



## Key Financial Figures for the Artnet Group

	6/30/2021	12/31/2020	6/30/2020
Revenue (k USD)	11,944	21,594	10,426
Profit from Operations (k USD)	(287)	217	44
Earnings Before Tax (k USD)	(311)	2,049	1,254
Earnings per Share (USD)	(0.06)	0.39	0.22
Weighted Number of Shares (Thousands)	5,628	5,559	5,553
Cash Flow from Operating Activities (k USD)	378	3,107	2,059
Staff (Period-end)	121	120	111
Cash and Cash Equivalents (k USD)	1,221	1,796	1,704
Equity (k USD)	5,614	5,896	4,826
Total Assets (k USD)	12,800	13,302	13,237

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Jacob Pabst  
CEO, Artnet AG

## Dear Shareholders,

Led by continued strong growth in Auctions and a swift return of advertisers to our site, particularly to Artnet News, all segments showed revenue growth in the first half of the year. Total revenue in the first six months of 2021 grew by 15% to 11.9 million USD year-over-year.

COVID-19 accelerated the art market's digital transformation, which Artnet has spearheaded since its founding three decades ago. Our broad range of digital products and innovations became industry standard. Thanks to its robust platform and unparalleled global reach, Artnet is the art market's online leader and more relevant than ever.

Artnet Auctions continued its record streak despite an increasingly competitive landscape. Fee-based revenue increased by 23% to 3.0 million USD, establishing Auctions as the second-biggest revenue source behind our core segment, the Price Database. Average prices for lots sold increased by 24% to 17,900 USD, and we sold several artworks well into the six-figure range.

Top lots included Andy Warhol's *Campbell Soup Cans II* (1969), a complete series of 10 screenprints sold for 456,000 USD and *Spring Intensity* (2008), a butterfly painting by Damien Hirst, which achieved 600,000 USD. In May, we sold Frank Stella's painting *Rozdol I* (1973) for 1.1 million USD.

Gallery Network revenues increased by 9% to 2.6 million USD. We continue to add members as galleries turn to Artnet to boost their online presence and facilitate transactions. Despite improved conditions after last year's lockdown, galleries continue to struggle with high operating costs and intense competition. To help drive traffic to members, we created and introduced the popular Artist Alerts. Prospective buyers receive customized email updates about favorite artists available at galleries, auction houses, or online sales. The number of subscribers to this service continues to increase.

Price Database revenue rose by 5% to 3.9 million USD. In light of the auction market's recovery, the demand for data research on our platform also picked up. The growing data demand and increasing subscriber numbers underscore both the art markets' trust in our brand and its unabated desire for price transparency. The Price Database is the essential research tool for art market participants and the industry's gold standard.

Advertising revenue in the first six months increased by 25% to 2.4 million USD year-over-year. Ad campaigns returned forcefully in the second quarter after last year's pause due to COVID-19 and the economic downturn. Luxury brands booked ad space as lockdowns were lifted and the economy recovered. Art businesses like

auction houses and galleries again advertised their sales and exhibitions, many of which had been canceled the year before.

Artnet News continues to benefit from its reputation as the leading source of exclusive information and in-depth commentary about the art world. As the most-read art publication globally, it is widely quoted by major news outlets, driving traffic to our site. News traffic was up 31% year-over-year, strengthening our brand overall. The average number of monthly visitors to Artnet rose by 23% to almost 6 million. In May, we introduced the partial paywall “Artnet News Pro”, broadening our income sources and adding subscription fees to our revenue stream.

Overall, our position in the art industry is stronger than ever. The accelerating digital transformation of the art market plays to our core strengths. We continue to invest in people, products, and technology. As the leading online provider of information, analysis and auctions for fine art, Artnet remains in an ideal position to benefit from the economic recovery and the advancing digitalization of the art world.

Berlin, August 13, 2021

Yours sincerely,

A handwritten signature in black ink, appearing to read 'JP', with a long horizontal line extending to the right.

Jacob Pabst  
CEO, Artnet AG

## Core Statement

Artnet is the leading online resource for the international art market. Established in 1989, Artnet provides reliable information and market transparency to art collectors. Its comprehensive suite of products includes the Price Database, which offers objective price information, and the Gallery Network, a platform for connecting leading galleries with collectors from around the world.

With 24/7 worldwide bidding, Artnet Auctions was the first online marketplace for buying and selling art. The auction platform allows for immediate transactions, with a seamless flow between sellers, specialists, and collectors. Artnet News is a dedicated 24-hour international art market newswire that informs, engages, and connects the art community through timely articles and insightful opinion pieces.

## Company Development

Artnet AG was formed in 1998 as an information service provider for the art market. It took over Artnet Worldwide Corporation, which was formed in New York in 1989, and moved the Price Database and the Gallery Network online by the mid-1990s.

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. With Artnet Auctions, Artnet has developed from a pure information service provider to a transaction platform and has further expanded its leading position in the art market.

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 art business had always been international, but it was managed locally in a relatively inefficient market by tens of thousands of geographically disparate art dealers, galleries, auction houses, book publishers, museums, and collectors.

The Price Database provides these local markets with a global standard of comparison, listing fine art, design, and decorative art auction results, including results for more than 385,000 artists and designers. Since 2009, the Price Database Decorative Art has provided results for international antique auctions. Today, the Price Database contains almost 15 million auction results from approximately 1,900 international auction houses, dating back to 1985.

Another pillar of the business is the Gallery Network, which was introduced in 1995. With approximately 1,100 galleries and over 260,000 artworks by more than 23,000 artists from around the globe, this product is the most comprehensive platform for galleries online. The Gallery Network serves dealers and art buyers in equal measure by giving them an overview of the global market and price trends while allowing users to contact the galleries directly.

Created in 2008, Artnet Auctions was the first online platform dedicated to buying and selling art. With fast turnaround and low commissions, Artnet Auctions is available around the clock. Every step of a sale, from selling to placing bids, happens more efficiently and quickly than at traditional brick-and-mortar auction houses.

In 2014, Artnet launched a 24/7 global art newswire: Artnet News. Artnet News is a one-stop platform 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 standards in cultural journalism.

## Company Background

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 then listed in the General Standard of the Frankfurt Stock Exchange, a segment of the EU-regulated Geregelter Markt. Effective February 1, 2007, Artnet AG is listed in the Prime Standard of the Frankfurt Stock Exchange, the segment with the highest

transparency standards. 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).

