Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2022

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____to_____

COMMISSION FILE NUMBER 001-37487

AETHLON MEDICAL, INC.

(Exact name of registrant as specified in its charter)

NEVADA	13-3632859
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
11555 SORRENTO VALLEY ROAD, SUITE 203, SAN DIEGO, CA	92121
(Address of principal executive offices)	(Zip Code)

(619) 941-0360
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock	AEMD	The Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated Filer ☐	Accelerated Filer ☐
Non-accelerated Filer ☒	Smaller reporting company ☒
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of February 9, 2023, the registrant had outstanding 22,969,349 shares of common stock, $0.001 par value.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AETHLON MEDICAL, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2022 (Unaudited)	March 31, 2022
ASSETS		
Current assets		
Cash	$ 17,499,541	$ 17,072,419
Accounts receivable	–	127,965
Prepaid expenses and other current assets	672,781	956,623
Total current assets	18,172,322	18,157,007
Property and equipment, net	1,212,120	441,238
Right-of-use lease asset	1,217,458	696,698
Patents, net	1,788	2,200
Restricted cash	87,506	87,506
Deposits	33,305	33,305
Total assets	$ 20,724,499	$ 19,417,954
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 226,791	$ 499,962
Due to related parties	190,397	155,742
Deferred revenue	574,245	344,547
Lease liability, current portion	264,278	126,905
Other current liabilities	1,180,312	696,893
Total current liabilities	2,436,023	1,824,049
Lease liability, less current portion	1,009,277	602,505
Total liabilities	3,445,300	2,426,554
Stockholders' Equity		
Common stock, par value $0.001 per share; 60,000,000 and 30,000,000 shares authorized as of December 31, 2022 and March 31, 2022, respectively; 22,969,349 and 15,419,163 shares issued and outstanding as of December 31, 2022 and March 31, 2022, respectively	22,971	15,421
Additional paid-in capital	157,148,260	147,446,868
Accumulated deficit	(139,892,032)	(130,329,181)
Total Aethlon Medical, Inc. stockholders' equity before noncontrolling interests	17,279,199	17,133,108
Noncontrolling interests	–	(141,708)
Total stockholders' equity	17,279,199	16,991,400
Total liabilities and stockholders' equity	$ 20,724,499	$ 19,417,954

See accompanying notes.

AETHLON MEDICAL, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three and Nine Month Periods Ended December 31, 2022 and 2021
(Unaudited)

	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Nine Months Ended December 31, 2022	Nine Months Ended December 31, 2021
REVENUES				
Government contract revenue	$ –	$ 17,117	$ –	$ 281,049
OPERATING EXPENSES				
Professional fees	729,665	433,404	2,575,496	1,666,333
Payroll and related expenses	1,048,761	999,500	3,191,402	2,821,850
General and administrative	1,071,327	1,112,159	3,653,832	2,428,053
Total operating expenses	2,849,753	2,545,063	9,420,730	6,916,236
OPERATING LOSS	(2,849,753)	(2,527,946)	(9,420,730)	(6,635,187)
OTHER EXPENSE				
Loss on dissolution of subsidiary	–	–	142,121	–
NET LOSS	(2,849,753)	(2,527,946)	(9,562,851)	(6,635,187)
LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	–	(2,214)	–	(4,174)
NET LOSS ATTRIBUTABLE TO AETHLON MEDICAL, INC.	$ (2,849,753)	$ (2,525,732)	$ (9,562,851)	$ (6,631,013)
BASIC LOSS PER SHARE	$ (0.12)	$ (0.16)	$ (0.48)	$ (0.46)
DILUTED LOSS PER SHARE	$ (0.12)	$ (0.16)	$ (0.48)	$ (0.46)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC	22,946,483	15,397,418	19,741,451	14,543,787
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – DILUTED	22,946,483	15,397,418	19,741,451	14,543,787

See accompanying notes.

AETHLON MEDICAL, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Nine Months Ended December 31, 2022 and 2021
(Unaudited)

	Common Stock		Additional Paid In	Accumulated	Non-Controlling	Total
	Shares	Amount	Capital	Deficit	Interests	Equity
BALANCE - MARCH 31, 2022	15,419,163	$ 15,421	$ 147,446,868	$ (130,329,181)	$ (141,708)	$ 16,991,400
Issuances of common stock for cash under at the market program	574,560	575	618,867	–	–	619,442
Stock-based compensation expense	–	–	215,437	–	–	215,437
Net loss	–	–	–	(2,905,668)	(413)	(2,906,081)
BALANCE - JUNE 30, 2022	15,993,723	15,996	148,281,172	(133,234,849)	(142,121)	14,920,198
Issuances of common stock for cash under at the market program	6,906,276	6,906	8,300,863	–	–	8,307,769
Issuance of common stock upon vesting of restricted stock units	46,233	46	(8,019)	–	–	(7,973)
Stock-based compensation expense	–	–	313,539	–	–	313,539
Loss on dissolution of subsidiary	–	–	–	–	142,121	142,121
Net loss	–	–	–	(3,807,430)	–	(3,807,430)
BALANCE – SEPTEMBER 30, 2022	22,946,232	22,948	156,887,555	(137,042,279)	–	19,868,224
Issuances of common stock upon vesting of restricted stock units	23,117	23	(1,908)	–	–	(1,885)
Stock-based compensation expense	–	–	262,613	–	–	262,613
Net loss	–	–	–	(2,849,753)	–	(2,849,753)
BALANCE – DECEMBER 31, 2022	22,969,349	$ 22,971	$ 157,148,260	$ (139,892,032)	$ –	$ 17,279,199

	Common Stock		Additional Paid In	Accumulated	Non-Controlling	Total
	Shares	Amount	Capital	Deficit	Interests	Equity
BALANCE - MARCH 31, 2021	12,150,597	$ 12,152	$ 129,331,542	$ (119,913,090)	$ (136,914)	$ 9,293,690
Issuances of common stock for cash under at the market program	626,000	626	4,947,159	–	–	4,947,785
Issuances of common stock for cash in registered direct financing	1,380,555	1,381	11,657,663	–	–	11,659,044
Issuances of common stock for cash under warrant exercises	531,167	531	820,407	–	–	820,938
Issuances of common stock for cash under stock option exercises	11,562	11	28,314	–	–	28,325
Issuances of common stock under cashless warrant exercises	675,554	676	(676)	–	–	–
Issuance of common stock upon vesting of restricted stock units	10,932	11	(35,797)	–	–	(35,786)
Stock-based compensation expense	–	–	120,154	–	–	120,154
Net loss	–	–	–	(2,097,303)	(1,135)	(2,098,438)
BALANCE - JUNE 30, 2021	15,386,367	15,388	146,868,766	(122,010,393)	(138,049)	24,735,712
Issuances of common stock upon vesting of restricted stock units	10,932	11	(28,145)	–	–	(28,134)
Stock-based compensation expense	–	–	201,062	–	–	201,062
Net loss	–	–	–	(2,007,978)	(825)	(2,008,803)
BALANCE – SEPTEMBER 30, 2021	15,397,299	15,399	147,041,683	(124,018,371)	(138,874)	22,899,837
Issuance of common stock upon vesting of restricted stock units	10,932	11	(13,568)	–	–	(13,557)
Stock-based compensation expense	–	–	201,019	–	–	201,019
Net Loss	–	–	–	(2,525,732)	(2,214)	(2,527,946)
BALANCE – DECEMBER 31, 2021	15,408,231	$ 15,410	$ 147,229,134	$ (126,544,103)	$ (141,088)	$ 20,559,353

See accompanying notes.

AETHLON MEDICAL, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended December 31, 2022 and 2021
(Unaudited)

	Nine Months Ended December 31, 2022	Nine Months Ended December 31, 2021
Cash flows used in operating activities:		
Net loss	$ (9,562,851)	$ (6,635,187)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	161,350	98,363
Stock based compensation	791,588	522,234
Accretion of right-of-use lease asset	23,385	9,717
Loss of dissolution of subsidiary	142,121	–
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	283,645	(342,641)
Accounts receivable	127,965	17,116
Deposits	–	(21,146)
Accounts payable and other current liabilities	210,032	(443,239)
Deferred revenue	229,698	114,849
Due to related parties	34,655	11,855
Net cash used in operating activities	(7,558,412)	(6,668,079)
Cash flows used in investing activities:		
Purchases of property and equipment	(931,820)	(136,795)
Net cash used in investing activities	(931,820)	(136,795)
Cash flows provided by financing activities:		
Proceeds from the issuance of common stock, net	8,927,211	17,456,092
Tax withholding payments or tax equivalent payments for net share settlement of restricted stock units and net stock option expense	(9,857)	(77,477)
Net cash provided by financing activities	8,917,354	17,378,615
Net increase in cash and restricted cash	427,122	10,573,741
Cash and restricted cash at beginning of period	17,159,925	9,908,301
Cash and restricted cash at end of period	$ 17,587,047	$ 20,482,042
Supplemental disclosures of cash flow information:		
Supplemental disclosures of non-cash investing and financing activities:		
Issuance of common stock under cashless warrant exercises	$ –	$ 676
Par value of shares issued for vested restricted stock units and net stock option exercise	$ 69	$ 33
Initial recognition of right-of-use lease asset and lease liability	$ 625,471	$ 228,694
Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheets:		
Cash and cash equivalents	$ 17,499,541	$ 20,394,536
Restricted cash	87,506	87,506
Cash and restricted cash	$ 17,587,047	$ 20,482,042

See accompanying notes.

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION ORGANIZATION

Aethlon Medical, Inc., or Aethlon, the Company, we or us, is a medical therapeutic company focused on developing products to diagnose and treat cancer and life-threatening infectious diseases. The Aethlon Hemopurifier is a clinical-stage immunotherapeutic device designed to combat cancer and life-threatening viral infections. In cancer, the Hemopurifier is designed to deplete 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 U.S. Food and Drug Administration, or FDA, has designated the Hemopurifier as a "Breakthrough Device" for two independent indications:

- 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; and

- the treatment of life-threatening viruses that are not addressed with approved therapies.

We believe the Hemopurifier can be a substantial advance in the treatment of patients with advanced and metastatic cancer through the clearance of exosomes that promote the growth and spread of tumors through multiple mechanisms. We are currently working with our new contract research organization, or CRO, on preparations to conduct a clinical trial in Australia in patients with solid tumors, including head and neck cancer, gastrointestinal cancers and other cancers.

On October 4, 2019, the FDA approved our Investigational Device Exemption, or IDE, application to initiate an Early Feasibility Study, or EFS, of the Hemopurifier in patients with head and neck cancer in combination with standard of care pembrolizumab (Keytruda). The primary endpoint for the EFS, designed to enroll 10 to 12 subjects at a single center, is safety, with secondary endpoints including measures of exosome clearance and characterization, as well as response and survival rates. This clinical trial, initially conducted at the UPMC Hillman Cancer Center in Pittsburgh, PA, or UPMC, treated two patients. Due to lack of further patient enrollment, we and UPMC terminated this trial. We are in the process of designing other clinical trials in oncology, to include additional solid tumors. These trials initially are planned to be conducted in Australia.

We also believe the Hemopurifier can be part of the broad-spectrum treatment of life-threatening highly glycosylated, or carbohydrate coated, viruses that are not addressed with an already approved treatment. In small-scale or early feasibility human studies, the Hemopurifier has been used in the past to treat individuals infected with human immunodeficiency virus, or HIV, hepatitis-C and Ebola.

Additionally, *in vitro,* the Hemopurifier has been demonstrated to capture Zika virus, Lassa virus, MERS-CoV, cytomegalovirus, Epstein-Barr virus, Herpes simplex virus, Chikungunya virus, Dengue virus, West Nile virus, smallpox-related viruses, H1N1 swine flu virus, H5N1 bird flu virus, Monkeypox virus and the reconstructed Spanish flu virus of 1918. In several cases, these studies were conducted in collaboration with leading government or non-government research institutes.

On June 17, 2020, the FDA approved a supplement to our open IDE for the Hemopurifier in viral disease to allow for the testing of the Hemopurifier in patients with SARS-CoV-2/COVID-19, or COVID-19, in a New Feasibility Study. That study was designed to enroll up to 40 subjects at up to 20 centers in the United States. Subjects will have established laboratory diagnosis of COVID-19, be admitted to an intensive care unit, or ICU, and will have acute lung injury and/or severe or life-threatening disease, among other criteria. Endpoints for this study, in addition to safety, included reduction in circulating virus as well as clinical outcomes (NCT # 04595903). In June 2022, the first patient in this study was enrolled and completed the Hemopurifier treatment phase of the protocol. Under Single Patient Emergency Use regulations, the Company has treated two patients with COVID-19 with the Hemopurifier.

We currently are experiencing a disruption in our Hemopurifier supply, as our existing supply of Hemopurifiers expired on September 30, 2022 and, as previously disclosed, we are dependent on FDA approval of qualified suppliers to manufacture our Hemopurifier. Our intended transition to a new supplier for Galanthus nivalis agglutinin, or GNA, is delayed as we work with the FDA for approval of our supplement to our IDE, which is required to make this manufacturing change.

In October 2022, we launched a wholly owned subsidiary in Australia, formed to conduct clinical research, seek regulatory approval and commercialize our Hemopurifier in that country. The subsidiary will initially focus on the oncology market in Australia. There were only insignificant expenses in that subsidiary in the three months ended December 31, 2022.

We also obtained ethics review board approval and entered into a clinical trial agreement with Medanta Medicity Hospital, a multi-specialty hospital in Delhi NCR, India, for a COVID-19 clinical trial at that location. One patient has completed participation in the Indian COVID-19 study. The relevant authorities in India have accepted the use of the Hemopurifiers made with the GNA from our new supplier.

