LED Medical Diagnostics Inc. Reports 2017 Fourth Quarter and Full Year Results

Vancouver, British Columbia – April 30, 2018 - LED Medical Diagnostics Inc. ("LED" or the "Company"), a dental imaging technology provider focused on delivering state-of-the-art imaging software and systems, today announced its financial results for the fourth quarter and full year ended December 31, 2017, reported in United States dollars and in accordance with International Financial Reporting Standards ("IFRS"). The Company's results are presented in comparison to the fourth quarter and full year ended December 31, 2016.

Revenues for the three months ended December 31, 2017 were US$3.7 million, which was an increase of 98% over the same period in the prior year and 16% over the immediately preceding quarter. Revenue in fiscal 2017 was US$12.7 million with gross margin percent of 56% compared to revenue in fiscal 2016 of US$10.2 million with gross margin percent of 24%. EBITDA in 2017 from operations, net of acquisition costs, was (US$1.3 million) compared to EBITDA of (US$4.5 million) in 2016. EBITDA included a US$365,000 non-cash expense related to the Apteryx acquisition recorded in the fourth quarter. The net loss for the year ended December 31, 2017 was US$2,495,015 compared to the net loss for the year ended December 31, 2016 of US$5,373,273. The decrease in net loss is mainly attributable to higher margin Apteryx software products.

“The acquisition of Apteryx Inc. in early 2017 has strengthened our overall market position by having expanded our product offering, strengthened our IP portfolio and increased the size our customer base, together resulting in stronger financial results over the prior year,” commented LED CEO Dr. David Gane. “Subscription revenue from XVWeb® customer acquisitions combined with the roll out of our new Maintenance & Support program in last summer is providing the Company with a growing stream of recurring revenue and at a higher margin. Notably, we were able to get our product mix where we wanted and grew gross margin by over 100%.”

Financial Highlights

LED Medical reported revenue of US$12.7 million as compared to the prior fiscal year revenue of US$10.2 million, and revenues for the three months ended December 31, 2017 of US$3.7 million.

Three-Month Comparative Results

The Company reported revenue of US$3.7 million for the three months ended December 31, 2017, which is an increase of 98% compared to US$1.9 million for the three months ended December 31, 2016 and a 16% increase compared to US$3.2 million for the three months ended September 30, 2017. Net loss was US$0.8 million for the three months ended December 31, 2017, as compared to a net loss of US$1.4 million for the three months ended December 31, 2016. Inclusive of accounting adjustments, the Company's calculated gross margin[2] was 53% for the three months ended December 31, 2017, as compared to 14% in the three months ended December 31, 2016. Total operating expenses for the three months ended December 31, 2017 were US$3.83 million as compared to US$1.52 million for the three months ended December 31, 2016. Core operating expenses[3] (excluding stock-based compensation, deferred share unit compensation and other operating expenses) for the three months ended December 31, 2017 were US$2.77 million, as compared to US$1.4 million for the three months ended December 31, 2016.

Twelve-Month Comparative Results

The Company reported revenue of US$12.7 million for the year ended December 31, 2017 which an increase of 25% compared to US$10.2 million for the year ended December 31, 2016. Net loss was US$2.4 million for the year ended December 31, 2017 as compared to a net loss of US$5.3 million for the year ended December 31, 2016. Gross margin[2] was 56% for the year ended December 31, 2017, an increase from 24% for the year ended December 31, 2016. Total operating expenses for the year ended December 31, 2017, were US$10.2 million as compared to US$7.5 million for the year ended December 31, 2016. Core operating expenses[3] (excluding stock-based compensation, deferred share unit compensation and other non-operating expenses) for the year ended December 31, 2017 were US$8.7 million, as compared to US$7.0 million for the year ended December 31, 2016.

Financial Statements and Management's Discussion & Analysis

Please see the audited consolidated financial statements and related Management's Discussion & Analysis ("MD&A") for more details. The audited consolidated financial statements for the year ended December 31, 2017 and related MD&A have been reviewed and approved by the Company's Audit Committee and Board of Directors. The Company has prepared this truncated news release to alert investors to its results and that a more detailed explanation and analysis is readily available in the MD&A. These reports have been filed on SEDAR at www.sedar.com and also posted to www.ledmd.com.

Non-IFRS Measures

The following and preceding discussion of financial results includes references to Gross Margin and Core Operating Expenses, which are non-IFRS financial measures. The measure of gross margin is provided as management believes this is a good indicator in evaluating the operating performance of the Company. EBITDA is defined as 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. The measure of working capital is provided as management believes this is a good indicator of the operating liquidity available to the Company.

Events Subsequent to the Quarter

On January 4, 2018, the Company appointed James Topham to the board of directors of LED and as Chair of its Audit Committee. On the same date, the Company also announced that Rodger Tourigny had resigned from the board of directors.

On April 24, 2018, the Company entered into an amending agreement to the February 10, 2017 Apteryx purchase agreement. The amending agreement alters the payment schedule for certain items relating to the US$1,650,000 deferred consideration. As of April 27, 2018, the Company is compliant with the payment terms of the amending agreement.

The Company is no longer involved in selling 3Shape scanners.

About LED Medical Diagnostics Inc.

LED Medical Diagnostics Inc. is a dental imaging technology provider focused on delivering state-of-the-art imaging software and systems. Through its wholly-owned subsidiaries LED Dental Inc., LED Dental Ltd., and Apteryx, Inc., LED Medical has provided dentists and oral health specialists with advanced diagnostic imaging products and software for over 20 years. LED's proprietary technologies include the VELscope Vx Enhanced Oral Assessment and TUXEDO Intraoral Sensors, in addition to Apteryx's XrayVision, XVWeb® and XrayVision DCV imaging software solutions.

Backed by an experienced leadership team and dedicated to a higher level of service and support, LED is committed to providing dental practitioners with the best technology available by identifying and adding leading products to its growing portfolio.

The Company is currently listed on the TSX-V under the symbol LMD, the OTCQB under the symbol LEDIF, as well as the Frankfurt Stock Exchange under the symbol LME.

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Forward Looking Statements
This press release contains statements which, to the extent that they are not recitations of historical fact, may constitute forward-looking information under applicable Canadian securities legislation that involve risks and uncertainties. Such forward-looking statements or information include statements regarding, but not limited to the Company's future growth strategy, its distribution strategy and product offerings, potential expansion of the Company's technology to other medical applications or markets, or the potential introduction of new technologies by the Company. Persons reading this press release are cautioned that such statements or information are only predictions, and that the Corporation's actual future results or performance may be materially different. Factors that could cause actual events or results to differ materially from those suggested by these

forward-looking statements include, but are not limited to competition risks, distributor risks, product development risks such as regulatory, design, intellectual property and other factors described in the Corporation's reports filed on SEDAR including its Annual Information Form and financial report for the year ended December 31, 2017. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. All forward-looking statements made in this press release are qualified by this cautionary statement and there can be no assurance that actual results or developments anticipated by the Company will be realized. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

[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 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.*

[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.*

[3] *Core operating expense 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 IFRS measure. Core operating expense includes sales and marketing, research and development and administration expense. The Company believes that the inclusion of this no-IFRS measure financial measure provides investors with an alternative presentation useful to investors' understanding of the Company's core operating results and trends.*