

August 8, 2018



Aethlon Medical Announces First Quarter Fiscal Year 2019 Results

SAN DIEGO, Aug. 8, 2018 /PRNewswire/ -- Aethlon Medical, Inc. (Nasdaq: AEMD), a therapeutic technology company focused on unmet needs in global health and biodefense, today announced results for its fiscal first quarter ended June 30, 2018.

First Quarter Financial Results

At June 30, 2018, the Company had a cash balance of approximately \$6.1 million.

The Company's net loss was approximately \$1.1 million, or \$(0.06) per share for the three months ended June 30, 2018 compared to a net loss of approximately \$1.8 million, or \$(0.21) for the three months ended June 30, 2017.

During the three months ended June 30, 2018, the Company recorded \$149,625 in revenues under its contract with the National Cancer Institute. During the three months ended June 30, 2017, no government contract revenues were recorded.

Consolidated operating costs and expenses were approximately \$1.247 million for the three months ended June 30, 2018 compared to \$1.160 million in the three months ended June 30, 2017, an increase of approximately 87,000. The \$87,000 increase was due to an increases in professional fees of approximately \$106,000 and in general and administrative expense of approximately \$8,000, which were partially offset by a reduction in payroll and related expenses of approximately \$27,000.

The \$106,000 increase in professional fees was due to increases in Aethlon's professional fees of \$95,000 and in professional fees at ESI of \$11,000. The \$95,000 increase in our professional fees was due to a \$66,000 increase in scientific consulting fees, which includes payments to subcontractors under our NCI contract, a \$41,500 increase in Board fees, and a \$39,000 increase in marketing and investor relations fees. Those increases were partially offset by a \$35,000 decrease in legal fees and smaller decreases in other professional fees.

The \$8,000 increase in general and administrative expenses was primarily due to an increase in rent expense of \$15,000, which was partially offset by reductions in a number of additional expenses.

The \$27,000 decrease in payroll and related expenses was primarily due to the combination of a \$17,000 decrease in stock-based compensation and a \$10,000 decrease in cash-based payroll and related expenses due to a headcount reduction.

The Company had other expense of approximately \$55,000 in the three months ended June 30, 2018 compared to other expense of approximately \$685,000 in for three months ended

June 30, 2017.

The unaudited condensed consolidated balance sheet for June 30, 2018 and the unaudited condensed consolidated statements of operations for the three months ended June 30, 2018 and 2017 follow at the end of this release.

Conference Call

Aethlon will hold a conference call for investors today, Wednesday, August 8, 2018 at 1:30 p.m. PT (4:30 p.m. ET).

To listen to the call by phone, interested parties within the U.S. should call 1-844-836-8741 and international callers should call 1-412-317-5442. All callers should ask for the Aethlon Medical Inc., conference call.

A replay of the call will be available approximately one hour after the end of the call through August 15, 2018. The replay can be accessed via Aethlon Medical's website or by dialing 1-877-344-7529 (domestic) or 1-412-317-0088 (international) or Canada Toll Free at 1-855-669-9658. The replay conference ID number is 10123025.

About Aethlon Medical, Inc.

Aethlon Medical is focused on addressing unmet needs in global health and biodefense. The Aethlon Hemopurifier® is a first-in-class therapeutic device designed to address life-threatening viral infections. The United States Food and Drug Administration (FDA) has designated the Hemopurifier® as a Breakthrough Device related to the treatment of life-threatening viruses that are not addressed with approved therapies.

In collaboration with leading government and non-government research institutes, Aethlon has validated the ability of the Hemopurifier® to capture a broad-spectrum of pandemic influenza viruses, mosquito-borne viruses and deadly hemorrhagic viruses. Based on its use to treat Ebola virus, the Hemopurifier® was named a "Top 25 Invention" and one of the "Eleven Most Remarkable Advances in Healthcare," by TIME Magazine.

Aethlon is also investigating the potential therapeutic use of the Hemopurifier® to reduce the presence of tumor-derived exosomes, which contribute to immune-suppression and the spread of metastasis in cancer patients. Additionally, Aethlon is the majority owner of Exosome Sciences, Inc. (ESI), which is focused on the discovery of exosomal biomarkers to diagnose and monitor cancer and neurological disorders, including Alzheimer's disease (AD) and Chronic Traumatic Encephalopathy (CTE). Additional information can be found online at www.AethlonMedical.com and www.ExosomeSciences.com. You can also connect with us on Twitter, LinkedIn, Facebook and Google+.