Previously, we were the majority owner of Exosome Sciences, Inc., or ESI, a company formed to focus on the discovery of exosomal biomarkers to diagnose and monitor life-threatening diseases, and thus consolidated ESI in our consolidated financial statements. For more than four years, the primary activities of ESI were limited to the payment of patent maintenance fees and applications. In September 2022, the Board of Directors of ESI and the Company, as the majority stockholder of ESI, approved the dissolution of ESI. Accordingly, ESI is eliminated from our December 31, 2022 balance sheet.

Successful outcomes of human trials will also be required by the regulatory agencies of certain foreign countries where we plan to sell the Hemopurifier. Some of our patents may expire before FDA approval or approval in a foreign country, if any, is obtained. However, we believe that certain patent applications and/or other patents issued more recently will help protect the proprietary nature of the Hemopurifier treatment technology.

In addition to the foregoing, we are monitoring closely the impact of the COVID-19 global pandemic, inflation and the war in Ukraine on our business. Given the level of uncertainty regarding the duration and impact of these events on capital markets and the U.S. economy, we are unable to assess the impact on our timelines and future access to capital. The full extent to which the COVID-19 pandemic, inflation and the war in Ukraine will impact our business, results of operations, financial condition, clinical trials and preclinical research will depend on future developments, as well as the economic impact on national and international markets that are highly uncertain.

Our executive offices are located at 11555 Sorrento Valley Road, Suite 203, San Diego, California 92121. Our telephone number is (619) 941-0360. Our website address is www.aethlonmedical.com.

Our common stock is listed on the Nasdaq Capital Market under the symbol “AEMD.”

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

During the three months ended December 31, 2022, there were no changes to our significant accounting policies as described in our Annual Report on Form 10-K for the fiscal year ended March 31, 2022.

Basis of Presentation and Use of Estimates

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP, for interim financial information and with the instructions to Form 10-Q and Article 8 of the Securities and Exchange Commission, or SEC, Regulation S-X. Accordingly, they should be read in conjunction with the audited financial statements and notes thereto for the fiscal year ended March 31, 2022, included in the Company's Annual Report on Form 10-K filed with the SEC on June 28, 2022. The accompanying unaudited condensed consolidated financial statements include the accounts of Aethlon Medical, Inc. and its wholly owned subsidiary, Aethlon Medical Australia Pty Ltd, as well as its previously majority-owned subsidiary, ESI, which dissolved in September 2022. All significant inter-company transactions and balances have been eliminated in consolidation. The unaudited condensed consolidated financial statements contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the condensed consolidated financial statements as of and for the nine months ended December 31, 2022, and the condensed consolidated statement of cash flows for the nine months ended December 31, 2022. Estimates were made relating to useful lives of fixed assets, impairment of assets, share-based compensation expense and accruals for clinical trial and research and development expenses. Actual results could differ materially from those estimates. The accompanying condensed consolidated balance sheet at March 31, 2022 has been derived from the audited consolidated balance sheet at March 31, 2022, contained in the above referenced 10-K. The results of operations for the nine months ended December 31, 2022 are not necessarily indicative of the results to be expected for the full year or any future interim periods.

Reclassifications

Certain prior year balances within the unaudited condensed consolidated financial statements have been reclassified to conform to the current year presentation.

LIQUIDITY AND GOING CONCERN

Management expects existing cash as of December 31, 2022 to be sufficient to fund the Company's operations for at least twelve months from the issuance date of these condensed consolidated financial statements.

Restricted Cash

To comply with the terms of our laboratory and office lease and our lease for our manufacturing space, see Note 11, we caused our bank to issue two standby letters of credit, or L/Cs, in the aggregate amount of $87,506 in favor of the landlord. The L/Cs are in lieu of a security deposit. In order to support the L/Cs, we agreed to have our bank withdraw $87,506 from our operating accounts and to place that amount in a restricted certificate of deposit. We have classified that amount as restricted cash, a long-term asset, on our balance sheet.

2. LOSS PER COMMON SHARE

Basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the period of computation. Diluted loss per share is computed similar to basic loss per share, except that the denominator is increased to include the number of additional dilutive common shares that would have been outstanding if potential common shares had been issued, if such additional common shares were dilutive. Since we had net losses for all periods presented, basic and diluted loss per share are the same, and additional potential common shares have been excluded, as their effect would be antidilutive.

As of December 31, 2022 and 2021, an aggregate of 2,068,252 and 1,587,759 potential common shares, respectively, consisting of shares underlying outstanding stock options, warrants, and restricted stock units were excluded, as their inclusion would be antidilutive.

3. RESEARCH AND DEVELOPMENT EXPENSES

Our research and development costs are expensed as incurred. We incurred research and development expenses during the three and nine month periods ended December 31, 2022 and 2021, which are included in various operating expense line items in the accompanying condensed consolidated statements of operations. Our research and development expenses in those periods were as follows:

	December 31, 2022	December 31, 2021
Three months ended	$ 558,223	$ 354,571
Nine months ended	$ 2,129,376	$ 1,403,891

4. RECENT ACCOUNTING PRONOUNCEMENTS

None.

5. EQUITY TRANSACTIONS IN THE NINE MONTHS ENDED DECEMBER 31, 2022

2022 At The Market Offering Agreement with H.C. Wainwright & Co., LLC

On March 24, 2022, we entered into an At The Market Offering Agreement, or the 2022 ATM Agreement, with H.C. Wainwright & Co., LLC, or Wainwright, which established an at-the-market equity program pursuant to which we may offer and sell shares of our common stock from time to time as set forth in the 2022 ATM Agreement.

The offering was registered under the Securities Act of 1933, as amended, or the Securities Act, pursuant to our shelf registration statement on S-3 (Registration Statement No. 333-259909), as previously filed with the SEC and declared effective on October 21, 2021. We filed a prospectus supplement, dated March 24, 2022, with the SEC that provides for the sale of shares of our common stock having an aggregate offering price of up to $15,000,000, or the 2022 ATM Shares.

Under the 2022 ATM Agreement, Wainwright may sell the 2022 ATM Shares by any method permitted by law and deemed to be an “at the market offering” as defined in Rule 415 promulgated under the Securities Act, including sales made directly on the Nasdaq Capital Market, or on any other existing trading market for the 2022 ATM Shares. In addition, under the 2022 ATM Agreement, Wainwright may sell the 2022 ATM Shares in privately negotiated transactions with our consent and in block transactions. Under certain circumstances, we may instruct Wainwright not to sell the 2022 ATM Shares if the sales cannot be effected at or above the price designated by us from time to time.

We are not obligated to make any sales of the 2022 ATM Shares under the 2022 ATM Agreement. The offering of the 2022 ATM Shares pursuant to the 2022 ATM Agreement will terminate upon the termination of the 2022 ATM Agreement by Wainwright or us, as permitted therein.

The 2022 ATM Agreement contains customary representations, warranties and agreements by us, and customary indemnification and contribution rights and obligations of the parties. We agreed to pay Wainwright a placement fee of up to 3.0% of the aggregate gross proceeds from each sale of the 2022 ATM Shares. We also agreed to reimburse Wainwright for certain specified expenses in connection with entering into the 2022 ATM Agreement.

In the nine months ended December 31, 2022, we raised net proceeds of $8,927,211, net of $229,610 in commissions to Wainwright and $27,153 in other offering expense, through the sale of, 7,480,836 shares of our common stock at an average price of $1.19 per share under the 2022 ATM Agreement.

Restricted Stock Unit Grants

The Compensation Committee of the Board of Directors of the Company approved, effective as of April 1, 2022, pursuant to the terms of the Company's Amended and Restated Non-Employee Directors Compensation Policy, or the Directors Compensation Policy, the grant of the annual Restricted Stock Unit awards, or RSUs, to each of the two non-employee directors of the Company then serving on the Board of Directors of the Company, or Board, and the grant of an RSU for the then newly appointed director. The RSU grants were made subject to stockholder approval of an increase of 1,800,000 shares of common stock authorized for issuance under the Company's 2020 Equity Incentive Plan, or the 2020 Plan, at the Company's 2022 annual meeting of stockholders. The increase was approved at the Company's 2022 annual meeting of stockholders held in September 2022. The Directors Compensation Policy provides for a grant of stock options or $50,000 worth of RSUs at the beginning of each fiscal year for current non-employee directors then serving on the Board and for a grant of stock options or $75,000 worth of RSUs for a newly elected director, with each RSU priced at the average for the closing prices for the five days preceding and including the date of grant, or $1.46 per share as of April 1, 2022. The two then-current eligible directors each was granted a contingent RSU in the amount of 34,247 shares under the 2020 Plan and the then newly appointed director received a contingent RSU grant for 51,370 shares under the 2020 Plan. The RSUs are subject to vesting in three installments, 50% on September 30, 2022, and 25% on each of December 31, 2022, and March 31, 2023, subject to the recipient's continued service with the Company on each such vesting date.

6. RELATED PARTY TRANSACTIONS

During the three months ended December 31, 2022, we accrued unpaid fees of $57,000 owed to our non-employee directors as of December 31, 2022. Amounts due to related parties were comprised of the following items:

	December 31, 2022	March 31, 2022
Accrued Board fees	$ 57,000	$ 55,750
Accrued vacation to all employees	133,397	99,992
Total due to related parties	$ 190,397	$ 155,742

7. OTHER CURRENT LIABILITIES

Other current liabilities were comprised of the following items:

	December 31, 2022	March 31, 2022
Accrued professional fees	$ 1,180,312	$ 696,893
Total other current liabilities	$ 1,180,312	$ 696,893

8. STOCK COMPENSATION

The following tables summarize share-based compensation expenses relating to RSUs and stock options and the effect on basic and diluted loss per common share during the three and nine month periods ended December 31, 2022 and 2021:

	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Nine Months Ended December 31, 2022	Nine Months Ended December 31, 2021
Vesting of stock options and restricted stock units	$ 262,613	$ 201,019	$ 791,588	$ 522,234
Total stock-based compensation expense	$ 262,613	$ 201,019	$ 791,588	$ 522,234
Weighted average number of common shares outstanding – basic and diluted	22,946,483	15,397,418	19,741,451	14,543,787
Basic and diluted loss per common share attributable to stock-based compensation expense	$ (0.01)	$ (0.01)	$ (0.04)	$ (0.04)

All of the stock-based compensation expense recorded during the nine months ended December 31, 2022 and 2021, an aggregate of $791,588 and $522,234, respectively, is included in payroll and related expense in the accompanying condensed consolidated statements of operations. Stock-based compensation expense recorded during each of the nine months ended December 31, 2022 and 2021 represented an impact on basic and diluted loss per common share of $(0.04) in each period.

We review share-based compensation on a quarterly basis for changes to the estimate of expected award forfeitures based on actual forfeiture experience. The cumulative effect of adjusting the forfeiture rate for all expense amortization is recognized in the period the forfeiture estimate is changed. The effect of forfeiture adjustments for the nine months ended December 31, 2022 was insignificant.

Stock Option Activity

During the nine months ended December 31, 2022, we recognized a stock option grant made in the fiscal year ended March 31, 2022 to purchase 61,600 shares of our common stock under our 2020 Plan that previously was contingent on stockholder approval of an increase of 1,800,000 shares of common stock authorized for issuance under the 2020 Plan, at the Company's 2022 annual meeting of stockholders. The increase was approved at the Company's 2022 annual meeting of stockholders held in September 2022.

During the nine months ended December 31, 2021, we issued a stock option grant to Charles J. Fisher, Jr., MD, our Chief Executive Officer, or CEO, for the purchase of 266,888 shares of our common stock under our 2020 Plan. The purchase price for the shares subject to the option is $5.17 per share, the fair market value of the common stock on the date of the grant. The shares subject to the option are subject to vesting over four years, commencing on the date of grant, or Vesting Commencement Date, with twenty-five percent (25%) of the shares subject to the option vesting on the first anniversary of the Vesting Commencement Date and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months, in each case subject to Dr. Fisher's Continuous Service (as defined in the 2020 Plan) through each vesting date.

Stock options outstanding that have vested as of December 31, 2022 and stock options that are expected to vest subsequent to December 31, 2022 are as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years
Vested	501,985	$ 2.83	7.83
Expected to vest	1,201,848	$ 2.03	8.21
Total	1,703,833		

A summary of stock option activity during the nine months ended December 31, 2022 is presented below:

	Amount	Range of Exercise Price	Weighted Average Exercise Price
Stock options outstanding at March 31, 2022	1,665,948	$ 1.28 - 142.50	$ 2.31
Exercised	–	$ –	$ –
Granted	61,600	$ 1.21	$ 1.21
Cancelled/Expired	(23,715)	$ 1.41 - 57	$ 2.85
Stock options outstanding at December 31, 2022	1,703,833	$ 1.21 - 142.50	$ 2.26
Stock options exercisable at December 31, 2022	501,985	$ 1.28 - 142.50	$ 2.83

On December 31, 2022, our outstanding stock options had no intrinsic value since the closing share price on that date of $0.28 per share was below the weighted average exercise price of our outstanding stock options.

At December 31, 2022, there was approximately $2,151,000 of unrecognized compensation cost related to share-based payments, which is expected to be recognized over a weighted average period of 2.51 years.

9. WARRANTS

During the nine months ended December 31, 2022 and 2021, we did not issue any warrants.

