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Aethlon Medical (AEMD-NASDAQ)

AEMD: ***Positive Takeaways From CEO Chat***

A key takeaway from our recent chat with AEMD is that the Hemopurifier, which the company believes is the only medical device currently being evaluated to remove harmful extracellular vesicles (EVs), is progressing in clinical development. Extensive pre-clinical activity & early data from an ongoing oncology trial appear to support the potential benefits of Hemopurifier treatment. All participants in Cohort 2 of the trial have been treated & the company expects to report data and Safety Board determination about progressing to Cohort 3 by late March / early April.

OUTLOOK

Excessive levels of platelet-derived EVs have been implicated in many diseases and AEMD is developing a pipeline of indications for the device leveraging highly cost efficient steps. To-date, 173 Hemopurifier treatments have been administered in 44 patients with no serious adverse events (SAEs). Cash & equivalents at YE 2025 were ~$7.0m. Along with its ATM facility, management believes it has sufficient liquidity to advance clinical and research activities for 4+ quarters. If/when it advances to the next step in developing the Hemopurifier, an efficacy trial, management targets obtaining non-dilutive funding, possibly through licensing and/or partnership opportunities.

Current Price (3/17/26)	$2.21
Valuation	**$8.00**

SUMMARY DATA

52-Week High	**NA**
52-Week Low	**$1.36**
One-Year Return (%)	**NA**
Beta	**1.65**
Average Daily Volume (sh)	**64,316**
Shares Outstanding (mil)	**1.3**
Market Capitalization ($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 8 FY 2026 PF for recent reverse stock split

POSITIVE TAKEAWAYS FROM CEO CHAT

Company's current strategic focus is assessing the Hemopurifier in oncology…

We participated in a chat with Aethlon Medical (NASDAQ: AEMD) CEO and CFO Jim Frakes last week and present our key takeaways in this report. The company's lead asset, the Aethlon Hemopurifier, is an investigational extracorporeal device designed to bind and remove harmful extracellular vesicles (EVs) from the blood. It has 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 company believes the Hemopurifier is the only device currently being evaluated to remove EVs.

…while also developing a pipeline of indications for the device via highly cost efficient initiatives

AEMD's hypothesis that the Hemopurifier can be beneficial in treating multiple diseases and indications, is supported by extensive pre-clinical activity. In ex vivo study, Hemopurifier removed 98.5% of platelet - derived EVs. EVs are seen to contribute to metastasis and to suppressing the immune system. 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.

In order to optimize R&D budget, the company's current primary clinical focus is in the oncology space but the company believes the Hemopurifier could have broad applications in multiple EV-associated diseases. AEMD is developing a pipeline of indications for the device in a highly cost efficient manner. For example, 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.

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 these and with combination therapy can increase the percent of patients who can benefit.

Early data from an ongoing oncology trial looks promising

Early data looks promising. The device has shown reduction in EVs and other harmful particles and no serious adverse events (SAEs) or Dose-Limiting Toxicities (DLTs) related to the Hemopurifier have been reported to date**.** To-date, 173 Hemopurifier treatments have been administered in 44 patients with no SAEs. To accelerate enrollment in its ongoing trial, AEMD is working with clinical trial facilitator Trialfacts and has a queue of oncology patients interested in participating.

The study is designed to examine whether an increased number of Hemopurifier treatments can help extend positive patient responses, as the company seeks to build its database supporting development of the Hemopurifier as an oncology treatment. 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 is conducting the trial in Australia, which offers an R&D tax incentives rebate program that enables companies to receive a cash tax rebate of up to 43.5% on clinical trial related R&D costs. AEMD expects to realize benefits of this program and thereby reduce costs, maximize its R&D dollars and lower

risk. The company is confident that data generated in Australia will be accepted by the FDA and other regulatory boards if/when it submits applications for approval.

Down the road, if the company's current evaluation of using the Hemopurifier with a simplified blood treatment system (currently, Hemopurifier treatment requires a dialysis or CRT machine) it could support broader potential clinical application of the device through less invasive means.

Cash, equivalents & ATM expected to support efforts to advance clinical activities for 4+ quarters

Cash and equivalents at the end of December 2025 were just under $7.0 million. Reflecting its current average quarterly cash burn rate, management believes this balance, along with potentially accessing its ATM facility, is sufficient to support its efforts and continue to advance its clinical and research programs for more than four quarters.

Management targets obtaining non-dilutive funding, possibly through licensing and/or partnership opportunities, if/when it advances to the next step in developing the Hemopurifier, the efficacy trial depending on the data from Cohort 3. Last week, AEMD announced that it has engaged Maxim Group help it evaluate a range of strategic opportunities, including partnerships, mergers, acquisitions or other potential opportunities.

UPCOMING MILESTONES, POTENTIAL CATALYSTS

The company continues to advance the device through clinical efforts towards regulatory approval and expects to hit certain milestones outlined below. All three participants in Cohort 2 of AEMD's ongoing clinical study have been treated. The company expects to submit safety data from that cohort to the independent Data Safety Monitoring Board for review shortly. Subsequently, AEMD 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.

Once the Board has announced its determination, AEMD expects to continue to progress the trial. Once Cohort 3 treatment is completed, AEMD plans to report data from the overall study and, depending on Cohort 3 data, potentially form a partnership to assist with funding a subsequent efficacy trial.

<u>Upcoming expected milestones</u>

- Announce Cohort 2 data
- Board decision regarding progressing to Cohort 3
- Commence Cohort 3
- Complete Cohort 3
- Announce overall trial data
- Potentially advance to efficacy trial

VALUATION

AEMD continues to advance the Hemopurifier through clinical efforts towards regulatory approval. If/when it hits certain milestones, we would expect this to lead to greater awareness and investor interest in the company. We would therefore anticipate multiple expansion on AEMD shares over time if the data continues to support potential utility of the Hemopurifier, which we believe 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 participated in a CEO chat on March 12, 2026.
- 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

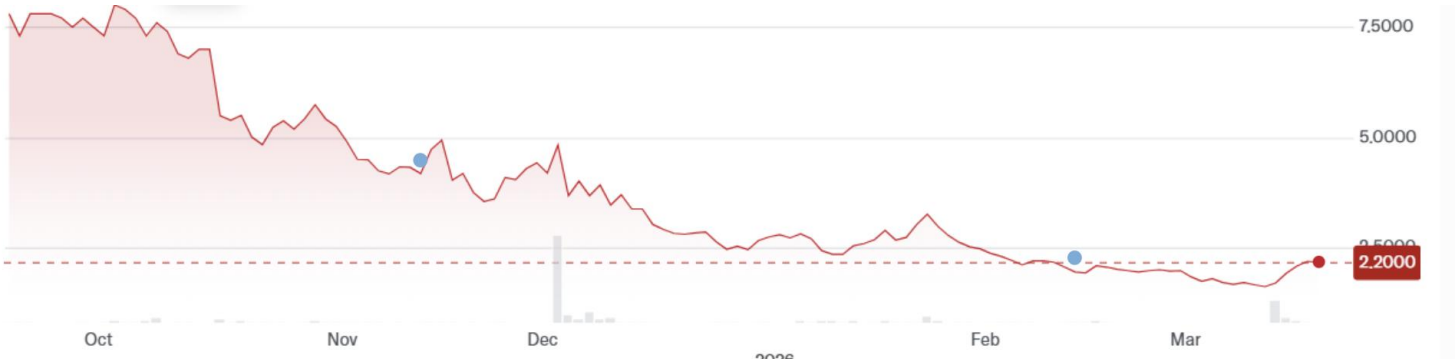
Aethlon Medical Inc.

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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