

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 emails of 14 May 2024, 16 May 2024, and 17 May 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(c) and 5(i) of the Initial Order

Spreadex submits that its sports trading teams are managed by four senior managers with the shared identical job titles of '*Head of Sports Trading, Product and Operations*'. Spreadex further submits that this current shared management structure is not best serving the needs of its business, and therefore requests a derogation from paragraphs 5(c) and 5(i) of the Initial Order to introduce a level of specialisation into this management team such that the four shared '*Head of Sports Trading, Product and Operations*' roles can be separated and specialised into four individual roles:

- a) Head of Football Trading, Product and Operations;
- b) Head of Racing Trading, Product and Operations;
- c) Head of Cricket, Rugby and Golf Trading, Product and Operations; and
- d) Head of Multi-Sport Trading, Product and Operations.

Spreadex submits that no Target business employees report directly or indirectly to the four Heads of Sports Trading, Product and Operations, and therefore they will not be impacted by this change. Further, Spreadex submits that the proposed changes will not have any negative impact on the level of service provided to the Target business.

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

- a) there will not be any redundancies as a result of this derogation;
- b) this derogation does not impact any employees working (or formerly working) at the Target business;
- c) no other significant changes will be made to the organisational structure of, or the management responsibilities within, the Spreadex business as a result of this derogation;
- d) this derogation will not result in any further integration between the Target business and the Spreadex business; 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,

Alex Hazell,
Assistant Director, Mergers