

# 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.

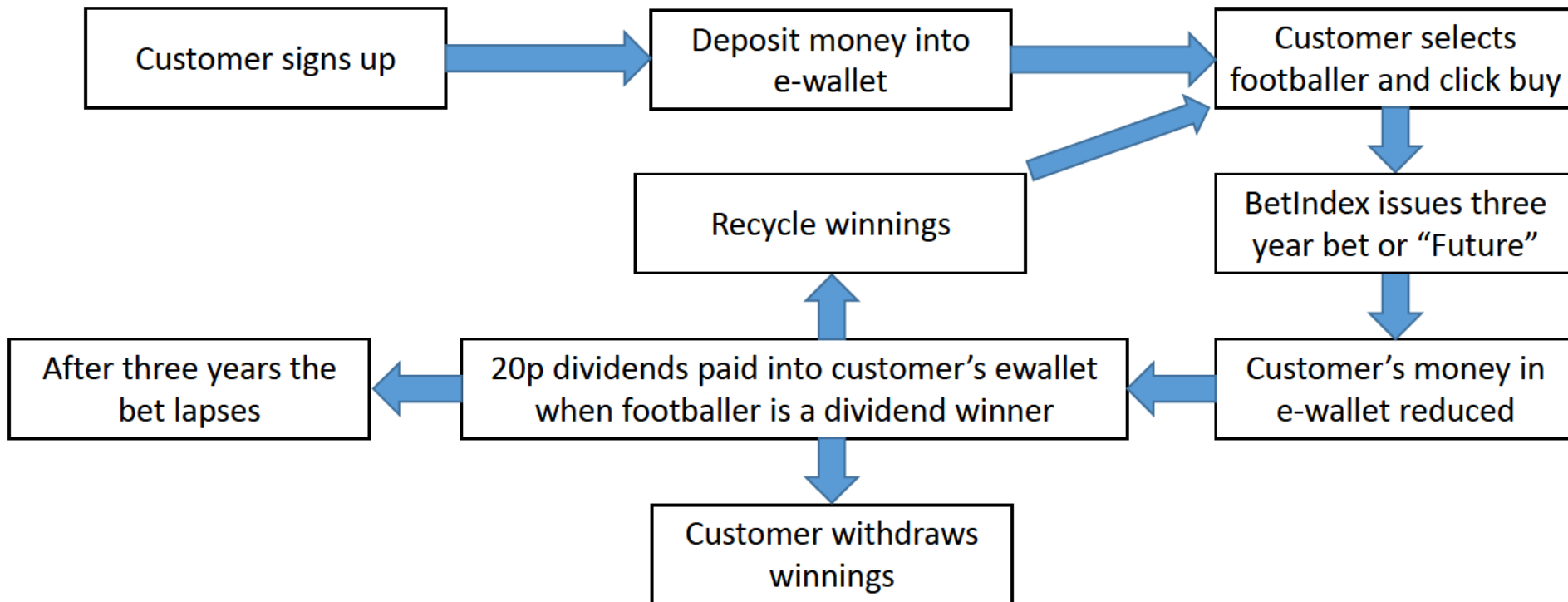
# Licence application

## 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

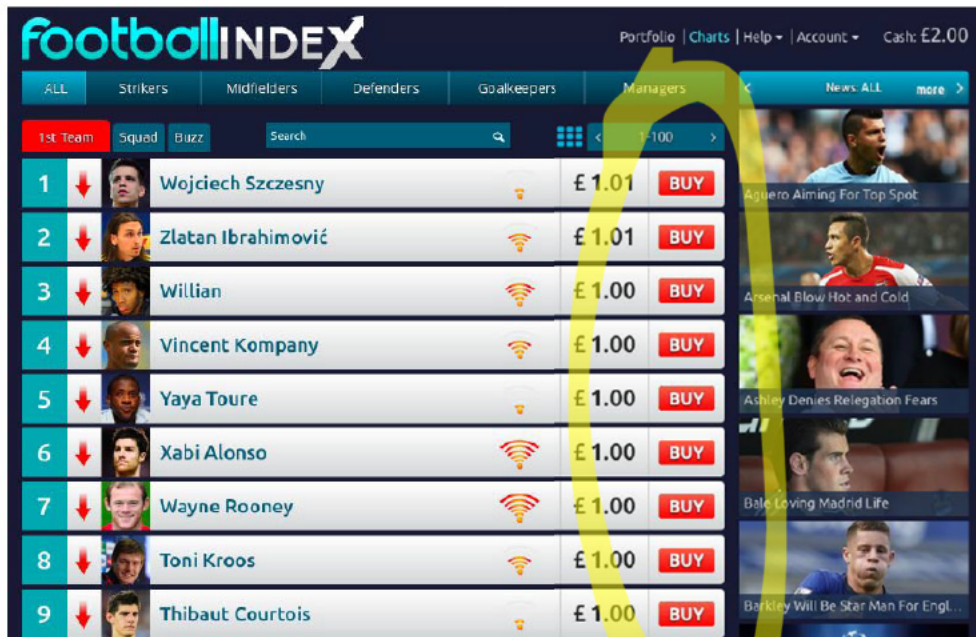
# Licence application

## 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 'FootballINDEX' logo, 'Portfolio | Charts | Help | Account', and 'Cash: £2.00'. Below this is a menu with categories: 'ALL', 'Strikers', 'Midfielders', 'Defenders', 'Goalkeepers', and 'Managers'. A sub-menu includes '1st Team', 'Squad', and 'Buzz'. A search bar