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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, 2024

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, $0.001 PAR VALUE	AEMD	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 10, 2025 the registrant had outstanding 14,457,096 shares of common stock, $0.001 par value.

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CAUTIONARY NOTICE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are subject to the safe harbor created by those sections.

We may, in some cases, use words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or the negative of these terms, and similar expressions that convey uncertainty of future events or outcomes to identify these forward-looking statements. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements and are based upon our current expectations, beliefs, estimates and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond our control. Such statements, include, but are not limited to, statements contained in this Quarterly Report relating to our business, business strategy, products and services we may offer in the future, the timing and results of our clinical trials, our capital outlook, 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 ("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 (the "SEC"). Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. They are neither statement of historical fact nor guarantees of assurance of future performance. We therefore caution you against relying on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward looking statements include, but are not limited to, a decline in general economic conditions nationally and internationally, the ability to protect our intellectual property rights, competition from other providers and products, risks in product development, inability to raise capital on favorable terms (or at all) to fund continuing operations, changes in Nasdaq rules, changes in government regulation, and other factors (including the risks contained in Item 1A of our most recent Annual Report on Form 10-K under the heading "Risk Factors") relating to our industry, our operations and results of operations and any businesses that may be acquired by us. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. Given these uncertainties, you should not place undue reliance on these forward-looking statements. We cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, we undertake no obligation to and do not intend to update any of the forward-looking statements to conform these statements to actual results.

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AETHLON MEDICAL, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2024 (Unaudited)	March 31, 2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4,825,387	$ 5,441,978
Deferred offering costs	54,750	277,827
Prepaid expenses and other current assets	88,270	505,983
Total current assets	4,968,407	6,225,788
Property and equipment, net	762,138	1,015,229
Operating lease right-of-use asset	673,315	883,054
Patents, net	688	1,100
Restricted cash	87,506	87,506
Deposits	33,305	33,305
Total assets	$ 6,525,359	$ 8,245,982
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 610,909	$ 777,862
Due to related parties	781,899	546,434
Operating lease liability, current portion	307,326	290,565
Accrued professional fees	73,537	215,038
Total current liabilities	1,773,671	1,829,899
Operating lease liability, less current portion	417,522	649,751
Total liabilities	2,191,193	2,479,650
See Commitments and Contingencies Note 9		
Stockholders' Equity		
Common stock, par value $0.001 per share; 60,000,000 shares authorized as of December 31, 2024 and March 31, 2024; 13,986,669 and 2,629,725 shares issued and outstanding as of December 31, 2024 and March 31, 2024, respectively	13,987	2,629
Additional paid-in capital	166,037,129	160,337,371
Accumulated other comprehensive loss	(17,026)	(6,940)
Accumulated deficit	(161,699,924)	(154,566,728)
Total stockholders' equity	4,334,166	5,766,332
Total liabilities and stockholders' equity	$ 6,525,359	$ 8,245,982

The accompanying notes are an integral part of these condensed consolidated financial statements.

AETHLON MEDICAL, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the Three and Nine Month Periods Ended December 31, 2024 and 2023
(Unaudited)

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Nine Months Ended December 31, 2024	Nine Months Ended December 31, 2023
OPERATING EXPENSES				
Professional fees	$ 377,877	$ 668,586	$ 1,563,995	$ 2,778,335
Payroll and related expenses	620,487	1,919,305	3,248,187	4,233,970
General and administrative	816,383	979,197	2,525,220	3,138,289
Total operating expenses	1,814,747	3,567,088	7,337,402	10,150,594
OPERATING LOSS	(1,814,747)	(3,567,088)	(7,337,402)	(10,150,594)
OTHER INCOME				
Interest Income	(59,964)	(100,967)	(204,206)	(367,838)
NET LOSS	(1,754,783)	(3,466,121)	(7,133,196)	(9,782,756)
OTHER COMPREHENSIVE INCOME (LOSS)	(13,057)	7,951	(10,085)	4,522
COMPREHENSIVE LOSS	$ (1,767,840)	$ (3,458,170)	$ (7,143,281)	$ (9,778,234)
Basic and diluted loss per share attributable to common stockholders	$ (0.13)	$ (1.37)	$ (0.61)	$ (3.95)
Weighted average number of common shares outstanding – basic and diluted	13,962,266	2,516,511	11,801,655	2,477,282

The accompanying notes are an integral part of these condensed consolidated financial statements.

AETHLON MEDICAL, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Three and Nine Months Ended December 31, 2024 and 2023
(Unaudited)

	COMMON STOCK		ADDITIONAL PAID IN	ACCUMULATED COMPREHENSIVE	ACCUMULATED	TOTAL
	SHARES	AMOUNT	CAPITAL	INCOME (LOSS)	DEFICIT	EQUITY
BALANCE – MARCH 31, 2024	2,629,725	$ 2,629	$ 160,337,371	$ (6,940)	$ (154,566,728)	$ 5,766,332
Issuances of common stock for public offering	8,100,000	8,100	3,531,807	–	–	3,539,907
Issuances of common stock for Class A and Class B warrant exercises	3,180,000	3,180	1,841,220	–	–	1,844,400
Issuance of common shares upon vesting of restricted stock units and net stock option exercises	27,602	28	(5,106)	–	–	(5,078)
Stock-based compensation expense	–	–	139,328	–	–	139,328
Net loss	–	–	–	–	(2,571,440)	(2,571,440)
Other comprehensive loss	–	–	–	(833)	–	(833)
BALANCE – JUNE 30, 2024	13,937,327	$ 13,937	$ 165,844,620	$ (7,773)	$ (157,138,168)	$ 8,712,616
Issuance of common shares upon vesting of restricted stock units and net stock option exercises	24,671	25	(3,857)	–	–	(3,832)
Stock-based compensation expense	–	–	113,493	–	–	113,493
Net loss	–	–	–	–	(2,806,973)	(2,806,973)
Other comprehensive income	–	–	–	3,804	–	3,804
BALANCE – SEPTEMBER 30, 2024	13,961,998	$ 13,962	$ 165,954,256	$ (3,969)	$ (159,945,141)	$ 6,019,108
Issuance of common shares upon vesting of restricted stock units and net stock option exercises	24,671	25	7,097	–	–	(7,072)
Stock-based compensation expense	–	–	89,970	–	–	89,970
Net loss	–	–	–	–	(1,754,783)	(1,754,783)
Other comprehensive loss	–	–	–	(13,057)	–	(13,057)
BALANCE – DECEMBER 31, 2024	13,986,669	$ 13,987	$ 166,037,129	$ (17,026)	$ (161,699,924)	$ 4,334,166

