YOUR WORLD IS WAITING

VIRTUAL UNIVERSE (VU)

An epic, story-driven, open world\(^1\) adventure in LivingVR\(^2\)™
powered by Virtual Reality, Artificial Intelligence and Blockchain

\(^1\) Open world: A style of game in which minimal character limitations are placed on the gamer, allowing the gamer to roam and change a virtual world at will. In contrast to a progression-style game, an open world game emphasizes roaming and allows a gamer to select tasks.

\(^2\) LivingVR™ is a Virtual Reality experience that is more immersive, engaging and alive.
FORWARD-LOOKING STATEMENT DISCLAIMER Certain matters discussed in this document are about our future performance including, without limitation, the future revenues, earnings, strategies, and prospects of Ukledo Corp. All statements that are not purely historical constitute “future-looking statements” within the meaning of the Private securities Litigation reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from those anticipated. Such statements are based on management’s beliefs as well as assumptions made by and information currently available to management. When used herein, the words “anticipate,” “intend,” “estimate,” “believe,” “expect,” “should,” “potential,” “forecast,” “project,” variations of such words and similar expressions are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements in making any personal decision.

Section 2 of the securities Act of 1933, as amended, defines “security” as: “any note, stock, treasury stock, security feature, security-based swap, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate of subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a “security,” or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.”

The VU token is not an investment-grade security of any kind. The VU token is a digital token for participation and use of the VU token’s services and does not confer ownership of a stake in a business. In addition, purchasers of the token should be aware of laws prohibiting its residents from participating in Token Generation Events (TGEs), particularly in The United States of America, China, Singapore and Canada.

THE TOKENS ARE NOT BEING OFFERED OR SOLD AND MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN ANY COUNTRY EXCEPT AS PERMITTED BY THE SECURITIES AND OTHER LAWS AND REGULATIONS, AND MAY NOT BE PURCHASED BY ANY RESIDENT OR DOMICILIARY OF THE UNITED STATES OF AMERICA AND PEOPLE’S REPUBLIC OF CHINA (COLLECTIVELY “PROHIBITED COUNTRIES”). THE COMPANY SHALL HAVE THE UNILATERAL RIGHT AT ITS SOLE DISCRETION TO RESTRICT OFFERS AND SALES OF TOKENS IN THE PROHIBITED COUNTRIES, WILL HAVE A RIGHT TO CANCEL AND RESCIND ANY TOKENS PURCHASED BY RESIDENTS OR DOMICILIARIES IN PROHIBITED COUNTRIES, AND MAY AMEND OR EXPAND THE LIST OF PROHIBITED COUNTRIES AT ANY TIME AT ITS SOLE DISCRETION.
THE OFFER AND SALE OF THIS TOKEN HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER THE SECURITIES LAWS OF ANY OTHER STATE, COUNTY OR COUNTRY. HOLDERS OF THESE TOKENS SHOULD EXPECT TO HOLD THESE TOKENS INDEFINITELY FOR CONSUMPTION SOLELY WITHIN THE VIRTUAL UNIVERSE (VU) GAME, AND THESE TOKENS WILL BE SUBJECT TO RESTRICTIONS ON TRANSFER TO THE EXTENT REQUIRED BY ANY LAW, REGULATION, ORDINANCE AND/OR EXCHANGE RULES.

SUMMARY: VU Tokens are being sold to those interested in participating in an exciting VR entertainment game and platform. VU Tokens (an in-game virtual currency) will entitle holders to purchase exclusive digital assets in-game and are not a form of equity or investment. Sales of VU Tokens is restricted to certain countries. VU Tokens provide no guarantee of future value.
An Introduction

In 2013 the Founders had a vision of what Virtual Reality entertainment could become.

This wasn’t about rehashing existing video game experiences or sprawling real-estate metaverses. It didn’t involve complex development tools, chaotic chat rooms, or grainy 360 degree video. This was about what all of us imagine when we think of the future of Virtual Reality: it’s our version of the holodeck, driving a game that inspires and excites. It’s a dynamic artificial intelligence-driven living world, powered by exciting storylines without end. A parallel universe where players would explore, experience, create and share, together.

This is the Virtual Universe. This is VU.

