

# **ePlay's Big Shot Clears Path for High Margin eSports Revenue Investors Seek**

**Company CEO discusses two high-margin esports revenue sources for ePlay mobile games**



Screenshot from Big Shot Avatar Customization

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Los Angeles, California--(Newsfile Corp. - September 12, 2019) - [ePlay Digital Inc.](#) (CSE: EPY) today announced the [Big Shot Basketball](#) Mobile Game has reached Top 10 Downloads in Sports, Simulation or Strategy games in Apple App Store in 23 different countries - up from 21 countries last week. In addition, ePlay is thrilled to reveal that Big Shot users directly entered over 50,000 head-to-head esports competitions in August. This represents stronger than expected off-season downloads and user engagement - the first two steps to earning revenue in the USD\$61.3B [mobile gaming industry](#).

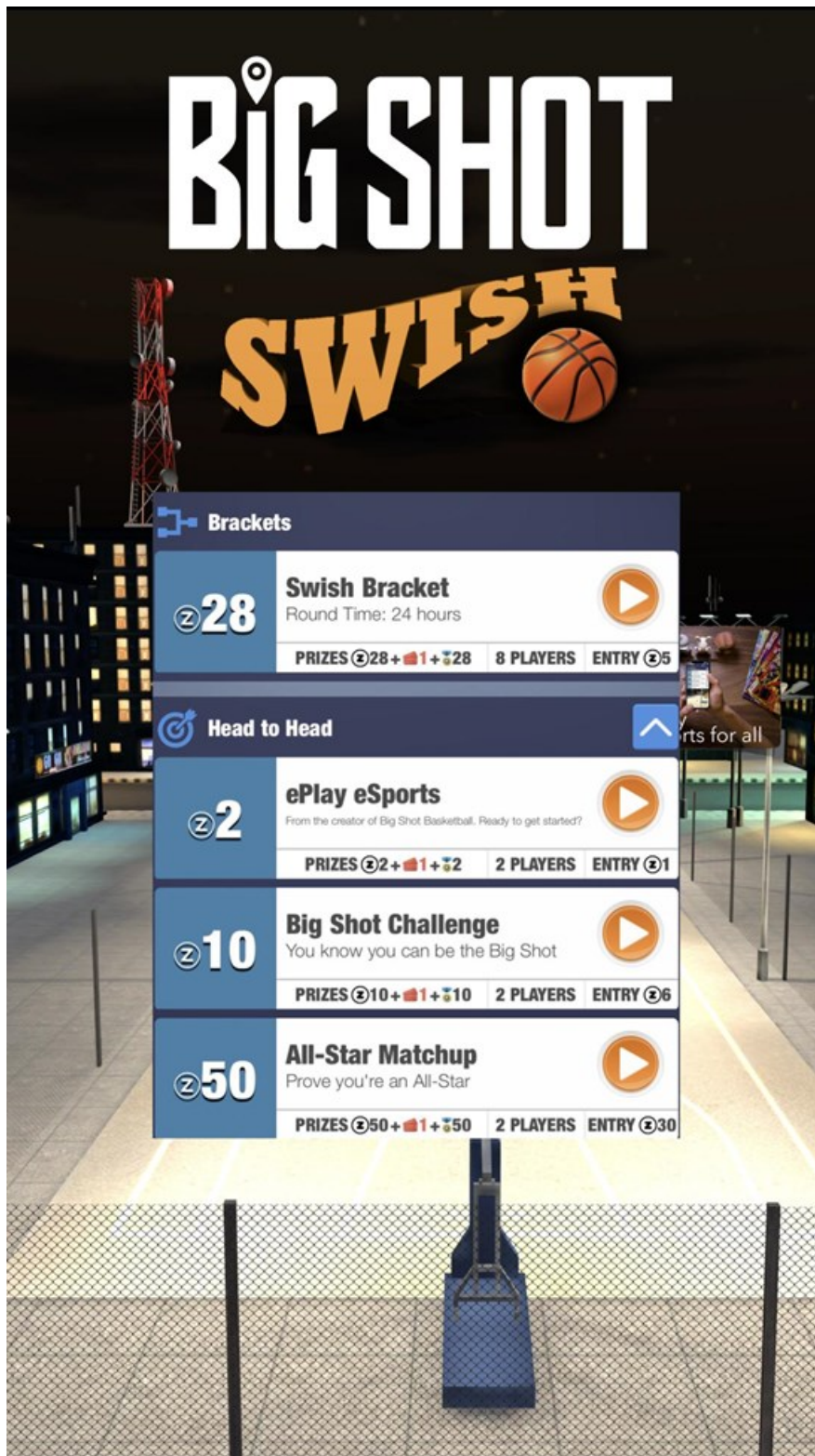
"The number one question investors ask me is how does esports make money," says Trevor Doerksen, CEO of ePlay. "Some investors express concerns about some low margin esports revenue sources. ePlay is focused on three very high margin revenue sources: skins, advertising, and in-game esports tournaments."

