



Scott Dodson **CEO**

Highlights

- **AirXpanders featured in three presentations at American Society of Plastic Surgeons Meeting**
- **Positive Results from Use of AirXpanders' AeroForm Tissue Expander Highlighted at ASPS Annual Meeting**
- **Third quarter unit sales increased 25 percent from second quarter**
- **AirXpanders in the News**

Keep in touch with AirXpanders

If you're an investor and want to keep in touch with our latest updates, please email achan@bucanwe.com.au and request to be added to our database.

A message from the CEO

Dear investors,

You may have seen that we recently released our latest 4C Quarterly Report, which continued to show the strong uptake for the AeroForm® Tissue Expander System from both patients and physicians.

Unit sales increased 25 per cent quarter-on-quarter, and the figure illustrates the continued excellent response to AeroForm in Australia. While the US and Australian markets differ, we believe the key learnings in this market are transferable to our next target market which is the United States.

As we continue to see positive feedback in Australia, we are firmly focused on our next major milestone: securing U.S. Food & Drug Administration (FDA) clearance for AeroForm. As we have communicated previously with investors, we have submitted our complete response to the FDA and anticipate a final decision in Q4 2016.

Looking ahead, we have a number of major goals and milestones ahead of us, including:

- Securing FDA clearance for AeroForm in the U.S.;
- Establishing a sale force in the U.S. upon FDA clearance;
- Following clearance, successfully launching AeroForm in the U.S. market;
- Accelerating market share and uptake in Australia;
- Completing the manufacturing transfer to Costa Rica to help build a strong inventory position;
- Implementing continuous product enhancements to the AeroForm Tissue Expander System that will improve product performance and lower our cost of goods

In anticipation of the FDA milestone, we are working hard to engage with the U.S. market. Not only are we engaging selected high volume hospitals, but we are also educating the broader surgeon community to generate continued interest and awareness for AeroForm.

As part of these efforts, AirXpanders recently attended the American Society of Plastic Surgeons (ASPS) Plastic Surgery: The Meeting 2016 in Los Angeles, which was attended by more than 3,000 of the world's leading plastic surgeons. At the event, three U.S. plastic surgery leaders involved with the XPAND pivotal clinical study for AeroForm shared their experiences and clinical results while Dr. Thomas Lam from Sydney won the Best Paper Award for his experience with AeroForm in Sydney.

In addition, positive results from a new subset analysis of the XPAND pivotal study were presented at the event. The data demonstrated patients using the commercial version of the AeroForm device achieved full tissue expansion in less than half the time of traditional saline expanders. The findings are further evidence of the benefits of AeroForm in helping women reclaim their lives faster after breast cancer.

We remain excited about the opportunities ahead for AirXpanders and on behalf of the Board and Management, we truly appreciate the support of our investors. Please feel free to drop me a line with any feedback at sdodson@airxpanders.com.

Yours sincerely,

Scott Dodson
CEO and President
AirXpanders, Inc.

AirXpanders featured in three presentations at American Society of Plastic Surgeons Meeting

In late September, AirXpanders engaged with some of the world's leading plastic surgeons at the American Society of Plastic Surgeons (ASPS) Plastic Surgery: The Meeting 2016 held in Los Angeles. The ASPS is the largest specialty plastic surgery organization in the world with more than 7,000 members, and comprises 94 percent of all board-certified plastic surgeons in the United States.

During the meeting, three plastic surgery leaders involved with AirXpanders' XPAND pivotal clinical study for AeroForm shared their experiences and clinical results.

These include:

- Dr. Kamakshi Zeidler – who provided clinicians a primer on AeroForm at the Hot Topics in Plastic Surgery Session.
- Dr. Khashayar Mohebbi – who presented information detailing the use of AeroForm and clinical results to plastic surgery residents at the Resident's Day Program.
- Dr. Jeffrey Ascherman - who presented the results of a subset of patients who were treated with the commercial version of the device in AirXpanders' XPAND U.S. pivotal trial, a prospective, multi-center, randomized, controlled study which compared AeroForm to saline tissue expansion, at a Scientific Abstracts session.

These three plastic surgery leaders all played a critical role in advancing the clinical understanding of AeroForm, and AirXpanders is delighted these leaders shared their experiences with their esteemed peers at ASPS this year.

In addition, Dr. Thomas Lam (Westmead, Auburn & Bankstown Public Hospitals, Macquarie, Westmead and Holroyd Private Hospitals) was honoured with the "Best Australian Paper" award for his publication, "Evaluation of AirXpanders for Breast Reconstruction: Early Experience from Sydney" in Plastic and Reconstructive Surgery-Global Open.



AirXpanders booth, American Society of Plastic Surgeons (ASPS) 2016.

"The excitement around the AirXpanders booth at ASPS was palpable with both U.S. and international surgeons wanting to learn more about

the AeroForm System," said Jennie Kim, senior director, Global Marketing, AirXpanders. "As a company, we are excited about the

opportunities ahead and look forward to introducing AeroForm to the U.S. market upon FDA clearance."

Positive Results of AirXpanders' AeroForm Tissue Expander Highlighted at ASPS Annual Meeting

During the ASPS Plastic Surgery: The Meeting 2016 held in Los Angeles, a new subset analysis from the XPAND pivotal study was presented by Dr. Jeffrey Ascherman, chief of the division of plastic surgery at Columbia University and principal investigator for AirXpanders' U.S. XPAND trial.

The study presented the experience of a subset of patients who received the commercial version of the

AeroForm device as part of the XPAND pivotal trial. Among the 72 women studied who required tissue expansion as part of breast reconstruction, 44 received AeroForm, and 28 received traditional saline expanders. Women in the AeroForm group were able to achieve tissue expansion within 17 days, as compared to 35 days for the saline expander group, and overall the reconstruction process was reduced by 10 days. This significant

reduction in time to expansion was achieved with equivalent safety and efficacy, and resulted in increased patient satisfaction.

Dr. Jeffrey Ascherman noted this subset data is further evidence of the benefits of AeroForm in not only reducing the time to implant in comparison to saline implants, but in "helping women reclaim their lives faster after breast cancer".



AirXpanders: News and coverage

The Australian

Medical devices could cure your financial ills

29 August 2016

<http://bit.ly/2cmGtcl>

Livewire Markets

Big step forward for patients, potentially big money for investors

2 September 2016

<http://bit.ly/2c3epf1>

Canaccord Genuity

Keeping its foot on the Gas - Canaccord raises its target price for AirXpanders

25 September 2016

<http://bit.ly/2e0HDKM>

VIDEO

Kamakshi Zeidler, MD, FACS, a plastic surgeon practicing in California, reviews her presentation of AeroForm at Plastic Surgery: The Meeting

30 September 2016

<http://bit.ly/2drGR6W>