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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 June 30, 2025

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 August 13, 2025, the registrant had outstanding 2,598,711 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, or Quarterly Report, contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or 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 future clinical trials, and 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, or FDA, approval of our products candidates, our ability to comply with changing government regulations, patent protection of our proprietary technology, product liability exposure, uncertainty of market acceptance, competition, technological change, and other risk factors detailed herein and in other of our filings with the Securities and Exchange Commission, or the SEC. 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 caution you therefore 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 to fund continuing operations, 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

	June 30, 2025 (Unaudited)	March 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 3,765,154	$ 5,501,261
Deferred Offering Cost	9,103	–
Prepaid expenses and other current assets	276,601	448,539
Total current assets	4,050,858	5,949,800
Property and equipment, net	593,720	676,220
Operating lease right-of-use asset	529,576	601,846
Patents, net	413	550
Restricted cash	98,130	97,813
Deposits	33,305	33,305
Total assets	$ 5,306,002	$ 7,359,534
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 571,495	$ 534,524
Due to related parties	372,598	579,565
Operating lease liability, current portion	318,800	313,033
Other current liabilities	364,544	472,164
Total current liabilities	1,627,437	1,899,286
Operating lease liability, less current portion	255,052	336,718
Total liabilities	1,882,489	2,236,004
Stockholders' Equity		
Common stock, par value $0.001 per share; 60,000,000 shares authorized as of June 30, 2025 and March 31, 2025; 2,598,711 shares issued and outstanding as of June 30, 2025 and 2,585,239 shares issued and 2,010,739 outstanding at March 31, 2025.	2,599	2,586
Additional paid-in capital	173,159,966	173,092,894
Accumulated other comprehensive loss	(22,377)	(17,133)
Accumulated deficit	(169,716,675)	(167,954,817)
Total stockholders' equity	3,423,513	5,123,530
Total liabilities and stockholders' equity	$ 5,306,002	$ 7,359,534

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

AETHLON MEDICAL, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Month Periods Ended June 30, 2025 and 2024
(Unaudited)

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024
OPERATING EXPENSES		
Professional fees	$ 476,032	$ 614,082
Payroll and related expenses	581,000	1,254,802
General and administrative	735,358	751,974
Total operating expenses	1,792,390	2,620,858
OPERATING LOSS	(1,792,390)	(2,620,858)
OTHER (EXPENSE) INCOME, NET		
Interest income	36,466	49,418
Other	(5,934)	–
NET LOSS	(1,761,858)	(2,571,440)
NET LOSS ATTRIBUTABLE TO AETHLON MEDICAL, INC.	(1,761,858)	(2,571,440)
OTHER COMPREHENSIVE LOSS	(5,244)	(833)
COMPREHENSIVE LOSS	$ (1,767,102)	$ (2,572,273)
Basic and diluted net loss per share attributable to common stockholders	$ (0.85)	$ (2.76)
Weighted average number of common shares outstanding – basic and diluted	2,076,416	932,248

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 Months Ended June 30, 2025 and 2024
(Unaudited)

	ATTRIBUTABLE TO AETHLON MEDICAL, INC.					
	COMMON STOCK		ADDITIONAL PAID IN	ACCUMULATED	ACCUMULATED COMPREHENSIVE	TOTAL
	SHARES	AMOUNT	CAPITAL	DEFICIT	LOSS	EQUITY
BALANCE – MARCH 31, 2025	2,585,239	$ 2,586	$ 173,092,894	$ (167,954,817)	$ (17,133)	$ 5,123,530
Issuances of common stock for public offering	–	–	–	–	–	–
Issuances of common stock for Class A and Class B warrant exercises	–	–	–	–	–	–
Issuance of common shares upon vesting of restricted stock units and net stock option exercises	13,395	13	(5,370)	–	–	(5,357)
Stock-based compensation expense	–	–	72,442	–	–	72,442
Rounding for reverse split	77	–	–	–	–	–
Net loss	–	–	–	(1,761,858)	–	(1,761,858)
Other comprehensive loss	–	–	–	–	(5,244)	(5,244)
BALANCE – JUNE 30, 2025	2,598,711	$ 2,599	$ 173,159,966	$ (169,716,675)	$ (22,377)	$ 3,423,513

