

**SPREADEX / SPORTING INDEX:**  
**RESPONSE TO THE CMA'S**  
**NOTICE OF POSSIBLE REMEDIES**

**1. INTRODUCTION**

- 1.1 This document is the response of Spreadex Limited ("**Spreadex**") to the Notice of Possible Remedies ("**RN**") issued by the CMA on 25 July 2024 in connection with the CMA's investigation into the acquisition by Spreadex (the "**Merger**") of the 'business-to-consumer' ("**B2C**") business of Sporting Index Limited ("**Sporting Index**") from Sporting Group Holdings Limited.
- 1.2 This response is without prejudice to Spreadex's response to the CMA Provisional Findings report in connection with the investigation published on 25 July 2024 ("**PFs**")<sup>1</sup> that will be submitted by 30 August 2024. Spreadex strongly disagrees with the CMA's provisional finding in the PFs that the Merger results in a substantial lessening of competition ("**SLC**"). Notwithstanding the above and in case it is ultimately determined that the Merger does give rise to a SLC, Spreadex makes the following submissions on the RN.
- 1.3 Spreadex provides its views on the two remedies proposals identified by the CMA in the RN in section 2 of this response, before addressing the questions and comments from the RN in section 3. Spreadex also outlined its own remedies proposal which is included as **Annex 1**.

**2. POTENTIAL REMEDIES PACKAGES IDENTIFIED BY THE CMA**

- 2.1 In the RN, the CMA has identified two possible remedies packages at paragraph 17 of the RN. These include:
- 2.1.1 The sale of the assets acquired by Spreadex through the Merger<sup>2</sup> ("**Proposal 1**"); and
- 2.1.2 The sale of a combination of Sporting Index assets (including the Sporting Index legal entity) and certain Spreadex assets ("**Proposal 2**"). The CMA envisages that the additional Spreadex assets within the remedies package may include the provision of some Spreadex staff to supplement the Sporting Index assets within the remedies package and (i) a reconstituted IT platform and applications (including (but not limited to) the pre-Merger Sporting Index Spread Betting Platform or (ii) a clone of Spreadex's spread betting platform.

**Proposal 1**

- 2.2 Spreadex considers that Proposal 1 would constitute an appropriate remedy. It is implicitly the CMA's view (outlined in the PFs) that the Acquired Assets could equally have been

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<sup>1</sup> Terms not otherwise defined in this submission have the meaning provided for them in the PFs or the RN.

<sup>2</sup> The Sporting Index legal entity (Sporting Index Limited); the Sporting Index brand; the source code for the spread betting platform used by Sporting Index pre-Merger, the sports spread betting and sports fixed odds betting customer list (including all trading history to ensure Spreadex could meet the requirements of the Financial Conduct Authority ("**FCA**") and the Gambling Commission ("**GC**")); the five current employees from Sporting Index (in Customer Relations, Customer Services and Marketing); intellectual property (IP) and web domain names; regulatory licences with the FCA and the GC; unrecognised deferred tax losses; and trade debtors and trade creditors/accruals (the "**Acquired Assets**").

acquired and operated by one of the Alternative Bidders (and other interested parties) with the benefit of a transitional services agreement ("TSA") to allow the purchaser to operate the business whilst it builds up its own capabilities and functions. This will include recruiting such staff as it believes necessary.

- 2.3 If required to divest Sporting Index, Spreadex would be prepared to offer a purchaser of the Acquired Assets a TSA to operate the Sporting Index business for a transitional period, while the purchaser makes the investments required to build up the personnel and functions that it does not currently have to operate the business in the manner that Sporting Index operated it pre-Merger. Since restoring Sporting Index to its pre-Merger position would address the SLC that the CMA has identified, it would not be proportionate for Spreadex to be required to offer a TSA that supports Sporting Index in the manner that it has been operated under Spreadex's ownership. Spreadex would negotiate a TSA in good faith on fair and reasonable terms whereby Spreadex will offer at market rate, services of no greater scope and duration than that implied is necessary by the CMA's finding on the counterfactual. In addition to the provision of the [REDACTED], Spreadex considers that such a TSA would need to include:

- 2.3.1 Temporary [REDACTED] support;
- 2.3.2 Temporary [REDACTED] support;
- 2.3.3 Temporary [REDACTED] support [REDACTED]; and
- 2.3.4 Temporary [REDACTED] support.