“Your world is waiting.” Help us bring it to you.
Welcome to VU

**Virtual Universe (VU)** is an epic, story-driven open world game in LivingVR™ powered by Artificial Intelligence (AI), Virtual Reality (VR), and Blockchain technologies. This multiplayer game allows users to connect with their friends and embark on emotionally-engaging grand adventures in a living world that is persistent, social and rewarding. The adventure has multiple story arcs that surprise and delight players for the life of the game.

A user can choose to simply experience the adventure, or they can help create it. Becoming part of VU is rewarding and easy for gamers and non-gamers alike. Whether the user is inside the game or not, the universe and storyline continues moving forward.

VU is part game, part social network, and part social creation platform, blending elements of Minecraft, Second Life and Simcity with innovative artificial-intelligence technologies that drive engagement.

To create the most realistic and convincing forms of interaction, VU uses patent-pending engagement technologies that modify experiences in real-time based upon data from the player and input from elements in the experience.

**SUMMARY:** VU is an epic story-driven open world game powered by AI, VR, and Blockchain, with high quality graphics. The unique multi-layer gaming experience is for gamers and non-gamers alike. Players can explore, co-create and share.

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3 Persistence: In VU, there is no "starting over" or "pause button." Actions have real consequences and the in-game experience evolves in “parallel real-time” (adjacent to time in the real world). Whether the user is in the game or not, the universe and storyline continues moving forward.

4 Social: Humans are social when they live collectively in interacting populations, whether they are aware of it, and whether the interaction is voluntary or involuntary.

5 Provisional Patent Filed 2017

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**Things you can do in VU**

VU Tokens power the LivingVR™ economy as an in-game virtual currency to spend or earn in exchange for unique virtual goods, services, and experiences within VU. VU Tokens cannot be converted to any other type of real currency outside the game.

<table>
<thead>
<tr>
<th>EXPLORE</th>
<th>PLAY</th>
<th>CREATE</th>
<th>OWN &amp; CUSTOMIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Players explore the vast universe, discovering places, meeting new people and enjoying exciting experiences</td>
<td>Players choose between many unique and compelling adventures to experience either solo or with friends</td>
<td>Players create their own experiences /items for other players to discover and enjoy</td>
<td>Players own unique assets in the game and customize them as they wish</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXAMPLES</th>
<th>EXAMPLES</th>
<th>EXAMPLES</th>
<th>EXAMPLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>A new player arrives at a city and explores the streets. He discovers a CLUB with hundreds of people watching a local DJ pump up the crowd and spends VU Token to join the party.</td>
<td>A player is exploring a new city he just arrived in and discovers a racetrack. The local top racer challenges the player to beat his track record.</td>
<td>A player creates their own VR experience and invites his friends to come over and try it out. It’s a hit and get featured on the front page of the community.</td>
<td>A player uses VU Token to purchase a plot of land in a residential district and builds a mansion on it. Once it’s finished he throws an epic pool party with hundred of attendees who all pay a VU Token entry fee.</td>
</tr>
<tr>
<td>A player explores the outskirts of a city looking for rare resources, once his inventory is full the player returns to the city and sells the resources to another player to earn VU Tokens.</td>
<td>A player takes on a quest to investigate the missing robot and recruits a friend to help out. Together they solve the mystery and get rewarded with VU Tokens.</td>
<td>A player purchases a parrot egg from the auction house with VU Tokens. He keeps it safe and warm until it hatches a baby parrot. The player then nurtures it to full health and adds it to his apartment as a pet.</td>
<td>A player uses VU Tokens to buy a plot of land in a commercial district and builds a tattoo parlor on it. Once it’s ready he opens the doors and offers custom avatar tattoos to other players for VU Tokens.</td>
</tr>
</tbody>
</table>

**SUMMARY:** VU activities make it much more than the sum of its parts. It is part adventure game, social community, video game and creator tool. It represents an expression of VR that provides users with the maximum immersion and flexibility to play and discover.
AFFECTIVE COMPUTING
Affective computing (sometimes called artificial emotional intelligence, or emotion AI) is the study and development of systems and devices that can recognize, interpret, process, and simulate human affects (Affect is a concept used in psychology to describe the experience of feeling or emotion).

