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Aethlon Medical (AEMD-NASDAQ)

AEMD: *Virtual Meeting With Management, Upcoming Presentation of Data in Long Covid*

We met virtually with Aethlon & present positive takeaways, including that AEMD has had an abstract accepted for poster presentation at an important upcoming symposium. The company's near-term focus is on assessing its lead asset, the Aethlon Hemopurifier®, as a potential treatment for oncology. Longer-term, AEMD continues to view the device as a potential tool in the treatment of viruses including Long Covid, organ transplants and other medical areas and also continues to publish papers supporting further research.

OUTLOOK

Long COVID is estimated to lead to about $2b-$6.5b of related costs/year for the ~44 to 48m people suffering in the U.S. but no treatment has proven effective yet. Aethlon collaborated with the UCSF Medical Center Long COVID clinic to evaluate plasma samples from participants with Long COVID symptoms & examine whether they could benefit from the Hemopurifier. We estimate, given the company's focus on controlling costs, that expense associated with this effort was de minimis. We also estimate that the data shows results that warrant further study of the Hemopurifier for Long Covid and potentially other areas of infectious disease. Separately, AEMD recently published papers on preclinical data showing the Hemopurifier's ability to remove platelet-derived EVs from plasma and preclinical data on the Hemopurifier in the Transplant Immunology Journal.

Current Price (6/11/25)	$1.99
Valuation	**$4.50**

SUMMARY DATA

52-Week High	**$8.48**
52-Week Low	**$1.92**
One-Year Return (%)	**NA**
Beta	**1.75**
Average Daily Volume (sh)	**NA**
Shares Outstanding (mil)	**2**
Market Capitalization ($mil)	**$4**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**11**
Insider Ownership (%)	**3**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2025 Estimate	**N/A**
P/E using 2026 Estimate	**N/A**

Risk Level	**High,**
Type of Stock	**Small-Blend**
Industry	**Med Products**

ZACKS ESTIMATES

Revenue
(in '000 of $)

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2022	0.1 A	0.1 A	0.0 A	0.0 A	0.3 A
2023	0.0 A	0.0 A	0.0 A	0.6 A	0.6 A
2024	0.0 A	0.0 A	0.0 A	0.0 A	0.0 A
2025	0.0 A	0.0 A	0.0 A	0.0 E	0.0 E

Earnings / loss per share

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2022	-$1.59 A	-$1.28 A	-$1.57 A	-$2.44 A	-$7.06 A
2023	-$1.88 A	-$1.84 A	-$1.24 A	-$1.07 A	-$5.86 A
2024	-$10.80 A	-$9.77 A	-$10.99 A	-$7.71 A	-$38.87A
2025	-$2.76 A	-$1.61 A	-$1.01 A	-$0.98 E	-$5.72 E

Quarters might not add to annual reflecting rounding, share counts

Disclosures on page 9 '24-25 PF

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POSITIVE TAKEAWAYS FROM RECENT VIRTUAL MEETNG WITH MANAGEMENT

AEMD CMO will present data on Hemopurifier potential in Long Covid at Keystone Symposium

We met virtually with medical therapeutic company Aethlon Medical (NASDAQ: AEMD) this week and present our positive takeaways in this note. AEMD has had an abstract accepted for poster presentation at the Keystone Symposium on Long COVID and Other Post-Acute Infection Syndromes. The company's near-term focus is on assessing its lead asset, the Aethlon Hemopurifier®, as a potential treatment for oncology. The Hemopurifier is being evaluated in combination with checkpoint inhibitors as a potential treatment for patients suffering from various solid tumor types. Longer-term, AEMD continues to view the device as a potential tool in the treatment of viruses including Long Covid, organ transplants and other medical areas.

In the U.S., some 44 to 48 million people suffer from Long COVID, or persistent symptoms following the initial illness of acute SARs-CoV-2 infection (COVID-19). These symptoms can include fatigue, post-exertional malaise, shortness of breath, chest pain and cognitive difficulties and they sometimes last for up to a year or longer. Long COVID is estimated to lead to about $2 billion to $6.5 billion of related costs per annum, including costs related to lost productivity when people's work schedules are disrupted, according to a recent study published in the Journal of Infectious Diseases.

