

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Airxpanders Inc

ACN/ARSN 604 398 423

1. Details of substantial holder (1)

Name Consonance CapMan GP LLC as general partner of Consonance Capital Management LP and Consonance Capital Opportunity Fund Management LP (and its associates as referred to in paragraph 6)

ACN/ARSN (if applicable) N/A

The holder became a substantial holder on 14/09/2017

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	14,899,767	14,899,767	5.18%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Consonance CapMan GP LLC	Consonance CapMan GP LLC holds its relevant interest by having the power to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates in the ordinary course of investment management business.	14,899,767 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Consonance CapMan GP LLC	Goldman Sachs & Co as custodian for P Consonance Opportunities Ltd	Consonance Capital Master Account L.P	14,505,367 ordinary shares
Consonance CapMan GP LLC	Goldman Sachs & Co as custodian for Consonance Capital Master Account L.P	P Consonance Opportunities Ltd	394,400 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Consonance CapMan GP LLC	See Annexure A	See Annexure A		See Annexure A

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
P Consonance Opportunities Ltd	Associate under section 12(2) of the Corporations Act
Consonance Capital Advisors LLC	Associate under section 12(2) of the Corporations Act
Mitchell Blutt	Associate under section 12(2) of the Corporations Act
Kevin Livingston	Associate under section 12(2) of the Corporations Act
Benny Soffer	Associate under section 12(2) of the Corporations Act

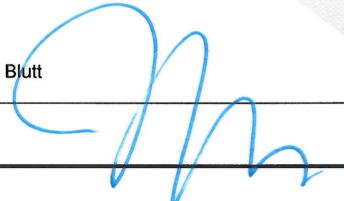
7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Consonance CapMan GP LLC	1370 Avenue of the Americas, 33rd Floor New York, NY 10019 USA
P Consonance Opportunities Ltd	1370 Avenue of the Americas, 33rd Floor New York, NY 10019 USA
Consonance Capital Advisors LLC	1370 Avenue of the Americas, 33rd Floor New York, NY 10019 USA
Mitchell Blutt	1370 Avenue of the Americas, 33rd Floor New York, NY 10019 USA
Kevin Livingston	1370 Avenue of the Americas, 33rd Floor New York, NY 10019 USA
Benny Soffer	1370 Avenue of the Americas, 33rd Floor New York, NY 10019 USA

Signature

print name Mitchell Blutt capacity Managing Member

sign here  date 14/09/2017

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

**This is annexure A of page(s) referred to in
ASIC Form 603 – Notice of Initial Substantial Holder**

	Holder of relevant interest	Date of acquisition	Buy / sell	Consideration (Cash)	Consideration (Non-Cash)	Number of securities
1.	Consonance CapMan GP LLC	See Schedule A	See Schedule A	See Schedule A	See Schedule A	See Schedule A

Schedule A

Holder of relevant interest	Date of Acquisition	Buy/Sell	Consideration (Cash)	Consideration (Non-Cash)	Number of Securities
Consonance CapMan GP LLC	27-Jul-17	Buy	-7,103.62	-7,103.62	9,700
Consonance CapMan GP LLC	27-Jul-17	Buy	-219.70	-219.70	300
Consonance CapMan GP LLC	28-Jul-17	Buy	-344,299.46	-344,299.46	486,500
Consonance CapMan GP LLC	28-Jul-17	Buy	-9,554.04	-9,554.04	13,500
Consonance CapMan GP LLC	31-Jul-17	Buy	-141,110.37	-141,110.37	201,500
Consonance CapMan GP LLC	31-Jul-17	Buy	-3,851.65	-3,851.65	5,500
Consonance CapMan GP LLC	1-Aug-17	Buy	-681,851.17	-681,851.17	973,100
Consonance CapMan GP LLC	1-Aug-17	Buy	-18,848.83	-18,848.83	26,900
Consonance CapMan GP LLC	2-Aug-17	Buy	-1,573.03	-1,573.03	2,265
Consonance CapMan GP LLC	2-Aug-17	Buy	-69.45	-69.45	100
Consonance CapMan GP LLC	3-Aug-17	Buy	-681,851.17	-681,851.17	973,100
Consonance CapMan GP LLC	3-Aug-17	Buy	-18,848.83	-18,848.83	26,900
Consonance CapMan GP LLC	4-Aug-17	Buy	-17,517.50	-17,517.50	25,000
Consonance CapMan GP LLC	4-Aug-17	Buy	-490.49	-490.49	700
Consonance CapMan GP LLC	8-Aug-17	Buy	-43,934.90	-43,934.90	58,103
Consonance CapMan GP LLC	8-Aug-17	Buy	-1,587.93	-1,587.93	2,100
Consonance CapMan GP LLC	11-Aug-17	Buy	-36,906.66	-36,906.66	48,673
Consonance CapMan GP LLC	14-Aug-17	Buy	-99,929.70	-99,929.70	132,225
Consonance CapMan GP LLC	14-Aug-17	Buy	-1,813.81	-1,813.81	2,400
Consonance CapMan GP LLC	1-Sep-17	Buy	-4,926,216.00	-4,926,216.00	6,931,401
Consonance CapMan GP LLC	1-Sep-17	Buy	-138,446.31	-138,446.31	194,800
Consonance CapMan GP LLC	13-Sep-17	Buy	-1,425,946.52	-1,425,946.52	1,951,400
Consonance CapMan GP LLC	13-Sep-17	Buy	-35,513.48	-35,513.48	48,600
Consonance CapMan GP LLC	14-Sep-17	Buy	-2,036,334.30	-2,036,334.30	2,712,400
Consonance CapMan GP LLC	14-Sep-17	Buy	-54,504.45	-54,504.45	72,600

Signature

print name Mitchell Blutt

Capacity Managing Member

sign here

date 14/09/2017