ARTIFICIAL INTELLIGENCE
Artificial intelligence (AI) is intelligence demonstrated by machines, (in contrast to the natural intelligence displayed by humans and other animals), and perceives its environment and takes actions that maximize its chances of successfully achieving its goals.

AUGMENTED REALITY
Augmented reality (AR) is a live direct or indirect view of a physical, real-world environment whose elements are "augmented" by computer-generated perceptual information, ideally across multiple sensory modalities, including visual, auditory, haptic, somatosensory, and olfactory.

LIVINGVR™
An experience in Virtual Reality that is more immersive, engaging and alive.

MACHINE LEARNING
Machine learning is a field of computer science that gives computer systems the ability to "learn" (i.e. progressively improve performance on a specific task) with data, without being explicitly programmed.

OCULUS RIFT
The Oculus Rift is a virtual reality headset developed and manufactured by Oculus VR, a division of Facebook Inc., released on March 28, 2016.

OPEN WORLD
A open world is a style of game in which minimal character limitations are placed on the gamer, allowing the gamer to roam and change a virtual world at will. In contrast to a progression-style game, a open world game emphasizes roaming and allows a gamer to select tasks.

VIRTUAL REALITY
Virtual reality (VR) is a computer-generated scenario that simulates a realistic experience. The immersive environment can be similar to the real world in order to create a lifelike experience grounded in reality or sci-fi.

HTC VIVE
The HTC Vive is a virtual reality headset developed by HTC and Valve Corporation.
## VU Roadmap

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>Founded</td>
</tr>
<tr>
<td>2015</td>
<td>Raised Angel rounds</td>
</tr>
<tr>
<td>2016</td>
<td>Prototype released for HTC Vive and Oculus Rift</td>
</tr>
<tr>
<td>July 2017</td>
<td>VU proof of concept completed</td>
</tr>
<tr>
<td>Sept 2017</td>
<td>Completion of VU conceptual design</td>
</tr>
<tr>
<td>Dec 2017</td>
<td>VU engine pre-production</td>
</tr>
<tr>
<td>April 2018</td>
<td>VU Token Pre-sale</td>
</tr>
<tr>
<td>May 2018</td>
<td>VU Token Sale</td>
</tr>
<tr>
<td>June 2018</td>
<td>Release Sneak Peek Demo</td>
</tr>
<tr>
<td>July 2018</td>
<td>Private BETA Launch</td>
</tr>
<tr>
<td>August 2018</td>
<td>Genesis block auction⁶</td>
</tr>
<tr>
<td>Jan 2019</td>
<td>Public BETA Launch</td>
</tr>
</tbody>
</table>

**SUMMARY**: VU is story-driven and episodic. It will be delivered to users in stages, over time - expanding upon the universe and story.

⁶ Genesis Auction: Is the first scheduled auction of unique assets within the VU.
Team

FOUNDERS

Jeroen Van den Bosch
FOUNDER, CHIEF CREATIVE OFFICER

Creator behind several award winning products in the online gaming industry

Founded the first online gaming community in Belgium

25 yrs in game design and development

5 years in VR design and development

3 year TV host (gaming) MTV Belgium

Certified SCRUM Product Owner & SCRUM Master

Over 25 yrs experience as Founder, CEO, COO or Board Member

8 startups

Multiple fundings and exits including Angel rounds and a Series A raise

Served as local Chapter president of ACM and studied under internet pioneer Einar Stefferud

Background in sales, marketing and ops

Founded one of the first web/application design firms in the world

Awarded Bank of America Award in Computer Science

Has served on multiple Board of Directors including Directors of the Advertising Production Association of Orange County (APAOC), TCVN, WebWiseKids, DiscoveryArts, the California Branch of the National Association for Missing and Exploited Children and The Entrepreneurship Institute

Ciaran Foley
CO-FOUNDER / CEO

Robert Curtis
CO-FOUNDER / COO

Over 30 yrs experience as Founder, CEO, COO, EVP Sales, Marketing and Ops

Served on multiple Board of Directors and Advisory Boards

Startup Entrepreneurial Award

11 startups / early stage companies

Multiple fundings including Angel rounds and Series A - Multiple exits (including $1B and $60M exits)

Early-stage investor

Background in sales, marketing and ops

Co-founded one of early-on VR companies 16 years ago

Managed Investor Relations for multiple companies
THE DEVELOPMENT TEAM

Jort Van Welbergen
Concept artist, worked on Star Citizen, The Grand Canyon VR Experience