- 2.4 The precise scope of the TSA would depend on the current capabilities of the bidder in question. For instance, Spreadex would expect the scope of the TSA to include minimal trading support to an acquirer such as [REDACTED], given its reported capabilities outlined by the CMA in the PFs. Spreadex notes the remarks in the PFs that:

- 2.4.1 The work areas to be covered by the Sporting Group TSA, as communicated to [REDACTED], during the original sale process were: (a) [REDACTED]; (b) Technology services, eg services relating to the spread betting platform ([REDACTED] [REDACTED]); (c) [REDACTED]; and (d) [REDACTED].<sup>3</sup>
- 2.4.2 [REDACTED] indicated that there were elements of the Sporting Group TSA that they would not require, including B2B data and trading services for major, global sports – football, tennis, basketball – that [REDACTED] could self-supply.<sup>4</sup>
- 2.4.3 [REDACTED] bid was based on Sporting Group supplying "[REDACTED] for 1 year [and] [REDACTED] for 1 year".<sup>5</sup>

- 2.5 Whilst the proposal outlined at paragraphs 2.1 to 2.4, would address the SLC identified in the PFs and would be a suitable and proportionate remedy, in order to make the remedies package as attractive to as many bidders as possible, in addition to the provision of a TSA as outlined above, Spreadex would also be prepared to [REDACTED]. Spreadex notes that it would be unviable to recreate the back-end platform solution based solely on the source code in its possession for the pre-Merger Sporting Index spread betting platform (i.e. Atlas). Spreadex would face the following significant and insurmountable practical difficulties in attempting this solely on the basis of Atlas:

- 2.5.1 Spreadex is unfamiliar with the acquired Sporting Index technology (having never operated it) and lacks the required experience, know-how and complementary infrastructure (that is still held in Sporting Group) to recreate the former environment..
- 2.5.2 [REDACTED].

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<sup>3</sup> PFs, paragraph 5.90.

<sup>4</sup> PFs, paragraph 5.93 (a)(i) and (ii).

<sup>5</sup> PFs, paragraph 5.79 (b)(ii).

- 2.5.3 Spreadex understands that the B2C Business's previous owner, La Française des Jeux ("FDJ"), has reached an agreement to sell Sporting Group to Bettson Group, subject to regulatory approvals. Given the current sales process, it is unlikely FDJ or Bettson Group would be able or willing to provide Spreadex with the necessary technical assistance and/or insight to allow Spreadex to develop a new back-end platform.
- 2.6 As such, to create a viable, independent spread betting platform that retains the core client-facing elements of the original Sporting Index system, but that is 'operable' in its own right (given the technology acquired by Spreadex was not), Spreadex's proposal to "reconstitute the platform", involves repurposing key elements of the Sporting Index's existing systems, whilst integrating new technology, and developing new components as necessary. Further detail is provided in the accompanying remedies proposal in Annex 1 but Spreadex maintains that doing this is not proportionate or necessary to remedy the potential SLC and notes that in doing this, it will be enhancing the pre-Merger Sporting Index platform based on its own know-how.
- 2.7 Once developed, [REDACTED]. Spreadex would provide the purchaser with documentation and related 'know how' to accompany [REDACTED]. Spreadex would also be prepared to offer reasonable technical support via the TSA for a short period of time (recommended at up to [REDACTED] months). Spreadex believes that this period would allow sufficient time for the purchaser to familiarise themselves with [REDACTED].
- 2.8 Spreadex considers that the provision of [REDACTED] (alongside the accompanying technology support as proposed at paragraph 2.7 and the TSA outlined at paragraph 2.3) would allow the purchaser to operate the proprietary IT software and systems included in the original transaction perimeter and would further reduce any composition risk arising from the Acquired Assets.
- 2.9 Spreadex is prepared to add to the Acquired Assets in the manner described above, but it does not accept that the divestiture of solely the Acquired Assets is "*unlikely to be sufficient to constitute the divestment of a standalone business and be an effective remedy in addressing the SLC*".<sup>6</sup> The Acquired Assets were the same as those that would have been available to the Alternative Bidders (and other bidders Sporting Group approached) minus some of the staff that Sporting Group was looking to offload. In any event [REDACTED] indicated that, had they been successful, they would only have taken 17 of the staff included in the B2C perimeter.<sup>7</sup> In practice this figure might have been even lower once due diligence had been completed. [REDACTED] would similarly have reduced the head count since they commented that Sporting Index had a 'staff count in excess of what was required to manage a business with such a small active customer base'.<sup>8</sup> The fact that Spreadex did not take on all of the Sporting Index staff on offer, does not diminish the standalone viable nature of this business.
- 2.10 Moreover, this proposition fundamentally contradicts and undermines the basis of the CMA's SLC finding. The CMA's SLC finding was predicated on its view that, absent Spreadex's bid, FDJ would have proceeded with one of the Alternative Bidders, each of which had the experience and means to operate the business as a going concern, or another bidder if those negotiations had not proceeded. In particular, in respect of the capability of the Alternative Bidders to acquire Sporting Index the CMA has noted that:
- 2.10.1 [REDACTED] [REDACTED] [REDACTED] already operates its own spread betting platform with around [REDACTED] spread betting clients a week.<sup>9</sup>

