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AirXpanders Announces Completion of Manufacturing Transfer to Costa Rica

*Immediately adds additional production capacity of up to 20,000
units per year*

PALO ALTO, CA, United States, Sept. 28, 2017 — 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 its manufacturing transfer to a contract manufacturer in Costa Rica is complete and manufacturing capability for its AeroForm device is operational. Additional production capacity will enable the company to cost-effectively manufacture a higher volume of AeroForm expanders to meet growing market demand for the product, which is now available in more than 100 U.S. hospitals.

The new production line has a capacity to produce up to 20,000 units per year. The Costa Rica manufacturing plant is owned and operated by MedPlast, a leading global expert in medical device development, manufacturing, and assembly with more than 35 years of experience partnering with leading global medical device companies. Additionally, AirXpanders will maintain its existing manufacturing facility in California with capacity of up to 4,000 units per year.

“Creating access to AeroForm for every eligible patient is mission critical for us, and our new manufacturing capacity supports our ability to make that happen,” said Scott Dodson, president and CEO, AirXpanders. “We are delighted to have delivered on our commitment to open the Costa Rica manufacturing facility, enabling us to meet the growing demand for AeroForm and pave the way for improvements in gross margins. The scale of the MedPlast facility gives us the ability to readily add additional manufacturing lines for added capacity as we broaden our sales and marketing activities across the United States and around the world.”

-ENDS-

Company	Investor and Media Relations
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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 initially granted U.S. FDA *de novo* marketing authorization in 2016 with subsequent market clearance in 2017, first CE mark in Europe in 2012 and is currently licensed for sale in Australia.

About MedPlast:

MedPlast is a leading global services provider to the medical device industry. The company offers a range of engineering, manufacturing, assembly and packaging capabilities that support the world's largest original equipment manufacturers with producing diagnostic, orthopedic, surgical and other medical products. Headquartered in Tempe, Ariz., the company operates 23 manufacturing facilities around the world. For more information about MedPlast, visit medplastgroup.com.

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 add incremental capacity with our third-party contract manufacturer on a timely basis; our ability to decrease cost of goods sold and improve gross margins; the sufficiency of our production capacity; our 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 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 additional information and considerations regarding the risks faced by AirXpanders that could cause actual results to differ materially, see its periodic reports filed with the Securities and Exchange Commission under the caption "Risk Factors," including its quarterly report on Form 10-Q for the quarter ended June 30, 2017. AirXpanders disclaims any obligation to update information contained in any forward-looking statement, except as required by law.

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