Janet Ung
Concept artist, worked on Destiny, Halo 5, Shadows of Mordor

Charlie Hodara
AI programmer, worked on Assassin’s Creed, Watchdog, Ghost Recon

Zachary Burke
Gameplay programmer, worked on Unreal Engine 4, The Grand Canyon VR Experience

Tom Plunket
Tools programmer, worked on The Order: 1886 and The Grand Canyon VR Experience

Jacob Burke
3D modeller / animator, worked on The Grand Canyon VR Experience

Brian Leleux
Lighting Texture and shading Artist, worked on Armored Warfare, Pillars of Eternity

Sean Runnels
Environment Artist, worked on Lone Echo and Star Citizen

Mitchell Lucas
Audio Engineer, worked on The Grand Canyon VR Experience

Hugo Beyer
Procedural Material Artist, worked on The Order: 1886 and The Grand Canyon VR Experience

Alex Moro
QA tester, worked on The Order: 1886 and The Grand Canyon VR Experience

Stephane Nepton
Real Time FX artist, worked on The Secret World, Rainbow Six Vegas

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Mitchell Price

Mitch has a 30 year career spanning Engineering, Finance, Medical Devices, and Private Equity. As a Systems and Security engineer, Mitch led the DigiCipher 2 Crypto Processor and renewable security team at General Instrument, and served on numerous national and international standards committees for Security and Access Control.

Kevin McDonald

Kevin B. McDonald, HCISPP is COO and CISO at Alvaka Networks. He has been with Kevin is the appointed Chairman of the Orange County Sheriff/Coroner’s Technology Advisory Council (T.A.C), a member of the Orange County Homeland Security Advisory Council, FBI Infragard, The High Tech Crimes Consortium and the US Secret Service’s Electronic Crimes Task Force.

John Ghadimi

An accomplished design expert with over 16 years of experience in information design, user experience (UX), user interface design, visual design and creative direction. Has delivered high-quality interaction design for complex, global, interactive digital applications.

Ev Stanton

Ev Stanton is an author, designer, scriptwriter and producer with over 25 years of professional performance and directing experience. Has been an illustrator for the Jim Henson Company and Scholastic Books as well as a regular contributor to the Los Angeles Times. In addition to being a recognized speaker and teacher, he holds a Ph.D in History from the University of California, Irvine.

Scott Brovsky

Founder / Angel investor in independent mobile games while at Brovsky Capital. Scott has a successful track record as a brand marketing executive defining, launching and driving revenue for major video game franchises such as The Avengers, Turok, Kingdom Hearts and Medal of Honor for/Marvel, Electronic Arts and Take Two Interactive, among others.

David McNeil

Angel Investor and Executive Producer of EyeOnBusiness, FACETlevision, Innovation, The Berkus Report, In The Judges’ Chamber and The Ask Dino Show. He is a former executive of United Artists Entertainment and is one of the original developers of the Pay-Per-View television concept. David’s video work has been seen on ACCESS HOLLYWOOD, FOX, PBS, TED and GOOD DAY LA.

Rob Behnke

A 5-year cryptocurrency trader, token sale growth hacker and serial entrepreneur living in San Francisco. His numerous startups have been featured in Forbes, TechCrunch and NY Times including The Brooklyn Salsa Company and Micswap iOS app.
Protofire assists service providers of token-based protocols and developer platforms in accelerating growth of their ecosystems. They help organizations to assess architectural design of their blockchain solutions, ship in independent security reviews of smart contracts underlying decentralized applications, as well as introduce the customer teams to best practices of enabling CI/CD pipelines. In addition, Protofire explores developer tools—SDKs, APIs, etc.—available on the market to find the perfect match for the customer needs, as well as tune it if needed.

IdentityMind Global provides a SaaS platform that builds, maintains, and analyzes digital identities worldwide, allowing companies to perform identity proofing, risk-based authentication, regulatory identification, and to detect and prevent identity fraud. Built-in transaction monitoring enables e-commerce fraud prevention, anti-money laundering (AML), and counter terrorism financing (CTF). The company’s patented eDNA™ technology securely tracks the entities involved in each transaction (e.g., onboarding, account origination, money transfers, online payments, etc.) to build unique digital identity trust reputations.