A summary of warrant activity during the nine months ended December 31, 2022 is presented below:

	Amount	Range of Exercise Price	Weighted Average Exercise Price
Warrants outstanding at March 31, 2022	576,738	$ 1.50 – 59.25	$ 11.21
Exercised	–	$ –	$ –
Cancelled/Expired	(249,985)	$ 20.63 – 59.25	$ 23.24
Warrants outstanding at December 31, 2022	326,753	$ 1.50 – 2.75	$ 2.01
Warrants exercisable at December 31, 2022	326,753	$ 1.50 – 2.75	$ 2.01

10. GOVERNMENT CONTRACTS AND RELATED REVENUE RECOGNITION

We entered into the following contract with the National Cancer Institute, or NCI, part of the National Institutes of Health, or NIH, in September 2019:

Phase 2 Melanoma Cancer Contract

On September 12, 2019, the NCI awarded to us an SBIR Phase II Award Contract, for NIH/NCI Topic 359, entitled "A Device Prototype for Isolation of Melanoma Exosomes for Diagnostics and Treatment Monitoring", or the Award Contract. The Award Contract amount is $1,860,561 and, as amended, ran for the period from September 16, 2019 through September 15, 2022.

The work performed pursuant to this Award Contract was focused on melanoma exosomes. This work followed from our completion of a Phase I contract for the Topic 359 solicitation that ran from September 2017 through June 2018, as described below. Following on the Phase I work, the deliverables in the Phase II program involved the design and testing of a pre-commercial prototype of a more advanced version of the exosome isolation platform.

We did not record government contract revenue on the Phase 2 Melanoma Cancer Contract in the three and nine month periods ended December 31, 2022. We recorded $114,849 and $229,698 of government contract revenue on the Phase 2 Melanoma Cancer Contract in the three and nine month periods ended December 31, 2021, respectively.

The contract ended on September 15, 2022 and we presented the required final report to the NCI. Once the NCI completes the close out review of the contract, we expect to recognize as revenue the $574,245 currently recorded as deferred revenue on our December 31, 2022 balance sheet.

Subaward with University of Pittsburgh

In December 2020, we entered into a cost reimbursable subaward arrangement with the University of Pittsburgh in connection with an NIH contract entitled "Depleting Exosomes to Improve Responses to Immune Therapy in HNNCC." Our share of the award was $256,750. We did not record revenue related to this subaward in the three- and nine- month periods ended December 31, 2022. We recorded $17,117 and $51,351 of revenue related to this subaward in the three- and nine-month periods ended December 31, 2021, respectively.

In October 2022, we agreed with the University of Pittsburgh to terminate the subaward arrangement, effective as of November 10, 2022, since it related to our clinical trial in head and neck cancer in which the University of Pittsburgh was unable to recruit patients. There are no provisions in the subaward arrangement requiring repayment of cash received for work completed through November 10, 2022.

11. COMMITMENTS AND CONTINGENCIES

LEASE COMMITMENTS

Office, Lab and Manufacturing Space Leases

In December 2020, we entered into an agreement to lease approximately 2,823 square feet of office space and 1,807 square feet of laboratory space located at 11555 Sorrento Valley Road, Suite 203, San Diego, California 92121 and 11575 Sorrento Valley Road, Suite 200, San Diego, California 92121, respectively. The agreement carries a term of 63 months and we took possession of the office space effective October 1, 2021. We took possession of the lab space effective January 1, 2022. In October 2021, we entered into another lease for (i) approximately 22,260 square feet of space located at 11588 Sorrento Valley Road, San Diego, California 92121, or the Building, and (ii) 2,655 square feet of space located in the Building and commonly known as Suite 18 to house our manufacturing operations. The term is for 55 months and we took possession of the manufacturing space in August 2022.

During the nine months ended December 31, 2022, we recorded a $625,471 right-of-use lease asset and associated lease liability related to the manufacturing space component of the lease based on the present value of lease payments over the expected lease term of 55 months, discounted using our estimated incremental borrowing rate of 4.25%. The current monthly base rent under the manufacturing component of the lease is $12,540.

The office, lab and manufacturing leases are coterminous with a remaining term of 54 months. The weighted average discount rate is 4.25%.

As of our December 31, 2022 balance sheet, we have a right-of-use lease asset of $1,217,458.

In addition, the lease agreements for the new office, lab and manufacturing space required us to post a standby L/C in favor of the landlord in the aggregate amount of $87,506 in lieu of a security deposit. We arranged for our bank to issue standby L/Cs for the new office and lab in the amounts of $46,726 in the fiscal year ended March 31, 2021 and for the manufacturing space in the amount of $40,780 in the fiscal year ended March 31, 2022. We transferred like amounts to a restricted certificate of deposit which secured the bank's risk in issuing those L/Cs. We have classified those restricted certificates of deposit on our balance sheet as restricted cash with a balance of $87,506.

Mobile Clean Room

In addition, we rented a mobile clean room on a short term, month-to-month basis, where we housed our manufacturing operations until our permanent manufacturing space was completed. The mobile clean room was located on leased land near our office and lab and we paid $2,000 per month for the right to locate it there. We paid approximately $167,615 in total rent expense to lease the mobile clean room located on this space during the nine months ended December 31, 2022. The arrangement was terminated in September 2022 and the mobile clean room was returned to the vendor that leased it to us.

Overall, our rent expense, which is included in general and administrative expenses, approximated $411,000 and $288,000 for the nine month periods ended December 31, 2022 and 2021, respectively.

LEGAL MATTERS

From time to time, claims are made against us in the ordinary course of business, which could result in litigation. Claims and associated litigation are subject to inherent uncertainties and unfavorable outcomes could occur, such as monetary damages, fines, penalties or injunctions prohibiting us from selling one or more products or engaging in other activities.

The occurrence of an unfavorable outcome in any specific period could have a material adverse effect on our results of operations for that period or future periods. We are not presently a party to any pending or threatened legal proceedings.

12. SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2022 through the date that the accompanying condensed consolidated financial statements were filed with the SEC for transactions and other events which may require adjustment of and/or disclosure in such financial statements.

In January 2023, we entered into an agreement with North American Science Associates, LLC, or NAMSA, a world leading MedTech CRO offering global end-to-end development services, to oversee the Company's clinical trials investigating the Hemopurifier for oncology indications. Pursuant to the agreement, NAMSA will manage our clinical trials of the Hemopurifier for patients in the United States and Australia with various types of cancer tumors. We anticipate that the initial clinical trials will begin in Australia.

In February 2023, we entered into an executive employment agreement with a new Chief Scientific Officer, Dr. Lee Arnold, effective February 1, 2023. Dr. Arnold initially will serve as our Chief Scientific Offer on a part-time, three days per week basis. Previously, Dr. LaRosa served as interim Chief Scientific Officer, as well as our Chief Medical Officer. Dr. LaRosa will continue as our Chief Medical Officer.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion of our financial condition and results of operations should be read in conjunction with, and is qualified in its entirety by, the condensed consolidated financial statements and notes thereto included in Item 1 in this Quarterly Report on Form 10-Q. This item contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those indicated in such forward-looking statements.

FORWARD LOOKING STATEMENTS

All statements, other than statements of historical fact, included in this Form 10-Q are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Such forward-looking statements involve assumptions, known and unknown risks, uncertainties and other factors which may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements contained in this Form 10-Q. Such potential risks and uncertainties include, without limitation, successful completion of our clinical trials, our ability to raise additional capital, our ability to maintain our Nasdaq listing, U.S. Food and Drug Administration, or FDA, approval of our products candidates, our ability to comply with changing government regulations, patent protection of our proprietary technology, product liability exposure, uncertainty of market acceptance, competition, technological change, and other risk factors detailed herein and in other of our filings with the Securities and Exchange Commission, or the SEC. The forward-looking statements are made as of the date of this Form 10-Q, and we assume no obligation to update the forward-looking statements, or to update the reasons actual results could differ from those projected in such forward-looking statements.

Overview

Aethlon Medical, Inc., or Aethlon, the Company, we or us, is a medical therapeutic company focused on developing products to diagnose and treat cancer and life-threatening infectious diseases. The Aethlon Hemopurifier is a clinical-stage immunotherapeutic device designed to combat cancer and life-threatening viral infections. In cancer, the Hemopurifier is designed to deplete 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 FDA has designated the Hemopurifier as a "Breakthrough Device" for two independent indications:

- 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; and

- the treatment of life-threatening viruses that are not addressed with approved therapies.

We believe the Hemopurifier can be a substantial advance in the treatment of patients with advanced and metastatic cancer through the clearance of exosomes that promote the growth and spread of tumors through multiple mechanisms. We are currently working with our new contract research organization, or CRO, on preparations to conduct a clinical trial in Australia in patients with solid tumors, including head and neck cancer, gastrointestinal cancers and other cancers.

On October 4, 2019, the FDA approved our Investigational Device Exemption, or IDE, application to initiate an Early Feasibility Study, or EFS, of the Hemopurifier in patients with head and neck cancer in combination with standard of care pembrolizumab (Keytruda). The primary endpoint for the EFS, designed to enroll 10 to 12 subjects at a single center, is safety, with secondary endpoints including measures of exosome clearance and characterization, as well as response and survival rates. This clinical trial, initially conducted at the UPMC Hillman Cancer Center in Pittsburgh, PA, or UPMC, treated two patients. Due to lack of further patient enrollment, we and UPMC terminated this trial. We are in the process of designing other clinical trials in oncology, to include additional solid tumors. These trials initially are planned to be conducted in Australia.

We also believe the Hemopurifier can be part of the broad-spectrum treatment of life-threatening highly glycosylated, or carbohydrate coated, viruses that are not addressed with an already approved treatment. In small-scale or early feasibility human studies, the Hemopurifier has been used in the past to treat individuals infected with human immunodeficiency virus, or HIV, hepatitis-C and Ebola.

Additionally, in vitro, the Hemopurifier has been demonstrated to capture Zika virus, Lassa virus, MERS-CoV, cytomegalovirus, Epstein-Barr virus, Herpes simplex virus, Chikungunya virus, Dengue virus, West Nile virus, smallpox-related viruses, H1N1 swine flu virus, H5N1 bird flu virus, Monkeypox virus and the reconstructed Spanish flu virus of 1918. In several cases, these studies were conducted in collaboration with leading government or non-government research institutes.

On June 17, 2020, the FDA approved a supplement to our open IDE for the Hemopurifier in viral disease to allow for the testing of the Hemopurifier in patients with SARS-CoV-2/COVID-19, or COVID-19, in a New Feasibility Study. That study was designed to enroll up to 40 subjects at up to 20 centers in the United States. Subjects will have established laboratory diagnosis of COVID-19, be admitted to an intensive care unit, or ICU, and will have acute lung injury and/or severe or life-threatening disease, among other criteria. Endpoints for this study, in addition to safety, included reduction in circulating virus as well as clinical outcomes (NCT # 04595903). In June 2022, the first patient in this trial was enrolled and completed the Hemopurifier treatment phase of the protocol. Under Single Patient Emergency Use regulations, the Company has treated two patients with COVID-19 with the Hemopurifier.

We currently are experiencing a disruption in our Hemopurifier supply, as our existing supply of Hemopurifiers expired on September 30, 2022, and as previously disclosed, we are dependent on FDA approval of qualified suppliers to manufacture our Hemopurifier. Our intended transition to a new supplier for Galanthus nivalis agglutinin, or GNA, is delayed as we work with the FDA for approval of our supplement to our Investigational Device Exemption, which is required to make this manufacturing change.

In October 2022, we launched a wholly owned subsidiary in Australia, formed to conduct clinical research, seek regulatory approval and commercialize our Hemopurifier in that country. The subsidiary will initially focus on the oncology market in Australia. There were only insignificant expenses in that subsidiary in the three months ended December 31, 2022.

We also obtained ethics review board approval and entered into a clinical trial agreement with Medanta Medicity Hospital, a multi-specialty hospital in Delhi NCR, India, for a COVID-19 clinical trial at that location. One patient has completed participation in the Indian COVID-19 study. The relevant authorities in India have accepted the use of the Hemopurifiers made with the GNA from our new supplier.

Previously we were the majority owner of Exosome Sciences, Inc., or ESI, a company formed to focus on the discovery of exosomal biomarkers to diagnose and monitor life-threatening diseases, and thus consolidated ESI in our consolidated financial statements. For more than four years, the primary activities of ESI were limited to the payment of patent maintenance fees and applications. In September 2022, the Board of Directors of ESI and the Company, as the majority stockholder of ESI, approved the dissolution of ESI. Accordingly, ESI is eliminated from our December 31, 2022 balance sheet.

Successful outcomes of human trials will also be required by the regulatory agencies of certain foreign countries where we plan to sell the Hemopurifier. Some of our patents may expire before FDA approval or approval in a foreign country, if any, is obtained. However, we believe that certain patent applications and/or other patents issued more recently will help protect the proprietary nature of the Hemopurifier treatment technology.

In addition to the foregoing, we are monitoring closely the impact of the COVID-19 global pandemic, inflation and the war in Ukraine on our business. Given the level of uncertainty regarding the duration and impact of these events on capital markets and the U.S. economy, we are unable to assess the impact on our timelines and future access to capital. The full extent to which the COVID-19 pandemic, inflation and the war in Ukraine will impact our business, results of operations, financial condition, clinical trials and preclinical research will depend on future developments, as well as the economic impact on national and international markets that are highly uncertain.

Our executive offices are located at 11555 Sorrento Valley Road, Suite 203, San Diego, California 92121. Our telephone number is (619) 941-0360. Our website address is www.aethlonmedical.com.

Our common stock is listed on the Nasdaq Capital Market under the symbol "AEMD."

COVID-19, Inflation and International Conflicts

The COVID-19 pandemic, the conflict in Ukraine and inflation has negatively impacted the global economy, disrupted global supply chains and created significant volatility and disruption of financial markets. Given the level of uncertainty regarding the COVID-19 pandemic, Ukraine conflict and inflationary environment on capital markets and the U.S. economy, we are unable to assess the impact of these events on our future access to capital. Further, while we have not experienced significant disruptions to our manufacturing supply chain, business, results of operations, financial condition, clinical trials or preclinical research to date, we are unable to assess the potential impact these events could have on our manufacturing supply chain, business, results of operations, financial condition, clinical trials or preclinical research in the future.

