LEATT CORPORATION
CONSOLIDATED BALANCE SHEETS

ASSETS

	March 31, 2020 Unaudited	December 31, 2019 Audited
Current Assets		
Cash and cash equivalents	$ 1,444,890	$ 2,072,864
Short-term investments	58,245	58,239
Accounts receivable	3,513,588	2,956,012
Inventory	7,136,983	8,655,176
Payments in advance	685,263	447,476
Prepaid expenses and other current assets	1,533,800	1,129,067
Total current assets	14,372,769	15,318,834
Property and equipment, net	2,240,493	2,431,061
Operating lease right-of-use assets, net	351,841	411,956
Other Assets		
Deposits	25,230	26,642
Total other assets	25,230	26,642
Total Assets	$ 16,990,333	$ 18,188,493

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 2020 Unaudited	December 31, 2019 Audited
Current Liabilities		
Accounts payable and accrued expenses	$ 4,031,360	$ 5,425,681
Note payable to bank	500,000	300,000
Operating lease liabilities, current	170,008	190,765
Income tax payable	643,477	592,661
Short term loan, net of finance charges	445,831	576,474
Total current liabilities	5,790,676	7,085,581
Deferred Compensation	180,000	160,000
Operating lease liabilities, net of current portion	181,833	221,191
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 shares issued and outstanding	130,068	130,068
Additional paid - in capital	8,145,716	8,079,774
Accumulated other comprehensive loss	(841,332)	(529,045)
Retained earnings	3,400,372	3,037,924
Total stockholders' equity	10,837,824	10,721,721
Total Liabilities and Stockholders' Equity	$ 16,990,333	$ 18,188,493

LEATT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Three Months Ended March 31	
	2020	**2019**
	Unaudited	**Unaudited**
Revenues	$ 7,541,874	$ 6,090,928
Cost of Revenues	4,018,421	3,228,826
Gross Profit	3,523,453	2,862,102
Product Royalty Income	1,477	8,701
Operating Expenses		
Salaries and wages	844,606	876,904
Commissions and consulting expenses	83,436	78,061
Professional fees	321,587	252,968
Advertising and marketing	624,203	563,994
Office lease and expenses	73,814	69,992
Research and development costs	388,204	340,096
Bad debt expense (recovery)	(14,980)	16,521
General and administrative expenses	520,115	467,234
Depreciation	192,052	189,695
Total operating expenses	3,033,037	2,855,465
Income from Operations	491,893	15,338
Other Expenses		
Interest and other income (expenses), net	(8,629)	(3,021)
Total other expenses	(8,629)	(3,021)
Income Before Income Taxes	483,264	12,317
Income Taxes	120,816	3,079
Net Income Available to Common Shareholders	$ 362,448	$ 9,238
Net Income per Common Share		
Basic	$ 0.07	$ -
Diluted	$ 0.07	$ -
Weighted Average Number of Common Shares Outstanding		
Basic	5,386,723	5,380,747
Diluted	5,534,890	5,556,134
Comprehensive Income		
Net Income	$ 362,448	$ 9,238
Other comprehensive income, net of $-0- and $-0- deferred income taxes in 2020 and 2019		
Foreign currency translation	(312,287)	(1,693)
Total Comprehensive Income	$ 50,161	$ 7,545

LEATT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities		
Net income	$ 362,448	$ 9,238
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	192,052	189,695
Stock-based compensation	65,942	166,250
Bad debts reserve	(17,572)	14,087
Inventory reserve	(49,610)	1,000
Gain on sale of property and equipment	(351)	-
(Increase) decrease in:		
Accounts receivable	(540,004)	(534,275)
Inventory	1,567,803	(1,503,836)
Payments in advance	(237,787)	83,958
Prepaid expenses and other current assets	(404,733)	635,901
Deposits	1,412	25
Increase (decrease) in:		
Accounts payable and accrued expenses	(1,394,321)	1,129,423
Income taxes payable	50,816	(21,921)
Deferred compensation	20,000	20,000
Net cash provided by (used in) operating activities	(383,905)	189,545
Cash flows from investing activities		
Capital expenditures	(89,899)	(160,353)
Proceeds from sale of property and equipment	351	-
Increase in short-term investments, net	(6)	(1)
Net cash used in investing activities	(89,554)	(160,354)
Cash flows from financing activities		
Issuance of common stock	-	15,000
Proceeds from note payable to bank, net	200,000	-
Repayments of short-term loan, net	(130,643)	(198,056)
Net cash provided by (used in) financing activities	69,357	(183,056)
Effect of exchange rates on cash and cash equivalents	(223,872)	(359)
Net decrease in cash and cash equivalents	(627,974)	(154,224)
Cash and cash equivalents - beginning of period	2,072,864	1,709,900
Cash and cash equivalents - end of period	$ 1,444,890	$ 1,555,676
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 9,255	$ 5,449
Cash paid for income taxes	$ 70,000	$ 25,000
Other noncash investing and financing activities		
Common stock issued for services	$ 65,942	$ 166,250