

**LEATT CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

**ASSETS**

	<b>June 30, 2025</b> <b>Unaudited</b>	<b>December 31, 2024</b> <b>Audited</b>
Current Assets		
Cash and cash equivalents	\$ 15,726,188	\$ 12,368,100
Accounts receivable, net	8,263,662	6,409,610
Inventory, net	12,896,024	17,988,737
Payments in advance	1,077,477	870,920
Income tax receivable	495,168	526,498
Prepaid expenses and other current assets	3,419,859	3,003,173
Total current assets	<u>41,878,378</u>	<u>41,167,038</u>
Property and equipment, net	3,751,778	4,000,225
Operating lease right-of-use assets, net	454,217	552,970
Accounts receivable, net	-	56,391
Deferred tax asset, net	675,000	675,000
Other Assets		
Deposits	<u>44,226</u>	<u>37,322</u>
Total Assets	<u><u>\$ 46,803,599</u></u>	<u><u>\$ 46,488,946</u></u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Current Liabilities		
Accounts payable and accrued expenses	\$ 4,408,857	\$ 6,906,939
Notes payable, current	12,386	28,722
Operating lease liabilities, current	300,309	251,946
Income tax payable	772,741	-
Short term loan, net of finance charges	185,330	733,794
Total current liabilities	<u>5,679,623</u>	<u>7,921,401</u>
Notes payable, net of current portion	-	1,804
Operating lease liabilities, net of current portion	<u>153,908</u>	<u>301,024</u>
Total liabilities	5,833,531	8,224,229
Commitments and contingencies		
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, 6,217,550 and 6,217,550 shares issued and outstanding	130,555	130,555
Additional paid - in capital	11,231,333	10,988,316
Accumulated other comprehensive loss	(1,249,859)	(1,452,335)
Retained earnings	30,855,039	28,595,181
Total stockholders' equity	<u>40,970,068</u>	<u>38,264,717</u>
Total Liabilities and Stockholders' Equity	<u><u>\$ 46,803,599</u></u>	<u><u>\$ 46,488,946</u></u>

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

**LEATT CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**

	Three Months Ended June 30		Six Months Ended June 30	
	2025 Unaudited	2024 Unaudited	2025 Unaudited	2024 Unaudited
Revenues	\$ 16,176,339	\$ 10,078,695	\$ 31,544,203	\$ 20,693,165
Cost of Revenues	9,287,146	6,157,282	17,933,997	12,763,419
Gross Profit	6,889,193	3,921,413	13,610,206	7,929,746
Product Royalty Income	48,306	92,780	133,604	132,083
Operating Expenses				
Salaries and wages	1,846,237	1,608,372	3,703,617	3,176,643
Commissions and consulting expenses	187,434	165,601	345,156	289,817
Professional fees	155,345	120,617	515,396	419,588
Advertising and marketing	1,152,207	1,183,282	2,044,264	2,075,699
Office lease and expenses	176,120	163,190	345,296	314,744
Research and development costs	616,795	628,793	1,281,285	1,184,571
Bad debt expense (recovery)	(31,155)	314	(94,659)	10,278
General and administrative expenses	1,101,992	977,160	2,114,641	1,920,048
Depreciation	332,606	297,250	659,614	591,384
Total operating expenses	5,537,581	5,144,579	10,914,610	9,982,772
Income (Loss) from Operations	1,399,918	(1,130,386)	2,829,200	(1,920,943)
Other Income				
Interest and other income, net	117,737	98,016	199,884	73,533
Total other Income	117,737	98,016	199,884	73,533
Income (Loss) Before Income Taxes	1,517,655	(1,032,370)	3,029,084	(1,847,410)
Income Taxes	378,921	24,993	769,226	26,632
Net Income (Loss) Available to Common Shareholders	\$ 1,138,734	\$ (1,057,363)	\$ 2,259,858	\$ (1,874,042)
Net Income (Loss) per Common Share				
Basic	\$ 0.18	\$ (0.17)	\$ 0.36	\$ (0.30)
Diluted	\$ 0.18	\$ (0.16)	\$ 0.35	\$ (0.29)
Weighted Average Number of Common Shares Outstanding				
Basic	6,217,550	6,215,440	6,217,550	6,215,440
Diluted	6,475,942	6,490,828	6,475,942	6,490,828
Comprehensive Income (Loss)				
Net Income (Loss)	\$ 1,138,734	\$ (1,057,363)	\$ 2,259,858	\$ (1,874,042)
Other comprehensive income (loss) , net of \$0 deferred income taxes in 2025 and 2024				
Foreign currency translation	136,096	160,564	202,476	23,012
Total Comprehensive Income (Loss)	\$ 1,274,830	\$ (896,799)	\$ 2,462,334	\$ (1,851,030)

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

**LEATT CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
Cash flows from operating activities		
Net income (loss)	\$ 2,259,858	\$ (1,874,042)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	659,614	591,384
Stock-based compensation	243,017	3,752
Bad debts reserve	(100,091)	1,559
Inventory reserve	40,203	(28,390)
Gain on sale of property and equipment	(18,943)	-
(Increase) decrease in:		
Accounts receivable	(1,753,961)	1,235,162
Inventory	5,052,510	5,681,721
Payments in advance	(206,557)	(503,679)
Prepaid expenses and other current assets	(416,686)	(294,959)
Income tax receivable	31,330	101,993
Long-term accounts receivable	56,391	65,564
Deposits	(6,904)	(1,317)
Increase (decrease) in:		
Accounts payable and accrued expenses	(2,498,082)	(1,984,795)
Income tax payable	772,741	-
Net cash provided by operating activities	<u>4,114,440</u>	<u>2,993,953</u>
Cash flows from investing activities		
Capital expenditures	(349,011)	(239,094)
Proceeds from sale of property and equipment	19,250	-
Net cash used in investing activities	<u>(329,761)</u>	<u>(239,094)</u>
Cash flows from financing activities		
Repayment of notes payable to bank	(18,140)	(55,890)
Repayment of short-term loan, net	(548,464)	(735,363)
Net cash used in financing activities	<u>(566,604)</u>	<u>(791,253)</u>
Effect of exchange rates on cash and cash equivalents	<u>140,013</u>	<u>18,922</u>
Net increase in cash and cash equivalents	3,358,088	1,982,528
Cash and cash equivalents - beginning of period	<u>12,368,100</u>	<u>11,347,420</u>
Cash and cash equivalents - end of period	<u>\$ 15,726,188</u>	<u>\$ 13,329,948</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 30,206</u>	<u>\$ 42,210</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ 26,633</u>
Other noncash investing and financing activities		
Common stock issued for services	<u>\$ 243,017</u>	<u>\$ 3,752</u>

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