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Aethlon Medical (AEMD-NASDAQ)

AEMD: *Cohort 2 Enrollment Open; Initial Cohort 1 Data Analysis Expected Next Month*

With no serious adverse events (SAEs) or Dose-Limiting Toxicities (DLTs) related to the Hemopurifier reported from Cohort 1 to-date, AEMD has commenced enrollment for Cohort 2 in which participants will receive 2-Hemopurifier treatments over one week vs. one for the Cohort 1 arm. The trial is planned to evaluate the safety and feasibility of administering the Hemopurifier at varying dosing intervals. Samples from Cohort 1 are being analyzed, with initial analysis observations expected next month., which could be a catalyst, in our view.

Current Price (8/18/25)	$1.14
Valuation	**$4.55**

OUTLOOK

With the timeline to launch a study in India similar to the one being conducted in Australia significantly longer than AEMD had initially anticipated, the company has decided not to move forward in India at this time. AEMD will continue to focus on the ongoing oncology study in Australia, where it benefits from attractive economic that are expected to help reduce costs, lower risk & accelerate time to market. When appropriate, the company continues pre-clinical research and analysis of the Hemopurifier in areas outside of oncology when expenses associated with these efforts are de minimis. This includes recent research conducted in collaboration with UCSF that led to AEMD's CMO presenting last week on the potential benefits of the Hemopurifier in treating Long COVID & papers on preclinical data showing the Hemopurifier's ability to remove platelet-derived EVs from plasma published in the Transplant Immunology Journal.

SUMMARY DATA

52-Week High	**$8.48**
52-Week Low	**$1.09**
One-Year Return (%)	**NA**
Beta	**NA**
Average Daily Volume (sh)	**272,436**
Shares Outstanding (mil)	**3**
Market Capitalization ($mil)	**$2.4**
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 2026 Estimate	**N/A**
P/E using 2027 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)
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 A	0.0 A
2026	0.0 A	0.0 E	0.0 E	0.0 E	0.0 E

Earnings / loss per share

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
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	-$3.10 A	-$8.58 A
2026	-$0.85 A	-$0.70 E	-$0.72 E	-$0.81 E	-$3.05 E

Quarters might not add to annual reflecting rounding, share counts

Disclosures on page 10 '24-25 PF

ENROLLMENT FOR ONCOLOGY TRIAL COHORT 2 HAS COMMENCED

Data Safety Monitoring Board Recommended AEMD Progress Trial Without Modification

Aethlon Medical (NASDAQ: AEMD) announced FY 1Q (quarter ended June 30, 2025) results and provided a business update last week. The company has recorded several recent milestones as it advances its primary focus on researching the Hemopurifier® therapeutic blood filtration system as a potential treatment in oncology. 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 received FDA *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.

The Aethlon Hemopurifier

Source: Aethlon Medical

AEMD is conducting a basket oncology trial[1] 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. Unfortunately, only about 30% of cancer patients who receive pembrolizumab (Keytruda®) or nivolumab (Opdivo®) treatment for solid tumors have lasting clinical responses. The company's hypothesis is that using the Hemopurifier in conjunction with treatment of checkpoint inhibitors and / or adjuvant therapy can increase the percent of patients who can benefit from combined treatment. The trial is intended to assess the Hemopurifier's safety, feasibility, and optimal dosing.

The first three patients in Cohort 1 have been treated, completing a single 4-hour Hemopurifier treatment without device deficiencies or immediate complications. Participant #1 was treated with the Hemopurifier on January 29, 2025, for four hours on a single day and tolerated treatment without complications. Participants #2 and #3 received treatment in June 2025. All participants also completed a 7-day safety follow-up.

[1] Titled *Safety, Feasibility, and Dose-Finding Study of Aethlon Hemopurifier in Patients with Solid Tumors Who Have Stable or Progressive Disease While on a Treatment That Includes Pembrolizumab or Nivolumab*

The primary endpoint of this trial is the incidence of adverse events and clinically significant changes in safety laboratory tests of Hemopurifier-treated patients. The DSMB reviewed data from Cohort 1 in which no serious adverse events (SAEs) or Dose-Limiting Toxicities (DLTs) related to the Hemopurifier have been reported to date.

The independent Data Safety Monitoring Board (DSMB) overseeing its clinical trial completed its scheduled safety review and recommended that the company progress the trial to the next patient cohort without modification. The DSMB is composed of independent medical experts in nephrology and oncology. The DSMB reported finding no safety concerns related to the Hemopurifier and that the device continues to show a favorable safety and tolerability profile.

Cohort 2 participants will receive two Hemopurifier treatments over one week

AEMD has commenced enrollment for Cohort 2, in which participants will receive two Hemopurifier treatments over one week. The trial is planned to enroll about 9 to 18-participants and evaluate the safety and feasibility of administering the Hemopurifier at varying dosing intervals.

