REPORT TO THE FIDE EXECUTIVE BOARD BY ILYA MERENZON, CEO OF AGON LIMITED

SEPTEMBER 7, 2015

Dear members of the Executive Board!

I would like to apologize for not being at the Board to present the report and answer questions personally. As many of you know, we are in the process for preparing for the 2015 World Rapid and Blitz Championship in Berlin, and I hope to present a fuller report at the next board. But please accept written report on several important points, and please contact me directly if you have any questions:

STATUS UPDTATE

1. World Rapid and Blitz Championship in Berlin:

We have about 170 registrations from most of the top players, including Magnus Carlsen and Vishy Anand. All federations were invited to submit their candidates (according to regulations, it could be National Champions). The event in Berlin, taking place in coordination with the German chess federation, is likely to be very impressive: it takes place in a beautiful venue (converted milk factory in the center of Berlin), very well-designed and built-out specifically for the Championship. The opening ceremony, taking place on October 9, is going to feature European premier of 'Pawn Sacrifice', the movie about 1972 match between Bobby Fischer and Boris Spassky. Stars of the movie and german leadership will attend the opening. Official site for the event is http://www.berlin2015.fide.com/

During the championship, there will be side-events, including lunches with Goldman Sachs, the Financial Times, receptions at two embassies — this reflects our strategy to make chess a platform for sponsors and businessmen to develop their business connections.

Among sponsors of the event there are such companies as Audi, Kaspersky Lab, Goldman Sachs and more. The event is very expensive, due to changed regulations, but we still believe that Rapid and Blitz is very exciting and can be a TV-sport.

This specific Championship will be broadcasted live on the main Norwegian channel NRK, will be featured on Euronews, Bloomberg, Reuters TV and online. We expect the audience of the event to reach 400 million via combination of TV, print and online media. Full breakdown of chess audience can be useful for your Federations, it's attached to this report. For next years, we have interest from Qatar, Denmark, Russia.

Presentation of the event is attached to this report.

2. The Financial Times and Chess

We have agreed that the Financial Times will publish an annual section called 'Chess and Business'. The first installment will be published on October 8, 2015, a day before opening of the Rapid and Blitz Championship. The section will have 4 pages of interviews and editorials about chess and how it affects global culture. Until chess, the newspaper had only one section dedicated to sport - it was Formula 1.

Presence in the Financial Times is really good for chess, as the elite audience of over 1 million people who read the Financial Times see that chess is a major part of the global business life. It's also good for sponsors who support chess and can place advertisements in a section dedicated to the sport they support and love. Once the first installment is published, we'll send it to all members of the Presidential Board.

3. Calendar of the Events for 2015 - 2018

Grand Prix

Because players and sponsors and other organizers plan events way ahead, FIDE and Agon has agreed to fix dates for the main tournaments far ahead to allow players and other parties to adjust their calendars. This is the calendar of upcoming events organized by FIDE and Agon:

May 11, 2016 – May 25 **Grand Prix** July 6, 2016 - July 20 May 10, 2017 - May 24 **Grand Prix** July 5, 2017 - July 19 **Grand Prix** March 8, 2016 (Monday) - March 29* Candidates Tournament [2016] World Championship Match 2016 November 9, 2016 - November 30 Candidates Tournament 2018 March 8, 2018 (Thursday) - March 29* November 7, 2018 - November 28 World Championship Match 2018

Having the calendar of main events fixed far in advance allows organizers, sponsors and players to plan and make sure the events are held in a perfect way.

4. Working with Federations to hold major chess events (grand prix, candidates and etc).

FIDE and Agon have developed guidelines for organizing major events together with Federations and work with sponsors who are interested in supporting the whole cycle. So the look and design of the cycle events should be consistent. Also, this helps to make event cheaper to Federations if they decide to hold it. By September 15, all Federations will receive invitation to hold Grand Prix events and will know exactly what kind of cost will be involved, but it will certainly be more accessible and easier to organize given global guidelines and sponsorship presence.