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<sup>6</sup> RN, paragraph 19.

<sup>7</sup> PFs, paragraph 5.79 (b)(ii).

<sup>8</sup> PFs paragraph 5.97 (a)(ii).

<sup>9</sup> PFs, paragraph 5.58 (a).

- 2.10.2 [X] generated a gross profit of around [X]million for its financial year ended [X].<sup>10</sup>
- 2.10.3 [X] uses feed providers to create pricing and employees from its team in [X] to price and create spreads manually for some '[sports] markets'. [X] and [X] used different 'tech houses' to develop their respective platforms.<sup>11</sup>
- 2.10.4 [X] would have used its in-house capabilities and the staff transferring from Sporting Index and worked with third parties to transition away from the original proposed TSA.<sup>12</sup>
- 2.10.5 [X] note that the value of Sporting Index lies in its 'database of historical, inactive customers'.<sup>13</sup>
- 2.10.6 [X].
- 2.10.7 [X] already has the capabilities from its existing business to [X]spreads [X] and would be committed to developing [X] spreads [X].<sup>14</sup>
- 2.10.8 [X] would have replaced Sporting Solutions as the supplier of most major, global sports – football, tennis, basketball, etc. even if for continuity purposes they initially acquired them from Sporting Solutions.<sup>15</sup>
- 2.10.9 [X] would have acquired ongoing pricing services for sports such as cricket and rugby from Sporting Solutions under the proposed TSA until they could supply such services themselves,<sup>16</sup> acquiring temporary or ongoing pricing services from third parties such as Sporting Solutions remains available to them and other possible bidders now.
- 2.10.10 [X]believes that it could combine its current [X] expertise with Sporting Index's strong brand to develop a product to compete in the UK B2C sports spread betting segment.<sup>17</sup>
- 2.10.11 [X] has 'a lot of expertise in this area of understanding risk and setting strong prices'.<sup>18</sup>
- 2.11 It is the CMA's view in the PFs that, in the absence of the Merger, the sale of the B2C Business to an Alternative Bidder (or another purchaser) would have been the most likely scenario.<sup>19</sup> It is therefore implicit that the CMA considered that at least the Alternative Bidders but also other potential purchasers, were suitable purchasers of the B2C perimeter, with the ability and incentive to operate those assets as a viable competitor in the marketplace. The CMA also notes and does not contest Alix Partners's evidence that the idea behind the transaction perimeter was to sell the "*Sporting Index legal entity and all of the B2C-dedicated assets...[established a] 'standalone activity', which 'anybody could acquire' as the purchaser would acquire the 'legal entity, the right people, software and the underlying IT systems' as well as acquire Sporting Index's FCA authorisation to offer spread betting services in the UK*".<sup>20</sup>
- 2.12 If that is the case, then it is fundamentally inconsistent to suggest that "*divestiture of a combination of Sporting Index assets and Spreadex assets (including the Sporting Index*

<sup>10</sup> PFs, paragraph 5.58 (a).

