also works with debt collection agencies and their legal departments. For further details, please refer to section 7.4.

Liquidity and Interest Risk
Liquidity risk arises in the event that the Artnet Group cannot meet its financial obligations on their due date. Therefore, the aim is to provide sufficient liquidity to meet liabilities on time. To this end, the Group is reliant on generating a positive cash flow from operating activities. The liquidity risk is reassessed (daily) by analyzing the difference between the actual cash position and the monthly cash position based on liquidity planning. This enables action to be taken early on in response to changes in risk potential. Management expects positive operating cash flow for the 2025 fiscal year. If revenue does not materialize as planned by the Management Board and/or the cost measures do not take full effect, or have a delayed impact, liquidity bottlenecks could also occur in the future. In such cases, the Artnet Group would once again have to take equity or debt capital measures in order to generate the funds required to make further investments in its software and products.

The Artnet Group is not subject to any significant interest rate risk, as its loans are fixed-rate loans. This means that the Artnet Group is not exposed to any risks associated with changes in interest rates. The remaining term of other current liabilities and accrued liabilities is less than one year.

The table below shows the undiscounted gross cash flows from financial liabilities including the expected interest payments:

December 31, 2024 k	Carrying amount	Gross cash flow	Gross cash flow	Gross cash flow
		Total	**< 1 year**	**> 1 year**
Liabilities at amortized cost	4,409	4,409	4,409	0
Loans	1,872	2,036	1,286	750
Lease liabilities	86	89	68	21

December 31, 2023 k	Carrying amount	Gross cash flow	Gross cash flow	Gross cash flow
		Total	**< 1 year**	**> 1 year**
Liabilities at amortized cost	3,986	3,986	3,986	0
Loans	902	1,005	101	904
Lease liabilities	307	318	230	88

Provisions and accrued liabilities are not financial instruments and are therefore not mentioned in the above calculation of liquidity risk under IFRS 7.

Market and Foreign Currency Risks
Market risks are mainly relevant in the form of foreign currency exchange risks for the Group's companies, as most of the revenues are generated in US dollars, but a certain amount of costs must be paid in os. The currency risk arises from the Company's foreign currency items and possible changes in the corresponding exchange rates. The uncertainty associated with their future development is referred to as exchange rate risk. There is a currency risk for individual transactions, but the overall risk associated with a particular currency, i.e. the Group's exposure, is the most important aspect.

The Artnet Group controls these currency exchange risks by invoicing its opean customers in os – where possible – and using these payments to settle its o-denominated liabilities. This helps to reduce the exchange rate risk. Besides the US-dollar-to-o exchange rate risk, the Group is also exposed to the US-dollar-to-British-pound exchange rate risk, but on a smaller scale. In addition, the Group has foreign currency risks related to intragroup o-denominated receivables for the financing of the parent company artnet AG, which is located in the ozone, and the operating subsidiary Artnet Corp., which is located in the US-dollar currency area, as well as for bank balances in os held by Artnet Corp.

The carrying amounts of the Group's financial assets and liabilities denominated in currencies other than the US dollar were as follows on the reporting date:

Currency	Financial assets		Financial liabilities	
k	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	222	511	122	36
GBP	329	427	34	128

In addition, as of December 31, 2024, Artnet Corp. had intragroup receivables from artnet AG denominated in os in the amount of 2,937 k (2023: 1,532 k). To minimize this currency risk, Artnet Corp. converted existing intragroup receivables against artnet AG in the amount of 1,500k into a long-term intragroup loan. A settlement for this loan is neither planned nor likely to occur in the foreseeable future. Therefore, the intragroup loan qualifies as a net investment according to IAS 21.15. Accordingly, the translation difference resulting from the exchange rate changes from the o-denominated loan amount is recognized directly in equity, meaning that it is accumulated in a separate equity component until the full or partial sale of artnet AG's investment in Artnet Corp.

In the 2024 reporting year, an amount of 95 k resulting from the net investment was added to the foreign currency adjustment item, decreasing equity as a result (2023: 46 k, increasing equity). In total, the amounts recorded directly in equity are 322 k as of December 31, 2024 (December 31, 2023: 209 k).

The following table details the Group's sensitivity to a 10% increase and decrease of the US dollar against the o and the British pound. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the balance sheet date in accordance with a 10% change in foreign currency rates. Included in the chart is also the exchange rate risk, as mentioned above from the intragroup receivables.

A positive number indicates an increase in profit and equity.

Against USD	December 31, 2024 k	December 31, 2023 k	December 31, 2024 k	December 31, 2023 k
+10%				
Result	(140)	(75)	12	4
Equity	197	96	(21)	(14)
-10%				
Result	171	92	(14)	(4)
Equity	(240)	(118)	25	18

The value of the US dollar against the o increased by 7% from 0.906 on December 31, 2023, to 0.966 on December 31, 2024.