5. Sponsorship of chess

Agon has a team of sponsorship sales working in Russia, Germany, the US and Switzerland. It's been not easy as there are several issues that limit access to sponsors:

- Not enough presence on TV (smaller audience)
- Lack of verified numbers
- Lack of history

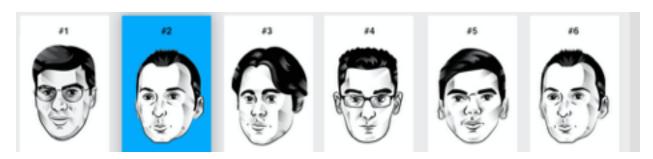
But we are addressing the issues and have some initial success with sponsors: for 2016, we have commitments from the following brands:

- Goldman Sachs Investment Banking
- Audi
- E.ON (Germany)
- Isklar Water (Norway)

and have advanced talks with a major IT company and a major watch brand. We'll share all information as we develop this segment and hope that FIDE and federations can provide sponsors with 360-degree approach.

6. Media site

Sponsors have been demanding digital presence within chess, it was their absolute requirement. To address the issue, Agon (in cooperation with FIDE) has developed a media and chess broadcasting site, www.worldchess.com, which will feature exclusive broadcasts, ratings, events (all federations will have a capability to add their events and sell tickets and publicize their events globally).



For rating section, developed together with FIDE, illustrations of all major chess players have been developed (please see sample below). Design of the website is attached to this report and it will go live on September 25, 2015.

Dylan Loeb MacClain, chief chess reporter for the New York Times, is the <u>WorldChess.com</u>'s editor-in-chief. We will keep you updated on the project and all federations will have access to the site and are welcome to submit news and information.

7. Candidates Tournament 2016

Agon is working on organizing the tournament. By September 10, 2015, all Federations will receive a call of interest to host the event. FiDE and Agon will work with federations and organizers to choose the best city in terms of costs, media coverage and etc. Some of the costs will be offset by sponsors secured by Agon.

So far, we have interest in holding the event from Erevan (Armenia), and San Francisco (US). We hope to have discussions with many more organizers.

8. Championship Match 2016

There is huge interest in the Match from both sponsors and media. FIDE and Agon have decided to hold the match in the US, as FIDE President has announced at the closing ceremony of 2014 Championship in Sochi. The US, especially now, with major players who have a chance to take on Magnus, is home to the largest number of sponsors who work in industries that are close to chess — IT, Technology and Banking.

Agon has secured a prize fund (EUR2,000,000) and is working on developing sponsorship contracts. We'll inform the Board and, if approved, announce the city and venue in November of 2015, exactly a year before the championship. We are looking at New York, Los Angeles and San Francisco. We are also working with ESPN and Sky sports to make sure the Championship is on TV.

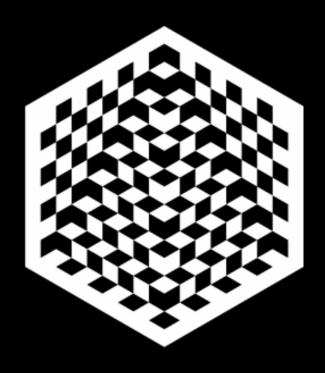
9. About Agon:

It's managed and ran by Ilya Merenzon and has 9 full-time employees: 3 sales managers, 1 digital communications, 1 sports lawyer, 1 events director, 2 project managers. More people are brought on board during important events.

I AM HAPPY TO ANSWER ALL QUESTIONS AND PROVIDE ADDITIONAL INFORMATION. PLEASE EMAIL ME DIRECTLY AT <u>MERENZON@AGONLIMITED.COM</u> OR CALL +7-926-332-8401.

Sincerely,

Ilya Merenzon



WORLD CHESS

THE BEST MIND WINS

An entertainment with more than 2,000-year history

A game, a sport, an art-form.
As pure as mathematics.
As symbolic as religion.
As brutal as war.

More than 600 million people play chess globally. Chess application is installed on billion mobile devices.

How big is chess?

The world's favorite game with an audience that continues to grow in the digital age:

- 600 million chess players globally
- 285 million play on the internet
- 70% of the adult population have played Chess
- 5.8 million 'like' the chess page on Facebook
- 1.1 million unique visitors per month on chess.com

Source: Submission to the IOC, The Chess In The Olympics Campaign; Comscore - Worldwide data; https://www.facebook.com/PlayChess August 2012. YouGov March 2012

World Chess core values are:

Intelligent
Strategic
Sophisticated
Powerful
Global

Thinking and winning

For the last two years world chess has made major breakthroughs on the global level that made it into a strong marketing platform.