A proven, full service marketing strategy agency for the blockchain-based startup space. Token Agency has helped launch a select, premier consortium of high quality token sales.

Campbells is a leading full service offshore law firm established over 45 years ago. From their offices in the Cayman Islands, the British Virgin Islands and Hong Kong Campbells provides comprehensive corporate and litigation advice and services to clients worldwide in relation to Cayman Islands and British Virgin Islands law.

Squire Patton Boggs is an international law firm with 46 offices in 20 countries. It was formed in 2014 by the merger of multinational law firm Squire Sanders with Washington, D.C. based Patton Boggs. It is one of the 30 largest law firms in the world by total headcount and gross revenue, twelfth largest firm in the UK by revenue, and one of the top 10 by number of countries occupied. It is also one of the largest US-headquartered law firms in Asia.

Offering the only automated formally verified audits, based on latest research from the ICE center, ETH Zurich. Combines the latest research in program analysis, machine learning, and system security to build innovative blockchain solutions.
Tech Coast Angels is the leading source of funding to early-stage companies in Southern California and the second most active angel investor network in the United States in terms of funded deals.

Wharton Alumni Angels helps angels grow their investment portfolios, and helps entrepreneurs grow their startups, while providing educational, professional development, advising, and mentoring opportunities to members.

The Pasadena Angels is a nonprofit entity founded in 2000 that offers early-stage start-up ventures the opportunity to benefit from the knowledge and expertise of more than 100 investor members that includes successful entrepreneurs, technologists, sales and marketing professionals, internet technology leaders, finance specialists and attorneys.

The Cove Fund is a family of seed-stage venture capital funds that provides startup funding for promising new Southern California ventures. The $6M Cove Fund I began investing in 2015 and currently has 16 companies in its portfolio. Cove Fund II launched in early 2018 with over $12M in capital.
THE VIRTUAL TECHNOLOGY REVOLUTION

The combined Virtual Reality / Augmented Reality (VR / AR) market is forecasted to reach $120 Billion (US) by 2020\(^7\) (AR representing $90 Billion and VR $30 Billion of the total, respectively).

From major brands backing VR video experiences, to game companies experimenting with full-fledged gaming, to Apple and Google’s battle for dominance in the AR space, the Virtual Technology landscape is evolving rapidly--and it’s here to stay.

Both AR and VR are on a continuum known as mixed-reality (MR)\(^8\). In the next several years, mixed reality in most forms will be entering all aspects of home and work life.

TECHNOLOGY CONVERGENCE

Virtual Reality is emerging as a significant entertainment platform thanks to the advancement of numerous technologies. Many of these individual technologies are touted as “the next big thing.” Any one of them alone has the capability to create massive disruption and revenue opportunities.

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\(^8\) Mixed reality (MR), sometimes referred to as hybrid reality, is the merging of real and virtual worlds to produce new environments and visualizations where physical and digital objects co-exist and interact in real time.
VU leverages multiple technologies to create an entirely new entertainment experience that we believe will drive the future of virtual creation, social and gaming. The result is an experience that is more immersive, engaging and alive. We call the result LivingVR™

Our Company believes that each of these technologies both individually, as well as combined, represent a remarkable new opportunity in entertainment.

**MARKET SUPPORT**

Market and investment support is increasing for entertainment in VR. The industry is growing steadily with interest from both traditional and virtual-focused funds in the second half of 2017:

<table>
<thead>
<tr>
<th>NUMBER OF GAMING COMPANIES INCREASED BY</th>
<th>VR GAME CATEGORY GROWTH</th>
<th>TITLES WITH $1M IN REVENUE OR MORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 %</td>
<td>40 %</td>
<td>35</td>
</tr>
</tbody>
</table>

**SUMMARY:** The timing is right. Virtual is here to stay. The market is growing. We’re leveraging multiple emerging technologies to drive an innovative, dynamic and unique social gaming experience that we call LivingVR™.
The Right Elements

More Than Basic Gaming

Even more than basic gaming, the notion of a social platform for exploration, creation and sharing has strong support. The general sentiment reflects that there is room for a type of virtual engagement that is not just something you do, but a place you visit and experience. This approach has been validated recently (January 2017) with the release of data that demonstrates that exploration is the single-most demanded use for VR today.

