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13 May 2019

Update on Revenue Guidance and Oxford facility

San Jose, CA, United States – AirXpanders, Inc. (ASX: AXP) (**Company**), a medical device company focused on the design, manufacture, sale and distribution of the AeroForm® Tissue Expander System, today announces an update on its revenue guidance for 2019.

In light of the recently announced organizational restructure, the Company no longer expects to achieve net revenues for 2019 of between US\$11.5 million and US\$14 million, as outlined in the “2019 Business Outlook” in the Appendix 4C announcement on 30 January 2019. The Company is not able to provide revised revenue guidance at this stage as it works through its current restructuring and explores financial and strategic alternatives.

The Company also expects that it will breach its minimum net revenue covenant for the month of April under its debt facility with Oxford Finance, LLC. The Company is continuing discussions with Oxford in relation to the previous quarter’s covenant breach as well as this anticipated new breach.

“As previously announced, we look forward to working with Cowen regarding our evaluation of strategic alternatives for the company,” said Frank Grillo, CEO. “We have a great product, loyal customers and enthusiastic patients. We will provide updates to the market as appropriate as we explore the next phase in our journey as a company.”

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 San Jose, 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, subsequent U.S. market clearance in 2017, 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, including those related actual and anticipated covenant

breaches under our loan agreement, strategic alternatives, the use of proceeds, cash forecasts and anticipated growth of the Company's business, are forward-looking statements. These include, without limitation, risks and uncertainties related to our ability to obtain a waiver of the covenant violations under the loan agreement from Oxford, our ability to consummate any particular financing or strategic transaction on favourable terms or at all, our ability to enhance stockholder value and/or to provide our products and services to patients and physicians, and additional business risks included in the Company's periodic reports filed with the SEC. 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 most recent Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 28, 2019 (AUS time). 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.

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