	COMMON STOCK		ADDITIONAL PAID IN	ACCUMULATED COMPREHENSIVE	ACCUMULATED	TOTAL
	SHARES	AMOUNT	CAPITAL	LOSS	DEFICIT	EQUITY
BALANCE - MARCH 31, 2023	2,299,259	$ 2,299	$ 157,426,606	$ (6,141)	$ (142,358,555)	$ 15,064,209
Issuances of common stock for cash under at the market program	177,891	178	1,085,941	–	–	1,086,119
Issuance of common shares upon vesting of restricted stock units and net stock option exercises	6,397	7	(8,379)	–	–	(8,372)
Stock-based compensation expense	–	–	250,114	–	–	250,114
Net loss	–	–	–	–	(3,282,179)	(3,282,179)
Other comprehensive loss	–	–	–	(994)	–	(994)
BALANCE – JUNE 30, 2023	2,483,547	$ 2,484	$ 158,754,282	$ (7,135)	$ (145,640,734)	$ 13,108,897
Issuance of common shares upon vesting of restricted stock units and net stock option exercises	9,329	9	(9,852)	–	–	(9,843)
Stock-based compensation expense	–	–	257,181	–	–	257,181
Rounding for reverse split	32	–	–	–	–	–
Net loss	–	–	–	–	(3,034,456)	(3,034,456)
Other comprehensive loss	–	–	–	(2,435)	–	(2,435)
BALANCE – SEPTEMBER 30, 2023	2,492,908	$ 2,493	$ 159,001,611	$ (9,570)	$ (148,675,190)	$ 10,319,344
Issuance of common stock for cash under at the market program	94,304	94	186,407	–	–	186,501
Issuance of common shares upon vesting of restricted stock units and net stock option exercises	9,326	9	(9,382)	–	–	(9,373)
Stock-based compensation expense	–	–	572,955	–	–	572,955
Rounding for reverse split	–	–	–	–	–	–
Net loss	–	–	–	–	(3,466,121)	(3,466,121)
Other comprehensive income	–	–	–	7,951	–	7,951
BALANCE – DECEMBER 31, 2023	2,596,538	$ 2,596	$ 159,751,591	$ (1,619)	$ (152,141,311)	$ 7,611,257

The accompanying notes are an integral part of these condensed consolidated financial statements.

AETHLON MEDICAL, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended December 31, 2024 and 2023
(Unaudited)

	Nine months Ended December 31, 2024	Nine months Ended December 31, 2023
Cash flows used in operating activities:		
Net loss	$ (7,133,196)	$ (9,782,756)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	255,695	273,225
Stock based compensation	342,791	1,080,250
Loss on disposal of property and equipment	–	3,271
Accretion of right-of-use operating lease asset	209,740	1,358
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	418,718	282,192
Accounts payable and other current liabilities	(302,096)	136,268
Due to related parties	235,465	441,824
Net cash used in operating activities	(5,972,883)	(7,564,368)
Cash flows used in investing activities:		
Purchases of property and equipment	(2,192)	(245,960)
Net cash used in investing activities	(2,192)	(245,960)
Cash flows provided by financing activities:		
Proceeds from the issuance of common stock, net	5,384,307	1,272,621
Tax withholding payments or tax equivalent payments for net share settlement of restricted stock units and net stock option expense	(15,983)	(27,588)
Net cash provided by financing activities	5,368,324	1,245,033
Effect of exchange rate on changes on cash	(9,840)	4,364
Net change in cash and restricted cash	(616,591)	(6,560,931)
Cash and cash equivalents and restricted cash at beginning of period	5,529,484	14,620,449
Cash and cash equivalents and restricted cash at end of period	$ 4,912,893	$ 8,059,518
Supplemental disclosures of cash flow information:		
Supplemental disclosures of non-cash investing and financing activities:		
Par value of shares issued for vested restricted stock units and net stock option exercise	$ 78	$ 25
Deferred offering cost not yet paid	$ 34	$ –
Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheets:		
Cash and cash equivalents	$ 4,825,387	$ 7,972,012
Restricted cash	87,506	87,506
Cash and cash equivalents and restricted cash	$ 4,912,893	$ 8,059,518

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION ORGANIZATION

Aethlon Medical, Inc. ("Aethlon," the "Company," "we" or "us") is a medical therapeutic company focused on developing the Hemopurifier, a clinical-stage immunotherapeutic device designed to combat cancer and life-threatening viral infections and for use in organ transplantation. In human studies, 164 sessions with 38 patients, the Hemopurifier was safely utilized and demonstrated the potential to remove life-threatening viruses. In pre-clinical studies, the Hemopurifier has demonstrated the potential to remove harmful exosomes and exosomal particles from biological fluids, utilizing its proprietary lectin-based technology. This action has potential applications in cancer, where exosomes and exosomal particles may promote immune suppression and metastasis, and in life-threatening infectious diseases. The U.S. Food and Drug Administration ("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 or exosomal particles 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 may be a substantial advancement in the treatment of patients with advanced and metastatic cancer through its design to bind to and remove harmful exosomes and exosomal particles that promote the growth and spread of tumors. In October 2022, we formed a wholly-owned subsidiary in Australia to initially conduct oncology-related clinical research, then seek regulatory approval and commercialize our Hemopurifier in Australia.

We have launched in Australia and in India safety, feasibility and dose-finding clinical trials of the Hemopurifier in cancer patients with solid tumors who have stable or progressive disease during anti-PD-1 monotherapy treatment, such as Keytruda® (pembrolizumab) or Opdivo® (nivolumab). The primary endpoint of the approximately nine to 18-patient, safety, feasibility and dose-finding trial in each country is safety.

The following two hospitals in Australia have received ethics committee approval, have gone through training on our device and are now open for patient enrollment: Royal Adelaide Hospital in Adelaide, Australia and Pindara Private Hospital in the Gold Coast section of Australia. We have also trained a third hospital, GenesisCare North Shore in Sydney, Australia, and have received ethics committee and research governance approval for that institution. The site will be activated and open for enrollment pending completion of the site investigation meeting scheduled for February 2025. In late January 2025, Royal Adelaide Hospital successfully administered the Hemopurifier treatment to the first patient, with no adverse events.

We have received ethics committee approval from Medanta Medicity Hospital in Gurugram, India for a similar nine to 18-patient, safety, feasibility and dose-finding trial. We are completing the necessary logistical steps before they can open for patient enrollment.

We have entered into an agreement with North American Science Associates, LLC ("NAMSA"), a world leading medical technology contract research organization ("CRO") offering global end-to-end development services, to oversee our clinical trials of the Hemopurifier for patients in Australia with various types of cancer tumors. We also have engaged Qualtran LLC as the CRO for our clinical trial in India.

We also believe that 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 ("HIV"), hepatitis-C and Ebola.

Additionally, *in vitro,* the Hemopurifier has been demonstrated to capture H5N1 bird flu virus, H1N1 swine flu virus, Zika virus, Lassa virus, MERS-CoV, cytomegalovirus, Epstein-Barr virus, Herpes simplex virus, Chikungunya virus, Dengue virus, West Nile virus, smallpox-related viruses, 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 Investigational Device Exemption ("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. In June 2022, the first patient in this study was enrolled and completed the Hemopurifier treatment phase of the protocol. Due to the lack of COVID-19 patients in the ICUs of our trial sites, we terminated this study in 2022. However, our IDE for this indication remains open, as we have an active COVID-19 trial in India and wish to preserve the option of enrolling patients if the situation with COVID-19 changes.

Under Single Patient Emergency Use regulations, Aethlon has treated two patients with COVID-19 with the Hemopurifier, in addition to the COVID-19 patient treated with our Hemopurifier in our COVID-19 clinical trial discussed above.

