



Pre-quotation disclosure

The following information is required to be provided to ASX Limited (**ASX**) for release to the market in connection with the official quotation of CHESS Depositary Interests (**CDIs**) representing shares of Class A Common Stock (**Shares**) in AirXpanders, Inc. (**AirXpanders** or **Company**) (ASX: AXP). Each CDI is equivalent to a third of a Share.

Capitalised terms not defined in this document have the meaning given to them in the prospectus lodged with the Australian Securities and Investments Commission on 11 May 2015 (**Prospectus**).

1 Number of securities

(a) Total CDIs issued under Public Offer

The number of CDIs issued under each component of the Public Offer is as follows:

Component of Public Offer	Number of CDIs
Broker Firm Offer	12,162,600
General Public Offer	3,015,911
Institutional Offer	57,849,478
Total	73,027,989

(b) Total Shares issued under US Private Placement

The number of Shares issued under the US Private Placement is as follows:

	Number of Shares
US Private Placement	1,692,403

(c) Total Shares and CDIs issued on conversion of Convertible Notes and accrued interest

The number of Shares and CDIs issued on conversion of the Convertible Notes and accrued interest is as follows:

Component	Number of Shares	Number of CDIs*
Principal	1,678,461	2,713,866
Interest	41,104	58,290
Total	1,719,565	2,772,156

* One holder of Convertible Notes elected to convert their Convertible Notes and accrued interest into CDIs.



(d) Total Shares and CDIs

The total issued share capital is as follows:

Security	Number
Total number of issued Shares (excluding Shares held by CDN)	45,157,515
Total number of issued CDIs	75,800,145
Total number of CDIs assuming all Shares held as CDIs	211,272,690

2 Distribution schedule

A distribution schedule of the number of holders of CDIs and Shares (as-converted to CDIs) follows:

Category	Number of holders
1 to 1,000	Nil
1,001 to 5,000	49
5,001 to 10,000	74
10,001 to 100,000	221
100,001 and over	68
Total	412

3 Statement of 20 largest holders of CDIs

A statement setting out the names of the 20 largest holders of CDIs and Shares (as-converted to CDIs) (including the number and percentage of CDIs held by those holders) is set out in **Attachment 1**.

4 Statement confirming completion of Restructuring

AirXpanders confirms that the following transactions have completed:

1. the conversion of all outstanding shares of preferred stock into Shares; and
2. a five for one reverse stock split.



5 ASX restrictions

The number of Shares, Options and CDIs subject to ASX restriction and the restriction period applying to those Shares, Options and CDIs is as follows:

Restriction period	Number of restricted securities
Until 4 September 2015	845,406 Shares
Until 18 September 2015	154,593 Shares
Until 11 June 2016	40,425 Shares
	58,290 CDIs
Until 18 June 2017*	827,758 Shares
	2,856,452 Options

* or such later date as is the last day of the 24-month period commencing on the date of quotation of AirXpanders' CDIs on the ASX.

6 Voluntary escrow

The number of Shares, CDIs, Options and Warrants subject to voluntary escrow and the escrow period applying to those Shares, CDIs, Options and Warrants is as follows:

Escrow period	Number of escrowed securities ¹
Until 18 June 2016*	32,324,172 Shares
	2,079,117 CDIs
	343,324 Options
	111,117 Warrants
Until 18 June 2017**	10,774,730 Shares
	693,039 CDIs
	114,441 Options
	37,039 Warrants

* or such later date as is the last day of the 12-month period commencing on the date of quotation of AirXpanders' CDIs on the ASX.

** or such later date as is the last day of the 24-month period commencing on the date of quotation of AirXpanders' CDIs on the ASX.

