

MIMVI, INC.
(Formerly known as Fashion Net, Inc.)
(A Development Stage Company)
Statements of Cash Flows

	For the years ended December 31,		Inception (August 7, 2007) to December 31,
	2010	2009	2010
Operating activities			
Net loss	\$(3,199,355)	\$(12,265)	\$(3,232,594)
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation	2,509	-	2,509
Shares issued for executive compensation	-	-	10,000
Stock based compensation for services	2,185,709	-	2,185,709
Changes in operating assets and liabilities:			
Accounts receivable	(18,600)	-	(18,600)
Prepaid assets and deposit	(27,570)	-	(27,570)
Accounts payable	513,110	540	514,099
Net cash used by operating activities	(544,197)	(11,725)	(566,447)
Investing activities			
Purchase of fixed assets	(15,791)	-	(15,791)
Net cash used by investing activities	(15,791)	-	(15,791)
Financing activities			
Donated capital	23,750	9,000	37,629
Bank overdraft	1,109	-	1,109
Stock payable	30,000	-	30,000
Proceeds from issuances of common stock	505,000	-	513,500
Net cash provided by financing activities	559,859	9,000	582,238
Net decrease in cash	(129)	(2,725)	-
Cash – beginning	129	2,854	-
Cash – ending	\$-	\$129	\$-
Supplemental disclosures:			
Interest paid	\$-	\$-	\$-
Income taxes paid	\$-	\$-	\$-
Non-cash transactions:			
Shares issued for executive compensation	\$-	\$-	\$10,000
Number of shares issued for executive compensation	-	-	300,000,000

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

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December 31, 2010

Note 1 – History and organization of the company

The Company was organized August 7, 2007 (Date of Inception) under the laws of the State of Nevada, as Fashion Net, Inc. On April 12, 2010, the Company changed its name to Mimvi, Inc. (“Mimvi”, the “Company,” “we” “us” or “our”) The Company was authorized to issue up to 75,000,000 shares of its common stock with a par value of \$0.001 per share. On April 12, 2010, the Company had a 30 for 1 forward stock split. Additionally, the Company increased its authorized common stock to 300,000,000 and its authorized preferred stock to 50,000,000. All references in these financial statements to number of common shares, price per share and weighted average number of common shares outstanding have been adjusted to reflect the stock split on a retroactive basis, unless otherwise noted.

On February 1, 2010, Kasian Franks acquired 98.3% of the issued and outstanding stock of Fashion Net, Inc. from the former Chief Executive Officer of the Company. Subsequent to the closing of the Stock Purchase Agreement, on March 4, 2010 and June 30, 2010, Mr. Franks voluntarily cancelled 270,000,000 and 5,000,000 of his shares, respectively. (Refer to Note 5).

As part of the change in control of the Company, the Board of Directors has determined that it is in the best interest of the Company to change the direction of its operating business. As part of the change of direction, the Company amended the Articles of Incorporation of the Company to change its name to “Mimvi, Inc.” This name change has been approved by the shareholders and the Board of Directors of the Company.

Mimvi, Inc. is a technology company that develops advanced algorithms and technology for personalized search, recommendation and discovery services to the consumer and enterprise. Our personalization technology automates the organization of content. In detail, not only does it automate the process of search, but importantly, the process of personalization, recommendation and discovery of content. Behind our technology is a unique, powerful and proprietary set of algorithms. These algorithms are optimized for various categories of content such as mobile apps and online video. Our personalization technology platform applies to all content. However, we focus our technology in the area of search, recommendation and discovery results for mobile apps, entertainment and educational videos of all kinds, including music videos. We focus our technology on a search, recommendation and discovery consumer destination Internet site for all of the world’s up and coming mobile apps.

The Company continues to have limited operations and in accordance with Accounting Standards Codification (“ASC”) Topic 915 “Development Stage Entities”, the Company is considered a development stage company.

Note 2 – Summary of Significant Accounting Policies

Year end

The Company has adopted December 31 as its fiscal year end.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

The Company maintains a cash balance in a non-interest-bearing account that currently does not exceed federally insured limits. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. There were no cash equivalents as of December 31, 2010 and 2009.

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Note 2 – Summary of Significant Accounting Policies (continued)

Revenue recognition

The Company recognizes revenue and gains when earned and related costs of sales and expenses when incurred. The Company recognizes revenue in accordance with Accounting Standards Codification Section 605-10-599, Revenue Recognition, Overall, SEC Materials ("Section 605-10-599"). Section 605-10-599 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services rendered; (3) the fee is fixed and determinable; and (4) collectability is reasonably assured. Cost of products sold consists of the cost of the purchased goods and labor related to the corresponding sales transaction. When a right of return exists, the Company defers revenues until the right of return expires. The Company recognizes revenue from services at the time the services are completed.