## Macroeconomic and Industry Conditions

The global economy continues to recover from its severe downturn after the coronavirus outbreak and the widespread business lockdowns starting in the first half of the past year. The International Monetary Fund (IMF) projects global economic growth of 6.0% for 2021 but states a growing divergence between developed and emerging markets. The prospects for advanced economies like the United States, the biggest market for art auctions and the core market for Artnet, have been revised up recently due to increased vaccination rates, fiscal stimulus, reopening of businesses, and strong consumer spending. The IMF also counts on a positive impact of anticipated legislation boosting infrastructure investment. For 2021, the IMF now projects economic growth of 7.0%. In the second quarter, however, the U.S. economy only grew at an annual rate of 6.5% and slower than expected.

For the Euro Area and the United Kingdom, the third-largest art market globally, the IMF expects a similar rebound due to increased vaccinations, reopening of the economy, and positive spill-over effects due to trade with the U.S.

China's gross domestic product recovered as well and increased 7.9% in the second quarter of 2021 from a year ago, according to the National Bureau of Statistics. Concerns over the global spread of the pandemic remain, however. The IMF has revised the forecast down in July since China has scaled back public investment and fiscal support. Still, the IMF anticipates economic growth of 8.1% in 2021 for China, the world's second-biggest art auction market.

As usual, risks to the economic recovery remain. The IMF points to the spread of more contagious variants of the virus as a threat to recovery. Also, financial conditions could tighten should central banks in advanced economies raise interest

rates if inflation expectations increase more rapidly than anticipated.

Economic trends in industrialized countries also influence the global art market trends. Therefore, after an unprecedented and tumultuous year defined by a global pandemic, the market for art auctions bullishly bounced back in the first half of 2021. Despite ongoing uncertainties, collectors and buyers alike were eager to transact after the particularly slow prior year, clearly regaining their appetite for art investments.

Total sales value, or aggregate gross sales, recuperated across all major regions in the first six months. According to the Artnet Price Database, global auction sales for fine art soared by 137% to 7.8 billion USD in the first half of 2021 compared to the weak performance of only 3.3 billion USD in the first six months of 2020. In the United States, total sales value expanded by 90% year-over-year to 2.7 billion USD. More noticeably, total sales value in China surged by almost 400% in the first half of 2021 to 2.4 billion USD compared to a fragile first half of 2020. The United Kingdom also regained momentum, as sales were 72% higher than in 2020 at 1.2 billion USD.

The global sell-through rate reached an 8-year high of 73% in the first half of 2021, as the increase in total lots sold at auction outpaced the growth in total lots offered. In total, 247,381 fine art lots were offered at auction in the first half of 2021, of which 181,438 found buyers. The average price per lot improved by 57% to 43k USD year-over-year. Major auction houses leveraged their recent advancements and investments in technology and online platforms to offer hybrid sales, generating some noteworthy virtual and in-person transactions. In May, Christie's sold Pablo Picasso's *Femme assise près d'une fenêtre (Marie-Thérèse)* (1932) for 103 million USD. Jean-Michel Basquiat's painting *In This Case* (1983) achieved 93 million USD at the same auction house.

## Results of Operations, Financial Status, and Net Assets

Artnet AG ("Artnet" or the "Company") and Artnet Worldwide Corporation ("Artnet Corp.", collectively the "Artnet Group" or

the “Group”) operate under the trade name “Artnet”. Artnet Worldwide Corporation has one wholly-owned subsidiary, Artnet U.K. Ltd.

Artnet generates its revenue primarily in U.S. dollars. The headquarters of Artnet’s subsidiary, Artnet Worldwide Corporation, is located in New York, the global center of the art market, and thus incurs its expenses mainly in U.S. dollars. Results in U.S. dollars are more reflective of recent economic developments than presenting in euros.

In the first six months, the average USD/EUR exchange rate was lower than in the same period of the previous year. Therefore, the performance in the reporting currency euro is comparatively weaker.

### Result of Operations

Artnet’s total revenue in the first six months of 2021 totaled 11,944k USD, increasing 15% compared to 2020 (10,426k USD) mainly due to significantly higher revenues at Artnet Auctions and from Advertising.

### Price Database

Revenue for the Price Database in the first six months of 2021 was 3,868k USD, an increase of 5% compared to the previous year (2020: 3,670k USD). In light of the auction market’s recovery from last year’s pandemic-induced downturn, the demand for data research on the platform picked up. The growing data demand and increasing subscriber numbers underscore both the art markets’ trust in the Artnet brand and an unabated desire for price transparency. The Price Database is the essential research tool for art market participants and the industry’s gold standard. The number of auction results is approaching 15 million, powering the analytical capabilities of Artnet.

### Gallery Network

Gallery Network revenue increased by 9% to 2,633k USD in the first six months of 2021 (2020: 2,410k USD). The number of memberships grew as galleries turned to Artnet to boost their online presence and facilitate transactions. At the same time, a lower number of galleries canceled their contracts. However,

despite the improved conditions after last year’s lockdown, smaller and mid-size galleries, a crucial customer base for Artnet, continue to struggle with high operating costs and intense competition. To help drive traffic to members, Artnet created the popular Artist Alerts free of charge. Prospective buyers can now receive customized email updates when works by their favorite artists become available at galleries, auction houses, or online sales. The number of subscribers to this service continues to increase, and gallery members benefit from a growing number of inquiries.

### Advertising

Advertising revenue in the first six months of 2021 increased by 25% to 2,405k USD (2020: 1,923k USD). Ad campaigns returned in force in the second quarter after last year’s pause due to COVID-19 and the economic downturn. Luxury brands booked ad space as lockdowns were lifted, consumers started spending money again, and the economy recovered. Art businesses like auction houses and galleries advertised their sales and exhibitions, many of which had been postponed or canceled the year before due to the pandemic.

Artnet News continues to benefit from its position as the leading source of exclusive information and in-depth commentary about people and trends shaping the art world. With a sharp editorial focus on quality journalism and original content, Artnet News has become the most-read art publication globally. It is widely quoted by major news outlets, driving traffic to Artnet and established itself as a sought-after advertising platform for luxury brands and art-related businesses. Artnet News continued its successful Art Angle podcast, and in May, the “New York Times” called its new column “Wet Paint” the essential chronicle of New York’s downtown art scene.

News traffic was up 31% year-over-year, strengthening the Artnet brand overall. The average number of monthly visitors (unique users) to Artnet rose by 23% to almost 6 million. In May, Artnet introduced the partial paywall “Artnet News Pro”, broadening income sources and adding subscription fees to the revenue stream. The new, members-only section of Artnet News is geared towards collectors and art professionals and offers exclusive news, opinion and insights for industry insiders.

## Auctions

Artnet Auctions fee-based revenue increased significantly by 23% to 2,992k USD in the first six months of 2021, as compared to 2020 (2,423k USD). Artnet Auctions continued its record streak despite an increasingly competitive landscape, firmly establishing the segment as the second-biggest revenue source behind the Price Database and contributing a quarter to total revenue. A continued strategic focus on high-quality offerings with attractive pricing ensured rising average prices and robust sell-through rates. Average prices for lots sold increased by 24% to 17,900 USD, and several artworks achieved well over six-figure dollar amounts.

