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Zacks Small-Cap Research

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Aethlon Medical (AEMD-NASDAQ)

AEMD: *Can Increased Treatments Extend, Further Improve Positive Patient Responses?*

With encouraging data from Cohort 1 of AEMD's oncology clinical trial, Cohort 2 participants will receive 2 Hemopurifier treatments, up from 1 treatment for Cohort 1 to help determine whether there is a dose response with additional Hemopurifier treatments. To accelerate enrollment, AEMD is working with clinical trial facilitator Trialfacts. Data from Cohorts 2 & 3 will help determine whether the positive observations from Cohort 1 can be reproduced & whether an increased number of Hemopurifier treatments can help extend positive patient responses.

OUTLOOK

Currently, Hemopurifier treatment requires a dialysis machine and nephrologists and dialysis nurses to supervise and administer the treatment. AEMD has started to evaluate the potential of using the Hemopurifier with a simplified blood treatment system that could replace the use of dialysis infrastructure. This research potentially could lead to a simplified system for performing Hemopurifier treatments in oncology units in the future using a PICC (peripherally inserted central catheter) line. If the company can move to this delivery system of Hemopurifier treatment, it could prove to be transformational for the ease of using the device as an oncology treatment, we believe.

Current Price (11/13/25)	$4.74
Valuation	**$9.75**

SUMMARY DATA

52-Week High	**$84**
52-Week Low	**$4.02**
One-Year Return (%)	**NA**
Beta	**1.63**
Average Daily Volume (sh)	**314,988**
Shares Outstanding (mil)	**1**
Market Capitalization ($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 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 A	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	-$2.30 A	-$3.74 A	-$2.01 E	-$2.02 E	-$9.41 E

Quarters might not add to annual reflecting rounding, share counts

Disclosures on page 9 FY 2026 PF for recent reverse stock split

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DETERMINING IF INCREASED TREATMENTS EXTEND POSITIVE PATIENT RESPONSES

Cohort 2 recruitment has begun following positive data from Cohort 1

Aethlon Medical (NASDAQ: AEMD) announced FY 2Q (quarter ended September 30, 2025) results and provided a business update this week. The company's primary focus is on researching lead asset, 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 device 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.

AEMD is conducting a basket oncology trial to study the impact of the Hemopurifier as a potential treatment 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 combination therapy can increase the percent of patients who can benefit and early data looks promising. The trial is intended to assess the Hemopurifier's safety, feasibility, and optimal dosing.

Cohort 2 recruitment facilitated by engagement of Trialfacts

The first three patients (Cohort 1) have been treated, completing a single 4-hour Hemopurifier treatment without device deficiencies or immediate complications. All participants also completed a 7-day safety follow-up. No serious adverse events (SAEs) or Dose-Limiting Toxicities (DLTs) related to the Hemopurifier have been reported to date**.** AEMD recently reported early preliminary data from Cohort 1 and is recruiting participants for Cohort 2.

Cohort 2 recruitment is being conducted under an amended protocol that allows patients receiving combination therapies with pembrolizumab or nivolumab to participate in the AEMD trial. The study design is for Cohort 2 participants to receive two Hemopurifier treatments over one week to help determine whether there is a dose response with additional Hemopurifier treatments.

To accelerate enrollment, AEMD is working with clinical trial facilitator Trialfacts to perform clinical trial advertising, online prescreenings and refer potential participants to the three sites in Australia participating in the trial. Potential trial participants who have been prescreened for Cohort 2 are reviewing consent documentation.

Data from Cohort 2, as well as Cohort 3 subsequently as the study progresses, will help determine whether the positive observations from Cohort 1 (see below) can be reproduced and also whether additional Hemopurifier treatments produce a dose response in terms of the magnitude and duration of changes. In other words, the study is designed to examine whether an increased number of Hemopurifier treatments can help extend positive patient responses. The company's goal is to build its database supporting development of the Hemopurifier as an oncology treatment and this data appears to support that goal.

Data from Cohort 1

Preliminary data from Cohort 1 is encouraging. It appears that the study is on track to support AEMD's hypothesis that the Hemopurifier, in conjunction with standard of care treatment, can increase the percent of patients who benefit. Following a single 4-hour Hemopurifier treatment in Cohort 1, decreases were observed in several harmful particles:

- Thus far, the data suggests the Hemopurifier decreases the levels of particles in the body that are associated with the spread – or metastasis – of cancer and suppressing the immune system.
- Levels of certain of these harmful particles typically returned to pre-treatment levels 1-3 weeks after treatment ended, suggesting a potential benefit to patients while being treated.
- In seven out of ten microRNAs – which are one component of EVs thought to promote cancer growth and metastasis - decreases were observed in two of the three participants.
- Improvements in laboratory ratios associated with responses to immunotherapy[1] were observed in at least two participants.
- Increases were seen in total T cell numbers.



