

Consumer privacy and the changing media landscape : Update

FUTURE WEBINAR -
Update February 2022

Meet the team



Zillah Byng-Thorne
CEO

Zillah joined Future in 2013 and was appointed Chief Executive Officer in April 2014. Prior to this she has held a number of Executive roles across leading consumer businesses, including Autotrader, Fitness First & Threshers. She has overseen the transformation of the business into a modern media company.



Zack Sullivan
Chief Revenue Officer

Zack joined Future in 2014 and was appointed Global CRO earlier this year. Previously, Zack held various positions within the Group but was most recently Commercial Operations Director, overseeing the future development of Hybrid, our ads platform.



Nick Flood

Global Commercial Operations Director

Nick joined Future in 2020. He has 15 years of experience working across a number of digital media organisations in various product, revenue operations and technology roles. Prior to joining Future, Nick was Managing Director of Digital at Dennis Publishing.



Users:

Future reaches 1/3 of the total online users UK/US, in our verticals our reach of addressable market is far higher as a result of our search ownership strategy and audience development capabilities.



Usage:

The users on Future sites have high intent and deep interests by the nature of the high quality content produced, the key terms owned and the enhanced functionality on site.



Advertiser tools:

Proprietary technology delivering high quality ad solutions, maintained by inhouse engineers and serviced by large global sales and customer support teams, enabling advertisers to reach the audience they want in the most effective way.



1st party data:

Capturing and activating large volumes of quality, relevant 1st party data through Aperture, Smartbrief, Hawk, Hybrid, Falcon and now GoCo/Mozo.

What's changing?

Change is commonplace within the Ads ecosystem fuelled by technical innovation, privacy regulation and new business models. Some very recent examples are below including in items 5 & 6 the news from Feb 2022. Today's webinar is a Q&A to help understand the impact of the new announcements

1

Apple removed IDFA from iOS14 limiting data collection across applications putting user privacy front and centre of the change.

4

During 2021 Google updated the industry on the progress of replacing the targeting capabilities that 3rd party cookies allows marketers. The new privacy compliant targeting solution FLoC uses cohorts as the basic principle to target adverts to users..

2

Agencies are integrating directly into publishers to cut out intermediary suppliers, this is part of our strategy and we have a number of live connections.

5

Last week Google announced that it was changing its proposal for the replacement of user targeting when it removes 3rd party cookies from Google Chrome in 2023.

The new proposal replaces FLoC (Federated Learning of Cohorts) (as previously advised by Google in 2021) with Topics which is a curated and standardised list of popular interests.

3

CCPA came into effect in the US giving users more control over their data and its use.

6

The Belgian data protection authority recently ruled that the Transparency & Consent Framework, or TCF in its current setup does not fully comply with the obligations arising from the transparency principle as part of GDPR

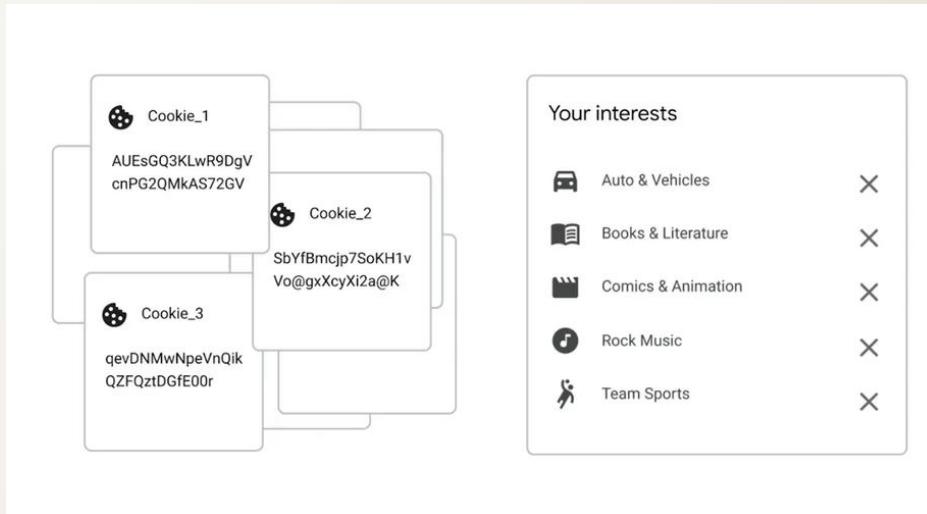
TCF is an industry wide framework that indicates consent for the delivery of relevant online advertising using data collected on those users.

What's actually happening?

Providing clarity around the Google announcement (Feb 2022).

Last week Google announced that it was changing its proposal for the replacement of user targeting when it removes 3rd party cookies from Google Chrome in 2023. The new proposal replaces FLoC (Federated Learning of Cohorts) with Topics which is a curated and standardised list of popular interests.

