June 11, 2026

# Zacks Small-Cap Research

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## Aethlon Medical (AEMD-NASDAQ)

**AEMD**: ***Clinical Study Advances to Final Cohort ; Preclinical Activities Expand***

*AEMD moved to the final dosing cohort in its ongoing oncology trial, bringing the company closer to generating & reporting data to move toward potential regulatory approval. The 1st participant in Cohort 3 completed three Hemopurifier treatments over a one-week period with no device deficiencies & is now in the follow-up period. As clinical & preclinical activities move forward, AEMD is also expanding its IP portfolio.*

## OUTLOOK

The Hemopurifier has shown reduction in EVs and other harmful particles seen to contribute to metastasis, to suppressing the immune system and associated with multiple other diseases. In FY 26, AEMD advanced preclinical research evaluating the device in additional indications, including rheumatoid arthritis and chronic kidney disease to potentially support the expansion of its addressable market beyond oncology and infectious disease. Activities are being conducted in a cost efficient manner consistent with AEMD's cost containment focus. As AEMD builds a database supporting the application of the Hemopurifier, it is also contributing to the publication of papers in medical journals and is evaluating the potential for Hemopurifier compatibility with a simplified blood treatment system that has potential to boost the ease of using device.

| | |
|---|---|
| Current Price (6/23/26) | $2.02 |
| **Valuation** | **$5.00** |

## SUMMARY DATA

| | |
|---|---|
| **52-Week High** | **NA** |
| **52-Week Low** | **$1.36** |
| **One-Year Return (%)** | **NA** |
| **Beta** | **NA** |
| **Average Daily Volume (sh)** | **272,077** |
| **Shares Outstanding (mil)** | **2.4** |
| **Market Capitalization ($mil)** | **$5** |
| **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** | **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) |
|---|---|---|---|---|---|
| 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 A | 0.0 A |
| 2027 | 0.0 E | 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) |
|---|---|---|---|---|---|
| 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 | -$2.55 A | -$10.61 A |
| 2027 | -$0.81 E | -$0.81 E | -$0.81 E | -$0.81 E | -$3.23 E |

Quarters might not add to annual reflecting rounding, share counts

Disclosures on page 8 FY 2026 PF for reverse stock split

## CLINICAL STUDY ADVANCES, PRECLINICAL ACTIVITIES EXPANDS IN OTHER DISEASES

### *Moving to final dosing cohort brings AEMD closer to generating, reporting data to move toward potential regulatory approval*

Aethlon Medical (NASDAQ: AEMD), a clinical-stage medical therapeutic company advancing lead asset, the Hemopurifier, to treat cancer and life-threatening viral infections, reported 4Q FY 2026 financial results yesterday and provided a business update. Importantly, the company's Australian oncology study has advanced to the Cohort 3 final dosing. Enrollment activities for Cohort 3 continues at all three participating sites. AEMD recently treated the first participant in Cohort 3 at Australia's Royal North Shore Hospital where the participant completed three Hemopurifier treatments over a one-week period with no device deficiencies. The first Cohort 3 participant is now in the follow-up period. Moving the final dosing cohort ahead brings AEMD closer to generating and reporting data to inform future development and dosing strategy to move toward potential regulatory approval

In Cohort 1, participants received one Hemopurifier treatment during a one-week period. Cohort 2 participants received two treatments. Once enrollment and treatment of participants in Cohort 2 was completed, the independent Data Safety Monitoring Board (DSMB) overseeing the clinical trial completed its safety review of the data from the participants in cohort 2. The DSMB recommended that the trial progress to the final third cohort, indicating that "no safety concerns were noted with Hemopurifier device/procedure." Specifically, no serious adverse events (SAEs) or Dose-Limiting Toxicities (DLTs) related to the Hemopurifier treatment have been reported to date.

Recent and upcoming expected milestones

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

The 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.

### *Studying whether Hemopurifier + standard of care therapies can increase percent of patients who benefit*

The trial is a safety and dose-finding study. The trial will monitor any adverse events and clinically significant changes in treated patients who have solid tumors with stable or progressive disease following treatment with Keytruda® or Opdivo® or combined therapy. Despite the strong success of these standard of care therapies, 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 benefit.

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.

### *Device has shown reduction in EVs, which are seen to contribute to metastasis & a range of diseases*

The device has shown reduction in EVs and other harmful particles**.** Moreover, to-date over time 173 Hemopurifier treatments have been administered in 44 patients with no SAEs. 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.

EVs are seen to contribute to metastasis and to suppressing the immune system. Down the road, if the company's current evaluation of the Hemopurifier in oncology proves beneficial, AEMD believes the device could support broader potential clinical application in a range of diseases. 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, rheumatoid arthritis and chronic kidney disease.

AEMD advanced preclinical research evaluating Hemopurifier applications in additional indications, including rheumatoid arthritis and chronic kidney disease. These activities are expected to support the expansion of the device's potential addressable market beyond oncology and infectious disease and could potentially create future opportunities to expand the platform into large markets characterized by significant unmet medical need. The company's activities are being conducted in a cost efficient manner consistent with AEMD's continued focus on managing operating expenses.