We also obtained ethics review board ("ERB") approval from 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. In May 2023, we received ERB approval from the Medanta Medicity Hospital and Maulana Azad Medical College ("MAMC"), for a second site for our clinical trial in India to treat severe COVID-19. MAMC was established in 1958 and is located in New Delhi, India. MAMC is affiliated with the University of Delhi and is operated by the Delhi government. In November 2024, Aethlon terminated the COVID-19 clinical trial in India due to lack of enrollment of COVID patients.

Additionally, based on preclinical data with acellular kidney perfusates, we believe that the Hemopurifier has potential applications in organ transplantation. We are investigating whether the Hemopurifier, when incorporated into a machine perfusion organ preservation circuit, can remove harmful viruses, exosomes, RNA molecules, cytokines, chemokines and other inflammatory molecules from recovered organs. We initially are focused on recovered kidneys from deceased donors. We have previously demonstrated the removal of multiple viruses and exosomes and exosomal particles from buffer solutions, *in vitro*, utilizing a scaled-down version of our Hemopurifier and believe this process could reduce transplantation complications by improving graft function, reducing graft rejection, maintaining or improving organ viability prior to transplantation, and potentially reducing the number of kidneys rejected for transplant.

Successful outcomes of human trials will also be required by the regulatory agencies of certain foreign countries where we plan to market and 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 to us more recently will help protect the proprietary nature of our Hemopurifier treatment technology.

In addition to the foregoing, we are monitoring closely the impact of inflation, the war between Russia and Ukraine and the military conflicts in Israel and the surrounding areas, as well as related political and economic responses and counter-responses by various global factors 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 inflation, the ongoing military conflicts and other global instability 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.

We incorporated in Nevada on March 10, 1999. 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 nine months ended December 31, 2024, 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, 2024.

REVERSE STOCK SPLIT

On October 4, 2023, we effected a 1-for-10 reverse stock split of our then outstanding shares of common stock. Accordingly, each 10 shares of outstanding common stock then held by our stockholders were combined into one share of common stock. Any fractional shares resulting from the reverse split were rounded up to the next whole share. Authorized common stock remained at 60,000,000 shares following the stock split. The accompanying unaudited condensed consolidated financial statements and accompanying notes have been retroactively revised to reflect such reverse stock split as if it had occurred on April 1, 2023. All shares and per share amounts have been revised accordingly.

Basis of Presentation and Use of Estimates

Our accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8 of the Securities and Exchange Commission ("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, 2024, included in our Annual Report on Form 10-K filed with the SEC on June 27, 2024. The accompanying unaudited condensed consolidated financial statements include the accounts of Aethlon Medical, Inc. and its wholly owned subsidiary, Aethlon Medical Australia Pty Ltd. All significant inter-company transactions and balances have been eliminated in consolidation. The accompanying unaudited condensed consolidated financial statements, taken as a whole, contain all adjustments that are of a normal recurring nature necessary to present fairly our operating results, cash flows, and financial position as of and for the period ended December 31, 2024. 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, 2024 has been derived from the audited consolidated balance sheet at March 31, 2024, contained in the above referenced 10-K. The results of operations for the three and nine months ended December 31, 2024 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, including the impact of the reverse stock split.

LIQUIDITY AND GOING CONCERN

The accompanying unaudited condensed consolidated financial statements have been prepared assuming that we will continue as a going concern, which contemplates, among other things, the realization of assets and satisfaction of liabilities in the ordinary course of business. We have incurred continuing losses from operations and at December 31, 2024 had limited working capital and an accumulated deficit of $161,699,924. These factors, among other matters, raise substantial doubt about our ability to continue as a going concern within one year of the date these financial statements are issued. A significant amount of additional capital will be necessary to advance the development of our products to the point at which they may become commercially viable. We intend to fund operations, working capital and other cash requirements for the twelve-month period subsequent to December 31, 2024 through a combination of debt and/or equity financing arrangements and potentially from collaborations or strategic partnerships.

The successful outcome of future activities cannot be determined at this time and there is no assurance that, if achieved, we will have sufficient funds to execute our intended business plan or generate positive operating results.

The condensed consolidated financial statements do not include any adjustments related to this uncertainty and as to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should we be unable to continue as a going concern.

Management expects that existing cash as of December 31, 2024 will not be sufficient to fund the Company's operations for at least twelve months from the issuance date of these condensed consolidated financial statements.

The accompanying unaudited condensed consolidated financial statements have been prepared assuming that we will continue as a going concern, which contemplates, among other things, the realization of assets and satisfaction of liabilities in the ordinary course of business.

Restricted Cash

To comply with the terms of our laboratory and office lease and our lease for our manufacturing space (see Note 9), we caused our bank to issue two standby letters of credit ("L/Cs") in the aggregate amount of $87,506 in favor of our 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, 2024 and 2023, an aggregate of 13,459,253 and 175,574 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, 2024 and 2023, 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, 2024	December 31, 2023
Three months ended	$ 240,199	$ 593,401
Nine months ended	883,616	1,875,114

4. RECENT ACCOUNTING PRONOUNCEMENTS

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" ("ASU 2023-07"). ASU 2023-07 intends to improve reportable segment disclosure requirements, enhance interim disclosure requirements and provide new segment disclosure requirements for entities with a single reportable segment. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods with fiscal years beginning after December 15, 2024. ASU 2023-07 is to be adopted retrospectively to all prior periods presented. We are currently assessing the impact this guidance will have on our consolidated financial statements; however, we do not expect a material impact.

In December 2023, the FASB issued Accounting Standards Update 2023-09, Improvements to Income Tax Disclosures ("ASU 2023-09"), which requires enhanced annual disclosures for specific categories in the rate reconciliation and income taxes paid disaggregated by federal, state and foreign taxes. ASU 2023-09 is effective for public business entities for annual periods beginning after December 15, 2024. The Company is evaluating if the adoption of this new standard will have a material effect on our disclosures.

In March 2024, the FASB issued ASU 2024-01 – Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards. This update introduces illustrative examples to clarify how an entity should apply the scope guidance in paragraph 718-10-15-3 to determine whether profits interest and similar awards fall under the requirements of Topic 718, Compensation—Stock Compensation. ASU 2024-01 becomes effective for fiscal years starting after December 15, 2024. The Company does not anticipate any impact from ASU 2024-01, as it does not currently issue profits interest awards.

In November 2024, the FASB issued ASU 2024-03, titled *Reporting Comprehensive Income–Expense Disaggregation Disclosures, Disaggregation of Income Statement Expense (ASU 2024-03)*. The objective of ASU 2024-03 is to improve transparency in the reporting of a public business entity's expenses and address investor requests for more granular insights into the breakdown of expense line items typically reported in financial statements, such as *cost of sales*, *SG&A*, and *research and development*. The update requires greater detail on specific expense categories, including inventory purchases, employee compensation, depreciation, amortization, and depletion. ASU 2024-03 is effective for public business entities for annual periods beginning after December 15, 2026, and interim periods within the annual reporting periods beginning after December 15, 2027. The Company expects to adopt ASU 2024-03, a disclosure-only standard, April 1, 2027.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments. The adoption of ASU No. 2016-13 for smaller reporting companies that did not previously early adopt was January 1, 2023. The Company maintained US Treasury bills with maturities of less than three months and anticipates no credit losses from these securities. Additionally, the Company does not have any revenue or accounts receivables. As a result, the Company did not establish an allowance for expected credit losses.