6. Segment Reporting

In accordance with IFRS 8, operating segments are identified using the management approach. This approach means that external reporting is based on internal financial reporting to the senior management body. Within the Artnet Group, the Management Board of artnet AG is responsible for assessing and managing business development and is considered the chief operating decision maker in accordance with IFRS 8. Information on the operating segments is reported in the same way as this information is reported internally to the Management and Supervisory Boards.

The Group's reporting is based on the following segments:

- Marketplace: comprises Artnet Galleries and Artnet Auctions
  - Artnet Galleries presents artworks from member galleries and partner auction houses online
  - Artnet Auctions offers a curated platform for buying and selling art online

- Data: includes Price Database and Analytics
  - Price Database contains all database-related products, including the Fine Art and Decorative Art Price Databases, as well as the products based on them
  - Market Alerts and Analytics Reports

- Media: includes Artnet News, Advertising and Sponsorships
  - Artnet News provides a 24-hour news service covering events, trends and people shaping the art industry
  - Advertising includes advertising partnerships with luxury and art brands
  - Sponsorships includes contracts with companies that sponsor Artnet events or services

The segment reporting is shown in multilevel Contribution Margin calculations. In the first stage, the difference between the revenues generated and the variable costs directly attributable to a segment is calculated (Contribution Margin I – CM I). In a second step, variable indirect costs, which are not directly attributable to a segment, are subtracted from the CM I by allocating them to the segments with an allocation key. The so-determined Contribution Margin II (CM II) is the amount available by segment to cover the fixed costs.

Management decisions for segments are based on CM II (revenue minus direct and indirect variable costs), which is therefore presented below as the segment result. Indirectly attributable expenses are mainly allocated to the reportable segments using the ratio of headcounts and revenue for each segment. The segment reporting is presented, similarly to the internal communication, in US dollars. An allocation of assets or liabilities for each segment is not provided to Management. Therefore, reportable-segment-related assets and liabilities are not presented in this report.

The table below shows the segments' revenue and Contribution Margins II in a year-over-year comparison:

2024 k	Revenue	Contribution Margin II
Marketplace	7,752	1,945
Data	6,213	3,503
Media	8,277	945
Total	**22,242**	**6,393**

2023 k	Revenue	Contribution Margin II
Marketplace	8,026	1,607
Data	6,722	4,000
Media	8,601	966
Total	**23,349**	**6,573**

The reconciliation of the CM II to the operating income in the Consolidated Income Statement is presented in the following table:

Reconciliation of segments' CM II to operating income k	2024	2023
Contribution Margin II	6,393	6,573
Fixed costs from cost of sales and depreciation/amortization	(4,585)	(4,719)
Fixed costs from general and administrative	(2,576)	(3,285)
Fixed costs from product development	(368)	(469)
Operating income	**(1,136)**	**(1,900)**

While the bad debt provisions presented below affect the individual segment results as non-cash expenses, the allocation of depreciation and amortization to the individual segments is only reported regularly to the Management Board:

2024 k	Depreciation and Amortization	Bad Debt
Marketplace	650	203
Data	403	67
Media	578	112
Total	**1,631**	**382**

2023 k	Depreciation and Amortization	Bad Debt
Marketplace	651	248
Data	480	58
Media	570	52
Total	**1,700**	**358**

Information by Geographical Region
The Group's operations are primarily located in the United States, represented by the subsidiary Artnet Worldwide Corp.

The following table provides an analysis of the Group's revenue by geographical market:

k	2024	2023
USA	14,093	14,028
ope (excluding Germany)	2,673	2,926
United Kingdom	2,117	2,659
Germany	1,191	1,333
Other	2,167	2,405
Total	**22,241**	**23,350**

The following table breaks down the Group's non-current assets by geographical region:

k	2024	2023
USA	9,390	8,814
ope	98	140
United Kingdom	33	76
Total	**9,521**	**9,030**

7. Notes to the Income Statement
7.1 Revenue
The Group's revenue is mainly generated through:

• Artnet Galleries, which presents artworks from member galleries and partner auction houses online
• Artnet Auctions, a curated platform for buying and selling art online
• The Price Database, which contains all database-related products, including the Fine Art and Decorative Art Price Databases, as well as the products based on them. Market Alerts and Analytics Reports
• Artnet News provides a 24-hour news service covering events, trends and people shaping the art industry
• Advertising includes advertising partnerships with luxury and art brands. Sponsorships includes contracts with companies that sponsor Artnet events or services

k	2024	2023
Galleries	4,154	4,349
Auctions	3,598	3,677
Data	6,213	6,722
News subscriptions	898	990
Advertising	7,379	7,611
Total	**22,242**	**23,350**

