LEATT CORPORATION
CONSOLIDATED BALANCE SHEETS

ASSETS

	June 30, 2018 Unaudited	December 31, 2017 Audited
Current Assets		
Cash and cash equivalents	$ 1,512,283	$ 1,518,157
Short-term investments	58,228	58,221
Accounts receivable	1,783,581	2,420,656
Inventory	3,272,914	5,034,310
Payments in advance	701,723	565,124
Income tax refunds receivable	97,766	130,171
Prepaid expenses and other current assets	975,338	847,442
Total current assets	8,401,833	10,574,081
Property and equipment, net	1,937,586	2,113,855
Other Assets		
Deposits	25,451	26,081
Intangible assets	68,694	76,364
Total other assets	94,145	102,445
Total Assets	$ 10,433,564	$ 12,790,381

LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 2018 Unaudited	December 31, 2017 Audited
Current Liabilities		
Accounts payable and accrued expenses	$ 2,211,559	$ 4,433,665
Short term loan, net of finance charges	258,033	518,130
Total current liabilities	2,469,592	4,951,795
Deferred tax liabilities, net	38,100	38,100
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, 5,366,382 shares issued and outstanding	130,053	130,053
Additional paid - in capital	7,837,699	7,687,367
Accumulated other comprehensive loss	(601,596)	(485,286)
Retained earnings	556,716	465,352
Total stockholders' equity	7,925,872	7,800,486
Total Liabilities and Stockholders' Equity	$ 10,433,564	$ 12,790,381

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

	Three Months Ended June 30		Six Months Ended June 30	
	2018 Unaudited	2017 Unaudited	2018 Unaudited	2017 Unaudited
Revenues	$4,795,863	$3,510,297	$10,298,405	$9,328,066
Cost of Revenues	2,440,660	1,745,138	5,186,757	4,652,808
Gross Profit	2,355,203	1,765,159	5,111,648	4,675,258
Product Royalty Income	7,802	39,961	20,111	50,917
Operating Expenses				
Salaries and wages	617,552	555,514	1,395,315	1,314,757
Commissions and consulting expenses	133,575	126,273	258,914	279,321
Professional fees	128,987	119,981	297,458	430,772
Advertising and marketing	458,450	407,781	962,612	809,335
Office rent and expenses	71,321	66,627	141,759	132,678
Research and development costs	378,912	322,155	702,192	645,398
Bad debt expense	10,705	5,291	20,472	650
General and administrative expenses	454,156	434,077	889,716	835,490
Depreciation	165,011	102,490	327,775	191,455
Total operating expenses	2,418,669	2,140,189	4,996,213	4,639,856
Income (Loss) from Operations	(55,664)	(335,069)	135,546	86,319
Other Expenses				
Interest and other expenses, net	(2,475)	(2,567)	(5,927)	(5,555)
Total other expenses	(2,475)	(2,567)	(5,927)	(5,555)
Income (Loss) Before Income Taxes	(58,139)	(337,636)	129,619	80,764
Income Taxes	(8,684)	(116,573)	38,255	29,867
Net Income (Loss) Available to Common Shareholders	$ (49,455)	$(221,063)	$ 91,364	$ 50,897
Net Income (Loss) per Common Share				
Basic	$ (0.01)	$ (0.04)	$ 0.02	$ 0.01
Diluted	$ (0.01)	$ (0.04)	$ 0.02	$ 0.01
Weighted Average Number of Common Shares Outstanding				
Basic	5,366,382	5,364,743	5,366,382	5,363,872
Diluted	5,514,452	5,496,278	5,514,452	5,496,278
Comprehensive Income (Loss)				
Net Income (Loss)	$ (49,455)	$ (221,063)	$ 91,364	$ 50,897
Other comprehensive income (loss), net of $0 and $0 deferred income taxes in 2018 and 2017				
Foreign currency translation	(174,542)	3,667	(116,310)	56,388
Total Comprehensive Income (Loss)	$ (223,997)	$ (217,396)	$ (24,946)	$ 107,285