	COMMON STOCK		ADDITIONAL PAID IN	ACCUMULATED	ACCUMULATED COMPREHENSIVE	TOTAL
	SHARES	AMOUNT	CAPITAL	DEFICIT	LOSS	EQUITY
BALANCE – MARCH 31, 2024	328,728	$ 329	$ 160,339,671	$ (154,566,728)	$ (6,940)	$ 5,766,332
Issuances of common stock for cash under at the market program	1,012,500	1,013	3,538,894	–	–	3,539,907
Issuances of common stock for Class A and Class B warrant exercises	397,500	398	1,844,002	–	–	1,844,400
Issuance of common shares upon vesting of restricted stock units and net stock option exercises	3,452	3	(5,081)	–	–	(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	1,742,180	$ 1,743	$ 165,856,814	$ (157,138,168)	$ (7,773)	$ 8,712,616

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 Three Months Ended June 30, 2025 and 2024
(Unaudited)

	Three months Ended June 30, 2025	Three months Ended June 30, 2024
Cash flows used in operating activities:		
Net loss	$ (1,761,858)	$ (2,571,440)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	82,637	86,060
Stock based compensation	72,442	139,328
Accretion of right-of-use operating lease asset	72,270	(1,217)
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	164,031	89,872
Accounts payable and other current liabilities	(137,492)	323,776
Deferred revenue	–	–
Due to related parties	(206,967)	186,084
Net cash used in operating activities	(1,714,937)	(1,747,537)
Cash flows (used in) provided by financing activities:		
Proceeds from the issuance of common stock, net	–	3,539,907
Proceeds from the issuance of common stock upon Class A and Class B warrant exercises	–	1,844,400
Tax withholding payments or tax equivalent payments for net share settlement of restricted stock units and net stock option expense	(5,357)	(5,078)
Net cash (used in) provided by financing activities	(5,357)	5,379,229
Effect of exchange rate on changes on cash	(15,496)	(1,290)
Net (decrease) increase in cash, cash equivalents and restricted cash	(1,735,790)	3,630,402
Cash, cash equivalents and restricted cash at beginning of period	5,599,074	5,529,483
Cash, cash equivalents and restricted cash at end of period	$ 3,863,284	$ 9,159,885
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	$ 13	$ 28
Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheets:		
Cash and cash equivalents	$ 3,765,154	$ 9,072,379
Restricted cash	98,130	87,506
Cash, cash equivalents and restricted cash	$ 3,863,284	$ 9,159,885

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., or Aethlon, the Company, we or us, is a medical therapeutic company focused on developing the Hemopurifier® (HP), a clinical-stage immunotherapeutic device intended for applications in cancer, life-threatening viral infections, and organ transplantation and other areas of significant unmet needs. In human studies (167 sessions with 41 patients), the Hemopurifier was used safely and demonstrated the potential to remove enveloped viruses. In pre-clinical studies, the Hemopurifier has exhibited the capacity to remove harmful extracellular vesicles (EVs) and enveloped viruses from biological fluids, utilizing its proprietary lectin-based mechanism. These extracellular vesicles have been implicated in disease processes such as immune suppression and metastasis in cancer as well as in the progression of severe 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 unresponsive to or intolerant of standard of care therapy, and with cancer types in which extracellular vesicles have been shown to participate in the development or severity of the disease; and

- the treatment of life-threatening viruses for which no approved therapies currently exist.

We are also evaluating the Hemopurifier's potential in additional clinical contexts based on its mechanism of action and preclinical findings.

Three clinical sites in Australia—Royal Adelaide Hospital in Adelaide, Pindara Private Hospital in the Gold Coast, and GenesisCare North Shore Hospital in Sydney—are currently open for enrollment in our phase 1 oncology trial. As of August 11, 2025, we have treated three participants in the first of three planned treatment cohorts. The Data Safety Monitoring Board (DSMB), comprising independent medical experts in nephrology and oncology, has reviewed the data from the initial cohort. Each of the three participants received a single 4-hour Hemopurifier treatment. Based on their evaluation, the DSMB found no safety concerns and confirmed that the Hemopurifier continues to demonstrate a favorable safety and tolerability profile. To date, no serious adverse events (SAEs) or Dose-Limiting Toxicities (DLTs) related to the Hemopurifier have been reported.

Enrollment for Cohort 2 is now open. In this phase, participants will receive two Hemopurifier treatments over a one-week period at the study's three active clinical sites in Australia. This trial, which aims to enroll approximately 9 to 18 patients, is designed to evaluate the safety and feasibility of administering the Hemopurifier at varying dosing intervals in patients with solid tumors who have stable or progressive disease, while receiving treatment that includes Pembrolizumab (Keytruda®) or Nivolumab (Opdivo®).

The Company previously pursued approval of a similar clinical trial in India. We received formal approval from the Indian regulatory agency, the Central Drugs Standard Control Organization (CDSCO), to conduct this trial in India on July 7, 2025. We were working with our India CRO, Qualtran, toward site initiation at Medanta Medicity Hospital. However, after reviewing extended timelines associated with site activation and trial execution, we made the decision to cancel the Indian trial to conserve resources and to concentrate efforts on the Australian oncology trial.