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that involve risks and uncertainties. Statements containing words such as "may," "believe," "anticipate," "expect," "intend," "plan," "project," "will," "projections," "estimate," or similar expressions constitute forward-looking statements. Such forward-looking statements are subject to significant risks and uncertainties and actual results may differ materially from the results anticipated in the forward-looking statements. Factors that may contribute to such

differences include, without limitation, the Company's ability to maintain its listing on the Nasdaq Capital Market, or any other national securities exchange, that the Company or its subsidiary will not be able to commercialize its products, that the FDA will not approve the initiation or continuation of the Company's clinical programs or provide market clearance of the Company's products, the Company's ability to raise capital when needed, the Company's ability to complete the development of its planned products, the Company's ability to manufacture its products either internally or through outside companies, the impact of government regulations, patent protection on the Company's proprietary technology, the ability of the Company to meet the milestones contemplated in its contract with DARPA, product liability exposure, uncertainty of market acceptance, competition, technological change, and other risk factors. The foregoing list of risks and uncertainties is illustrative, but is not exhaustive. Additional factors that could cause results to differ materially from those anticipated in forward-looking statements can be found under the caption "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended March 31, 2018, and in the Company's other filings with the Securities and Exchange Commission. Except as may be required by law, the Company does not intend, nor does it undertake any duty, to update this information to reflect future events or circumstances.

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AETHLON MEDICAL, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheet

ASSETS		
	June 30, 2018	March 31, 2018
CURRENT ASSETS		
Cash	\$6,122,902	\$6,974,070
Accounts receivable	74,813	74,813
Prepaid expenses	143,620	181,367
TOTAL CURRENT ASSETS	<u>6,341,335</u>	<u>7,230,250</u>
Property and equipment, net	21,734	27,552
Patents, net	73,541	75,832
Deposits	17,131	18,270
TOTAL NONCURRENT ASSETS	<u>112,406</u>	<u>121,654</u>
TOTAL ASSETS	<u>\$6,453,741</u>	<u>\$7,351,904</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	143,102	124,450
Due to related parties	90,366	90,366
Other current liabilities	237,990	263,141
TOTAL CURRENT LIABILITIES	<u>471,458</u>	<u>477,957</u>
NONCURRENT LIABILITIES		
Convertible notes payable, net	871,440	841,153
TOTAL NONCURRENT LIABILITIES	<u>871,440</u>	<u>841,153</u>
TOTAL LIABILITIES	<u>1,342,898</u>	<u>1,319,110</u>
COMMITMENTS AND CONTINGENCIES		
EQUITY		
Common stock, par value of \$0.001, 30,000,000 shares authorized; 17,761,206 and 17,739,511 issued and outstanding	17,762	17,740
Additional paid in capital	105,804,417	105,574,014
Deficit accumulated during the development stage	(100,603,942)	(99,457,714)
TOTAL STOCKHOLDERS' EQUITY BEFORE NONCONTROLLING INTERESTS	<u>5,218,237</u>	<u>6,134,040</u>
Noncontrolling interests	(107,394)	(101,246)
TOTAL STOCKHOLDERS' EQUITY	<u>5,110,843</u>	<u>6,032,794</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$6,453,741</u>	<u>\$7,351,904</u>

AETHLON MEDICAL, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
For the three month periods ended June 30, 2018 and 2017

	Three Months Ended 6/30/18	Three Months Ended 6/30/17
Government contract revenue	\$149,625	\$-
OPERATING COSTS AND EXPENSES		
Professional fees	449,435	343,023
Payroll and related	602,565	630,227
General and administrative	194,897	186,999
	<u>1,246,897</u>	<u>1,160,249</u>
OPERATING LOSS	(1,097,272)	(1,160,249)
OTHER (INCOME) EXPENSE		
Loss on debt extinguishment	-	376,909
Loss on share for warrant exchanges	-	119,789
Interest and other debt expenses	55,104	188,604
	<u>55,104</u>	<u>685,302</u>
NET LOSS BEFORE NONCONTROLLING INTERESTS	\$(1,152,376)	\$(1,845,551)
Loss attributable to noncontrolling interests	(6,148)	(3,769)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	<u>\$(1,146,228)</u>	<u>\$(1,841,782)</u>
Basic and diluted net loss available to common stockholders per share	<u>\$ (0.06)</u>	<u>\$ (0.21)</u>
Weighted average number of common shares outstanding	<u>17,754,728</u>	<u>8,805,522</u>

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