is present. The main content area displays a list of players for sale, each with a rank, a red downward arrow, a player profile picture, the player's name, a Wi-Fi signal icon, a price in pounds, and a red 'BUY' button. The players listed are:

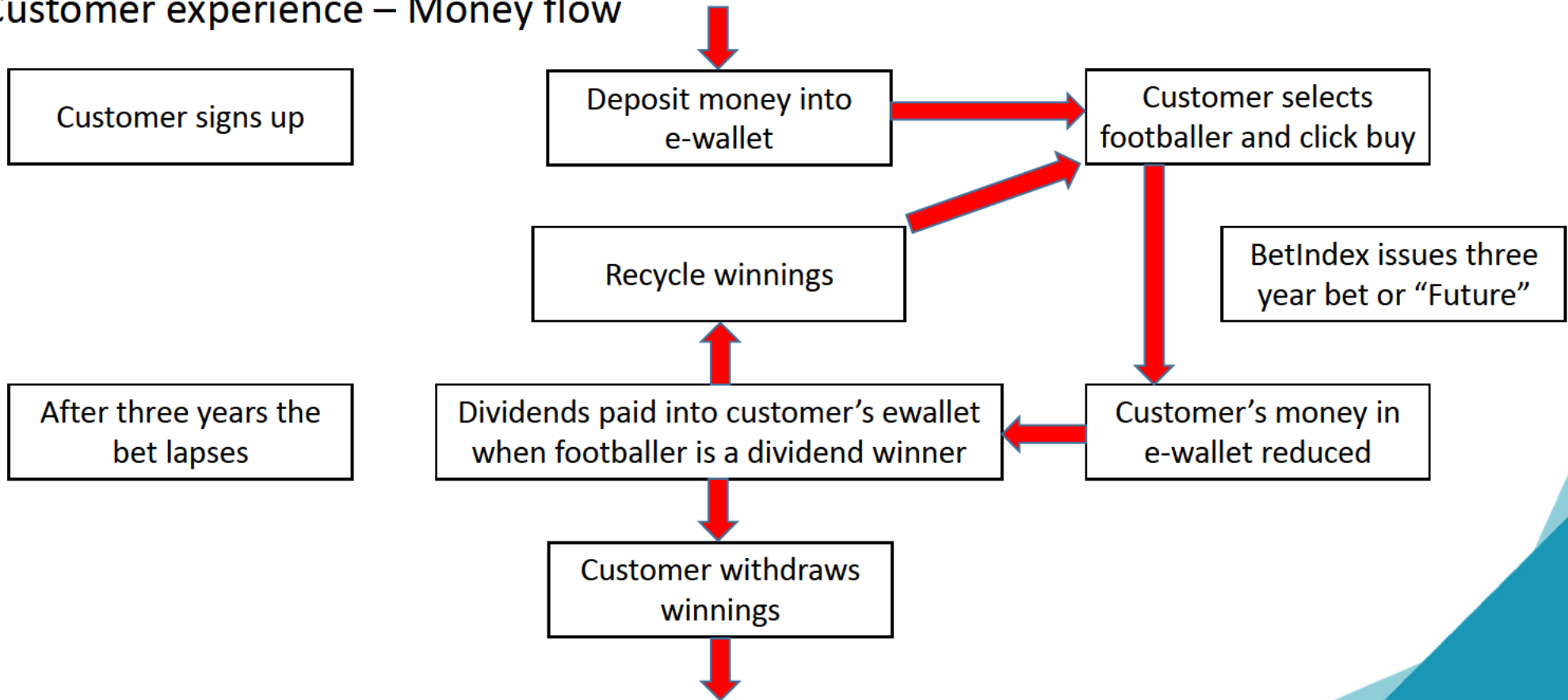
Rank	Player Name	Price (£)	Action
1	Wojciech Szczesny	£ 1.01	BUY
2	Zlatan Ibrahimović	£ 1.01	BUY
3	Willian	£ 1.00	BUY
4	Vincent Kompany	£ 1.00	BUY
5	Yaya Toure	£ 1.00	BUY
6	Xabi Alonso	£ 1.00	BUY
7	Wayne Rooney	£ 1.00	BUY
8	Toni Kroos	£ 1.00	BUY
9	Thibaut Courtois	£ 1.00	BUY

