

## **CONTENTS**

APPENDIX A: TERMS OF REFERENCE.....	1
APPENDIX B: CONDUCT OF THE INQUIRY .....	2
APPENDIX C: B2C-DEDICATED PERIMETER .....	4
APPENDIX D: TSA SERVICE CATEGORIES .....	5
GLOSSARY .....	6

## APPENDIX A: TERMS OF REFERENCE

- A.1 In exercise of its duty under section 22(1) of the Enterprise Act 2002 (the **Act**) the Competition and Markets Authority (**CMA**) believes that it is or may be the case that:
- (a) a relevant merger situation has been created, in that:
    - (i) enterprises carried on by Spreadex Limited have ceased to be distinct from the enterprise comprising the business-to-consumer business carried on by Sporting Index Limited; and
    - (ii) the condition specified in section 23(2)(b) of the Act is satisfied with respect to the supply of licensed online sports spread betting services in the UK; and
  - (b) the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within a market or markets in the United Kingdom for goods or services, including for the supply of licensed online sports spread betting services in the UK.
- A.2 Therefore, in exercise of its duty under section 22(1) of the Act, the CMA hereby makes a reference to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 in order that the group may investigate and report, within a period ending on 1 October 2024, on the following questions in accordance with section 35(1) of the Act:
- (a) whether a relevant merger situation has been created; and
  - (b) if so, whether the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.

**Naomi Burgoyne**  
**Senior Director, Mergers**  
**Competition and Markets Authority**  
**17 April 2024**

## APPENDIX B: CONDUCT OF THE INQUIRY

- B.1 On 17 April 2024, the CMA [referred](#) the completed acquisition by Spreadex of the B2C business of Sporting Index for an in-depth phase 2 inquiry.
- B.2 We published the biographies of the members of the inquiry group conducting the inquiry on the [inquiry webpage](#) on 17 April 2024 and the relevant administrative timetable was published on the [inquiry webpage](#) on 29 April 2024. At the commencement of the inquiry, the statutory deadline for the reference period was 1 October 2024.
- B.3 We invited interested parties to comment on the completed acquisition. We sent written requests for information to providers of fixed odds betting and financial spread betting, as well as a short questionnaire to customers who together accounted for around 50% of the Parties' revenues. A number of third parties provided us with further information by video conference calls as well as by responding to supplementary written questions. We also spoke with and received responses to written questions from the seller of Sporting Index (FDJ), third parties involved in the sale process of Sporting Index (including advisors and other potential purchasers) and the relevant industry regulator (in this case, the FCA). We received contemporaneous internal documents from both the seller of Sporting Index and potential purchasers of Sporting Index. Evidence submitted to the CMA during its phase 1 investigation has also been considered in phase 2.
- B.4 We received written evidence from the Parties in the form of submissions and responses to information requests, including internal documents.
- B.5 On 16 May 2024, we published an Issues Statement on the [inquiry webpage](#) setting out the areas on which the phase 2 inquiry would focus. We did not receive any submissions in response to the Issues Statement.
- B.6 On 1 May 2024, Spreadex provided a 'teach-in' to the inquiry group, accompanied by CMA staff, at the CMA's London offices.
- B.7 We held a hearing with Spreadex on 4 July 2024.
- B.8 Prior to the hearing, we sent the Parties a number of working papers for comment. The Parties were also sent an annotated issues statement, which outlined our emerging thinking prior to the main party hearing.
- B.9 A notice under [section 39\(3\)](#) of the Act extending the reference period by eight weeks to 26 November 2024, together with a revised version of the administrative timetable, are published on the [inquiry webpage](#) on 25 July 2024.
- B.10 A non-confidential version of our provisional findings report is also published on the [inquiry webpage](#). Interested parties are invited to comment on this document.

B.11 We would like to thank all those who have assisted in our inquiry so far.

## APPENDIX C: B2C-DEDICATED PERIMETER

C.1 This Appendix shows the details of the transaction scope for the B2C Sale Process. The B2C-dedicated Perimeter is referred to as 'Silver' in the figures below.

C.2 Figure C.1 and Figure C.2 below show the B2C-dedicated Perimeter within the wider Sporting Group organisation.

### Figure C.1: B2C-dedicated Perimeter within Sporting Group (by asset)

[✂].

Sources: Spreadex response to the Enquiry Letter, 14 December 2023, Annex 32, slide 9 and third party response to the CMA's RFI.

### Figure C.2: B2C-dedicated Perimeter within Sporting Group (by function)

[✂].

Sources: Spreadex response to the Enquiry Letter, 14 December 2023, Annex 32, slide 8 and third party response to the CMA's RFI.