Loss per share

Net loss per share is provided in accordance with FASB ASC 260-10, "Earnings per Share". Basic loss per share is computed by dividing losses available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share gives effect to all dilutive potential common shares outstanding during the period. Dilutive loss per share excludes all potential common shares if their effect is anti-dilutive. Common equivalent shares related to stock options, warrants and convertible preferred stock have been excluded from the computation, for the years ended December 31, 2010 and 2009 because their effect is anti-dilutive.

Advertising costs

The Company expenses all costs of advertising as incurred. There were no advertising costs included in selling, general and administrative expenses at December 31, 2010 and 2009.

Fair value of financial instruments

On July 1, 2008, the Company adopted Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures ("Topic 820"). Topic 820 defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to valuation methodology are unobservable and significant to the fair measurement.

The fair value of the Company's cash and cash equivalents, accrued liabilities and accounts payable approximate carrying value because of the short-term nature of these items.

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Note 2 – Summary of Significant Accounting Policies (continued)

Income Taxes

The Company follows FASB ASC 740-10, “Income Taxes” for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change.

Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse.

General and administrative expenses

The significant components of general and administrative expenses consist of meals and entertainment expenses, legal and professional fees, outside services, office supplies, postage, and travel expenses.

Recent pronouncements

With the exception of those listed below, there have been no recent accounting pronouncements or changes in accounting pronouncements that are of material significance, or have potential material significance, on our financial position, results of operations or cash flows.

In February 2010, the FASB issued Accounting Standards Update 2010-09 (ASU 2010-09), Subsequent Events (Topic 855), amending guidance on subsequent events to alleviate potential conflicts between FASB guidance and SEC requirements. Under this amended guidance, SEC filers are no longer required to disclose the date through which subsequent events have been evaluated in originally issued and revised financial statements. This guidance was effective immediately and we adopted these new requirements for the period ended March 31, 2010. The adoption of this guidance did not have a material impact on our financial statements.

In January 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-06 (ASU 2010-06), Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements. This amendment to Topic 820 has improved disclosures about fair value measurements on the basis of input received from the users of financial statements. This is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. Early adoption is permitted. The Company does not expect the provisions of ASU 2010-06 to have a material effect on the financial position, results of operations or cash flows of the Company.

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Note 3 - Going concern

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The Company had an accumulated deficit of \$3,232,594. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. The Company is contemplating conducting an offering of its debt or equity securities to obtain additional operating capital. The Company is dependent upon its ability, and will continue to attempt, to secure equity and/or debt financing. There are no assurances that the Company will be successful and without sufficient financing it would be unlikely for the Company to continue as a going concern.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

Note 4 – Income taxes

For the years ended December 31, 2010 and 2009, the Company incurred net operating losses and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. At December 31, 2010 and 2009, the Company had approximately \$1,046,885 and \$33,239 of federal and state net operating losses. The net operating loss carryforwards, if not utilized, will begin to expire in 2027. The provision for income taxes consisted of the following components for the years ended December 31:

Components of net deferred tax assets, including a valuation allowance, are as follows at December 31:

	December 31,	
	2010	2009
Deferred tax assets:		
Deferred tax assets	366,410	11,634
Valuation allowance	(366,410)	(11,634)
Total deferred tax assets	\$ -0-	\$ -0-

The valuation allowance for deferred tax assets as of December 31, 2010 and 2009 was \$366,410 and \$11,634, respectively. In assessing the recovery of the deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in the periods in which those temporary differences

become deductible. Management considers the scheduled reversals of future deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. As a result, management determined it was more likely than not the deferred tax assets would not be realized as of December 31, 2010 and 2009, and recorded a full valuation allowance.

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Note 4 – Income taxes (continued)

Reconciliation between the statutory rate and the effective tax rate is as follows at December 31, 2010:

2010 & 2009

Federal statutory tax rate	(35.0)	%		
Permanent difference and other	35.0	%		
Effective tax rate			0.0	%

Note 5 – Stockholders' equity / (deficit)

The Company was authorized to issue up to 75,000,000 shares of its common stock with a par value of \$0.001 per share. On April 12, 2010, the Company amended its Articles of Incorporation to increase its authorized common stock to 300,000,000 and its authorized preferred stock to 50,000,000. The Company had a 30 for 1 forward stock split.