The Hemopurifier is designed to address life-threatening viral infections, particularly those involving highly glycosylated viruses for which there are no approved therapies. It has previously been used under FDA and international regulatory frameworks to treat individuals infected with HIV, hepatitis C, Ebola, and SARS-CoV-2. While our COVID-19 clinical trials in the U.S. and India have been terminated due to low ICU enrollment, these programs provided real-world evidence of Hemopurifier use in critically ill patients. We maintain an open IDE for viral indications, preserving the ability to respond to future outbreaks or emerging pathogens.

In addition to our ongoing clinical trials, we continue to explore potential new applications for the Hemopurifier through internal pre-clinical research. In the first fiscal quarter of 2026, results of our pre-clinical ex-vivo study entitled "Ex Vivo Removal of CD41 positive platelet microparticles from Plasma by a Medical Device containing a Galanthus nivalis agglutinin (GNA) affinity resin" were published in the pre-print vehicle bioRxiv. This manuscript has been submitted to a peer-reviewed publication for review. In the study we evaluated the Hemopurifier's ability to remove disease-relevant extracellular vesicles (EVs), including those derived from platelets, which are implicated in cancer, autoimmune disease, and neurological disorders. The study demonstrated >98% removal of platelet-derived EVs from healthy human plasma in a simulated clinical session. We are also collaborating with academic researchers to investigate EV characteristics in patients with Long COVID. These exploratory programs are intended to inform potential future clinical indications and expand the utility of the Hemopurifier platform.

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, recent bank failures and 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, recent bank failures and the ongoing military conflicts 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 three months ended June 30, 2025, 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, 2025.

REVERSE STOCK SPLIT

On June 9, 2025, we effected a 1-for-8 reverse stock split of our then outstanding shares of common stock. Accordingly, each 8 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, 2024. 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, or GAAP, for interim financial information and with the instructions to Form 10-Q and Article 8 of the Securities and Exchange Commission, or SEC, Regulation S-X. Accordingly, they should be read in conjunction with the audited financial statements and notes thereto for the fiscal year ended March 31, 2025, included in our Annual Report on Form 10-K filed with the SEC on June 26, 2025. 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 June 30, 2025. 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, 2025 has been derived from the audited consolidated balance sheet at March 31, 2025, contained in the above referenced 10-K. The results of operations for the three months ended June 30, 2025 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
Management expects existing cash as of June 30, 2025 to not be sufficient to fund the Company’s operations for at least twelve months from the issuance date of these condensed consolidated financial statements. As a result, there is substantial doubt about the Company’s ability to continue as a going concern.

We are actively evaluating a range of strategic and financing options to extend our cash runway and support our ongoing operations, including clinical development activities. These options include potential equity offerings and other funding opportunities. However, there can be no assurance that any such financing will be available on acceptable terms, or at all.

Our ability to continue as a going concern is dependent upon securing additional capital and successfully executing our business plans. If we are unable to raise additional capital when needed, we may be forced to significantly curtail or cease operations, including research and development programs and clinical trials.

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

As of June 30, 2025, we maintained a restricted cash balance of $98,130 in an interest-bearing money market deposit account with JPMorgan Chase, which supports our lease obligations. This balance includes a $5,000 buffer above the required security amount.

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 June 30, 2025 and 2024, an aggregate of 2,189,307 and 1,649,429 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-month periods ended June 30, 2025 and 2024, which are included in various operating expense line items in the accompanying condensed consolidated statements of operations. The increase in research and development expenses for the three months ended June 30, 2025, compared to the same period in 2024, primarily reflects higher spending associated with our ongoing clinical trial in Australia evaluating the Hemopurifier in oncology patients. The current period also includes expenses related to preclinical studies supporting potential new indications, including work conducted in partnership with UCSF's Long COVID Clinic and internal lab activities targeting platelet-derived extracellular vesicles and transplant-related applications. These initiatives are part of our broader strategy to expand the therapeutic potential of the Hemopurifier beyond viral pathogens and support future regulatory submissions. We expect R&D expenses to continue to fluctuate based on the timing and scale of future clinical trial activity and internal development efforts. Our research and development expenses in those periods were as follows:

	June 30, 2025	June 30, 2024
Three months ended	$ 524,368	$ 414,658

4. RECENT ACCOUNTING PRONOUNCEMENTS

In December 2023, the FASB issued Accounting Standards Update 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires enhanced annual disclosures related to tax rate reconciliation and income taxes paid disaggregated by federal, state and foreign taxes. ASU 2023-09 is effective for the Company for annual periods beginning on or after April 1, 2025. The Company maintains a full valuation allowance against its deferred assets and does not have current income tax expense nor material income taxes paid. While the Company is evaluating the impact of this new standard on its income tax disclosures, it does not expect the adoption of ASU 2023-09 to have material impact on its consolidated financial statements, as the amendments relate to disclosures only.