7.2 Cost of Sales

The cost of sales is broken down as follows:

k	2024	2023
IT costs	2,441	2,562
Auctions	2,163	2,149
Production	1,304	1,100
Gallery costs	739	766
Depreciation and amortization	1,453	1,315
Customer management	488	641
Costs of monetary transactions	552	577
Expenses from impairments	76	72
Other administrative costs	764	944
Total	**9,980**	**10,124**

The effects of these changes on the actual and expected amortization expense resulting from the change in the estimate regarding the useful lives of intangible assets (as presented in section 2.3) amounted to 478k in the financial year 2023 and 475 k in 2024. There were no further changes in the estimate useful life of intangible asset.

7.3 Sales and Marketing Expenses

The sales and marketing expenses are broken down as follows:

k	2024	2023
Selling costs	2,885	3,450
Marketing costs	1,388	1,734
Operating costs	1,129	971
artnet News operating costs	2,408	2,645
Total	**7,810**	**8,800**

7.4 General Administrative Expenses

General administrative expenses are broken down as follows:

k	2024	2023
Personnel expenses	1,285	1,538
Depreciation and amortization	156	337
Rental expenses	43	186
Legal and advisory costs	434	811
Expenses from impairments	267	251
Other expenses	904	768
Total	**3,089**	**3,891**

7.5 Product Development Costs

Product development costs are broken down as follows:

k	2024	2023
Personnel expenses	1,832	1,724
Depreciation/amortization	22	48
Expenses from impairments	38	36
Other administrative costs	382	472
Other expenses	229	154
Total	**2,503**	**2,434**

7.6 Personnel Expenses

The Consolidated Income Statement includes personnel expenses for the fiscal years stated in the following expense categories:

Personnel Expenses by Expense Category in k	2024	2023
Cost of sales	5,018	5,136
Sales and marketing	5,620	6,510
General and administrative	1,240	1,538
Product development	1,832	1,735
Total	**13,710**	**14,921**

The total personnel costs in the 2024 and 2023 fiscal years include social security expenses of 2,062k and 2,135 k respectively, and 401(k) expenses (retirement provision) of 172 k and 200k respectively.

On average, the Group employed 117 full-time employees in 2024, as compared to 129 in the previous year. In addition, the Group employed five part-time employees in the 2024 fiscal year, compared to four part-time employees in the previous year.

Taking into account its part-time employees, Artnet employed a monthly average of 118 and 133 respectively in 2024 and 2023. The employees are allocated to the following expense categories:

Employees by Expense Category	2024	2023
Cost of sales	51	57
Sales and marketing	37	44
General and administrative	12	11
Product development	18	21
Total	**118**	**133**

Defined Contribution Plans
The subsidiary Artnet Worldwide Corp. offers a defined contribution retirement plan to all qualifying employees, which qualifies under the 401(k) section of the Internal Revenue Code of the United States. The assets of this plan are held separately from those of Artnet Worldwide Corp. and are managed by a trustee. Participating employees can contribute up to 100% of their annual salary, but not more than statutory limits. Artnet Worldwide Corp. makes a corresponding contribution each year. In 2024 and 2023, the company's contributions came to 172 k and 200 k respectively.

7.7 Other Income/Expenses
Other income and expenses in the reporting year include losses from exchange rate differences in the amount of 89 k (2023: 38 k). This was offset by refunds and other miscellaneous income in the amount of 10 k.

7.8 Financial Income and Financial Expenses
Interest income and interest expenses comprise the following:

Interest income k	2024	2023
Loans	0	1
Total	**0**	**1**

Interest expense k	2024	2023
Loans	162	75
Leases	9	15
Other	13	0
Total	**184**	**90**

7.9 Income Tax Expense/Income
The tax expense/income for 2024 and 2023 comprises the following:

k	2024	2023
Current income taxes	(53)	(29)
Deferred taxes	55	937
Total income taxes	**2**	**908**

The reconciliation of expected tax expense to reported tax expense is shown below. The Group's income tax rate is the weighted average tax rate based on the earnings before taxes generated in the various countries. The resulting combined income tax rate amounted to 28.25% for both 2024 and 2023 fiscal year.

k	2024	2023
Earnings before taxes	(1,398)	(1,912)
Calculated expected taxes	395	540
Increase/decrease in taxes due to:	0	0
- Non-deductible operating expenses	(32)	(281)
- Tax rate differences	3	44
- Deferred taxes on previously unrecognized tax loss carryforwards	(364)	605
- Tax income	2	908