5. EQUITY TRANSACTIONS IN THE NINE MONTHS ENDED DECEMBER 31, 2024

May 2024 Public Offering

On May 17, 2024, we closed a public offering pursuant to which we sold an aggregate of: (i) 2,450,000 shares of our common stock and accompanying Class A warrants to purchase up to 2,450,000 shares of common stock and Class B warrants to purchase up to 2,450,000 shares of common stock, at a combined public offering price of $0.58 per share and accompanying warrants; and (ii) in lieu of common stock, pre-funded warrants to purchase 5,650,000 shares of common stock and accompanying Class A warrants to purchase up to 5,650,000 shares of common stock and Class B warrants to purchase up to 5,650,000 shares of common stock, at a combined public offering price of $0.579 per pre-funded warrant and accompanying warrants, which is equal to the public offering price per share of common stock, and accompanying warrants less the $0.001 per share exercise price of each such pre-funded warrant.

All pre-funded warrants issued in the offering were exercised in the quarter ended June 30, 2024. The Class A and Class B warrants each have an exercise price of $0.58 per share, are immediately exercisable, and, in the case of Class A warrants, will expire on May 17, 2029, and in the case of Class B warrants, will expire on May 19, 2025. The exercise price of the Class A and Class B warrants is also subject to adjustment for stock splits, reverse splits, and similar capital transactions as described in such warrants.

Maxim Group LLC ("Maxim"), served as the exclusive placement agent in connection with the offering. We paid Maxim a cash fee of 6.5% of the aggregate gross proceeds raised at the closing of the offering, and reimbursement of certain expenses and legal fees in the amount of $100,000. We also issued to designees of Maxim warrants to purchase up to an aggregate of 324,000 shares of common stock (the "Placement Agent Warrants"). The Placement Agent Warrants have an exercise price of $0.58 per share and have substantially the same terms as the Class A warrants, except the Placement Agent Warrants are not subject to an exercise price reset, are non-exercisable until November 15, 2024, and will expire on May 15, 2029.

The gross proceeds from the offering, before deducting the placement agent's fees and other offering expenses, were approximately $4.7 million. Net proceeds, of the offering, after deducting the placement agent fees and expenses and other offering expenses payable by us, were approximately $3.5 million.

The shares of common stock, the Class A and Class B warrants, the pre-funded warrants and the Placement Agent Warrants described above and the underlying shares of common stock were offered pursuant to a Registration Statement on Form S-1, as amended (File No. 333-278188), which was declared effective by the SEC on May 15, 2024.

Warrant Exercises

In June 2024, and holders of Class A and Class B warrants exercised 300,000 shares and 2,880,000 shares, respectively, for additional proceeds to the Company of $1,844,400.

Restricted Stock Unit Grants

On April 16, 2024, our Board of Directors approved, pursuant to the terms of the Director Compensation Policy, the grant of the annual RSUs under the Director Compensation Policy to each of the four non-employee directors of the Company then serving on the Board of Directors. The Director 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 of Directors, and for a grant of stock options or $75,000 worth of RSUs for a newly elected non-employee director, with each RSU priced at the average of the closing prices for the five trading days preceding and including the date of grant, or $1.52 per share for the RSUs granted in April 2024. As a result, in April 2024, the four eligible directors were each granted 32,894 RSUs under the Company's 2020 Equity Incentive Plan, as amended (the "2020 Plan"). The RSUs are subject to vesting in four equal installments, with 25% of the restricted stock units vesting on each of June 30, 2024, September 30, 2024, December 31, 2024, and March 31, 2025, subject in each case to the director's Continuous Service (as defined in the 2020 Plan), through such dates. Vesting will automatically terminate upon the director's termination of Continuous Service prior to any vesting date.

During the three- and nine-months ended December 31, 2024, 24,671 and 76,944 shares were issued upon settlement of 32,894 and 103,567 RSUs, respectively.

6. RELATED PARTY TRANSACTIONS

During the three-months ended December 31, 2024, we accrued $68,250 for board fees and paid fees of $68,250 owed to our non-employee directors for services in the current and prior quarter respectively. In the three-months ended December 31, 2023, we accrued $68,250 and paid out $68,250 in fees owed to our non-employee directors. In the nine-months ended December 31, 2024, we paid out $204,750 compared to $182,250 in the nine-months ended December 31, 2023.

We paid out $237,313 and $561,515 in separation expenses in the three- and nine-months ended December 31, 2024, respectively. As of December 31, 2024 the accrued separation expenses totaled $555,314 related to the Separation Agreements entered into with our former Chief Operating Officer and Chief Science Officer.

Amounts due to related parties were comprised of the following items:

	December 31, 2024	March 31, 2024
Accrued Board fees	$ 68,250	$ 68,250
Accrued vacation to all employees	150,819	167,973
Accrued separation expenses	555,314	310,211
Accrued Board travel and consulting Fees	7,516	–
Total due to related parties	$ 781,899	$ 546,434

7. 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, 2024 and 2023:

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Nine Months Ended December 31, 2024	Nine Months Ended December 31, 2023
Vesting of stock options and restricted stock units	$ 89,970	$ 572,955	$ 342,791	$ 1,080,250
Total stock-based compensation expense	$ 89,970	$ 572,955	$ 342,791	$ 1,080,250
Weighted average number of common shares outstanding – basic and diluted	13,962,266	2,516,511	11,801,655	2,477,282
Basic and diluted loss per common share attributable to stock-based compensation expense	$ (0.01)	$ (0.23)	$ (0.03)	$ (0.44)

All of the stock-based compensation expense recorded during the nine months ended December 31, 2024 and 2023, an aggregate of $342,791 and $1,080,250, 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, 2024 and 2023 represented an impact on basic and diluted loss per common share of $(0.03) and $(0.44), respectively.

Stock Option and RSU Activity

We did not issue any stock options during the nine months ended December 31, 2024 and 2023.

Stock options outstanding that have vested as of December 31, 2024 and stock options that are expected to vest subsequent to December 31, 2024 are as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years
Vested	62,007	$ 17.91	4.47
Expected to vest	7,893	$ 14.45	7.08
Total	69,900		

A summary of stock option activity during the nine months ended December 31, 2024 is presented below:

	Amount	Range of Exercise Price	Weighted Average Exercise Price
Outstanding at beginning of year	86,466	$ 6.90 – 25.20	$ 22.40
Granted	–	$ –	$ –
Cancelled/Expired	16,566	$ 6.90-1,425.00	$ 17.32
Outstanding December 31, 2024	69,900	$ 12.80 – 25.20	$ 17.52
Exercisable, December 31, 2024	62,007	$ 12.80 – 25.20	$ 17.91

There were no stock option grants during the three months ended December 31, 2024 and 2023. There were no RSUs granted during the three months December 31, 2024 and 2023. There were no stock option exercises during the three months ended December 31, 2024 and 2023. On December 31, 2024, our outstanding stock options had no intrinsic value, since the closing share price on that date of $0.86 per share was below the exercise price of our outstanding stock options.