In March 2024, the FASB issued Accounting Standards Update 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* ("ASU 2024-03"), which requires public business entities to provide enhanced annual and interim disclosures that disaggregate specified income statement expense categories. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The Company is evaluating whether the adoption of this new standard will have a material impact on our disclosures.

In March 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2024-02, Codification Improvements—Amendments to Remove References to the Concepts Statements ("ASU 2024-02"). ASU 2024-02 eliminates various references to the FASB's Concepts Statements from the FASB Accounting Standards Codification in order to clarify that the Codification represents the authoritative source of generally accepted accounting principles (GAAP) in the United States. The amendments do not alter existing accounting requirements. The guidance is effective for fiscal years, including interim periods within those fiscal years, beginning after December 15, 2024, and early adoption is permitted. This ASU is not expected to have a material impact on the Company's consolidated financial statements or disclosures.

5. EQUITY TRANSACTIONS IN THE THREE MONTHS ENDED JUNE 30, 2025

Reverse Stock Split

Effective as of the close of business on June 6, 2025 with an effective trading date of June 9, 2025, we effected a 1-for-8 reverse stock split of our then outstanding shares of common stock. Accordingly, each 8 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 consolidated financial statements and accompanying notes have been retroactively revised to reflect such reverse stock split as if it had occurred on April 1, 2024. All shares and per share amounts have been revised accordingly.

Restricted Stock Unit Grants

In April 2025, the Compensation Committee of the Board, or Compensation Committee, approved, pursuant to the terms of the Company's Amended and Restated Non-Employee Director Compensation Policy, or the Director Compensation Policy, the grant of the annual RSUs under the Director Compensation Policy to each of the three non-employee directors of the Company then serving on the Board of Directors of the Company, or Board. 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, 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 for the closing prices for the five days preceding and including the date of grant, or $2.80 per share for the April 2025 RSU grants. As a result, in April 2025 the four eligible directors were each granted an RSU in the amount of 17,858 shares under 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, 2025, September 30, 2025, December 31, 2025, and March 31, 2026, subject in each case to the director's Continuous Service (as defined in the 2020 Plan), through such dates. Vesting will terminate upon the director's termination of Continuous Service prior to any vesting date.

During the three-months ended June 30, 2025, 13,395 shares were issued upon settlement of 17,858 RSUs.

6. RELATED PARTY TRANSACTIONS

During the three months ended June 30, 2025, we accrued unpaid fees of $68,250 owed to our non-employee directors. We did not enter into any new related party arrangements. The accrued balance for separation expenses at June 30, 2025, relates to agreements with former executive officers from a prior period; no new separation accruals were recorded during the quarter.

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

	June 30, 2025	March 31, 2025
Accrued Board fees	$ 68,250	$ 68,250
Accrued vacation to all employees	167,352	165,029
Accrued separation expenses	136,996	346,286
Total due to related parties	$ 372,598	$ 579,565

7. OTHER CURRENT LIABILITIES

Other current liabilities were comprised of the following items:

	June 30, 2025	March 31, 2025
D&O insurance premium financing	$ 112,727	$ 178,206
Accrued professional fees	205,490	247,631
Accrued resale registration	46,327	46,327
Total other current liabilities	$ 364,544	$ 472,164

8. STOCK COMPENSATION

All of the stock-based compensation expense recorded during the three months ended June 30, 2025 and 2024, an aggregate of $72,442 and $139,328, 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 three months ended June 30, 2025 and 2024 represented an impact on basic and diluted loss per common share of $(0.03) and $(0.15), respectively.

Stock Option Activity

We did not issue any stock options during the three months ended June 30, 2025 and 2024.