As we continue to actively advance our clinical trials, we remain in close contact with our clinical sites and are assessing the impact of COVID-19 on our trials, expected timelines and costs on an ongoing basis. We will assess any potential delays in our ability to timely ship clinical trial materials, including internationally, due to transportation interruptions. The extent of the impact of COVID-19, the Ukraine conflict and inflation on our operational and financial performance will depend on certain developments, including the impact on our clinical trials, employees and vendors, all of which are uncertain and cannot be predicted. Given these uncertainties, we cannot reasonably estimate the related impact to our business, operating results and financial condition, if any.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act, and must file reports, proxy statements and other information with the SEC. The SEC maintains a web site (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding registrants, like us, which file electronically with the SEC.

RESULTS OF OPERATIONS

THREE MONTHS ENDED DECEMBER 31, 2022 COMPARED TO THE THREE MONTHS ENDED DECEMBER 31, 2021

Government Contract Revenues

We did not record government contract revenue in the three months ended December 31, 2022. We recorded $17,117 in government contract revenue in the three months ended December 31, 2021. This revenue resulted from work performed under our government contracts with the National Institutes of Health, or NIH, as follows:

	Three Months Ended 12/31/22	Three Months Ended 12/31/21	Change in Dollars
Phase 2 Melanoma Cancer Contract	$ –	$ –	$ –
Subaward with University of Pittsburgh	–	17,117	(17,117)
Total Government Contract and Grant Revenue	$ –	$ 17,117	$ (17,117)

We have recognized revenue under the following contracts/grants:

Phase 2 Melanoma Cancer Contract

On September 12, 2019, the National Cancer Institute, or NCI, awarded to us an SBIR Phase II Award Contract, for NIH/NCI Topic 359, entitled "A Device Prototype for Isolation of Melanoma Exosomes for Diagnostics and Treatment Monitoring", or the Award Contract. The Award Contract amount was $1,860,561 and, as amended, ran for the period from September 16, 2019 through September 15, 2022.

The work performed pursuant to this Award Contract was focused on melanoma exosomes. This work followed from our completion of a Phase I contract for the Topic 359 solicitation that ran from September 2017 through June 2018, as described below. Following on the Phase I work, the deliverables in the Phase II program involved the design and testing of a pre-commercial prototype of a more advanced version of the exosome isolation platform.

We did not record government contract revenue on the Award Contract in the three months ended December 31, 2022 or in the three months ended December 31, 2021.

The Award Contract ended on September 15, 2022 and we presented the required final report to the NCI. Once the NCI completes the close out review of the contract, we expect to recognize as revenue the $574,245 currently recorded as deferred revenue on our December 31, 2022 balance sheet.

Subaward with University of Pittsburgh

In December 2020, we entered into a cost reimbursable subaward arrangement with the University of Pittsburgh in connection with an NIH contract entitled "Depleting Exosomes to Improve Responses to Immune Therapy in HNNCC." Our share of the award was $256,750. We did not record revenue related to this subaward in the three months ended December 31, 2022. We recorded $17,117 of revenue related to this subaward in the three months ended December 31, 2021.

In October 2022, we agreed with the University of Pittsburgh to terminate the subaward arrangement, effective as of November 10, 2022, since it related to our clinical trial in head and neck cancer in which the University of Pittsburgh was unable to recruit patients. There are no provisions in the subaward arrangement requiring repayment of cash received for work completed through November 10, 2022.

Operating Expenses

Consolidated operating expenses for the three months ended December 31, 2022 were $2,849,753, compared to $2,545,063 for the three months ended December 31, 2021. This increase of $304,690, or 12%, in the 2022 period was due to increases in our professional fees of $296,261 and in our payroll and related expenses of $49,261, offset by a decrease in our general and administrative expenses of $40,832.

The $296,261 increase in our professional fees was primarily due to the combination of a $144,684 increase in our contract labor expense associated with product development and scientific analytical services, a $73,115 increase in our scientific consulting expense, a $71,029 increase in our legal fees, a $25,622 increase related to outside regulatory services, and a $21,712 increase associated with recruiting. These expenses were partially offset by a $13,687 decrease in our accounting expenses.

The $49,261 increase in our payroll and related expenses was due to an increase of $167,520 in salary expense and an increase of $61,594 of stock based compensation expense related to increased headcount, offset by a decrease of $179,853 in relocation expense.

The $40,832 decrease in our administrative expenses was due to a $74,894 decrease in clinical trial expenses, a $18,914 decrease in rent expense and a $19,774 decrease in licenses and permits, which was partially offset by a $60,455 increase in our depreciation expense.

Net Loss

As a result of the changes in revenues and expenses noted above, our net loss increased to approximately $2,850,000 in the three months ended December 31, 2022, from approximately $2,528,000 in the three months ended December 31, 2021.

Basic and diluted loss attributable to common stockholders were ($0.12) for the three months ended December 31, 2022, compared to ($0.16) for the three month period ended December 31, 2021.

NINE MONTHS ENDED DECEMBER 31, 2022 COMPARED TO THE NINE MONTHS ENDED DECEMBER 31, 2021

Government Contract Revenues

We did not record government contract revenue in the nine months ended December 31, 2022. We recorded $281,049 in government contract revenue in the nine months ended December 31, 2021. This revenue resulted from work performed under our government contracts with NIH as follows:

	Nine Months Ended 12/31/22	Nine Months Ended 12/31/21	Change in Dollars
Phase 2 Melanoma Cancer Contract	$ –	$ 229,698	$ (229,698)
Subaward with University of Pittsburgh	–	51,351	(51,351)
Total Government Contract and Grant Revenue	$ –	$ 281,049	$ (281,049)

We have recognized revenue under the following contracts/grants:

Phase 2 Melanoma Cancer Contract

On September 12, 2019, the NCI awarded to us the Award Contract. The Award Contract amount was $1,860,561 and, as amended, ran for the period from September 16, 2019 through September 15, 2022.

The work performed pursuant to this Award Contract was focused on melanoma exosomes. This work followed from our completion of a Phase I contract for the Topic 359 solicitation that ran from September 2017 through June 2018, as described below. Following on the Phase I work, the deliverables in the Phase II program involved the design and testing of a pre-commercial prototype of a more advanced version of the exosome isolation platform.

We did not record government contract revenue on the Award Contract in the nine months ended December 31, 2022. We recorded $229,698 of government contract revenue on the Award Contract in the nine months ended December 31, 2021.

The Award Contract ended on September 15, 2022 and we presented the required final report to the NCI. Once the NCI completes the close out review of the contract, we expect to recognize as revenue the $574,245 currently recorded as deferred revenue on our December 31, 2022 balance sheet.

Subaward with University of Pittsburgh

In December 2020, we entered into a cost reimbursable subaward arrangement with the University of Pittsburgh in connection with an NIH contract entitled "Depleting Exosomes to Improve Responses to Immune Therapy in HNNCC." Our share of the award was $256,750. We did not record revenue related to this subaward in the nine months ended December 31, 2022. We recorded $51,351 of revenue related to this subaward in the nine months ended December 31, 2021.

In October 2022, we agreed with the University of Pittsburgh to terminate the subaward arrangement, effective as of November 10, 2022, since it related to our clinical trial in head and neck cancer in which the University of Pittsburgh was unable to recruit patients. There are no provisions in the subaward arrangement requiring repayment of cash received for work completed through November 10, 2022.

Operating Expenses

Consolidated operating expenses for the nine months ended December 31, 2022 were $9,420,730, compared to $6,916,236 for the nine months ended December 31, 2021. This increase of $2,504,494, or 36.2%, in the 2022 period was due to increases in our general and administrative expenses of $1,225,779, in our professional fees of $909,163 and in our payroll and related expenses of $369,552.

The $1,225,779 increase in our general and administrative expenses was primarily due to the combination of a $470,022 increase in our clinical trial expenses, a $406,410 increase in supplies and materials, primarily for manufacturing Hemopurifiers, a $146,962 increase in subcontract expenses related to our government contracts, a $122,912 increase in our rent expense, and a $72,199 increase in our insurance expense.

The $909,163 increase in our professional fees was primarily due to the combination of a $450,767 increase in our contract labor expense associated with product development and analytical services, a $204,943 increase in our legal fees, a $145,924 increase in professional fees associated with regulatory strategy services, a $64,602 increase in our investor relations expenses, primarily related to solicitation expenses associated with our 2022 annual meeting of stockholders and an increase of $36,485 in scientific consulting related to product development and scientific analytical services.

The $369,552 increase in our payroll and related expenses was due to an increase in our cash-based compensation expense of $508,620 and stock-based compensation expense of $269,354 due to our increased headcount. This increase was partially offset by a reduction of $215,000 in bonus expense and $198,347 in relocation expense.

Other Expense

In September 2022, the Board of Directors of ESI and Aethlon, as the majority stockholder of ESI, approved the dissolution of ESI. As a result of this dissolution, we recorded a non-cash charge of $142,121 as other expense in the nine months ended December 31, 2022.

Net Loss

As a result of the changes in revenues and expenses noted above, our net loss increased to approximately $9,563,000 in the nine months ended December 31, 2022, from approximately $6,635,000 in the nine months ended December 31, 2021.

Basic and diluted loss attributable to common stockholders were ($0.48) for the nine months ended December 31, 2022, compared to ($0.46) for the nine months ended December 31, 2021.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2022, we had a cash balance of $17,499,541 and working capital of $15,736,299. This compares to a cash balance of $17,072,419 and working capital of $16,332,958 at March 31, 2022. We expect our existing cash as of December 31, 2022 to be sufficient to fund our operations for at least twelve months from the issuance date of these financial statements.

2022 At The Market Offering Agreement with H.C. Wainwright & Co., LLC

On March 24, 2022, we entered into an At The Market Offering Agreement, or the 2022 ATM Agreement, with H.C. Wainwright & Co., LLC, or Wainwright, which established an at-the-market equity program pursuant to which we may offer and sell shares of our common stock from time to time as set forth in the 2022 ATM Agreement.

The offering was registered under the Securities Act pursuant to our shelf registration statement on S-3 (Registration Statement No. 333-259909), as previously filed with the SEC and declared effective on October 21, 2021. We filed a prospectus supplement, dated March 24, 2022, with the SEC that provides for the sale of shares of our common stock having an aggregate offering price of up to $15,000,000, or the 2022 ATM Shares.

Under the 2022 ATM Agreement, Wainwright may sell the 2022 ATM Shares by any method permitted by law and deemed to be an "at the market offering" as defined in Rule 415 promulgated under the Securities Act, including sales made directly on the Nasdaq Capital Market, or on any other existing trading market for the 2022 ATM Shares. In addition, under the 2022 ATM Agreement, Wainwright may sell the 2022 ATM Shares in privately negotiated transactions with our consent and in block transactions. Under certain circumstances, we may instruct Wainwright not to sell the 2022 ATM Shares if the sales cannot be effected at or above the price designated by us from time to time.

We are not obligated to make any sales of the 2022 ATM Shares under the 2022 ATM Agreement. The offering of the 2022 ATM Shares pursuant to the 2022 ATM Agreement will terminate upon the termination of the 2022 ATM Agreement by Wainwright or us, as permitted therein.

The 2022 ATM Agreement contains customary representations, warranties and agreements by us, and customary indemnification and contribution rights and obligations of the parties. We agreed to pay Wainwright a placement fee of up to 3.0% of the aggregate gross proceeds from each sale of the 2022 ATM Shares. We also agreed to reimburse Wainwright for certain specified expenses in connection with entering into the 2022 ATM Agreement.

In the nine months ended December 31, 2022, we raised net proceeds of $8,927,211, net of $229,610 in commissions to Wainwright and $27,153 in other offering expense, through the sale of 7,480,836 shares of our common stock at an average price of $1.19 per share under the 2022 ATM Agreement.

Cash Flows

Cash flows from operating, investing and financing activities, as reflected in the accompanying Condensed Consolidated Statements of Cash Flows, are summarized as follows:

	(In thousands) For the nine months ended	
	December 31, 2022	December 31, 2021
Cash provided by (used in):		
Operating activities	$ (7,558)	$ (6,668)
Investing activities	(932)	(137)
Financing activities	8,917	17,379
Net increase (decrease) in cash and restricted cash	$ 427	$ 10,574

NET CASH USED IN OPERATING ACTIVITIES. We used cash in our operating activities due to our losses from operations. Net cash used in operating activities was approximately $7,558,000 in the nine months ended December 31, 2022, compared to approximately $6,668,000 in the nine months ended December 31, 2021. The primary components in the $890,000 increase in cash used in our operating activities in the 2022 period were a $2,928,000 increase in our net losses, offset by an increase in accounts payable and other current liabilities of $653,271, a decrease of prepaid expenses of $626,483 primarily related to our clinical trials, an increase in non-cash charge of $269,354 from stock-based compensation related to increased headcount, a $142,121 non-cash charge for the loss on dissolution of subsidiary, an increase in deferred revenue of $114,849, a decrease of $110,000 in accounts receivable, and an increase of $63,000 in depreciation and amortization associated with leasehold improvements.

NET CASH USED IN INVESTING ACTIVITIES. We used approximately $932,000 of cash for leasehold improvements and to purchase laboratory and office equipment in the nine months ended December 31, 2022, compared to approximately $137,000 in the nine months ended December 31, 2022. The increase in the 2022 period was primarily a result of leasehold improvements and furnishings for our manufacturing space and purchasing additional laboratory equipment.

NET CASH PROVIDED BY FINANCING ACTIVITIES. During the nine months ended December 31, 2022, we raised approximately $8,927,000 from the issuance of common stock. That source of cash from our financing activities was partially offset by the use of approximately $10,000 to pay for the tax withholding on restricted stock units, for an aggregate amount of cash provided by financing activities of approximately $8,917,000.