The table below summarizes nonvested stock options as of December 31, 2024 and changes during the three months ended December 31, 2024.

	Shares	Weighted Average Grant Date Fair Value
Nonvested stock options at April 1, 2024	28,653	$ 1.44
Vested	(11,172)	$ 1.67
Forfeited	(9,588)	$ 1.19
Nonvested stock options at December 31, 2024	7,893	

The detail of the options outstanding and exercisable as of December 31, 2024 is as follows:

	Options Outstanding			Options Exercisable	
Exercise Prices	Number Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
$ 12.80 - 16.80	46,730	5.57 years	$ 13.71	39,089	$ 13.63
$ 25.20	23,170	3.14 years	$ 25.20	22,918	$ 25.20
	69,900			62,007	

The table below summarizes RSUs as of December 31, 2024 and changes during the nine months ended December 31, 2024.

	Shares
Nonvested RSUs at April 1, 2024	4,885
Granted	131,576
Vested	(76,943)
Tax withholding payments or tax equivalent payments for net share settlement of RSUs	(26,624)
Nonvested RSUs at December 31, 2024	32,894

Our total stock-based compensation for the three and nine months ended December 31, 2024 and 2023 included the following:

	Three Months Ended		Nine Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Vesting of restricted stock units	$ 50,000	$ 56,250	$ 168,750	$ 150,000
Vesting of stock options	39,970	516,705	174,041	930,250
Total Stock-Based Compensation	$ 89,970	$ 572,955	$ 342,791	$ 1,080,250

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, 2024 was insignificant.

On December 31, 2024, our outstanding stock options had no intrinsic value since the closing price on that date of $0.86 per share was below the weighted average exercise price of our outstanding stock options.

At December 31, 2024, there was approximately $150,990 of unrecognized compensation cost related to share-based payments, which is expected to be recognized over a weighted average period of 0.84 years.

8. WARRANTS

During the nine-months ended December 31, 2024, we issued 16,524,000 warrants in connection with the May 17, 2024 public offering. We did not issue any warrants in the nine-months ended December 2023.

A summary of warrant activity during the nine months ended December 31, 2024 is presented below:

	Amount	Range of Exercise Price	Weighted Average Exercise Price
Warrants outstanding at March 31, 2024	32,676	$ 15.00 – 27.50	$ 20.09
Granted	16,524,000	$ 0.58	$ 0.58
Exercised	(3,180,000)	$ 0.58	$ 0.58
Cancelled/Expired	(20,217)	$ 15.00 - 18.75	$ 15.66
Warrants outstanding at December 31, 2024	13,356,459	$ 0.58 – 27.50	$ 0.60
Warrants exercisable at December 31, 2024	13,356,459	$ 0.58 – 27.50	$ 0.60

9. 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 laboratory space effective January 1, 2022. In October 2021, we entered into another lease for approximately 2,655 square feet of space to house our manufacturing operations located at 11588 Sorrento Valley Road, San Diego, California 92121. The term is for 55 months and we took possession of the manufacturing space in August 2022. The current monthly base rent under the office and laboratory component of the lease is $14,356. The current monthly base rent under the manufacturing component of the lease is $12,824. Cash paid in the three months ended December 31, 2024 for amounts included in the measurement of operating lease liabilities in operating cash flows was $81,538.

The office, lab and manufacturing leases are coterminous with a remaining term of 27 months. The weighted average discount rate is 4.25%.

As of our December 31, 2024 balance sheet, we have an operating lease right-of-use asset of $673,315 and operating lease liability of $724,848.

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.

Overall, our rent expense, which is included in general and administrative expenses, approximated $106,000 and $105,000 for the three- month periods ended December 31, 2024 and 2023, respectively. Rent expense for the nine-month periods ending December 31, 2024 and December 31, 2023 was approximately $317,000 and $315,000 respectively.

LEGAL MATTERS

We may be involved from time to time in various claims, lawsuits, and/or disputes with third parties or breach of contract actions incidental to the normal course of our business operations. We are currently not involved in any litigation or any pending legal proceedings.

10. SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2024 through the date that the accompanying 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 2025, the holder of Class A warrants exercised 20,000 shares for total proceeds of $11,600. Additionally, 107,427 shares of placement warrants were exercised through a cashless exercise.

In February 2025, holders of Class A warrants exercised 46,500 shares and holders of Class B warrants exercised 296,500 shares, for an aggregate issuance of 343,000 shares in exchange for total proceeds of $198,940.

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 "Quarterly Report"). Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. For a complete discussion of forward-looking statements, see the section above entitled "Cautionary Notice Regarding Forward Looking Statements."

Overview

Aethlon Medical, Inc. ("Aethlon", the "Company," "we" or "us") is a medical therapeutic company focused on developing the Hemopurifier, a clinical-stage immunotherapeutic device designed to combat cancer and life-threatening viral infections and for use in organ transplantation. In human studies, 164 sessions with 38 patients, the Hemopurifier was safely utilized and demonstrated the potential to remove life-threatening viruses. In pre-clinical studies, the Hemopurifier has demonstrated the potential to remove harmful exosomes and exosomal particles from biological fluids, utilizing its proprietary lectin-based technology. This action has potential applications in cancer, where exosomes and exosomal particles may promote immune suppression and metastasis, and in life-threatening infectious diseases. The U.S. Food and Drug Administration ("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 or exosomal particles 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 may be a substantial advancement in the treatment of patients with advanced and metastatic cancer through its design to bind to and remove harmful exosomes and exosomal particles that promote the growth and spread of tumors. In October 2022, we formed a wholly-owned subsidiary in Australia to initially conduct oncology-related clinical research, then seek regulatory approval and commercialize our Hemopurifier in Australia.

We have launched in Australia and in India safety, feasibility and dose-finding clinical trials of the Hemopurifier in cancer patients with solid tumors who have stable or progressive disease during anti-PD-1 monotherapy treatment, such as Keytruda® (pembrolizumab) or Opdivo® (nivolumab). The primary endpoint of the approximately nine to 18-patient, safety, feasibility and dose-finding trial in each country is safety.

In addition to monitoring safety, the study is designed to examine the number of Hemopurifier treatments needed to decrease the concentration of extracellular vesicles ("EVs") and whether these changes in EV concentrations improve the body's own natural ability to attack tumor cells. These exploratory central laboratory analyses are expected to inform the design of a subsequent efficacy and safety, Premarket Approval (PMA), study required by regulatory agencies.

The following two hospitals in Australia have received ethics committee approval, have gone through training on our device and are now open for patient enrollment: Royal Adelaide Hospital in Adelaide, Australia and Pindara Private Hospital in the Gold Coast section of Australia. We have also trained a third hospital, GenesisCare North Shore in Sydney, Australia, and have received ethics committee and research governance approval for that institution. The site will be activated and open for enrollment pending completion of the site investigation meeting scheduled for February 2025. In late January 2025, Royal Adelaide Hospital successfully administered the Hemopurifier treatment to the first patient, with no adverse events.