Deferred Taxes

The tax effects from temporary differences and loss carryforwards that lead to deferred tax assets and liabilities were as follows as of December 31 of the fiscal years:

k	December 31, 2024	December 31, 2023
Property, plant and equipment	(239)	262
Trade receivables	163	121
Right-of-use assets	0	(37)
Lease liabilities	0	38
Other debts	198	132
Contract liabilities	726	671
Loss carryforwards	1,757	1,202
Deferred tax assets	**2,606**	**2,389**

Of loss carryforwards amounting to 48,188 k (December 31, 2023: 45,512 k), 47,293 k (December 31, 2023: 44,617 k) can be carried forward indefinitely. Within the total amount of existing loss carryforwards, an amount of 42,235 k (31 December 2023: 41,168 k) is expected to be unrealizable. The loss carryforwards are distributed among the following companies:

k	December 31, 2024	December 31, 2023
Artnet Worldwide Corp,	5,953	4,334
Artnet AG	42,235	41,168
Total	**48,188**	**45,512**

Based on the taxable profit generated in previous years and the expected future taxable profit, Artnet considers it probable that the benefits from the deferred tax assets, net of allowances, recognized as of December 31, 2024, can be utilized.

8. Notes to the Balance Sheet

8.1 Intangible Assets

In 2024, 1,505 k (2023: 1820 k) of the total development costs was capitalized. The amortization expense on intangible assets is included in the cost of sales. Research costs, including costs for ongoing maintenance, in the amount of 2,503 k (2023: 2,434 k) were recognized as a product development expense in the period in which they were incurred.

Intangible assets in the 2024 and 2023 fiscal years developed as follows:

k	Development costs	Software	Total
Cost			
As of December 31, 2022	9,742	246	9,988
Currency exchange differences	(307)	(2)	(309)
Disposals	(49)	(217)	(266)
Additions	1,820	0	1,820
As of December 31, 2023	11,206	27	11,233
Currency exchange differences	737	2	739
Disposals	(1,675)	0	(1,675)
Additions	1,505	0	1,505
As of December 31, 2024	11,772	29	11,801
Amortization			
As of December 31, 2022	3,980	246	4,226
Currency exchange differences	(133)	(2)	(136)
Disposals	(55)	(217)	(271)
Additions	1,184	0	1,184
As of December 31, 2023	4,976	27	5,003
Currency exchange differences	318	2	319
Disposals	(1,675)	0	(1,675)
Additions	1,384	0	1,384
As of December 31, 2024	5,003	29	5,032
Carrying Amount			
As of December 31, 2023	6,230	0	6,230
As of December 31, 2024	6,769	0	6,769

As of December 31, 2024, the Group did not have any material contractual obligations for the acquisition of intangible assets.

8.2 Property, Plant and Equipment

Property, plant and equipment in the 2024 and 2023 fiscal years developed as follows:

k	Computer and hardware	Operating and office equipment	Leasehold improvements	Total
Cost				
As of December 31, 2022	641	540	401	1,582
Currency exchange differences	(7)	(4)	(3)	(14)
Disposals	(501)	(521)	(398)	(1,419)
Additions	35	3	0	38
As of December 31, 2023	169	18	0	186
Currency exchange differences	6	0	0	6
Disposals	(94)	0	0	(94)
Additions	24	0	0	24
As of December 31, 2024	104	18	0	122
Deprecation for the fiscal year				
As of December 31, 2022	602	530	401	1,533
Currency exchange differences	(7)	(4)	(3)	(14)
Disposals	(500)	(520)	(398)	(1418)
Additions	35	4	0	39
As of December 31, 2023	131	10	0	140
Currency exchange differences	5	0	0	5
Disposals	(94)	0	0	(94)
Additions	23	1	0	24
As of December 31, 2024	64	11	0	75
Carrying amount				
As of December 31, 2023	38	8	0	46
As of December 31, 2024	40	7	0	47

The depreciation expense of property, plant and equipment is included in the cost of sales. As of December 31, 2024, the Group had no significant contractual obligations for the acquisition of property, plant and equipment. Almost all of the Group's assets, including both property, plant and equipment and intangible assets, are located in the United States. As in the previous year, depreciation and amortization of property, plant and equipment and intangible assets for 2024 in the amount of 1,408 k (2023: 1,184 k) relates almost exclusively to the USA.

8.3 Right-of-use Assets

Right-of-use assets under leases are initially measured at cost, which is equivalent to the initial measurement of the lease liability, adjusted for payments made on or before the start of the lease term, plus any initial direct costs. The right-of-use asset is then depreciated on a straight-line basis from the date of commencement to the end of the lease term unless ownership of the underlying asset is transferred to Artnet at the end of the lease term, or the cost of the right-of-use asset reflects the fact that Artnet will exercise a purchase option.

