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, 2021

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.)
9635 GRANITE RIDGE DRIVE, SUITE 100, SAN DIEGO, CA	92123
(Address of principal executive offices)	(Zip Code)

(858) 459-7800
(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

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

As of August 4, 2021, the registrant had outstanding 15,386,367 shares of common stock, $0.001 par value.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AETHLON MEDICAL, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2021 (Unaudited)	March 31, 2021
ASSETS		
Current assets		
Cash	$ 25,171,679	$ 9,861,575
Accounts receivable	131,966	149,082
Prepaid expenses and other current assets	244,121	341,081
Total current assets	25,547,766	10,351,738
Property and equipment, net	187,821	160,976
Right-of-use lease asset	15,722	40,363
Patents, net	56,817	56,954
Restricted cash	46,726	46,726
Deposits	12,159	12,159
Total assets	$ 25,867,011	$ 10,668,916
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 243,650	$ 337,678
Due to related parties	119,578	118,520
Deferred revenue	114,849	114,849
Lease liability, current portion	16,835	42,543
Other current liabilities	636,387	761,636
Total current liabilities	1,131,299	1,375,226
Commitments and Contingencies (Note 12)		
Stockholders' Equity		
Common stock, par value $0.001 per share; 30,000,000 shares authorized; 15,386,367 and 12,150,597 shares issued and outstanding as of June 30, 2021 and March 31, 2021, respectively	15,388	12,152
Additional paid-in capital	146,868,766	129,331,542
Accumulated deficit	(122,010,393)	(119,913,090)
Total Aethlon Medical, Inc. stockholders' equity before noncontrolling interests	24,873,761	9,430,604
Noncontrolling interests	(138,049)	(136,914)
Total stockholders' equity	24,735,712	9,293,690
Total liabilities and stockholders' equity	$ 25,867,011	$ 10,668,916

See accompanying notes.

AETHLON MEDICAL, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Month Periods Ended June 30, 2021 and 2020
(Unaudited)

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020
REVENUES		
Government contract revenue	$ 131,966	$ –
OPERATING EXPENSES		
Professional fees	583,469	564,284
Payroll and related expenses	1,016,742	436,911
General and administrative	630,068	409,223
Total operating expenses	2,230,279	1,410,418
OPERATING LOSS	(2,098,313)	(1,410,418)
OTHER EXPENSE		
Interest and other debt expenses	125	728
Total other expense	125	728
NET LOSS	(2,098,438)	(1,411,146)
LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(1,135)	(863)
NET LOSS ATTRIBUTABLE TO AETHLON MEDICAL, INC.	$ (2,097,303)	$ (1,410,283)
BASIC AND DILUTED LOSS PER COMMON SHARE	$ (0.16)	$ (0.15)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED	12,828,816	9,632,977

See accompanying notes.

AETHLON MEDICAL, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Three Months Ended June 30, 2021 and 2020
(Unaudited)

	COMMON STOCK		ADDITIONAL PAID IN	ACCUMULATED	NON-CONTROLLING	TOTAL STOCKHOLDERS'
	SHARES	AMOUNT	CAPITAL	DEFICIT	INTERESTS	EQUITY
BALANCE - MARCH 31, 2021	12,150,597	$ 12,152	$ 129,331,542	$ (119,913,090)	$ (136,914)	$ 9,293,690
Issuances of common stock for cash under at the market program	626,000	626	4,947,159	–	–	4,947,785
Issuances of common stock for cash in registered direct financing	1,380,555	1,381	11,657,663	–	–	11,659,044
Issuances of common stock for cash under warrant exercises	531,167	531	820,407	–	–	820,938
Issuances of common stock for cash under stock option exercises	11,562	11	28,314	–	–	28,325
Issuances of common stock under cashless warrant exercises	675,554	676	(676)	–	–	–
Issuance of common shares upon vesting of restricted stock units	10,932	11	(35,797)	–	–	(35,786)
Stock-based compensation expense	–	–	120,154	–	–	120,154
Net loss	–	–	–	(2,097,303)	(1,135)	(2,098,438)