A yellow arrow points from the text 'No sell option presented to the Commission in the application' to the 'BUY' buttons in the screenshot.

No sell option presented to the Commission in the application

# Licence application

## Customer experience – Money flow



# Licence application

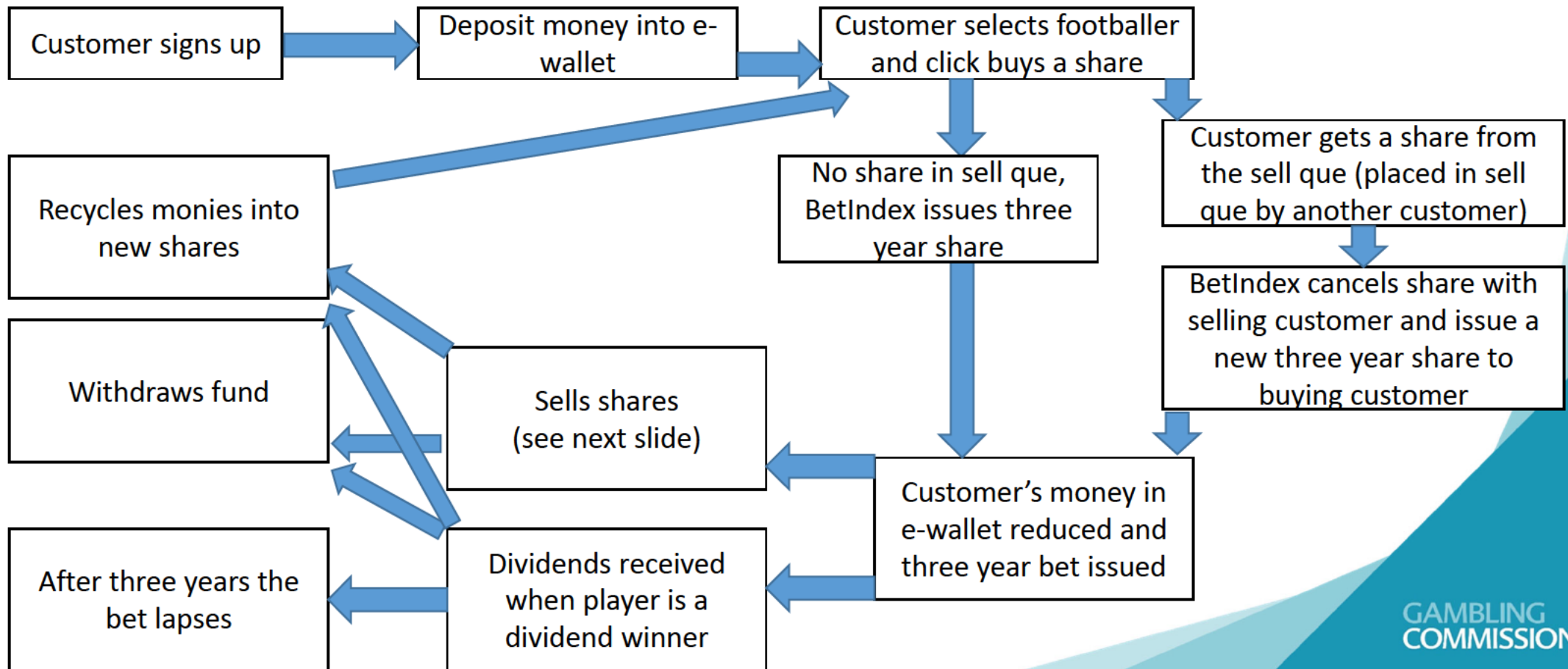
## Revenue stream

- 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

Football Index

Search for players, teams or countries...

