

DEROGATION LETTER

IN RESPECT OF INITIAL ENFORCEMENT ORDER ISSUED PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 15 January 2024

COMPLETED ACQUISITION BY SPREADEX LIMITED OF THE B2C BUSINESS OF SPORTING INDEX LIMITED (THE MERGER)

We refer to your email of 5 March 2024 requesting that the CMA consents to derogations to the Initial Enforcement Order of 15 January 2024 (the '**Initial Order**'). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, SpreadEx is required to hold separate the Target business from the SpreadEx business and refrain from taking any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action following such a reference.

After due consideration of your request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, SpreadEx may carry out the following actions, in respect of the specific paragraphs:

Paragraphs 5(a) and 5(c) of the Initial Order

SpreadEx submits that the Target's migration to SpreadEx's proprietary systems has had a knock-on impact on certain marketing staff at the Target, as defined in Annex 1 (the '**Authorised Individuals**'), as a portion of the roles that the Authorised Individuals undertook pre-Merger were automated by SpreadEx and no longer required. The Authorised Individuals were given additional non-strategic tasks in relation to the SpreadEx business, but these were paused owing to the Initial Order. SpreadEx submits that the Authorised Individuals have therefore been operating at around 25% of their capacity and [3<].

SpreadEx therefore requests a derogation from paragraphs 5(a) and 5(c) of the Initial Order in order to allow the Authorised Individuals to:

- (a) update sports events banners on the SpreadEx UK and SpreadEx Denmark spread betting and odds site;

- (b) change the order of sports pricing panels on the SpreadEx UK and SpreadEx Denmark spread betting and odds site;
- (c) create social media graphics for SpreadEx UK, SpreadEx Denmark, and the Target;
- (d) create daily/weekly blog article graphics for SpreadEx UK, SpreadEx Denmark, and the Target;
- (e) create email image headers for SpreadEx UK, SpreadEx Denmark, and the Target; and
- (f) create ASA tile imagery for SpreadEx UK, SpreadEx Denmark, and the Target (together, the '**Permitted Purpose**').

The CMA consents to SpreadEx's request for a derogation strictly on the basis that:

- (a) the Permitted Purpose will have no influence upon the commercial direction of the Target business while the Initial Order is in force;
- (b) the Authorised Individuals are not directly engaged in, nor responsible for making commercial or strategic decisions with regards to the Target business, and they will not be directly engaged in, nor responsible for making commercial or strategic decisions with regards to the SpreadEx business;
- (c) the Authorised Individuals' contracts will remain with the Target business;
- (d) the Authorised Individuals will prioritise work in relation to the Target; and
- (e) this derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decision on a reference.

Yours sincerely,

Adam Cooper

Director, Remedies Business and Financial Analysis

7 March 2024

Annex 1 - Authorised Individuals

Only the following individuals will be able to conduct the Permitted Purpose:

- [X] (Target Content Assistant)
- [X] (Target Content Assistant)