BALANCE - June 30, 2021	15,386,367	$ 15,388	$ 146,868,766	$ (122,010,393)	$ (138,049)	$ 24,735,712

	COMMON STOCK		ADDITIONAL PAID IN	ACCUMULATED	NON-CONTROLLING	TOTAL STOCKHOLDERS'
	SHARES	AMOUNT	CAPITAL	DEFICIT	INTERESTS	EQUITY
BALANCE MARCH 31, 2020	9,366,873	$ 9,368	$ 121,426,563	$ (112,026,381)	$ (132,124)	$ 9,277,426
Issuances of common stock for cash under at the market program	2,685,600	2,686	7,258,183	–	–	7,260,869
Issuance of common shares upon vesting of restricted stock units and net stock option exercise	17,920	18	(24,269)	–	–	(24,251)
Stock-based compensation expense	–	–	84,207	–	–	84,207
Net loss	–	–	–	(1,410,283)	(863)	(1,411,146)
BALANCE June 30, 2020	12,070,393	$ 12,072	$ 128,744,684	$ (113,436,664)	$ (132,987)	$ 15,187,105

See accompanying notes.

AETHLON MEDICAL, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended June 30, 2021 and 2020
(Unaudited)

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020
Cash flows used in operating activities:		
Net loss	$ (2,098,438)	$ (1,411,146)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	11,666	8,770
Stock based compensation	120,154	84,207
Accretion of right-of-use lease asset	(1,067)	(188)
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	96,960	62,660
Accounts receivable	17,116	–
Accounts payable and other current liabilities	(219,277)	(73,142)
Deferred revenue	–	206,729
Due to related parties	1,058	20,137
Net cash used in operating activities	(2,071,828)	(1,101,973)
Cash flows used in investing activities:		
Purchases of property and equipment	(38,374)	(17,809)

Net cash used in investing activities	(38,374)	(17,809)
Cash flows provided by financing activities:		
Proceeds from the issuance of common stock, net	17,456,092	7,260,869
Tax withholding payments or tax equivalent payments for net share settlement of restricted stock units	(35,786)	(24,251)
Net cash provided by financing activities	17,420,306	7,236,618
Net increase in cash	15,310,104	6,116,836
Cash at beginning of period	9,861,575	9,604,780
Cash at end of period	$ 25,171,679	$ 15,721,616
Supplemental disclosures of cash flow information:		
Supplemental disclosures of non-cash investing and financing activities:		
Issuance of common stock under cashless warrant exercises	$ 676	$ –
Par value of shares issued for vested restricted stock units	$ 11	$ 18

See accompanying notes.

AETHLON MEDICAL, INC. AND SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
June 30, 2021

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION ORGANIZATION

Aethlon Medical, Inc. and its subsidiary (collectively, "Aethlon", the "Company", "we" or "us"), is a medical technology company focused on developing products to diagnose and treat life and organ threatening diseases. The Aethlon Hemopurifier is a clinical-stage immunotherapeutic device designed to combat cancer and life-threatening viral infections. In cancer, the Hemopurifier is designed to deplete the presence of circulating tumor-derived exosomes that promote immune suppression, seed the spread of metastasis and inhibit the benefit of leading cancer therapies. The U.S. Food and Drug Administration, or FDA, has designated the Hemopurifier as a "Breakthrough Device" for two independent indications:

- the treatment of individuals with advanced or metastatic cancer who are either unresponsive to or intolerant of standard of care therapy, and with cancer types in which exosomes have been shown to participate in the development or severity of the disease; and

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

We believe the Hemopurifier can be a substantial advance in the treatment of patients with advanced and metastatic cancer through the clearance of exosomes that promote the growth and spread of tumors through multiple mechanisms. We are currently preparing for the initiation of clinical trials in patients with advanced and metastatic cancers. We are initially focused on the treatment of solid tumors, including head and neck cancer, gastrointestinal cancers and other cancers. As we advance our clinical trials, we are in close contact with our clinical sites to navigate and assess the impact of the COVID-19 global pandemic on our clinical trials and current timelines.

