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Aethlon Medical (AEMD-NASDAQ)

AEMD: *Advancing Oncology Trial; Seeking to Simplify - Potentially Broaden – Device Application*

AEMD's primary focus is on researching the Hemopurifier® as a potential treatment in oncology. AEMD is conducting a trial to study its impact as a treatment in patients with various solid tumors who have stable or progressive disease during anti-PD-1 monotherapy treatment to assess whether using the Hemopurifier in conjunction with standard of care treatment can increase the percent of patients who can benefit from ~30% currently. As the trial advances, early data looks promising.

Current Price (2/14/26)	$1.96
Valuation	**$8.00**

OUTLOOK

AEMD also has started to evaluate the potential of using the Hemopurifier with a simplified delivery system that could make it easier for oncology patients to receive Hemopurifier treatment. If the company can move to this delivery of Hemopurifier treatment, it could prove to be transformational for the ease of using the device as an oncology treatment, we believe, and contribute to broadening its use. Separately, AEMD believes the Hemopurifier could have significantly broader applications in addition to oncology and, in a highly cost efficient way, is developing a pipeline of indications for which the device could prove beneficial. To raise awareness of the Hemopurifier and its potential benefits, AEMD has submitted research to peer reviewed journals, presented at a recent medical conference and selectively increased its attendance at medical meetings, among other measures.

SUMMARY DATA

52-Week High	**NA**
52-Week Low	**$1.86**
One-Year Return (%)	**NA**
Beta	**1.60**
Average Daily Volume (sh)	**124,328**
Shares Outstanding (mil)	**1.3**
Market Capitalization ($mil)	**$3**
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 A	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	-$2.45 A	-$2.47 E	-$10.40 E

Quarters might not add to annual reflecting rounding, share counts

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

ONCOLOGY CLINICAL TRIAL PROGRESSING

Cohort 2 participants being treated, with queue building for patient participation in trial

Aethlon Medical (NASDAQ: AEMD) announced FY 3Q (quarter ended December 31, 2025) results and provided a business update last 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 and is advancing the trial. 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

Following treatment of the first three patients (Cohort 1), who completed a single 4-hour Hemopurifier treatment without device deficiencies or immediate complications, 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. AEMD attributes the queue of oncology patients interested in participating in the trial to Trialfacts' efforts. In addition, Cohort 2 recruitment and treatment are being conducted under an amended protocol that allows patients receiving combination therapies with pembrolizumab or nivolumab to participate in the AEMD trial.

Expect Cohort 2 early data, Safety Board determination by late March / early April

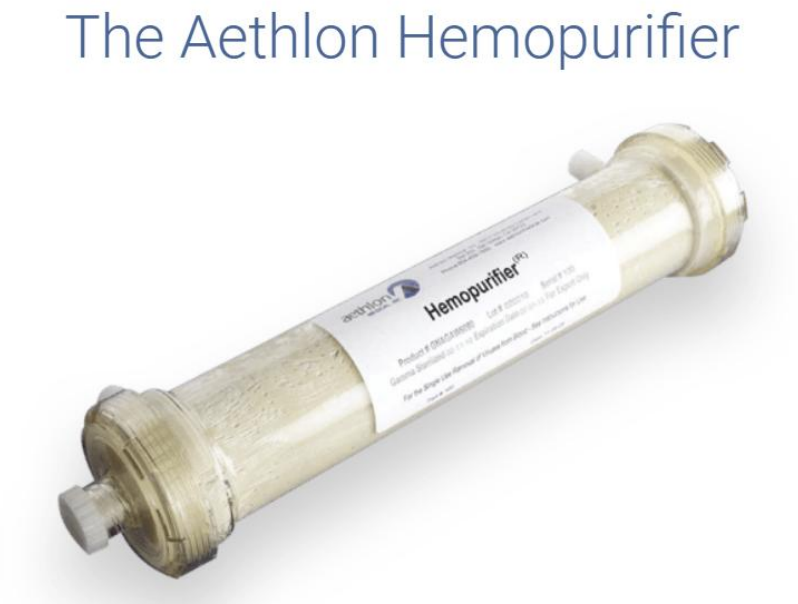
All Cohort 1 participants also completed a 7-day safety follow-up. No serious adverse events (SAEs) or Dose-Limiting Toxicities (DLTs) related to the Hemopurifier have been reported to date**.** The company expects to report early data from Cohort 2 and independent Safety Board determination about progressing to Cohort 3 (or potentially treating additional Cohort 2 patients) by late March / early April.

AEMD recently reported early preliminary data from Cohort 1 and is recruiting participants for Cohort 2. 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

Evaluating potential of using the Hemopurifier with a simplified blood treatment system to support broader potential clinical application

Currently, Hemopurifier treatment requires a dialysis catheter and dialysis machine and nephrologists and dialysis nurses to supervise and administer the treatment. Importantly, to potentially make it easier for medical centers and patients down the road if the Hemopurifier gains adoption, 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. A PICC catheter is less invasive compared to a larger dialysis catheter so this potential change could make it easier for the patient by eliminating the need to be treated via dialysis equipment generally located in a different area from the oncology team and inserting a smaller less invasive line to connect the patient to the device. If

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

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.

EVs are seen to contribute to metastasis & to suppressing immune system; Hemopurifier has been shown to lower EV levels

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.

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

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.