Creating a compelling experience is crucial to the success of any game. On today's mobile, console or PC platform, it is a challenge. In Virtual Reality, the challenge is exponential. VU integrates crucial components and technologies that are essential to the success of VR gaming.

Let's take a closer look at each one of these elements:

**Story-Driven:** Games and experiences that are story-driven provide the player with purpose. Too often, the notion of a game, social space or co-creation tool is marred by a lack of purpose that results in chaos. Our adventure has multiple story arcs that surprise and delight players for the life of the game.

**Persistence:** In VU, there is no “starting over” or “pause button.” Actions have real consequences and the in-game experience evolves in “parallel real-time” (adjacent to time in the real world). Whether the user is in the game or not, the universe and storyline continues moving forward.

9 Virtual engagement is a metric to determine the level of affinity between a company and its customers.

10 Sketchfab report “VR Industry Trends: A comprehensive overview on the state of the VR industry in Q1-2017.”
**COMMUNITY:** Especially as VR finds its audience, it is crucial to provide a social experience around which players can build and find a sense of belonging. A thriving community provides the context in which to explore the game, create and share (both in and out of VR). VU is at its core, a community-driven experience.

**CO-CREATION:** Providing players with the tools to create and express themselves fosters a sense of ownership and investment in the game. VU provides innovative and intuitive in-VR creation tools that enable non-developers to create and customize their own experiences in fun and rewarding ways.

**MARKET:** A thriving marketplace provides creative and entrepreneurial players the opportunity to leverage their talents and exchange value with other players.

**BLOCKCHAIN:** Blockchain technologies track selected transactions, reduce fraud and provide decentralization and integrity in the VU metaverse.

**AI-DRIVEN:** Virtual Reality delivers on the promise of delivering highly immersive, intimate and emotional experiences, but only if the proper realism is achieved. Because VR is so much “closer” to the player, design of worlds that are “dead” (non-interactive) destroys a level of immersion. Similarly, interaction with objects and non-player characters must appear increasingly non-scripted if they are to maintain the sense of immersion we need. VU is driven by sophisticated simulation. Environments and non-player-characters (NPCs) are powered using complex AI rather than rigid, predictable, scripted behaviors. To create the most realistic and convincing forms of interaction, VU uses patent-pending engagement technologies \(^\text{11}\) that modify experiences in real-time based upon data from the player and input from elements in the experience.

**MULTI-MODAL:** Games that ignore mobile and AR in favor of experiences that can only be played in VR, do so at their own peril. VU is multi-modal: participation will employ a variety of different technologies both in and out of Virtual Reality. The result is an adventure that continues to engage even as the player goes about their day.

**SUMMARY:** Bringing old videogame thinking to Virtual Reality doesn’t work. Dead environments and pre-scripted behaviors destroy immersion. Simply creating a world where you can create or chat results in chaos. Story is key to guide purpose and direction. Users need to be able to engage in a variety of ways, to create and exchange value, express themselves and share, all within the context of an exciting game story. Our Company has an opportunity to use blockchain technologies as the basis of this new form of entertainment.

\(^{11}\) Provisional Patent Filed 2017
Three primary user roles define the ways in which individuals can “participate” in VU:

1. **EXPLORER**: Can play/collaborate/share environments and purchase upgrades and modifications. This is the easiest way to get involved with VU and become an active participant.

2. **CREATOR**: Take a more active role in designing and deploying experiences using a set of objects and smart objects. Users can elect to share these experiences with others.

3. **ENTREPRENEUR**: Entrepreneurs have multiple ways they can leverage their experiences inside VU:
   - **LAND OWNERS**: Can purchase and sell parcels of virtual land inside VU upon which shops can be built (by themselves or other users). The land owner then participates in the success of the property on their land.
   - **SHOP OWNERS**: Shop owners can sell (1) objects, (2) services, or (3) access to their own experiences.

**SUMMARY**: VU will attract a range of different users, providing experiences that engage on a number of different levels. Participation will range from passive enjoyment to active creation.
Technology

CORE GAME ENGINE

VU is built upon the world-leading Epic Unreal Engine 4\textsuperscript{12}, the leading real time 3D production toolset. Unreal provides opportunities to provide high-fidelity surrealistic and photorealistic experiences optimized to a wide variety of hardware, launching on Oculus Rift, HTC Vive and Windows Mixed Reality.