On October 4, 2019, the FDA approved our Investigational Device Exemption, or IDE, application to initiate an Early Feasibility Study, or EFS, of the Hemopurifier in patients with head and neck cancer in combination with standard of care pembrolizumab (Keytruda). The primary endpoint for the EFS, which will enroll 10 to12 subjects at a single center, will be safety, with secondary endpoints including measures of exosome clearance and characterization, as well as response and survival rates. This study, which is being conducted at the UPMC Hillman Cancer Center in Pittsburgh, PA, is in the process of recruiting and treating patients.

We also believe the Hemopurifier can be a 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 to treat individuals infected with human immunodeficiency virus, or HIV, hepatitis-C, and Ebola.

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

On June 17, 2020, the FDA approved a supplement to our open IDE for the Hemopurifier in viral disease to allow for the testing of the Hemopurifier in patients with SARS-CoV-2/COVID-19 in a New Feasibility Study. This study is designed to enroll up to 40 subjects at up to 20 centers in the U.S. Subjects will have established laboratory diagnosis of COVID-19, be admitted to an intensive care unit, or ICU, and will have acute lung injury and/or severe or life threatening disease, among other criteria. Endpoints for this study, in addition to safety, will include reduction in circulating virus as well as clinical outcomes (NCT # 04595903). The initial sites for this trial, Hoag Memorial Hospital Presbyterian in Newport Beach, CA, Hoag Hospital – Irvine in Irvine, CA, Loma Linda Hospital in Loma Linda, CA, and Cooper Medical in Camden, NJ, have completed clinical trial agreements, and have received IRB approval in the case of the Hoag hospitals, and are preparing to open for patient enrollment. Under Single Patient Emergency Use regulations, the Company has also treated two patients with COVID-19 with the Hemopurifier.

We are also the majority owner of Exosome Sciences, Inc., or ESI, a company focused on the discovery of exosomal biomarkers to diagnose and monitor life-threatening diseases. Included among ESI's activities is the advancement of a TauSome™ biomarker candidate to diagnose chronic traumatic encephalopathy, or CTE, in the living. ESI previously documented TauSome levels in former NFL players to be nine times higher than same age-group control subjects. Through ESI, we are also developing exosome based biomarkers in patients with, or at risk for, a number of cancers. We consolidate ESI's activities in our consolidated financial statements.

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

In addition to the foregoing, we are monitoring closely the impact of the COVID-19 global pandemic on our business and have taken steps designed to protect the health and safety of our employees while continuing our operations. Given the level of uncertainty regarding the duration and impact of the COVID-19 pandemic on capital markets and the U.S. economy, we are unable to assess the impact of the worldwide spread of SARS-CoV-2 and the resulting COVID-19 pandemic on our timelines and future access to capital. We are continuing to monitor the spread of COVID-19 and its potential impact on our operations. The full extent to which the COVID-19 pandemic will impact our business, results of operations, financial condition, clinical trials, and preclinical research will depend on future developments that are highly uncertain, including actions taken to contain or treat COVID-19 and their effectiveness, as well as the economic impact on national and international markets.

Our executive offices are located at 9635 Granite Ridge Drive, Suite 100, San Diego, California 92123. Our telephone number is (858) 459-7800. 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, 2021, 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, 2021.