Cost efficient measures to study Hemopurifier as a potential treatment in other indications & raise awareness in the scientific community

While AEMD's primary focus is on researching the Hemopurifier as a potential treatment in oncology, the company believes the Hemopurifier could have significantly broader applications. AEMD is developing a pipeline of indications for the device in a highly cost efficient way. AEMD has submitted research papers to peer reviewed journals, presented a poster at a recent medical conference and increased its attendance at medical meetings when appropriate, among other measures to raise awareness of the device and its potential benefits in the scientific community.

RECENT RESULTS

Cost containment measures a priority

AEMD reported fiscal year (FY) 3Q 2026 results. Although FY 3Q operating expenses of about $2.1 million increased compared to $1.8 million for 3Q FY 2025, operating expenses decreased by ~27% in the nine months ended December 31, 2025 to about $5.4 million, down from $7.3 million in the same period of 2025. AEMD is focused on containing costs. The 3Q increase of $247k (up about 13.6% year-over-year) was primarily related to an increase of roughly $367k in payroll, partially offset by a $75k decrease in G&A expenses and $44.8k decrease in professional fees. AEMD reported a net loss of about $2.0 million compared to about $1.78 million in last year's 3Q.

The company had cash and equivalents of just under $7.0 million at the end of the December 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

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. 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.

Given the need to expand and improve 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 annualized $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 $8.00 per share on the current share base.

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 3Q results on February 12, 2026.
- 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 December 4, 2025, Aethlon priced $4.5 million offering.
- On December 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.

FINANCIAL MODEL

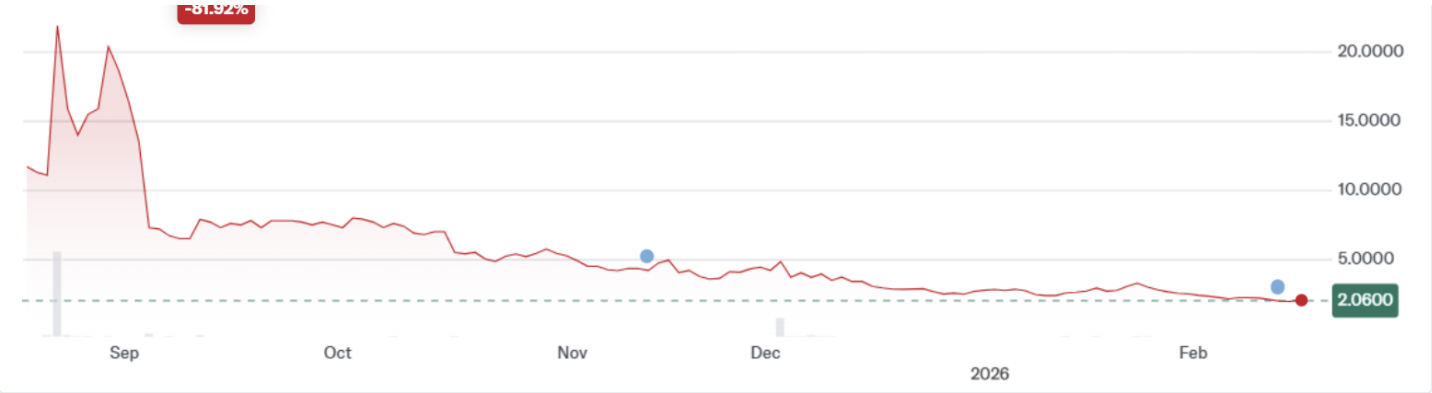
Aethlon Medical Inc.

AEMD ($000s)	1Q25 A	2Q25 A	3Q25 A	4Q25 A	2025 A	1Q26 A	2Q26 A	3Q26 A	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	$1,215.5	$1,529.3	$1,535.5	$5,548.3
SG&A % of Prod Sales					*NM*					
R&D	$414.7	$261.5	$240.2	$1,295.7	$2,212.0	$524.4	$294.3	$532.8	$545.6	$1,897.0
R&D % Tot Sales										
Operating Income	($2,620.9)	($2,902.1)	($1,814.7)	($2,003.6)	($9,341.4)	($1,792.4)	($1,509.8)	($2,062.1)	($2,081.0)	($7,445.4)
Operating Margin										
Total Other Expense	($49.4)	($95.1)	($60.0)	$4,251.3	$4,046.7	($60.0)	($22.7)	($43.9)	($45.6)	($172.2)
Pre-Tax Income	($2,571.4)	($2,807.0)	($1,754.8)	($6,255)	($13,388)	($1,732.4)	($1,487.1)	($2,018.2)	($2,035)	($7,273)
Other comprehensive inc		$3.8	($13.1)	($0.9)	($10.2)	($13.1)	($4.0)	($3.5)	($3.6)	($24.1)
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)	($1,491.1)	($2,021.7)	($2,039.0)	($7,297.3)
Net Margin										
EPS	($2.76)	($1.61)	($1.01)	($3.10)	($8.32)	($2.30)	($3.74)	($2.45)	($2.47)	($10.40)
Diluted Shares O/S	932	1,742	1,745	2,020	1,609.8	761.2	397.5	823.1	824.1	701.5

Source: Zacks *Pro forma for reverse stock split*

FY 2026 pro forma for recent reverse stock split

HISTORICAL STOCK PRICE



Source: Yahoo Finance

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