7 Additional Information

(a) Bookbuild

The following additional information is required by listing rule 1.17:

- the bookbuild took place between 28 April 2015 and 4 May 2015 and was conducted by Canaccord Genuity (Australia) Limited as the sole bookrunner (**Bookbuild**). Under the Bookbuild, selected institutional investors and selected broker firms lodged bids for CDIs

¹ Certain securities escrowed on a voluntary basis are also subject to ASX restrictions.



under the Institutional Offer and the Broker Firm Offer respectively, indicating the number of CDIs they wished to apply for at the Offer Price. The allocation of CDIs issued under the Institutional Offer and the Broker Firm Offer is set out above in section 1(a).

- the Offer Price was A\$0.50 per CDI;
- there were no concessionary fee or other arrangements entered into by AirXpanders which have had the result that effective issue price paid by some allottees differs materially from the Bookbuild price announced by AirXpanders;
- there were no arrangements entered into which have had the result that some allottees receive a material benefit for agreeing to participate in the Bookbuild at the bookbuild price announced by AirXpanders and which is not received by other allottees; and
- there were no arrangements entered into with associate of AirXpanders or the bookrunner to avoid a shortfall, or the appearance of a shortfall, in the Bookbuild.

(b) Waiver from Listing Rule 14.2.1

ASX has granted AirXpanders a waiver from listing rule 14.2.1 to the extent necessary to permit the Company not to provide in its proxy form an option for holders of CDIs to vote against a resolution to elect a director or to appoint an auditor, on the following conditions:

- The Company complies with relevant US laws as to the content of proxy forms applicable to resolutions for the election of directors and the appointment of an auditor.
- The notice given by the Company to CDI holders under ASX Settlement Operation Rule 13.8.9 makes it clear that holders are only able to vote for the resolutions or abstain from voting, and the reasons why this is the case.
- The Company releases details of the waiver to the market as part of the pre-quotation disclosure, and the terms of the waiver are set out in the management proxy circular provided to all holders of CDIs.
- Without limiting ASX's right to vary or revoke its decision under listing rule 18.3, the waiver from listing rule 14.2.1 only applies for so long as the relevant US laws prevent the Company from permitting shareholders to vote against a resolution to elect a director or appoint an auditor.



Attachment 1 – Statement of 20 largest holders of CDIs²

RANK	FULL NAME	BALANCE	%
1	VIVO VENTURES FUND VII LP	49,448,751	23.41%
2	GBS VENTURE PARTNERS TR GBS BIOVENTURES IV TRUST DTD APRIL 24 2008	48,306,735	22.86%
3	PROLOG CAPITAL II LP	20,334,507	9.62%
4	NATIONAL NOMINEES LIMITED	14,554,162	6.89%
5	J P MORGAN NOMINEES AUSTRALIA LIMITED	9,372,860	4.44%
6	HERON CAPITAL VENTURE FUND I LP	7,962,513	3.77%
7	CORRELATION VENTURES LP	7,565,481	3.58%
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,973,226	3.30%
9	UBS NOMINEES PTY LTD	4,297,500	2.03%
10	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LTD <NOM1 A/C>	3,022,500	1.43%
11	CITICORP NOMINEES PTY LIMITED	2,501,533	1.18%
12	CS FOURTH NOMINEES PTY LTD	2,192,500	1.04%
13	BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE NO 1 A/C>	1,872,500	0.89%
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	1,627,500	0.77%
15	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,627,500	0.77%
16	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PISELECT>	1,131,913	0.54%
17	VIVO VENTURES VII AFFILIATES FUND LP	1,077,726	0.51%
18	CG NOMINEES (AUSTRALIA) PTY LTD	1,000,000	0.47%
19	PODESTA FAMILY GROUP PTY LTD <PODESTA FAMILY GROUP A/C>	1,000,000	0.47%
20	PERSHING AUSTRALIA NOMINEES PTY LTD <ACCUM A/C>	978,966	0.46%
Top 20 issued capital		186,848,373	
Top 20 issued capital (%)		88.44%	
Total issued capital		211,272,690	

² Assumes conversion of all shares to CDIs.