

# **SOMATIC SYSTEMS, INC.**

## **ANNUAL FINANCIAL STATEMENTS**

<p>2020 Fiscal Year January 1, 2020 – December 31, 2020</p>
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# **SOMATIC SYSTEMS, INC. FINANCIAL STATEMENTS**

2020 Fiscal Year  
January 1, 2020 – December 31, 2020

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# CERTIFICATION

I, Steven Aronstein, Chief Executive Officer of Somatic Systems, Inc., hereby certify that the consolidated financial statements filed herewith and the attached notes, fairly present, in all material respects, the financial position, results of operations and cash flows as of and for the period ending December 31, 2020, in conformity with generally accepted accounting principles in the United States of America for financial statements, consistently applied.

Dated this 6th day of September, 2021

A handwritten signature in dark ink, appearing to read "Steve Aronstein", is positioned above a horizontal line.

Steven Aronstein,  
Chief Executive Officer

**Part II.**

**Consolidated Statement of Income – Somatic Systems, Inc.**

*January through December 2020*

	12/31/20
<b>Ordinary Income/Expense</b>	
Total Income	\$13,953
Total COGS	\$0
<b>Gross Profit</b>	<b>\$13,953</b>
<b>G &amp; A Expense</b>	
Salaries & Wages	\$3,769
Contracted Labor	\$575
Sales Expense / Advertising	\$150
Office Expenses	\$37,670
Professional Expenses	\$2,973
Depreciation	\$2,099
Interest Expense	\$1,419
Other G & A Expenses	\$2,125
<b>Total G &amp; A Expenses</b>	<b>\$50,780</b>
<b>Profit (Loss) before Other Income</b>	<b>-\$36,827</b>
<b>Other Income</b>	<b>0</b>
<b>Income Tax</b>	<b>0</b>
<b>Net Income (Loss)</b>	<b>-\$36,827</b>

**Part III.****Consolidated Balance Sheet – Somatic Systems, Inc.***As of December 31, 2020*

	12/31/20
<b>ASSETS</b>	
Current Assets	
Cash	-\$3,354
Accounts Receivable	\$22,539
Other Current Assets	\$32,591
Total Current Assets	<u>\$51,777</u>
 Property, Plant & Equipment	\$6,536
Less: Accumulated Depreciation	<u>-\$2,099</u>
Net Fixed Assets	<u>\$4,437</u>
<b>TOTAL ASSETS</b>	<u><u>\$56,214</u></u>
 <b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	\$14,437
Accrued and Other Liabilities	<u>\$1,496</u>
Total Current Liabilities	<u>\$15,933</u>
 Notes Payable – Long Term	\$27,573
<b>TOTAL LIABILITIES</b>	<u><u>\$43,506</u></u>
 <b>STOCKHOLDERS' EQUITY / (DEFICIENCY)</b>	
Common Stock \$0.0001 Par Value	\$1,027,180
(Authorized 20 billion shares; issued and outstanding 14,598,577,986 shares)	
 Additional Paid in Capital	\$0
 Retained Earnings – Prior	-\$7,771
Net Income (Loss)	-\$36,827
Retained Earnings – Total Deficit	-\$44,598
<b>TOTAL STOCKHOLDERS' EQUITY / (DEFICIENCY)</b>	<u><u>\$982,582</u></u>
 <b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>\$1,026,088</u></u>

**Part IV. Somatic Systems Inc**  
**Statement of Cash Flows — Somatic Systems, Inc.**  
*For Year Ending 12/31/2020*

CASH FLOWS FROM OPERATIONS	12/31/20
Net Income (Loss)	\$36,827
Adjustment to earning not requiring cash	
Depreciation	-\$2,099
Stock Issues for Consulting Services	\$0
Deferred Income Taxes	\$0
	<hr/>
Cash Flows from Operations Before Changes in current Assets and Liabilities	\$34,728
Changes in Current Assets & Liabilities	
Decrease (Increase) in Receivables	\$0
Decrease (Increase) in Notes Receivables	\$0
Decrease (Increase) in Other Assets	\$3,807
(Decrease) Increase in Payables	\$14,253
(Decrease) Increase in Accrued Expenses	\$184
	<hr/>
Net Cash Used in Operating Activities	\$52,972
CASH FLOWS FROM INVESTING ACTIVITIES	
Principle Payment on Notes	\$0
Purchase of Property, Plant & Equipment	\$0
Sales or Retirement of Property, Plan & Equipment	\$0
	<hr/>
Net Cash Used by Investing Activities	\$0
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Loans	\$0
Proceeds from Equity Financing & Notes	\$0
	<hr/>
Net Cash Provided by Financing Activities	\$0
NET CHANGE IN CASH & CASH EQUIVALENTS BETWEEN YEARS ENDING 12/31/19 & 12/31/20	<hr/> <hr/>

