

# BetIndex Limited – Business mode



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# Licence application

## Betting model

- Each bet or “Future” has a life of 3 years after which time the Future pays no further dividends (bet is closed and attracts no further liability)
- Dividends (or wins) are small but many may be paid out during the life of the Future. Dividend issued every day to holder of Futures for the Footballer with the highest media profile
- Futures issued initially at £1.00 but may increase at a higher price according to demand
- Price of the future in relation to the 20p dividends creates the odds, lower the price the longer the odds the higher the price the shorter the odds.

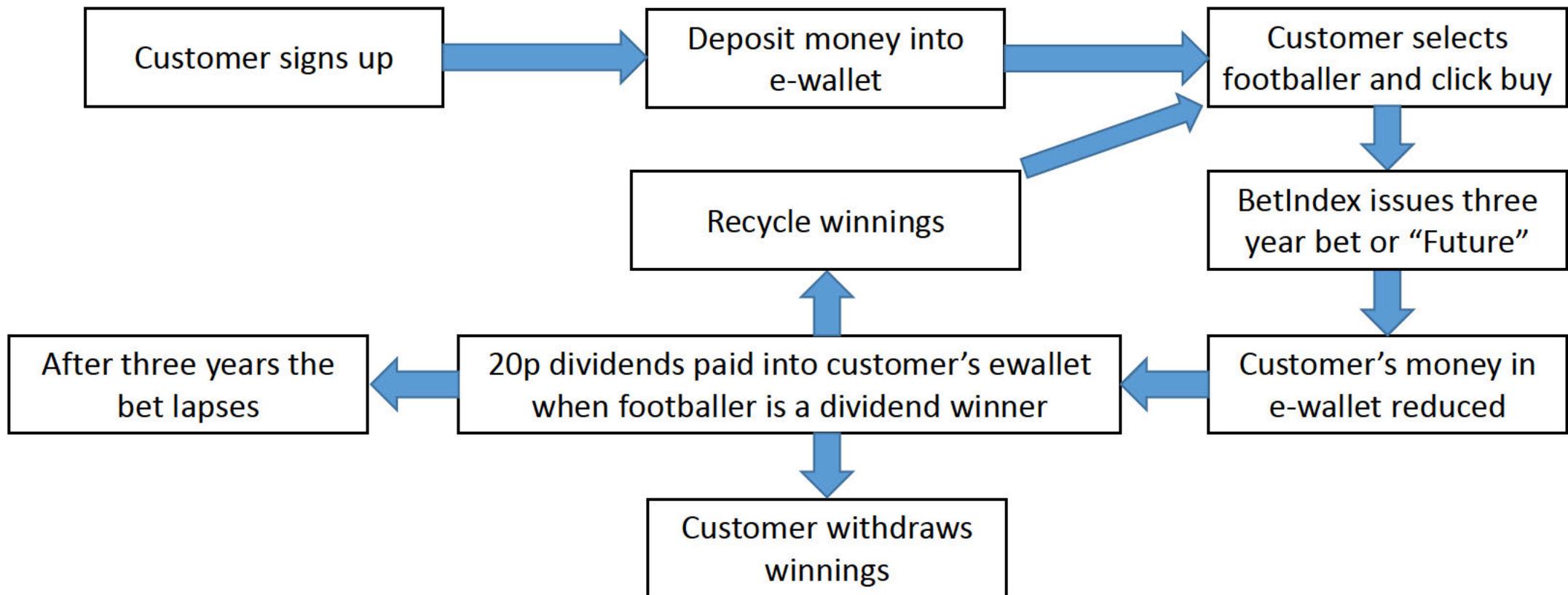
# Licence application

## Event and outcome

- The Event is the daily “FootballBuzz” competition that closes each day at 12:00am
- The winning outcome is to hold the daily Winner of this competition
- The Bet is unusual in that it is valid not for just one individual Event, but for a significant number of consecutive Events
  - up to a total of 365 x 3 (being 3 years); or
  - Until the football star falls out of the “1st Team” List