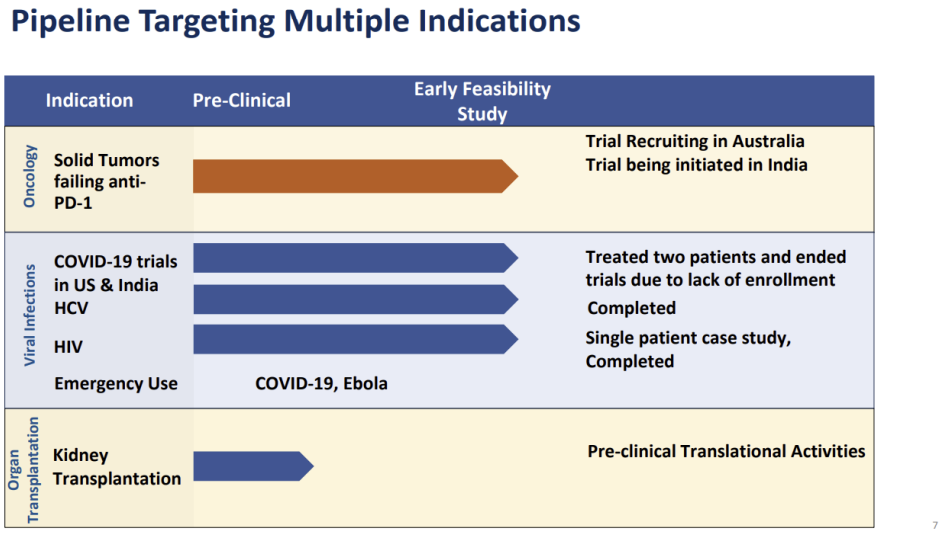
The Hemopurifier® is an investigational extracorporeal device designed to bind and remove harmful extracellular vesicles (EVs), nanoparticles 50-500nm in diameter, from the blood through a combination of plasma separation, size exclusion and binding to a proprietary affinity resin. The Hemopurifier has been shown to remove EVs in a patient with severe acute COVID-19. EVs have been found to contain viral particles and other issues associated with abnormal blood clotting and inflammation and have been implicated in the pathogenesis of Long COVID. According to AEMD, more than $1 billion has been allocated to fund Long COVID research but no treatment has proven effective yet.

Aethlon collaborated with the UCSF (University of California San Francisco) Medical Center Long COVID clinic to evaluate plasma samples from participants with Long COVID and control participants who had fully recovered from COVID-19 to examine whether individuals with Long COVID would have EVs with the mannose target on their surface that would bind to the affinity resin in the Hemopurifier. We estimate, given the company's focus on controlling costs, that expense associated with this effort was de minimis. We also estimate that the data show results that warrant further study of the Hemopurifier for Long Covid and potentially other areas of infectious disease.

The company's Chief Medical Officer, Steven P. LaRosa, M.D, will present the data at the Keystone Symposium on August 12, 2025. The data presented will review the binding of both larger and smaller EVs to GNA lectin and the lectin-based affinity resin, respectively.

AEMD optimistic about potential of Hemopurifier in multiple areas

AEMD's current focus is on assessing the Hemopurifier in oncology but the company continues to see how the device performs relative to other areas, including infectious disease and organ transplantation. The Hemopurifier has received FDA *Breakthrough Device* designation for two independent indications. The Hemopurifier has *Breakthrough Device* designation for the treatment of people with advanced or metastatic cancer who are either unresponsive to or cannot tolerate standard of care therapy, and with cancer types in which exosomes are indicated in the development or severity of the disease and also for life-threatening viruses that are not addressed with approved therapies. In addition to presenting the poster noted above in August, AEMD recently has published papers on preclinical data showing the Hemopurifier's ability to remove platelet-derived EVs from plasma and preclinical data on the Hemopurifier in the Transplant Immunology Journal.



Source: Company presentation

The Hemopurifier is an extracorporeal device – in other words, it works outside the body, as illustrated in the figure below. The device is used on existing blood circulatory equipment such as dialysis and CRRT machines that are already installed in hospitals and clinics, making the Hemopurifier essentially a plug & play tool for medical centers.



Source: Aethlon Medical

AEMD conducting oncology trial studying Hemopurifier with standard of care

AEMD has made significant strides in moving its clinical activities forward. In the near-term, AEMD's primary focus currently is on researching the Hemopurifier as a potential treatment in oncology, as noted. AEMD is conducting a basket oncology trial to study the impact of the Hemopurifier in patients with various solid tumors who have stable or progressive disease during anti-PD-1 monotherapy treatment. It is a phase 1 safety, feasibility and dose-finding study. With a basket trial, the company will administer Hemopurifier treatment to patients suffering from various solid tumor types.