The Group has three leases in connection with offices: the office lease in New York with a lease term of 18 months, the office lease in the UK and the lease for the office of Artnet AG with a lease term of 36 months. The amortization of right-of-use assets amounts to 223 k (2023: 483 k). The Group has no other short-term or low-value leases; all office-related leases are recognized under right-of-use assets.

The right-of-use assets developed as follows in the 2024 and 2023 fiscal years (all of which relate to office space):

k	Right-of-use assets
Acquisition costs	
As of December 31, 2022	4,213
Currency exchange differences	(35)
Disposals	(4,183)
Additions	479
As of December 31, 2023	474
Currency exchange differences	9
Disposals	(241)
Additions	0
As of December 31, 2024	243
Amortization for the fiscal year	
As of December 31, 2022	3,901
Currency exchange differences	(30)
Disposals	(4,183)
Additions	482
As of December 31, 2023	170
Currency exchange differences	5
Disposals	(241)
Additions	223
As of December 31, 2024	157
Carrying amount	
As of December 31, 2023	304
As of December 31, 2024	86

8.4 Trade Receivables

k	December 31, 2024	December 31, 2023
Gross receivables	3,245	3,059
Value adjustments on receivables	(546)	(410)
Receivables after impairment	2,699	2,649

Impairment losses were recognized as of December 31, 2024, and December 31, 2023 exclusively for trade receivables. Accordingly, only the simplified approach for trade receivables is presented below. Default in accordance with IFRS 9 occurs when a trade receivable is more than 30 days past due. For other financial assets, in particular for cash and cash equivalents, it was not necessary to recognize any impairment losses.

The credit risk is managed at a portfolio level. Artnet attempts to reduce its credit risk by requesting and receiving payments in conjunction with performing a service. In cases involving major new customers, credit ratings are initially analyzed on an individual basis before business relationships are entered into. In addition, the loss of receivables is to be minimized through continuous contact between the Client Service, Sales Department and customers.

There is no concentration of credit risk with respect to the receivables, as the Group has a diversified and international customer base. The receivables consist of various receivables from customers located globally. The carrying amount of the receivables is equal to their fair value.

k	Default rate	Nominal amount	Impairment loss	December 31, 2024
Receivables overdue but not impaired				
Due between 0 and 60 days	0 %	2,449	164	2,285
Residual carrying amount of impaired receivables				
Due between 61 and 90 days	10 %	239	24	215
Due between 91 and 180 days	25 %	220	55	165
Due in more than 180 days	90 %	337	303	34
Total due and impaired receivables		796	382	414
Receivables after impairment		3,245	546	2,699

k	Default rate	Nominal amount	Impairment loss	December 31, 2023
Receivables overdue but not impaired				
Due between 0 and 60 days	0 %	2,496	0	2,496
Residual carrying amount of impaired receivables				
Due between 61 and 90 days	10 %	68	7	61
Due between 91 and 180 days	25 %	65	16	48
Due in more than 180 days	90 %	430	387	43
Total due and impaired receivables		562	410	153
Receivables after impairment		3,059	410	2,649

These impairment losses involve significant management judgment, and the review of individual receivables based on individual customer credit ratings, current economic trends, and an analysis of historical bad debts on a portfolio basis. Actual results could differ from those estimates.

The Group does not hold any collateral for outstanding trade receivables.

Bad debt provisions developed as follows:

k	December 31, 2024	December 31, 2023
Opening balance	410	379
Uncollectible receivables in the fiscal year	382	358
Write-off of bad debts	(290)	(309)
Currency exchange differences	44	(18)
Closing balance	546	410

8.5 Other Financial Assets and Receivables

Other financial receivables and assets comprise the following:

k	December 31, 2024	December 31, 2023
Other receivables	71	195
Total current financial assets	71	195
Security deposits	13	61
Total non-current financial assets	13	61
Total	84	256

8.6 Other non-financial receivables and assets

Other non-financial receivables and assets comprise the following:

k	December 31, 2024	December 31, 2023
Other advance payments	207	144
Tax claims in Germany and the United Kingdom	60	58
Other	30	8
Total	**303**	**210**

All non-financial receivables and assets are current.

8.7 Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash and bank balances. Cash and bank balances are stated at fair value. The Group considers all highly liquid investments with less than three-month maturity from the date of acquisition to be cash equivalents.

8.8 Equity

	2024	2023
Authorized no-par value shares (accounting par value 1.00 per share)	5,706,067	5,706,067
Issued and fully-paid no-par value shares (accounting par value 1.00 per share)	5,706,067	5,706,067
Treasury no-par value shares	0	0

Subscribed Capital
The Company's subscribed capital amounted to 5,706 k as of December 31, 2024 (2023: 5,706 k). The subscribed capital is divided into 5,706,067 no-par value ordinary shares.

