

July 1, 2019



Aethlon Medical Announces Fiscal Year End Financial Results and Provides Corporate Update

SAN DIEGO, July 1, 2019 /PRNewswire/ -- Aethlon Medical, Inc. (Nasdaq: AEMD), a therapeutic technology company focused on unmet needs in global health, today reported financial results for its fiscal year ended March 31, 2019 and provided an update on recent developments.

Company Updates

Aethlon Medical, Inc. (Company) is continuing the development of its proprietary Hemopurifier, which is a first in class therapeutic device designed for the single use depletion of circulating viruses and cancer-promoting exosomes. The Hemopurifier has previously been designated a Breakthrough Device by the FDA for the treatment of glycosylated viruses, including Ebola and other hemorrhagic fever viruses, and in late 2018 was additionally designated as a Breakthrough Device "...for the treatment of individuals with advanced or metastatic cancer who are either unresponsive to or intolerant of standard of care therapy, and with cancer types in which exosomes have been shown to participate in the development or severity of the disease...."

Aethlon is currently preparing for the initiation of clinical trials in patients with advanced and metastatic cancers. The Company is initially focused on the treatment of solid tumors, including head and neck cancer, gastrointestinal cancers and other cancers. Aethlon is in active communication with FDA in preparation for the initiation of an early clinical trial in one of these areas.

On June 30, 2019, the Company entered into a cross-licensing agreement with SeaStar Medical, Inc. to jointly develop Aethlon's and SeaStar's combined medical devices to address the care and management of critically ill patients.

Financial Results for Fiscal Year Ended March 31, 2019

Aethlon's net loss was approximately \$6.2 million, or \$(0.34) per share for the fiscal year ended March 31, 2019, compared to a net loss of approximately \$5.7 million, or \$(0.46) per share for the fiscal year ended March 31, 2019.

At March 31, 2019, the Company had a cash balance of approximately \$3.8 million.

Aethlon's consolidated operating expenses for the fiscal year ended March 31, 2019 were approximately \$6.2 million, compared to \$5.0 million for the prior fiscal year. This increase of approximately \$1.2 million, was in part due to an accrual of approximately \$517,000 to cover

separation payments to be paid over calendar 2019 to Aethlon's former CEO and to its former President. The Company recorded approximately \$473,000 of that accrual as payroll and related expenses and the remaining \$44,000 fell into the general and administrative expense area.

Net of the \$517,000 accrual, the Company's operating expenses increased by approximately \$700,000. The primary driver of the \$700,000 increase was a net increase in professional fees of approximately \$639,000, primarily due to increased scientific consulting fees related to ongoing studies and increased legal fees.

Aethlon had other expense of approximately \$220,000 in the fiscal year ended March 31, 2019, compared to other expense of approximately \$869,000 in the fiscal year ended March 31, 2018.

The Company recorded government contract and grant revenue in the fiscal years ended March 31, 2019 and 2018. This revenue arose from work performed under two government contracts with the National Institutes of Health (NIH). In the fiscal year ended March 31, 2018, the Company recorded approximately \$150,000 in revenue from its Melanoma Cancer contract with the NIH and in the fiscal year ended March 31, 2019, Aethlon recorded approximately \$230,000 in aggregate revenue from the Melanoma Cancer contract and its new Breast Cancer grant.

The unaudited condensed consolidated balance sheet for March 31, 2019 and the unaudited condensed consolidated statements of operations for the fiscal year ended March 31, 2019 and 2018 follow at the end of this release.

Conference Call

Aethlon will hold a conference call today, Monday, July 1, 2019 at 4:30 p.m. Eastern Time to review financial results and recent corporate developments. Following management's formal remarks, there will be a question and answer session.

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 July 8, 2019. The replay can be accessed via Aethlon'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 10132719.

About Aethlon Medical, Inc.

Aethlon Medical is focused on addressing unmet needs in global health. The Aethlon Hemopurifier® is a clinical-stage immunotherapeutic device designed to combat cancer and life-threatening viral infections. In cancer, the Hemopurifier® depletes the presence of circulating tumor-derived exosomes that promote immune suppression, seed the spread of metastasis and inhibit the benefit of leading cancer therapies. The Hemopurifier® is an FDA designated "Breakthrough Device" related to the treatment of individuals with advanced or metastatic cancer who are either unresponsive to or intolerant of standard of care therapy,

and with cancer types in which exosomes have been shown to participate in the development or severity of the disease cancer. The Hemopurifier also holds a Breakthrough Device designation related to life-threatening viruses that are not addressed with approved therapies.