- 1. Chess was recommended for inclusion in school curriculum in Europe. "Chess in schools" program was launched in France, Russia, Portugal, Switzerland, Azerbaijan, Mexico, Turkey and other countries.
- 2. World chess is supported by top world business elite representatives such as Bill Gates, George Soros, Mark Zuckerberg and many others and is supported on the highest level by heads of states, major patrons and philantropists worldwide.







5. The 2014 World Chess Championship had record-breaking traffic, media coverage and celebrity presence:

Over 15 000 articles were published about the event: Match was on the front page of the Financial Times and over 30 national newspapers. 4 out of 5 most read articles in the major German newspaper Die Zeit were chess-related.

6. Chess related articles twice became most read on the The New York Times online in 2015 (more than most other sports)



Current Champion Magnus Carlsen is hugely popular worldwide:



A video how Magnus played with Bill Gates went viral online, 3 mln views on YOUTUBE



Magnus teaches Mark Zuckerberg how to play chess



Magnus and Cristiano Ronaldo at the "Real Madrid" game



Magnus and Jay Z on "Nets vs 76ers" basketball game



WORLD FAST CHESS CHAMPIONSHIP BERLIN 2015



The Rapid and Blitz Championship is the most photogenic chess event.

Imagine the world's best chess players compete in fast chess, showing not only amazing decision making skills, but also phenomenal physical speed and endurance. Chess players and fans alike like rapid chess because it's much more dynamic compared to classic chess and is extremely venturesome and fun to both play and watch. Blitz Championship is a two-day event where game lasts 3 minutes, Rapid Chess Championship is a three-day tournament where game lasts 15 minutes.









MAGNUS CARLSEN – THE WORLD CHESS CHAMPION

Magnus Carlsen –

Norwegian chess player who is known around the world as the 'chess wunderkind' and the 'Mozart of chess'. Carlsen captured the title in 2013 after beating Vishy Anand from India.

Carlsen holds the title of one of the world's youngest Grandmasters (became a Grandmaster at the age of 13) and also the youngest player ever to lead the official FIDE rating.

In 2013 Time magazine listed him as one of the 100 most influential people in the world.



Opening Ceremony / October 9, 2015

The Championship will be officially opened with welcome speech of the Head of State – German chancellor Angela Merkel as well as FIDE President Kirsan Ilyumzhinov. Special screening of the Hollywood film "Pawn Sacrifice" (produced by Tobey Maguire) will also be part of the opening ceremony.



FIDE President Kirsan Ilyumzhinov



German Chancellor Angela Merkel



Poster for Pawn Sacrifice

Opening ceremony will be held in the prestigious "Theater am Potsdamer Platz" (official venue of Berlinale)









Official Venue of the Championship Bolle Meierei (Berlin Mitte)

Centrally located, by the River Spree, and close to centers of Berlin – Alexander Platz and Kurfurstendamm. Industrial charm of the 20s combined with innovative, latest media and lighting technology.



Official Venue of the Championship Bolle Meierei (Berlin Mitte)







Official Venue of the Championship Bolle Meierei (Berlin Mitte)







WORLD CHESS TOURNAMENT – DESIGN

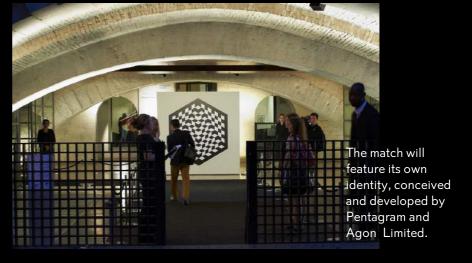
The World Chess Rapid and Blitz Championship 2015 is designed and curated by the world's leading design studio, Pentagram. The look of the match will reflect the game's values, such as intelligence and sophistication.











WORLD CHESS SPECIAL SECTION

The first annual special section of The Financial Times dedicated to chess. A 4-page feature written and developed by the FT editorial staff with support of Agon Limited the section will not only feature all substantial developments of the sport, its marketing and commercialization, but also will help the sport and its partners to reach the most coveted audience in a controlled and favorable environment.

