

## **ASX ANNOUNCEMENT**

### **APPENDIX 4C – QUARTER ENDED 30 JUNE 2015**

**PALO ALTO, United States, 29 July 2015:** AirXpanders Ltd., (ASX:AXP) a medical device company focused on the design, manufacture, sale and distribution of the AeroForm® tissue expander, has today released its Appendix 4C – Quarterly Cashflow report for the period ended 30 June, 2015.

The company reported a cash balance of US\$28m, following its successful listing on the Australian Securities Exchange on 22 June 2015. The Company's oversubscribed initial public offer was strongly supported by domestic and international institutional investors.

AirXpanders President and CEO, Mr Scott Dodson, said, "I would like to thank our investors for their support of our IPO. We look forward to providing regular updates on our progress over the coming weeks as we expand our Australian commercialisation of AeroForm® and prepare for our regulatory filing in the US."

-ENDS-

For more information:

#### **AirXpanders**

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#### **About AirXpanders:**

Founded in 2005, AirXpanders is a medical device company focused on the design, manufacture, sale and distribution of its AeroForm® tissue expander used in patients undergoing breast reconstruction following mastectomy. AeroForm® uses controlled delivery of small amounts of gas (CO<sub>2</sub>) to achieve tissue expansion prior to the placement of a permanent breast implant. AeroForm® successfully eliminates the need for needle-based expansion required by traditional saline tissue expanders and provides a faster and less painful breast reconstruction journey. AeroForm® has CE Mark and TGA approval and is covered by the Australian reimbursement regime. To date, AeroForm® has been successfully implanted more than 500 times in women in Australia and the United States. For more information, refer to the Company's website at [www.airxpanders.com](http://www.airxpanders.com).

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

AirXpanders Inc

ABN

28 604 398 423

Quarter ended ("current quarter")

30 June 2015

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter Q2 US\$'000	Year to date 6 months US\$'000
1.1	Receipts from customers	0	0
1.2	Payments for (a) staff costs	(1,156)	(2,162)
	(b) advertising and	(38)	(44)
	marketing		
	(c) research and	(327)	(518)
	development		
	(d) leased assets	0	0
	(e) other working capital	(90)	(457)
1.3	Dividends received	0	0
1.4	Interest and other items of a similar nature received	(1)	(1)
1.5	Interest and other costs of finance paid	(154)	(216)
1.6	Income taxes paid	0	0
1.7	Other (provide details if material)		
Net operating cash flows		(1,766)	(3,398)

		Current quarter Q2 US\$'000	Year to date 6 months US\$'000
1.8	Net operating cash flows (carried forward)	(1,766)	(3,398)
1.9	<b>Cash flows related to investing activities</b>		
	Payment for acquisition of:		
	(a) businesses (item 5)	0	0
	(b) equity investments	0	0
	(c) intellectual property	0	0
	(d) physical non-current assets	(97)	(153)
	(e) other non-current assets	0	0
	Proceeds from disposal of:		
	(a) businesses (item 5)	0	0
	(b) equity investments	0	0
	(c) intellectual property	0	0
	(d) physical non-current assets	0	0
	(e) other non-current assets	0	0
1.11	Loans to other entities	0	0
1.12	Loans repaid by other entities	0	0
1.13	Other (provide details if material)	0	0
	<b>Net investing cash flows</b>	0	0
1.14	<b>Total operating and investing cash flows</b>	(1,863)	(3,551)
	<b>Cash flows related to financing activities</b>		
1.15	Proceeds from issues of shares, options, etc.*	27,492	30,095
1.16	Proceeds from sale of forfeited shares	0	0
1.17	Proceeds from borrowings	0	0
1.18	Repayment of borrowings	(250)	(250)
1.19	Dividends paid	0	0
1.20	Other (provide details if material)	0	0
	<b>Net financing cash flows</b>	27,242	29,845
	<b>Net increase (decrease) in cash held</b>	25,379	26,294
1.21	Cash at beginning of quarter/year to date	2,591	1,676
1.22	Exchange rate adjustments to item 1.20	0	0
1.23	<b>Cash at end of quarter</b>	27,970	27,970

**\*Refer Note 4 (page 5)**

## Payments to directors of the entity and associates of the directors

## Payments to related entities of the entity and associates of the related entities

		Current quarter US\$'000
1.24	Aggregate amount of payments to the parties included in item 1.2	113
1.25	Aggregate amount of loans to the parties included in item 1.11	0

### 1.26 Explanation necessary for an understanding of the transactions

Payments represent remuneration paid to Chairman of the Board and President & Chief Executive Officer

## Non-cash financing and investing activities

### 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

### 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available US \$'000	Amount used US \$'000
3.1 Loan facilities	0	3,250
3.2 Credit standby arrangements	0	0

## Reconciliation of cash


Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter US \$'000	Previous quarter US \$'000
4.1	Cash on hand and at bank	27,970	2,591
4.2	Deposits at call	0	0
4.3	Bank overdraft	0	0
4.4	Other (provide details)	0	0
<b>Total: cash at end of quarter (item 1.23)</b>		27,970	2,591

## Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	N/A	N/A
5.2	Place of incorporation or registration	N/A	N/A
5.3	Consideration for acquisition or disposal	N/A	N/A
5.4	Total net assets	N/A	N/A
5.5	Nature of business	N/A	N/A

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does / gives a true and fair view of the matters disclosed.

  
 Sign here: ..... Date: 29 July 2015  
 (Company Secretary)

Name: Brendan Case

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.
4. In June 2015, AirXpanders secured its listing on the Australian Securities Exchange (ASX), raising \$30m. The funding will be used to support the Company's Australian and U.S. commercialization of its device, AeroForm.