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## SPYR Looking to Carve Out Niche in Fast-Growing eSports Space

BONITA, CA -- (Marketwired) -- 05/18/17 -- The headline "**Global MMO Games Market to grow with a CAGR of 10.2% by 2025**" was blazoned across a digital report about the current online gaming industry. As readers of financial news know, a 10.2% compound annual growth rate is indeed impressive, but the acronym MMO is what tells the real story: Massively Multiplayer Online games or MMOs are growing at a rate that far surpasses the industry's projected 10.2% CAGR. And SPYR, Inc. (OTCQB: SPYR) is paving its way with its flagship MMO game Pocket Starships.

To understand the future of gaming it is important to appreciate its history. Not long after Pong made its debut on TV screens across America, students in Stanford University's Artificial Intelligence Lab began playing a game called SpaceWar, and competed in the Intergalactic SpaceWar Olympics for a chance to win a year's subscription to Rolling Stone Magazine. The year was 1972.

The 1980s saw Atari's Space Invaders Championships and the creation of The US National Video Game Team, but it was in 1997 when the concept of eSports, or electronic sports, became viable, drawing participation from over 2,000 players to the Red Annihilation tournament for the first person shooter game Quake. Shortly after that, the Cyberathlete Professional League was founded, and in 1999 the league began offering prize money.

Mobile gaming (think GameBoy and Tetris) took the industry -- quite literally -- to new places, and allowed players to interact on pocket-size devices. The introduction of each new game and each new gaming platform expanded the gaming universe exponentially, and paved the way for MMO interactive games like SPYR's Pocket Starships.

Since that time multiplayer games like League of Legends, Counter Strike, Halo, and even Minecraft, have dominated not only gaming devices, but also the attention of investors in the gaming and eSports markets. In 2016, the total prize money awarded across all eSports games was \$93.3 million. In early 2017, universities in the US began adding eSports to both the academic as well as the athletic curriculum, with one women's college in Missouri offering scholarships to eSports student athletes. The Olympic Council of Asia recently announced that it will include eSports in the 2018 Asian Games and make it a medal sport in 2022.

What this means for gamers and investors is a brighter spotlight on both game development as well as technology enhancements.

As the gaming industry has grown, so too has the technology. Gamers are no longer limited to TV screens, consoles or static boxes, but can now play on a variety of mobile devices as well. But frequently, gaming interactions are limited to playing against those on similar

devices.

What SPYR has with its game Pocket Starships is a unique and true cross-platform game that can be played in real time on a variety of devices. So whether you are playing on your Apple or Android phone, laptop, desktop, iPad or Kindle, all gamers can play together and against one another in the same game universe.

This platform will allow SPYR to effectively position and market their games to a wider gaming audience, and reach both recreational as well as competitive players. Furthermore, it cultivates interest (and potential customers) from across a wide demographic band. Women have historically been less active in MMO games, generally preferring single player app games. But with access to MMOs like Pocket Starships through social media portals such as Facebook and VK.com, the European network, more and more women and baby boomers are entering the MMO arena.

Where the investment return lies is in the game itself. Mobile games with a high level of interactivity and constant updates are the games that keep gamers enthralled and playing. Within one month of releasing a game update, SPYR reported a 23% increase in the average revenue from each paying user, and a 7.8% increase in the average spend on each in-app purchase. In 2016, Apple Inc. reported that over 76% of app revenues were generated by games.

Game developers and producers have a vast frontier ahead of them. With data indicating that more people watched the League of Legends World Championship Finals than watched LeBron James' compelling performance in the 2016 NBA Championships, and estimates showing an increase in market revenues from just over \$100 billion to almost \$130 billion by 2020, massive is indeed the operative word in MMO games.

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