

November 6, 2018



Aethlon Medical Announces Second Quarter Fiscal Year 2019 Results

SAN DIEGO, Nov. 6, 2018 /PRNewswire/ -- Aethlon Medical, Inc. (Nasdaq: AEMD), a therapeutic technology company focused on unmet needs in global health, today announced results for its fiscal second quarter ended September 30, 2018.

Second Quarter Financial Results

The Company's net loss was approximately \$1.4 million, or \$(0.08) per share for the three months ended September 30, 2018 compared to a net loss of approximately \$1.3 million, or \$(0.14) per share for the three months ended September 30, 2017.

At September 30, 2018, the Company had a cash balance of approximately \$5.1 million.

Consolidated operating expenses for the three months ended September 30, 2018 were approximately \$1.35 million in comparison with \$1.24 million for the comparable period a year ago. This increase of approximately \$110,000, was due to increases in payroll and related expenses of \$54,000, in general and administrative expenses of \$37,000 and in professional fees of \$20,000.

The \$54,000 increase in payroll and related expenses was primarily due to a \$53,000 increase in stock-based compensation.

The \$37,000 increase in general and administrative expenses was primarily due to approximately \$79,000 of clinical trial expenses associated with the exosome trial at University of California Irvine, which was partially offset by reductions in a number of additional expenses.

The \$20,000 increase in our professional fees was due to a \$50,000 increase in our Board fees due to the recent expansion of our Board, a \$12,000 increase in ESI's legal fees related to patent work, a \$7,000 increase in scientific consulting fees, and a \$7,000 increase in our marketing and investor relations fees. Those increases were partially offset by a \$43,000 decrease in our legal fees and a \$13,000 decrease in our accounting fees.

The Company had other expense of approximately \$55,000 in the three months ended September 30, 2018 compared to other expense of approximately \$72,000 in for three months ended September 30, 2017.

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

Conference Call

Aethlon will hold a conference call for investors today, Tuesday, November 6, 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 November 13, 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 10126044.

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 also an FDA designated "Breakthrough Device" related to the treatment of 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. You can also connect with us on Twitter, LinkedIn and Facebook.

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, 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		September 30, 2018	March 31, 2018
CURRENT ASSETS			
Cash		\$5,078,605	\$6,974,070
Accounts receivable		-	74,813
Prepaid expenses		89,343	181,367
TOTAL CURRENT ASSETS		5,167,948	7,230,250
Property and equipment, net		16,094	27,552
Patents, net		71,250	75,832
Deposits		17,131	18,270
TOTAL NONCURRENT ASSETS		104,475	121,654
TOTAL ASSETS		<u>\$5,272,423</u>	<u>\$7,351,904</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable		91,879	124,450
Due to related parties		98,866	90,366
Convertible notes payable, net		901,727	-
Other current liabilities		168,356	263,141
TOTAL CURRENT LIABILITIES		1,260,828	477,957
NONCURRENT LIABILITIES			
Convertible notes payable, net		-	841,153
TOTAL NONCURRENT LIABILITIES		-	841,153
TOTAL LIABILITIES		1,260,828	1,319,110
COMMITMENTS AND CONTINGENCIES			
EQUITY			
Common stock, par value of \$0.001, 30,000,000 shares authorized; 17,834,560 and 17,739,511 issued and outstanding			
		17,835	17,740
Additional-paid in capital		106,107,157	105,574,014
Accumulated deficit		(101,997,287)	(99,457,714)
TOTAL STOCKHOLDERS' EQUITY BEFORE NONCONTROLLING INTERESTS		4,127,705	6,134,040
Noncontrolling interests		(116,110)	(101,246)
TOTAL STOCKHOLDERS' EQUITY		4,011,595	6,032,794
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>\$5,272,423</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 9/30/18	Three Months Ended 9/30/17	Six Months Ended 9/30/18	Six Months Ended 9/30/17
Government contract revenue	\$-	\$-	\$149,625	\$-
OPERATING COSTS AND EXPENSES				
Professional fees	403,044	383,178	852,479	726,201
Payroll and related	672,279	618,081	1,274,844	1,248,308
General and administrative	271,631	234,914	466,528	421,913
	<u>1,346,954</u>	<u>1,236,173</u>	<u>2,593,851</u>	<u>2,396,422</u>
OPERATING LOSS	(1,346,954)	(1,236,173)	(2,444,226)	(2,396,422)
OTHER (INCOME) EXPENSE				
Loss on debt extinguishment	-	-	-	376,909
Loss on share for warrant exchanges	-	10,425	-	130,214
Interest and other debt expenses	55,106	61,979	110,210	250,583
	<u>55,106</u>	<u>72,404</u>	<u>110,210</u>	<u>757,706</u>
NET LOSS	\$(1,402,060)	\$(1,308,577)	\$(2,554,436)	\$(3,154,128)
Loss attributable to noncontrolling interests	(8,715)	(4,671)	(14,864)	(8,439)
NET LOSS ATTRIBUTABLE TO AETHLON MEDICAL, INC.	<u>\$(1,393,345)</u>	<u>\$(1,303,906)</u>	<u>\$(2,539,572)</u>	<u>\$(3,145,689)</u>
Basic and diluted net loss available to common stockholders per share	\$ (0.08)	\$ (0.14)	\$ (0.14)	\$ (0.35)
Weighted average number of common shares outstanding	<u>17,789,236</u>	<u>9,032,157</u>	<u>17,771,918</u>	<u>8,939,624</u>

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