In May, the *Post-War & Contemporary Art* sale exceeded 2 million USD in total sales, the highest proceeds for a single sale since the start of Auctions in 2008. Top lots in the second quarter included Andy Warhol's screenprints *Campbell Soup Cans II* (1969), a complete series of 10 works sold for 456,000 USD and *Spring Intensity* (2008), a butterfly painting by Damien Hirst, which achieved 600,000 USD. In May, Frank Stella's painting *Rozdol I* (1973) sold for 1.1 million USD.

Auctions also debuted a series of new initiatives in 2021 focused on client acquisition and market expansion. A new webinar series called "A Closer Look" connects clients to critical art market participants and has garnered hundreds of attendees from across the globe. Other successful initiatives to expand the platform's reach included the inaugural "Art of the Americas" and "Africa Present" sales.

New bidders, buyers, and consignors across categories, geographies, and demographics flocked to the Auctions site. More artworks are offered and traded digitally than ever before and Artnet Auctions' efficiency, digitally native operation, quick turnaround, and continuous sales throughout the year are unmatched in the industry.

## Changes in Costs and Results

Gross profit from sales in the first six months of 2021 increased by 9%, or 561k USD to 6,966k USD, compared to 2020, due to higher revenue in all segments. The result was partially

offset by increased costs at Artnet Auctions and for Network Maintenance.

Sales and marketing expenses in the first six months of 2021 increased by 9% or 259k USD to 3,259k USD, as compared to 2020, mainly due to increased costs in Sales and higher personnel costs at Artnet News.

General and administrative expenses totaled 2,186k USD, a slight decrease of 1% from 2,203k USD last year.

Product development expenses in the first half of the year increased by 56% to 1,807k USD, mainly due to an increase in personnel costs and increased expenses that were not capitalized. The Company has been upgrading its technological infrastructure with the project FALCON, which will make Artnet much more agile, faster, and efficient upon its completion. The project is the most significant undertaking in the Company's history. By investing in state-of-the-art infrastructure, Artnet will quickly adapt to technological changes, build economies of scale, and launch new products much more efficiently. Since the first half of last year, Artnet partly shifted its focus to non-FALCON projects to improve and add new features to the website, which helped to increase inquiries and sales for its clients. Development costs related to FALCON were capitalized. Costs related to non-FALCON projects were expensed, which led to an increase in costs for Product Development. The development costs for FALCON, which were simultaneously capitalized as an intangible asset, amounted to 376k USD in the first half of 2021. As a result, operating income fell to (287k) USD (2020: 44k USD).

Consolidated earnings before income taxes in the first six months of 2021 and 2020 totaled (311k) USD and 1,254k USD, respectively. The significant decrease was mainly due to lower Other Income. In the first half of 2020, part of the forgivable loan granted by the U.S. Small Business Administration in the amount of 1,075k USD was recognized as Other Income. Artnet expects the entire loan amount of 1,667k USD to be fully forgivable as the Company fulfilled the conditions to qualify for forgiveness. The lender is currently reviewing the forgiveness application.

Since Artnet Corp. is only subject to minimum taxation in the USA due to loss carryforwards, the net profit in the amount of (322k) USD is only slightly lower than earnings before income taxes.

### Currency Conversion

Currency conversion in the consolidated statement of comprehensive income is based on the average exchange rate for the period between January 1 to June 30, 2021. For the period before June 30, 2021, the average exchange rate was 0.830 USD/EUR, as compared to 0.908 USD/EUR in the same period in 2020. Currency conversion for the balance sheet is based on the exchange rate at the end of the period. As of June 30, 2021, the rate was 0.844 USD/EUR, compared to 0.818 USD/EUR on December 31, 2020.

Artnet is subject to exchange rate fluctuations because it invoices in euros, U.S. dollars, and British pounds but conducts most of its business in the United States. The Group works to reduce its exposure to differences in the exchange rates by billing European customers in euros and British customers in pounds and by paying vendors in the same currency with these cash funds.

Currency translation adjustments arising from the valuation of intercompany loan receivables, which qualify as part of a net investment, are not reflected in the profit or loss of the Group but are recognized in the foreign currency adjustment item. The currency translation adjustment will be reclassified from equity to profit or loss when the net investment is returned fully or in part.

### Financial Position

The Group's cash flow from operating activities in the first six months of 2021 and 2020 totaled 378k USD and 2,059k USD, respectively. The decrease was mainly due to an increase in Accounts Receivable. While luxury advertising revenue increased in the second quarter, most of the payments were not due as of June 30, 2021. Artnet has been continuously monitoring payments to improve overall collections. The significant higher cash flow from operating activities in 2020 was also due to a loan of 1,667k USD granted by the U.S. Small Business Administration in May of that year. In the first half

of 2020, part of the loan in the amount of 1,075k USD was included in the cash flow from operating activities.

The Group's cash flow from investing activities in the first six months of 2021 and 2020 was negative at (380k) USD and (524k) USD, respectively. The lower cash outflow was due to the shifting focus from FALCON to non-FALCON projects.

The Group's cash flow from financing activities in the first six months of 2021 and 2020 was (613k) USD and (364k) USD, respectively. While the cash outflow was stable year-over-year, the cash inflow was comparatively higher in 2020 due to the loans received at the turn of 2019/2020, totaling 450k USD. The loans were taken out due to unusually late payments by customers to prevent possible further delays and ensure financial stability. The loans were repaid in July 2020 at 466k USD, as the cash flow improved following a better-than-expected overall performance of the company.

As of June 30, 2021, cash and cash equivalents amounted to 1,221k USD compared to 1,704k USD on June 30, 2020. Cash and cash equivalents decreased because of larger outstanding Accounts Receivable and the decrease in Operating Income.

The cash investment policy for the Group is conservative and based on short-term investments. This policy allows all cash to be liquid and available. As of June 30, 2021, the liquidity per share totaled 0.22 USD (0.19 EUR) based on an average of 5,627,986 shares in circulation compared to 0.31 USD (0.27 EUR) on June 30, 2020.

### Financial Status

Consolidated total assets on June 30, 2021, totaled 12,800k USD, which was lower compared with the balance sheet total of 13,302k USD on December 31, 2020.

Trade accounts receivables increased by 549k USD to 2,453k USD, as compared to December 31, 2020. The increase was attributable to increased revenue from luxury Advertising revenue in the second quarter, which usually has a longer collections cycle.

Property, Plant and Equipment decreased by 610k USD to 2,101k USD, as compared to December 31, 2020, mainly due to the applicable right-of-use asset depreciation after adopting IFRS 16.