During the nine months ended December 31, 2021, we raised approximately $17,456,000 from the issuance of common stock. That source of cash from our financing activities was partially offset by the use of approximately $77,000 to pay for the tax withholding on restricted stock units, for an aggregate amount of cash provided by financing activities of approximately $17,379,000.

Material Cash Requirements

As noted above in the results of operations, our clinical trial expense decreased by $74,894 in the three months ended December 31, 2022, compared to the three-month period ended December 31, 2021. However, we expect our clinical trial expenses will increase over the foreseeable future as we continue to expand our clinical trials both in the United States and internationally.

In addition, we have entered into leases for our corporate headquarters, laboratory and manufacturing facilities. As noted above in the results of operations, our rent expense increased by $122,912 in the nine months ended December 31, 2022, compared to the nine months ended December 31, 2021.

Future capital requirements will depend upon many factors, including progress with pre-clinical testing and clinical trials for our Hemopurifier, the number and breadth of our clinical programs, the time and costs involved in preparing, filing, prosecuting, maintaining and enforcing patent claims and other proprietary rights, the time and costs involved in obtaining regulatory approvals, competing technological and market developments, as well as our ability to establish collaborative arrangements, effective commercialization, marketing activities and other arrangements. We expect to continue to incur increasing negative cash flows and net losses for the foreseeable future. We will continue to need to raise additional capital either through equity and/or debt financing for the foreseeable future.

CRITICAL ACCOUNTING ESTIMATES

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, or GAAP, requires us to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. These estimates and assumptions affect the reported amounts of expenses during the reporting period. On an ongoing basis, we evaluate estimates and assumptions based upon historical experience and various other factors and circumstances. We believe our estimates and assumptions are reasonable in the circumstances; however, actual results may differ from these estimates under different future conditions.

We believe that the estimates and assumptions that are most important to the portrayal of our financial condition and results of operations, in that they require the most difficult, subjective or complex judgments, form the basis for the accounting policies deemed to be most critical to us. These critical accounting estimates relate to revenue recognition, stock purchase warrants issued with notes payable, beneficial conversion feature of convertible notes payable, impairment of intangible assets and long lived assets, stock compensation, deferred tax asset valuation allowance and contingencies.

There have been no changes to our critical accounting estimates as disclosed in our Form 10-K for the year ended March 31, 2022.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and in Item 10(f)(1) of Regulation S-K, we are electing scaled disclosure reporting obligations and therefore are not required to provide the information requested by this item.

ITEM 4. CONTROLS AND PROCEDURES.

DISCLOSURE CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this Quarterly Report.

Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of such period, our disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in the reports that we file or submit under the Exchange Act and are effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in our internal control over financial reporting during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, claims are made against us in the ordinary course of business, which could result in litigation. Claims and associated litigation are subject to inherent uncertainties and unfavorable outcomes could occur, such as monetary damages, fines, penalties or injunctions prohibiting us from selling one or more products or engaging in other activities.

The occurrence of an unfavorable outcome in any specific period could have a material adverse effect on our results of operations for that period or future periods. We are not presently a party to any pending or threatened legal proceedings.

ITEM 1A. RISK FACTORS.

RISK FACTOR SUMMARY

Below is a summary of the principal factors that make an investment in our securities speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below under the heading "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2022, filed with the SEC on June 28, 2022, or Annual Report, and in this Item 1A below and should be carefully considered, together with other information in this Quarterly Report on Form 10-Q and our other filings with the SEC before making investment decisions regarding our securities.

- We have incurred significant losses and expect to continue to incur losses for the foreseeable future.
- We will require additional financing to sustain our operations, achieve our business objectives and satisfy our cash obligations, which may dilute the ownership of our existing stockholders.
- We have limited experience in identifying and working with large-scale contracts with medical device manufacturers; manufacture of our devices must comply with good manufacturing practices in the United States.
- Delays, interruptions or the cessation of production by our third-party suppliers of important materials or delays in qualifying new materials, may prevent or delay our ability to manufacture or process our Hemopurifier.
- Our Hemopurifier technology may become obsolete.
- If we fail to comply with extensive regulations of U.S. and foreign regulatory agencies, the commercialization of our products could be delayed or prevented entirely.
- If we are unable to regain compliance with the listing requirements of the Nasdaq Capital Market, our common stock may be delisted from the Nasdaq Capital Market which could have a material adverse effect on our financial condition and could make it more difficult for you to sell your shares.
- As a public company with limited financial resources undertaking the launch of new medical technologies, we may have difficulty attracting and retaining executive management and directors.
- We plan to expand our operations, which may strain our resources; our inability to manage our growth could delay or derail implementation of our business objectives.
- Delays in successfully completing our planned clinical trials could jeopardize our ability to obtain regulatory approval.

Except for the risk factors set forth below, there have been no material changes to the risk factors previously disclosed under the heading "Risk Factors" in our Annual Report. The risks described in this Quarterly Report on Form 10-Q and in our Annual Report are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

Delays, interruptions or the cessation of production by our third-party suppliers of important materials or delays in qualifying new materials, has and may continue to prevent or delay our ability to manufacture our Hemopurifier.

Most of the raw materials used in the process for manufacturing our Hemopurifier are available from more than one supplier. However, there are materials within the manufacturing and production process that come from single suppliers. We do not have written contracts with all of our single source suppliers, and at any time they could stop supplying our orders. FDA review of a new supplier is required if these materials become unavailable from our current suppliers. Currently, we are experiencing an interruption in the manufacturing of our Hemopurifier as we transition to a new supplier of Galanthus nivalis agglutinin, or GNA, used in the manufacture of our Hemopurifier. We have not received the required FDA approval of our proposal to approve a new qualified supplier of the GNA and are working with the FDA to gain approval of this supplier. Although we have recently completed the manufacture of 112 Hemopurifiers, which have passed our quality control measures, we cannot ship the cartridges until we have FDA approval of our new GNA supplier. FDA review of the new supplier could take several additional months to obtain.

In addition, an uncorrected impurity, a supplier's variation in a raw material or testing, either unknown to us or incompatible with its manufacturing process, or any other problem with our materials, testing or components, would prevent or delay the release of our Hemopurifiers for use in our clinical trials. For example, in late 2020, we identified during our device quality review procedures prior to product release that one of our critical suppliers had produced a Hemopurifier component that was not produced to our specifications, although no affected Hemopurifiers were released into our inventory or to any clinical trial sites. Our current inventory of Hemopurifiers expired on September 30, 2022. Any further delay in achieving the required FDA approvals for our new supplier will limit our ability to meet any demand for the Hemopurifier in the United States. and delay our clinical trials in the United States., which could have a material adverse impact on our business, results of operations and financial condition.

Difficulties in manufacturing our Hemopurifier could have an adverse effect upon our expenses, our product revenues and our ability to complete our clinical trials.

We currently outsource most of the manufacturing of our Hemopurifier. The manufacturing of our Hemopurifier is difficult and complex. To support our current clinical trial needs, we comply with and intend to continue to comply with cGMP in the manufacture of our product. Our ability to adequately manufacture and supply our Hemopurifier in a timely matter is dependent on the uninterrupted and efficient operation of our facilities and those of third parties producing raw materials and supplies upon which we rely in our manufacturing. We currently are experiencing an interruption in our Hemopurifier manufacturing due to delays in obtaining necessary regulatory approval of a new manufacturer of GNA. The manufacture of our products may also be impacted by:

- availability or contamination of raw materials and components used in the manufacturing process, particularly those for which we have no other source or supplier;
- our ability to comply with new regulatory requirements, including our ability to comply with cGMP;
- natural disasters;
- changes in forecasts of future demand for product components;
- potential facility contamination by microorganisms or viruses;
- updating of manufacturing specifications;
- product quality success rates and yields; and
- global viruses and pandemics, including the current COVID-19 pandemic.

The current interruption in the manufacture and supply of our Hemopurifier has and may continue to delay shipments of our Hemopurifier for use in clinical trials in the United States.

Our products are manufactured with raw materials that are sourced from specialty suppliers with limited competitors and we may therefore be unable to access the materials we need to manufacture our products.

Specifically, the Hemopurifier contains three critical components with limited supplier numbers. The base cartridge on which the Hemopurifier is constructed is sourced from Medica S.p.A and we are dependent on the continued availability of these cartridges. We currently purchase the diatomaceous earth from Janus Scientific Inc., our distributor; however, the product is manufactured by Imerys Minerals Ltd., which is the only supplier of this product. The GNA is sourced from Vector Laboratories, Inc. and also is available from other suppliers; however, Sigma Aldrich is our only back up supplier at this time and we are in the process of working with the FDA to obtain regulatory approval for this supplier. A business interruption at any of these sources, including the interruption resulting from the delay in obtaining FDA approval of our new GNA supplier, has and may continue to have a material impact on our ability to manufacture the Hemopurifier.

If we are unable to regain compliance with the listing requirements of the Nasdaq Capital Market, our common stock may be delisted from the Nasdaq Capital Market which could have a material adverse effect on our financial condition and could make it more difficult for you to sell your shares.

Our common stock is listed on the Nasdaq Capital Market, and we are therefore subject to its continued listing requirements, including requirements with respect to the market value of publicly held shares, market value of listed shares, minimum bid price per share (subject to a 180-day grace period, as discussed below), and minimum stockholders' equity, among others, and requirements relating to board and committee independence. If we fail to satisfy one or more of the requirements, we may be delisted from the Nasdaq Capital Market.

On October 25, 2022, we received a notice, or Notice, from The Nasdaq Stock Market, or Nasdaq, that we were not in compliance with the $1.00 minimum bid price requirement for continued listing on the Nasdaq Global Market, as set forth in Nasdaq Listing Rule 5450(a)(1), or the Minimum Bid Price Requirement. The Notice indicated that, consistent with Nasdaq Listing Rule 5810(c)(3)(A), we had 180 days, or until April 24, 2023, to regain compliance with the Minimum Bid Price Requirement by having the closing bid price of our common stock meet or exceed $1.00 per share for at least ten consecutive business days.

If we do not achieve compliance with the Minimum Bid Price Requirement by April 24, 2023, we may be eligible for an additional 180 calendar day period to regain compliance. To qualify, we would be required to meet the continued listing requirement for the market value of its publicly held shares and all other Nasdaq initial listing standards, with the exception of the bid price requirement, and would need to provide written notice of our intention to cure the deficiency during the second compliance period. However, if it appears to Nasdaq staff that we will not be able to cure the deficiency, or if we do not meet the other listing standards, Nasdaq could provide notice that our common stock will be subject to delisting. In the event we receive notice that our common stock is being delisted, we would be entitled to appeal the determination to a Nasdaq Listing Qualifications Panel and request a hearing.

There can be no assurance, however, that we will be able to regain compliance with the Minimum Bid Price Requirement. Even if we do regain compliance, we may not be able to maintain compliance with the continued listing requirements for the Nasdaq Capital Market or our common stock could be delisted in the future. In addition, we may be unable to meet other applicable listing requirements of the Nasdaq Capital Market, including maintaining minimum levels of stockholders' equity or market values of our common stock in which case, our common stock could be delisted notwithstanding our ability to demonstrate compliance with the Minimum Bid Price Requirement.

Delisting from the Nasdaq Capital Market may adversely affect our ability to raise additional financing through the public or private sale of equity securities, may significantly affect the ability of investors to trade our securities and may negatively affect the value and liquidity of our common stock. Delisting also could have other negative results, including the potential loss of employee confidence, the loss of institutional investors or interest in business development opportunities.

If we are delisted from Nasdaq and we are not able to list our common stock on another exchange, our common stock could be quoted on the OTC Bulletin Board or in the "pink sheets." As a result, we could face significant adverse consequences including, among others:

- a limited availability of market quotations for our securities;
- a determination that our common stock is a "penny stock" which will require brokers trading in our common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and little or no analyst coverage for us;
- an inability to qualify for exemptions from state securities registration requirements, which may require us to comply with applicable state securities laws; and
- a decreased ability to issue additional securities (including pursuant to registration statements on Form S-3) or obtain additional financing in the future.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

We did not issue or sell any unregistered securities during the three months ended December 31, 2022.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

We have no disclosure applicable to this item.

ITEM 4. MINE SAFETY DISCLOSURES.

We have no disclosure applicable to this item.

ITEM 5. OTHER INFORMATION.

We have no disclosure applicable to this item.

ITEM 6. EXHIBITS.

(a) Exhibits. The following documents are filed as part of this report:

Exhibit Number	Exhibit Description	Form	Incorporated by Reference			Filed Herewith
			SEC File No.	Exhibit Number	Date	
3.1	Articles of Incorporation, as amended	8-K	001-37487	3.1	September 19, 2022	
3.2	Amended and Restated Bylaws of the Company	8-K	001-37487	3.1	September 12, 2019	
4.1	Form of Common Stock Certificate	S-1	333-201334	4.1	December 31, 2014	
4.2	Form of Warrant to Purchase Common Stock	S-1/A	333-234712	4.14	December 11, 2019	
4.3	Form of Underwriter Warrant	S-1/A	333-234712	4.15	December 11, 2019	
4.4	Form of Common Stock Purchase Warrant	8-K	001-37487	4.1	January 17, 2020	
10.1	Executive Employment Agreement, by and between Aethlon Medical, Inc. and Lee Arnold, Ph.D., dated February 1, 2023					X
31.1	Certification of our Chief Executive Officer, pursuant to Securities Exchange Act rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002					X
31.2	Certification of our Chief Financial Officer, pursuant to Securities Exchange Act rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002					X
32.1	Statement of our Chief Executive Officer under Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)					X
32.2	Statement of our Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)					X
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted in IXBRL, and included in exhibit 101)					

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AETHLON MEDICAL, INC.

