Chief Executive Officer Letter

Dear Fellow Shareholders,

I'm pleased to report 12% net revenue growth to US$14.2m for the year ended December 31, 2018 compared to the same period in the prior year, and strong gross margin[2] improvement to 61%, compared to gross margin[2] of 56% in the prior year. The Company generated positive EBITDA[1] of US$99k for the 2018 year compared to EBITDA[1] of (US$1.6m) for the prior year - a positive EBITDA[1] swing of US$1.7M and a year over year reduction in net loss by US$3.3m. EBITDA for the year of US$99k was net of a one-time expense of $172k to exit a property lease commitment related to our Apteryx integration and $355k of expenses recognized in relation to the preferred share financing. 2018 represents the first year LED has achieved positive EBITDA[1].

Our improved financial performance in 2018 was a direct result of significant revenue growth from our Apteryx acquisition primarily attributable to increasing recurring sales generated from our XVWeb® SaaS offering which surpassed the one thousand active locations milestone in Q4 2018. Additional streams of recurring / repeatable revenue include sales of disposable caps and sheaths related to our VELscope® product line and customer support and maintenance programs launched post Apteryx acquisition. Recurring and repeatable revenue streams, currently contributing more than US$5m in annualized revenue, are expected to continue to grow as we add XVWeb locations, with the sale of additional value-added SaaS modules and the growth of our customer support and maintenance programs.

In 2018 we increased our sales focus on our higher margin Tuxedo and VELscope proprietary products and away from the sale of third party distributed products. This strategy has resulted in strong year over year sales growth on our Tuxedo digital sensor product line yielding an incremental improvement in gross margin[2] from our combined image device business.

Revenue for the three months ended December 31, 2018 was $3.8m, representing an increase of 11% from the three months ended September 2018 and an increase of 3% from the 3 months ending December 31, 2017. EBITDA[1] for the three months ending December 31, 2018 was ($414k) net of a one-time expense of $172k to exit a property lease commitment related to our Apteryx integration and $355k of expenses recognized in relation to the preferred share financing. The Q4 peak sales seasonality phenomena that we experienced in prior years has been greatly attenuated due to evolving product mix away from capital equipment and towards software, services and proprietary devices and the budget cycles of our Dental Service Organizations (DSOs) and government customers.

Financial Highlights for the Year Ended December 31, 2018

Net revenue for the year ended December 31, 2018 was $14,215,812 representing an increase of 12% from the year ended December 31, 2017. The Company's gross margin[2] was 61% for the year ended December 31, 2018 as compared to 56% for the year ended December 31, 2017. 2018 EBITDA[1] was $99,176 compared to EBITDA[1] (net of acquisition costs) of ($1.2M) in 2017.

Net income for the year ended December 31, 2018 was $816,450 compared to net loss of ($2,495,015) for the year ended December 31, 2017.

Cash used in operations was $1,799,295 during the year ended December 31, 2018 compared to cash used in operations of $4,432,082 during the year ended December 31, 2017. Inflows from financing for the year ended December 31, 2018 were $2,000,875 compared to $12,791,305 for the year ended

December 31, 2017. The cash outflows from investing activities were $21,684.

The Company had cash of $2,827,882 and Net Working Capital of $776,681 as of December 31, 2018. Net Working Capital is defined as total current assets less total current liabilities.

Financial Highlights for the three months ended December 31, 2018

Net revenue for the three months ended December 31, 2018 was $3,811,629 representing an increase of 3% from the three months ended December 31, 2017. The Company's gross margin[2] was 55% for the three months ended December 31, 2018 as compared to 53% for the three months ended December 31, 2017. EBITDA[1] was ($414,598) for the three months ended December 31, 2017 compared to EBITDA[1] of $(805,600) for the three months ended December 31, 2017.

Net income for the three months ended December 31, 2018 was $538,132 compared to net loss of $(864,574) for the three months ended December 31, 2017.

2019 Business Outlook

We are encouraged by a strong start to 2019 year to date and at the prospect of deepening our customer reach into additional Dental Service Organizations with our products and services and expanding our existing customer relationships with the US Department of Defense to provide additional software, support services and imaging device sales.

On February 10, this year the Company repaid senior secured debentures with a principal amount of CDN$1,150,000 plus accrued interest owed. In addition, the Company made the final deferred payment of US$450,000 relating to the acquisition of Apteryx, completing all remaining deferred payments and outstanding obligations with the seller.

The company's key objectives for the balance of 2019 are:

- Continued growth in recurring and repeating revenue streams with incremental investment in sales and marketing on software, proprietary products and services sales with reduced reliance on distributed 3rd party products
- Continued growth in market share for XVWeb via subscriber acquisition campaign with DSO market via traditional sales and marketing activities and strategic partnering initiatives
- To build upon existing relationships with U.S. Department of Defense and expand our sales reach to additional U.S. government agencies after award of Five-Year Contract with the United States Dept. of Veteran's Affairs Federal Supply Schedule (FSS) awarded in September 2018. `
- Launch of new products, including additional value-added module for XVWeb using deep machine learning / Artificial Intelligence (AI) leveraging our large hosted repository of image data to provide innovative solutions to solve common customer problems
- Expansion of our customer support infrastructure and resources to accommodate anticipated future growth

The 2018 year was significant for LED as it was able to successfully integrate and leverage our Apteryx investment – transforming it from a perpetual license imaging software provider into an exciting growing

Software as a service (SaaS) company. The Apteryx acquisition has enabled us to diversify our business, growing revenues and gross margin[2] resulting in the overall improved financial performance we experienced in 2018. LED is very well positioned with its proprietary product portfolio to capitalize on current market trends on dentistry of increased advanced imaging use, accelerating growth in DSO market share and the increased adoption of cloud-based imaging technologies.

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

Sincerely,

Dr. David Gane
Chief Executive Officer
April 29, 2019

[1] 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 revenue less cost of goods sold, sales and marketing, research and development and administration expenses but 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.

[2] Gross margin is a non-IFRS measure that does not have a standard meaning and may not be comparable to a similar measure disclosed by other issuers. Gross margin referenced here relates to revenues less cost of sales. This measure does not have a comparable IFRS measure and is used by the Company to manage and evaluate the operating performance of the Company.

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, 2018, and for the three months ended December 31, 2018, respectively, filed by the Company on Sedar.