As the company continues to build a database supporting the application of the Hemopurifier, an interview was published in IEEE Spectrum subsequent to FY-end featuring Aethlon's Chief Medical Officer and a physician involved in the treatment of an Ebola virus patient with the Hemopurifier during the 2014 outbreak highlighting AEMD's experience with Ebola treatments. In addition, the company also confirmed the continued availability of its FDA-authorized expanded access (compassionate use) protocol and shared the protocol as well as past in vitro and in vivo data with organizations involved in global and U.S. emerging pathogen preparedness efforts, including the World Health Organization's R&D Blueprint expert panel and the National Emerging Special Pathogen Training and Education Center. Presumably, this could potentially lead to treatment of an Ebola patient if appropriate.

### *Potential for Hemopurifier compatibility with simplified blood treatment system could boost ease of using device; expanding IP portfolio*

Separately, the company continues to assess the Hemopurifier's compatibility with a simplified blood treatment system being developed by Stavro Medical. Initial testing assessing flow rates and transfer of fluid through the Hemopurifier has been completed, and future studies evaluating removal of surrogate markers for EVs by the Hemopurifier using the system are under consideration. If successful, the company believes a transition to a simplified system could expand potential treatment settings and improve the scalability and accessibility of Hemopurifier treatment.

In FY 2026, the company also strengthened its intellectual property (IP) portfolio through the issuance of patents in both the U.S. and Europe covering two potential applications of the Hemopurifier for coronavirus-related conditions; excessive clotting known as coagulopathy during acute COVID-19 infection and symptoms of Long COVID. These patents extend protection for certain applications into the 2040s.

## RECENT RESULTS

Reflecting continued expense discipline and operational efficiency, AEMD's consolidated operating expenses, including R&D costs, declined 21.9% year-over-year to roughly $7.3 million for FY ended March 31, 2026, compared to $9.3 million for the FY ended March 31, 2025 on the same basis. The decrease was primarily due to $1.1 million reduction in payroll and related expenses, a $500k reduction in G&A expenses and a $400k reduction in professional fees.

Even with the company's focus on cost containment efforts, AEMD continued to advance its clinical and research activities, as noted. Consistent with the operating expense containment focus, the company's operating loss for FY 2026 narrowed to about $7.3 million from $9.3 million in the prior FY.

Other income – primarily interest income earned on cash balances – was roughly $142k, compared to other expense of about $4 million in FY 2025, which included roughly $4.7 million of non-cash financing-related charges. The net loss attributable to stockholders was $7.2 million compared to a net loss of $13.4 million for the FY ended March 31, 2025.

AEMD had roughly $5.0 million in cash and equivalents as of March 31, 2026, to support ongoing clinical and research activities. Subsequent to FY-end, AEMD strengthened its balance sheet by raising roughly $1.85 million in net proceeds through its ATM program for pro forma cash of more than $6.8 million.

## VALUATION

AEMD continues to advance the Hemopurifier through clinical efforts towards regulatory approval. 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.

If/when AEMD 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 clinical trial 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.

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 trial warrants continuing to advance the Hemopurifier for treatment in this area, as management believes it could, 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 $5.00 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 FY 2026 results on June 10, 2026.
- AEMD announced that the DSMB recommended advancing clinical trial on March 24, 2026.
- AEMD participated in a CEO chat on March 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.

## 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) | 1Q26 A | 2Q26 A | 3Q26 A | 4Q26 A | 2026 A | 1Q27 E | 2Q27 E | 3Q27 E | 4Q27 E | 2027 E |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| *YOY Growth* | | | | | | | | | | |
| 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* | | | | | | | | | | |
| OpEx | $1,268.0 | $1,215.5 | $1,529.3 | $1,368.8 | $5,381.6 | $1,374.2 | $1,378.4 | $1,382.5 | $1,386.6 | $5,521.7 |
| *SG&A % of Prod Sales* | | | | | | | | | | |
| R&D | $524.4 | $294.3 | $532.8 | $560.5 | $1,912.0 | $562.8 | $564.5 | $566.2 | $567.9 | $2,261.2 |
| *R&D % Tot Sales* | | | | | | | | | | |
| Operating Income | ($1,792.4) | ($1,509.8) | ($2,062.1) | ($1,929.3) | ($7,293.6) | ($1,937.0) | ($1,942.8) | ($1,948.7) | ($1,954.5) | ($7,783.0) |
| *Operating Margin* | | | | | | | | | | |
| Total Other Expense | ($60.0) | ($22.7) | ($43.9) | ($15.6) | ($142.2) | ($15.7) | ($16.4) | ($16.5) | ($16.5) | ($65.1) |
| Pre-Tax Income | ($1,732.4) | ($1,487.1) | ($2,018.2) | ($1,914) | ($7,151) | ($1,921.4) | ($1,926.4) | ($1,932.2) | ($1,938) | ($7,718) |
| *Other comprehensive inc* | ($13.1) | ($4.0) | ($3.5) | $4.9 | ($15.6) | $5.0 | $5.0 | $5.0 | $5.0 | $20.0 |
| 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 | ($1,745.5) | ($1,491.1) | ($2,021.7) | ($1,908.8) | ($7,167.0) | ($1,916.4) | ($1,921.4) | ($1,927.2) | ($1,932.9) | ($7,697.9) |
| *Net Margin* | | | | | | | | | | |
| EPS | ($2.30) | ($3.74) | ($2.45) | ($2.55) | ($10.61) | ($0.81) | ($0.81) | ($0.81) | ($0.81) | ($3.23) |
| Diluted Shares O/S | 761.2 | 397.5 | 823.1 | 748.5 | 673.9 | 2,370.6 | 2,380.6 | 2,390.6 | 2,400.6 | 2,385.6 |

*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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