Date: February 13, 2023

By: /s/ JAMES B. FRAKES
JAMES B. FRAKES
CHIEF FINANCIAL OFFICER
CHIEF ACCOUNTING OFFICER

Exhibit 10.1

AETHLON MEDICAL, INC.

EXECUTIVE EMPLOYMENT AGREEMENT

for

LEE D. ARNOLD, Ph.D.

This Executive Employment Agreement (this "**Agreement**") is made and entered into as of February 1, 2023 (the "**Effective Date**"), by and between **Lee D. Arnold, Ph.D.** ("**Employee**") and Aethlon Medical, Inc. (the "**Company**").

1. Employment by the Company.

1.1 Start Date and Position. Employee's employment with the Company shall begin on February 1, 2023 or such date as otherwise agreed to by Employee and the Company (such actual date employment begins (the "**Start Date**")). Employee shall serve as the Company's Chief Scientific Officer, reporting to the Chief Executive Officer.

1.2 Duties and Location. Employee shall perform such duties as are customarily associated with the position of Chief Scientific Officer and such other duties as are assigned to Employee by the Company. During the term of Employee's employment with the Company, Employee will devote Employee's best efforts and perform Employee's duties within a part-time commitment of three full-time days per week, although Employee's job duties may require that Employee work additional hours. Employee will work from the Company's office in San Diego, California at least two full-time days per week, provided that Employee may work remotely from his residence for the remaining one day per week. Subject to the terms of this Agreement, the Company reserves the right to (i) reasonably require Employee to perform Employee's duties at places other than Employee's primary office location from time to time and to require reasonable business travel, and (ii) modify Employee's job title and duties as it deems necessary and appropriate in light of the Company's needs and interests from time to time.

1.3 Policies and Procedures. The employment relationship between the parties shall be governed by the general employment policies and practices of the Company, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

2. Compensation.

2.1 Base Salary. For services to be rendered hereunder, Employee shall receive a base salary at the rate of $229,000 per year, less standard payroll deductions and withholdings and payable in accordance with the Company's regular payroll schedule.

2.2 Annual Bonus. Employee will be eligible for an annual discretionary bonus with a target amount of 40% of Employee's then-current annual base salary (the "**Annual Bonus**"). Whether Employee receives an Annual Bonus for any given year, and the amount of any such Annual Bonus, will be determined in the discretion of the Company's Board of Director's (or the Compensation Committee thereof) (the "**Board**"), based upon the Company's and Employee's achievement of objectives and milestones to be determined on an annual basis by the Board (or Compensation Committee thereof). No Annual Bonus is guaranteed and, in addition to the other conditions for earning such compensation, Employee must remain an employee in good standing of the Company on the scheduled Annual Bonus payment date in order to be eligible for any Annual Bonus.

3. Standard Company Benefits. Employee shall, in accordance with Company policy and the terms and conditions of the applicable Company benefit plan documents, be eligible to participate in the benefit and fringe benefit programs provided by the Company to its employees from time to time. Any such benefits shall be subject to the terms and conditions of the governing benefit plans and policies and may be changed by the Company in its discretion. To the extent Employee is not eligible for the Company's healthcare benefits on the Start Date, Company will reimburse Employee for the cost of COBRA to maintain his healthcare benefits from his prior employer until such time as Employee is eligible for the Company's benefits.

4. Expenses. The Company will reimburse Employee for reasonable travel, entertainment or other expenses incurred by Employee in furtherance or in connection with the performance of Employee's duties hereunder, in accordance with the Company's expense reimbursement policy as in effect from time to time.

5. Equity; Change in Control Acceleration. Subject to approval by the Board, under the Company's 2020 Equity Incentive Plan (the "**Plan**"), the Company will grant Employee an option to purchase 60,620 shares (the "**Option**") of the Company's Common Stock, at fair market value as determined by the Board as of the date of grant. The Option will be subject to the terms and conditions of the Plan and Employee's Option grant agreement. Employee's Option grant agreement will include a four-year vesting schedule, under which 25% of Employee's shares will vest after twelve months of employment, with the remaining shares vesting monthly thereafter, subject to Employee's continuous service with the Company on each such vesting date.

6. Confidential Information Obligations.

6.1 Confidential Information Agreement. As a condition of employment, Employee shall execute and abide by the Company's standard form of Employee Confidential Information and Inventions Assignment Agreement (the "**Confidential Information Agreement**").

6.2 Third-Party Agreements and Information. Employee represents and warrants that Employee's employment by the Company does not conflict with any prior employment or consulting agreement or other agreement with any third party, and that Employee will perform Employee's duties to the Company without violating any such agreement. Employee represents and warrants that Employee does not possess confidential information arising out of prior employment, consulting, or other third party relationships, that would be used in connection with Employee's employment by the Company, except as expressly authorized by that third party. During Employee's employment by the Company, Employee will use in the performance of Employee's duties only information that is generally known and used by persons with training and experience comparable to Employee's own, common knowledge in the industry, otherwise legally in the public domain, or obtained or developed by the Company or by Employee in the course of Employee's work for the Company.

7. Outside Activities and Non-Competition During Employment.

7.1 Outside Activities. During Employee's employment with the Company, Employee may engage in civic and not-for-profit activities and other types of business activities so long as such activities do not interfere with the performance of Employee's duties hereunder or present a conflict of interest with the Company or its affiliates. The Board may rescind such consent, if the Board determines, in its sole discretion, that such activities compromise or threaten to compromise the Company's or its affiliates' business interests or conflict with Employee's duties to the Company or its affiliates.

7.2 Non-Competition During Employment. During Employee's employment with the Company, Employee will not, without the express written consent of the Board, directly or indirectly serve as an officer, director, stockholder, employee, partner, proprietor, investor, joint ventures, associate, representative or consultant of any person or entity engaged in, or planning or preparing to engage in, business activity competitive with any line of business engaged in (or planned to be engaged in) by the Company or its affiliates; provided, however, that Employee may purchase or otherwise acquire up to (but not more than) one percent (1%) of any class of securities of any enterprise (without participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange. In addition, Employee will be subject to certain restrictions (including restrictions continuing after Employee's employment ends) under the terms of the Confidential Information Agreement.

8. Termination of Employment; Severance Benefits.

8.1 At-Will Employment. Employee's employment relationship is at-will. Either Employee or the Company may terminate the employment relationship at any time, with or without Cause (as defined below) or advance notice. Upon termination of Employee's employment for any reason, Employee shall resign from all positions and terminate any relationships as an employee, advisor, officer or director with the Company and any of its affiliates, each effective on the employment termination date.

8.2 Termination Without Cause or Resignation for Good Reason. In the event Employee's employment with the Company is terminated by the Company without Cause (and other than as a result of Employee's death or disability) or Employee resigns for Good Reason, then provided such termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**Separation from Service**"), and provided that Employee satisfies the Release Requirement in Section 9 below, and remains in compliance with the terms of this Agreement and the Confidential Information Agreement, the Company shall provide Employee with the following severance benefits (collectively, the "**Severance Benefits**"):

8.2.1 Severance Payments. Severance pay in the form of continuation of Employee's final monthly base salary for a period of twelve (12) months following termination, subject to required payroll deductions and tax withholdings (the "**Severance Payments**"). Subject to Section 10 below, the Severance Payments shall be made on the Company's regular payroll schedule in effect following Employee's employment termination date; provided, however that any such payments that are otherwise scheduled to be made prior to the Release Effective Date (as defined below) shall instead accrue and be made on the first regular payroll date following the Release Effective Date. For such purposes, Employee's final base salary will be calculated prior to giving effect to any reduction in base salary that would give rise to Employee's right to resign for Good Reason.

8.2.2 Health Care Continuation Coverage Payments.

(i) COBRA Premiums. If Employee timely elects continued coverage under COBRA, the Company will pay Employee's COBRA premiums to continue Employee's coverage (including coverage for Employee's eligible dependents, if applicable) ("**COBRA Premiums**") through the period starting on the employment termination date and ending twelve (12) months after the employment termination date (the "**COBRA Premium Period**"); provided, however, that the Company's provision of such COBRA Premium benefits will immediately cease if during the COBRA Premium Period Employee becomes eligible for group health insurance coverage through a new employer or Employee ceases to be eligible for COBRA continuation coverage for any reason, including plan termination. In the event Employee becomes covered under another employer's group health plan or otherwise ceases to be eligible for COBRA during the COBRA Premium Period, Employee must immediately notify the Company of such event.

(ii) Special Cash Payments in Lieu of COBRA Premiums. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the COBRA Premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), regardless of whether Employee or Employee's dependents elect or are eligible for COBRA coverage, the Company instead shall pay to Employee, on the first day of each calendar month following the employment termination date, a fully taxable cash payment equal to the applicable COBRA premiums for that month (including the amount of COBRA premiums for Employee's eligible dependents), subject to applicable tax withholdings (such amount, the "**Special Cash Payment**"), for the remainder of the COBRA Premium Period. Employee may, but is not obligated to, use such Special Cash Payments toward the cost of COBRA premiums or toward premium costs under an individual health plan.

8.3 Termination for Cause; Resignation Without Good Reason; Death or Disability. Employee will not be eligible for, or entitled to any severance benefits, including (without limitation) the Severance Benefits listed in Section 8.2 above, if the Company terminates Employee's employment for Cause, Employee resigns Employee's employment without Good Reason, or Employee's employment terminates due to Employee's death or disability.

9. Conditions to Receipt of Severance Benefits. To be eligible for the Severance Benefits pursuant to Section 8.2 above, Employee must satisfy the following release requirement (the "**Release Requirement**"): return to the Company a signed and dated general release of all known and unknown claims in a termination agreement acceptable to the Company (the "**Release**") within the applicable deadline set forth therein, but in no event later than forty-five (45) calendar days following Employee's employment termination date, and permit the Release to become effective and irrevocable in accordance with its terms (such effective date of the Release, the "**Release Effective Date**"). No Severance Benefits will be paid hereunder prior to the Release Effective Date. Accordingly, if Employee breaches the preceding sentence and/or refuses to sign and deliver to the Company an executed Release or signs and delivers to the Company the Release but exercises Employee's right, if any, under applicable law to revoke the Release (or any portion thereof), then Employee will not be entitled to any severance, payment or benefit under this Agreement. Employee shall also resign from all positions and terminate any relationships as an employee, advisor, officer or director with the Company and any of its affiliates, each effective on the employment termination date.

10. Section 409A. It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Code Section 409A provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Section 409A. For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Employee's right to receive any installment payments under this Agreement (whether severance payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this Agreement, if Employee is deemed by the Company at the time of Employee's Separation from Service to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), and if any of the payments upon Separation from Service set forth herein and/or under any other agreement with the Company are deemed to be "deferred compensation", then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to Employee prior to the earliest of (i) the expiration of the six-month and one day period measured from the date of Employee's Separation from Service with the Company, (ii) the date of Employee's death or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section shall be paid in a lump sum to Employee, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. If the Company determines that any severance benefits provided under this Agreement constitutes "deferred compensation" under Section 409A, for purposes of determining the schedule for payment of the severance benefits, the effective date of the Release will not be deemed to have occurred any earlier than the sixtieth (60th) date following the Separation From Service, regardless of when the Release actually becomes effective. In addition to the above, to the extent required to comply with Section 409A and the applicable regulations and guidance issued thereunder, if the applicable deadline for Employee to execute (and not revoke) the applicable Release spans two calendar years, payment of the applicable severance benefits shall not commence until the beginning of the second calendar year. To the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A, amounts reimbursable to Employee under this Agreement shall be paid to Employee on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Employee) during any one year may not effect amounts reimbursable or provided in any subsequent year. The Company makes no representation that any or all of the payments described in this Agreement will be exempt from or comply with Code Section 409A and makes no undertaking to preclude Code Section 409A from applying to any such payment.

11. Definitions.

11.1 Cause. For purposes of this Agreement, "**Cause**" means the occurrence of any one or more of the following: (i) Employee's conviction of or plea of guilty or *nolo contendere* to any felony or a crime of moral turpitude; (ii) Employee's willful and continued failure or refusal to follow lawful and reasonable instructions of the Board and/or the Company or lawful and reasonable policies and regulations of the Company or its affiliates; (iii) Employee's willful and continued failure to faithfully and diligently perform the assigned duties of Employee's employment with the Company or its affiliates; (iv) unprofessional, unethical, immoral or fraudulent conduct by Employee; (v) conduct by Employee that materially discredits the Company or any affiliate or is materially detrimental to the reputation, character and standing of the Company or any affiliate; or (vi) Employee's material breach of this Agreement, the Confidential Information Agreement, or any applicable Company policies. An event described in Section 11.1(ii) through Section 11.1(vi) herein shall not be treated as "Cause" until after Employee has been given written notice of such event, failure, conduct or breach and Employee fails to cure such event, failure, conduct or breach within 30 calendar days from such written notice; provided, however, that such 30-day cure period shall not be required if the event, failure, conduct or breach is incapable of being cured.

11.2 Good Reason. For purposes of this Agreement, Employee shall have "**Good Reason**" for resignation from employment with the Company if any of the following actions are taken by the Company without Employee's prior written consent: (i) a material reduction in Employee's base salary, unless pursuant to a salary reduction program applicable generally to the Company's senior executives; (ii) a material reduction in Employee's duties (including responsibilities and/or authorities), provided, however, that a change in job position (including a change in title) or reporting line shall not be deemed a "material reduction" in and of itself unless Employee's new duties are materially reduced from the prior duties; or (iii) relocation of Employee's principal place of employment to a place that increases Employee's one-way commute by more than fifty (50) miles as compared to Employee's then-current principal place of employment immediately prior to such relocation. In order for Employee to resign for Good Reason, each of the following requirements must be met: (iv) Employee must provide written notice to the Board within 30 calendar days after the first occurrence of the event giving rise to Good Reason setting forth the basis for Employee's resignation, (v) Employee must allow the Company at least 30 calendar days from receipt of such written notice to cure such event, (vi) such event is not reasonably cured by the Company within such 30 calendar day period (the "**Cure Period**"), and (vii) Employee must resign from all positions Employee then holds with the Company not later than 30 calendar days after the expiration of the Cure Period.