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. The goal is to build its database in oncology to help with the development of the Hemopurifier as an oncology treatment.

The company recently expanded the study protocol to reflect evolving immunotherapy standard of care such as adjuvant or combination therapy. While initially the Hemopurifier was being evaluated as an added therapy in conjunction with Keytruda or Opdivo, the device is also now also being evaluated as a treatment in conjunction with Keytruda or Opdivo in combination with other therapy. This is because Keytruda and other therapy are not only used as standalone treatment, but often used in combination with other therapies. Thus, the AEMD trial will analyze whether the Hemopurifier can help decrease the concentration of EVs in cancer patients being treated with standard of care approaches and thereby improve overall patient outcomes.

Initial observations from Cohort 1 data analysis expected next month

Central lab samples from the first patient cohort to assess the effects of the Hemopurifier on extracellular vesicle counts and anti-tumor T cell activity are being analyzed. Initial observations from the analysis are expected next month. Preliminary data to be reported includes the effects of Hemopurifier treatment combined with standard of care on EV removal and anti-tumor T-cell activity. The primary endpoint is safety. The study will also explore how many Hemopurifier treatments are needed to decrease the concentration of EVs, and whether potential changes in EV concentrations improve the body's natural ability to fight tumors. Findings will inform the design of future safety and efficacy trials, potentially including a Premarket Approval (PMA) study the FDA and other international regulatory agencies require.

The company expects the Hemopurifier, in conjunction with checkpoint inhibitor and combined therapy treatment can increase the percent of patients who can benefit from combined treatment and improve overall patient outcomes. In turn, this would show proof of concept about the Hemopurifier’s benefits in treating solid tumors. AEMD anticipates that data from the first treatment cohort will support the Hemopurifier’s potential ability to reduce tumor-derived EVs and enhance T-cell activity against tumors.

Study examining number of Hemopurifier treatments needed to decrease EV concentration

In addition to monitoring safety, the study is designed to examine the number of Hemopurifier treatments needed to decrease EV concentrations and if reduced EV concentrations improve the body's ability to fight tumors. 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 body's immune system from helping the body fight disease.

The ongoing trial is being conducted at three active clinical sites in Australia. AEMD had earlier expected to commence a similar study in India after receiving formal approval from India's Central Drugs Standard Control Organization (CDSCO) in June 2025. However, the timeline before actual patient enrollment could commence was significantly longer than AEMD had initially anticipated and the company has decided not to move forward at this time.

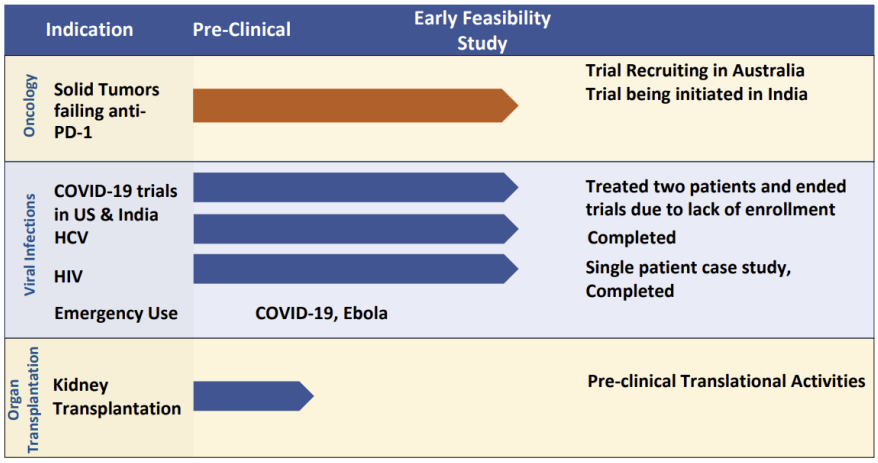
AEMD will continue to focus on the ongoing oncology study in Australia, where it benefits from attractive economic incentives the Australian government provides for clinical development efforts and maximizes its R&D dollars. Australia offers an R&D tax incentives rebate program, which enables companies to receive a cash tax rebate of up to 43.5% on clinical trial related R&D costs and is expected to help reduce costs, lower risk, and accelerate time to market.

MULTIPLE POTENTIAL APPLICATIONS OF THE HEMOPURIFIER

Pre-clinical research outside oncology when research expenses are de minimis

Excessive levels of PD-EVs (platelet -derived EVs) have been implicated in many diseases, including cancer, lupus, systemic sclerosis, multiple sclerosis, Alzheimer's disease, sepsis, acute and Long COVID. The Hemopurifier has been shown to remove EVs in preclinical ex vivo and also in patients with severe acute COVID-19 through emergency use application. The company continues pre-clinical research and analysis of the Hemopurifier in areas outside of oncology when expenses associated with these efforts are de minimis.