Publication date – October, 8 (global circulation, l day before World Fast Chess Championship starts)

AUDIENCE

- Over 900,000 printed circulation
- Over 35,000,000 readers per month
- 78% are executives
- Other important demographics



Business Networking Opportunities:

FRIDAY, OCTOBER 9 **6 PM**



Opening Ceremony

Official ceremony, cocktail reception, "Pawn Sacrifice" premier, red carpet event for curated guest list

Key Guests: A.Merkel, cast of Pawn Sacrifice, FIDE President, Magnus Carlsen, Boris Spassky, business elite

FRIDAY, OCTOBER 9 **9 PM**



Gala-dinner

In honor of the World Chess Champion Magnus Carlsen (super VIP list, 30 people) at the Soho Private Club, Berlin

Key Guests: FIDE President, Magnus Carlsen, Mayor of Berlin, VVIP quests

SATURDAY, OCT 10 **7 PM**



Norway Embassy Reception

Ambassador of Norway hosts
VIP guests and media to
celebrate Magnus Carlsen
and chess

Key Guests: Magnus Carlsen, media, business elite, diplomats

Business Networking Opportunities:

MONDAY, OCT 12 1 PM



Goldman Sachs Lunch

Goldman invites its elite group of partners and clients for lunch and preview of the championship at the VIP lounge

Key Guests: Head of Goldman Sachs, German and European financial circles, investment banking

MONDAY, OCT 12 **6 PM**



Mayor of Berlin Reception

Berlin Mayor invites VIP guests and media for a reception at the official residence

Key Guests: Leadership of Berlin, VIP List of World Chess, German and European financial circles

TUESDAY, OCT 13



Lunch with the Financial Times

Leading business newspaper hosts lunch and discussion of business and sports at the Championship VIP lounge

Key Guests: Media, business elite, German and European financial circles

Business Networking Opportunities:

TUESDAY, OCT 13 7 PM



Reception at the Russian Embassy

Top grandmasters and VIP guests are invited to the Russian Embassy.

Key Guests: Ambassador of Russia, FIDE President, Boris Spassky, Russian grandmasters

WEDNESDAY, OCT 14 1.30 PM



German Chamber of Commerce Lunch

German business lunch in honor of chess and chess supporters from all over the world

Location: Championship VIP Lounge

Key Guests: German and European financial circles

WEDNESDAY, OCT 14



Official Closing Ceremony

Cocktail reception and award ceremony

Location:

Championship venue - Main Hall

Media Partners

The event will be widely covered in the leading media resources:

Press

Chess is covered by major news print and online media (over 8 000 media) all over the world.

Highlights of the expected coverage include:

- Reuters Sports
- Bloomberg Sports
- Yahoo! Sports
- The New York Times
- The Wall Street Journal
- The Guardian
- Financial Times
- Associated Press
- ESPN etc.





YOUR MOVE



AGON LIMITED

Client: Kaspersky lab

Brand/Adcampaign: World Chess Championship Sponsorship

Package: **Title**Period: **2015-2016**version: **5/8/2015**

Championship	Period	place				
Rapid and Blitz	7-13.10.2015	Berlin				
	Media plan					ecast
On-line	Period	Format	Unit	Volume	Impressions	Weekly Reach
worldchess.com	указать дату разме	text	article		1	
worldchess.com main page	7-13.10.2015	BILLBOARD 970x250 +	static, 1 day		7	
worldchess.com	7-13.10.2015	300*250, SOV30% F=3	CPM			
worldchess.com/chesscasting	указать даты транс	video	broadcasting, XXX min			
worldchess.com/chesscasting	указать даты транс		CPM			1,000,000
<u>fide.com</u>	7-13.10.2015	logo in the header	static, 1 day		7 100000	,
ratings.fide.com	7-13.10.2015	logo in the header	static, 1 day		7 700000	55,000
theguardian.com	7-13.10.2015	text+foto	article			7,500,000
nytimes.com	7-13.10.2015	text+foto	article			5,000,000
<u>wsj.com</u>	7-13.10.2015	text+foto	article			5,200,000
ft.com	7-13.10.2015	text+foto	article			2,000,000
sports.yahoo.com	7-13.10.2015	text+foto	article			9,250,000
sport.rbc.com	7-13.10.2015	text+foto	article			236,000
kommersant.ru/	7-13.10.2015	text+foto	article	1		2,000,000
gazeta.ru	7-13.10.2015	text+foto	article			4,000,000
sport-express.ru	7-13.10.2015	text+foto	article			2,150,000
<u>izvestia.ru</u>	7-13.10.2015	text+foto	article			800,000
<u>Chess.com</u>	7-13.10.2015	text+foto	article			850,000
chess24.com	7-13.10.2015	text+foto	article			400,000
ChessBrains.pl	7-13.10.2015	text+foto	article			30,000
dagbladet.no	7-13.10.2015	text+foto	article			1,240,000
<u>vg.no</u>	7-13.10.2015	text+foto	article			1,964,000
aftenposten.no	7-13.10.2015	text+foto	article			778,000
<u>dn.no</u>	7-13.10.2015	text+foto	article			300,000
<u>bt.no</u>	7-13.10.2015	text+foto	article			193,000
adressa.no	7-13.10.2015	text+foto	article			167,000
zeit.de	7-13.10.2015	text+foto	article	1		2,000,000
aftenposten.no	7-13.10.2015	text+foto	article	1		778,000
elpais.com	7-13.10.2015	text+foto	article			1,900,000
livemint.com	7-13.10.2015	text+foto	article	1		700,000
faz.net	7-13.10.2016	text+foto	article	1		2,400,000
berliner-zeitung.de	7-13.10.2017	text+foto	article			1,200,000
sueddeutsche.de	7-13.10.2018	text+foto	article	1		3,200,000
.fr-online.de	7-13.10.2019	text+foto	article	4000		1,200,000

