



IMVU Receives SEC Staff No-Action Letter Enabling Transferable Digital Asset

VCOIN Can Be Purchased, Gifted, Earned and, for the First Time, Transferred Off the Platform and Converted to Fiat

REDWOOD CITY, CA -- November 20, 2020 -- [IMVU](https://www.imvu.com), the world's largest avatar social platform, today announced it received no-action relief from the Staff of the U.S. Securities and Exchange Commission (SEC) regarding the sale of VCOIN, IMVU's new digital asset. Based on the no-action letter, IMVU plans to sell VCOIN as a non-security. VCOIN enables users to buy, gift, earn and, for the first time, transfer a digital asset off the IMVU platform to convert it to fiat. The no-action letter can be found at <https://www.sec.gov/corpfin/imvu-111920-2a1>.

VCOIN launches in the massive IMVU economy early January 2021. Currently, the IMVU economy sees more than 27 million monthly transactions and 14 billion Credits changing hands each month for virtual goods and services. But these Credits remain locked on the platform. With the introduction of VCOIN, users can hold, earn and convert to real value off-platform - something that IMVU's current in-game Credit economy hasn't been able to provide users.

"Users of IMVU, and really all virtual and game users, want to be able to earn real value for the services and goods they offer and VCOIN will be the first to provide this," said John Burris, Chief Strategy Officer, IMVU. "Launching VCOIN into the high-velocity IMVU economy, it could quickly become one of the most active, largest and user-focused digital asset economies in the space."

At its core, IMVU's global metaverse is a platform where 7 million monthly active users can connect and foster authentic friendships. The economy is the result of a community of thousands of users that power IMVU's massive digital asset catalog of over 50 million items, which grows by 400K digital items per month for users to shop and enjoy the latest in fashion trends. Today on IMVU, the peer-to-peer service-oriented economy is flourishing and for those users that are hired by their

peers on the platform, VCOIN will provide a new way to earn value that can be converted into cash and used in the real world.

“With this announcement, IMVU maintains its category leadership as an immersive metaverse powered by a virtual economy,” said Daren Tsui, CEO, IMVU. “To continue to grow the IMVU economy, VCOIN will be integrated with our users in mind. It will be secure and easily purchased on the platform, like our existing Credits, with no complicated crypto wallets required. It will be unlike anything in the market today.”

Built on the Ethereum blockchain and adhering to the ERC-20 standard, VCOIN leverages the most mature and widely accepted global blockchain network. Although KYC is not required to purchase and use VCOIN on IMVU’s platform, KYC is required for users who want to transfer their VCOIN off the platform and convert it to fiat.

“IMVU’s established user base and extensive business history gave VCOIN the right platform, right controls and right economy in which to launch an owned token that could provide users’ unmet needs - including the ability to exit the platform and convert to fiat for use in the real world,” said Nancy Beaton, VP Strategy & Blockchain for IMVU. “We appreciate the SEC Staff’s time and consideration of our no-action request, and the no-action letter that followed.”

For more information on VCOIN, please visit: www.therealVCOIN.com.

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For more information on IMVU, please visit: <https://about.imvu.com/>

About VCOIN

Created by IMVU, the world’s largest avatar social platform, and built on blockchain technology, VCOIN is an ERC-20 token that can be purchased, earned and exchanged within the IMVU peer-to-peer economy -- and for the first time, allowed to be transferred off of the platform and converted to fiat. VCOIN enables users to buy, earn, hold and exit to real value, giving users control over their earnings.

www.therealVCOIN.com

About IMVU

Based in Silicon Valley, IMVU (imm-view) is the world’s largest avatar social platform, and a top 5 grossing app in the App Store, where millions of users customize their characters and explore over 400,000+ destinations to connect with each other. Through chat and events, IMVU’s massive metaverse enables and empowers friendship and human connection. A community of hundreds of thousands of users power IMVU’s peer to peer economy by designing and selling virtual goods and

destinations, adding to a growing catalog of 50 million items.

The IMVU experience is available on the [web](#), a desktop app, and as an [iOS](#) and [Android](#) app.

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