SPYR Discusses Revenue Creation and Path Forward in Esports Market

DENVER, CO -- (Marketwired) -- 08/15/17 -- SPYR, INC. (OTC PINK: SPYR), a holding company with a wholly owned subsidiary in the mobile game & app development and publishing industry, released today the first in a series of interview-style Q&A articles that will educate shareholders on SPYR's role within the mobile games industry, entrance into the esports market, the growth of the company's games portfolio, the addition of Hollywood IP, etc.

This first Q&A article is with SPYR's VP of Strategic Partnerships, Mike Turner.

Can you explain the makeup of the esports market?

Mike Turner: "We like to talk about the esports ecosystem because it is comprised of many different groups that form a symbiotic relationship. These groups include:

- Gamers/fans
- Players (Professional or Competitive)
- Advertisers
- Publishers
- Agencies
- Venues
- Organizations/Leagues
- Streaming

Of course, it should not come as a surprise to anyone that SPYR is moving Pocket Starships in an esports direction and intends to publish additional titles that will lend themselves to esports."

Where do game publishers like SPYR fit into the esports industry?

Mike Turner: "Publishers bring these games to market, and in coordination with the development team, establish how the game is to be played and what changes happen over the life of the game; which greatly affect the ongoing competitions. Publishers are an integral and critical part of the ecosystem, and can choose to be more open with their integrations, APIs, and data or more closed. Since they ultimately own the IP, they have the ultimate decision on how the game is represented and played in these competitions.

- Many of the world's top publishers also operate the top esports as well for instance:
    - Activision/Blizzard - Call of Duty, Overwatch, Hearthstone, World of Warcraft
    - Valve - CounterStrike & DOTA 2
    - Riot Games/Tencent - League of Legends & Honor of Kings

The industry is evolving where publishers are taking on a more central role."

What are the benefits of tournaments/gaming events to a publisher?

Mike Turner: "In the beginning, the competitions, tournaments and live events are about getting the 'attention' of the game's target market, and the 'acquisition' of new players who may hear about the game from a friend, but mostly about the 'engagement' of the existing player base. Keeping the current players of your game actively playing and always thinking about your title is a great benefit and pays off in terms of increased retention and additional conversion to paying players from this engaged audience.

"When a game title is featured at a premier esports event, like a DreamHack or IEM, this creates a buzz throughout the tight knit gamer community. Not only for those tens of thousands of potential fans who are sitting in the stadium, but also for the tens of millions of viewers who tuned into the live stream over the few days of the event. All of these millions of players are highly targeted, likely core gamers, who have a demonstrated affinity for competitive games.

"Further, these tournaments act as Community Development and form solid and long-lasting bonds for the users who engage in these events. The relationships with their team mates will keep the players in your game versus losing them to another pastime. Having these events and broadcasts also opens up more partnership opportunities that can yield increased reach for your gaming events, co-marketing partnerships, and increased brand recognition or positive associations if the publisher can execute a Partner Development strategy correctly.

"Finally, the publisher can derive direct revenue from a variety of sources: additional monetization from players who want to compete at their best, sponsorship dollars from brands, co-marketing reach from partners, platforms, or events and media rights or revenue from the most popular esports."

How will SPYR, or any publisher for that matter, make money within this vast market?

Mike Turner: "Just like the other Publishers in the gaming space, SPYR's esports program will move through various stages of maturity that will unlock different revenue streams.

1. Player Driven Revenue Stream: PvP Tournaments attract more users to the game, make them stay longer, and make more purchases as they fight through the ladders and online challenges in each game.

2. Partnerships Driven Revenue Stream: Once a formal tournament structure is implemented on an ongoing basis, SPYR is able to sell direct deal sponsorship opportunities to brands who want to reach this demographic; as viewership grows, revenue will increase.

3. Licensing Driven Revenue Stream: SPYR then will leverage and license the streaming rights for broadcast of each game title. Larger media entities are progressively interested in acquiring streaming rights for active and engaged viewers."

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. 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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