Stock options outstanding that have vested as of June 30, 2025 and stock options that are expected to vest subsequent to June 30, 2025 are as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years
Vested	6,000	$ 132.13	5.80
Expected to vest	546	$ 112.80	6.62
Total	6,546		

A summary of stock option activity during the three months ended June 30, 2025 is presented below:

	Amount	Range of Exercise Price	Weighted Average Exercise Price
Outstanding at beginning of year	6,546	$ 112.80 – 201.60	$ 130.52
Granted	–	$ –	$ –
Cancelled/Expired	–	$ –	$ –
Outstanding June 30, 2025	6,546	$ 112.80 – 201.60	$ 130.52
Exercisable, June 30, 2025	6,000	$ 112.80 – 201.60	$ 132.13

There were no stock option grants during the three months ended June 30, 2025 and 2024. There were 71,432 RSUs granted during the three months June 30, 2025. The weighted average grant date fair value of RSUs granted during the three months ended June 30, 2025 was $2.80. There were no stock option exercises during the three months ended June 30, 2025 and 2024. On June 30, 2025, our outstanding stock options had no intrinsic value, since the closing share price on that date of $1.20 per share was below the exercise price of our outstanding stock options.

The table below summarizes nonvested stock options as of June 30, 2025 and changes during the three months ended June 30, 2025.

	Shares	Weighted Average Grant Date Fair Value
Nonvested stock options at April 1, 2025	751	$ 1.37
Vested	(205)	$ 1.37
Forfeited	–	
Nonvested stock options at June 30, 2025	546	

The detail of the options outstanding and exercisable as of June 30, 2025 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
$ 102.40 – 112.80	5,034	5.97 years	$ 109.17	4,488	$ 108.73
$ 201.60	1,512	5.52 years	$ 201.60	1,512	$ 201.60
	6,546			6,000	

We recorded stock-based compensation expense related to RSU issuances and to options granted totaling $72,442 and $139,328 for the three months ended June 30, 2025 and 2024, respectively. These expenses were recorded as stock compensation included in payroll and related expenses in the accompanying consolidated statement of operations for the three months ended June 30, 2025 and 2024.

The table below summarizes restricted stock units as of June 30, 2024 and changes during the three months ended June 30, 2025.

	Shares
Nonvested RSUs at April 1, 2025	–
Granted	71,432
Vested	(13,393)
Tax withholding payments or tax equivalent payments for net share settlement of restricted stock units	(4,465)
Nonvested RSUs at June 30, 2025	53,574

Our total stock-based compensation for the three months ended June 30, 2025 and 2024 included the following:

	Three Months Ended	
	June 30, 2025	June 30, 2024
Vesting of restricted stock units	$ 50,000	$ 68,750
Vesting of stock options	22,442	70,578
Total Stock-Based Compensation	$ 72,442	$ 139,328

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 three months ended June 30, 2024 was insignificant.

On June 30, 2025, our outstanding stock options had no intrinsic value since the closing price on that date of $1.20 per share was below the weighted average exercise price of our outstanding stock options.

At June 30, 2025, there was approximately $206,106 of unrecognized compensation cost related to share-based payments, which is expected to be recognized over a weighted average period of .71 years.

9. WARRANTS

We did not issue any warrants in the three-months ended June 30, 2025. We issued 2,065,500 warrants in connection with the May 17, 2024 public offering during three-months ended June 2024.

A summary of warrant activity during the three months ended June 30, 2025 is presented below:

	Amount	Range of Exercise Price	Weighted Average Exercise Price
Warrants outstanding at March 31, 2025	2,357,124	$ 2.99 – 4.64	$ 3.55
Granted	–	–	–
Exercised	–	$ –	$ –
Cancelled/Expired	(227,937)	$ 4.64	$ 4.64
Warrants outstanding at June 30, 2025	2,129,187	$ 2.99 – 4.64	$ 3.44
Warrants exercisable at June 30, 2025	2,129,187	$ 2.99 – 4.64	$ 3.44

10. 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 $14,591. The current monthly base rent under the manufacturing component of the lease is $12,824. Cash paid in the three months ended June 30, 2025 for amounts included in the measurement of operating lease liabilities in operating cash flows was $82,245.

The office, lab and manufacturing leases are coterminous with a remaining term of 21 months. The weighted average discount rate is 4.25%.

As of our June 30, 2025 balance sheet, we have an operating lease right-of-use asset of $529,576 and operating lease liability of $573,852.

In connection with the lease agreements for our office, lab, and manufacturing space, we were required to provide financial assurance to the landlord in lieu of a traditional security deposit. To satisfy this requirement, we initially arranged for our former bank to issue two standby letters of credit (L/Cs) totaling $87,506 — $46,726 in fiscal year 2021 for the office and lab space, and $40,780 in fiscal year 2022 for the manufacturing space. Equivalent funds were transferred into restricted certificates of deposit to secure the bank's risk.

Following the transition of our banking relationship to JPMorgan Chase, the L/Cs were replaced with an interest-bearing money market deposit account. As of June 30, 2025, we maintained a restricted cash balance of $98,130 in this account, which includes a $5,000 buffer above the required security amount. This balance continues to support our lease obligations and is classified as restricted cash on our balance sheet.

