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AirXpanders Update on U.S. Commercial Launch of the AeroForm® Tissue Expander System for Breast Reconstruction

- Company receives FDA 510(k) clearance for latest version of device

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, is today providing an update on its full U.S. commercial launch of AeroForm.

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 Company has today received U.S. Food and Drug Administration (**FDA**) 510(k) clearance for an enhanced film material that is used to contain the CO2 within the device. "We are very excited about the FDA's decision which is consistent with the CE Mark and the TGA approval that we have already received," said Scott Dodson, president and CEO of AirXpanders. "Plastic surgeons and their patients in the United States are very excited to finally have access to this game changing product for breast reconstruction and we appreciate the FDA's support in helping us continue to advance the state of the technology,"

Since AeroForm received de *novo* clearance from the U.S. FDA in December 2016, the Company has made tremendous strides in executing against critical milestones in the U.S. Key accomplishments include:

- Hiring 10 direct sales representatives
- Hiring 6 commission-only representatives
- Converting 10 of 12 clinical sites to commercial customers
- Working with sites to complete the onboarding process within a few weeks vs. months
- Initiating engagement with a preselected group of 120 plastic surgeons
- Remaining on track with the expansion of the manufacturing facility in Costa Rica
- Securing FDA clearance for an enhanced film material

"The AirXpanders team have performed well against the aggressive goals we set for ourselves for the targeted market release of AeroForm in the U.S.," said Dodson. "The market response to AeroForm has been overwhelmingly positive and we are thrilled to be able to begin our broader U.S. commercial launch ahead of schedule. We look forward to working with our 'first users' to offer AeroForm as an option and elevate the standard of care for women undergoing reconstructive surgery."

AeroForm is also available in Australia, where it was approved for sale in late 2014.

-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 publicly-listed company on the Australian Securities Exchange under the symbol "AXP." AeroForm was granted U.S. FDA *de novo* marketing authorization 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.

Foreign Ownership Restriction

AirXpanders' CHESS Depositary Interests (CDIs) are issued in reliance on the exemption from registration contained in Regulation S of the US Securities Act of 1933 (Securities Act) for offers or sales which are made outside the US. Accordingly, the CDIs have not been, and will not be, registered under the Securities Act or the laws of any state or other jurisdiction in the US. The holders of AirXpanders' CDIs are unable to sell the CDIs into the US or to a US person unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available. Hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.

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