To make money from mobile game three things are necessary - and in sequence. First, the game must be **downloaded**, then users must **engage** with the game, then, finally **revenue must be enabled**. ePlay is following this game plan with multiple titles including [Big Shot Basketball](#).

The company has [previously stated](#):

- Big Shot is expected to generate an average esports, and in-app purchase revenue per daily active user of USD\$1.46.
- New features, advertising, and sponsorship revenues are expected drive ePlay's gross margin rate to over 80% in 2020.

Today, the company is announcing that most recent data indicate previously expected ARPDAU (Average Revenue Per Daily Active User) may be multiples higher.



**Screenshot from Big Shot Showing Bracket and Head-to-Head Play Figure**

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- ePlay hosted over 50,000 head-to-head esports tournaments in August 2019.
- Big Shot high engagement ties directly to new source of revenue (see eSports Prizing).
- Active users spent an average of 13.9 units of in-game currency per day to compete for Big Shot esports prizes of up to 6,000 of in-game currency.
- ARPDau would be \$13.90, almost 10x more than the previously projected \$1.46, if each in-game currency unit was worth USD \$1.
- Data indicates yearly esports revenue would exceed USD\$2.6 M based on the downloads and active users in August 2019\*.



ePlay has created and marketed mobile games for ESPN, Sony, Intel, and others. As in the past, ePlay is measuring, adapting and adopting successful strategies based on actual downloads, customer acquisition costs, retention rates, reviews, and engagement analytics results. ePlay, and others, have heard from various stakeholders that more data and information regarding the esports industry, and its revenue sources, is necessary.

Three high-margin revenue sources are available to ePlay: skins, advertising / sponsorship, and in-app purchases of esports cash tournaments. Advertising and sponsorship are well understood, skins and cash tournaments are important and less well understood.



### **Screenshot from Big Shot Showing Sneaker To Be Released For User Avatars**

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### **Skins**

Lenedu.com found nearly [59% of Fortnite users](#) surveyed spent an average of USD\$84.67 on their avatars and other in-app purchases.

Currently, ePlay's mobile games allow users to use the points they earn playing the game to buy skins (sneakers, t-shirts, etc.) for their avatars. Shortly, premium skins will cost real dollars. Pokemon Go and Fortnite have turned skins into an extremely high margin multi-billion dollar business. ePlay will be adding premium skins to its game every few weeks starting next month as the company adds U.S. dollars and over 150 other currencies to the existing in-game currency used today.

### **eSports Prizing**

In August, Big Shot users entered esports head-to-head and bracket tournaments for 2 to 50 in-game points. Tests show active users spending an average of 13.9 units of in-game currency per day to compete for Big Shot esports prizes of up to 6,000 of in-game currency. In-game currency is not cash. ePlay has not yet enabled cash tournaments. Further tests and product enhancements, including turning on cash tournaments, advertising and in-app content payloads will help the company determine and report projected and actual ongoing esports revenue.

\* assumes August 2019 downloads only, no advertising and skins revenue, 100% of in-game currency is converted to USD, and utilizes data from targeted NBA off-season marketing efforts.

### **About ePlay**

ePlay Digital Inc. is a mobile game creator and publisher specializing in sports, esports and entertainment augmented reality titles, including their new flagship title Big Shot Basketball. ePlay is operated by an award-winning team of sports, gaming and esports leaders as well as broadcast and digital technology industry experts, software engineers and athletes who have brought dozens of game titles to market for companies including Time Warner Cable, ESPN, Sony Pictures, AXS TV, Intel, AXN, Fiat, CBS, and others.

ePlay's wholly owned subsidiary, Mobovivo esports specializes in augmented reality, mobile game development and mobile esports streaming.

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### **Further Information**

Further details are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com), and the Company's profile on the CSE's website at [www.thecse.com/](http://www.thecse.com/)

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