

Letter to Shareholders

From: Colleen Gray – Chief Executive officer

Date: September, 2018

Key Highlights:

- Launch of TracPatch
 - IBM Watson Health
 - Strategic Management Additions
 - \$10M Debt Financing
 - Media and Investor Outreach Initiative
 - Global Market Opportunity & Outlook
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Dear Fellow Shareholders,

We wanted to take this opportunity to share some of the latest milestones and developments at Consensus. Consensus has made significant progress in nearly every aspect of its business this past year, and I am pleased to report on some of these corporate achievements and upcoming milestones in this letter.

Launch of TracPatch

As many of you longtime shareholders know, Consensus is an innovative orthopedics company. As an addition to our existing suite of orthopedic implants and instruments, in 2018 Consensus launched the TracPatch™. TracPatch is a wearable, remote monitoring device that is revolutionizing orthopedics by being the first product of its kind to offer real-time data on patients during all stages of evaluation. Moreover, the information gathered by TracPatch is designed to be aggregated into Big Data for use by doctors, caregivers, insurance carriers, and hospitals.

An initial “soft launch” of TracPatch to centers of scientific influence and select customers began in earlier this year. Revenues are expected to ramp up as TracPatch expands its customer base. By year end, we hope to have grown our sales and expanded beyond our existing territories (Dallas, Chicago and Miami) to other regions where Consensus already has existing sales and distribution channels: including Los Angeles, Atlanta and additional Florida and Illinois locations.

IBM Watson Health

In 2017, IBM Watson Health and Consensus began working on a collaboration to further develop and enhance the TracPatch’s Big Data Tools and Analytics. The goal of the relationship is to support TracPatch’s capabilities to identify cost drivers, improve decision making, and personalize patient treatments. We feel that being selected by a prestigious partner, such as IBM, further validates the importance of mobile device monitoring for patients and its benefit to the healthcare system at large. Consensus’ management team has been in extensive discussions with IBM Watson Health on how to formally define the relationship, and additional updates will be forthcoming once a decision has been finalized.

Strategic Management Additions

To further enhance our expertise in the mobile device and monitoring space, we recently welcomed three new additions to our team. Director of US Sales, Danny Merrell has over 25 years of experience in orthopedic sales, management, and developing delivery models. He comes from a background of owning and operating a multi-million-dollar distribution business. Ms. Petra Davis is the Director of Patient Care. She is an

experienced business owner with a background in medical devices and software development. She is on the board of Spinal Elements (spine technology company) and has expertise in B2C product training and education. AJ Habib, TracPatch Engineering Manager, is the lead product engineer for TracPatch wearable devices. He is an experienced R&D engineer with multiple joint implant and instrument designs. We are excited to be working with our new talent and feel that their unique skills sets will make a significant impact as Consensus broadens its product offerings to include mobile medical device technology.

\$10M Debt Financing

In April of 2018, Consensus closed a \$10 million 4-year term loan with MidCap Financial, a lender that focuses on Life Science opportunities. This transaction provided over \$3.5 million of working capital that along with the additional equity raise in process will provide the capital needed to ramp revenue of our wearable patient monitoring devices as well as improve the performance of our hip and knee implant business.

Media and Investor Outreach Initiative

Early this summer, we began an investor relations initiative to further expand our base of shareholders and create a name for Consensus on Wall Street. Activities to date have included reformatting our corporate presentation, participating in emerging growth investor events, a two-day investor roadshow in New York, and a medical device media interview. The aforementioned activities have spawned ongoing dialogues with several interested parties, introductory discussions with family offices, and interest from a leading healthcare device analyst. To maintain our visibility, we have laid out an ongoing plan to continue these outreach efforts by way of corporate press releases, conference participation, and wider distribution of our corporate news and activities.

Global Market Opportunity & Outlook

On a macro level, the future appears bright. The US market for total knee and hip joint replacement is estimated at 1 million procedures per year in 2018, increasing to 3.5 million procedures per year over the next 10 years¹. The strong trend towards same day discharge of total joint replacement patients and bundled payments will likely require more at home patient monitoring. At the same time, cost and care requirements are driving the need for evidence-based pre and post-op data.

In closing, we feel that Consensus is in a unique position to further excel. Our company has an established brand name in the orthopedics industry, an established distribution and sales network, and holds a strong reputation for high quality products and customer care. As shareholders, we would like to express our appreciation for your continued support. We are grateful for your confidence in our mission and are committed to delivering progress that is intended to enhance the value of our company and reward you for your investment. We welcome you to reach out should you have additional questions or to share your insights.

Kindest regards,



Colleen Gray
Chief Executive Officer

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