Intangible assets increased by 209k USD to 4,363k USD, as compared to December 31, 2020. This increase was mainly due to the capitalization of investments into technological infrastructure (FALCON) in the amount of 376k USD, partly offset by amortization of 159k USD.

Current liabilities have increased by 339k USD to 6,301k USD since December 31, 2020, mainly due to an increase in deferred revenue in News subscriptions and Advertising but partially offset by a released legal provision for a case fully settled by June 2021.

As of June 30, 2021, the Group's consolidated equity slightly decreased by 5% to 5,614k USD compared to 5,896k USD on December 31, 2020, due to the decrease in current net profit.

The Price Database constitutes an internally developed intangible asset that has been developed by gathering auction information, with results dating back to 1985. This valuable asset has not been attributed to full earnings recognition on the balance sheet due to accounting rules. The balance sheet assets and the Group's consolidated equity would substantially increase if the law allowed this recognition.

## Risks and Opportunities

The risk situation dated December 31, 2020 (published in the 2020 Annual Report on March 31, 2021) for the financial statements has not changed materially compared to the 2020 reporting year. A detailed overview of risks and opportunities can be found in the 2020 Annual Report.

## Subsequent Report and Outlook

### Subsequent Report

Between the end of the second quarter of 2021 and the date of this report, no significant events occurred that affect the Company's financial performance and fiscal situation mentioned in the Risk and Opportunity Report and the Subsequent Report of the 2020 Annual Report according to Management's expectations.

### Outlook

The following report describes forecasts made by the Management Board regarding the future of Artnet's segments and general

business. Actual business performance may vary from these forecasts due to risks and opportunities, as described in the Risk and Opportunity Report.

In light of the increased vaccinations against the coronavirus, supportive fiscal and monetary policy measures and the reopening of economies after last year's lockdown, the International Monetary Fund (IMF) expects global economic activity to increase by 6.0% in 2021. The anticipated recovery in the United States, Artnet's core market, is even more significant at 7%, reflecting anticipated infrastructure investments and a strengthening of the social safety net. The economic upturn has also led to a recovery of the global art market as major art fairs and conventional brick-and-mortar auctions resumed. Trends in the auction market generally follow global economic trends, especially in developed countries.

However, economic risks remain as the IMF points to the spread of more contagious variants of the coronavirus and a possibility of higher interest rates should inflation expectations increase faster than anticipated.

In 2021, Artnet expects to extend its leading position in a highly competitive environment due to the accelerating digitalization of the art market and the economic recovery. Competitive advantages regarding data, online transactions and web traffic continue to support Artnet.

Demand for reliable auction data should further increase along with the recovery of the auctions market. Artnet Auctions' fee-based revenue should increase as online auctions have become a cheaper, compelling and sought-after alternative to traditional auctions. Also, the economic recovery is likely to support continued growth in Advertising revenues as Artnet clients have started to increase their marketing budgets.

Based on the demand for art market data, online transactions and recovery of Advertising, Management expects moderate total revenue growth in 2021.

For the **Price Database**, Management expects slight revenue growth in 2021 as the auction market recovers and demand for data research increases further. The robust performance of

the Price Database during the crisis of 2020 and the increased demand in the first half of 2021 underscore that its data remain essential for the valuation of artworks.

**Artnet Auctions** has become Artnet's second-largest revenue source, accounting for a quarter of total revenue. The art market has adopted online-only auctions as a fast and cost-effective way to buy and sell fine art. Top lots at Artnet Auctions regularly sell for six-figure U.S. dollar amounts. Auctions will play an even more critical role in the art world when the auctioning of higher-priced works of art over the Internet becomes even more widespread. Artnet Auctions has strategically focused on high-quality artworks at attractive prices to increase average lot prices, sell-through rates and customer satisfaction. Following the substantial revenue increase in 2020 and the first six months of 2021, Management anticipates that Auctions' revenue in 2021 will grow significantly compared to the previous year.

**Gallery Network** memberships are in demand as galleries turn to the Internet for marketing and sales, looking for ways to boost their presence on the web. Membership in the Artnet Gallery Network offers galleries additional opportunities to showcase their artists and artworks to a global online audience. Despite these online opportunities, a challenging market environment persists for these clients. Management expects membership numbers to grow in 2021, leading to a moderate increase in revenues for the Galleries segment.

**Artnet News** has become the leading online platform for news and commentary about the art market. The editorial focus on quality and original reporting resulted in increasing visitor numbers and growing advertising revenue. The success and high recognition of Artnet News has a very positive effect on the Artnet brand overall. Management expects this positive trend to continue and forecasts a significant recovery and strong growth for Artnet News revenue in 2021, as advertisers' budgets will increase again along with the anticipated economic upturn. A new paywall for selected articles on the Artnet News Pro site and sponsorships for the bi-annual Intelligence Reports are additional revenue sources.

Artnet is renewing its IT infrastructure with project FALCON. The project aims to increasingly automate the production process, which will reduce the maintenance cost for existing products and improve the development team's performance.

Based on the expectations for the individual segments, Management predicts an increase in total revenues in 2021 to a range of 23.5 million USD to 24.5 million USD (21.4 million EUR to 22.3 million EUR at an estimated exchange rate of 1.10 EUR/USD). Management expects the income from operations between 0.1 million USD to (0.8) million USD (0.1 million EUR to (0.8) million EUR). Due to the exceptional performance of online auctions and the growth of visitor numbers, stronger revenue growth is possible. The income level is influenced by investments to take advantage of opportunities in the current market environment and expand market share.

Cash and cash equivalents are expected to decrease compared to December 31, 2020, due to continuous investment in product development.

The art market has reached an inflection point for digitalization, for online transactions and services. Management believes that Artnet will be leading this development in the art market for years to come.

Berlin, August 13, 2021



Jacob Pabst  
CEO, Artnet AG

## Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group. The interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Berlin, August 13, 2021

A handwritten signature in black ink, appearing to be 'JP' with a stylized flourish extending to the right.

