



19 June 2019

AirXpanders Provides an Update Regarding a Material Definitive Agreement with Oxford Finance

AirXpanders, Inc. (the “**Company**”) has entered into a Forbearance Agreement (the “**Forbearance Agreement**”) with respect to the Company’s Loan and Security Agreement dated August 4, 2017, as amended (the “**Agreement**”) with Oxford Finance LLC (“**Oxford**”). The effective date of the Forbearance Agreement is expected to be June 19, 2019 (US time), when AirXpanders will transfer US\$500,000 to a restricted account under the sole control of Oxford Finance.

Under the Forbearance Agreement, Oxford has agreed that it will forbear, during the Forbearance Period (as defined below), from filing any legal action or instituting or enforcing any rights and remedies it may have against the Company in connection with existing and ongoing defaults under the Agreement.

The forbearance period (the “**Forbearance Period**”) under the Forbearance Agreement will expire on the earliest to occur of (a) June 30, 2019 (unless (i) the Company receives one or more merger and acquisition offerings or refinance indications of interest satisfactory to Oxford (“**M&A Offerings or Refinance Indications**”) prior to June 30, 2019 in which case such date will be extended to July 8, 2019, and (ii) if the Company executes a term sheet for one or more M&A Offerings or Refinance Indications prior to July 8, 2019, in which case such date will be further extended to July 31, 2019), (b) the failure of the Company to comply with any of the terms or undertakings of the Forbearance Agreement, (c) the occurrence of any further events of default (as defined in the Agreement), other than the existing and ongoing defaults under the Agreement to maintain minimum liquidity levels and achieve minimum revenue levels, and (d) the date the Company joins in, assists, cooperates, or participates as an adverse party or adverse witness in any suit or other proceeding against Oxford related to the Agreement.

The foregoing description of the Forbearance Agreement is qualified in its entirety by reference to the full text of the Forbearance Agreement, a copy of which will, upon the Forbearance Agreement becoming effective, be filed in an SEC Form 8-K and provided to ASX.

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 Quarterly Report on Form 10-Q, as filed with the Securities and Exchange Commission on May 15, 2019 (US 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.

- ENDS -

<i>Company</i>
Frank Grillo President & CEO Tel: +1 (650)-390-9000 Email: fgrillo@airxpanders.com