Vemanti Group, Inc. and Subsidiary
Consolidated Financial Statements
For The Three months ended March 31, 2016 and 2015

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Vemanti Group, Inc. and Subsidiary
Consolidated Balance Sheets

	March 31, 2016	December 31, 2015
ASSETS		
Current Assets:		
Cash	$ 35,179	$ 47,028
Accounts receivable	1,084	7,712
Other current assets	20,000	20,000
Total current assets	56,263	74,740
Equipment, net	283	709
TOTAL ASSETS	$ 56,546	$ 75,449
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 2,130	$ 3,904
Accrued expenses	15,635	14,170
Income tax payable	-	-
Advance from stockholder	500	500
Note payable, current, net of discount of $0 and $1,257	47,138	45,159
Total current liabilities	65,403	63,733
Note payable, net of current portion	90,987	102,643
TOTAL LIABILITIES	156,390	166,376
STOCKHOLDERS' EQUITY:		
Preferred stock, $0.0001 par value, 50,000,000 shares authorized, 40,000,000 and 40,000,000 shares issued and outstanding	4,000	4,000
Common stock, $0.0001 par value, 500,000,000 shares authorized, 42,470,000 and 41,970,000 shares issued and outstanding	4,247	4,197
Additional paid-in capital	100,246	79,463
Accumulated deficit	(208,337)	(178,587)
Total stockholders' equity	(99,844)	(90,927)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 56,546	$ 75,449

The accompanying notes are an integral part of these consolidated financial statements

Vemanti Group, Inc. and Subsidiary
Consolidated Statements of Operations

	Three Months Ended March 31,	
	2016	**2015**
Sales	$ 133,608	$ 148,788
Cost of services	39,963	50,779
Gross profit	93,645	98,009
Operating expenses:		
General and administrative expenses	120,146	101,242
Total operating expenses	120,146	101,242
Loss from operations	(26,501)	(3,233)
Other income (expense)		
Interest expense	(3,518)	(2,936)
Other income	269	269
Total other income (expense)	(3,249)	(2,667)
Loss before provision for income taxes	(29,750)	(5,900)
Provision for income taxes	-	-
Net loss	$ (29,750)	$ (5,900)
Weighted average shares outstanding :		
Basic	42,002,967	41,970,000
Diluted	42,002,967	41,970,000
Loss per share		
Basic	$ (0.00)	$ (0.00)
Diluted	$ (0.00)	$ (0.00)

The accompanying notes are an integral part of these consolidated financial statements

Vemanti Group, Inc. and Subsidiary
Consolidated Statement of Stockholders' Equity

	Preferred Stock		Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
Balance, December 31, 2015	40,000,000	$ 4,000	41,970,000	$ 4,197	$ 79,463	$ (178,587)	$ (90,927)
Stock-based compensation			500,000	50	20,783		20,833
Net loss						(29,750)	(29,750)
Balance, March 31, 2016	40,000,000	$ 4,000	42,470,000	$ 4,247	$ 100,246	$ (208,337)	$ (99,844)

The accompanying notes are an integral part of these consolidated financial statements.

Vemanti Group, Inc. and Subsidiary
Consolidated Statements of Cash Flows

	Three Months Ended March 31,	
	2016	**2015**
OPERATING ACTIVITIES:		
Net loss	$ (29,750)	$ (5,900)
Adjustments to reconcile net loss to net provided by (used in) operating activities:		
Depreciation	426	426
Stock-based compensation	20,833	-
Amortization of debt discount	1,257	-
Change in current assets and liabilities:		
Accounts receivable	6,628	6,402
Other current assets	-	(48)
Accounts payable	(1,774)	524
Accrued expenses	1,465	2,867
Net cash provided by (used in) operating activities	(915)	4,271
FINANCING ACTIVITIES:		
Repayment of notes payable	(10,934)	(10,259)
Net cash used in financing activities	(10,934)	(10,259)
NET DECREASE IN CASH	(11,849)	(5,988)
CASH, BEGINNING BALANCE	47,028	65,223
CASH, ENDING BALANCE	$ 35,179	$ 59,235
CASH PAID FOR:		
Interest	$ 2,261	$ 2,936
Income taxes	$ -	$ -

The accompanying notes are an integral part of these consolidated financial statements.