Basis of Presentation and Use of Estimates

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP, for interim financial information and with the instructions to Form 10-Q and Article 8 of the Securities and Exchange Commission, or SEC Regulation S-X. Accordingly, they should be read in conjunction with the audited financial statements and notes thereto for the fiscal year ended March 31, 2021, included in the Company’s Annual Report on Form 10-K filed with the SEC on June 24, 2021. The accompanying unaudited condensed consolidated financial statements include the accounts of Aethlon Medical, Inc. and its majority-owned subsidiary. All significant inter-company transactions and balances have been eliminated in consolidation. The unaudited condensed consolidated financial statements contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the condensed consolidated financial statements as of and for the three months ended June 30, 2021, and the condensed consolidated statement of cash flows for the three months ended June 30, 2021. 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, 2021 has been derived from the audited consolidated balance sheet at March 31, 2021, contained in the above referenced 10-K. The results of operations for the three months ended June 30, 2021 are not necessarily indicative of the results to be expected for the full year or any future interim periods.

Reclassifications

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

LIQUIDITY AND GOING CONCERN

Management expects existing cash as of June 30, 2021 to be sufficient to fund the Company’s operations for at least twelve months from the issuance date of these condensed consolidated financial statements.

Restricted Cash

To comply with the terms of our new laboratory and office lease, we caused our bank to issue a standby letter of credit, or the L/C, in the amount of $46,726 in favor of the landlord. The L/C is in lieu of a security deposit. In order to support the L/C, we agreed to have our bank withdraw $46,726 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 June 30, 2021 and 2020, an aggregate of 1,654,464 and 2,150,690 potential common shares, respectively, consisting of shares underlying outstanding stock options, warrants and unvested 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, 2021 and 2020, 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:

	June 30, 2021	June 30, 2020
Three months ended	$ 587,687	$ 377,167

4. RECENT ACCOUNTING PRONOUNCEMENTS

On April 1, 2019, the Company adopted ASC Topic 842, Leases, utilizing the alternative transition method allowed for under this guidance. As a result, the Company recorded lease liabilities and right-of-use lease assets of $228,694 on its balance sheet as of April 1, 2019. The lease liabilities represent the present value of the remaining lease payments of the Company’s corporate headquarters lease (see Note 12), discounted using the Company’s incremental borrowing rate as of April 1, 2019. The corresponding right-of-use lease assets are recorded based on the lease liabilities and the cumulative difference between rent expense and amounts paid under its corporate headquarters lease. The Company also elected the short-term lease recognition exemption for its laboratory lease. For the laboratory lease that qualified as short-term, the Company did not

recognize ROU assets or lease liabilities at adoption.

Topic 842 also allows lessees and lessors to elect certain practical expedients. The Company elected the following practical expedients:

- Transitional practical expedients, which must be elected as a package and applied consistently to all of the Company's leases:

  The Company need not reassess whether any expired or existing contracts are or contain leases.

  The Company need not reassess the lease classification for any expired or existing leases (that is, all existing leases that were classified as operating leases in accordance with the previous guidance will be classified as operating leases, and all existing leases that were classified as capital leases in accordance with the previous guidance will be classified as finance leases).

  The Company need not reassess initial direct costs for any existing leases.

- Hindsight practical expedient. The Company elected the hindsight practical expedient in determining the lease term (that is, when considering lessee options to extend or terminate the lease and to purchase the underlying asset) and in assessing impairment of the Company's right-of-use assets.

5. EQUITY TRANSACTIONS IN THE THREE MONTHS ENDED JUNE 30, 2021

Common Stock Sales Agreement with H.C. Wainwright & Co., LLC

On March 22, 2021, we entered into an At the Market Offering Agreement, or the Offering Agreement, with H.C. Wainwright & Co., LLC, or Wainwright, as sales agent, pursuant to which we may offer and sell shares of our common stock, from time to time as set forth in the Offering Agreement.

The offering was registered under the Securities Act of 1933, as amended, or Securities Act, pursuant to our shelf registration statement on FormS-3 (Registration Statement No. 333-237269), as previously filed with the SEC and declared effective on March 30, 2020. We filed a prospectus supplement with the SEC, dated March 22, 2021, in connection with the offer and sale of the shares of common stock, pursuant to which we may offer and sell shares of common stock having an aggregate offering price of up to $5,080,000 from time to time.

