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AirXpanders Announces First Commercial U.S. Procedure for AeroForm® Tissue Expander System for Breast Reconstruction

PALO ALTO, CA, United States — AirXpanders, Inc. (ASX: AXP) (AirXpanders or **Company**), a medical device company focused on the design, manufacture, sale and distribution of the AeroForm® Tissue Expander System, today announced that the first commercial AeroForm procedure has been performed in the United States (U.S.) following its U.S. Food and Drug Administration (FDA) *de novo* clearance granted on 21 December 2016 in the U.S.

AeroForm offers a needle-free alternative for women who choose reconstructive surgery following a mastectomy. AeroForm is activated by a handheld wireless controller that administers small amounts of carbon dioxide (CO_2) up to three times a day, to gradually stretch the tissue to prepare for a breast implant. With the push of a button from the wireless controller, a preprogrammed amount of CO_2 is delivered in seconds, allowing the patient to continue with her daily activities while preparing for reconstruction.

The procedure was performed by Kamakshi Zeidler, M.D., FACS, a board-certified plastic surgeon, at Good Samaritan Hospital in San Jose, Calif. Dr. Zeidler served as a clinical investigator for AirXpanders' U.S. XPAND and XPAND II trials.

"By working with the largest number of patients who participated in these clinical trials, I was in a position to witness firsthand the consistently positive impact AeroForm can have on the breast reconstruction process. It transforms the typical patient experience by accelerating the tissue expansion process and making it more convenient," said Dr. Zeidler. "As a surgeon dedicated to innovation and technological advancement, I am thrilled that I can now offer it to my patients on a widespread basis. Thousands of women who have undergone mastectomies have often endured long and overwhelming journeys through breast cancer, marked by numerous medical visits and procedures and a loss of control over their time and bodies. Now with AeroForm, women can choose where and when they conduct tissue expansion as they prepare for reconstruction, allowing women to regain some of their independence as they move to put breast cancer behind them."

This procedure marks the first commercial use of AeroForm in the U.S. following FDA's *de novo* marketing authorisation. The Company is currently in the process of executing a targeted market release in the U.S., focusing on key high volume academic and community hospitals that participated in AirXpanders' pivotal and continued access trials. AeroForm is also available in Australia, where it was approved for sale in late 2014.

"The AirXpanders team is excited to initiate the commercialisation of AeroForm in the U.S.," said Scott Dodson, president and CEO, AirXpanders. "We believe that AeroForm is poised to be widely adopted and elevate the standard of care for women undergoing reconstructive surgery. We're proud to have created, and now make available, what we believe is one of the first major advancements in two-stage breast reconstruction in more than 40 years."

-ENDS-

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About AirXpanders:

Founded in 2005, AirXpanders, Inc. (www.airxpanders.com) designs, manufactures and markets innovative medical devices to improve breast reconstruction. The company's AeroForm Tissue Expander System, is used in patients undergoing two-stage breast reconstruction following mastectomy. Headquartered in Palo Alto, California, AirXpanders' vision is to be the global leader in reconstructive surgery products and to become the standard of care in two-stage breast reconstruction. AirXpanders is a publically listed company on the Australian Securities Exchange under the symbol "AXP." AeroForm was granted U.S. FDA *de novo* marketing authorisation in 2016, first CE mark in Europe in 2012 and is currently licensed for sale in Australia.

Forward-Looking Statements

This announcement contains or may contain forward-looking statements that are based on management's beliefs, assumptions and expectations and on information currently available to management.

All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements., These include, without limitation, U.S. commercial market acceptance and U.S. sales of our product as well as, our expectations with respect to our ability to develop and commercialize new products including our ability to obtain reimbursement for our products; ability to become the global leader in reconstructive surgery products and to become the standard of care in two-stage breast reconstruction.

Management believes that these forward-looking statements are reasonable when made. You should not place undue reliance on forward-looking statements because they speak only as of the date when made. AirXpanders does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. AirXpanders may not actually achieve the plans, projections or expectations disclosed in forward-looking statements. Actual results, developments or events could differ materially from those disclosed in the forward-looking statements.

For more information, refer to the Company's website at www.airxpanders.com.