ArtNet Auctions and ArtNet News Drive Strong Revenue Growth in First Nine Months of 2017

ArtNet AG Increases Total Revenue by 9% in the First Nine Months of 2017

ArtNet Auctions Defies Summer Slowdown

ArtNet News Breaks Traffic Records and Increases Ad Revenue by 49%

Berlin/New York, November 13, 2017—Berlin-based ArtNet AG, the online auction house and art market data analytics company, announced today a 9% increase in total revenue to 15.3 million USD for the first nine months of 2017, as compared to 2016.* In the third quarter of 2017, revenue grew by 11% to 5.0 million USD** versus 2016. “ArtNet Auctions and Advertising revenues maintain the strong momentum we saw throughout 2017,” said Jacob Pabst, CEO of ArtNet. “Online-only auctions continue to gain popularity and our influential newswire ArtNet News, in demand by luxury brands for digital ad campaigns, contributed almost two-thirds to our total advertising revenue.” Net profit in the first nine months increased by 55% to 72,000 USD. The management expects the trend of rising revenues, along with a moderate increase in expenses, to continue, and confirmed its revenue forecast of 20.5 million USD to 21.5 million USD for the year 2017.

Fee-based revenue for ArtNet Auctions, the first online-only auction platform dedicated to fine art, increased by 36% to 3.2 million USD in the first nine months, driven primarily by higher lot prices. The average price of lots sold during the reporting period rose by 48% to 11,700 USD. In the third quarter, revenue for Auctions increased by 22% despite the generally slower activity during the summer months.

Advertising revenue increased by 16% to 2.8 million USD in the first nine months powered by the success of ArtNet News. The 24-hour art newswire is setting new web-traffic records, increasing its reach and influence, and becoming more and more popular among luxury brands for their advertising. As a result, ArtNet News’ advertising revenue increased by 49% in the first nine months. In the third quarter, total advertising revenue increased by 25% as compared to the previous year.

Price Database revenue increased by 2% to 5.5 million USD in the first nine months. In the third quarter, revenue increased by 8% due to
marketing initiatives and a revamped product page, resulting in more subscriptions. As a result, the segment achieved the highest sales in the first nine months of a year since 2014.

Revenue for the Gallery Network decreased by 2% to 3.8 million USD in the first nine months due to a slight decline in memberships. Galleries, a significant customer base for artnet, struggle with increased competition and high operational costs. In the third quarter, revenues in the segment decreased by 1%. As a measure to support these valued customers, artnet in September launched the Gallery Portal, an online tool that allows galleries to manage inventory showcased on their artnet member sites. This content management system was extremely well-received by galleries.

For more information, please contact ir@artnet.com.

artnet is the leading online resource for the international art market and the premier destination to buy, sell, and research art on the web. Founded in 1989 and publicly listed on the Frankfurt stock exchange, artnet has revolutionized the way people collect art. artnet’s Price Database contains more than 11 million illustrated auction results from more than 1,700 auction houses dating back to 1985, providing an unparalleled level of transparency to the art market. The Gallery Network platform connects leading galleries with collectors from around the world, offering the most comprehensive overview of artworks for sale. artnet Auctions was the first dedicated online marketplace for fine art, providing a seamless and efficient experience for buyers and sellers. artnet News covers the events, trends, and people shaping the global art market with up-to-the-minute analysis and expert commentary.

*The full Quarterly Interim Statement for the first nine months of 2017 is available at www.artnet.com/investor-relations/quarterly-reports*

**Approximately 80% of the company's revenue is generated in US dollars (USD). Since revenue reported in euros can be strongly influenced by changes in the euro-USD exchange rate, business developments are reported in USD.**