Subject to the terms and conditions set forth in the Offering Agreement, Wainwright agreed to use its commercially reasonable efforts consistent with its normal trading and sales practices to sell the shares under the Offering Agreement from time to time, based upon our instructions. We provided Wainwright with customary indemnification rights under the Offering Agreement, and Wainwright is entitled to a commission at a fixed rate equal to three percent of the gross proceeds per share sold. In addition, we agreed to reimburse Wainwright for certain specified expenses in connection with entering into the Offering Agreement. The Offering Agreement will terminate upon the written termination by either party as permitted thereunder.

Sales of the shares, if any, under the Offering Agreement will be made in transactions that are deemed to be "at the market offerings" as defined in Rule 415 under the Securities Act, including sales made by means of ordinary brokers' transactions, including on the Nasdaq Capital Market, at market prices or as otherwise agreed with Wainwright. We have no obligation under the Offering Agreement to sell any of the shares, and, at any time, we may suspend offers under the Offering Agreement or terminate the agreement.

In the three months ended June 30, 2021, we raised aggregate net proceeds under the Offering Agreement described above of $4,947,785, net of $126,922 in commissions to Wainwright and $2,154 in other offering expense through the sale of626,000 shares of our common stock at an average price of $7.90 per share of net proceeds. No further sales can be made under the Offering Agreement.

Registered Direct Financing

In the three months ended June 30, 2021, we sold an aggregate of1,380,555 shares of our common stock at a purchase price per share of $9.00, for aggregate net proceeds to us of $11,659,044 after deducting fees payable to Maxim Group LLC, the placement agent and other offering expenses. These shares were sold through a securities purchase agreement with certain institutional investors. The shares were issued pursuant to an effective shelf registration statement on Form S-3, which was originally filed with the SEC on March 19, 2020, and was declared effective on March 30, 2020 (File No. 333-237269) and a prospectus supplement thereunder.

Warrant Exercises

In the three months ended June 30, 2021, pursuant to the exercise of outstanding warrants to purchase531,167 shares of our common stock, we received proceeds in the amount of $820,938 from institutional investors.

Also in the three months ended June 30, 2021, pursuant to the exercise of874,664 outstanding warrants on a cashless basis, we issued675,554 shares of our common stock. The difference of 199,110 shares of common stock issuable pursuant to the warrants were cancelled.

Stock Option Exercises

In the three months ended June 30, 2021, former employees paid us an aggregate of $28,325 for the exercise of outstanding options to purchase 11,562 shares of our common stock.

Restricted Stock Unit Grants

In 2012, as amended through October 30, 2020, our Board of Directors established the Non-Employee Directors Compensation Program, to provide for cash and equity compensation for persons serving as non-employee directors of the Company. Under this program, each new director receives either stock options or a grant of restricted stock units, or RSUs, as well as an annual grant of RSUs at the beginning of each fiscal year. The RSUs are subject to vesting and represent the right to be issued on a future date shares of our common stock upon vesting.

On April 1, 2021, pursuant to the terms of the Company's 2012 Non-Employee Directors Compensation Program, as amended, or the Directors Plan, the Compensation

Committee of the Board granted RSUs under the Company's 2020 Equity Incentive Plan, or 2020 Plan, to each non-employee director of the Company. The Director's Plan provides for a grant of $50,000 worth of RSUs at the beginning of each fiscal year, priced at the average for the closing prices for the five days preceding and including the date of grant, or $2.06 per share as of April 1, 2021. Each eligible director was granted an RSU in the amount of 24,295 shares under the 2020 Plan. The RSU's are subject to vesting in four equal quarterly installments on June 30, September 30, December 31, 2021, and March 31, 2022, subject to the recipient's continued service with the Company on each such vesting date.

In June 2021, 18,221 vested RSUs held by our non-employee directors were exchanged into the same number of shares of our common stock. All three non-employee directors elected to return 40% of their vested RSUs in exchange for cash, in order to pay their withholding taxes on the share issuances, resulting in 7,289 of the vested RSUs being cancelled in exchange for $35,786 in aggregate cash proceeds to those independent directors.