58,521,000

TV	Geo	Period	Format	Unit	Volume		Daily Reach
Euronews	Global	7-13.10.2015	video	broadcastii		2	315000000
NRK	Norway	7-13.10.2015	video	broadcastii		6	6,771,888
NRK	Norway	7-13.10.2015	video	press-conf		5	
TV2	Norway	7-13.10.2015	video	?	?	\neg	812169
BBC1	UK	7-13.10.2015	video	news, 3mir		2	10,095,750
SKY1	UK	7-13.10.2015	video	news, 3mir		2	480,750
DD SPORTS Channel	India	7-13.10.2015	video	broadcastii		6	420000000
Russia-1	Russia	7-13.10.2015	video	news, 2 mi		6	54000000
Russia-1	Russia	7-13.10.2015	video	news, 10 n		1	
NTV+	Russia	7-13.10.2015	video	chess prog		6	
NTV International	Russia	7-13.10.2015	video	chess prog		6	12,054,000
Russia24	Russia	7-13.10.2015	video	news		7	3,444,000
Russia-Sport	Russia	7-13.10.2015	video	news		\neg	
Russia2	Russia	7-13.10.2015	video	news		T	3,228,750
RBC TV	Russia	7-13.10.2015	video	news			
ESPN	Global	7-13.10.2015	video	news, 3 mi	n	一	
CNN	Global	7-13.10.2015	video	news, 3mir		2	
Bloomberg	Global	7-13.10.2015	video	news, 3mir		2	
TV2	Denmark	7-13.10.2015	video	?	?	一	1,052,625
SVT1	Sweden	7-13.10.2015	video	?	?	T	1,611,624

828,551,556

Print	Geo	Period	Format	Unit	Volume	Reach
The New York Times	Global	7-13.10.2015	text+foto	article		730,000
The Wall Street Journal	Global	7-13.10.2015	text+foto	article		4,000,000
Financial Times	Global	7-13.10.2015	text+foto	article		350,000
The Guardian	UK	7-13.10.2015	text+foto	article		170,000
The Times	UK	7-13.10.2015	text+foto	article		390,000
Коммерсант	Russia	7-13.10.2015	text+foto	article		235,000
Советский Спорт	Russia	7-13.10.2015	text+foto	article		240,000
Известия	Russia	7-13.10.2015	text+foto	article		309,000
РБК	Russia	7-13.10.2015	text+foto	article		145,000
Спорт-Экспресс	Russia	7-13.10.2015	text+foto	article		500,000
Aftenposten	Norway	7-13.10.2015	text+foto	article		530,000
Dagbladet	Norway	7-13.10.2015	text+foto	article		297,000
Verdens Gang	Norway	7-13.10.2015	text+foto	article		483,000
Dagens Næringsliv	Norway	7-13.10.2015	text+foto	article		234,000
Bergens Tidende	Norway	7-13.10.2015	text+foto	article		190,000
<u>Adresseavisen</u>	Norway	7-13.10.2015	text+foto	article		170,000
Frankfurter Allgemeine Zeitung	Germany	7-13.10.2015	text+foto	article		600,000
Süddeutsche Zeitung	Germany	7-13.10.2015	text+foto	article	1	800,000
Frankfurter Rundschau	Germany	7-13.10.2015	text+foto	article	1	300,000
Berliner Zeitung	Germany	7-13.10.2015	text+foto	article	1	300,000
DIE ZEIT	Germany	7-13.10.2015	text+foto	article		800,000
Индийские сми	India	7-13.10.2015	text+foto	article	2000	13,300,000
	-	-		_	-	25,073,000