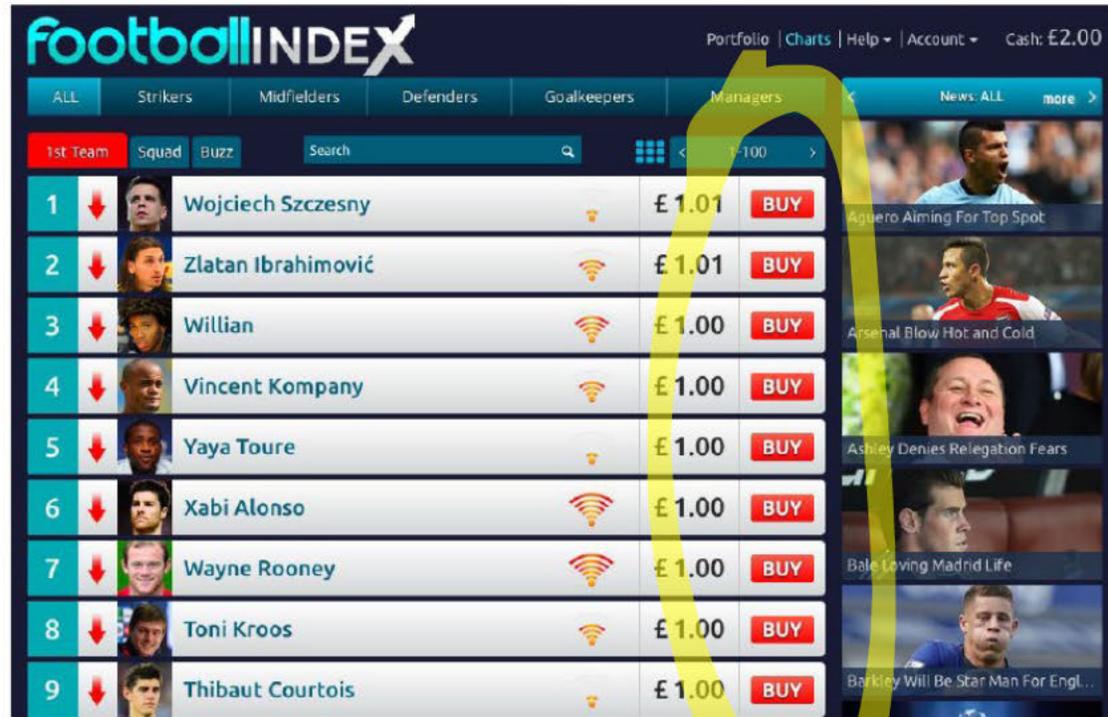
# Licence application

## Customer experience – Process flow



# Licence application

## Screen shot of product



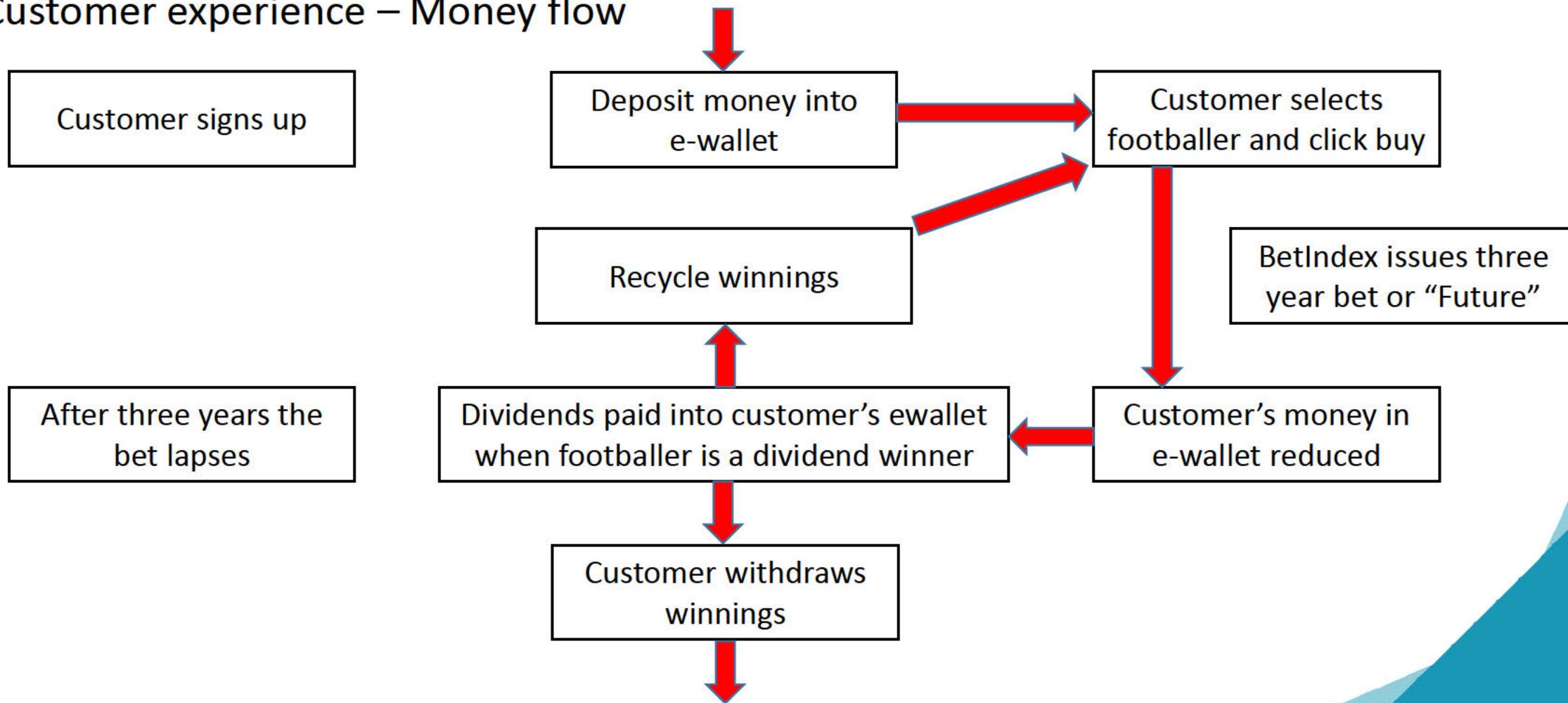
The screenshot shows the Football Index website interface. At the top, there is a navigation bar with 'Portfolio', 'Charts', 'Help', 'Account', and 'Cash: £2.00'. Below this is a menu with categories like 'ALL', 'Strikers', 'Midfielders', 'Defenders', 'Goalkeepers', and 'Managers'. A search bar is present. The main content area displays a list of players for sale, numbered 1 through 9. Each player entry includes a red arrow icon, a small player photo, the player's name, a Wi-Fi signal icon, a price in pounds (£), and a red 'BUY' button. The players listed are: Wojciech Szczesny (£1.01), Zlatan Ibrahimović (£1.01), Willian (£1.00), Vincent Kompany (£1.00), Yaya Toure (£1.00), Xabi Alonso (£1.00), Wayne Rooney (£1.00), Toni Kroos (£1.00), and Thibaut Courtois (£1.00). A yellow arrow originates from the 'BUY' buttons and points towards the text on the right.

Rank	Player Name	Price (£)	Action
1	Wojciech Szczesny	£ 1.01	BUY
2	Zlatan Ibrahimović	£ 1.01	BUY
3	Willian	£ 1.00	BUY
4	Vincent Kompany	£ 1.00	BUY
5	Yaya Toure	£ 1.00	BUY
6	Xabi Alonso	£ 1.00	BUY
7	Wayne Rooney	£ 1.00	BUY
8	Toni Kroos	£ 1.00	BUY
9	Thibaut Courtois	£ 1.00	BUY