RSUs outstanding that have vested as of, and are expected to vest subsequent to, June 30, 2021 are as follows:

	Number of RSUs
Vested	–
Expected to vest	54,664
Total	54,664

6. RELATED PARTY TRANSACTIONS

During the three months ended June 30, 2021, we accrued unpaid fees of $52,000 owed to our non-employee directors as of June 30, 2021. Amounts due to related parties were comprised of the following items:

	June 30, 2021	March 31, 2021
Accrued Board fees	$ 52,000	$ 52,000
Accrued vacation to all employees	67,578	66,520
Total due to related parties	$ 119,578	$ 118,520

7. OTHER CURRENT LIABILITIES

Other current liabilities were comprised of the following items:

	June 30, 2021	March 31, 2021
Accrued separation expenses for former executive (see Note 12)	$ 167,743	$ 284,270
Accrued professional fees	468,644	477,366
Total other current liabilities	$ 636,387	$ 761,636

8. STOCK COMPENSATION

The following tables summarize share-based compensation expenses relating to RSUs and stock options and the effect on basic and diluted loss per common share during the three month periods ended June 30, 2021 and 2020:

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020
Vesting of stock options and restricted stock units	$ 120,154	$ 84,207
Total stock-based compensation expense	$ 120,154	$ 84,207
Weighted average number of common shares outstanding – basic and diluted	12,828,816	9,632,977
Basic and diluted loss per common share attributable to stock-based compensation expense	$ (0.01)	$ (0.01)

All of the stock-based compensation expense recorded during the three months ended June 30, 2021 and 2020, which totaled $120,154 and $84,207, respectively, is included in payroll and related expense in the accompanying condensed consolidated statements of operations. Stock-based compensation expense recorded during the three months ended June 30, 2021 and 2020 represented an impact on basic and diluted loss per common share of $(0.01) and $(0.01), respectively.

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, 2021 was insignificant.

Stock Option Activity

During the three months ended June 30, 2021, we issued a stock option grant to our CEO for the purchase of 266,888 shares of our common stock under our 2020 Plan. The purchase price for the shares subject to the option is $5.17 per share, the fair market value of the common stock on the date of the grant. The shares subject to the option are subject to vesting over four years, commencing on the date of grant, or Vesting Commencement Date, with twenty-five percent (25%) of the shares subject to the option vesting on the first anniversary of the Vesting Commencement Date and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months, in each case subject to Dr. Fisher's Continuous Service (as defined in the 2020 Plan) through each vesting date.

We did not issue any stock options during the three months ended June 30, 2020.

Options outstanding that have vested as of June 30, 2021 and options that are expected to vest subsequent to June 30, 2021 are as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years
Vested	87,210	$ 8.83	8.29
Expected to vest	926,449	$ 2.76	9.43
Total	1,013,659		

A summary of stock option activity during the three months ended June 30, 2021 is presented below:

	Amount	Range of Exercise Price	Weighted Average Exercise Price
Stock options outstanding at March 31, 2021	844,089	$ 1.28 - 142.50	$ 3.07
Exercised	(11,562)	$ 2.45	$ 2.45
Granted	266,888	$ 5.17	$ 5.17
Cancelled/Expired	(85,756)	$ 2.45 - 18.75	$ 7.22
Stock options outstanding at June 30, 2021	1,013,659	$ 1.28 - 142.50	$ 2.76
Stock options exercisable at June 30, 2021	87,210	$ 1.28 - 142.50	$ 8.83

On June 30, 2021, our stock options had an intrinsic value of approximately $1,664,000 based on our closing share price of $4.92 on that date.

At June 30, 2021, there was approximately $3,722,000 of unrecognized compensation cost related to share-based payments, which is expected to be recognized over a weighted average period of 7.7 years.

9. WARRANTS

During the three months ended June 30, 2021 and 2020, we did not issue any warrants.

