Chief Executive Officer Letter

Dear Shareholders,

I am proud of the accomplishments we have made in 2015 and the revenue growth we achieved over the last two years. The market for digital dental imaging and CAD CAM technologies is growing very quickly and is anticipated to fuel the Company's growth for the foreseeable future. I am pleased to announce 47% revenue growth in 2015 over the prior fiscal year ended December 31, 2014, with total revenue of US$13.1 million dollars. This revenue increase was attributed to revenue contributions from the VELscope Vx product line as well as continued growth and expansion of our digital imaging product portfolio.

Customer care is still a top pain point among dentists and dental specialists adopting new digital imaging technologies and workflows. Our team continues to differentiate themselves by excelling in this area. Our dental imaging specific category offering of "next gen" technologies coupled with our "white glove" approach to customer support has proven to be a key competitive advantage and differentiator for us and is becoming a large part of our growing brand.

The Company's objectives for 2016 are:

- Increase revenue and optimization of cost structure to position for future positive cash flow
- Expand VELscope® distribution into international markets
- Continue to expand and diversify imaging product and dental CAD CAM product portfolio
- Focus on building solid core organic business and target strategic partnerships and accretive acquisitions to enhance Intellectual Property portfolio and recurring revenue opportunities (rapid value creation)
- Add higher margin imaging products and services
- Continue to build customer base and establish LED as a trusted brand

Management Change

- Bruce Reese was hired as Director of Finance, effective October 16, 2015. Mr. Reese is a Certified Public Accountant who has held Senior Executive positions for over twenty years, including with AAAG, an owner of several dealer direct auto auctions throughout the United States and Noble Systems, a worldwide leader in contact management software. Mr. Reese was the Chief Financial Officer for each company and he managed the finance and accounting team. Prior to that, Mr. Reese held positions in financial management for software development companies and Internet solutions. Mr. Reese holds an MBA from Colorado State University and a Bachelor degree from Otterbein University.

Business Highlights

- On March 12, 2015 the Company announced that it launched the new RIOSensor Intraoral Radiography System from RAY Co., Ltd., a spin-off of Samsung Electronics, in the USA and Canada. As the latest dental imaging product from RAY, the RIOSensor embraces their history of providing high-quality, dependable technology platforms at a great value.

- On April 30, 2015, the Company announced the launch of a new cloud-based imaging solution, LED Imaging Cloud. LED Imaging Cloud combines the performance of LED Imaging Software with the convenience and security of cloud technology.

- On June 15, 2015, the Company announced an agreement that makes LED Medical subsidiary LED Dental the newest provider of 3Shape's 3D intraoral digital impression and desktop scanners.

- On June 23, 2015, the Company announced the launch of the new VELscope® Vx Imaging Adapter & VELscope Photo System Application from sub, delivering integration of the VELscope Vx with the Apple iPod touch®* for clinical photographic documentation and secure image sharing of oral lesions.

- On August 4, 2015, LED announced that it had entered into an agreement with EnvisionTec Inc. to distribute EnvisionTec's 3D printing solutions.

- On August 7, 2015, LED provided a business update, announced that LED had received clearance by Health Canada to market and sell the Rayscan Alpha Cone Beam Computed Tomography System pursuant to the exclusive distribution agreement with RAY and provided an update on the U.S. FDA warning letter.

- On September 9, 2015, LED announced that it had received regulatory approval for the distribution of the VELscope Vx Enhanced Oral Assessment System in China.

- On September 17, 2015 LED Medical Diagnostics Announces Non-Binding Letter of Intent to Acquire Technology Company to Accelerate Growth.

Financial Highlights

- Revenue for the twelve months ended December 31, 2015 was US$13.1 million, an increase of 47% from the twelve months ended December 31, 2014. This revenue increase was largely due to increasing contributions to revenue from the Company's expanding portfolio of digital imaging products in addition to contributions from VELscope and VELscope Vx consumable sales.
- The net loss for the twelve months ended December 31, 2015 was USD$5.2M compared to the operating loss for the twelve months ended December 31, 2014 of $6.2M. The decrease of operating loss is mainly attributable to higher sales levels and lower spending levels in 2015 than in 2014.

- The Company had cash of USD$1.9M and net working capital of USD$744K as of December 31, 2015. Net Working Capital is defined as total current assets less total current liabilities.

We look forward to expanding our product and service offering through continued organic growth in conjunction with complementary business development opportunities to accelerate our business growth in fiscal 2016 and beyond.

Sincerely,
Dr. David Gane
Chief Executive Officer
April 11, 2016