On August 7, 2007 the Company issued 10,000,000 shares of its \$0.001 par value common stock as founders' shares to an officer and director in exchange for services rendered valued at \$10,000.

On August 13, 2007, an officer and director of the Company donated cash in the amount of \$200. The entire amount was donated, is not expected to be repaid and is considered to be additional paid-in capital.

On September 13, 2007, an officer and director of the Company donated cash in the amount of \$2,500. The entire amount was donated, is not expected to be repaid and is considered to be additional paid-in capital.

On October 19, 2007, an officer and director of the Company donated cash in the amount of \$120. The entire amount was donated, is not expected to be repaid and is considered to be additional paid-in capital.

On November 9, 2007, an officer and director of the Company donated cash in the amount of \$299. The entire amount was donated, is not expected to be repaid and is considered to be additional paid-in capital.

On February 22, 2008, an officer and director of the Company donated cash in the amount of \$600. The entire amount was donated, is not expected to be repaid and is considered to be additional paid-in capital.

On March 7, 2008, an officer and director of the Company donated cash in the amount of \$160. The entire amount was donated, is not expected to be repaid and is considered to be additional paid-in capital.

On April 16, 2008, an officer and director of the Company donated cash in the amount of \$1,000. The entire amount was donated, is not expected to be repaid and is considered to be additional paid-in capital.

On April 17, 2008, the Company issued an aggregate of 5,100,000 shares of its \$0.001 par value common stock for total cash of \$8,500 in a private placement pursuant to Regulation D, Rule 505, of the Securities Act of 1933, as amended.

On December 31, 2009, a former officer and director agreed to assume \$9,000 of accounts payable and notes payable of the Company. The entire amount is not expected to be repaid to the officer and director and is considered to be additional paid-in capital.

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Note 5 – Stockholders' equity / (deficit) (continued)

Effective March 4, 2010, the President voluntarily cancelled 270,000,000 shares of his outstanding common stock of the Company which were canceled and returned to the pool of the Company's authorized and unissued shares of common stock. Since the shares under this agreement have been cancelled without the exchange of consideration to reduce number of shares outstanding, the Company considered the change in capital structure from the cancellation agreement in substance a reverse stock split. In accordance with SAB Topic 4-C, the Company recorded the cancellation retroactively as a reduction to the par value of common stock with a corresponding increase to additional paid-in capital.

Effective June 30, 2010, the President voluntarily cancelled 5,000,000 shares of his outstanding common stock of the Company which were canceled and returned to the pool of the Company's authorized and unissued shares of common stock. Since the shares under this agreement have been cancelled without the exchange of consideration to reduce number of shares outstanding, the Company considered the change in capital structure from the cancellation agreement in substance a reverse stock split. In accordance with SAB Topic 4-C, the Company recorded the cancellation retroactively as a reduction to the par value of common stock with a corresponding increase to additional paid-in capital.

During the quarter ended September 30, 2010, the Company issued 800,000 shares of its common stock on various dates throughout the quarter through private placements. The shares were issued at \$0.50 per share for an aggregate of \$400,000.

During the quarter ended September 30, 2010, the Company issued 1,800,000 shares of its common stock on various dates throughout the quarter for services performed valued at \$548,753.

During the quarter ended December 31, 2010, the Company issued 210,000 shares of its common stock on various dates throughout the quarter through private placements. The shares were issued at \$0.50 per share for an aggregate of \$105,000.

As of December 31, 2010, there have been no other issuances of common stock.

Note 6 – Warrants and options

Warrants

In January 2010, the Company issued 5,000,000 warrants to consultants with the weighted average exercise price of the grants of \$0.50. The vesting period on these grants was immediate. The fair value of these options was determined to be a nominal value. The value of these options estimated by using the Black-Scholes option pricing model with the following assumptions: expected life of 5 years; risk free interest rate of 2.44%; dividend yield of 0% and expected volatility of 25%. To account for such grants to non-employees, we recorded nominal stock compensation expense of \$535.

Stock Option Plans

The Company's employee stock option plans (the "Plans") provide for the grant of non-statutory or incentive stock options to the Company's employees, officers, directors or consultants.