<sup>11</sup> PFs, paragraph 5.93 (b)(i).

<sup>12</sup> PFs, paragraph 5.93 (b)(ii).

<sup>13</sup> PFs, paragraph 5.97 (a)(i).

<sup>14</sup> PFs, paragraph 5.59 (d).

<sup>15</sup> PFs, paragraph 5.93 (b)(ii).

<sup>16</sup> PFs, paragraph 5.93 (b)(iii).

<sup>17</sup> PFs, paragraph 5.97 (b).

<sup>18</sup> PFs, paragraph 5.97 (b).

<sup>19</sup> PFs, paragraph 5.107.

<sup>20</sup> PFs paragraph 5.56.

*legal entity) for the purpose of establishing a standalone business*"<sup>21</sup> would be necessary to constitute an appropriate remedy: the B2C perimeter established by FDJ on the advice of Alix Partners did not include any Spreadex assets. Requiring the inclusion of Spreadex assets will call into question the very counterfactual and SLC finding which underpins the need for a remedy in the first place. It would also be incompatible with the CMA's approach to identify the "*smallest viable, standalone business that can compete successfully on an ongoing basis*".<sup>22</sup>

- 2.13 If it really was the case that the Alternative Bidders (and other potential bidders who were approached) were viable bidders, then there is no reason to believe that this is not the case now. The only difference between the Acquired Assets and what was on offer to Spreadex, the Alternative Bidders, and other potential purchasers in early 2023, is that there are fewer staff available. However, just as Sporting Group offered to Spreadex and the Alternative Bidders, Spreadex would be prepared to offer the buyer a TSA to cover all of the services required, while the buyer recruits the additional staff it needs. As with the transfer of any technology business, technical integration would be required (as Spreadex itself undertook when it acquired Sporting Index).
- 2.14 However, in order to [REDACTED] and as set out at paragraphs 2.5 to 2.7, Spreadex would be prepared to provide a [REDACTED] to ensure that the Acquired Assets included as part of the divestiture package would be technically operational and able to operate as a standalone business within as short a period as possible.
- 2.15 In Annex 1 – Spreadex outlines a proposal for remedies which comprises elements of Proposal 1, in the form outlined in the CMA's remedies form.

## **Proposal 2**

- 2.16 Requiring the inclusion of any Spreadex assets in the divestiture package would not be reasonable or proportionate. It would also make the remedy much more complex and it would take much longer to implement.
- 2.17 As explained further in paragraph 3.12 below, it is not clear exactly what "cloning" Spreadex's technology would involve [REDACTED] would be extremely difficult, take much longer and would create a significant level of unnecessary risk of harm to both Sporting Index and Spreadex customers.
- 2.18 In order to be proportionate, the remedy must be appropriate and necessary in order to achieve the objectives legitimately pursued. When there is a choice between several appropriate measures, recourse must be had to the least onerous measure, and any harm caused must not be disproportionate to the aims pursued. Requiring a divestiture package to include any Spreadex assets would extend well beyond the scope of addressing the SLC and would reject a less intrusive and equally effective remedy.
- 2.19 As Spreadex has outlined in response to Proposal 1, there is an alternative less onerous measure that would address the SLC that the CMA has identified in the PFs, namely the transfer of the Acquired Assets and the optional [REDACTED], which is a viable remedies package.
- 2.20 Proposal 2 would also cause significant harm to Spreadex's business and therefore to Spreadex's customers. As has been previously submitted [REDACTED].
- 2.21 CMA merger remedies cannot require changes to individuals' terms of employment, so Spreadex cannot require its employees to join another business. Even if it were possible, [REDACTED]. This is not a question of imposing a "cost" on Spreadex which the CMA believes it is entitled to disregard, but of [REDACTED]. As Spreadex has submitted previously, a significant

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<sup>21</sup> RN, paragraph 19.

