



28 February 2017

ASX Compliance Pty Limited  
 Level 4, North Tower  
 525 Collins Street  
 Melbourne VIC 3000

Dear ASX,

**Vivo – Change in Substantial Holding - AirXpanders, Inc. (AXP) ('AirXpanders or 'the Company')**

The purpose of this notice is to confirm the dilutive impact of the issue by AirXpanders of 22.4 Million CHESSE Depository Interests (**CDIs**) (Tranche 2 of a placement announced by AirXpanders on 27 January 2017) on the holdings of Vivo in AirXpanders in which it did not participate.

**Previous notification**

Vivo last advised AirXpanders of its stockholdings in AirXpanders on 19 September 2016. A summary follows below:

Name	Nature of interest	Class & number of equity securities	Percentage of voting power
Vivo*	Power to control disposal and voting of the securities held	Total holding: equivalent to 50,526,477 CDIs (Consisting of: 38,763,033 CDIs (representing 12,921,011 Shares of Class A common stock ( <b>Shares</b> )) and 3,921,148 Shares (equivalent to 11,763,444 CDIs))	19.12%

\* Vivo includes: Vivo Ventures Fund VII, L.P. (Total: equivalent to 49,448,751 CDIs: consisting of 37,936,221 CDIs (representing 12,645,407 Shares) and 3,837,510 Shares (equivalent to 11,512,530 CDIs) and Vivo Ventures VII Affiliates Fund, L.P. (Total: equivalent to 1,077,726 CDIs: consisting of 826,812 CDIs (representing 275,604 Shares) and 83,638 Shares (equivalent to 250,914 CDIs)

**Present relevant interests**

22,376,544 CDIs were allotted on 24 February 2017 in accordance with an announcement by AirXpanders to the ASX on 27 January 2017. The allotment of CDIs diluted the holdings of Vivo. The table below shows the revised percentage changes in voting power resulting from this issue.

Name	Nature of interest	Class & number of equity securities	Percentage of voting power
Vivo*	Power to control disposal and voting of the securities held	Total holding: equivalent to 50,526,477 CDIs (Consisting of: 38,763,033 CDIs (representing 12,921,011 Shares of Class A common stock ( <b>Shares</b> )) and 3,921,148 Shares (equivalent to 11,763,444 CDIs))	17.63%

\* Vivo includes: Vivo Ventures Fund VII, L.P. (Total: equivalent to 49,448,751 CDIs: consisting of 37,936,221 CDIs (representing 12,645,407 Shares) and 3,837,510 Shares (equivalent to 11,512,530 CDIs) and Vivo Ventures VII Affiliates Fund, L.P. (Total: equivalent to 1,077,726 CDIs: consisting of 826,812 CDIs (representing 275,604 Shares) and 83,638 Shares (equivalent to 250,914 CDIs)

Yours sincerely,

A handwritten signature in black ink, appearing to read "Alb Cha".

Dr Albert Cha

Managing Member,

Vivo Ventures VII, LLC

General Partner of Vivo Ventures Fund VII, L.P. and Vivo Ventures VII Affiliates Fund, L.P.