Overall, our rent expense, which is included in general and administrative expenses, approximated $109,190 and $102,000 for the three-month periods ended June 30, 2025 and 2024, respectively.

In January 2025, the Company entered into a short-term premium financing agreement with FIRST Insurance Funding, a division of Lake Forest Bank & Trust Company, N.A., to finance a portion of its Directors & Officers (D&O) and other insurance premiums. The total amount financed under the agreement was approximately $220,984 with an associated finance charge of approximately $9,995 resulting in a total repayment obligation of approximately $230,979. The annual percentage rate is 9.75%, and the loan is payable in 10 monthly installments of approximately $23,098 beginning February 28, 2025.

As collateral for the financing, the Company granted the lender a first priority security interest in the financed insurance policies, including all unearned premiums, dividends, credits, and certain loss payments. In the event of default, cancellation, or early termination of the policies, the lender has the right to collect any unearned premiums and apply them against the remaining loan balance.

This arrangement is classified as a short-term liability within other liabilities on the balance sheet (See Note 7) and is recorded net of any prepaid portions of the insurance policies.

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.

11. SEGMENT REPORTING

The Company operates as a single operating and reportable segment, which reflects how the Chief Operating Decision Maker (CODM), the Company's Chief Executive Officer, manages the business and allocates resources. The Company is a development-stage medical technology company focused on advancing a clinical-stage therapeutic device, with key operational decisions driven by cash availability, development milestones, and the expected return on investment associated with future manufacturing and commercialization efforts.

Although the Company does not generate commercial revenue, the CODM regularly reviews certain expense categories and cash flow metrics to monitor progress and inform resource allocation. The primary internal performance measure used by the CODM is cash used in operating activities, rather than traditional profit or loss metrics.

In accordance with ASU 2023-07, which the Company adopted for the fiscal year ended March 31, 2025, the following significant expense categories and internal performance measures were reviewed by the CODM during the three months ended June 30, 2025 and 2024:

Category	**Three Months Ended**	
	June 30, 2025	**June 30, 2024**
Research and development[1]	$ 524,000	$ 415,000
General and administrative[2]	$ 735,000	$ 752,000
Cash used in operating activities[3]	$ 1,715,000	$ 1,748,000

Amounts in this table are rounded to the nearest thousand.

[1] Research and development expenses primarily include costs related to laboratory operations, clinical trial execution, investigational device testing, design iterations, and personnel expenses associated with research activities. These expenses may appear across different financial statement line items—such as general and administrative expense, professional fees, or payroll—but are monitored internally by the CODM as a single category.

[2] General and administrative expenses encompass overhead, clinical trial-related administrative and planning expenses, and certain manufacturing-related costs such as raw materials. These costs are not broken down further for internal reporting purposes and are reviewed as a whole.

[3] Cash used in operating activities is the key internal performance metric tracked by the CODM to evaluate development progress, cash needs, and investment strategy in the absence of commercial revenue.

The Company does not allocate assets to operating segments, nor does the CODM evaluate performance using a segment profit or loss measure. There were no changes in the internal reports provided to or reviewed by the CODM during the periods presented.

Entity-Wide Information

- The Company did not recognize revenue during the three months ended June 30, 2025.
- All long-lived assets are located in the United States.
- A significant portion of clinical trial activity is conducted through the Company's wholly owned subsidiary in Australia.

12. SUBSEQUENT EVENTS

Management has evaluated events subsequent to June 30, 2025 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.

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. 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., or Aethlon, the Company, we or us, is a medical therapeutic company focused on developing the Hemopurifier® (HP), a clinical-stage immunotherapeutic device intended for applications in cancer, life-threatening viral infections, and organ transplantation and other areas of significant unmet needs. In human studies (167 sessions with 41 patients), the Hemopurifier was used safely and demonstrated the potential to remove enveloped viruses. In pre-clinical studies, the Hemopurifier has exhibited the capacity to remove harmful extracellular vesicles (EVs) and enveloped viruses from biological fluids, utilizing its proprietary lectin-based mechanism. These extracellular vesicles have been implicated in disease processes such as immune suppression and metastasis in cancer as well as in the progression of severe 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 unresponsive to or intolerant of standard of care therapy, and with cancer types in which extracellular vesicles have been shown to participate in the development or severity of the disease; and

- the treatment of life-threatening viruses for which no approved therapies currently exist.

We are also evaluating the Hemopurifier's potential in additional clinical contexts based on its mechanism of action and preclinical findings.