No sell option presented to the Commission in the application

# Licence application

## Customer experience – Money flow



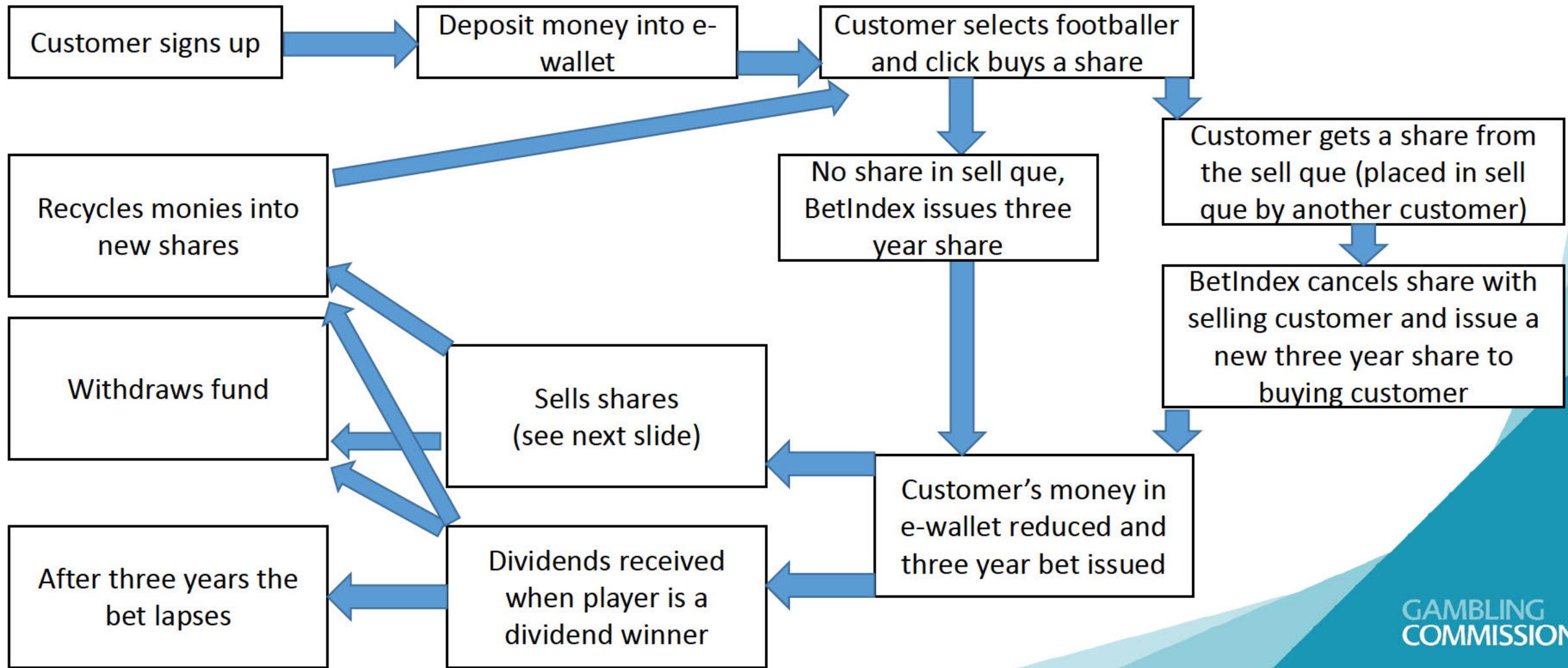
# Licence application

## Revenue stream

- Income from customer selecting future (less dividends paid to that customer for that future)

# Current product

## Customer experience – process flow



# Current product

## Screen shot of product

The screenshot shows the Football Index app interface. At the top, there is a search bar and navigation tabs for Market, Watchlist, Match Day Rankings, Media Rankings, and Portfolio. The Portfolio tab is active, showing a total value of £7,631.76. Below this, a green bar displays portfolio statistics: Shares: 7,874, Cost: £2,682.47, Value: £7,631.76 (highlighted with an orange box), and P/L: +£4,949.29 +184.51%. The main part of the screen is a table of investments in football players. The 'Value' column is highlighted with a purple box. A yellow callout box highlights the 'Purchased' column, which now includes 'SELL' buttons for each investment, indicating a new feature.