C.3 Figure C.3 below illustrates the areas where a TSA may be required to ensure a smooth transition to the purchaser and maintain business continuity.

### Figure C.3: Envisaged TSA services

[✂]

Sources: Spreadex response to the Enquiry Letter, 14 December 2023, Annex 32, slide 10 and third party response to the CMA's RFI.

C.4 Figure C.4 below sets out the B2C staff headcount of [✂] as of 31 March 2023, all of whom formed part of the B2C-dedicated Perimeter, including [✂]:

(a) [✂];

(b) [✂]; and

(c) [✂].

### Figure C.4: B2C headcount (31 March 2023) included within the B2C-dedicated Perimeter

[✂]

Sources: Spreadex response to the Enquiry Letter, 14 December 2023, Annex 32, slide 18 and third party response to the CMA's RFI.

# APPENDIX D: TSA SERVICE CATEGORIES

D.1 [REDACTED].

D.2 [REDACTED].

## GLOSSARY

Terms	Definition
<b>Act</b>	<a href="#">Enterprise Act 2002</a> .
<b>Alternative Bidder(s)</b>	Either [X] or [X].
<b>Alternative Purchaser Condition</b>	The second of two cumulative conditions to the exiting firm counterfactual, namely that there would not have been an alternative, less anti-competitive purchaser for the firm or its assets to the acquirer in question.
<b>B2B</b>	Business-to-business.
<b>B2B Business</b>	The <b>B2B</b> business carried on by <b>Sporting Solutions</b> .
<b>B2C</b>	Business-to-consumer.
<b>B2C Business</b>	The <b>B2C</b> (spread betting and fixed odds) business carried on by <b>Sporting Index</b> .
<b>B2C Sale Process</b>	<b>FDJ's</b> sale process of the <b>B2C-dedicated Perimeter</b> , which commenced in January 2023.
<b>B2C-dedicated Perimeter</b>	The transaction perimeter relating to the <b>B2C Business</b> offered to all potential purchasers during the <b>B2C Sale Process</b> .
<b>CMA</b>	Competition and Markets Authority.
<b>Exit Condition</b>	The first of two cumulative conditions to the exiting firm counterfactual, namely that the firm was likely to have exited (through failure or otherwise).
<b>FCA</b>	The Financial Conduct Authority.
<b>FDJ</b>	La Française des Jeux SA, the ultimate parent company of <b>Sporting Group</b> .
<b>FSMA</b>	<a href="#">Financial Services and Markets Act 2000</a> .
<b>FY</b>	Financial year.

Terms	Definition
<b>GC</b>	The Gambling Commission.
<b>HVC</b>	High-value customer.
<b>Inquiry Group</b>	The group of <b>CMA</b> panel members constituted to investigate and report on the <b>Merger</b> .
<b>IP</b>	Intellectual property.
<b>MAGs</b>	<a href="#">CMA 'Merger Assessment Guidelines'</a> (CMA129), 18 March 2021.
<b>Merged Entity</b>	<b>Spreadex</b> and <b>Sporting Index</b> together, for statements relating to the situation post-Merger.
<b>Merger</b>	The completed acquisition by <b>Spreadex</b> of the <b>B2C</b> business of <b>Sporting Index</b> , which completed on 6 November 2023.
<b>Online sports betting services</b>	Licensed online sports spread betting and online sports fixed odds betting services.
<b>Parties</b>	<b>Spreadex</b> and <b>Sporting Index</b> together.
<b>RMS</b>	Relevant merger situation.
<b>Rules</b>	<a href="#">CMA rules of procedure for merger, market and special reference groups</a> (CMA17), March 2014 version (corrected November 2015).
<b>[✂]</b>	The sale marketing document <b>[✂]</b> during the <b>B2C Sale Process</b> .
<b>SLC</b>	Substantial lessening of competition.
<b>SPIN</b>	Sporting Index is referred to in some internal documents as ' <b>SPIN</b> '.
<b>Sporting Group</b>	Sporting Group Holdings Limited, the holding company of <b>Sporting Index</b> (prior to the <b>Merger</b> ) and <b>Sporting Solutions</b> .
<b>Sporting Index</b>	Sporting Index Limited.



Terms	Definition
<b>Sporting Solutions</b>	Sporting Solutions Services Limited; the <b>B2B</b> activities of <b>Sporting Group</b> .
<b>Spreadex</b>	Spreadex Limited.
<b>SSNIP</b>	Small but significant non-transitory increase in price.
<b>TSA</b>	Transitional Services Agreement.
<b>UILs</b>	Undertakings in lieu.
<b>UK</b>	United Kingdom.
<b>UX/UI</b>	User Experience/User Interface.