

Regarding the recent Google-update

The recent Google update caused a major upset for many websites globally as we saw the rankings of certain page types to drop. Our experience at Catena Media has been that we had some wins and some loses. The drop in our rankings does not translate directly to loss of revenue in equal proportion, here is why:

- Keyword values are not equal. It is possible to rank highly for a high traffic (short-tail term such as a brand name) term that drives little conversion value and to have a significantly less amount of traffic on a long-tail term (such as "top casino bonus codes uk") that drives all the performance. Much of the keyword changes were relating to short-tail terms and the long-tail terms are largely unaffected.
- Additionally, many of our deal structures are based on a mix of fixed fee brand exposure, revenue share and CPA. Catena has a large degree of legacy revenue being paid monthly and this will extend to the long term. The fixed fee deals are to provide the Operators with performance but also brand exposure. Our gains in some keyword placements still provide the Operators with significant value.
- Catena Media also has a large number of users who come to our brands directly, and therefore our ranking changes in Google do not immediately impact the revenue. These direct navigation users are by far some of the most valuable and Catena Media still has the enviable position of being a market leader in many of the geographies we operate in.

We are monitoring the situation closely and expect the traffic on affected sites return to pre-update levels. Hence, as communicated in the Q1 presentation, we do not foresee any material downside to our results going forward and remain positive to achieve our targeted growth for the year.