Additionally, Aethlon owns 80% of Exosome Sciences, Inc., which is focused on the discovery of exosomal biomarkers to diagnose and monitor cancer and neurological disease progression. Additional information can be found online at www.AethlonMedical.com and www.ExosomeSciences.com.

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 raise additional funds and maintain its listing on the Nasdaq Capital Market, or any other national securities exchange, the risk that the Company's collaboration with SeaStar will not be successful, or its subsidiary will not be able to commercialize its products, including the Hemopurifier, 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 complete the development of the Hemopurifier and other 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, 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, 2019, and in the Company's other filings with the Securities and Exchange Commission, including its quarterly Reports on Form 10-Q. 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	March 31, 2019	March 31, 2018
CURRENT ASSETS		
Cash	\$3,828,074	\$6,974,070
Accounts receivable	-	74,813
Prepaid expenses	210,042	181,367
TOTAL CURRENT ASSETS	<u>4,038,116</u>	<u>7,230,250</u>
Property and equipment, net	6,021	27,552
Patents, net	66,668	75,832
Deposits	12,159	18,270
TOTAL NONCURRENT ASSETS	<u>84,848</u>	<u>121,654</u>
TOTAL ASSETS	<u><u>\$4,122,964</u></u>	<u><u>\$7,351,904</u></u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	131,931	124,450
Due to related parties	83,654	90,366
Convertible notes payable, net	962,301	-
Other current liabilities	646,000	263,141
TOTAL CURRENT LIABILITIES	<u>1,823,886</u>	<u>477,957</u>
NONCURRENT LIABILITIES		
Convertible notes payable, net	-	841,153
TOTAL NONCURRENT LIABILITIES	<u>-</u>	<u>841,153</u>
TOTAL LIABILITIES	<u>1,823,886</u>	<u>1,319,110</u>
COMMITMENTS AND CONTINGENCIES		
EQUITY		
Common stock, par value of \$0.001, 30,000,000 shares authorized; 19,004,253 and 17,739,511 issued and outstanding	19,004	17,740
Additional-paid in capital	108,058,538	105,574,014
Accumulated deficit	(105,652,433)	(99,457,714)
TOTAL STOCKHOLDERS' EQUITY BEFORE NONCONTROLLING INTERESTS	<u>2,425,109</u>	<u>6,134,040</u>
Noncontrolling interests	(126,031)	(101,246)
TOTAL STOCKHOLDERS' EQUITY	<u>2,299,078</u>	<u>6,032,794</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$4,122,964</u></u>	<u><u>\$7,351,904</u></u>

AETHLON MEDICAL, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
For the fiscal years ended March 31, 2019 and 2018

	Fiscal Year Ended 3/31/19	Fiscal Year Ended 3/31/18
Government contract revenue	\$229,625	\$149,625
OPERATING COSTS AND EXPENSES		
Professional fees	2,192,048	1,553,204
Payroll and related	3,083,116	2,634,937
General and administrative	953,478	792,600
	<u>6,228,642</u>	<u>4,980,741</u>
OPERATING LOSS	(5,999,017)	(4,831,116)
OTHER (INCOME) EXPENSE		
Loss on debt extinguishment	-	376,909
Loss on share for warrant exchanges	-	130,215
Interest and other debt expenses	220,487	361,597
	<u>220,487</u>	<u>868,721</u>
NET LOSS	\$(6,219,504)	\$(5,699,837)
Loss attributable to noncontrolling interests	<u>(24,785)</u>	<u>(20,279)</u>
NET LOSS ATTRIBUTABLE TO AETHLON MEDICAL, INC.	<u>\$(6,194,719)</u>	<u>\$(5,679,558)</u>
Basic and diluted net loss available to common stockholders per share	<u>\$ (0.34)</u>	<u>\$ (0.46)</u>
Weighted average number of common shares outstanding	<u>18,124,707</u>	<u>12,317,074</u>

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