

LEATT CORPORATION
CONSOLIDATED BALANCE SHEETS

	September 30, 2019	December 31, 2018
ASSETS	Unaudited	Audited
Current Assets		
Cash and cash equivalents	\$ 1,906,612	\$ 1,709,900
Short-term investments	58,236	58,232
Accounts receivable	5,828,054	2,049,331
Inventory	6,967,980	4,815,215
Payments in advance	473,380	473,286
Prepaid expenses and other current assets	1,025,954	1,247,233
Total current assets	16,260,216	10,353,197
Property and equipment, net	2,338,426	2,317,490
Operating lease right-of-use assets, net	369,608	-
Other Assets		
Deposits	26,167	25,380
Intangible assets	38,642	40,466
Total other assets	64,809	65,846
Total Assets	\$ 19,033,059	\$ 12,736,533
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Note Payable to Bank	\$ 350,000	\$ -
Accounts payable and accrued expenses	6,930,930	2,779,182
Operating lease liability, current	169,478	-
Income tax payable	429,072	70,258
Short term loan, net of finance charges	73,109	582,128
Total current liabilities	7,952,589	3,431,568
Deferred tax liabilities, net	170,900	170,900
Deferred Compensation	140,000	80,000
Operating lease liability, net of current portion	200,130	-
Commitments and contingencies		
Stockholders' Equity		
Preferred stock, \$.001 par value, 1,120,000 shares authorized, 120,000 shares issued and outstanding	3,000	3,000
Common stock, \$.001 par value, 28,000,000 shares authorized, 5,386,723 and 5,370,028 shares issued and outstanding	130,068	130,053
Additional paid - in capital	8,049,354	7,868,119
Accumulated other comprehensive loss	(678,894)	(609,303)
Retained earnings	3,065,912	1662,196
Total stockholders' equity	10,569,440	9,054,065
Total Liabilities and Stockholders' Equity	\$ 19,033,059	\$ 12,736,533

LEATT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Three Months Ended September 30		Nine Months Ended September 30	
	2019	2018	2019	2018
	Unaudited	Unaudited	Unaudited	Unaudited
Revenues	\$ 9,649,335	\$ 8,579,507	\$ 21,017,329	\$ 18,877,912
Cost of Revenues	5,152,688	4,574,205	11,027,944	9,760,962
Gross Profit	4,496,647	4,005,302	9,989,385	9,116,950
Product Royalty Income	17,360	8,094	33,056	28,205
Operating Expenses				
Salaries and wages	739,366	588,242	2,330,006	1,983,557
Commissions and consulting expenses	104,608	124,501	263,168	383,415
Professional fees	133,480	163,687	518,017	461,145
Advertising and marketing	520,633	534,817	1,556,515	1,497,429
Office lease and expenses	71,725	69,400	210,263	211,159
Research and development costs	357,258	357,177	1,063,573	1,059,369
Bad debt expense	148,685	635	158,184	21,107
General and administrative expenses	485,054	521,052	1,473,708	1,410,768
Depreciation	191,712	174,490	569,707	502,265
Total operating expenses	2,752,521	2,534,001	8,143,141	7,530,214
Income from Operations	1,761,486	1,479,395	1,879,300	1,614,941
Other Expenses				
Interest and other expenses, net	(449)	(2,393)	(4,042)	(8,320)
Total other expenses	(449)	(2,393)	(4,042)	(8,320)
Income Before Income Taxes	1,761,037	1,477,002	1,875,258	1,606,621
Income Taxes	440,259	370,658	471,542	408,913
Net Income Available to Common Shareholders	\$ 1,320,778	\$ 1,106,344	\$ 1,403,716	\$ 1,197,708
Net Income per Common Share				
Basic	\$ 0.25	\$ 0.21	\$ 0.26	\$ 0.22
Diluted	\$ 0.24	\$ 0.20	\$ 0.25	\$ 0.22
Weighted Average Number of Common Shares Outstanding				
Basic	5,386,723	5,366,382	5,384,753	5,366,382
Diluted	5,532,275	5,504,664	5,530,304	5,504,664
Comprehensive Income				
Net Income	\$ 1,320,778	\$ 1,106,344	\$ 1,403,716	\$ 1,197,708
Other comprehensive income, net of \$0 and \$0 deferred				
income taxes in 2019 and 2018				
Foreign currency translation	(102,756)	(6,018)	(69,591)	(122,328)
Total Comprehensive Income	\$ 1,218,022	\$ 1,100,326	\$ 1,334,125	\$ 1,075,380