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SPYR's 'Pocket Starships' Designed to Drive Sustained Revenue through Retention and Engagement

DENVER, May 11, 2016 /PRNewswire/ -- SPYR, INC. (OTCQB: SPYR), a holding company with wholly owned subsidiaries in the mobile game & app development and publishing industry, and in the restaurant industry today provided an explanation of how its subsidiary's newest deal to publish *Pocket Starships* (www.pocketstarships.com) will help the company drive sustained game revenue through player retention and engagement strategies.

SPYR and Spectacle Games have a fully developed strategy designed to build user retention and engagement, which they expect will lead to sustained revenue growth through in-app purchases. *Pocket Starships* is designed in such a way that the level of in-app purchases made by players will drive revenue for the game, and because of this, *Pocket Starships* is not reliant on ad revenue to be successful, though it is always an option to create additional revenue through strategic ad placement.

Because of the level of live competition and skill involved, *Pocket Starships* falls into the "Midcore" gaming category. "[a]list daily," a marketing firm and publisher of a games industry newsletter and on-line forum for games professionals, observed in an April 12 article that: "In 2016, U.S. mobile gaming revenue is expected to reach \$3.31 billion, up from \$2.03 billion in 2013...." with Midcore titles being a significant part of that increase. (*The Mobile Midcore: What it Means and Why Developers Say it's the Future*, <http://www.alistdaily.com/strategy/mobile-midcore/>).

While "Midcore" is a popular buzzword at the moment, to be truly successful in the "Midcore" market, a game must appeal to both the snacking practices of casual mobile players, as well as the competitive instincts of hard-core players. *Pocket Starships* is designed to do exactly that.

Pocket Starships creates play cycles that alternate between a combat-oriented area that Lars Koschin, the CEO of Spectacle Games, nicknamed the "Counterstrike zone," and a farming-oriented area called the "Hayday zone." All of the players cycle between these two zones, but players can choose how to manage their game resources based on their individual pace and motivations, generally choosing either a "retention model" or an "activity model."

The "activity model" is focused largely on combat and competitiveness. In the "activity model," performing well in battle earns a player premium currency, which the player can spend on new items or on speeding up the creation of items that will generate continued future success in battle. Once players are engaged, they continue to come back to the game in order to obtain and maintain their dominant status in battle. These players can, and

often do, spend money for even more premium currency, driven by the desire to dominate in battle.

According to Koschin, the "retention model" is focused on "the social link between players." "People will remember you if you help them," Koschin adds. "Retention model" players are drawn back into the game through the wait mechanics in the game's farming and crafting areas, and the lockboxes won when playing support in a battle. In other words, "retention model" players wait while in-game items are built, allowing them to use the items when they return to the game.

With the ability for a player to play under either the "activity model" or the "retention model," *Pocket Starships* appeals to both casual and hard-core gamers. Retention players are able to play the game in short spurts while activity players are able to unlock the ability to play the game for long, uninterrupted stretches.

The larger narrative of *Pocket Starships* is also part of the retention game: an ongoing war between opposing factions. While individual battles are won or lost, the war can never be won, keeping players engaged for the long term.

SPYR and Spectacle Games believe that this long-term user retention will translate into sustained revenue and a significant benefit to SPYR shareholders.

About SPYR

SPYR, INC. is a holding company that through its wholly owned subsidiary SPYR APPS, LLC, is engaged in mobile application and game publishing and development. SPYR, INC. also owns and operates an "American Diner" theme restaurant located in the Philadelphia International Airport in Philadelphia, Pennsylvania called "Eat at Joe's®" through its other wholly-owned subsidiary, E.A.J.: PHL Airport Inc. The Company is currently exploring opportunities for additional acquisitions in these and other verticals, including mobile application and game development, in order to expand its holdings, to drive and increase revenue and to generate profits and build value for shareholders.

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This release contains forward-looking statements that are based upon current expectations or beliefs, as well as a number of assumptions about future events. Although we believe that the expectations reflected in the forward-looking statements and the assumptions upon which they are based are reasonable, we can give no assurance or guarantee that such expectations and assumptions will prove to have been correct. Forward-looking statements are generally identifiable by the use of words like "may," "will," "should," "could," "expect," "anticipate," "estimate," "believe," "intend," or "project" or the negative of these words or other variations on these words or comparable terminology. The reader is cautioned not to put undue reliance on these forward-looking statements, as these statements are subject to numerous factors and uncertainties, including but not limited to: adverse economic conditions, competition, adverse federal, state and local government regulation, international governmental regulation, inadequate capital, inability to carry out research, development and commercialization plans, loss or retirement of key executives and other specific risks. To the extent that statements in this press release are not strictly historical, including statements as to revenue projections, business strategy, outlook, objectives, future milestones, plans,

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Investor Relations Contact:
Marlin Molinaro
Marmel Communications, LLC
(828) 669-0616
mmolinarofc@aol.com

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