![In game screenshot of two players building a campfire](image)

IN GAME SCREENSHOT OF TWO PLAYERS\textsuperscript{13} BUILDING A CAMPFIRE

PROPRIETARY TECHNOLOGIES

VU leverages a number of factors that heighten engagement\textsuperscript{14} in VR by employing a proprietary technology called the Emotion Engine to drive more dynamic, realistic and emotionally engaging interactions in-game.

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\textsuperscript{12} The Unreal Engine is a game engine developed by Epic Games, first showcased in the 1998 first-person shooter game Unreal.
\textsuperscript{13} The avatar models in the screenshot are merely place holders for future models.
\textsuperscript{14} Defining Engagement and Characterizing Engaged- Behaviors in Digital Gaming Patrice Bouvier, Elise Lavoué, and Karim Sehaba (2014)
VU also optimizes the experience in real-time for better engagement.

LivingVR™ combines affective/perceptual computing, artificial intelligence, and machine learning to make this new type of interaction possible. Content and behaviors can now adjust in real-time to the user.

**KEY DIFFERENTIATORS CHART**

<table>
<thead>
<tr>
<th>FEATURES</th>
<th>VU (Vs)</th>
<th>Decentraland</th>
<th>TerraVirtua</th>
<th>The Deep</th>
<th>RecRoom</th>
<th>Sansar</th>
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<tbody>
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<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Realistic Graphics</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

**SUMMARY:** VU is highly differentiated. VU employs leading edge, proven technologies to deliver the most immersive experience possible. In addition, the VU incorporates a rich stories with proprietary technologies that will help increase the level of engagement with players.
Blockchain & VU Token

BLOCKCHAIN TECHNOLOGY INSIDE VU

Blockchain technology is used in a variety of ways to establish and maintain a rich and thriving economy inside the “VU” world. This backbone enables us to generate significant revenues while providing incentives to a community of creators and developers to expand its capabilities. Use cases include:

1. EXPERIENCES: The placement of objects and smart objects and their relationships within an environment are part of the blockchain of an environment. This provides an immutable record of what belongs where, within the world.

2. VU TOKEN: VU supports an ERC-20 token (“VU Token”) that allows for the exchange of value on the platform. Blockchain technology will be used in a variety of ways to establish and maintain a rich and thriving economy inside the world. VU Token provides a form of in-game virtual currency, which allows users of VU to exchange value in return for their creations or services.

3. OWNERSHIP: Objects, Smart Objects and Open worlds will be owned assets and tracked using blockchain technology, which will both facilitate and secure transactions. Blockchain will power title rights and present opportunities for monetization.

4. SMART CONTRACTS: Smart contracts power flexible financial structures enabling user-to-user transactions that allow for creation of value through gameplay in VR. As an example, landowners may sell or auction their plot to other players for VU Tokens, as well as rent them to creators to share in the profits of experiences that are placed on those plots.

5. VIRTUAL GOODS: Users of VU will be able to modify, trade, buy and sell virtual goods. Transactions will be recorded as part of the world’s blockchain. Many other applications that involve tracking assets, creating value or providing integrity to the world will be considered.

THE VU TOKEN

VU supports an ERC-20 token (“VU Token”) that allows for the exchange of value on the platform, in-game. With VU Token (a Cryptocurrency that serves as VU’s in-game virtual currency) explorers, creators and entrepreneurs will all have the capability to exchange value inside the game. Once purchased or acquired, the game will not support the transfer or conversion of VU Tokens out of the game or into an alternative currency. In this manner, VU Tokens may be seen as a form of game token similar to those offered inside many theme parks and entertainment centers. VU Token’s operability is limited solely to the VU

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15 Smart Contract: A computer protocol intended to digitally facilitate, verify, or enforce the negotiation or performance of a contract, making transactions trackable and irreversible.