The 2010 Stock Incentive Plan provides for the grant of options to purchase shares of common stock, restricted stock, stock appreciation rights ("SARs") and restricted stock units (rights to receive, in cash or stock, the market value of one share of our common stock). Incentive stock options ("ISOs") may be granted only to

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Note 6 – Warrants and options (continued)

employees. Nonstatutory stock options and other stock-based awards may be granted to officers, employees, non-employee directors and consultants. Subject to certain adjustments, 10,000,000 of our common stock have been authorized for issuance under the 2010 Stock Incentive Plan of which 2,812,500 shares were available for future grant at December 31, 2010. Shares authorized under the plan will be available for issuance pursuant to options or awards granted under the plan. The Company's Board of Directors administers the Plans, selects the individuals to whom options will be granted, determines the number of options to be granted, and the term and exercise price of each option. Stock options granted pursuant to the terms of the Plans generally cannot be granted with an exercise price of less than 100% of the fair market value on the date of the grant. The term of the options granted under the Plans cannot be greater than 10 years. Options vest at varying rates generally over three to five years.

As approved by the Board of Directors, on November 3, 2010, the Company granted 7,187,500 stock options to certain officers and consultants of the Company at \$0.45 per share. The term of these options are ten years. A total of 3,750,000 stock options valued at \$1,575,000 vest immediately and 3,437,500 valued at \$1,443,750 vest quarterly over a four year period. As of December 31, 2010, a total of 3,893,229 stock options valued at \$1,635,156 had vested and the expense has been recorded as a stock based compensation. The remaining total of 3,294,271 options valued at \$1,383,594 will vest quarterly over a four year period. The fair value of these options was estimated using the Black-Scholes option pricing model with the following assumptions: estimated expected life of 5 years; risk free interest rate of 1.11%; dividend yield of 0% and expected volatility of 164%.

The following table summarizes activity in the Company's stock option plans during the years ended December 31, 2010 and 2009:

	Number of Shares	Weighted Average Price Per Share
Balance at December 31, 2008	-	\$-
Balance at December 31, 2009	-	\$-
Granted	7,187,500	0.45
Balance at December 31, 2010	7,187,500	\$0.45

The following summarizes pricing and term information for options issued to consultants which are outstanding as of December 31, 2010:

Range of Exercise Prices	Options Outstanding		Weighted Average Exercise	Options Exercisable	
	Number Outstanding at December 31,	Weighted Average Remaining		Number Exercisable at December 31,	Weighted Average Exercise

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		2010	Contractual Life	Price	2005	Price
\$	0.45	7,187,500	9.83	\$ 0.45	3,893,229	\$ 0.45
\$	0.45	7,187,500	8.51	\$ 0.45	3,893,229	\$ 0.45

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Note 7 – Related party transactions

On December 31, 2009, former President, Ms. Meadows agreed to assume an aggregate of \$9,000 of our accounts payable and notes payable. The entire amount is not expected to be repaid to Ms. Meadows.

On January 15, 2010, Kasian Franks acquired from Ms. Evelyn Meadows an aggregate of 10,000,000 shares of common stock in a private transaction not involving the Company. By virtue of this transaction, Mr. Franks obtained a controlling 98.3% ownership interest in Fashion Net, Inc.

Effective April 15, 2010, the Company entered into a consulting agreement with Kasian Franks, the Company's CEO, whereby the Company agreed to pay Mr. Franks \$10,000 per month for his services. Mr. Franks was paid \$56,000 for the year ending December 31, 2010.

Effective May 6, 2010, the Company entered into a consulting agreement with Eric Stoppenhagen, CFO, through his consulting company Venor, Inc., whereby the Company agreed to pay Mr. Stoppenhagen \$250 per hour for his services. Mr. Stoppenhagen was paid \$40,095 for the year ending December 31, 2010. Mr. Stoppenhagen resigned his officer positions with the Company effective March 15, 2011 but still provides consultative services to the Company.

On November 3, 2010, as compensation for their services the board granted to Mr. Franks, our CEO, options to purchase 2,000,000 shares of our common stock at an exercise price of \$0.45 valued at \$840,000 and Mr. Stoppenhagen, our former CFO, options to purchase 1,750,000 shares of our common stock at an exercise price of \$0.45 valued at \$735,000, all options vest immediately.

Note 8 –Subsequent Events

In February 2011, the Company issued 1,500,000 shares to Winthorp Capital Group, LLC in exchange for consulting services.

On March 15, 2011, Mr. Stoppenhagen resigned as Chief Financial Officer, Treasurer and Secretary of the Company. The board of directors appointed Mr. Franks to all offices vacated by Mr. Stoppenhagen. Mr. Stoppenhagen continues to provide consultative services to the Company.

During the quarter ended March 31, 2011, the Company issued 160,000 shares of its common stock on various dates throughout the quarter through private placements. The shares were issued at \$0.50 per share for an aggregate of \$80,000.

Also, during the quarter ended March 31, 2011, the Company issued 1,300,000 shares of its common stock in exchange for consulting services.