Jacob Pabst  
CEO, Artnet AG



## artnet AG Consolidated Balance Sheet

As of June 30, 2021

	6/30/2021 USD	12/31/2020 USD	6/30/2021 EUR	12/31/2020 EUR
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	1,221,248	1,796,307	1,030,489	1,469,020
Accounts Receivable	2,453,224	1,904,630	2,070,030	1,557,606
Other Current Assets	673,517	732,490	568,314	599,030
<b>Total Current Assets</b>	<b>4,347,989</b>	<b>4,433,427</b>	<b>3,668,833</b>	<b>3,625,656</b>
<b>Non-Current Assets</b>				
Property, Plant, and Equipment	2,101,349	2,711,222	1,773,118	2,217,237
Intangible Assets	4,363,451	4,154,468	3,681,880	3,397,524
Security Deposits	408,579	424,544	344,759	347,192
Deferred Tax Assets	1,578,542	1,578,542	1,331,974	1,290,932
<b>Total Non-Current Assets</b>	<b>8,451,921</b>	<b>8,868,776</b>	<b>7,131,731</b>	<b>7,252,885</b>
<b>Total Assets</b>	<b>12,799,910</b>	<b>13,302,203</b>	<b>10,800,564</b>	<b>10,878,541</b>
<b>Equity and Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	876,458	730,054	739,555	597,038
Accrued Expenses and Other Liabilities	1,203,204	1,508,527	1,015,264	1,233,673
Provisions	-	-	-	-
Liabilities from Finance Leases – Short Term	1,614,503	1,633,221	1,362,318	1,335,648
Deferred Revenue	2,607,054	2,090,389	2,199,832	1,709,520
Loans	-	-	-	-
<b>Total Current Liabilities</b>	<b>6,301,219</b>	<b>5,962,191</b>	<b>5,316,969</b>	<b>4,875,879</b>
<b>Long-Term Liabilities</b>				
Liabilities from Finance Leases – Long Term	884,717	1,443,619	746,524	1,180,592
Loans	-	-	-	-
<b>Total Long-Term Liabilities</b>	<b>884,717</b>	<b>1,443,619</b>	<b>746,524</b>	<b>1,180,592</b>
<b>Total Liabilities</b>	<b>7,185,936</b>	<b>7,405,810</b>	<b>6,063,493</b>	<b>6,056,471</b>
<b>Shareholders' Equity</b>				
Common Stock	6,032,262	6,032,262	5,706,067	5,706,067
Treasury Stock	(269,241)	(269,241)	(264,425)	(264,425)
Additional Paid-In Capital	52,547,769	52,547,769	51,118,251	51,118,251
Accumulated Deficit	(52,952,049)	(55,145,288)	(51,812,939)	(53,736,962)
Current Net Profit	(322,190)	2,193,239	(267,401)	1,924,023
Foreign Currency Translation	577,423	537,652	257,518	75,116
<b>Total Shareholders' Equity</b>	<b>5,613,974</b>	<b>5,896,393</b>	<b>4,737,071</b>	<b>4,822,070</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>12,799,910</b>	<b>13,302,203</b>	<b>10,800,564</b>	<b>10,878,541</b>

## artnet AG Consolidated Income Statement

For the Period from January 1 to June 30, 2021

	1/1/2021- 6/30/2021 USD	1/1/2020- 6/30/2020 USD	1/1/2021- 6/30/2021 EUR	1/1/2020- 6/30/2020 EUR	4/1/2021- 6/30/2021 USD	4/1/2020- 6/30/2020 USD	4/1/2021- 6/30/2021 EUR	4/1/2020- 6/30/2020 EUR
<b>Revenue</b>								
Gallery Network	2,633,223	2,409,628	2,185,447	2,187,268	1,351,449	1,174,759	1,121,797	1,067,087
Price Database	3,868,426	3,670,468	3,210,606	3,331,758	1,921,519	1,784,238	1,595,011	1,620,711
Advertising	2,404,943	1,922,575	1,995,986	1,745,160	1,555,994	826,647	1,291,505	751,016
Artnet Auctions	2,992,177	2,423,493	2,483,361	2,199,854	1,836,974	1,501,207	1,524,743	1,363,225
Artnet News Subscriptions	45,336	-	37,627	-	45,336	-	37,627	-
<b>Total Revenue</b>	<b>11,944,105</b>	<b>10,426,164</b>	<b>9,913,027</b>	<b>9,464,040</b>	<b>6,711,272</b>	<b>5,286,851</b>	<b>5,570,683</b>	<b>4,802,039</b>
Cost of Sales	4,978,417	4,021,334	4,131,844	3,650,247	2,688,868	1,994,893	2,231,915	1,812,011
<b>Gross Profit</b>	<b>6,965,688</b>	<b>6,404,830</b>	<b>5,781,183</b>	<b>5,813,793</b>	<b>4,022,404</b>	<b>3,291,958</b>	<b>3,338,768</b>	<b>2,990,028</b>
<b>Operating Expenses</b>								
Sales and Marketing	3,259,263	3,000,754	2,705,030	2,723,845	1,592,799	1,418,233	1,322,154	1,288,300
General and Administrative	2,186,073	2,202,622	1,814,334	1,999,365	1,033,819	963,431	858,163	875,264
Product Development	1,807,359	1,157,247	1,500,020	1,050,457	911,834	584,759	756,889	531,139
Non-Cash Compensation	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>7,252,695</b>	<b>6,360,623</b>	<b>6,019,384</b>	<b>5,773,667</b>	<b>3,538,452</b>	<b>2,966,423</b>	<b>2,937,206</b>	<b>2,694,703</b>
<b>Operating Income</b>	<b>(287,007)</b>	<b>44,207</b>	<b>(238,201)</b>	<b>40,126</b>	<b>483,952</b>	<b>325,535</b>	<b>401,562</b>	<b>295,325</b>
Interest Expenses	35,764	66,582	29,682	60,438	16,844	34,042	13,982	30,920
Interest Income	-	-	-	-	-	-	-	-
Extraordinary Depreciation	-	-	-	-	-	-	-	-
Other Income/(Expenses)	11,427	1,276,312	9,484	1,158,534	8,611	1,293,072	7,147	1,173,737
<b>Earnings Before Taxes</b>	<b>(311,344)</b>	<b>1,253,937</b>	<b>(258,399)</b>	<b>1,138,222</b>	<b>475,719</b>	<b>1,584,565</b>	<b>394,727</b>	<b>1,438,142</b>
Income Taxes	(10,846)	(8,271)	(9,002)	(7,508)	(10,795)	(13,308)	(8,960)	(12,077)
Deferred Tax Benefit/(Expense)	-	-	-	-	-	-	-	-
<b>Net Profit</b>	<b>(322,190)</b>	<b>1,245,666</b>	<b>(267,401)</b>	<b>1,130,714</b>	<b>464,924</b>	<b>1,571,257</b>	<b>385,767</b>	<b>1,426,065</b>
<b>Other Comprehensive Income</b>								
OCI Recycled: Exchange differences on translating foreign operations	39,772	(6,335)	182,403	(29,736)	(4,605)	195,868	(37,033)	94,858
<b>Total Comprehensive Income</b>	<b>(282,418)</b>	<b>1,239,331</b>	<b>(84,998)</b>	<b>1,100,978</b>	<b>460,319</b>	<b>1,767,125</b>	<b>348,734</b>	<b>1,520,923</b>
<b>Earnings per Share</b>								
Net profit per basic share	(0.06)	0.22	(0.05)	0.20	0.08	0.28	0.07	0.26
Net profit per diluted share	(0.22)	0.22	(0.05)	0.20	0.08	0.28	0.07	0.26