<sup>22</sup> Paragraph 5.7 of CMA Guidance, Merger Remedies, CMA87, 13 December 2018 available at: [https://assets.publishing.service.gov.uk/media/5c12349c40f0b60bbee0d7be/Merger\\_remedies\\_guidance.pdf](https://assets.publishing.service.gov.uk/media/5c12349c40f0b60bbee0d7be/Merger_remedies_guidance.pdf)

regulatory and compliance team and trading function is required to run a sports spread betting business. To transfer the number of staff required to operate Sporting Index completely independently of Spreadex (from Spreadex) [REDACTED]. In particular:

2.21.1 As is explained further in paragraph 3.10 et seq., [REDACTED].

2.21.2 [REDACTED].

2.21.3 [REDACTED].

2.22 For these reasons, it would not be possible for Spreadex to transfer staff (even if they were able to) [REDACTED]. Any remedy that involved such transfers would therefore be disproportionate. As Spreadex explains further at paragraphs 3.3 and 3.4 below, a purchaser of Sporting Index is also unlikely to want Spreadex to hire staff on its behalf.

2.23 Transferring Spreadex's knowhow and intellectual property to an independent Sporting Index would [REDACTED] as well as distorting competition in the market more broadly. As explained in paragraphs 3.10 and 3.11 below, [REDACTED]. Forcing Spreadex to [REDACTED]. It will also distort the market more broadly – if the two principal providers of regulated online sports spread betting services are in the long term using the same underlying technology it will limit innovation in the sector, in contradiction to the CMA's aims in seeking to prohibit the Merger (assuming that the CMA is correct in determining that the Merger will result in a SLC).

2.24 Any remedies the CMA issues must restore competition to the position that it was pre-Merger. Providing Spreadex staff and assets (including intellectual property and knowhow) that were not part of the Sporting Index business, [REDACTED]. As well as artificially distorting the market, it would [REDACTED]. Such measures would therefore be disproportionate and entirely inappropriate to the potential harm that the CMA is seeking to remedy.

2.25 Spreadex acknowledges that there may be some financial costs to Spreadex in a divestiture process and that the CMA does take account of such costs. However those costs should not extend to [REDACTED].

#### **Other possible remedies**

2.26 On the basis of the SLC provisionally found and as discussed previously with the CMA, Spreadex accepts that there is no suitable behavioural remedy available and it will not be putting forward such a remedy.

### **3. RESPONSES TO THE CMA'S OBSERVATIONS AND QUESTIONS IN THE RN**

*The reconstitution or re-creation of the IT platform, applications and other technology used by Sporting Index prior to the Merger (paragraph 29(a) of the RN)*

3.1 As Spreadex has explained at paragraph 2.5 above, there will be significant and potentially insurmountable challenges in "re-standing up" the former Sporting Index platform, not least because it does not possess the technical expertise to do this.

3.2 As set out at paragraphs 2.5 and 2.7 above, Spreadex would be prepared to develop and provide [REDACTED] as an option to the relevant purchaser. This is a more effective alternative to "re-creation" and it would allow the purchaser to operate the proprietary IT software and systems included in the original transaction perimeter and would reduce any composition risk arising from the Acquired Assets. As noted at paragraph 2.7 above, Spreadex would offer accompanying technical support to the purchaser via a TSA for a short period (recommended at up to [REDACTED] months), which would allow the purchaser sufficient time to recruit their own technical staff. However, Spreadex maintains that the inclusion of the [REDACTED] in the divestiture package would not require the inclusion of any Spreadex assets in the divestiture package.