Note 1 - Organization and Basis of Presentation

Organization and Line of Business

Vemanti Group, Inc., ("Vemanti") was incorporated on April 3, 2014 under the laws of the state of Nevada. VoiceStep Telecom, LLC, a California limited liability company, was formed on January 27, 2005 and originally founded in 2002 ("VoiceStep"). On April 3, 2014, the sole member of VoiceStep exchanged 100% of his membership interest in VoiceStep for 40,000,000 shares of Vemanti's common stock and 40,000,000 shares of Vemanti's preferred stock. Vemanti and its wholly-owned subsidiary, VoiceStep are hereafter referred to as the "Company."

The Company provides a one-stop resource for network communication needs. The Company's network offers availability, coverage and flexibility, and enables the following technology solutions: unified communications, data center services, content delivery, voice over IP (VoIP) and cloud computing.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, VoiceStep. Prior to April 3, 2014 the financial statement only include the accounts of VoiceStep. The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. All significant intercompany transactions and balances have been eliminated.

Note 2 – Summary of Significant Accounting Policies

Accounting Method

The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a fiscal year ending on December 31.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by management include, among others, revenue recognition. Actual results could differ from those estimates. It is possible that accounting estimates and assumptions may be material to the Company due to the levels of subjectivity and judgment involved.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and cash in time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. As of March 31, 2016 and 2014, the Company had no cash equivalents.

Accounts Receivable

The Company regularly reviews collectability and establishes an allowance for doubtful accounts as necessary using the allowance method. The receivables are not collateralized.

The Company estimates the ability to collect receivables by performing ongoing credit evaluations of its customers' financial condition. Estimates are based on assumptions and other considerations, including payment history, credit ratings, customer financial performance, industry financial performance and aging analysis. The Company reviews its accounts receivable by aging category and to identify customers with known disputes or collection issues. In determining the allowance, the Company makes judgments about the creditworthiness of a majority of its customers

based on ongoing credit evaluations. The Company also considers its historical level of credit losses and current economic trends that might impact the level of future credit losses. Accounts receivable are written-off when they are deemed uncollectible.

Equipment

Equipment is stated at cost. Expenditures for maintenance and repairs are charged to earnings as incurred; additions, renewals and betterments are capitalized. When equipment is retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation of equipment is provided using the straight-line method for substantially all assets with estimated lives as follows:

Software licenses	5 years
Computer equipment	5 years

Long-Lived Assets

The Company applies the provisions of ASC Topic 360, "Property, Plant, and Equipment," which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. ASC 360 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair values are reduced for the cost of disposal. Based on its review at March 31, 2016 and 2014, the Company believes there was no impairment of its long-lived assets.

Revenue Recognition

The Company recognizes revenues derived from sub-leasing telecommunications infrastructure and the provision of telecommunications and colocation services when the service has been provided and when there is persuasive evidence of an arrangement, the fee is fixed or determinable, and collection of the receivable is reasonably assured. Taxes collected from customers and remitted to a governmental authority are reported on a net basis and are excluded from revenue. Most revenue is billed in advance on a fixed-rate basis. The remainder of revenue is billed in arrears on a transactional basis determined by customer usage.

The Company often bills customers for upfront charges. These charges relate to down payments or prepayments for future services or equipment and are influenced by various business factors including how the Company and customer agree to structure the payment terms. These payments are recognized as deferred revenue until the service is provided or equipment is delivered and installed. All ongoing fees are billed and recognized as revenue on a monthly basis as service is provided.

Stock-Based Compensation

The Company records stock-based compensation in accordance with FASB ASC Topic 718, "*Compensation – Stock Compensation*." FASB ASC Topic 718 requires companies to measure compensation cost for stock-based employee compensation at FV at the grant date and recognize the expense over the employee's requisite service period. The Company recognizes in the statement of operations the grant-date FV of stock options and other equity-based compensation issued to employees and non-employees.

Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, "Income Taxes." ASC 740 requires a company to use the asset and liability method of accounting for income taxes, whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary

differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion, or all of, the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Under ASC 740, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The adoption had no effect on the Company's consolidated financial statements.