Source: Aethlon Medical

Decrease in EVs, which are seen to contribute to metastasis & to suppressing immune system

Reflecting preliminary data analysis, AEMD is encouraged that the study is on track to support its above noted hypothesis that the Hemopurifier, in conjunction with checkpoint inhibitor or combined therapy treatment, can increase the percent of patients who can benefit from standard of care treatment and improve overall patient outcomes. Thus far, the trial data suggests that the Hemopurifier does, in fact, improve extracellular vesicles (EVs), extracellular MicroRNAs, and T cell counts. EVs are nanoparticles that are involved in cell-to-cell communication and associated with the spread or metastasis of cancer, as well as with the growth of new blood vessels to the tumor, cell death and inhibition of T cells. T cells are critical for killing tumor cells.

[1] These include Neutrophil, Lymphocyte, Monocyte, Albumin & Systemic Immune-Inflammation

EVs have been shown to contribute to metastasis of the malignancy and to suppressing body's immune system from helping the body fight disease. 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.

Of the three Cohort 1 patients, two showed decreases in large PD-EVs. All three exhibited decreases in large EVs carrying PD-L1 during Hemopurifier treatment. If this result continues as the trial progresses, it would likely be important data to support further study of the device for oncology, as persistently elevated counts of EVs with PD-L1 have been associated with lack of response to anti PD-1 agents.

EV and microRNA levels typically returned to pre-treatment levels one to three weeks after treatment ended, suggesting a potential benefit to patients while being treated. The company's goal is to build its database to help with the development of the Hemopurifier as an oncology treatment and this data appears to support that goal.

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Evaluating potential of using the Hemopurifier with a simplified blood treatment system

Currently, Hemopurifier treatment requires a dialysis catheter and dialysis machine and nephrologists and dialysis nurses to supervise and administer the treatment. AEMD has started to evaluate the potential of using the Hemopurifier with a simplified blood treatment system that could replace the use of dialysis infrastructure. The company recently signed a material transfer agreement to study the compatibility of the Hemopurifier with a system that uses a single small-lumen vascular catheter and a simplified blood pump.

This research potentially could lead to a simplified system for performing Hemopurifier treatments in oncology units in the future using a PICC (peripherally inserted central catheter) line. If the company can move to this delivery system of Hemopurifier treatment, it could prove to be transformational for the ease of using the device as an oncology treatment, we believe.

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

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.

RECENT RESULTS

Cost containment measures contribute to lower OpEx

AEMD reported fiscal year (FY) 2Q 2026 results. Operating expenses decreased by 48% to about $1.5 million, down from $2.9 million in last year's FY 2Q and down from $1.8 million in the prior quarter of FY 2026. AEMD is focused on containing costs. The 2Q roughly $1.4 million decline in expenses primarily reflects lower payroll and related expenses. In last year's 2Q, the company incurred severance expense related to the separation of an executive and recorded no severance expense in this year's 2Q. The improvement also reflects lower headcount and lower bonus accruals. On the lower expense, AEMD's net loss fell to about $1.5 million from about $2.8 million in last year's 2Q.

The company had cash and equivalents of about $5.9 million at the end of the September 2025 quarter to support its efforts and continue to advance its clinical and research programs. If/when it has built out its database supporting the potential utility of the Hemopurifier, management targets obtaining non-dilutive funding down the road – possibly through licensing and/or partnership opportunities.

VALUATION

We believe the Hemopurifier could prove beneficial in a broad range of oncology indications and for other treatments. The cancer treatment market unfortunately is large and growing, as noted, 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. As the company continues to advance the device 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.

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.

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 40% to 45% leads to a current valuation of about $9.75 per share.

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

- AEMD announced 2Q results on November 12, 2025.
- AEMD authorized a 1-for-10 reverse stock split on October 14, 2025.
- Aethlon announced positive data regarding Hemopurifier® changes in Extracellular Vesicles, Extracellular MicroRNAs, and T Cell Numbers on October 7, 2025.
- On September 4, 2025, Aethlon priced $4.5 million offering.
- On September 3, 2025, Aethlon announced the Issuance of Hemopurifier® patents for the treatment of Long COVID and COVID-19-associated Coagulopathy (CAC).
- 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.

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.

Aethlon Medical Inc.