All artnet AG shares are registered shares.

Authorized and Conditional Capital
Artnet currently has neither authorized nor conditional capital.

Treasury Shares
Artnet does not currently hold any treasury shares. The treasury shares held by Artnet were sold in 2023.

Capital Reserve
78,081 treasury shares were sold on May 2, 2023, at a price of 8.58. The portfolio of treasury shares was reduced by 264 k, with the additional 406 k being allocated to the capital reserve.

8.9 Loan Liabilities
On July 27, 2022, Artnet received a loan from an Artnet executive in the amount of 256 k. It was originally due on December 31, 2022, and bore interest at 6%. On December 20, 2023, Artnet received a further loan of 136 k from the same Artnet executive and a further loan of 58 k was granted from the same executive on January 22nd, 2024. All three loans were due on January 31,2025 and bear an interest rate of 10%. In May 2025, all three loans from this executive were further extended and now run through July 31, 2026, with an interest rate of 10%. In May 2023, the company repaid a loan of 459 k that had been granted by Galerie Neuendorf in December 2022.

In 2023, the company received two loans from Galerie Neuendorf: 453 k was granted in July 2023 and 58 k in December 2023. Both loans were due in January 2025 and bore interest at a rate of 10%. In 2024, the company repaid the principal of 136 k to Galerie Neuendorf. In May 2025, both loans with Galerie Neuendorf were extended to July 31, 2026 and bear an interest at a rate of 10%. On May 6, 2024, the company received a loan from Roy Israel in the amount of 966 k. It was due on May 5, 2025. It bears interest at a rate of 11.5%.

As there have been no significant changes to the valuation parameters since these loans were issued, their fair value corresponds to the amortized cost.

8.10 Lease Liabilities

The lease liabilities developed in 2024 and 2023 as follows:

k	2024	2023
Opening balance	307	972
Additions	0	473
Reclassification	0	(566)
Payments	(234)	(570)
Interest expenses	9	15
Exchange rate differences	4	(17)
Total	86	307

In the 2024 fiscal year, expenses amounting to 6k (2023: 5k) for short-term leases were recognized directly as general administrative expenses.

The reconciliation from minimum lease payments to present value is as follows:

December 31, 2024	Total k	< 1 year k	> 1–3 years k
Present value of minimum lease payments	86	65	21
Interest portion	3	2	0
Minimum lease payments	89	68	21
December 31, 2023	**Total k**	**< 1 year k**	**> 1–3 years k**
Present value of minimum lease payments	307	221	85
Interest portion	11	9	2
Minimum lease payments	318	230	88

8.11 Contract Liabilities

Contract liabilities consist of invoices or payments received from customers before revenue was recognized, and correspond to the Group's outstanding performance obligations. As all contracts have a term of one year or less, no performance obligations included in the 2023 financial statements were satisfied in previous periods.

The outstanding performance obligations amount to 1,403k (2023: 1,517k) for Price Database, 281k (2023: 295k) for Artnet Galleries, 625k (2023: 397k) for Advertising and 263k (2023: 257k) for Artnet News Pro.

Customers make advance payments for certain service contracts with the Group. These prepaid amounts are realized as revenue only when the Group provides the agreed service. The Group records these amounts as contract liabilities of 2,571k as of December 31, 2024, as compared to 2,466k in the previous year. The contract liabilities as of December 31, 2024, were recognized as revenue in full in 2025. The recognized contract liabilities are not subject to any accounting estimates as they are based on the outstanding performance obligation.

The contract assets included in receivables amount to 626k (2023: 435k).

8.12 Other Financial Liabilities
Other financial liabilities as of December 31, 2024, and December 31, 2023, consist entirely of credit card liabilities that are due in the short term.

8.13 Other Non-financial Liabilities
All other non-financial liabilities are current and they can be broken down as follows in the fiscal years indicated:

k	December 31, 2024	December 31, 2023
Tax liabilities	182	177
Bonus payments	201	102
401(k) payments (retirement provision in the US)	197	217
Remaining annual leave	31	30
Other	202	102
Total	**813**	**628**

9. Notes to the Cash Flow Statement
In accordance with IAS 7 “Statement of Cash Flows”, the Consolidated Cash Flow Statement shows the development of cash flows for the reporting year and the previous year, broken down into cash inflows and outflows from operating, investing and financing activities. Cash flow from operating activities is calculated using the indirect method.