12. Dispute Resolution.

12.1 Agreement to Arbitrate. To ensure the timely and economical resolution of disputes that may arise between Employee and the Company, both Employee and the Company mutually agree that pursuant to the Federal Arbitration Act, 9 U.S.C. §1-16 (the "**FAA**"), and to the fullest extent permitted by applicable law, Employee and the Company will submit solely to final, binding and confidential arbitration any and all disputes, claims, or causes of action arising from or relating to: **(i)** the negotiation, execution, interpretation, performance, breach or enforcement of this Agreement; or **(ii)** Employee's employment with the Company (including but not limited to all statutory claims); or **(iii)** the termination of Employee's employment with the Company (including but not limited to all statutory claims). **BY AGREEING TO THIS ARBITRATION PROCEDURE, BOTH EMPLOYEE AND THE COMPANY WAIVE THE RIGHT TO RESOLVE ANY SUCH DISPUTES THROUGH A TRIAL BY JURY OR JUDGE OR THROUGH AN ADMINISTRATIVE PROCEEDING.**

12.2 Arbitrator Authority. The arbitrator shall have the sole and exclusive authority to determine whether a dispute, claim or cause of action is subject to arbitration under this Section and to determine any procedural questions which grow out of such disputes, claims or causes of action and bear on their final disposition.

12.3 Individual Capacity Only. All claims, disputes, or causes of action under this Section, whether by Employee or the Company, must be brought solely in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences in this Section are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration.

12.4 Arbitration Process. Any arbitration proceeding under this Section shall be presided over by a single arbitrator and conducted by Judicial Arbitration and Mediation Services, Inc. ("**JAMS**") in San Diego, California, or as otherwise agreed to by Employee and the Company, under the then applicable JAMS rules for the resolution of employment disputes (available upon request and also currently available at http://www.jamsadr.com/rules-employment-arbitration/). Employee and the Company both have the right to be represented by legal counsel at any arbitration proceeding, at each party's own expense. The arbitrator shall: **(i)** have the authority to compel adequate discovery for the resolution of the dispute; **(ii)** issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award; and **(iii)** be authorized to award any or all remedies that Employee or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS arbitration fees in excess of the amount of court fees that would be required of Employee if the dispute were decided in a court of law.

12.5 Excluded Claims. This Section shall not apply to any action or claim that cannot be subject to mandatory arbitration as a matter of law, including, without limitation, sexual assault disputes and sexual harassment disputes as defined in the FAA, claims brought pursuant to the California Private Attorneys General Act of 2004, as amended, the California Fair Employment and Housing Act, as amended, and the California Labor Code, as amended, to the extent such claims are not permitted by applicable law to be submitted to mandatory arbitration and such applicable law is not preempted by the FAA or otherwise invalid (collectively, the "**Excluded Claims**"). In the event Employee intends to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be filed with a court, while any other claims will remain subject to mandatory arbitration.

12.6 Injunctive Relief and Final Orders. Nothing in this Section is intended to prevent either Employee or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any final award in any arbitration proceeding hereunder may be entered as a judgment in the federal and state courts of any competent jurisdiction and enforced accordingly.

13. General Provisions.

13.1 Notices. Any notices provided must be in writing and will be deemed effective upon the earlier of personal delivery (including personal delivery by fax) or the next day after sending by overnight carrier, to the Company at its primary office location and to Employee at the address as listed on the Company payroll.

13.2 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction to the extent possible in keeping with the intent of the Parties.

13.3 Waiver. Any waiver of any breach of any provisions of this Agreement must be in writing to be effective, and it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

13.4 Complete Agreement. This Agreement, together with the Confidential Information Agreement, constitutes the entire agreement between Employee and the Company with regard to the subject matter hereof and is the complete, final, and exclusive embodiment of the Company's and Employee's agreement with regard to this subject matter. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes, extinguishes, and replaces in their entirety all other or prior agreements, whether oral or written, with respect to Employee's employment compensation, benefits, and terms with the Company or its affiliates or predecessors. It cannot be modified or amended except in a writing signed by a duly authorized member of the Board, with the exception of those changes expressly reserved to the Company's discretion in this Agreement.

13.5 Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but both of which taken together will constitute one and the same Agreement.

13.6 Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

13.7 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Employee and the Company, and their respective successors, assigns, heirs, executors and administrators, except that Employee may not assign any of Employee's duties hereunder and Employee may not assign any of Employee's rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.

13.8 Tax Withholding. All payments and awards contemplated or made pursuant to this Agreement will be subject to withholdings of applicable taxes in compliance with all relevant laws and regulations of all appropriate government authorities. Employee acknowledges and agrees that the Company has neither made any assurances nor any guarantees concerning the tax treatment of any payments or awards contemplated by or made pursuant to this Agreement. Employee has had the opportunity to retain a tax and financial advisor and fully understands the tax and economic consequences of all payments and awards made pursuant to this Agreement.

13.9 Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of California.

13.10 Conditions Precedent. This offer is subject to satisfactory proof of Employee's identity and right to work in the United States and other applicable pre-employment screenings.

[***Signature Page to Follow***]

In Witness Whereof, the Parties have executed this Agreement to become effective as of the Effective Date written above.

Aethlon Medical, Inc.

By: /s/ Guy Cipriani
Guy Cipriani
Chief Business Officer

Employee,

Signature: /s/ Lee D. Arnold, Ph.D.
Lee D. Arnold, Ph.D.

AETHLON MEDICAL, INC.

EMPLOYEE CONFIDENTIAL INFORMATION AND INVENTIONS ASSIGNMENT AGREEMENT

In consideration of my employment or continued employment by **Aethlon Medical, Inc.** ("***Employer***"), and its subsidiaries, parents, affiliates, successors and assigns (together with Employer, "***Company***"), the compensation paid to me now and during my employment with Company, and Company's agreement to provide me with access to its Confidential Information (as defined below), I enter into this Employee Confidential Information and Inventions Assignment Agreement with Employer (the "***Agreement***"). Accordingly, in consideration of the mutual promises and covenants contained herein, Employer (on behalf of itself and Company) and I agree as follows:

1. Confidential Information Protections.

1.1 Recognition of Company's Rights; Nondisclosure. My employment by Company creates a relationship of confidence and trust with respect to Confidential Information (as defined below) and Company has a protectable interest in the Confidential Information. At all times during and after my employment, I will hold in confidence and will not disclose, use, lecture upon, or publish any Confidential Information, except as required in connection with my work for Company, or as approved by an officer of Company. I will obtain written approval by an officer of Company before I lecture on or submit for publication any material (written, oral, or otherwise) that discloses and/or incorporates any Confidential Information. I will take all reasonable precautions to prevent the disclosure of Confidential Information. Notwithstanding the foregoing, pursuant to 18 U.S.C. Section 1833(b), I will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (1) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. I agree that Company information or documentation to which I have access during my employment, regardless of whether it contains Confidential Information, is the property of Company and cannot be downloaded or retained for my personal use or for any use that is outside the scope of my duties for Company.

1.2 Confidential Information. "***Confidential Information***" means any and all confidential knowledge or data of Company, and includes any confidential knowledge or data that Company has received, or receives in the future, from third parties that Company has agreed to treat as confidential and to use for only certain limited purposes. By way of illustration but not limitation, Confidential Information includes (a) trade secrets, inventions, ideas, processes, formulas, software in source or object code, works of authorship, data, technology, know-how, designs and techniques, and any other work product of any nature, and all Intellectual Property Rights (defined below) in all of the foregoing (collectively, "***Inventions***"), including all Company Inventions (defined in Section 2.1); (b) information regarding research, development, new products, business and operational plans, budgets, unpublished financial statements and projections, costs, margins, discounts, credit terms, pricing, quoting procedures, future plans and strategies, capital-raising plans, internal services, suppliers and supplier information; (c) information about customers and potential customers of Company, including customer lists, names, representatives, their needs or desires with respect to the types of products or services offered by Company, and other non-public information; (d) information about Company's business partners and their services, including names, representatives, proposals, bids, contracts, and the products and services they provide; (e) information regarding personnel, employee lists, compensation, and employee skills; and (f) any other non-public information that a competitor of Company could use to Company's competitive disadvantage. However, Company agrees that I am free to use information that I knew prior to my employment with Company without any obligation of confidentiality or that is, at the time of use, generally known in the trade or industry through no breach of this Agreement by me. Company further agrees that this Agreement does not limit my right to discuss my employment or discuss or disclose information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that I have reason to believe is unlawful, report possible violations of law or regulation, communicate with, cooperate with, or file a complaint with any federal, state or local government agency or entity, or to discuss the terms and conditions of my employment with others to the extent expressly permitted by Section 7 of the National Labor Relations Act, or to the extent that such disclosure is protected under the applicable provisions of law or regulation, including but not limited to "whistleblower" statutes or other similar provisions that protect such disclosure, to the extent any such rights are not permitted by applicable law to be the subject of nondisclosure obligations, provided that in each case such communications and disclosures are consistent with applicable law and the information subject to such disclosure was not obtained by me through a communication that was subject to the attorney client privilege, unless such disclosure of that information would otherwise be permitted by an attorney pursuant to 17 C.F.R. 205.3(d)(2), applicable state attorney conduct rules, or otherwise. Any agreement in conflict with the foregoing is hereby deemed amended to be consistent with the foregoing Section 1.2.

1.3 Term of Nondisclosure Restrictions. I will only use or disclose Confidential Information as provided in this Section 1 and I agree that the restrictions in Section 1.1 are intended to continue indefinitely, even after my employment by Company ends. However, if a time limitation on my obligation not to use or disclose Confidential Information is required under applicable law, and the Agreement or its restriction(s) cannot otherwise be enforced, Company and I agree that the two year period after the date my employment ends will be the time limitation relevant to the contested restriction; ***provided, however***, that my obligation not to disclose or use trade secrets that are protected without time limitation under applicable law shall continue indefinitely.

1.4 No Improper Use of Information of Prior Employers and Others. During my employment by Company, I will not improperly use or disclose confidential information or trade secrets, if any, of any former employer or any other person to whom I have an obligation of confidentiality, and I will not bring onto Company's premises any unpublished documents or property belonging to a former employer or any other person to whom I have an obligation of confidentiality unless that former employer or person has consented in writing.

2. Assignments of Inventions.

2.1 Definitions. The term (a) **"*Intellectual Property Rights*"** means all past, present and future rights of the following types, which may exist or be created under the laws of any jurisdiction in the world: trade secrets, Copyrights, trademark and trade name rights, mask work rights, patents and industrial property, and all proprietary rights in technology or works of authorship (including, in each case, any application for any such rights, all rights to priority, and any rights to apply for any such rights, as well as all rights to pursue remedies for infringement or violation of any such rights); (b) "***Copyright***" means the exclusive legal right to reproduce, perform, display, distribute and make derivative works of a work of authorship (for example, a literary, musical, or artistic work) recognized by the laws of any jurisdiction in the world; (c) "***Moral Rights***" means all paternity, integrity, disclosure, withdrawal, special and similar rights recognized by the laws of any jurisdiction in the world; and (d) "***Company Inventions***" means any and all Inventions (and all Intellectual Property Rights related to Inventions) that are made, conceived, developed, prepared, produced, authored, edited, amended, reduced to practice, or learned or set out in any tangible medium of expression or otherwise created, in whole or in part, by me, either alone or with others, during my employment by Company, and all printed, physical, and electronic copies, and other tangible embodiments of Inventions.

2.2 California Limited Exclusion Notification.

(a) I acknowledge that California Labor Code section 2870(a) provides that I cannot be required to assign to Company any Invention that I develop entirely on my own time without using Company's equipment, supplies, facilities or trade secret information, except for Inventions that either (i) relate at the time of conception or reduction to practice to Company's business, or actual or demonstrably anticipated research or development, or (ii) result from any work performed by me for Company ("*Nonassignable Inventions*").

(b) To the extent that a provision in this Agreement purports to require me to assign a Nonassignable Invention to Company, the provision is against the public policy of the state of California and is unenforceable.

(c) This limited exclusion does not apply to any patent or Invention covered by a contract between Company and the United States or any of its agencies requiring full title to such patent or Invention to be in the United States.

2.3 Prior Inventions.

(a) On the signature page to this Agreement is a list describing any Inventions that (i) are owned by me or in which I have an interest and that were made or acquired by me prior to my date of first employment by Company, (ii) may relate to Company's business or actual or demonstrably anticipated research or development, and (iii) are not to be assigned to Company ("***Prior Inventions***"). If no such list is attached, I represent and warrant that no Inventions that would be classified as Prior Inventions exist as of the date of this Agreement.

(b) I agree that if I use any Prior Inventions and/or Nonassignable Inventions in the scope of my employment, or if I include any Prior Inventions and/or Nonassignable Inventions in any product or service of Company, or if my rights in any Prior Inventions and/or any Nonassignable Inventions may block or interfere with, or may otherwise be required for, the exercise by Company of any rights assigned to Company under this Agreement (each, a "***License Event***"), (i) I will immediately notify Company in writing, and (ii) unless Company and I agree otherwise in writing, I hereby grant to Company a non-exclusive, perpetual, transferable, fully-paid, royalty-free, irrevocable, worldwide license, with rights to sublicense through multiple levels of sublicensees, to reproduce, make derivative works of, digitally transmit, distribute, publicly perform, and publicly display in any form or medium (whether now known or later developed), make, have made, use, sell, import, offer for sale, and exercise any and all present or future rights in, such Prior Inventions and/or Nonassignable Inventions. To the extent that any third parties have any rights in or to any Prior Inventions or any Nonassignable Inventions, I represent and warrant that such third party or parties have validly and irrevocably granted to me the right to grant the license stated above. For purposes of this paragraph, "***Prior Inventions***" includes any Inventions that would be classified as Prior Inventions, whether or not they are listed on the signature page to this Agreement.