Prior to April 3, 2014 VoiceStep, a limited liability company, was treated as a partnership for federal and state income tax purposes with all income tax liabilities and/or benefits of VoiceStep being passed through to its member. As such, no recognition of federal or state income taxes for the Company has been provided for the three months ended December 31, 2013 or from January 1, 2014 to April 3, 2014, in the accompanying financial statements. VoiceStep is still subject to California LLC fees and tax based on gross income. Those expenses are included in general and administrative expenses.

As a limited liability company, VoiceStep's taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision or liability for federal income taxes has been included in the financial statements. In the event of an examination of VoiceStep's tax return, the tax liability of the members could be changed if an adjustment in VoiceStep's income is ultimately sustained by the taxing authorities.

Basic and Diluted Earnings Per Share

Earnings per share is calculated in accordance with ASC Topic 260, "Earnings Per Share." Basic earnings per share ("EPS") is based on the weighted average number of common shares outstanding. Diluted EPS is based on the assumption that all dilutive convertible shares and stock warrants were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. There are no potentially dilutive securities outstanding during any periods presented. For purposes of the EPS, the exchange of 100% interest of VoiceStep for 40,000,000 shares of Vemanti common stock is assume to have occurred on January 1, 2013.

Risks and Uncertainties

The Company maintains its cash balances with two domestic financial institutions. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk. Beginning in 2013 insurance coverage reverted to $250,000 per depositor at each financial institution for interest bearing deposits and noninterest bearing transaction accounts, from the previous unlimited insurance coverage for noninterest-bearing transaction accounts. The Company's cash balances did not exceed federally insured limits for any period presented.

Interim Financial Statements

The interim financial information furnished herein reflects all adjustments, consisting only of normal recurring adjustments, which in the opinion of management, are necessary to fairly state the Company's financial position, the results of its operations, and cash flows for the periods presented. The results of operations for the three months ended March 31, 2016 are not necessarily indicative of the results for the year ending December 31, 2016. The accompanying interim financial statements do not include all the disclosures normally presented in annual financial statements.

Note 3 – Other Current Assets

Other current assets at March 31, 2016 and December 31, 2015 consisted of refundable deposits with vendors to

establish credit.

Note 4 – Equipment

Equipment at March 31, 2016 and December 31, 2015 consisted of the following:

	March 31, 2016	December 31, 2015
Software licenses	$ 32,188	$ 32,188
Computer equipment	13,323	13,323
	45,511	45,511
Less accumulated depreciation	(45,228)	(44,802)
Equipment, net	$ 283	$ 709

Depreciation expense for the three months ended March 31, 2016 and 2015 was $426 and $426, respectively.

Note 5 – Notes Payable

Note payable at March 31, 2016 and December 31, 2015 consisted of the following:

	March 31, 2016	December 31, 2015
Note payable to bank; interest at 6.35% per annum; monthly principal and interest payments of $4,398; due on January 28, 2019. This note is secured by virtually all the assets of the Company.	$ 133,125	$ 144,059
Note payable to an individual; non-interest bearing, but if not paid by due date interest accrues at 5% per year; due on April 1, 2016. This note can be converted into shares of common stock at the option of the holder at a rate of $0.001 per shares any time after April 1, 2015 if the note remains unpaid The holder is limited to holding less than 5% of the outstanding shares.	5,000	5,000
Total	138,125	149,059
Debt discount	-	(1,257)
Total, net of discount	138,125	147,802
Less current portion	(47,138)	(45,159)
Note payable, long-term portion	$ 90,987	$ 102,643

As of April 1, 2015, the above note payable for $5,000 was not repaid, therefore, the note became convertible into shares of the Company's common stock at $0.001 per shares at the option of the note holder. The Company determined that the note contained a beneficial conversion feature which is limited to the face amount of the note payable. This beneficial conversion feature has been recorded in the financial statements to additional paid-in capital and as a discount to the note payable. The debt discount is being amortized over the remaining term of the note. The Company recognized interest expense of $1,257 during the three months ended March 31, 2016 related to the amortization of the debt discount.