Three clinical sites in Australia—Royal Adelaide Hospital in Adelaide, Pindara Private Hospital in the Gold Coast, and GenesisCare North Shore Hospital in Sydney—are currently open for enrollment in our phase 1 oncology trial. As of June 26, 2025, we have treated three participants in the first of three planned treatment cohorts. The Data Safety Monitoring Board (DSMB), comprising independent medical experts in nephrology and oncology, has reviewed the data from the initial cohort. Each of the three participants received a single 4-hour Hemopurifier treatment. Based on their evaluation, the DSMB found no safety concerns and confirmed that the Hemopurifier continues to demonstrate a favorable safety and tolerability profile. To date, no serious adverse events (SAEs) or Dose-Limiting Toxicities (DLTs) related to the Hemopurifier have been reported.

Enrollment for Cohort 2 is now open. In this phase, participants will receive two Hemopurifier treatments over a one-week period at the study's three active clinical sites in Australia. This trial, which aims to enroll approximately 9 to 18 patients, is designed to evaluate the safety and feasibility of administering the Hemopurifier at varying dosing intervals in patients with solid tumors who have stable or progressive disease, while receiving treatment that includes Pembrolizumab (Keytruda®) or Nivolumab (Opdivo®).

The Company received formal approval from the India's regulatory agency, the Central Drugs Standard Control Organization (CDSCO), to initiate an oncology clinical trial in India on July 7, 2025. The Company had been working with its India CRO, Qualtran LLC, toward site initiation at Medanta Medicity Hospital. While the Company had initially anticipated a more expedited startup in India subsequent discussions with the CRO indicated longer-than-expected timelines. After evaluating the project duration and cost of conducting the study, the Company made a strategic decision to discontinue efforts in India and to concentrate its resources on the ongoing oncology trial in Australia, which remains the Company's primary clinical development priority.

The Hemopurifier is designed to address life-threatening viral infections, particularly those involving highly glycosylated viruses for which there are no approved therapies. It has previously been used under FDA and international regulatory frameworks to treat individuals infected with HIV, hepatitis C, Ebola, and SARS-CoV-2. While our COVID-19 clinical trials in the U.S. and India have been terminated due to low ICU enrollment, these programs provided real-world evidence of Hemopurifier use in critically ill patients. We maintain an open IDE for viral indications, preserving the ability to respond to future outbreaks or emerging pathogens.

In addition to our ongoing clinical trials, we continue to explore potential new applications for the Hemopurifier through internal pre-clinical research. In the quarter ended June, 30 2025 results of our pre-clinical ex-vivo study entitled "Ex Vivo Removal of CD41 positive platelet microparticles from Plasma by a Medical Device containing a Galanthus nivalis agglutinin (GNA) affinity resin" were published in the pre-print vehicle bioRxiv. This manuscript has been submitted to a peer-reviewed publication for review. In the study we evaluated the Hemopurifier's ability to remove disease-relevant extracellular vesicles (EVs), including those derived from platelets, which are implicated in cancer, autoimmune disease, and neurological disorders. The study demonstrated >98% removal of platelet-derived EVs from healthy human plasma in a simulated clinical session. We are also collaborating with academic researchers to investigate EV characteristics in patients with Long COVID. These exploratory programs are intended to inform potential future clinical indications and expand the utility of the Hemopurifier platform.

We have sufficient inventory of Hemopurifiers to support our ongoing oncology trial in Australia as well as any near-term expansion of that study or potential trial activity in India. While we have received FDA approval to begin manufacturing at our San Diego facility under our IDE supplement, we are still awaiting FDA approval of a separate supplement to qualify an additional supplier of a key Hemopurifier component. We continue to work with the FDA on this process.

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, recent bank failures and 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, recent bank failures and the ongoing military conflicts 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 JUNE 30, 2025 COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2024

Operating Expenses

Consolidated operating expenses for the three months ended June 30, 2025 were $1,792,390 compared to $2,620,858 for the three months ended June 30, 2024. This decrease of $828,468, or 31.6%, in the 2025 period was due to a decrease of $673,802 in payroll and related $138,050 in professional fees and $16,616 in general and administrative expenses.

The $673,802 decrease in payroll and related expenses for the three months ended June 30, 2025, was primarily due to the absence of a $320,604 severance accrual recorded in the prior year related to the separation of an executive. The remaining decrease reflects a $286,311 reduction in compensation costs associated with lower headcount, as well as a $66,886 decline in stock-based compensation related to the same reduction in workforce.