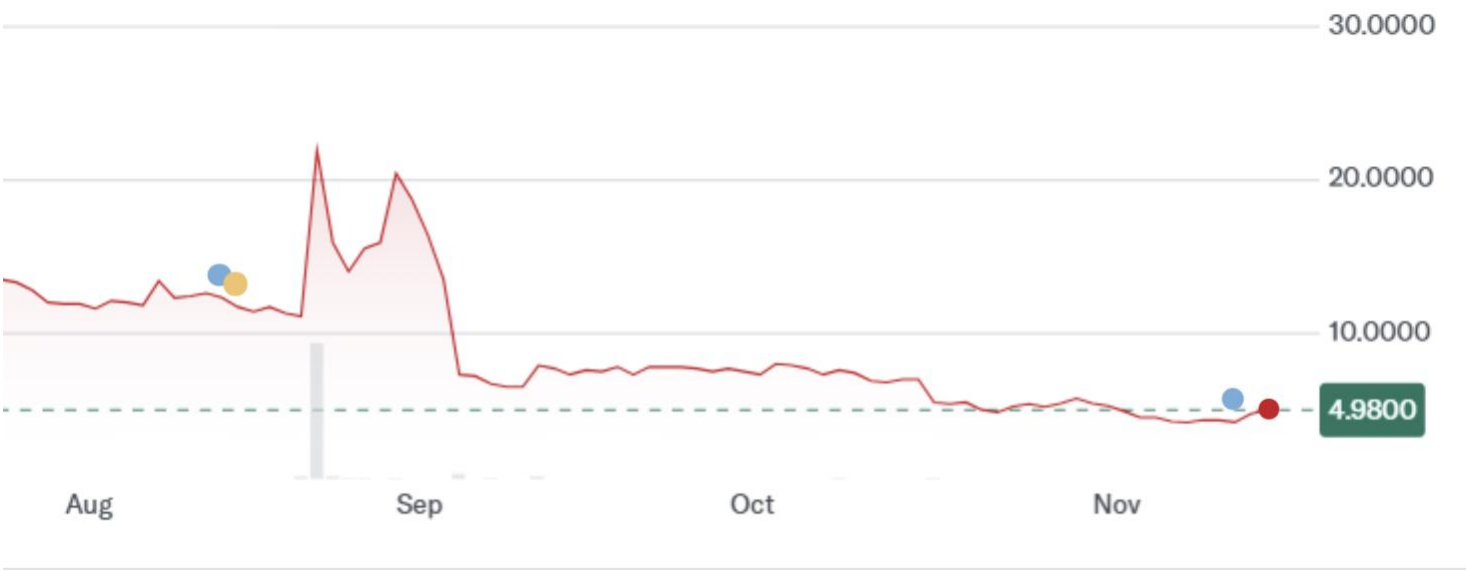
AEMD ($000s)	1Q25 A	2Q25 A	3Q25 A	4Q25 A	2025 A	1Q26 A	2Q26 A	3Q26 E	4Q26 E	2026 E
	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
					NM					
Sold	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
ıe	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
	$2,206.2	$2,640.6	$1,574.5	$708.0	NM $7,129.4	$1,268.0	$1,215.5	$1,239.8	$1,244.8	$4,968.1
s					NM					
	$414.7	$261.5	$240.2	$1,295.7	$2,212.0	$524.4	$294.3	$308.7	$316.1	$1,443.6
ıcome	($2,620.9)	($2,902.1)	($1,814.7)	($2,003.6)	($9,341.4)	($1,792.4)	($1,509.8)	($1,548.6)	($1,560.9)	($6,411.7)
ɔense	($49.4)	($95.1)	($60.0)	$4,251.3	$4,046.7	($60.0)	($22.7)	($23.6)	($24.6)	($130.9)
ɔme	($2,571.4)	($2,807.0)	($1,754.8)	($6,255)	($13,388)	($1,732.4)	($1,487.1)	($1,524.9)	($1,536)	($6,281)
inc		$3.8	($13.1)	($0.9)	($10.2)	($13.1)	($4.0)	($4.2)	($4.3)	($25.5)
	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
	($2,571.4)	($2,803.2)	($1,767.8)	($6,255.8)	($13,398)	($1,745.5)	($1,491.1)	($1,529.1)	($1,540.7)	($6,306.3)
	($2.76)	($1.61)	($1.01)	($3.10)	($8.32)	($2.30)	($3.74)	($2.01)	($2.02)	($9.41)
O/S	932	1,742	1,745	2,020	1,609.8	761.2	397.5	761.2	761.2	670.3

Source: Zacks *Pro forma for reverse stock split*

FY 2026 pro forma for recent reverse stock split

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HISTORICAL STOCK PRICE



Source: Yahoo Finance

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