As in the previous year, cash and cash equivalents include cash on hand and bank balances. This corresponds to the balance sheet item “Cash and cash equivalents”

Changes in Liabilities from Financing Activities
The following table shows the reconciliation of changes in liabilities from financing activities:.

k	Liabilities to loans	Lease liabilities	Total
As of January 1, 2023	**713**	**972**	**1,685**
Cash changes	209	(570)	(361)
Other non-cash changes	0	(93)	(93)
Leases	0	15	15
Foreign currency translation	(20)	(17)	(37)
As of December 31, 2023	**902**	**307**	**1,209**
Cash changes	881	(234)	647
Other non-cash changes	28	0	28
Leases	0	9	9
Foreign currency translation	61	4	65
As of December 31, 2024	**1,872**	**86**	**1,958**

10. Other Information

10.1 Transactions with Related Parties

Related parties within the meaning of IAS 24 are legal entities or natural persons and their relatives who can exert influence over artnet AG and its subsidiaries, or who are subject to control, joint control or significant influence by artnet AG or its subsidiaries. These include the members of artnet AG's executive bodies, whose remuneration can be found in the Remuneration Report and in section 10.2.

All transactions and agreements were concluded and executed on an arm's length basis. All receivables and liabilities listed below are due within one year of the reporting date, unless stated otherwise.

The following transactions with related parties were executed during the 2024 fiscal year.

Agreements with Key Management Personnel

In July 2022, Artnet received a loan from an Artnet executive in the amount of 256k, which was originally due in December 2022 and bore interest at a rate of 6%. This loan was extended in February 2023 and runs until January 2025 with an interest rate of 10%. In December 2023, Artnet received a further loan of 136k from the same executive. It falls due in January 2025 and bears interest at 10%. In January 2024, artnet was granted another 58k , which falls due in January 2025 and bears interest at 10%. All loans with this Artnet executive were further extended to July 2026.

In May 2024, Artnet received a loan from a board member in the amount of 966k, which was due in May 2025 and bears an interest at a rate of 11.5%.

Agreements with Galerie Neuendorf AG

Galerie Neuendorf AG is a shareholder of artnet AG with the power to exert significant influence.

In July 2023, Artnet received a loan of 453k from Galerie Neuendorf and in December 2023, Galerie Neuendorf granted a further loan in the amount of 58k. Both loans are due in January 2025 and bear interest at a rate of 10% and were further extended to July 2026.

In February 2019, a "Gallery Network Membership" agreement was concluded with Galerie Neuendorf AG. The agreement is extended automatically unless it is terminated in due time. Galerie Neuendorf AG was invoiced 3k in 2024 (2023: 3k).

On September 20, 2024, a contract was concluded between artnet Worldwide Corp and Galerie Neuendorf, under which artnet Worldwide Corp committed to compensate Galerie Neuendorf AG in the event that Galerie Neuendorf AG is required to transfer shares to a lender of artnet Worldwide Corp below market price.

At present, it is not possible to quantify the compensation obligation, as there are significant uncertainties regarding the validity of the contract, the timing of the transaction, and therefore the amount of the compensation.

	Sale of Services		Purchase of Services/Interest Expense	
k	2024	2023	2024	2023
Key management personnel	0	0	53	32
Roy Iseral	0	0	74	0
Galerie Neuendorf AG	3	2	48	193
Relatives of members of executive bodies	0	0	0	66
Screen Inc.	0	0	0	118
Hoopologie LLC	0	0	7	18
Total	**3**	**2**	**202**	**429**

	Receivables from related parties and companies		Liabilities to related parties and companies	
k	2024	2023	2024	2023
Key management personnel	0	0	489	387
Roy Iseral	0	0	966	0
Galerie Neuendorf AG	0	0	418	514
Relatives of members of executive bodies	0	0	18	20
Screen Inc.	0	0	0	49
Hoopologie LLC	0	0	3	11
Total	**0**	**0**	**1,893**	**982**

10.2 Remuneration paid to Key Management Personnel (Disclosures in Accordance with Section 314 (1) no. 6 HGB and IAS 24)

Management Board Remuneration

Jacob Pabst is the sole member of the Management Board of artnet AG and Artnet Worldwide Corp. In the 2024 and 2023 fiscal years, Jacob Pabst received the following remuneration from the Group:

k	2024	2023
Fixed Salary	416	416
Value of additional payments (health insurance)	5	5
Fixed remuneration components	421	421
Bonus (variable compensation)	0	0
Total	421	421

The bonus of 43k for 2022, which was to be paid out in 2023, was canceled in 2023. Mr. Pabst did not claim his bonus in 2023 and 2024 due to the difficult economic situation.

Supervisory Board Remuneration
In the 2024 fiscal year, the following individuals were Supervisory Board members:

Hans Neuendorf, founder, artnet AG: Berlin, Germany, re-elected as a member at the shareholders' meeting held on August 26, 2022.