News agencies/info bases	format
Reuters Sports	text+foto
Associated Press	text+foto
Agence France-Presse	text+foto
RIA Novosti	text+foto
TASS	text+foto
Bloomberg	text+foto
R-Sport	text+foto
Gettyimages	foto
Interfax	text+foto
Scanpix	foto

Offline	Period	Format	Audience
press-conference	7-13.10.2015	logo on the background	100
play-field	7-13.10.2015	logo on the background	2500
commentator's zone	7-13.10.2015	roll-up	1200
			3800

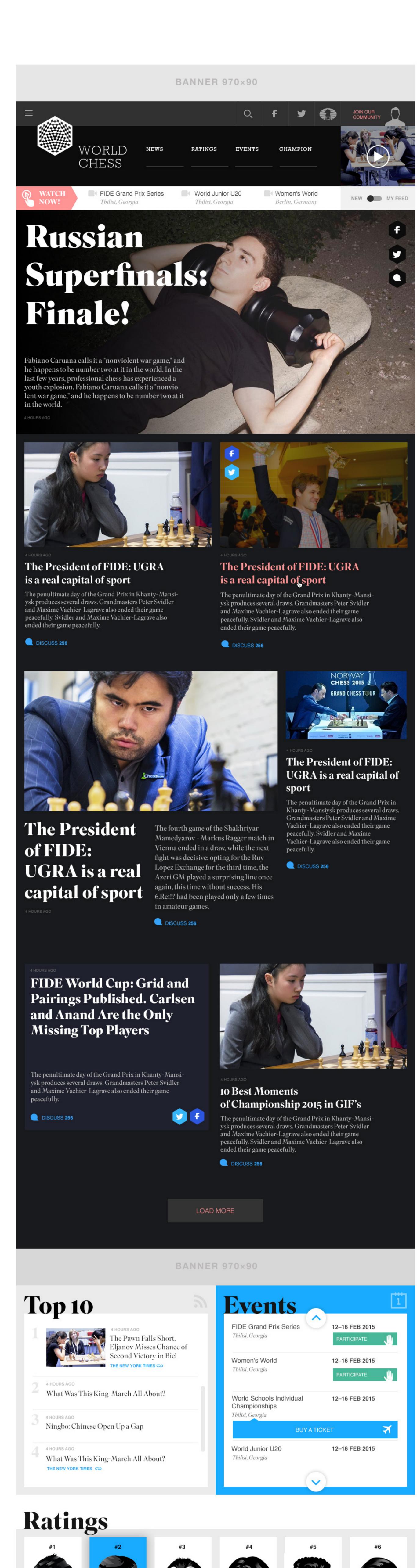
social media format reach

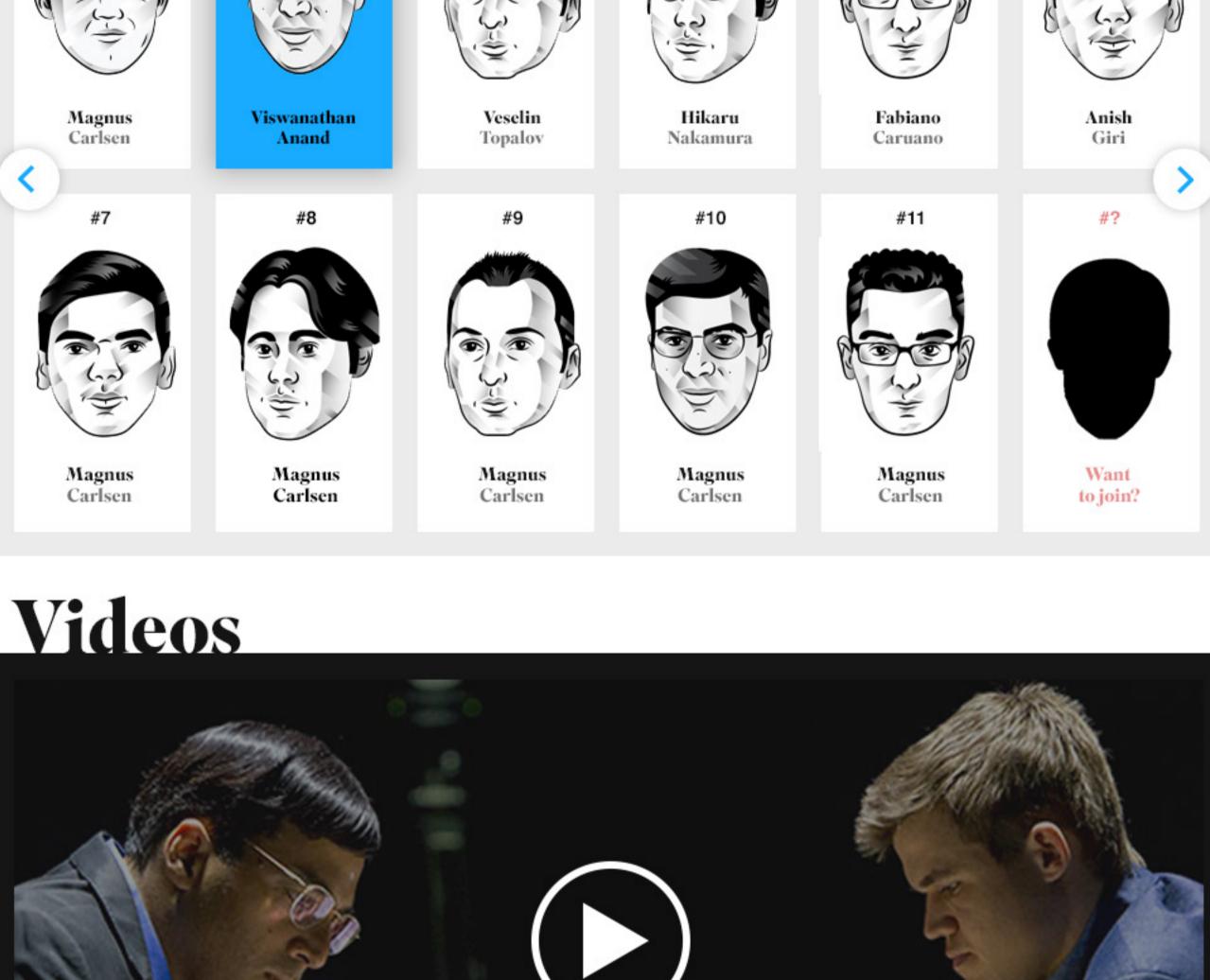
instargam post

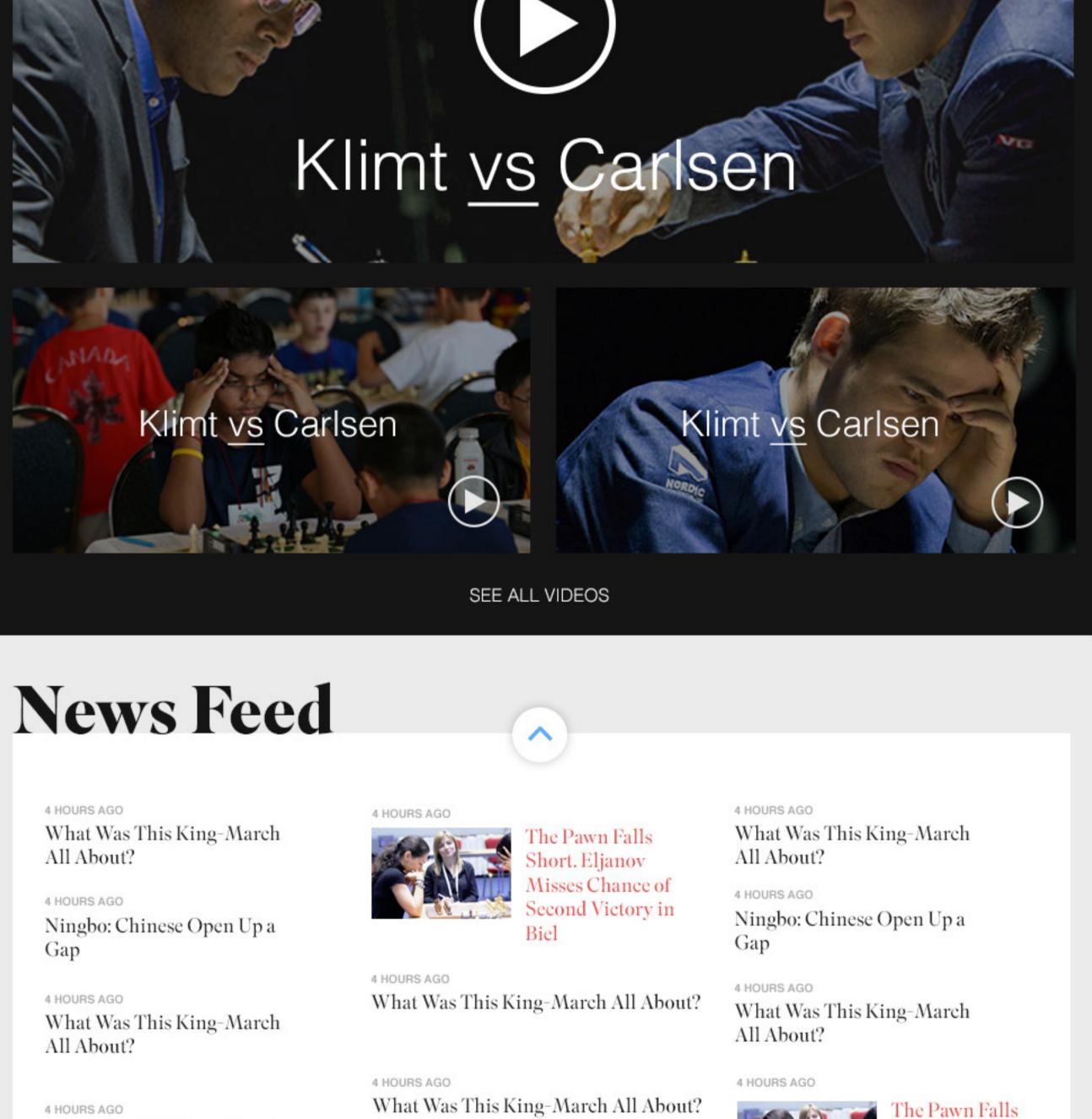
Championship	Period	place				
Candidate's Tournament						