Market Watchlist Match Day Rankings Media Rankings Portfolio £7,631.76 More

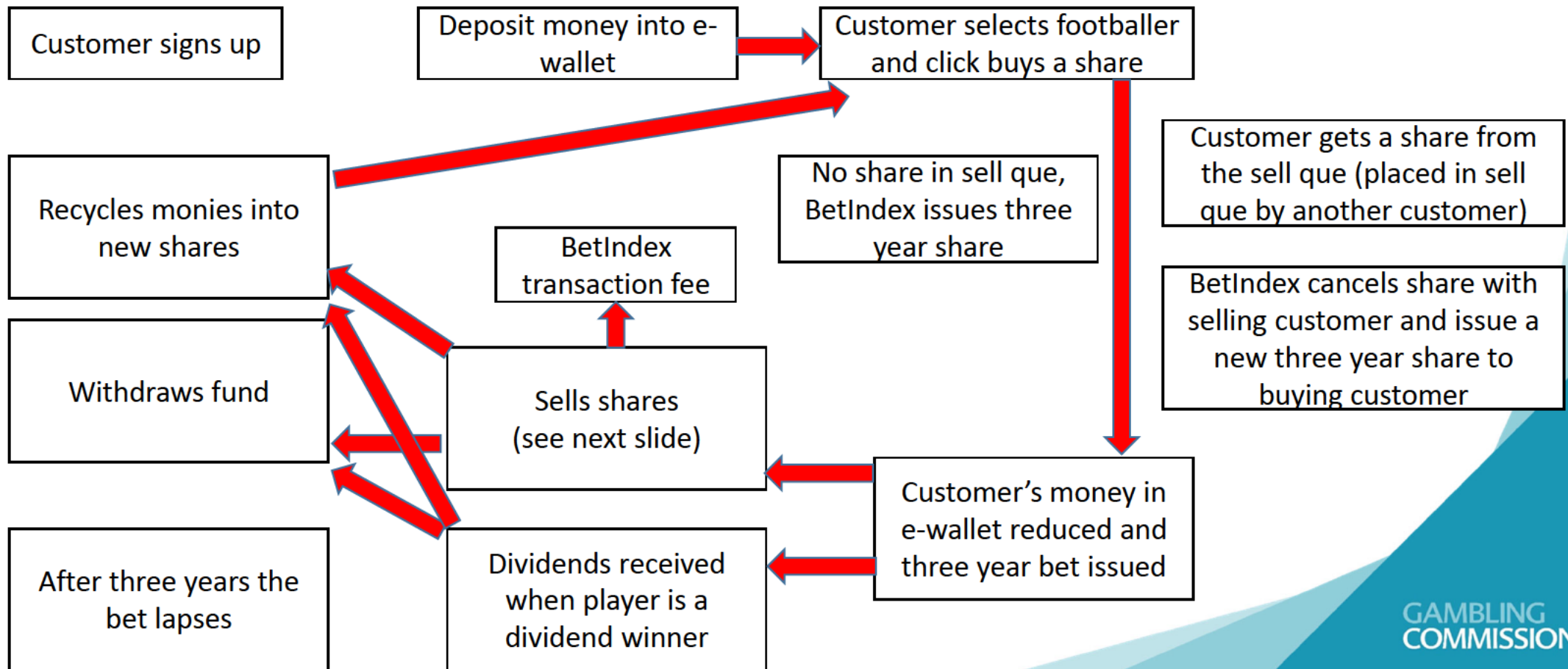
Shares: 7,874 Cost: £2,682.47 Value: £7,631.76 P/L: +£4,949.29 +184.51%