Checkpoint inhibitors are also used to treat a broad range of tumor types. In fact, checkpoint inhibitors such as Keytruda® have been used to treat 25+ different types of cancer. If the study shows the Hemopurifier to be beneficial in multiple cancer types, the company believes the data will support the broad utility of the device. Moreover, by focusing on multiple cancers and including patients with a variety of solid tumors, the company has also expanded the opportunities for patient enrollment and can build a database to support regulatory approval. Including both Keytruda and Opdivo® is also expected to facilitate patient enrollments. The goal is to build its database in oncology to help with the development of the Hemopurifier as an oncology treatment.

The company has multiple sites in Australia and the first patient in its Australian safety, feasibility and dose-finding clinical trial was treated with the Hemopurifier on January 29, 2025 for four hours on a single day. The patient tolerated the procedure without complications. AEMD anticipates that data from the first treatment cohort will provide insight into the Hemopurifier's potential ability to reduce tumor-derived EVs and enhance T cell activity against tumors.

AEMD also expects to realize benefits from attractive economic incentives the Australian government provides for clinical development efforts and lower costs in India, where R&D expenses are substantially lower than in the U.S., according to management, and thereby maximize its R&D dollars. Australia offers an R&D tax incentives rebate program, which enables companies to receive a cash tax rebate of up to 43.5% on clinical trial related R&D costs and is expected to help it reduce costs, lower risk, and accelerate time to market.

We would expect AEMD to announce the data from the first cohort of patients once all patients have been treated. The company's trial will analyze whether the Hemopurifier can help decrease the concentration of EVs in cancer patients and thereby improve overall patient outcomes, as noted. The company's objective in designing the trial was to test the Hemopurifier in a patient population that is already receiving checkpoint inhibitor treatment but could obtain incremental benefit from the Hemopurifier. The company's hypothesis is that using the Hemopurifier in conjunction with treatment of checkpoint inhibitors can increase the percent of patients who can benefit from combined treatment. The company expects the Hemopurifier, in conjunction with an inhibitor, can help improve overall patient outcomes and demonstrate proof of concept about the device's benefits in treating solid tumors. The company is optimistic that the trial will show the Hemopurifier's ability in conjunction with Optivo or Keytruda that block anti-PD1 to improve body's cancer fighting ability.

In addition to monitoring safety, the study is designed to examine the number of Hemopurifier treatments needed to decrease the concentration of EVs and if these changes in EV concentrations improve the body's own natural ability to attack tumor cells. EVs are released from the parent cell and tumor cells generally have more mannose compared to healthy cells. EVs have been shown to contribute to metasisis of the malignancy and to suppressing the body's immune system from helping the body fight disease. If the Hemopurifier can remove a quantifiable amount of EVs, it is expected it can help improve responses to standard-of-care cancer therapy.

VALUATION

We believe the potential utility of the Hemopurifier could be in a broad range of oncology and other treatments. As the company continues to advance the Hemopurifier through clinical efforts towards regulatory approval and hit certain milestones, in turn likely leading to greater awareness and investor interest in the company, we would anticipate multiple expansion on AEMD shares.

As noted, the cancer treatment market unfortunately is large and growing and if clinical testing of the Hemopurifier supports its potential role as an oncology treatment, we would anticipate significant commercial potential. For instance, sales of Keytruda exceeded $20 billion in 2022, according to Merck.

If Aethlon's planned initial oncology trials warrant continuing to advance the Hemopurifier for treatment in this area, as management expects, we believe it would not be unreasonable to expect that the company could reach the $90 million revenue range by the 2028-2030 timeframe. Discounting back at about 12%-13% per annum and applying a confidence factor regarding timing and potential further share dilution from of about 25% to 30% leads to a current valuation of about $4.50 per share pro forma for the recent reverse stock split. The company completed a 1-for-8 reverse stock split last week and is compliant with Nasdaq listing requirements.

Given the lack of truly effective cancer therapies, we think that there is reason to believe that a cancer indication for the Hemopurifier is an eventual realistic outcome. Clinical evidence supports the role of exosomes in the progression of cancer and, similarly, that removing tumor-derived exosomes from circulation might inhibit tumor growth and/or potentially improve the effectiveness of immunotherapies. As Aethlon pursues studies of the Hemopurifier in a potential cancer indication, we think a growing database of evidence could have important consequences, including potentially influencing key opinion leaders and regulators alike.