## artnet AG Consolidated Statement of Changes in Shareholders Equity (USD)

For the Period from January 1 to June 30, 2021

Common Stock							
	Issued Shares	Amount	Treasury Stock	Additional Paid-In Capital	Accumulated Deficit	Foreign Currency Translation	Total
<b>Balance as of 12/31/2019</b>	<b>5,631,067</b>	<b>5,941,512</b>	<b>(269,241)</b>	<b>52,423,972</b>	<b>(55,145,288)</b>	<b>635,359</b>	<b>3,586,314</b>
Net Income/(Loss)	-	-	-	-	1,245,666	(6,335)	1,239,331
Right-of-Use Asset	-	-	-	-	-	-	-
<b>Balance as of 6/30/2020</b>	<b>5,631,067</b>	<b>5,941,512</b>	<b>(269,241)</b>	<b>52,423,972</b>	<b>(53,899,622)</b>	<b>629,024</b>	<b>4,825,645</b>
<b>Balance as of 12/31/2020</b>	<b>5,706,067</b>	<b>6,032,262</b>	<b>(269,241)</b>	<b>52,547,769</b>	<b>(52,952,049)</b>	<b>537,652</b>	<b>5,896,393</b>
Net Income/(Loss)	-	-	-	-	(322,190)	39,772	(282,418)
<b>Balance as of 6/30/2021</b>	<b>5,706,067</b>	<b>6,032,262</b>	<b>(269,241)</b>	<b>52,547,769</b>	<b>(53,274,239)</b>	<b>577,423</b>	<b>5,613,974</b>

## artnet AG Consolidated Statement of Changes in Shareholders Equity (EUR)

For the Period from January 1 to June 30, 2021

Common Stock							
	Issued Shares	Amount	Treasury Stock	Additional Paid-In Capital	Accumulated Deficit	Foreign Currency Translation	Total
<b>Balance as of 12/31/2019</b>	<b>5,631,067</b>	<b>5,631,067</b>	<b>(264,425)</b>	<b>51,015,723</b>	<b>(53,904,592)</b>	<b>548,926</b>	<b>3,194,329</b>
Net Income/(Loss)	-	-	-	-	1,130,714	(29,736)	1,100,978
Right of Use Asset	-	-	-	-	-	-	-
<b>Balance as of 6/30/2020</b>	<b>5,631,067</b>	<b>5,631,067</b>	<b>(264,425)</b>	<b>51,015,723</b>	<b>(52,606,248)</b>	<b>519,190</b>	<b>4,295,307</b>
<b>Balance as of 12/31/2020</b>	<b>5,706,067</b>	<b>5,706,067</b>	<b>(264,425)</b>	<b>51,015,723</b>	<b>(51,812,939)</b>	<b>75,115</b>	<b>4,822,069</b>
Net Income/(Loss)	-	-	-	-	(267,401)	182,403	(84,998)
<b>Balance as of 6/30/2021</b>	<b>5,706,067</b>	<b>5,706,067</b>	<b>(264,425)</b>	<b>51,015,723</b>	<b>(52,080,340)</b>	<b>257,518</b>	<b>4,737,071</b>

**artnet AG Consolidated Statement of Cash Flows**

For the Period from January 1 to June 30, 2021

	6/30/2021 USD	6/30/2020 USD	6/30/2021 EUR	6/30/2020 EUR
<b>Cash Flow from Operating Activities</b>				
<b>Net Profit</b>	<b>(322,190)</b>	<b>1,245,666</b>	<b>(267,401)</b>	<b>1,130,714</b>
<b>Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities</b>				
Depreciation and Amortization	780,747	752,600	658,794	669,889
Impairments/Write-Offs for Receivables	99,014	248,070	83,548	220,807
Changes in Deferred Tax Assets	-	-	-	850
Non-Cash Compensation from Stock Options	-	-	-	-
Other Non-Cash Transactions	-	(547,304)	-	(494,960)
<b>Changes in Operating Assets and Liabilities</b>				
Trade Receivables	(647,608)	678,991	(546,451)	605,875
Other Current Assets	58,973	25,821	49,761	23,566
Security Deposits	15,965	5,019	13,471	4,721
Accounts Payable	146,404	(235,201)	123,535	(209,975)
Provisions	-	(569,751)	-	(500,000)
Accrued Expenses and Tax Liabilities	(305,324)	(239,188)	(257,632)	(213,774)
Deferred Revenue	516,665	35,279	435,962	30,111
Interest Expenses	35,764	66,582	29,682	60,438
U.S. Paycheck Protection Program Proceeds	-	592,154	-	527,076
<b>Total Adjustments</b>	<b>700,601</b>	<b>813,074</b>	<b>590,670</b>	<b>724,625</b>
<b>Cash Flow Provided by Operating Activities</b>	<b>378,411</b>	<b>2,058,740</b>	<b>323,269</b>	<b>1,855,339</b>
<b>Cash Flow from Investing Activities</b>				
Purchase of Property and Equipment	(3,789)	(9,875)	(3,197)	(493,612)
Purchase and Development of Intangible Assets	(376,068)	(514,078)	(317,326)	(455,471)
<b>Cash Flow Provided by Investing Activities</b>	<b>(379,857)</b>	<b>(523,953)</b>	<b>(320,523)</b>	<b>(949,083)</b>
<b>Cash Flow from Financing Activities</b>				
Repayment of Finance Leases	(577,620)	(547,540)	(487,396)	(2,440)
Loans	-	250,000	-	222,405
Interest for Leases	(35,764)	(66,582)	(29,682)	(60,438)
<b>Cash Flow Provided by Financing Activities</b>	<b>(613,384)</b>	<b>(364,122)</b>	<b>(517,077)</b>	<b>159,526</b>
<b>Effects of Exchange Rate Changes on Cash</b>	<b>39,772</b>	<b>(6,335)</b>	<b>75,800</b>	<b>(29,736)</b>
<b>Changes in Cash and Cash Equivalents</b>	<b>(575,059)</b>	<b>1,164,329</b>	<b>(438,531)</b>	<b>1,036,046</b>
<b>Cash and Cash Equivalents—Start of Year</b>	<b>1,796,307</b>	<b>539,319</b>	<b>1,469,020</b>	<b>480,371</b>
<b>Cash and Cash Equivalents—End of Year</b>	<b>1,221,248</b>	<b>1,703,648</b>	<b>1,030,489</b>	<b>1,516,417</b>
<b>Supplemental Disclosures of Cash Flow</b>				
Income Tax Receipts/(Payments)	-	-	-	-
Interest Payments	(35,764)	(66,582)	(29,682)	(60,438)
Interest Receipts	-	-	-	-

## Notes to the Consolidated Financial Statements

### Corporate Information

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 Oranienstraße 164, 10696 Berlin, Germany. The company is registered under the number HRB 980060 B in the commercial register of the district court of Charlottenburg.