Search portfolio		Shares	Dividends	Cost	Value	P/L	Purchased
63	Alexander Isak	1	£0.03	£1.74 £1.74	£2.47 £2.47	£0.73 £0.73	£2.35 SELL £2.47 BUY
267	Hakan Çalhanoğ...	1	£0.02	£1.22 £1.22	£1.38 £1.38	£0.16 £0.16	SELL £1.38 BUY
3235	Abdullah Al-Ma...	1	£0.00	£0.07 £0.07	£0.09 £0.09	£0.02 £0.02	£0.07 SELL £0.09 BUY
3017	Shaquell Moore	4	£0.00	£0.20 £0.80	£0.13 £0.52	-£0.07 -£0.28	£0.11 SELL £0.13 BUY

Now has sell function



# Current product

## Selling shares

Customer A sells share	Option 1 Placed into sell que (chronological order)	Outcome 1 Purchased by Customer B	Outcome 2 Purchased by BetIndex's market maker account then this account either Insta-sells share to BetIndex Or Relisted in the sell que
Option 2 Insta-sell (akin to a cash out)	Outcome BetIndex purchase share at a discounted price (Share lapses and taken out of market)		

# Current product

## Revenue streams

- Income from customer buying a share (less dividends paid to that customer for that future)
- Transaction income from a customer selling a share to another customer
- Transaction income from market maker account clearing down selling ques

# Current product

## Market maker account

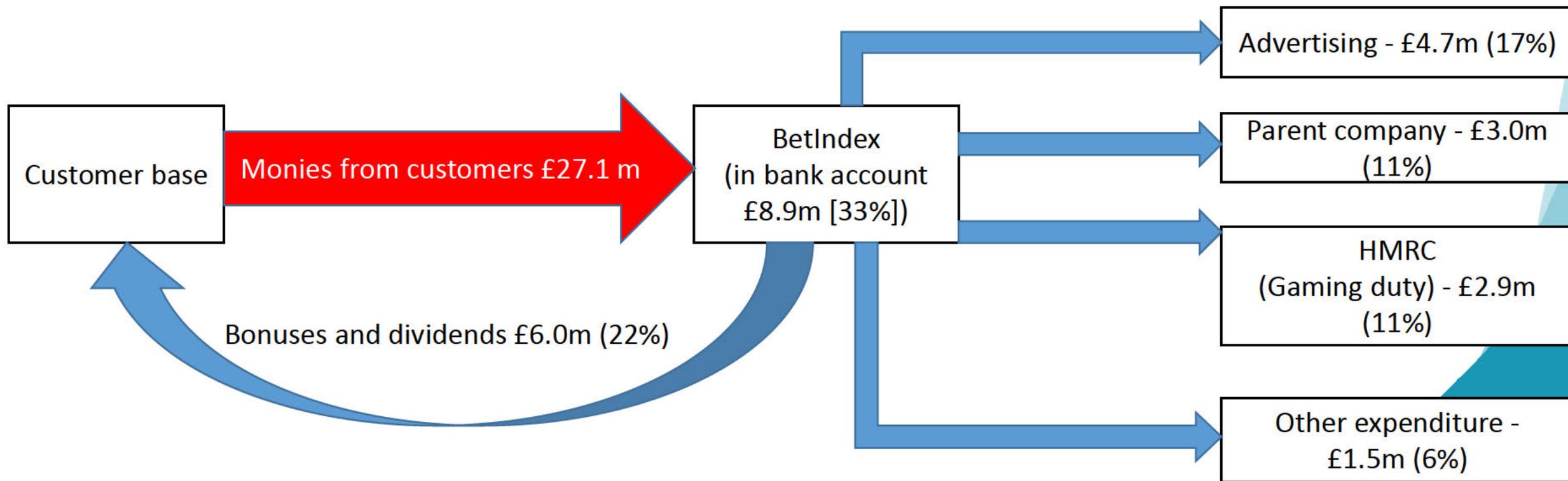
- Like a customer account but run by an employee of BetIndex
- Employee has access to information general public do not
  - Pricing algorithm
  - List of selling ques
- Market maker account can be used to “cool down” (slow down share prices rises) or move prices upwards via manipulation of the pricing algorithm and selling ques

# Financial position

Year ended 31 December	2016	2017	2018	2019	Total
	£'m	£'m	£'m	£'m	£'m
Revenue	█	█	█	█	█
Cost of sales (share dividends and bonuses)	█	█	█	█	█
<i>Gross profits</i>	█	█	█	█	█
Parent company charges	█	█	█	█	█
Advertising	█	█	█	█	█
Betting duty	█	█	█	█	█
Net profits	█	█	█	█	█
Cash held	█	█	█	█	█
Net assets/(liabilities)	█	█	█	█	█