**Part V.****Statement of changes in Stockholders' Equity (Deficiency) — Somatic Systems, Inc.***For Year Ended 12/31/2020*

	<u>Preferred Stock</u>		<u>Common Stock</u>			<u>Accumulated</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>APIC</u>	<u>Deficit</u>	<u>Total</u>
Balances							
December 31, 2019		\$0	14,598,577,986	\$1,027,180	\$0	-\$7,771	\$1,019,409
Cash		\$0		\$0	\$0		\$0
Net Income (Loss)						-\$36,827	-\$36,827
Balances							
December 31, 2020		<u>\$0</u>	<u>14,598,577,986</u>	<u>\$1,027,180</u>	<u>\$0</u>	<u>-\$44,598</u>	<u>\$982,582</u>

**Part VI. SOMATIC SYSTEMS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

***Basis of Presentation***

The accompanying unaudited financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America for financial information. Accordingly, they do not include information and footnotes required by generally accepted accounting principles in the United States of America for complete financial statements.

The accompanying financial information is unaudited; however, in the opinion of the Company's management, all adjustments (consisting of normal recurring adjustments and accruals) necessary for a fair statement of the financial position, results of operations and cash flows for the period reported have been included.

These accompanying unaudited financial statements and notes present fairly, in all material respects, the financial position of the Company and the results of its operations and cash flows for the period presented, in accordance with generally accepted accounting principles in the United States of America consistently applied and hereby certified by Steven Aronstein, Chief Executive Officer of Somatic Systems, Inc..

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

***Business Organization and Activity***

Somatic Systems, Inc. was incorporated in the State of Nevada on March 19, 1987. The Company delivers an effective drug-free, non-surgical approach to pain relief. The Company's proprietary Clinical Somatics pain management method uses natural, non-invasive movement techniques – conducted through one-hour hands-on sessions, therapeutic exercise classes, and home exercises lasting as little as 5 minutes a day – to relieve pain and limitation resulting from accident, trauma and repetitive stress, including: back pain, knee pain, joint problems, carpal tunnel, TMJ, scoliosis, bursitis, sciatica, headaches, tendonitis and more. Clinical Somatics also provides performance gains and injury prevention for both recreational and professional athletes.

Somatic Systems is pursuing a 3-part growth strategy, consisting of a nationwide rollout of pain management Somatics Clinics; increased production and distribution of therapeutic videos, books and other retail self-help Somatics Products; and expanded Somatics Training Programs to supply clinic practitioners and to serve medical and orthopedic professionals and institutions and corporate programs.



### ***Use of Estimates***

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America. The preparation of financial statements in accordance 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.

### ***Earnings per Share***

Earnings (loss) per share is computed using the weighted average of common shares outstanding as defined by Financial Accounting Standards No. 128, "Earnings Per Share". The assumed exercise of outstanding common share equivalents was not utilized since the effect was anti-dilutive.

## **2. Commitments and Contingencies**

The Company may be subject to certain legal proceedings, claims and litigation arising in the ordinary course of business. As of December 31, 2020, based on facts currently available, management believes no such matters of this nature exist.

## **3. Debenture Investors**

As of December 31, 2020, the Company has not entered into any debenture agreements with investors who have an interest in the Company.

## **4. Authorized Shares and Common Stock Issued**

During 2020, the Company did not increase its authorized shares of Common stock, which remain at 20 billion shares, nor issue any common stock.

## **5. Commitments**

The Company rents office space at a monthly expense of approximately \$1,800. As of December 31, 2020, the Company does not have any operating lease agreements.

## **6. Revenue and Cost Recognition**

The Company uses the accrual basis for accounting in accordance with generally accepted accounting principles for financial statement reporting.

**7. Accounts Receivable and Customer Deposits**

The Company does not carry an allowance for accounts receivable as all balances for customers are under sixty days old and the Company feels that current balances are all collectable.

**8. Disclosure for Taxes Paid**

As of December 31, 2020 the Company has paid no amounts for federal income taxes.

**9. Going Concern**

The Company's financial statements for the period ended December 31, 2020 have been prepared on a going concern basis that contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business.