- The new proposal further protects users by limiting the interests allocated to them over a set period of time and number per site.
- The initial proposal sees each website having one Topic allocated to it. These are then stored only on the user's machine.
- This new proposal is now open for industry comment and scrutiny with further tests planned later in 2022.
- If adopted these changes will limit the targeting capabilities of marketers that choose to buy on the open web, similar to what already exists across Apple Safari and Firefox browsers. It doesn't impact our contextual targeting solutions or impact the data collected via Aperture, our 1st party audience platform.
- We believe this will deepen Future's relationships with clients as they wish to continue to target users using unique, high value 1st party data via direct and premium programmatic channels.



3rd party cookies (left) will be replaced by a high level 350 item interest list (right) in the form of Google Topics. Source - Google

Our ad tech, Our tech stack, and why we see risks on the upside

Hybrid is fully integrated with all advertising demands from 1st party direct, programmatic guaranteed, open auction (RTB).

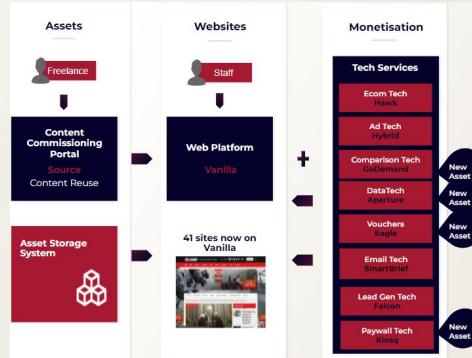
It has wide demand on the open auction market that will generate revenue with whichever demand survives post cookie world

It allows us to be early adopters; Google new cookieless ad technologies and other universal ID solutions

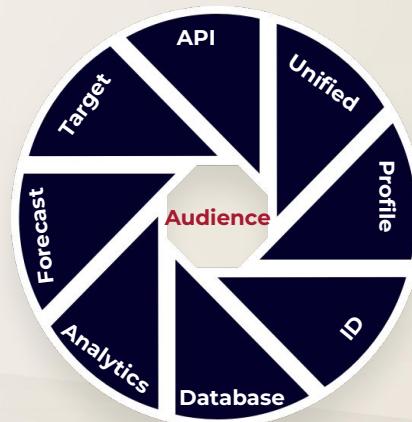
Our tech stack has a strong foundation to augment our audience segmentation capabilities

With Aperture Audience, we will create new diversified revenue streams and enhance existing ones.

Future's tech stack



Aperture Audience platform



Belgian DPA Ruling Update

Impact on the Transparency & Consent Framework (TCF)

Overview of ruling

The Belgian DPA's ruling relates to the Transparency & Consent Framework, or TCF. This is an industry framework that gives the publishing and advertising industries a common language with which to communicate consumer consent for the delivery of relevant online advertising using data collected on those users.

The Belgian DPA ruled that the TCF in its current setup does not fully comply with the obligations arising from the transparency principle as part of GDPR.

Future has always been compliant with GDPR transparency principles.

The DPA does not believe that the current industry agreed framework for messaging to users asking for their consent makes it clear enough what they are giving permission for and to whom.

What happens next?

The TCF is overseen by the IAB, the Interactive Advertising Bureau Europe and they now have 6 months to make the framework compliant after a 2 month review.

The IAB have already said they are working with the relevant regulators to amend it. Future works closely with a number of industry bodies and will continue to monitor the proposals.

Future has deployed several iterations of the TCF already and we are committed to maintaining user privacy within a standard industry framework.

How does this impact Future?

The ruling is an industry wide matter, and one which Future is well positioned to respond to. As a premium-publisher, our scale and specialist intent-based content lends itself to a closer relationship with our audiences and we therefore anticipate being a net beneficiary of any resultant changes.

- The value of data collected from consented users will increase.
- We collect large volumes of high value permissioned data from a range of diversified global sources.
- Our proprietary technology stack allows us to pivot very quickly to implement industry ecosystem changes without being reliant on others.

Summary

Media is a constantly changing environment and we have a **strong track record of adapting**

We are **supportive** of the move to consumer privacy

Impact

- No change to our view that:
 - Limited material downside
 - Upside through improved yield and market share

Future is well positioned because of:

- Proprietary tech
- Audience with intent
- Global reach
- Aperture Audience platform (1st party data)