*Ensuring the divestiture package has sufficient numbers of key employees (paragraph 29(b) of the RN)*

- 3.3 As outlined in Spreadex's submission above, given that the CMA has itself provisionally found that the Acquired Assets could have been purchased and run as a viable competitor (with the benefit initially of a TSA, while the acquirer hired the additional personnel needed), it would not be proportionate to transfer Spreadex employees to the independent Sporting Index business. [§]. In any event Spreadex cannot force, and the CMA cannot order, Spreadex employees to transfer to an independent Sporting Index.
- 3.4 The employees that a purchaser will need will depend on what their business is. [§], for example, already has a trading function and so would not have needed such employees – according to their submission – a year ago, so it cannot be the case that they would need such employees to be included in the divestiture package now. In order to make the package as attractive to as many purchasers as possible, it would be best to leave it to the successful purchaser to hire what staff they will need in due course, providing any services required in the interim via a TSA.
- 3.5 For the same reasons it would also not make any sense for Spreadex to hire a workforce for the new business. Whoever acquires the Sporting Index business will have their own views on who they want to hire. Therefore, in order for the package to be sufficiently attractive to as many potential purchasers as possible, Spreadex would offer a TSA to provide any functions required whilst the purchaser hires the staff it wants to run the business in the long term.
- Ensuring that the key Sporting Index assets (including the Sporting Index legal entity) are included in the divestiture package (paragraph 29(c) of the RN)*
- 3.6 As outlined at paragraph 2.2 above, Spreadex agrees that all of the Acquired Assets should be included in the divestiture package.
- What categories of employees would be required, and how many of these employees would be required (paragraph 31(a) of the RN)?*
- 3.7 As outlined above, Spreadex would be able to provide the reasonable support required by a purchaser in accordance with a TSA. The eventual purchaser could then hire such employees as it needs, depending on its particular circumstances.
- Reconstituting or recreating the IT platform, applications and other technology used by Sporting Index prior to the Merger (paragraph 31(b) of the RN)*
- 3.8 As outlined in its submissions above, Spreadex would face significant and potentially insurmountable challenges in recreating the IT Platform. However, Spreadex would be prepared to [§] as an option to the relevant purchaser. Further detail on the [§] is included in Annex 1.
- Are there other parts of the Sporting Index business which would need to be reconstituted or recreated in order to form a viable divestment business? What steps would be required to do so and how long would this process take? How costly would this process be (paragraph 31(c) of the RN)?*
- 3.9 Spreadex responds to this question in its submissions above.
- Cloning the Spreadex spread betting platform (paragraph 31(d) of the RN)*
- 3.10 "Cloning" Spreadex's platform would be disproportionate. It is not even obvious exactly what "cloning" means, but insofar as it means creating a fully operational copy of Spreadex's platform and offering that to a potential purchaser with or without ongoing development and support, such "cloning" would amount to [§], damaging Spreadex's ability to effectively compete. [§]. Requiring it to be made available to a purchaser to compete with Spreadex would amount to a fundamental distortion of the pre-Merger competitive position.

- 3.11 It would be perverse to require Spreadex to create a competitor to compete with it based on its own platform. Such an expropriation of Spreadex's legacy assets would also go above and beyond restoring the pre-Merger competitive position, [REDACTED].
- 3.12 Any cloning process would also be wholly unfeasible for Spreadex from a practical perspective. Spreadex has constructed its own infrastructure and systems, which are highly integrated, for over two decades. [REDACTED]. It remains unclear what "cloning" actually means. However, Spreadex expects that it would at least include [REDACTED]:
- 3.12.1 Creating a secure testing and development environment, which is separate from Spreadex's existing business operations (to enable the process to take place without adversely impacting Spreadex and Sporting Index's customers and regulatory compliance);
  - 3.12.2 Separating the core sports trading programmes and data [REDACTED];
  - 3.12.3 Decoupling (i.e. removing any dependence of) the sports platform and applications [REDACTED]; and
  - 3.12.4 Ensuring that all the decoupled sports applications and programmes still work together [REDACTED].
- 3.13 The new system must be compliant with the FCA and GC regulatory frameworks. This task would be vast, time-consuming and wholly disproportionate: Spreadex would be sure to face significant costs and constraints on its internal resources. It would also be far more complex than [REDACTED] due to the work required to separate out the different parts of the Spreadex systems and re-create a system that just runs sports spread betting independently [REDACTED].
- 3.14 Although superficially "cloning" sounds easier, it actually involves more steps and carries more risks. Spreadex also considers that any cloned system would be vulnerable to significant technical risks and could result in the failure of a number of aspects of the cloned system. [REDACTED]. A "cloned" system would also require more technical support going forward since it would be based on (in technology terms) old Spreadex systems [REDACTED].
- 3.15 In **Annex 2**, Spreadex sets out its own analysis of the challenges of "cloning" compared to creating a [REDACTED] including its best estimate of the potential timelines of "cloning" as compared to reconstituting the Sporting Index platform [REDACTED].