Dr. Pascal Decker, Chair: Berlin, Germany, re-elected at the shareholders' meeting held on August 26, 2022. He is also Chair of the Supervisory Board of Tokugawa I.L.

Prof. Dr. Michaela Diener: Berlin, Germany, re-elected at the shareholders' meeting held on August 26, 2022.

Remuneration in the following amounts were paid to the members of the Supervisory Board in the 2024 and 2023 fiscal years:

	2024 k	2023 k
Hans Neuendorf	25	25
Dr. Pascal Decker	50	50
Prof. Dr. Michaela Diener	37,5	37,5
Total	112,5	112,5

10.3 Auditor's Fee in Accordance with Section 314 HGB
The auditor's fee for the audit of the Annual and Consolidated Financial Statements in 2024 amounted to 150k (2023: 313k).

10.4 Earnings per Share
Basic earnings per share are calculated by dividing net income by the weighted average number of outstanding ordinary shares during the year. As there are no more potentially dilutive shares from stock options, diluted earnings per share are the same as basic earnings per share, as in the previous year.

The calculation of earnings per share is based on the following data:

	2024	2023
Numerator (income): Consolidated net income for the fiscal year	(1,396,391)	(1,004,100)
Ordinary shares issued	5,706,067	5,706,067
Weighted average of treasury shares	0	(25,884)
Denominator (number of shares): weighted average number of ordinary shares used to calculate basic earnings per share (issued and fully paid-up ordinary shares)	5,706,067	5,680,183

The 78,081 treasury shares were sold on May 2, 2023. No further transactions involving ordinary shares or potential ordinary shares were executed in the period between the reporting date and the approval of the Consolidated Financial Statements for publication.

10.5 Contingent Liabilities and Other Financial Obligations
There were no contingent liabilities or other financial obligations as of the reporting date.

10.6 Events After the Reporting Date
On July 8, 2025, Leonardo Art Holdings GmbH published the offer document for its voluntary public takeover and delisting offer to the shareholders of artnet AG, for the acquisition of all no-par value registered shares (ISIN DE000A1K0375) of the company not directly held by the bidder (“artnet shares”), each representing a notional value of 1.00 in the share capital of the company, in exchange for a cash consideration of 11.25 per artnet share (“offer price”) (“Offer”).

According to the press release from May 2025, the offer for artnet follows the recent acquisition of a majority stake in Artsy—one of the largest online marketplaces for discovering and buying art—by Beowolff Capital. These two transactions represent key steps in building a portfolio of market-leading companies with the aim of expanding them, fostering collaboration, and increasing profitability.

On July 16, 2025, artnet received a loan of USD 2 million to strengthen liquidity.

There is a disagreement with one lender regarding the repayment of the loan. A standstill agreement has been signed.

Berlin, July 17, 2025

Jacob Pabst
Chief Executive Officer
artnet AG

Useful information for shareholders

Artnet AG Supervisory Board
Dr. Pascal Decker, Chairman
Prof. Dr. Michaela Diener, Deputy Chairwoman
Hans Neuendorf, Founder, Artnet AG

Management Board
Artnet AG
Jacob Pabst, CEO

Artnet Worldwide Corporation
Jacob Pabst, CEO
Albert Neuendorf, CSO
Quentin Rider, CTO
Bill Fine, President

CEO Artnet UK Ltd.
Jacob Pabst, CEO

Addresses

Artnet AG
Niebuhrstr 78.
10629 Berlin
info@artnet.de
T: +49 (0)30 209 178-0
F: +49 (0)30 209 178-29

Artnet Worldwide Corporation
373 Park Avenue South.
New York, NY, 10016
Info@artnet.com
T: +1-212-497-9700
F: +1-212-497-9707

Artnet UK Ltd.
4 Cromwell Place
South Kensington
London SW7 2JE
T: +44 (0)2077290824
F: +44 (0)2070339077

German Securities Code Number
The common stock of Artnet AG is traded on the Prime Standard of the Frankfurt Stock Exchange under the symbol "ART." You can find notices of relevant company developments at artnet.com/ investor-relations.

Stock Market Information
WKN A1K037
ISIN DE000A1K0375
LEI 391200SHGPEDTRIC0X31

Investor and Shareholder Relations
The Artnet Group places great value on a positive and fruitful exchange with its stakeholders. We look forward to staying in touch with you.

Please find all relevant information for investors, the financial statements, and updates at artnet.com/investor-relations.

If you have further queries, please don't hesitate to get in touch:
Sophie Neuendorf, Vice President, Investor Relations
sneuendorf@artnet.com

Newsletter:
The Artnet Group sends regular newsletter updates to its shareholders. Please sign up by emailing ir@artnet.com with your name and email address.