

A Messaging App That Received 'Unicorn Status' With a \$1.17B in Valuation Shuts Down After Investigation Finds 95% of Users Were 'Bots'



IRL (short for “In Real Life”) had big plans for the future of social network messaging. The concept hinged on the idea that IRL would facilitate more in-person meetups and events through shared calendars, polls, public community pages, and more.

In June 2021, nearly two years after launching, IRL announced 400% growth over a 15-month period, more than \$200 million in funding, and that it achieved “unicorn status” with a \$1.17

billion valuation (unicorn status refers to companies that reach \$1 billion in valuation without being on the stock market).

“That’s a remarkable amount of money for an app with roughly 12 million monthly users and no revenue,” The Verge reported at the time, ironically foreshadowing the news that’s just come to light – IRL did not make money, and almost all of its users were fake, The Information reported on Friday.

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Following an SEC investigation (which was initiated in December 2022), a spokesperson for IRL told the outlet that 95% of the app’s “20 million” users were “automated” or “bots.”

“Based on these findings, a majority of shareholders concluded that the company’s going forward prospects are unsustainable,” the spokesperson said, adding that IRL would be shutting down, per Fortune.

The collapse of the once-supposedly promising venture comes after a string of problems that arose earlier this year. In April, Nicholas Grant, a former employee at IRL, filed a complaint against the company, claiming it retaliated against him after voicing skepticism and concern over the accuracy of IRL’s user numbers.

That same month, IRL’s board of directors suspended CEO and co-founder, Abraham Shafi, following a report of an alleged “pattern of misconduct,” The Information reported. Shafi stepped down as CEO following the allegations.

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