We have received ethics committee approval from Medanta Medicity Hospital in Gurugram, India for a similar nine to 18-patient, safety, feasibility and dose-finding trial. We are completing the necessary logistical steps before they can open for patient enrollment.

We have entered into an agreement with North American Science Associates, LLC ("NAMSA"), a world leading medical technology contract research organization ("CRO") offering global end-to-end development services, to oversee our clinical trials of the Hemopurifier for patients in Australia with various types of cancer tumors. We also have engaged Qualtran LLC as the CRO for our clinical trial in India.

We also believe that 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 ("HIV"), hepatitis-C and Ebola.

Additionally, in vitro, the Hemopurifier has been demonstrated to capture H5N1 bird flu virus, H1N1 swine flu virus, Zika virus, Lassa virus, MERS-CoV, cytomegalovirus, Epstein-Barr virus, Herpes simplex virus, Chikungunya virus, Dengue virus, West Nile virus, smallpox-related viruses, 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 Investigational Device Exemption ("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. In June 2022, the first patient in this study was enrolled and completed the Hemopurifier treatment phase of the protocol. Due to the lack of COVID-19 patients in the ICUs of our trial sites, we terminated this study in 2022. However, our IDE for this indication remains open, as we have an active COVID-19 trial in India and wish to preserve the option of enrolling patients if the situation with COVID-19 changes.

Under Single Patient Emergency Use regulations, Aethlon has treated two patients with COVID-19 with the Hemopurifier, in addition to the COVID-19 patient treated with our Hemopurifier in our COVID-19 clinical trial discussed above.

We also obtained ethics review board ("ERB") approval from 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. In May 2023, we received ERB approval from the Medanta Medicity Hospital and Maulana Azad Medical College ("MAMC"), for a second site for our clinical trial in India to treat severe COVID-19. MAMC was established in 1958 and is located in New Delhi, India. MAMC is affiliated with the University of Delhi and is operated by the Delhi government. In November 2024, Aethlon terminated the COVID-19 clinical trial in India due to lack of enrollment of COVID patients.

Additionally, based on preclinical data with acellular kidney perfusates, we believe that the Hemopurifier has potential applications in organ transplantation. We are investigating whether the Hemopurifier, when incorporated into a machine perfusion organ preservation circuit, can remove harmful viruses, exosomes, RNA molecules, cytokines, chemokines and other inflammatory molecules from recovered organs. We initially are focused on recovered kidneys from deceased donors. We have previously demonstrated the removal of multiple viruses and exosomes and exosomal particles from buffer solutions, in vitro, utilizing a scaled-down version of our Hemopurifier and believe this process could reduce transplantation complications by improving graft function, reducing graft rejection, maintaining or improving organ viability prior to transplantation, and potentially reducing the number of kidneys rejected for transplant.

Successful outcomes of human trials will also be required by the regulatory agencies of certain foreign countries where we plan to market and 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 to us more recently will help protect the proprietary nature of our Hemopurifier treatment technology.

In addition to the foregoing, we are monitoring closely the impact of inflation, the war between Russia and Ukraine and the military conflicts in Israel and the surrounding areas, as well as related political and economic responses and counter-responses by various global factors 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 inflation, ongoing military conflicts and other global instability 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.

We incorporated in Nevada on March 10, 1999. 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."

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 website (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, 2024 COMPARED TO THE THREE MONTHS ENDED DECEMBER 31, 2023

Operating Expenses

Consolidated operating expenses for the three months ended December 31, 2024, decreased by $1,752,341 or 49.1% to $1,814,747 compared to $3,567,088 for the same period in 2023. This reduction was driven by a $1,298,818 decrease in payroll and related expenses, a $290,709 decrease in professional fees, and a $162,815 decrease in general and administrative expenses.

For the three months ended December 31, 2024, payroll and related expenses decreased by $1,298,818. This decrease was primarily attributable to a reduction of $872,763 in separation expenses related to the Separation Agreement with the former Chief Executive Officer that had been recorded in the December 2023 period, as well as a decrease of $426,055 due to a reduction in headcount. Of the $872,763 of separation expenses related to the departure of the former Chief Executive Officer, $393,139 related to the acceleration of vesting of stock options.

Professional fees decreased by $290,709, primarily due to a reduction of $181,380 in legal fees which includes $148,696 decrease resulting from the transition to a new legal firm and $44,000 decrease related to fees incurred for the stock split with no comparable expense in the current period. Additionally, there was a decrease of $176,434 in scientific and operational consulting fees largely attributable to completed projects. These decreases were partially offset by a $64,487 increase in investor relations and accounting fees, an $11,101 increase in legal fees related to patent matters, as well as a $2,618 increase in website services.

The $162,814 decrease in general and administrative expenses for the quarter was primarily driven by a $253,297 reduction in supplies, largely related to the raw materials and components used in the manufacturing of the Hemopurifier, with no comparable purchases during the current period. Additionally, there was a $63,686 decrease in insurance expenses associated with a reduced headcount and a $22,708 reduction in various other operating expenses. These reductions were partially offset by a $176,877 increase in expenses related to our ongoing oncology clinical trials in Australia and India.

Net Loss

As a result of the changes in expenses noted above, our comprehensive loss decreased to $1,767,840 in the three months ended December 31, 2024 from $3,458,170 in the three months ended December 31, 2023.

Basic and diluted loss attributable to common stockholders was ($0.13) for the three months ended December 31, 2024, compared to ($1.37) for the three-month period ended December 31, 2023.

NINE MONTHS ENDED DECEMBER 31, 2024 COMPARED TO THE NINE MONTHS ENDED DECEMBER 31, 2023

Operating Expenses

Consolidated operating expenses for the nine months ended December 31, 2024 decreased by $2,813,192 to $7,337,402 compared to $10,150,594 for the nine months ended December 31, 2023. This decrease of $2,813,192, or 27.7%, in the 2024 period was due to decreases in our professional fees of $1,214,340, payroll and related expenses of $985,783 and general and administrative expenses of $613,069.

The $1,214,340 decrease in professional fees was mainly due to a $654,232 reduction in contract labor costs related to completed projects with a contract manufacturing organization, as well as with outside research and development and regulatory and quality management consultants. Additional decreases included $525,035 in legal fees which includes $503,769 decrease following a transition to a new legal firm, $13,952 decrease in fees related to stock split with no comparable expense in current period, and a $7,315 decrease in legal fees related to patent matters as well as a $62,500 reduction in recruiting fees. These decreases were offset by a $33,428 increase in investor relation fees.

The $985,783 decrease in payroll and related expenses was primarily driven by a $737,458 reduction in stock-based compensation which includes $393,139 related to the acceleration of vesting of stock options associated with the departure of our former Chief Executive Officer as well as expired or canceled employee stock options and a $594,889 decrease resulting from a reduction in headcount. These reductions were partially offset by an increase of $346,566 in separation expenses related to agreements with former executives. .

The $613,069 decrease in general and administrative expenses was primarily driven by a $733,242 reduction in supplies, including raw materials and components required for manufacturing the Hemopurifier, as well as laboratory materials for research and development. Additional reductions included an $84,583 decrease in insurance expenses, a $48,725 decrease in repairs and maintenance primarily related to the cleanroom certification, a $27,779 reduction related to travel and conferences, an $18,434 decrease in office supplies, a $17,529 decrease in depreciation. These decreases were partially offset by a $317,616 increase in expenses primarily related to ongoing oncology clinical trials in Australia and India.