We reiterate that our valuation is based on the company's current preliminary development state. It does not incorporate potential from treatment of viruses or in organ transplant or other applications. Moreover, AEMD shares have come under pressure reflecting, we believe, general market and economic uncertainty and the rising interest rate environment. We believe uncertainty could continue to overhang the shares in the near-term, similar to many other early stage pre-revenue life sciences companies, particularly as it is difficult to know the company's revenue arc at this early stage in the development of the Hemopurifier.

While we believe there could be a meaningful revenue opportunity associated with the Hemopurifier within the oncology space, depending on the potential benefits of the Hemopurifier in multiple types of cancers, we do not expect the shares to begin to reflect this at this early stage and, as noted, we believe uncertainty around the company's clinical / commercialization timeline and market / economic uncertainty could continue to overhang the shares in the near-term.

RECENT NEWS

- Aethlon announced on June 9, 2025, its upcoming presentation of new pre-clinical data at the Keystone Symposium on Long COVID and Other Post-Acute Infection Syndromes.
- Aethlon announced publication of preclinical data showing Hemopurifier®'s ability to remove platelet-derived EVs from plasma on May 14, 2025.
- On March 10, 2025, AEMD published preclinical data on the Hemopurifier® in Transplant Immunology Journal.
- On Jan 29, 2025, AEMD treated the first patient in its Hemopurifier® cancer trial in Australia.
- On November 11, 2024, AEMD enrolled the first patient in (FPI) in its Hemopurifier® cancer trial in Australia.
- AEMD received Ethics Committee approval in India for the Hemopurifier® trial on September 19, 2024.
- Aethlon received approval from the Bellberry Human Research Ethics Committee on August 12, 2024.
- On June 18, 2024, Aethlon received Ethics Committee approval from Central Adelaide Local Health Network.
- AEMD reported positive in vitro data on May 10, 2024.
- On February 21, 2024, Aethlon Entered into a materials transfer agreement for Santersus AG's NucleoCapture and HemoNucleoCapture devices.
- AEMD announced 3Q FY24 results on February 14, 2024.
- On November 13, 2023, the company announced that it had named James Frakes as interim CEO.

RISKS

Risks to Aethlon achieving its objectives, and to our valuation, include the following.

- AEMD might need to raise additional capital earlier than or at rates that are more dilutive than expected.
- There might be delays in the company's clinical and subsequent commercialization timelines.
- The clinical trials might not produce the results that management anticipates.
- Despite receiving two FDA Breakthrough Device designations, the FDA approval might take longer than expected or might not come at all.
- The company might not be able to advance the Hemopurifier in various programs.
- Other competing therapies might advance faster in clinical research than the Hemopurifier.