2.4 Assignment of Company Inventions. I hereby assign to Employer all my right, title, and interest in and to any and all Company Inventions other than Nonassignable Inventions and agree that such assignment includes an assignment of all Moral Rights. To the extent such Moral Rights cannot be assigned to Employer and to the extent the following is allowed by the laws in any country where Moral Rights exist, I hereby unconditionally and irrevocably waive the enforcement of such Moral Rights, and all claims and causes of action of any kind against Employer or related to Employer's customers, with respect to such rights. I further agree that neither my successors-in-interest nor legal heirs retain any Moral Rights in any Company Inventions. Nothing contained in this Agreement may be construed to reduce or limit Company's rights, title, or interest in any Company Inventions so as to be less in any respect than that Company would have had in the absence of this Agreement.

2.5 Obligation to Keep Company Informed. During my employment by Company, I will promptly and fully disclose to Company in writing all Inventions that I author, conceive, or reduce to practice, either alone or jointly with others. At the time of each disclosure, I will advise Company in writing of any Inventions that I believe constitute Nonassignable Inventions; and I will at that time provide to Company in writing all evidence necessary to substantiate my belief. Subject to Section 2.3(b), Company agrees to keep in confidence, not use for any purpose, and not disclose to third parties without my consent, any confidential information relating to Nonassignable Inventions that I disclose in writing to Company.

2.6 Government or Third Party. I agree that, as directed by Company, I will assign to a third party, including without limitation the United States, all my right, title, and interest in and to any particular Company Invention.

2.7 Ownership of Work Product. I acknowledge that all original works of authorship that are made by me (solely or jointly with others) within the scope of my employment and that are protectable by Copyright are "works made for hire," pursuant to United States Copyright Act (17 U.S.C., Section 101).

2.8 Enforcement of Intellectual Property Rights and Assistance. I will assist Company, in every way Company requests, including signing, verifying and delivering any documents and performing any other acts, to obtain and enforce United States and foreign Intellectual Property Rights and Moral Rights relating to Company Inventions in any jurisdictions in the world. My obligation to assist Company with respect to Intellectual Property Rights relating to Company Inventions will continue beyond the termination of my employment, but Company will compensate me at a reasonable rate after such termination for the time I actually spend on such assistance. If Company is unable for any reason, after reasonable effort, to secure my signature on any document needed in connection with the actions specified in this paragraph, I hereby irrevocably designate and appoint Employer and its duly authorized officers and agents as my agent and attorney in fact, which appointment is coupled with an interest, to act for and on my behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Agreement with the same legal force and effect as if executed by me. I hereby waive and quitclaim to Company any and all claims, of any nature whatsoever, which I now or may hereafter have for infringement of any Intellectual Property Rights assigned to Employer under this Agreement.

2.9 Incorporation of Software Code. I agree not to incorporate into any Inventions, including any Company software, or otherwise deliver to Company, any software code licensed under the GNU General Public License, Lesser General Public License, Affero General Public License, "copyleft" license or any other license that, by its terms, requires or conditions the use or distribution of such code on the disclosure, licensing, or distribution of any source code owned or licensed by Company, **except** in strict compliance with Company's policies regarding the use of such software or as directed by Company.

3. Records. I agree to keep and maintain adequate and current records (in the form of notes, sketches, drawings and in any other form that is required by Company) of all Confidential Information developed by me and all Company Inventions made by me during the period of my employment at Company, which records will be available to and remain the sole property of Employer at all times.

4. Duty of Loyalty During Employment. During my employment by Company, I will not, without Company's written consent, directly or indirectly engage in any employment or business activity that is directly or indirectly competitive with, or would otherwise conflict with, my employment by Company.

5. No Solicitation of Employees, Consultants or Contractors. To the extent permitted by applicable law, I agree that during my employment and for the one year period after the date my employment ends for any reason, including but not limited to voluntary termination by me or involuntary termination by Company, I will not, as an officer, director, employee, consultant, owner, partner, or in any other capacity, either directly or through others (except on behalf of Company) solicit, induce, encourage any person known to me to be an employee, consultant, or independent contractor of Company to terminate his, her or its relationship with Company.

6. Reasonableness of Restrictions. I have read this entire Agreement and understand it. I agree that (a) this Agreement does not prevent me from earning a living or pursuing my career, and (b) the restrictions contained in this Agreement are reasonable, proper, and necessitated by Company's legitimate business interests. I represent and agree that I am entering into this Agreement freely, with knowledge of its contents and the intent to be bound by its terms. If a court finds this Agreement, or any of its restrictions, are ambiguous, unenforceable, or invalid, Company and I agree that the court will read the Agreement as a whole and interpret such restriction(s) to be enforceable and valid to the maximum extent allowed by law. If the court declines to enforce this Agreement in the manner provided in this Section and/or Section 12.2, Company and I agree that this Agreement will be automatically modified to provide Company with the maximum protection of its business interests allowed by law, and I agree to be bound by this Agreement as modified.

7. No Conflicting Agreement or Obligation. I represent that my performance of all the terms of this Agreement and as an employee of Company does not and will not breach any agreement to keep in confidence information acquired by me in confidence or in trust prior to my employment by Company. I have not entered into, and I agree I will not enter into, any written or oral agreement in conflict with this Agreement.

8. **Return of Company Property**. When I cease to be employed by Company, I will deliver to Company any and all materials, together with all copies thereof, containing or disclosing any Company Inventions, or Confidential Information. I will not copy, delete, or alter any information contained upon my Company computer or Company equipment before I return it to Company. In addition, if I have used any personal computer, server, or e-mail system to receive, store, review, prepare or transmit any Company information, including but not limited to, Confidential Information, I agree to provide Company with a computer-useable copy of all such information and then permanently delete such information from those systems; and I agree to provide Company access to my system as reasonably requested to verify that the necessary copying and/or deletion is completed. I further agree that any property situated on Company's premises and owned by Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company's personnel at any time during my employment, with or without notice. Prior to leaving, I hereby agree to: provide Company any and all information needed to access any Company property or information returned or required to be returned pursuant to this paragraph, including without limitation any login, password, and account information; cooperate with Company in attending an exit interview; and complete and sign Company's termination statement if required to do so by Company.

9. **Legal and Equitable Remedies**. I agree that (a) it may be impossible to assess the damages caused by my violation of this Agreement or any of its terms, (b) any threatened or actual violation of this Agreement or any of its terms will constitute immediate and irreparable injury to Company, and (c) Company will have the right to enforce this Agreement by injunction, specific performance or other equitable relief, without bond and without prejudice to any other rights and remedies that Company may have for a breach or threatened breach of this Agreement. If Company enforces this Agreement through a court order, I agree that the restrictions of Section 5 will remain in effect for a period of 12 months from the effective date of the order enforcing the Agreement.

10. **Notices**. Any notices required or permitted under this Agreement will be given to Company at its headquarters location at the time notice is given, labeled "Attention Chief Executive Officer," and to me at my address as listed on Company payroll, or at such other address as Company or I may designate by written notice to the other. Notice will be effective upon receipt or refusal of delivery. If delivered by certified or registered mail, notice will be considered to have been given five business days after it was mailed, as evidenced by the postmark. If delivered by courier or express mail service, notice will be considered to have been given on the delivery date reflected by the courier or express mail service receipt.

11. **Publication of This Agreement to Subsequent Employer or Business Associates of Employee**. If I am offered employment, or the opportunity to enter into any business venture as owner, partner, consultant or other capacity, while the restrictions in Section 5 of this Agreement are in effect, I agree to inform my potential employer, partner, co-owner and/or others involved in managing the business I have an opportunity to be associated with, of my obligations under this Agreement and to provide such person or persons with a copy of this Agreement. I agree to inform Company of all employment and business ventures which I enter into while the restrictions described in Section 5 of this Agreement are in effect and I authorize Company to provide copies of this Agreement to my employer, partner, co-owner and/or others involved in managing the business I have an opportunity to be associated with and to make such persons aware of my obligations under this Agreement.

12. **General Provisions**.

12.1 **Governing Law; Consent to Personal Jurisdiction**. This Agreement will be governed by and construed according to the laws of the State of California without regard to any conflict of laws principles that would require the application of the laws of a different jurisdiction. I expressly consent to the personal jurisdiction and venue of the state and federal courts located in California for any lawsuit filed there against me by Company arising from or related to this Agreement.

12.2 **Severability**. If any portion of this Agreement is, for any reason, held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability will not affect the other provisions of this Agreement, and this Agreement will be construed as if such provision had never been contained in this Agreement. If any portion of this Agreement is, for any reason, held to be excessively broad as to duration, geographical scope, activity or subject, it will be construed by limiting and reducing it, so as to be enforceable to the extent allowed by the then applicable law.

12.3 Successors and Assigns. This Agreement is for my benefit and the benefit of Company and its and their successors, assigns, parent corporations, subsidiaries, affiliates, and purchasers, and will be binding upon my heirs, executors, administrators and other legal representatives.

12.4 Survival. This Agreement will survive the termination of my employment, regardless of the reason, and the assignment of this Agreement by Company to any successor in interest or other assignee.

12.5 Employment At-Will. I understand and agree that nothing in this Agreement will change my at-will employment status or confer any right with respect to continuation of employment by Company, nor will it interfere in any way with my right or Company's right to terminate my employment at any time, with or without cause or advance notice.

12.6 Waiver. No waiver by Company of any breach of this Agreement will be a waiver of any preceding or succeeding breach. No waiver by Company of any right under this Agreement will be construed as a waiver of any other right. Company will not be required to give notice to enforce strict adherence to all terms of this Agreement.

12.7 Export. I agree not to export, reexport, or transfer, directly or indirectly, any U.S. technical data acquired from Company or any products utilizing such data, in violation of the United States export laws or regulations.

12.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

12.9 Advice of Counsel. I ACKNOWLEDGE THAT, IN EXECUTING THIS AGREEMENT, I HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND I HAVE READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT WILL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION OF THIS AGREEMENT.

12.10 Entire Agreement. The obligations in Sections 1 and 2 (except Section 2.2 and Section 2.7, in each case, with respect to a consulting relationship) of this Agreement will apply to any time during which I was previously engaged, or am in the future engaged, by Company as a consultant, employee or other service provider if no other agreement governs nondisclosure and assignment of inventions during such period. This Agreement is the final, complete and exclusive agreement of the parties with respect to the subject matter of this Agreement and supersedes and merges all prior discussions between us, ***provided, however***, if, prior to execution of this Agreement, Company and I were parties to any agreement regarding the subject matter hereof, that agreement will be superseded by this Agreement prospectively only. No modification of or amendment to this Agreement will be effective unless in writing and signed by the party to be charged. Any subsequent change or changes in my duties, salary or compensation will not affect the validity or scope of this Agreement.

[Signatures to follow on next page]

This Agreement will be effective as of the date signed by the Employee below.

EMPLOYER: Aethlon Medical, Inc.	**EMPLOYEE:**
/s/ Guy Cipriani	*/s/ Lee D. Arnold, Ph.D.*
(Signature)	(Signature)
Guy Cipriani	Lee D. Arnold, Ph.D.
(Printed Name)	(Printed Name)
Chief Business Officer	02/01/2023
(Title)	(Date Signed)

PRIOR INVENTIONS

1. Prior Inventions Disclosure. Except as listed in Section 2 below, the following is a complete list of all Prior Inventions:

□ No Prior Inventions.

□ See below:

☒ Additional sheets attached.

2. Due to a prior confidentiality agreement, I cannot complete the disclosure under Section 1 above with respect to the Prior Inventions generally listed below, the intellectual property rights and duty of confidentiality with respect to which I owe to the following party(ies):

	Excluded Invention	**Party(ies)**	**Relationship**
1.			
2.			
3.			

□ Additional sheets attached.

EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Charles J. Fisher, Jr., MD certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Aethlon Medical, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2023

/s/ CHARLES J. FISHER, JR., MD
CHARLES J. FISHER, JR.
CHIEF EXECUTIVE OFFICER
(PRINCIPAL EXECUTIVE OFFICER)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James Frakes, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Aethlon Medical, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2023

/s/ JAMES B. FRAKES
JAMES B. FRAKES
CHIEF FINANCIAL OFFICER
(PRINCIPAL FINANCIAL OFFICER)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO RULE 13a-14(b) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED AND SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE (18 U.S.C. SECTION 1350), AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Aethlon Medical, Inc., or the Registrant, on Form 10-Q for the period ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Charles J. Fisher, Jr., MD, Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Quarterly Report on Form 10-Q, to which this Certification is attached as Exhibit 32.1, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and

2. The information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: February 13, 2023

/s/ CHARLES J. FISHER, JR., MD

Charles J. Fisher, Jr., MD
Chief Executive Officer
Aethlon Medical, Inc.

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Aethlon Medical, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO RULE 13a-14(b) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED AND SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE (18 U.S.C. SECTION 1350), AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Aethlon Medical, Inc., or the Registrant, on Form 10-Q for the period ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, James B. Frakes, Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Quarterly Report on Form 10-Q, to which this Certification is attached as Exhibit 32.2, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and

2. The information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: February 13, 2023

/s/ JAMES B. FRAKES

James B. Frakes
Chief Financial Officer
Aethlon Medical, Inc.

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Aethlon Medical, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.