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

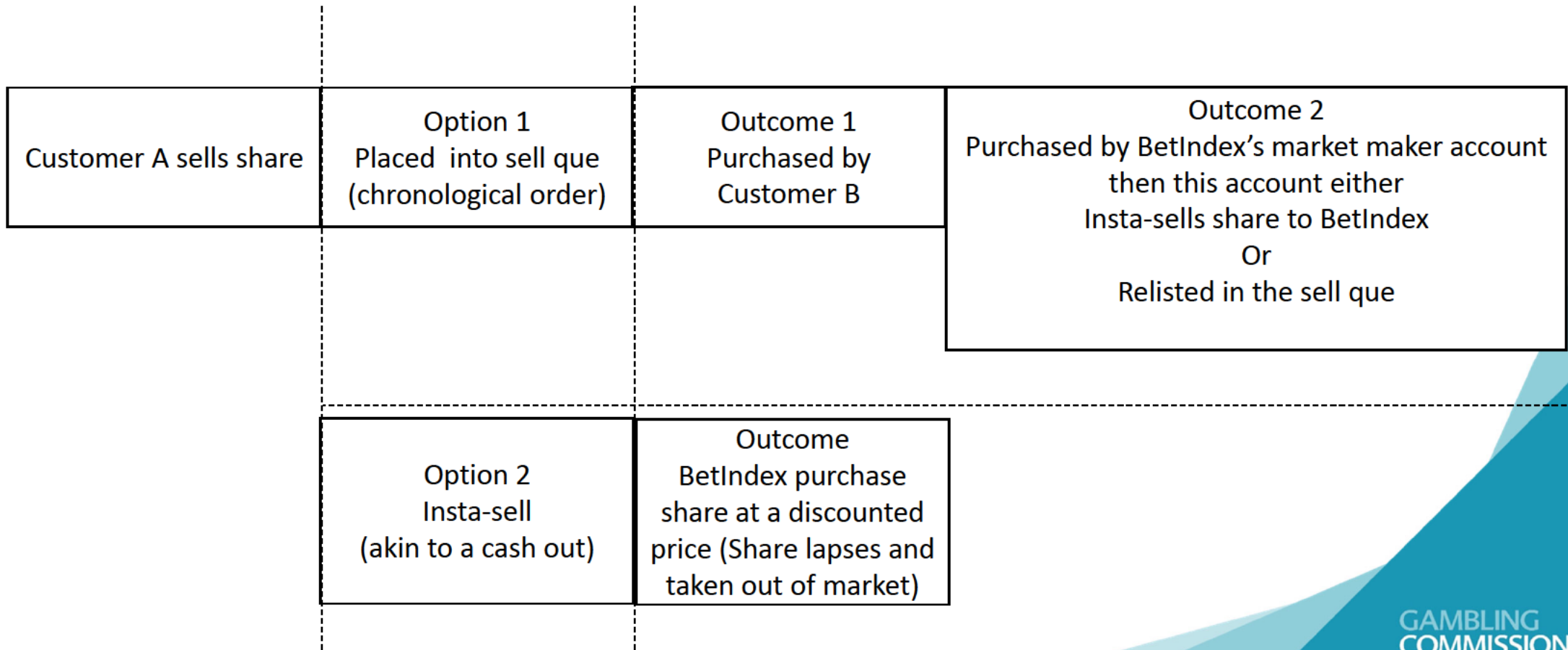
# Current product

## Customer experience – money flow



# Current product

## Selling shares



# 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

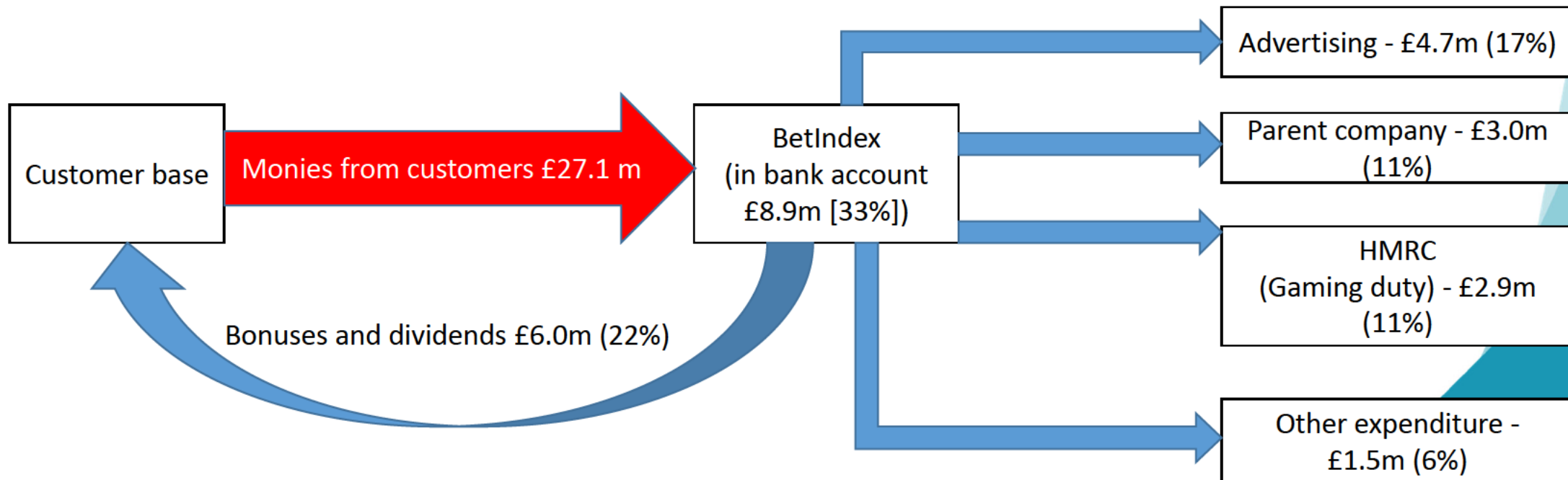
- Like a customer account but run by an employee of BetIndex
- Employee has access to information general public do not
  - Pricing algorithm
  - List of selling ques
- Market maker account can be used to “cool down” (slow down share prices rises) or move prices upwards via manipulation of the pricing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

# Financial position

Year ended 31 December	2016	2017	2018	2019	Total
	£'m	£'m	£'m	£'m	£'m
Revenue	1.0	4.8	20.4	53.0	79.2
Cost of sales (share dividends and bonuses)	(0.3)	(1.4)	(4.6)	(13.0)	(19.3)
<i>Gross profits</i>	<i>0.7</i>	<i>3.4</i>	<i>15.8</i>	<i>40.0</i>	<i>59.9</i>
Parent company charges	(0.2)	(1.0)	(2.0)	(4.5)	(7.7)
Advertising	(0.6)	(1.3)	(3.2)	(9.0)	(14.1)
Betting duty	-	(0.6)	(2.3)	(6.0)	(8.9)
Net profits	(0.5)	(0.3)	7.2	17.7	
Cash held	0.3	1.6	9.2	252.0	
Net assets/(liabilities)	(0.3)	(0.5)	7.0	8.8	