The $138,050 decrease in professional fees for the three months ended June 30, 2025, was primarily driven by a $104,387 reduction in legal fees following the transition to a new legal firm, a $33,720 decline in scientific consulting costs due to the conclusion of a project, a $23,219 decrease in auditor fees, primarily reflecting lower audit-related costs compared to the prior period and an $18,118 reduction in contract labor following the completion of a regulatory project and transition to lower-cost quality management system consultants. These decreases were partially offset by a $41,835 increase in investor relations expenses related to the special meeting of stockholders.

General and administrative expenses decreased by $16,616 for the three months ended June 30, 2025, primarily due to a $30,789 reduction in insurance costs. This decrease was partially offset by a $25,853 increase in clinical trial-related expenses, with the remaining variance attributable to a mix of smaller increases and decreases across multiple categories that netted to an overall decline.

Other (Expense) Income, Net

We recorded other income of $30,532 for the three months ended June 30, 2025 compared to other income of $49,418 for the three months ended June 30, 2024. Other income in both periods was primarily interest income.

Net Loss

As a result of the changes in expenses noted above, our net loss decreased to $1,761,858 in the three months ended June 30, 2025 from $2,571,440 in the three months ended June 30, 2024.

Basic and diluted loss attributable to common stockholders was ($0.85) for the three months ended June 30, 2025, compared to ($2.76) for the three-month period ended June 30, 2024.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2025, we had a cash balance of $3,765,154 and working capital of $2,423,421. This compares to a cash balance of $5,501,261 and working capital of $4,050,514 at March 31, 2025.

We do not expect our existing cash as of June 30, 2025, to be sufficient to fund our operations for at least twelve months from the issuance date of these financial statements.

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 associated with intellectual property protection and enforcement, regulatory and compliance obligations, the competitive landscape, and our ability to enter into strategic partnerships or other collaborative arrangements. We expect to continue to incur increasing negative cash flows and net losses for the foreseeable future.

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 three months ended	
	June 30, 2025	June 30, 2024
Cash (used in) provided by:		
Operating activities	$ (1,715)	$ (1,748)
Investing activities	–	–
Financing activities	(5)	5,379
Effect of exchange rate changes on cash	(15)	(1)
Net decrease in cash and restricted cash	$ (1,735)	$ (3,630)

NET CASH USED IN OPERATING ACTIVITIES. Net cash used in operating activities was approximately $1,715,000 for the three months ended June 30, 2025, compared to approximately $1,748,000 for the same period in 2024. The decrease was primarily driven by a lower net loss in the current period. However, this improvement was largely offset by unfavorable changes in working capital, including decreases of approximately $393,000 in amounts due to related parties and $461,268 in accounts payable and other current liabilities. These were partially offset by modest increases in non-cash charges and favorable changes in prepaid expenses and other current assets.

NET CASH USED IN INVESTING ACTIVITIES. We did not use cash for investing activities in the three months ended June 30, 2025 and June 30, 2024.

NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES. Net cash provided by financing activities decreased by approximately $5.4 million for the three months ended June 30, 2025. In the current period, financing activity was limited to approximately $5,000 used for tax withholding related to the settlement of restricted stock units. By contrast, in the same period of the prior year, we raised approximately $5,379,000, net of placement agent fees and offering costs, through the sale and issuance of common stock and warrants in a public offering, as well as the exercise of 300,000 Class A warrants and 1,880,000 Class B warrants. This was partially offset by approximately $5,000 used for tax withholding on restricted stock unit settlements, resulting in net cash provided by financing activities of approximately $5,379,000 in the prior year.

Material Cash Requirements

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

In addition, we have entered into leases 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 do 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 bank failures, 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

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

We believe that the estimates and assumptions that are most important to the portrayal of our financial condition and results of operations, in that they require the most difficult, subjective or complex judgments, form the basis for the accounting policies deemed to be most critical to us.

There were no accounting estimates in the three-months ended June 30, 2025 with a high degree of uncertainty or amounts that are with a high likelihood to change from period to period that would materially impact the presentation of our financial statements for the three-months ended June 30, 2025.

There have been no changes to our critical accounting policies and estimates as disclosed in our Form 10-K for the year ended March 31, 2025.

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.

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. We have carried out an evaluation as of the end of the period covered by this Quarterly Report under the supervision and with the participation of our management, including our Chief Executive Officer, who also serves as our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures.

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

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were not changes in our internal control over financial reporting during the quarter ending June 30, 2025 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, 2025 filed with the SEC on June 26, 2025, or Annual Report, 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.
- 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 maintain 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.
- 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 June 30, 2025.

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 June 30, 2025, 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	
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.

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: August 13, 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: August 13, 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 June 30, 2025 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: August 13, 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.