Aggregate future maturities of note payable at March 31, 2016 are as follows:

Years Ending March 31,		
2017	$	47,138
2018		48,327
2019		42,660
	$	138,125

Note 6 – Stockholders' Equity

Members' Interest

VoiceStep is governed by the terms and conditions of the Limited Liability Company Agreement (the Agreement) dated May 3, 2005, as amended on January 27, 2014. VoiceStep shall continue until terminated in accordance with the terms of the Agreement or as provided by law, including events of dissolution. VoiceStep shall be dissolved only upon any of the following events: (i) the vote of Member(s) holding a majority to the dissolution and winding up of VoiceStep, (ii) the entry of a decree of judicial dissolution of VoiceStep and (iii) at any time there are no Member(s), subject to remedy within 90 days of occurrence of termination event by the last remaining Member in writing.

VoiceStep originally consisted of two Members each owning 50% of VoiceStep. On January 27, 2014, one of the members was bought out with the remaining member owning 100% of the membership interest in VoiceStep. On April 3, 2014, the remaining member exchanged his 100% interest in VoiceStep for 40,000,000 shares of Vemanti common stock.

VoiceStep made distributions to its members totaling $314,079 during the years ended December 31, 2014.

Preferred stock

The Company has authorized the issuance of 50,000,000 shares of preferred stock, $0.0001 par value. At June 30, 2015 and December 31, 2014, the Company had 40,000,000 and 40,000,000, respectively, shares of preferred stock issued and outstanding. (See Note 1)

Common stock

The Company has authorized the issuance of 500,000,000 shares of common stock, $0.0001 par value. At March 31, 2016 and December 31, 2015, the Company had 41,970,000 and 41,970,000, respectively, shares of common stock issued and outstanding.

On March 25, 2015, the Company granted 500,000 shares of restricted stock under the Vemanti Group, Inc. 2015 Stock Incentive Plan to a consultant. The shares vest on March 25, 2016 and will be issued to the consultant on that date as long as the consultant still has a relationship with the Company. The value of the restricted stock awards was $50,000 and is based on the fair value of the Company's common stock on the grant date. This amount is being amortized to compensation expense over the one year vesting period.

On November 30, 2015, the Company granted 250,000 shares of restricted stock under the Vemanti Group, Inc. 2015 Stock Incentive Plan to a consultant. The shares vest on November 30, 2016 and will be issued to the consultant on that date as long as the consultant still has a relationship with the Company. The value of the restricted stock awards was $25,000 and is based on the fair value of the Company's common stock on the grant date. This amount is being amortized to compensation expense over the one year vesting period.

During the three months ended March 31, 2016, the Company recognized compensation expense of $20,833 related to these stock grants. As of March 31, 2016, the unamortized portion of the compensation expense was $16,667 which will be amortized to expense through November 2016.

Stock options

On March 25, 2015, the Company's board of directors adopted the Vemanti Group, Inc. 2015 Stock Incentive Plan (the "Plan"). The Plan is designed to help attract and retain for the Company and its affiliates personnel of superior ability for positions of exceptional responsibility, to reward those personnel for their services and to motivate such individuals through added incentives to further contribute to the success of the Company and its affiliates. The Plan shall terminate upon the close of business on the day next preceding the tenth (10th) anniversary of the effective date and may be terminated on any earlier date. Award Agreements outstanding on such date shall continue to have force and effect in accordance with the provisions thereof. There are currently no awards outstanding under the Plan.

Note 7 – Commitments and Contingencies

Indemnities and Guarantees

During the normal course of business, the Company has made certain indemnities and guarantees under which it may be required to make payments in relation to certain transactions. These indemnities include certain agreements with (i) the Company's officers, under which the Company may be required to indemnify such persons for liabilities arising out of their employment relationship, (ii) certain customers who enter into collocation agreements. The duration of these indemnities and guarantees varies and, in certain cases, is indefinite. The majority of these indemnities and guarantees do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. Historically, the Company has not been obligated to make significant payments for these obligations and no liabilities have been recorded for these indemnities and guarantees in the accompanying balance sheet.

Legal

The Company may be involved from time to time in claims, lawsuits and disputes with third parties, actions involving allegations or discrimination or breach of contract actions incidental in the normal operations of the business. The Company is currently not involved in any such litigation or disputes which management believes could have a material adverse effect on its financial position or results of operations.