# Financial position

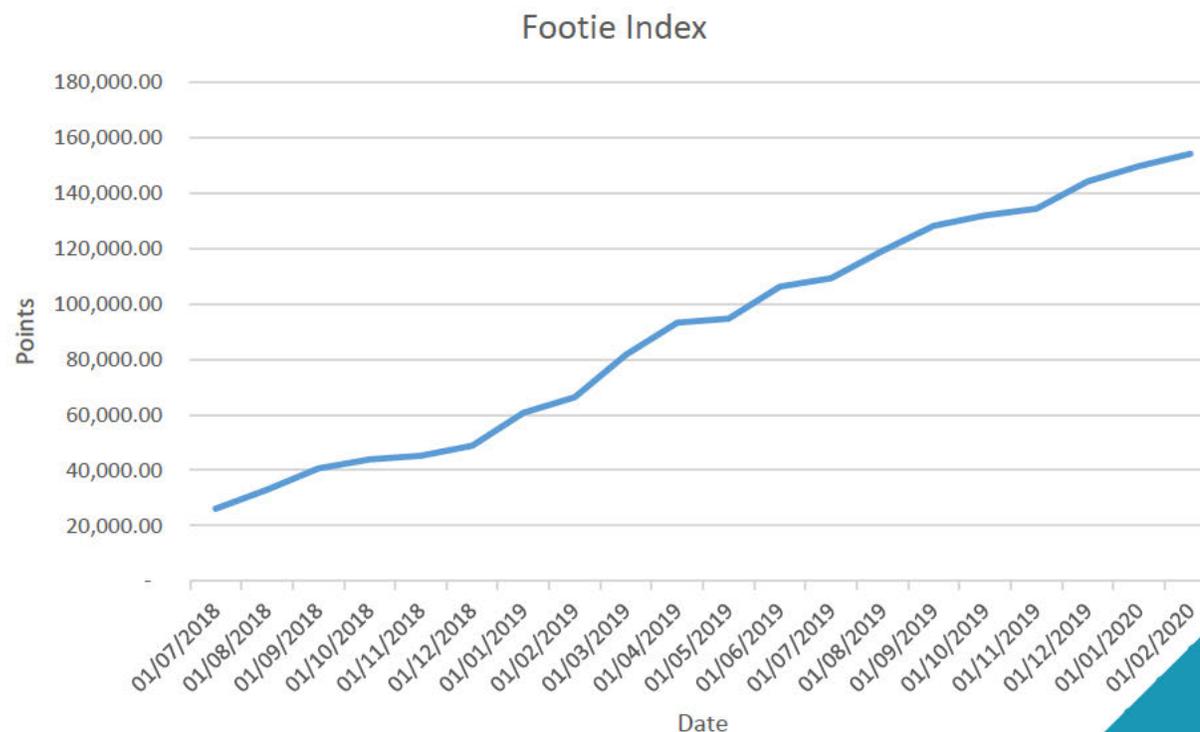
Estimated cash flow during two years ended 31 December 2018