16 Cryptocurrencies like Bitcoin, VU Tokens and others permit trustless payment channels to be established easily between parties.
ecosystem, but inside the game, they are freely tradable. A lifetime limited supply of VU Token will be generated. Use cases include:

- VU Tokens provide access to exclusive digital assets within VU
- Buying and selling of virtual goods within the VU ecosystem
- Buying and selling of virtual services within the VU ecosystem
- Used as a reward for select in-game accomplishments
- Limited Supply
- Operates on a decentralized blockchain
- Can be sent to any ERC-20 wallet

Example:

Limited, exclusive digital assets are made available to VU Token holders (ie: a plot of land). This asset confers unique rights or abilities to players.

**TGE TOKENOMICS**

As part of a Token Generation Event (TGE) a limited supply of VU Tokens are being made available to early adopters of the game, at a discount.

The following illustrates distribution of VU Tokens:
IDENTIFYING KEY ELEMENTS

Since 2013, the team has researched the roles of various techniques and technologies that enhance engagement in virtual experiences. We took those results and created an initial commercial prototype, The Grand Canyon Experience (GCE). It resulted in sales of over 15,000 paid users. The GCE was a leisurely kayak trip down the Grand Canyon with a number of interactive experiences for the user. Our goal was to get user feedback for future development.

From this experience and others, over time, we have identified and innovated on what we believe to be fundamental attributes that a successful creative virtual social platform must have, including:

1. Low cost or free to participate on the platform
2. Easy to co-create on the platform using tools that maintain the user’s presence in VR
3. Non-Player elements must exhibit non-determinism and unpredictability in their behaviors
4. The platform should support VR/AR and Mobile
5. Interfaces and interactions should be intuitive, and a physical part of the virtual world
6. Interactions should leverage the user’s own physiological responses to heighten realism in interaction
7. It should provide a technical method for a form of non-linear storytelling
8. Its business model should enable users to profit from value creation
9. Security and integrity

Non-determinism: In computer science, a nondeterministic algorithm is one that, even for the same input, can exhibit different behaviors on different runs, as opposed to a deterministic algorithm.
KUDOS AND FEEDBACK

As a result of the work that the team has done, it has demonstrated its thought leadership at major industry events and received accolades and investment support from the Angel investment community and others.

- The nation’s largest Angel investment group, Tech Coast Angels (TCA), along with Pasadena Angels, Wharton Angels and the UCI Cove Fund have invested three separate seed rounds of funding in the company

- Awarded Tech Coast Angels 2017 Angel Wings Award

- Jason Calacanis invites the company to exhibit at Launch 2016, calling us one of top 10 players in VR/AR

- TWiT.TV’s Jason Howell interviewed us at Launch 2016 and proclaims our prototype “… one of my favorite things…” at the show

- Exhibitor at Siggraph, VRLA, LAUNCH 2016, Octane, USC

- Featured speakers at The University of California, Irvine, LAUNCH 2016, Annenberg School at USC, DigitalLA, EvoNexus and more

COMMENTS ABOUT THE VU PROTOTYPE

“Pretty neat. Very immersive and makes you feel like you’re really there.”

“Beautiful experience. A+ If you’re into VR tours and zen experiences, this is a must.”

“It was super fun for me. The environment is so well designed, the sound is on point, I mean holy moly you get a feel that you’re actually there. Immersion, that’s what this game gives you.”

Nickamoore (Steam review) 30Steps (Steam review) RPVY (Oculus home review)

“A must have for the Vive! I could spend all day in laying back and floating down stream in this experience! After the latest update the visual are extremely polished and look astonishing!”

“This was a fantastic experience. Really shows off what can be done with motion controllers in VR.”

“The experience is well made, graphics and sound are good. The scaling is impressive, the details as well…”

Hooded Crow (Steam review) Raihaan1981 (Steam review) Aquavemo (Oculus home review)

18 In 2017, we were awarded the TCA Angels Wings Award for most promising startup
LEGAL REQUIREMENTS

Tokens, the blockchain and smart contracts are nascent technologies. The application of existing laws to new technologies is often unclear. The laws that may be implicated by the VU Platform and tokens are numerous, given its worldwide reach. As a result, the legal and regulatory issues surrounding the VU Platform and tokens are complex and undefined at this time. As these issues are settled, modifications may need to be made to the VU Platform and VU Tokens to comply with applicable law.

At this time, sale of VU Tokens is restricted to certain countries, including China, The United States, Canada and Singapore. For complete disclosures and notices, please review the VU Token Sale Agreement in its entirety, prior to purchase.