*Is it necessary for the divestiture package to be configured to allow a prospective purchaser to provide sports fixed odds betting services in addition to providing sports spread betting services, either in order to operate a viable sports spread betting business (eg because sports fixed odds customers may become sports spread betting customers) and/or to attract a wider pool of prospective purchasers (paragraph 31(e) of the RN)?*

- 3.16 This would not be necessary. A spread betting business can operate viably on its own. [REDACTED]. Further, Sporting Index operated as a spread betting only business until 2019. Following that, the revenues for its fixed odd business have been immaterial. Prior to the Merger, fixed odds revenues constituted [REDACTED]% of Sporting Index's revenues. Spreadex also notes that the Sporting Index fixed odds platform did not form part of the initial offering in the context of the Merger. As such, potential purchasers of the business had the option to acquire the fixed odds platform separately. In any event, many of the potential purchasers of the business will already have their own fixed odds offering (e.g. [REDACTED]). "Off the shelf" fixed odds betting platforms are also widely available on the open market (via companies such as FSB, SbTech, Kambi, openBet and Betconstruct to name a few).



*Would a TSA with Spreadex be required, and if so, what should the scope and duration of any such TSA involve (paragraph 31(f) of the RN)?*

- 3.17 As outlined above and in accordance with the CMA's own findings in the PFs, a TSA would likely be required for any purchaser of the Acquired Assets. Spreadex is prepared to offer one on the terms outlined at paragraph 2.3 above.

*If the divestment of assets from either Spreadex, Sporting Index, or a combination of both would be effective in addressing the SLC and/or any resulting adverse effects that we have provisionally identified, should Spreadex be able to propose and specify which assets should be divested (paragraph 31(g) of the RN)?*

- 3.18 As the long-term owner and operator of a regulated sports spread betting business in the UK, Spreadex will understand better than any purchaser exactly what is required to operate such a business.

- 3.19 There were at least two other bidders (the Alternative Bidders) whom the CMA found were both prepared and able to both purchase and operate the Acquired Assets on substantially similar terms to Spreadex. Divesting those assets on similar terms should therefore (if the CMA's assessment in the PFs is correct) allow the sale of a viable business.

*Are there any other elements that would be required to be part of the divestiture package to ensure that it can compete effectively in the Relevant Market (paragraph 31(h) of the RN)?*

- 3.20 As noted above, beyond what is included in Spreadex's remedy proposal (in Annex 1), nothing else would be required,

*Ability to operate as a standalone package (paragraph 32 of the RN)*

- 3.21 The package of assets that Spreadex acquired had been put together by FDJ with professional assistance from Alix Partners to operate as a standalone package to appeal to the widest possible group of potential purchasers. There is no reason to consider that this package is less viable now than it was then (assuming that the CMA's assessment on the counterfactual in the PFs is correct). However the inclusion of the [REDACTED] would offer further assurance to potential bidders regarding the ability of the business to operate on a standalone basis.

*Purchaser suitability (paragraph 35 of the RN)*

- 3.22 Overly broad Purchaser Suitability Criteria (as defined in the RN), would reduce the possibility of finding a potential purchaser for the business. There are no other regulated online sports spread betting operators in the UK, so if a potential purchaser thinks they can operate the business (as [REDACTED] and [REDACTED] clearly told the CMA they do), they should not be restricted from bidding for the business.

*Risk associated with the divestiture (paragraph 36 of the RN)*

- 3.23 [REDACTED].

- 3.24 Further detail on the process and timescale for developing the [REDACTED] is included in Annex 1.

*Divestiture trustee (paragraph 38 of the RN)*

- 3.25 For the reasons outlined at paragraph 3.23, Spreadex also sees no need for the appointment of a divestiture trustee.