FINANCIAL MODEL

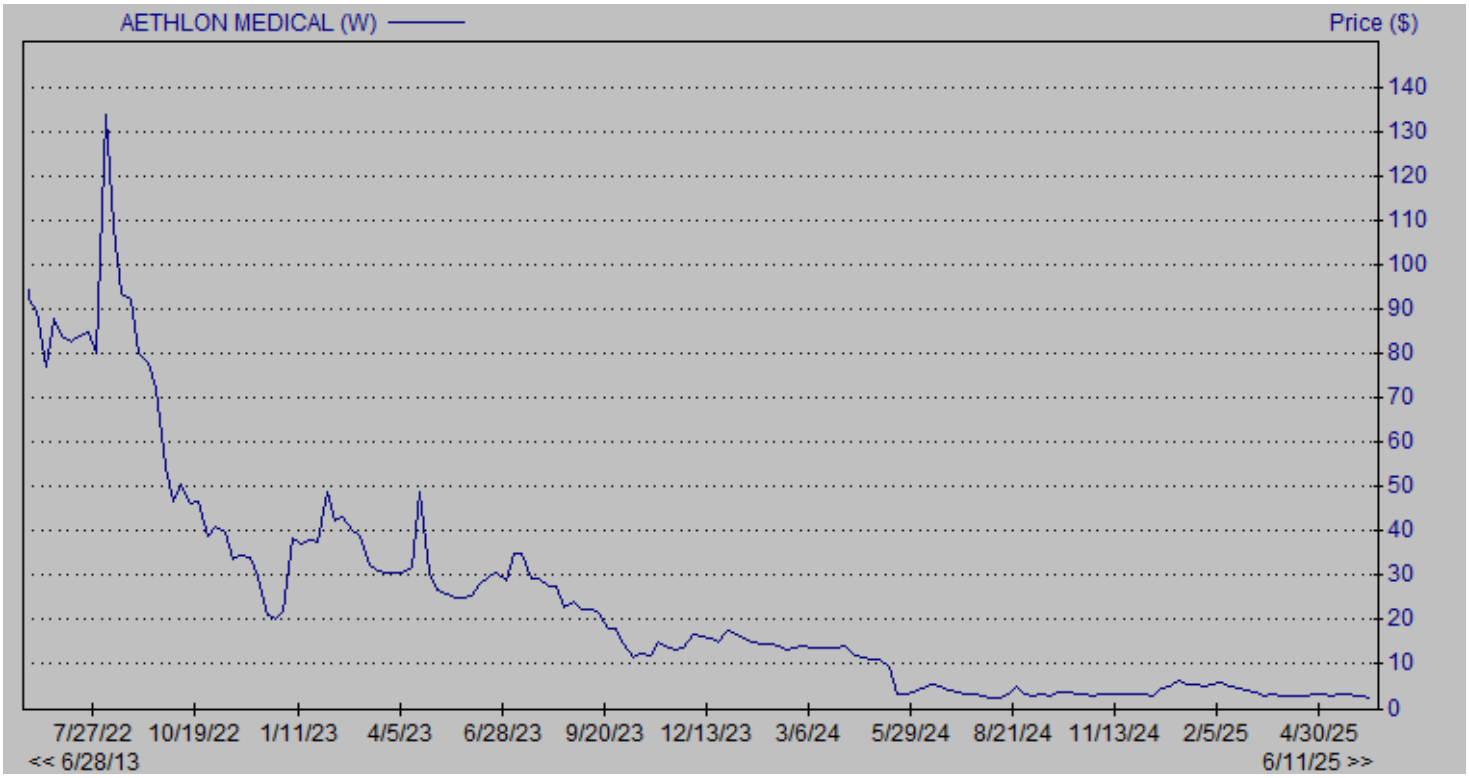
Aethlon Medical Inc.

AEMD ($000s)	1Q24 A	2Q24 A	3Q24 A	4Q24 A	2024 A	1Q25 A	2Q25 A	3Q25 A	4Q25 E	2025 E
Revenue	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
YOY Growth					*NM*					*NM*
Cost of Goods Sold	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Gross Income	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Gross Margin					*NM*					*NM*
OpEx	$2,729.2	$2,546.9	$2,973.7	$1,866.7	$10,116.6	$2,206.2	$2,640.6	$1,574.5	$1,576.1	$7,997.5
SG&A % of Prod Sales	*NM*	*NM*	*NM*	*NM*	*NM*					*NM*
R&D	$678.9	$628.4	$593.4	$619.2	$2,520.0	$414.7	$261.5	$240.2	$257.0	$1,173.4
R&D % Tot Sales										
Operating Income	($3,408.2)	($3,175.3)	($3,567.1)	($2,486.0)	($12,636.6)	($2,620.9)	($2,902.1)	($1,814.7)	($1,833.1)	($9,170.9)
Operating Margin										
Total Other Expense	($125.0)	($140.9)	($101.0)	($61.6)	($428.4)	($49.4)	($95.1)	($60.0)	($59.4)	($263.9)
Pre-Tax Income	($3,283.2)	($3,034.5)	($3,466.1)	($2,424.4)	($12,208.2)	($2,571.4)	($2,807.0)	($1,754.8)	($1,773.8)	($8,907.0)
Other comprehensive inc			$8.0	($8.8)	($0.8)		$3.8	($13.1)		($9.3)
Taxes (benefit)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Tax Rate	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Minority interest	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Net Income	($3,283.2)	($3,034.5)	($3,458.2)	($2,424.4)	($12,209.0)	($2,571.4)	($2,803.2)	($1,767.8)	($1,773.8)	($8,916.2)
Net Margin										
EPS	($10.80)	($9.77)	($10.99)	($7.71)	($38.87)	($2.76)	($1.61)	($1.01)	($0.98)	($5.72)
Diluted Shares O/S	304	310	315	314	314	932	1,742	1,745	1,817	1,559

Source: Zacks *Pro forma for reverse stock split*

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HISTORICAL STOCK PRICE



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