Net Loss

As a result of the changes in expenses noted above, our comprehensive loss decreased from $9,778,234 in the nine months ended December 31, 2023, to $7,143,281 in the nine months ended December 31, 2024.

Basic and diluted loss attributable to common stockholders was ($0.61) for the nine months ended December 31, 2024, compared to ($3.95) for the nine-month period ended December 31, 2023.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2024, we had a cash balance of $4,825,387 and working capital of $3,194,737. This compares to a cash balance of $5,441,978 and working capital of $4,395,889 at March 31, 2024.

On May 17, 2024, we closed a public offering of our equity, pursuant to which we sold an aggregate of: (i) 2,450,000 shares of our common stock and accompanying Class A warrants to purchase up to 2,450,000 shares of common stock and Class B warrants to purchase up to 2,450,000 shares of common stock, at a combined public offering price of $0.58 per share and accompanying warrants; and (ii) in lieu of common stock, pre-funded warrants to purchase 5,650,000 shares of common stock and accompanying Class A warrants to purchase up to 5,650,000 shares of common stock and Class B warrants to purchase up to 5,650,000 shares of common stock, at a combined public offering price of $0.579 per pre-funded warrant and accompanying warrants, which is equal to the public offering price per share of common stock and accompanying warrants, less the $0.001 per share exercise price of each such pre-funded warrant. The gross proceeds from the offering, before deducting the placement agent's fees and other offering expenses, were approximately $4.7 million. Net proceeds, of the offering, after deducting the placement agent fees and expenses and other offering expenses payable by us, were approximately $3.5 million. In June 2024, holders of Class A and Class B warrants exercised 300,000 shares and 2,880,000 shares, respectively, for additional total proceeds of $1,844,400. See the section entitled "May 2024 Public Offering," below, for additional information regarding this offering.

We do not expect our existing cash as of December 31, 2024 to be sufficient to fund our operations for at least twelve months from the issuance date of these financial statements. Significant additional financing must be obtained to provide a sufficient source of operating capital and to allow us to continue to operate as a going concern. We intend to fund operations, working capital and other cash requirements for the twelve-month period subsequent to December 31, 2024 through a combination of debt and/or equity financing arrangements and potentially from collaborations or strategic partnerships.

As we expand our activities, our overhead costs to support personnel, laboratory materials and infrastructure will increase and significant additional financing must be obtained to provide a sufficient source of operating capital. Should the financing we require to sustain our working capital needs be unavailable to us on reasonable terms, if at all, when we require it, we may be unable to support our research and our planned clinical trials. The failure to implement our research and clinical trials would have a material adverse effect on our ability to conduct planned clinical trials and commercialize our products.

Future capital requirements will depend upon many factors, including progress with pre-clinical testing and clinical trials, 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.

Going Concern

The accompanying unaudited condensed consolidated financial statements have been prepared assuming that we will continue as a going concern, which contemplates, among other things, the realization of assets and satisfaction of liabilities in the ordinary course of business. We have incurred continuing losses from operations and at December 31, 2024 had limited working capital and an accumulated deficit of $161,699,924. These factors, among other matters, raise substantial doubt about our ability to continue as a going concern within one year of the date of the financial statements included in this Quarterly Report. A significant amount of additional capital will be necessary to advance the development of our products to the point at which they may become commercially viable. We intend to fund operations, working capital and other cash requirements for the twelve-month period subsequent to December 31, 2024 through a combination of debt and/or equity financing arrangements and potentially from collaborations or strategic partnerships.

The successful outcome of future activities cannot be determined at this time and there is no assurance that, if achieved, we will have sufficient funds to execute our intended business plan or generate positive operating results.

The condensed consolidated financial statements do not include any adjustments related to this uncertainty and as to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should we be unable to continue as a going concern.

May 2024 Public Offering

On May 17, 2024, we closed a public offering pursuant to which we sold an aggregate of: (i) 2,450,000 shares of our common stock and accompanying Class A warrants to purchase up to 2,450,000 shares of common stock and Class B warrants to purchase up to 2,450,000 shares of common stock, at a combined public offering price of $0.58 per share and accompanying warrants; and (ii) in lieu of common stock, pre-funded warrants to purchase 5,650,000 shares of common stock and accompanying Class A warrants to purchase up to 5,650,000 shares of common stock and Class B warrants to purchase up to 5,650,000 shares of common stock, at a combined public offering price of $0.579 per pre-funded warrant and accompanying warrants, which is equal to the public offering price per share of common stock and accompanying warrants, less the $0.001 per share exercise price of each such pre-funded warrant.

All pre-funded warrants issued in the offering were exercised in the quarter ended June 30, 2024. The Class A and Class B warrants each have an exercise price of $0.58 per share, are immediately exercisable, and, in the case of Class A warrants, will expire on May 17, 2029, and in the case of Class B warrants, will expire on May 19, 2025. The exercise price of the Class A and Class B warrants is also subject to adjustment for stock splits, reverse splits, and similar capital transactions as described in such warrants.

Maxim Group LLC (“Maxim”), served as the exclusive placement agent in connection with the offering. We paid Maxim a cash fee of 6.5% of the aggregate gross proceeds raised at the closing of the offering, and reimbursement of certain expenses and legal fees in the amount of $100,000. We also issued to designees of Maxim warrants to purchase up to an aggregate of 324,000 shares of common stock (the “Placement Agent Warrants”). The Placement Agent Warrants have an exercise price of $0.58 per share and have substantially the same terms as the Class A warrants, except the Placement Agent Warrants are not subject to an exercise price reset, are non-exercisable until November 15, 2024, and will expire on May 15, 2029.

The gross proceeds from the offering, before deducting the placement agent’s fees and other offering expenses, were approximately $4.7 million. Net proceeds, of the offering, after deducting the placement agent fees and expenses and other offering expenses payable by us, were approximately $3.5 million.

The shares of common stock, the Class A and Class B warrants, the pre-funded warrants and the Placement Agent Warrants described above and the underlying shares of common stock were offered pursuant to a Registration Statement on Form S-1, as amended (File No. 333-278188), which was declared effective by the SEC on May 15, 2024.

Warrant Exercises

In June 2024, and holders of Class A and Class B warrants exercised 300,000 shares and 2,880,000 shares, respectively, for additional proceeds to the Company of $1,844,400.

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, 2024	December 31, 2023
Cash (used in) provided by:		
Operating activities	$ (5,973)	$ (7,564)
Investing activities	(2)	(245)
Financing activities	5,368	1,245
Effect of exchange rate changes on cash	(10)	4
Net change in cash and restricted cash	$ (617)	$ (6,560)

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 $5,973,000 in the nine months ended December 31, 2024, compared to approximately $7,564,000 in the nine months ended December 31, 2023. The primary components in the $1,591,000 decrease in cash used in our operating activities in the 2024 period was a decrease in our net loss of approximately $2,649,000 partially offset by a negative net change in other working capital components of $508,000 and the reduction of $550,000 in non-cash components.