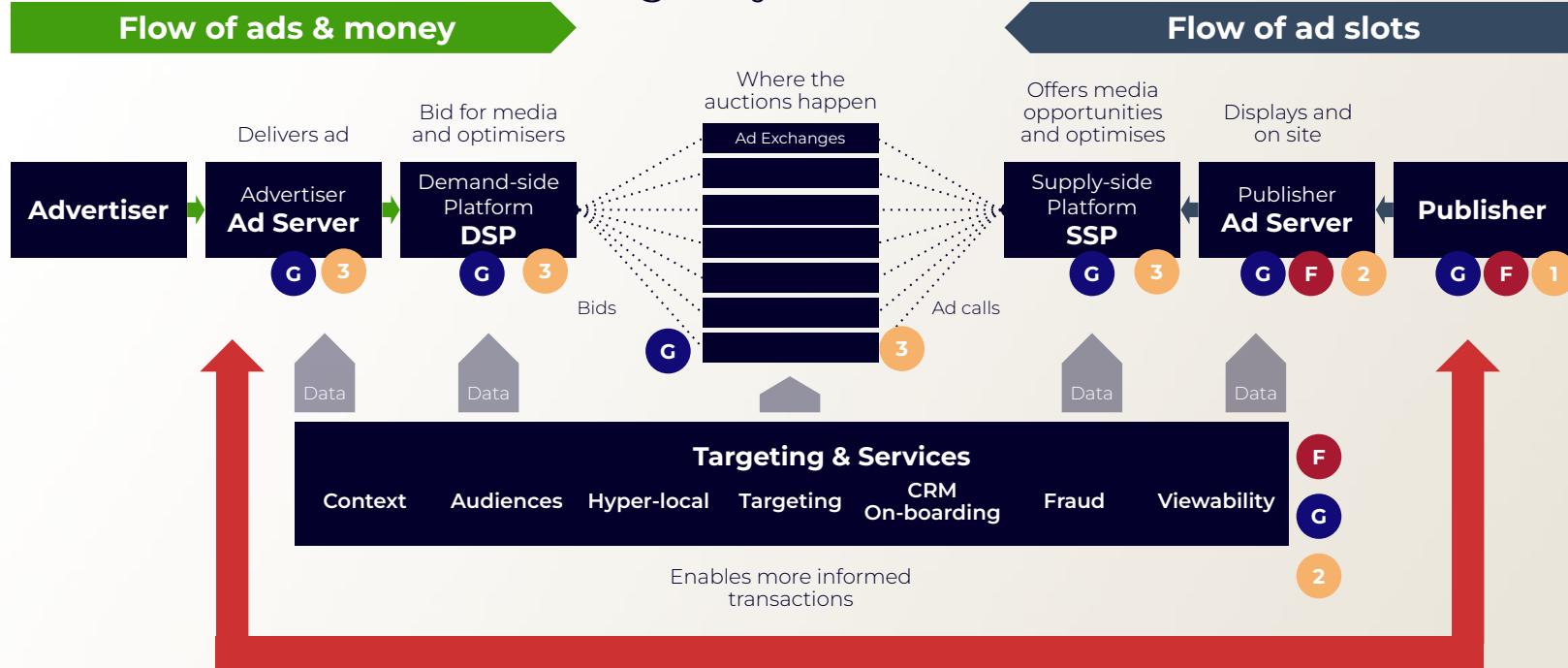


Q&A

Appendix

Detailed view of the Ads ecosystem

Direct integration between
agency & Future



Key definitions

1st party cookie

Text stored on the user's computer that is created by the website the user is visiting. By default, 1st party cookies are allowed across every browser. 1st party cookies are controlled by the company that sets them on a users device.

Private marketplace

A private marketplace that is agreed between two parties but with added benefits such as fixed CPMs (cost per thousand) or audience overlays

Advertising waterfall

The way publishers structure deals as part of their ad server to ensure the highest yielding adverts are delivered first before flowing down through the various partners.

CCPA

The California Consumer Privacy Act (CCPA) is a state-wide data privacy law that regulates how businesses all over the world are allowed to handle the personal information of California residents.

3rd party cookie

Text stored in the user's computer that is created by a website with a domain name other than the one the user is currently visiting. These are mainly used by a number of ad technology vendors to track users and their exposure to advertising.

Open auction

Realtime media buying based on a number of audience and targeting criteria.

Google's Privacy Sandbox

Google's alternative proposals for a more privacy compliant ads ecosystem.

PPID

The Publisher provided identifier (PPID) allows publishers to send Google Ad Manager an identifier for use in frequency capping, audience segmentation and targeting, sequential ad rotation and other audience-based ad delivery controls.

IDFA

The Identifier for Advertisers (IDFA) is a random device identifier assigned by Apple to a user's device. Advertisers use this to track data so they can deliver customized advertising.

Identity vendor & user ID

After Google released its plan to remove 3rd party cookies, over 80 vendors appeared offering alternative user targeting solutions primarily using hashed (encrypted) emails as a user ID.

Direct/Programmatic Guaranteed

Directly transacted deals with clients and agencies delivered either through direct or programmatic channels.

FLoC [RETIRED POST FEB 22 Announcement]

Federated Learning of Cohorts (FLoC) proposed a new way for businesses to reach people with relevant content and ads by clustering groups of people with similar interests. These users would then be targeted with adverts but never individually revealed.

Topics

The new advert targeting proposal from Google. Users are allocated a number of Topics which marketers can target based on a curated and standardised list of popular interests. The new proposal is open for industry review ahead of testing later in 2022.