	8-29.03.2016	Seoul				
	Medi	a plan			For	ecast
On-line	Period	Format	Unit	Volume	impressions	Reach
worldchess.com	указать дату разме	text	article	1		
worldchess.com main page	8-29.03.2016	BILLBOARD 970x250 +	static, 1 day	22]
worldchess.com	8-29.03.2016	300*250, SOV30% F=3	CPM]
worldchess.com/chesscasting	указать даты транс	video	broadcasting, XXX min]
worldchess.com/chesscasting	указать даты транс	pre-roll	CPM]
partner sites/chesscasting	указать даты транс	video	broadcasting, XXX min			
fide.com	8-29.03.2016	logo in the header	static, 1 day	22		

TV	Period	Format	Unit	Volume	Reach
Euronews	8-29.03.2016	video	broadcasting, XXX min		
Thompson Reuters	8-29.03.2016	video	broadcasting, XXX min		

Offline	Period	Format	Audience
press-conference	8-29.03.2016	logo on the background	
play-field	8-29.03.2016	logo on the background	1
media/sponsor zone	8-29.03.2016	roll-up	1







Short. Eljanov

Biel

What Was This King-March

Ningbo: Chinese Open Up a

4 HOURS AGO

All About?

4 HOURS AGO

Gap

Misses Chance of

Second Victory in

What Was This King-March

Ningbo: Chinese Open Up a

The Pawn Falls

Short. Eljanov

Biel

Misses Chance of

Second Victory in

4 HOURS AGO

4 HOURS AGO

Gap

Ningbo: Chinese Open Up a

What Was This King-March All About?

All About?

4 HOURS AGO

4 HOURS AGO

Gap