# Financial position

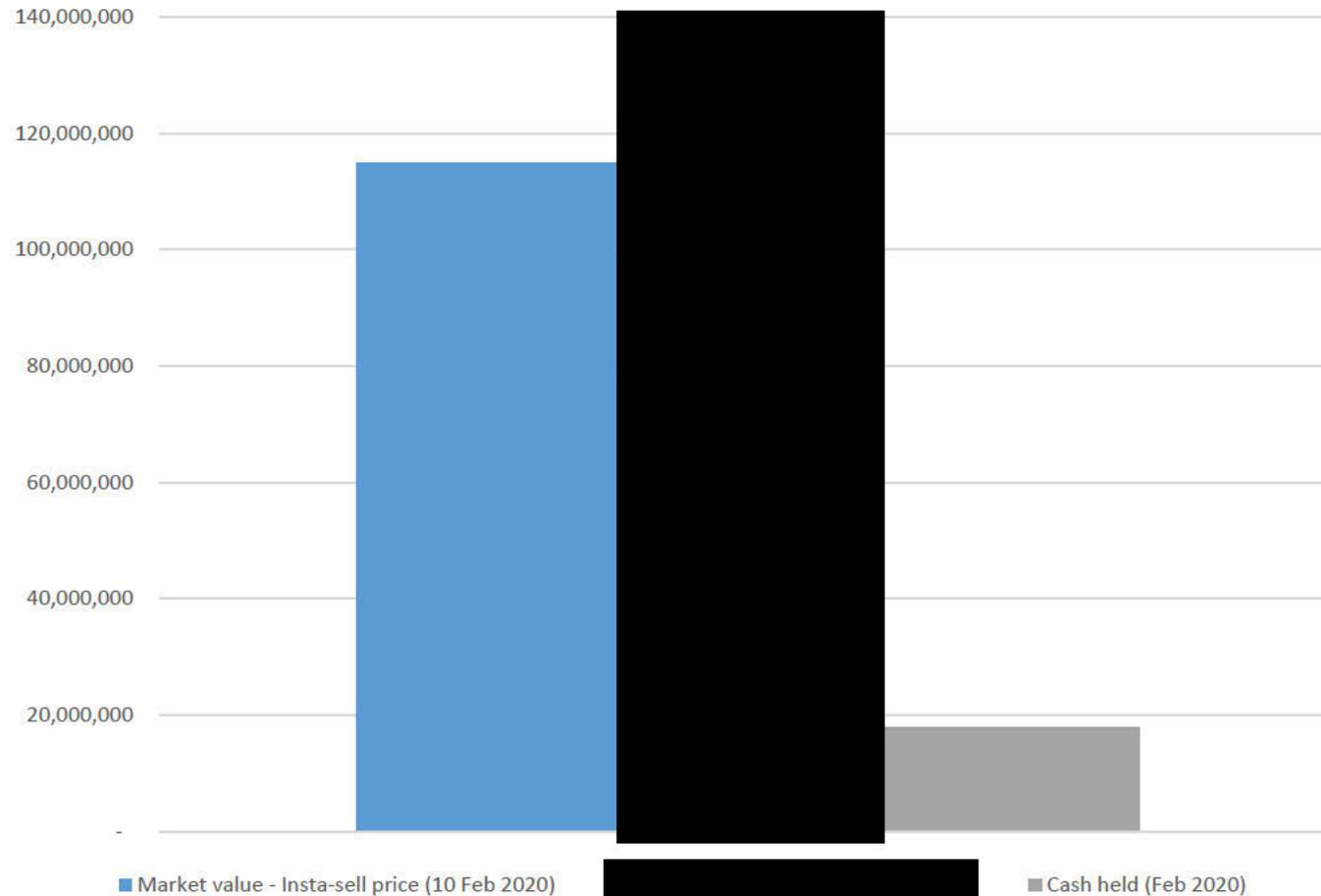
## Market movement and value

Month End	Points	Movement	Movement %
28/02/2020	154,175.39	4,509.82	3.0%
31/01/2020	149,665.57	5,449.53	3.8%
31/12/2019	144,216.04	9,851.00	7.3%
30/11/2019	134,365.04	2,397.96	1.8%
31/10/2019	131,967.08	3,798.34	3.0%
30/09/2019	128,168.74	9,060.99	7.6%
31/08/2019	119,107.75	9,856.75	9.0%
31/07/2019	109,251.00	3,021.32	2.8%
30/06/2019	106,229.68	11,536.56	12.2%
31/05/2019	94,693.12	1,464.86	1.6%
30/04/2019	93,228.26	11,580.12	14.2%
31/03/2019	81,648.14	15,314.71	23.1%
28/02/2019	66,333.43	5,634.72	9.3%
31/01/2019	60,698.71	11,866.89	24.3%
31/12/2018	48,831.82	3,649.24	8.1%
30/11/2018	45,182.58	1,318.71	3.0%
31/10/2018	43,863.87	3,234.88	8.0%
30/09/2018	40,628.99	7,701.78	23.4%
31/08/2018	32,927.21	6,865.71	26.3%
31/07/2018	26,061.50	4,919.73	23.3%
30/06/2018	21,141.77		



# Financial position

## Market value, revenue and cash held



making gambling  
fairer and safer

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