Pipeline Targeting Multiple Indications



Source: Company presentation

Hemopurifier removed 98.5% of platelet -derived extracellular vesicles in ex vivo study

For example, the results from Aethlon's preclinical ex vivo study were published in bioRxiv on May 12, 2025, and the manuscript has been submitted for publication in a peer-reviewed journal. The results demonstrate that, using proprietary Galanthus nivalis agglutin (GNA) affinity resin, the Hemopurifier removed 98.5% of platelet -derived extracellular vesicles (PD-EVs) from human plasma during a time period equivalent to a 4-hour treatment with the device. The results also support the company move forward with its ongoing oncology study in Australia and point to other potential applications of the Hemopurifier in EV-associated diseases.

Following research conducted in collaboration with UCSF, AEMD had an abstract accepted for poster presentation at the Keystone Symposium on Long COVID and Other Post-Acute Infection Syndromes, where the company's Chief Medical Officer, Steven P. LaRosa, M.D. presented last week. Some 44 to 48 million people suffer from Long COVID in the U.S., 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. In addition to presenting the poster noted above, AEMD recently has published papers on preclinical data showing the Hemopurifier's ability to remove platelet-derived EVs from plasma in the Transplant Immunology Journal.

RECENT RESULTS

Last week AEMD reported fiscal year (FY) 1Q 2026 results, with operating expenses of about $1.8 million, down from $2.6 million in last year's FY 1Q. The company is focused on containing costs where it can. The 1Q roughly $800k decline in expenses primarily reflects lower payroll and related expenses.

In last year's 1Q, the company incurred a $321,000 severance expense related to the separation of an executive. Reflecting lower headcount, AEMD also realized a $286,000 reduction in compensation costs and a $67,000 decrease in stock based compensation expense. On the lower expense, AEMD's net loss fell to about $1.8 million or ($0.85) per share from about $2.6 million or ($2.76) per share in last year's 1Q.

The company had cash of about $3.8 million at the end of the June 2025 quarter to support its efforts. Management targets obtaining non-dilutive funding down the road once it has built out its database supporting the potential utility of the Hemopurifier – possibly through licensing and/or partnership opportunities. Until then, the company expects that it likely will need to conduct another share offering to strengthen its cash position.

VALUATION

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, depending on the data from the company's ongoing study. While we believe there could be a meaningful revenue opportunity associated with the Hemopurifier within the oncology space, we do not expect the shares to begin to reflect this at this early stage. In our view, uncertainty around the company's clinical / commercialization timeline and market / economic uncertainty could continue to overhang the shares in the near-term. Depending on results, initial observations from Cohort 1 data analysis – expected next month – could be a catalyst, in our view.

Nevertheless, 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.

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 oncology trials warrants 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 $4.55 per share pro forma for the recent 1-for-8 reverse stock split.

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.

RECENT NEWS

- Aethlon announced 1Q results on August 13, 2025.
- On July 15, 2025, Aethlon announced that enrollment for Cohort 2 has opened.
- 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.

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)	1Q25 A	2Q25 A	3Q25 A	4Q25 A	2025 A	1Q26 A	2Q26 E	3Q26 E	4Q26 E	2026 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*					
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*					
OpEx	$2,206.2	$2,640.6	$1,574.5	$708.0	$7,129.4	$1,268.0	$1,287.9	$1,313.7	$1,548.7	$5,418.3
SG&A % of Prod Sales					*NM*					
R&D	$414.7	$261.5	$240.2	$1,295.7	$2,212.0	$524.4	$576.8	$605.1	$616.4	$2,322.6
R&D % Tot Sales										
Operating Income	($2,620.9)	($2,902.1)	($1,814.7)	($2,003.6)	($9,341.4)	($1,792.4)	($1,864.7)	($1,918.8)	($2,165.0)	($7,740.9)
Operating Margin										
Total Other Expense	($49.4)	($95.1)	($60.0)	$4,251.3	$4,046.7	($60.0)	($57.0)	($59.2)	($61.6)	($237.8)
Pre-Tax Income	($2,571.4)	($2,807.0)	($1,754.8)	($6,255)	($13,388)	($1,732.4)	($1,807.8)	($1,859.5)	($2,103)	($7,503)
Other comprehensive inc		$3.8	($13.1)	($0.9)	($10.2)	($13.1)	($12.4)	($12.9)	($13.4)	($51.8)
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	($2,571.4)	($2,803.2)	($1,767.8)	($6,255.8)	($13,398)	($1,745.5)	($1,820.2)	($1,872.4)	($2,116.8)	($7,554.9)
Net Margin										
EPS	($2.76)	($1.61)	($1.01)	($3.10)	($8.58)	($0.85)	($0.70)	($0.72)	($0.81)	($3.05)
Diluted Shares O/S	932	1,742	1,745	2,020	1,561	2,076	2,599	2,614	2,629	2,479

Source: Zacks *Pro forma for reverse stock split*

HISTORICAL STOCK PRICE

Source: Yahoo Finance

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