# Financial position

Estimated cash flow during two years ended 31 December 2018

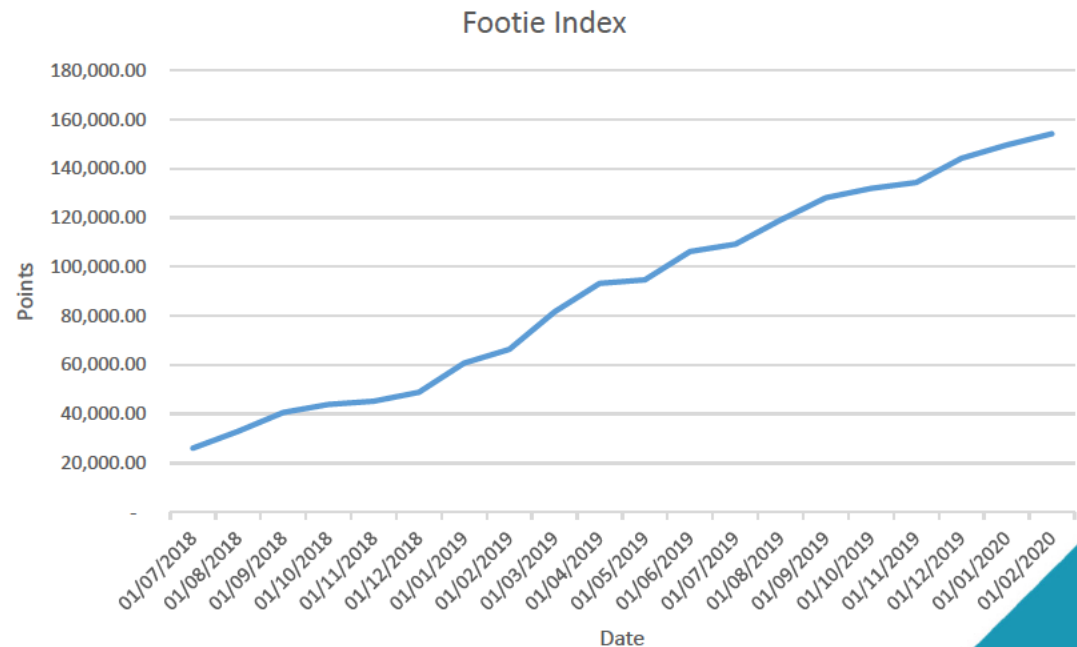




# Financial position

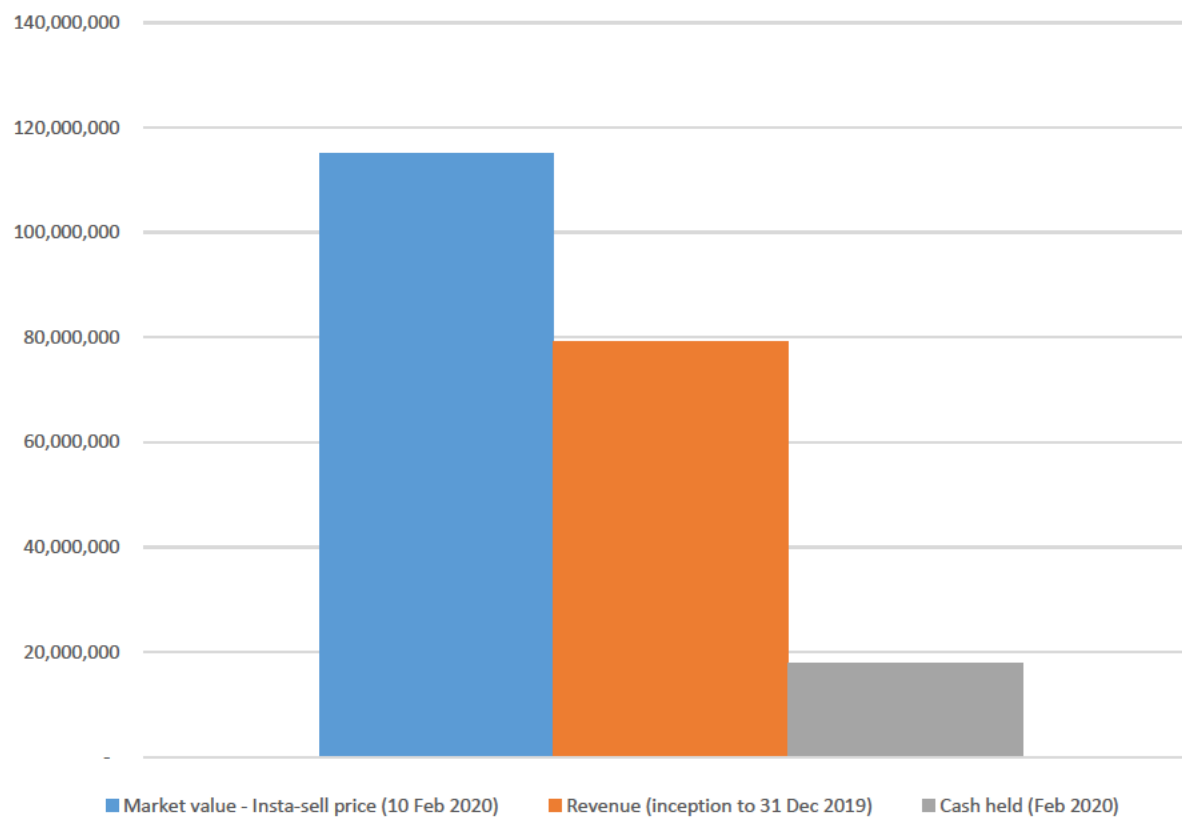
## Market movement and value

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

[www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)



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