

From: [REDACTED]
To: [REDACTED]
Subject: Notes and observations from yesterday.
Date: 09 March 2021 10:51:00

Hi all

I know that [REDACTED] and [REDACTED] shared further information late last night – which the below cuts across in many areas. [REDACTED]

[REDACTED] Feel free to share as you see fit but I felt it appropriate to circulate to the small team in the first instance. **Bits in bold are potential information requests.**

1. The business model relies on bringing new customers and churn of monies into the platform.
2. As a result of Covid, and subsequent voluntary commitments to cease advertising in line with BGC membership, monthly on-boarding of new customers decreased to just 10% of pre-Covid levels.
3. To try to stimulate activity they increased dividends from £1m to £2m in and around August. This coincided with the start of the new season.
4. This action failed, resulting in planned changes that will see dividends drop to £550k per month from April – a reduction of 45% from August levels
5. Other costs were reduced prior to this – such as 40% of workforce removed, M and A budget slashed and refunds achieved to some pre-existing advertisement commitments (advertisers were able to sell on commitments), reference made to reductions in remaining salaries, office costs...
6. Open bets stand at c. £128m
7. Monies deposited in customer accounts stand at £3.85m – protected at GC level of medium
8. Some activity on platform since market update of the 5 March. Reference made to c. £500k of deposits (likely to be from existing, rather than new customers) and c. £250k of share 'trades' on Mon 9 March.
9. Shares are not currently being offered in new players. Share issuance is paused in terms of offering new shares in existing players on the index although a small amount of legacy offers from them are available on the platform. Only £9.58 (Nine pounds, 58 pence) had been spent on these on Mon 9 March
10. [REDACTED]
11. They referenced the desire to explore a CVA but stated 75% of creditors would need to agree to it. [REDACTED]
12. [REDACTED]

[REDACTED]

In terms of some additional metrics, they provided [REDACTED] with the below.

1. Users with 1+ open bet: 134,899

2. a) Users with £5k+ Deposits and 1+ Open bets: 7,270 b) Users with £5k+ Net Deposits and 1+ Open bets: 3,950

3. Top 50 users own 10.87% of shares. 4. Top 100 users own 15.83% of shares.

The above is a little unclear to me. I am not sure what the difference is between deposits and net deposits. And what does 10.87% and 15.83% of shares mean? Is it a % of the number of bets or a % of open bets in £s?

I have therefore had a quick look at their latest RR (Oct to Dec 20) to see what we can glean from them. They highlight a dominance of betting in reliance of the GC licence and a **negative GGY of £6.41m**.

Actives under GC licence = 123,635 Activities under Jersey = 1,504

Total funds held in customer accounts was £5.55m, of which £5.43 was held by GB customers. Yesterday, this live figure was stated as being £3.85m in total.

Total turnover was £59.42m, of which £58.25m was staked in reliance of the GC licence.

I therefore think we need to better understand the consumer position – as a total and in relation to bets accepted under our licence (rather than in reliance of the Jersey Gambling Commission). I would suggest requesting the below.

Size of open bets portfolio's based on stakes (bet purchase price) £s	No. of actives in respective bands		
	Total	In reliance of GC licence	In reliance of Jersey licence
Up to 99.99			
100 – 499.99			
500 – 999.99			
1000 – 4999.99			
5000 – 9999.99			
10,000 – 49,999.99			
50,000+			

Thanks

[REDACTED]
Gambling Commission
Victoria Square House
Victoria Square
Birmingham B2 4BP

Mob: [REDACTED]

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