LEATT CORPORATION
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014

ASSETS

	2015	2014
Current Assets		
Cash and cash equivalents	$ 1,054,750	$ 724,707
Short-term investments	58,172	58,153
Accounts receivable	2,901,699	4,239,298
Inventory	4,241,140	3,403,854
Payments in advance	208,030	345,406
Income tax refunds receivable	-	25,299
Deferred tax asset	115,000	108,000
Prepaid expenses and other current assets	1,070,774	994,003
Total current assets	9,649,565	9,898,720
Property and equipment, net	1,313,325	995,537
Other Assets		
Other receivables	90,000	210,000
Deposits	16,493	17,980
Intangible assets	61,273	81,323
Total other assets	167,766	309,303
Total Assets	$ 11,130,656	$ 11,203,560

LIABILITIES AND STOCKHOLDERS' EQUITY

	2015	2014
Current Liabilities		
Accounts payable and accrued expenses	$ 2,560,980	$ 2,980,885
Income taxes payable	384,950	331,000
Short term loan, net of finance charges	658,639	626,129
Total current liabilities	3,604,569	3,938,014
Deferred tax liabilities	73,000	88,468
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, 5,231,823 and 5,200,623 shares issued and outstanding	130,040	130,008
Additional paid - in capital	7,346,782	7,314,136
Accumulated other comprehensive loss	(710,032)	(378,431)
Retained earnings	683,297	108,365
Total stockholders' equity	7,453,087	7,177,078
Total Liabilities and Stockholders' Equity	$ 11,130,656	$ 11,203,560

LEATT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
Revenues	$ 18,343,172	$ 18,458,928
Cost of Revenues	8,741,131	8,636,546
Gross Profit	9,602,041	9,822,382
Product Royalty Income	182,485	190,961
Operating Expenses		
Salaries and wages	2,225,646	2,302,115
Commissions and consulting expenses	570,937	581,601
Professional fees	845,575	1,117,887
Advertising and marketing	1,498,307	1,442,450
Office rent and expenses	246,616	244,510
Research and development costs	1,180,227	1,222,209
Bad debt expense	124,213	75,285
General and administrative expenses	1,793,698	2,081,339
Depreciation	371,089	304,690
Total operating expenses	8,856,308	9,372,086
Income from Operations	928,218	641,257
Other Income		
Interest and other income, net	32,304	10,854
Total other income	32,304	10,854
Income Before Income Taxes	960,522	652,111
Income Taxes	385,590	233,760
Net Income Available to Common Shareholders	$ 574,932	$ 418,351
Net Income per Common Share		
Basic	$ 0.11	$ 0.08
Diluted	$ 0.10	$ 0.08
Weighted Average Number of Common Shares Outstanding		
Basic	5,216,483	5,200,623
Diluted	5,537,476	5,200,623
Comprehensive Income		
Net Income	$ 574,932	$ 418,351
Other comprehensive loss, net of $43,100 and $148,000 deferred income taxes in 2015 and 2014		
Foreign currency translation	(331,601)	(266,567)
Total Comprehensive Income	$ 243,331	$ 151,784