NET CASH USED IN INVESTING ACTIVITIES. We used approximately $2,000 for investing activities in the nine months ended December 31, 2024, compared to approximately $245,000 in the nine months ended December 31, 2023. The $243,000 decrease in the 2024 period was primarily a result of equipment purchase for our laboratory incurred in the nine months ended December 2023.

NET CASH PROVIDED BY FINANCING ACTIVITIES. During the nine months ended December 31, 2024, we raised approximately $5,384,000, net of placement agent fees and offering costs, from the sale and issuance of our common stock and warrants in connection with a public offering and the exercise of 300,000 and 2,880,000 Class A and Class B warrants, respectively, by holders thereof. The source of cash from our financing activities was partially offset by the use of approximately $16,000 to pay for the tax withholding upon settlement of on restricted stock units, for a net aggregate amount of cash provided by financing activities of approximately $5,368,000.

During the nine months ended December 31, 2023, we raised approximately $1,273,000 from the issuance of our common stock under our at the market facility. That source of cash from our financing activities was partially offset by the use of approximately $28,000 to pay for the tax withholding on restricted stock units, for a net aggregate amount of cash provided by financing activities of approximately $1,245,000.

Material Cash Requirements

We expect our clinical trial expenses for our oncology trials in Australia and India to increase for the foreseeable future. Those increases in clinical trial expenses include the cost of manufacturing additional Hemopurifiers.

In addition, we are obligated under lease agreements for our headquarters, laboratory and manufacturing facilities. We expect our rent payments to continue to increase for the foreseeable future.

Future capital requirements will depend upon many factors, including progress with pre-clinical testing and clinical trials, 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.

We plan to access the equity markets for additional capital, however, there can be no assurance that we will be able to access such additional capital on favorable terms, or at all.

Our ability to raise additional funds may be adversely impacted by potential worsening global economic conditions and disruptions to and volatility in the credit and financial markets in the United States, including due to actual or perceived changes in interest rates and economic inflation, and worldwide resulting from macroeconomic factors. Because of the numerous risks and uncertainties associated with product development, we cannot predict the timing or amount of increased expenses and we may never be profitable or generate positive cash flow from operating activities.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's discussion and analysis of financial condition and results of operations is based on our interim condensed consolidated financial statements, that we prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). Preparing these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses, and related disclosures. We base our estimates on historical experience and on various assumptions we believe to be reasonable under the circumstances. We believe our judgment is applied consistently and produces financial information that fairly depicts our results of operations for all periods. Actual results may differ materially from these estimates.

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 long lived assets, stock compensation, deferred tax asset valuation allowance, contingencies and clinical trial accruals.

There have been no changes to our critical accounting policies and estimates as disclosed in our Annual Report on Form 10-K for the year ended March 31, 2024.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a smaller reporting company, as defined by Item 10(f)(1) of Regulation S-K, we are not required to provide the information required by this item.

ITEM 4. CONTROLS AND PROCEDURES.

DISCLOSURE CONTROLS AND PROCEDURES

We maintain "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed, in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer (who is our principal executive officer and principal financial officer), to allow timely decisions regarding required disclosures.

Under the supervision and with the participation of our management, including our Chief Executive Officer, who also serves as 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.

As previously reported in our Annual Report on Form 10-K for the year ended March 31, 2024, we identified a material weakness in our internal control over financial reporting related to segregation of duties within our financial systems. Specifically, user access controls were not sufficiently maintained to properly restrict both user and privileged access to financial applications within our accounting software system to initiate, record and approve entries. Also noted that check stock was secured in an authorized signatory's office.

Since identifying the material weakness, we have been actively engaged in implementing measures to remediate the weakness and enhance our internal control over financial reporting. These measures include but are not limited to updating the accounting software and creating distinct user roles. Transactions are recorded by personnel who are independent of those who initiate them and are approved by separate personnel who are independent of those who record them. Additionally, check stock had been relocated in November 2023.

We believe that these measures, once fully implemented and operational for a sufficient period of time, will effectively remediate the material weakness. We are committed to maintaining a strong internal control environment and will continue to monitor the effectiveness of these controls and procedures.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

Other than the changes to remediate the material weakness noted above, there were no changes in our internal control over financial reporting during the quarter ending December 31, 2024 that have materially affected, or 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 under the heading "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2024, filed with the SEC on June 27, 2024, 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, has and may continue to prevent or delay our ability to manufacture our Hemopurifier.
- We face intense competition in the medical device industry.
- 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.

- Our success is dependent in part on our executive officers.

- We have not received, and may never receive, approval from the FDA to market a medical device in the United States. Even though we have received breakthrough device designation for the Hemopurifier for two independent indications, this designation may not expedite the development or review of the Hemopurifier and does not provide assurance ultimately of PMA submission or approval by the FDA.

- Delays in successfully commencing or completing our planned clinical trials could jeopardize our ability to obtain regulatory approval and sustain our operations.

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 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.

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, 2024.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Rule 10b5-1 Trading Plans

During the three months ended December 31, 2024, none of our directors or officers entered into, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," that were intended to satisfy the affirmative defense conditions of Rule 10b5-1, in each case as defined in Item 408 of Regulation S-K.

ITEM 6. EXHIBITS.

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

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	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	
4.5	Form of Class A Warrant to Purchase Common Stock, issued on May 17, 2024.	8-K	001-37487	4.1	May 17, 2024	
4.6	Form of Class B Warrant to Purchase Common Stock, issued on May 17, 2024.	8-K	001-37487	4.2	May 17, 2024	
4.7	Form of Pre-Funded Warrant to Purchase Common Stock, issued on May 17, 2024.	8-K	001-37487	4.3	May 17, 2024	
10.1	Form of Securities Purchase Agreement.	S-1/A	333-278188	10.20	May 13, 2024	
10.2	Aethlon Medical, Inc. 2020 Equity Incentive Plan, as amended to date, Form of Restricted Stock Grant, Form of Option Grant and Agreement.	8-K	001-37487	10.1	October 2, 2024	
31.1	Certification of the Principal Executive Officer and Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.					X
32.1^	Certification of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350.					X
101.INS*	Inline XBRL Instance Document with Embedded Linkbase Documents					X
101.SCH*	Inline XBRL Taxonomy Extension Schema Document					X
104*	Cover Page Interactive Data File (formatted in XBRL, and included in exhibit 101)					

^ The information in Exhibit 32.1 shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act (including this Quarterly Report), unless the Registrant specifically incorporates the foregoing information into those documents by reference.

* The XBRL related information in Exhibit 101 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

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 12, 2025

By: /s/ JAMES B. FRAKES
JAMES B. FRAKES
CHIEF EXECUTIVE OFFICER
CHIEF FINANCIAL OFFICER
(PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER)

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, James B. 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 12, 2025

/s/ JAMES B. FRAKES
JAMES B. FRAKES
CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER
(PRINCIPAL EXECUTIVE AND 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, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, James B. Frakes, Chief Executive Officer and 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 12, 2025

/s/ JAMES B. FRAKES
James B. Frakes
Chief Executive Officer and Chief Financial Officer
(Principal Executive and 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.