LEATT CORPORATION
CONSOLIDATED BALANCE SHEETS
ASSETS

	June 30, 2019 Unaudited	December 31, 2018 Audited
Current Assets		
Cash and cash equivalents	$ 1,492,347	$ 1,709,900
Short-term investments	58,235	58,232
Accounts receivable	1,796,953	2,049,331
Inventory	5,307,009	4,815,215
Payments in advance	658,175	473,286
Prepaid expenses and other current assets	1,317,230	1,247,233
Total current assets	10,629,949	10,353,197
Property and equipment, net	2,141,635	2,317,490
Operating lease right-of-use assets, net	417,370	-
Other Assets		
Deposits	25,645	25,380
Intangible assets	41,524	40,466
Total other assets	67,169	65,846
Total Assets	$ 13,256,123	$ 12,736,533

LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 2019 Unaudited	December 31, 2018 Audited
Current Liabilities		
Accounts payable and accrued expenses	$ 2,831,790	$ 2,779,182
Operating lease liability, current	173,176	-
Income tax payable	73,813	70,258
Short term loan, net of finance charges	290,832	582,128
Total current liabilities	3,369,611	3,431,568
Deferred tax liabilities, net	170,900	170,900
Deferred Compensation	120,000	80,000
Operating lease liability, net of current portion	244,194	-
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	(576,138)	(609,303)
Retained earnings	1,745,134	1,662,196
Total stockholders' equity	9,351,418	9,054,065
Total Liabilities and Stockholders' Equity	$ 13,256,123	$ 12,736,533

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

	Three Months Ended June 30		Six Months Ended June 30	
	2019 Unaudited	2018 Unaudited	2019 Unaudited	2018 Unaudited
Revenues	$ 5,277,066	$ 4,795,863	$ 11,367,994	$ 10,298,405
Cost of Revenues	2,646,430	2,440,660	5,875,256	5,186,757
Gross Profit	2,630,636	2,355,203	5,492,738	5,111,648
Product Royalty Income	6,995	7,802	15,696	20,111
Operating Expenses				
Salaries and wages	713,736	617,552	1,590,640	1,395,315
Commissions and consulting expenses	80,499	133,575	158,560	258,914
Professional fees	131,569	128,987	384,537	297,458
Advertising and marketing	471,888	458,450	1,035,882	962,612
Office lease and expenses	68,546	71,321	138,538	141,759
Research and development costs	366,219	378,912	706,315	702,192
Bad debt expense (recovery)	(7,022)	10,705	9,499	20,472
General and administrative expenses	521,420	454,156	988,654	889,716
Depreciation	188,300	165,011	377,995	327,775
Total operating expenses	2,535,155	2,418,669	5,390,620	4,996,213
Income (Loss) from Operations	102,476	(55,664)	117,814	135,546
Other Expenses				
Interest and other expenses, net	(572)	(2,475)	(3,593)	(5,927)
Total other expenses	(572)	(2,475)	(3,593)	(5,927)
Income (Loss) Before Income Taxes	101,904	(58,139)	114,221	129,619
Income Taxes	28,204	(8,684)	31,283	38,255
Net Income (Loss) Available to Common Shareholders	$ 73,700	$ (49,455)	$ 82,938	$ 91,364
Net Income (Loss) per Common Share				
Basic	$ 0.01	$ (0.01)	$ 0.02	$ 0.02
Diluted	$ 0.01	$ (0.01)	$ 0.01	$ 0.02
Weighted Average Number of Common Shares Outstanding				
Basic	5,386,723	5,366,382	5,383,751	5,366,382
Diluted	5,548,176	5,514,452	5,545,204	5,514,452
Comprehensive Income (Loss)				
Net Income (Loss)	$ 73,700	$ (49,455)	$ 82,938	$ 91,364
Other comprehensive income (loss), net of $0 and $0 deferred income taxes in 2019 and 2018				
Foreign currency translation	34,858	(174,542)	33,165	(116,310)
Total Comprehensive Income (Loss)	$ 108,558	$ (223,997)	$ 116,103	$ (24,946)