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

The Group’s business is to provide art collectors, galleries, publishers, auction houses, and art enthusiasts with a site where individuals can research artists and art prices and find artworks that are currently available for sale in the Gallery Network or on Artnet Auctions, an online transaction platform.

The interim consolidated financial statements were authorized for issuance by the CEO on August 13, 2021.

### Basis of Reporting

These unaudited interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) for interim financial information effective within the E.U. In particular, they correspond to the “Interim Financial Reporting” guidelines of IAS 34. They also comply with the German Accounting Standard (DRS) 16 on half-year reporting, as well as with §§ 115, 117 of the Securities Trading Act. These financial statements do not include all of the information and notes required by IFRS for complete financial statements for year-end reporting purposes.

The accounting and valuation methods applied to this interim report were generally the same as to the most recent annual

financial statements. A detailed description of the accounting policies is published in the notes to the 2020 annual consolidated financial statements.

The Management of the Company is confident that the interim consolidated financial statements include all adjustments of a normal and recurring nature considered necessary for a fair presentation of results for the interim period. Results for the period ending on June 30, 2021, are not necessarily indicative of future results.

The interim financial statements as of June 30, 2021, and the interim management report have not been audited in accordance with § 317 of the German Commercial Code or reviewed by an auditor.

The consolidated financial statements have been prepared on a historical cost basis. The balance sheet date is June 30, 2021.

### Reporting Period

The consolidated financial statements were prepared for the reporting period from January 1, 2021, to June 30, 2021. The fiscal year for all Group companies coincides with the calendar year.

### Foreign Currency Translations and Transactions

Amounts mentioned in the interim consolidated financial statements and notes to the interim consolidated financial statements are stated in euros (EUR) unless otherwise noted. The reporting currency is the euro.

The currency of the primary economic environment in which the Group operates is U.S. dollars, which is the functional currency of the operating subsidiary Artnet Corp. Transactions in currencies other than U.S. dollars are recorded at the exchange rates prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities 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.

On consolidation, the assets and liabilities of the Group’s operations are translated at exchange rates prevailing on the

balance sheet date. Income and expense items are translated at the average price for the period. The accumulated gains and losses resulting from translation are recorded as a separate component of the Group equity.

In 2021, the long-term intercompany loan remained at 1.5 million EUR. A settlement for this loan is neither planned nor likely to occur in the foreseeable future. The intercompany loan qualifies as a net investment, according to IAS 21.15. Accordingly, exchange differences on the euro-validating loan will be recognized in other comprehensive income. They will thus be accumulated in a separate component of equity until full or partial disposal of Artnet AG's ownership interest in Artnet Corp. In the first six months of 2021, currency exchange effects in the amount of (47k) EUR were recognized as net investment in other comprehensive income and decreased the equity.

Currency exchange rates significant to the Group are the conversion of U.S. dollars to euros and of U.S. dollars to British pounds. The following exchange rates have been used for the currency translation in the years presented:

USD to EUR	6/30/2021	12/31/2020	6/30/2020
Current Rate Period End	0.844	0.818	0.890
Average Rate for the Period	0.830	0.877	0.908

  

USD to GBP	6/30/2021	12/31/2020	6/30/2020
Current Rate Period End	0.724	0.732	0.809
Average Rate for the Period	0.721	0.780	0.794

### Basis of Consolidation and Consolidated Companies

The consolidated financial statements include the legal parent company, Artnet AG, its wholly-owned subsidiary, Artnet Worldwide Corporation, as well as the subsidiaries of the Company. According to IFRS 10, control is achieved where a company is exposed to fluctuating yields as a result of its engagement with the entity or owns rights and has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

On February 23, 1999, Artnet AG entered into a transaction with Artnet Corp., which was treated as a recapitalization of Artnet Corp., with Artnet Corp. as the acquirer of Artnet AG.

As a result, the initial consolidation was implemented so that Artnet AG consolidated as a legal acquirer for the subsidiary company, Artnet Corp., because this was the economic acquirer.

An office was opened in London in November 2007, with the formation of Artnet U.K. Ltd., the U.K. subsidiary of Artnet Worldwide Corporation. Artnet AG and its subsidiaries employ a total of 121 people as of June 30, 2021.

### Treasury Shares

As of June 30, 2021, Artnet AG held 78,081 of its own shares, unchanged from the previous year, representing 1.4% of common stock.

### Income Taxes

Current income tax is recognized in the interim period based on the estimate of weighted average annual income tax for the entire fiscal year. Due to its tax loss carryforwards, Artnet Corp. only has to pay the alternative minimum corporation tax.

The Group reviews the carrying amount of its deferred tax asset once per year and will review the deferred tax asset on the balance sheet date, December 31, 2021, based on the most recent corporate planning for the fiscal years 2021 through 2023. Currently, no material effects of the Corona pandemic on the recoverability of deferred taxes are expected.

### Segment Reporting

The Group reports on the operating segments in the same way it reports operating segment information to the Management and Supervisory Boards.

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

- The Artnet Galleries segment, which presents artworks from member galleries and partner auction houses
- The Artnet Price Database segment, comprising of all database-related products, including the Price Database Fine Art and Design and the Price Database Decorative Art, as well as the products based thereupon, including Market Alerts and Analytics Reports

- The Artnet Auctions segment, which provides a platform to buy and sell artworks online
- The Artnet News segment, offering an online news service providing information about the events, trends, and people shaping the art market and global art industry

Management decisions for segments are based on the Contribution Margin II (revenue minus direct and indirect variable costs), which is therefore presented below as the segment result. Indirectly attributable expenses are allocated to the segments, using the ratio of headcounts and revenue for each segment. The segment reporting is presented, similar to internal communication, in U.S. dollars.

Allocation of assets or liabilities for each segment is not provided to Management. Therefore, segment-related assets and liabilities are not presented in this report.

