Chief Executive Officer Letter

Dear Shareholders,

I'm pleased to announce that the Company achieved revenue growth of 10% with US$1.8 million for the three months ended September 30, 2015 compared to revenue of US$1.6 million for the same period in the prior year. Year-to-date revenue for the nine months ended September 30, 2015 increased by 75% to US$7.5 million over the prior year revenue of US$4.3 million. This revenue increase was due to increasing revenue contribution from our expanding portfolio of digital imaging products in combination with relatively consistent VELscope and VELscope consumable sales revenues.

"I am proud of our progress year-to-date," stated Dr. David Gane, President and CEO. "In a relatively short period we have transformed LED from a single product Company with $2.5M in revenues into a Company with an expanded and diversified imaging portfolio while reaffirming guidance of $15.0M revenues for 2015. This represents annualized revenue compound growth of 244% for 2014 and 2015. We are now well into our busiest season of the year with an accompanying increase in sales activities driven by federal tax incentives offered to those making capital equipment purchases prior to year end. By way of reference in 2014 over 50% of our annual revenue of US$9.0M was generated during the fourth quarter. We are very encouraged by our strong sales backlog as at September 30, 2015 of approx. US$3.0 million as well as our sales progress to date in our fourth quarter in conjunction with our increasing sales opportunity pipeline which demonstrates LED's growing brand and wider market appeal due to its expanded product offering. We are tracking for our biggest revenue quarter in the Company's history made possible by our significant sales and marketing operational investments made to date. We are starting to enjoy increasing operational leverage and ROI on this investment. As we continue to scale the business and further grow our revenues, we anticipate that operating expenses will not increase in parallel creating a positive yield for our shareholders."

On the VELscope product line, the Company recently received regulatory approval for its VELscope product in China and is in discussions with a select group of Chinese Medical Technology Companies to distribute the VELscope into Asian markets. The recently launched iPod touch integration was well received by the market and VELscope was awarded the prestigious PRIDE Institutes "Best of Class Award" for the 5th consecutive year, an accomplishment shared with only one other product in the history of the award.

Business Highlights

Notable developments and achievements during the quarter include:

- On July 13, 2015, the Company announced acknowledgment of the Pride Institutes "Best of Class" Technology Award for the VELscope Vx. The VELscope has received this distinction for the fifth consecutive year as the market-leading device for adjunctive oral screening.

- On August 4, 2015, the Company announced entering into a distribution agreement with EnvisionTec Inc. to distribute EnvisionTec's 3D printers to dentists, dental specialists and dental laboratories.
- On September 9, 2015, the Company announced that LED has received regulatory approval for the distribution of the VELscope Vx Enhanced Oral Assessment System in China.
- On September 17, 2015, the Company announced the intent to acquire, in an arm's length transaction, 100% of a growing and profitable technology company to complement LED's existing business and provide a platform to assist LED in achieving its strategic and long-term business objectives.

Financial Highlights

Three-Month Comparative Results

The Company reported revenue of US$1.8 million for the three months ended September 30, 2015 representing an increase of 10% over the same period in the prior year of US$1.6 million and an decrease over the prior quarter ended June 30, 2015 of US$3.3 million. The increase in revenue over the prior year period was due primarily to increased sales in the Company's imaging product offering launched in fiscal 2014. The decrease from prior quarter is due to seasonality and timing of distributor orders.

In Q3 we did experienced some temporary margin compression as blended gross margin on sales for the three months ending September 30, 2015 was 19%, which is lower than the prior year period of 37%. This reduction in gross margin was due to a onetime cost adjustment and an increased contribution to revenue from sales of distributed imaging products with lower gross margins. I anticipate our gross margins to rebound significantly into more familiar territory going forward.

Adjusted EBITDA[1] was (US$1.3 million) for the three months ended September 30, 2015 compared to Adjusted EBITDA of (US$1.1 million) for the three months ended June 30, 2015 and to Adjusted EBITDA of (US$1.6 million) in the same period in the prior year.

The Company had a net loss of US$1.4 million for the three months ended September 30, 2015 compared to a net loss of US$1.2 million for the three months ended June 30, 2015 and to a net loss of US$2.7 million in the same period in the prior year.

Nine-Month Comparative Results

The Company reported revenue growth of 75% with US$7.5 million during the first nine months of fiscal 2015 compared to US$4.3 million for the nine months ended September 30, 2014.

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[1] Adjusted *EBITDA or Earnings before Interest, Taxes, Depreciation and Amortization is a non-IFRS measure that does not have a standardized meaning and may not be comparable to a similar measure disclosed by other issuers. This measure does not have a comparable GAAP measure. EBITDA referenced here relates to net loss and comprehensive loss and excludes interest, income taxes, depreciation, amortization, finder's warrants issuance costs, stock-based compensation, deferred share unit compensation, mark to market adjustments on Canadian dollar denominated warrants, foreign exchange gain or loss and other income. This measure does not have a comparable IFRS measure and is used by the Company to manage and evaluate the cash operating loss of the business.*

Gross margin was 26% for the nine months ended September 30, 2015 compared to gross margin of 47% for the nine months ended September 30, 2014. Gross margin decreased over the prior year due to a "one-time negative adjustment resulting from higher 3rd party costs than anticipated and an increased contribution to revenue from sales of distributed imaging products with lower gross margins.

Adjusted EBITDA for the nine months ended September 30, 2015 was (US$3.9 million) compared to (US$4.1 million) for the nine months ended September 30, 2014.

The Company had a net loss of US$4.0 million during the nine months ended September 30, 2015 compared to a net loss of US$5.5 million during the nine months ended September 30, 2014.

Financial Position as of September 30, 2015

Working capital[2] as of September 30, 2015 was US$0.4 million, including cash and cash equivalents of US$1.2 million. This is compared to net working capital of US$1.5 million as of December 31, 2014, including cash and cash equivalents of US$2.4 million.

I anticipate continued revenue growth and increased financial performance as we leverage our sales and marketing platform and execute on our business plans.

Thank you for your interest in our Company, our products and our services.

Sincerely,

Dr. David Gane
Chief Executive Officer
November 25, 2015

Please refer to the risk factors and forward-looking statements included in the Company's Management's Discussion & Analysis for the year ended December 31, 2014 and for the three months ended September 30, 2015, respectively, filed by the Company on Sedar.

[2] Working Capital is defined as total current assets less total current liabilities.