Period January 1, 2021 to June 30, 2021	Revenue k USD	Contribution Margin II k USD
Artnet Galleries	2,902	1,454
Artnet Price Database	3,976	2,252
Artnet Auctions	2,997	492
Artnet News	2,069	(274)
<b>Total</b>	<b>11,944</b>	<b>3,924</b>

Period January 1, 2020 to June 30, 2020	Revenue k USD	Contribution Margin II k USD
Artnet Galleries	2,743	1,410
Artnet Price Database	3,774	2,037
Artnet Auctions	2,429	458
Artnet News	1,480	(582)
<b>Total</b>	<b>10,426</b>	<b>3,323</b>

The reconciliation of the Contribution Margin II to the operating income of the Group is given in the following table:

Reconciliation of Segments Contribution Margin II to the Operating Income	6/30/2021 k USD	6/30/2020 k USD
Contribution Margin II	3,924	3,323
Fixed Costs of Sales Expenses Including Depreciation 228k USD (2020: 238k USD)	1,860	1,196
Fixed Costs of General and Administrative Expenses Including Depreciation 553k USD (2020: 514k USD)	2,058	1,823
Fixed Costs of Product Development Expenses	294	260
Operating Income	(287)	44

Advertising revenue is allocated to the segments where banners have been placed. The following table reconciles the advertising revenue in the consolidated statement and the presentation in the segment reporting:

Period January 1, 2021 to June 30, 2021	Revenue in Consolidated Income Statement k USD	Allocated Advertising Revenue k USD	Revenue by Segment k USD
<b>Segments</b>			
Artnet Galleries	2,633	269	2,902
Artnet Price Database	3,868	108	3,976
Artnet Auctions	2,992	5	2,997
Artnet News	45	2,023	2,069
Allocated Advertising Revenue	2,405	(2,405)	-
<b>Total</b>	<b>11,944</b>	<b>-</b>	<b>11,944</b>

Period January 1, 2020 to June 30, 2020	Revenue in Consolidated Income Statement k USD	Allocated Advertising Revenue k USD	Revenue by Segment k USD
<b>Segments</b>			
Artnet Galleries	2,410	333	2,743
Artnet Price Database	3,670	104	3,774
Artnet Auctions	2,423	6	2,429
Artnet News	-	1,480	1,480
Allocated Advertising Revenue	1,923	(1,923)	-
<b>Total</b>	<b>10,426</b>	<b>-</b>	<b>10,426</b>

## Earnings Per Share

Basic earnings per share are calculated by dividing net income by the weighted average number of outstanding common shares during the year.

Diluted earnings per share are calculated in the same manner as basic earnings per share, with the exception that the average number of outstanding shares increases by adding the potential number of shares from stock option conversions.

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

	1/1-6/30/2021 EUR	1/1-6/30/2020 EUR
<b>Numerator (Earnings):</b>		
Net income for the first six months	(267,401)	1,130,714
<b>Denominator (Number of Shares):</b>		
The weighted average number of ordinary shares used to calculate basic earnings per share (issued and fully paid ordinary shares)	5,627,986	5,552,986
Effect of potentially dilutive shares from stock options	-	23,705
The weighted average number of ordinary shares used to calculate dilutive earnings per share	5,627,986	5,576,691

In the first six months of the 2021 fiscal year, Diluted and Undiluted earnings per share amounted to (0.06) USD or (0.05) EUR, as compared to the previous year (2020: 0.22 USD or 0.20 EUR).

### Employees

In the first six months of the 2021 fiscal year, there were 119 full-time employees in the Group compared to 111 in the same period of 2020. Additionally, the Group had two part-time employees, the same as last year. In Sales and other departments, the Group had five freelancers, as compared to four in the same period the previous year.

### Significant transactions with related parties

In 2018, a consulting agreement with Galerie Neuendorf AG was extended until August 31, 2019. In August 2019, this agreement was extended for two years until August 31, 2021. Mr. Hans Neuendorf is the CEO of Galerie Neuendorf, and based on this agreement, Mr. Neuendorf shall provide ongoing strategic advice concerning further development and expansion of the Group.

### Accounting Estimates and Judgments

The preparation of the consolidated financial statements in accordance with IFRS necessitates estimates and assumptions that influence assets and liabilities, income, and expenses, as well as information in the notes to the financial statements. Actual results and developments may differ from those estimates and assumptions.

Estimates made by Management that have a significant effect

on the consolidated financial statements include the recognition of deferred tax assets and development costs, the impairment of capitalized development costs, the valuation of provisions, the useful lives of non-current assets, and the assessment of bad debt provisions on accounts receivable. Furthermore, estimates of the borrowing rate for lease accounting have been necessary for the financial year 2021 and the forgivable amount of the loan granted by the U.S. Small Business Administration.

### Notification concerning transactions of persons with managerial responsibilities according to Section 19 of MMVO

In accordance with Section 19 of MMVO, the Company has not been notified about transactions made by persons with managerial responsibilities.

### Voting Rights Notifications

According to § 21, WpHG shareholders are required to report when the level of their shareholdings exceeds or falls below certain thresholds. The thresholds are 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75%. The voting rights notifications received by the Company during the year under review are available on Artnet's website at [artnet.com/investor-relations/voting-rights-notifications](http://artnet.com/investor-relations/voting-rights-notifications).

<b>Announce- ment Date:</b>	<b>Person or entity subject to the notification obligation</b> (Complete chain of subsidiaries starting with the top-ranking controlling person or the top-ranking controlling company):	<b>+ = exceeding - = reduction</b>	<b>Threshold %</b>	<b>Date on which threshold was crossed or reached</b>	<b>Voting rights in % (Absolut)</b>
2/19/2021	<b>Rüdiger K. Weng</b>	+	25	2/16/2021	25.80% (1,470,000)
	<i>Rüdiger K. Weng A+A GmbH</i>				5.26%
	<i>Weng Fine Art AG</i>				20.33%
12/23/2020	<b>Andrew E. Wolff</b>	-	5	12/23/2020	4.66% (265,657)
12/23/2020	<b>Andrea S. Schaeffer</b>	+	3, 5	12/23/2020	5.34% (304,922)
	<i>SSP Immobilien GmbH &amp; Co. AG</i>				5.34%
9/30/2020	<b>Robert de Rothschild</b>	-	3	9/25/2020	1.78% (100,000)
12/30/2019	<b>Dr. Kyra Heiss</b>	-	10	12/23/2019	5.24% (294,889)
10/12/2016	<b>Andreas Langenscheidt</b>	+	3	10/6/2016	3.30% (185,850)
10/06/2015	<b>Brewster Fine</b>	+	3	10/1/2015	3.24% (182,198)

Berlin, August 13, 2021



Jacob Pabst  
CEO, Artnet AG

**Artnet AG**

**Supervisory Board**

Dr. Pascal Decker, Chairman  
Prof. Dr. Michaela Diener, Deputy Chairwoman  
Hans Neuendorf

**Management Board**

Jacob Pabst, CEO

**Artnet Worldwide Corporation**

Jacob Pabst, CEO

**Artnet UK Ltd.**

Jacob Pabst, CEO

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**Investor Relations**

You can find information for investors and the annual financial statements at [artnet.com/investor-relations](http://artnet.com/investor-relations).

If you have further queries, please send an email to [ir@artnet.com](mailto:ir@artnet.com), or send your inquiry by mail to one of our offices.

**Artnet Stock Information**

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](http://artnet.com/investor-relations).

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Concept and Production  
Artnet Worldwide Corporation

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