A summary of warrant activity during the three months ended June 30, 2021 is presented below:

	Amount	Range of Exercise Price	Weighted Average Exercise Price
Warrants outstanding at March 31, 2021	1,991,973	$ 1.50 - 99.00	$ 5.23
Exercised	(1,206,721)	$ 1.50 – 2.50	$ 2.21
Cancelled/Expired	(199,111)	$ 1.50 – 2.75	$ 2.74
Warrants outstanding at June 30, 2021	586,141	$ 1.50 – 99.00	$ 12.28
Warrants exercisable at June 30, 2021	586,141	$ 1.50 – 99.00	$ 12.28

10. GOVERNMENT CONTRACTS AND RELATED REVENUE RECOGNITION

We entered into the following contracts with the National Cancer Institute, or NCI, part of the National Institutes of Health, or NIH, over the past two years:

Phase 2 Melanoma Cancer Contract

On September 12, 2019, the NCI awarded to us an SBIR Phase II Award Contract, for NIH/NCI Topic 359, entitled “A Device Prototype for Isolation of Melanoma Exosomes for Diagnostics and Treatment Monitoring”, or the Award Contract. The Award Contract amount is $ 1,860,561 and runs for the period from September 16, 2019 through September 15, 2021.

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

We recorded $114,849 of government contract revenue on the Phase 2 Melanoma Cancer Contract in the three months ended June 30, 2021. That revenue related to work performed in the three months ended March 31, 2021 that had previously been recorded as deferred revenue as a result of falling short on certain milestones. We then achieved those March period milestones in the June quarter and therefore recorded the previously deferred revenue as government contract revenue. We recorded the invoice related to the June period as deferred revenue since we fell short of certain milestones related to that period.

We did not record any government contract revenue during the three months ended June 30, 2020 as we did not achieve certain milestones for that period.

Subaward with University of Pittsburgh

In 2020, we entered into a cost reimbursable subaward arrangement with the University of Pittsburgh in connection with an NIH contract entitled “Depleting Exosomes to Improve Responses to Immune Therapy in HNNCC.” Our share of the award is $256,750. We recorded $17,117 of revenue related to this subaward in the three months ended June 30, 2021.

11. SEGMENTS

We operate our businesses principally through two reportable segments: Aethlon, which represents our therapeutic business activities, and ESI, which represents our diagnostic business activities. Our reportable segments have been determined based on the nature of the potential products being developed. We record discrete financial information for ESI and our chief operating decision maker reviews ESI's operating results in order to make decisions about resources to be allocated to the ESI segment and to assess its performance.

Aethlon's revenue is generated primarily from government contracts to date and ESI does not yet have any revenues. We have not included any allocation of corporate overhead to the ESI segment.

The following tables set forth certain information regarding our segments:

	Three Months Ended June 30,	
	2021	2020
Revenues:		
Aethlon	$ 131,966	$ –
ESI	–	–
Total Revenues	$ 131,966	$ –
Operating Losses:		
Aethlon	$ (2,092,638)	$ (1,406,103)
ESI	(5,675)	(4,315)
Total Operating Loss	$ (2,098,313)	$ (1,410,418)
Net Losses:		
Aethlon	$ (2,092,763)	$ (1,406,831)
ESI	(5,675)	(4,315)
Net Loss Before Non-Controlling Interests	$ (2,098,438)	$ (1,411,146)
Cash:		
Aethlon	$ 25,171,482	$ 15,721,419
ESI	197	197
Total Cash	$ 25,171,679	$ 15,721,616
Total Assets:		
Aethlon	$ 25,866,814	$ 16,427,057
ESI	197	197
Total Assets	$ 25,867,011	$ 16,427,254
Capital Expenditures:		
Aethlon	$ 38,374	$ 17,809
ESI	–	–
Capital Expenditures	$ 38,374	$ 17,809
Depreciation and Amortization:		
Aethlon	$ 11,666	$ 8,770
ESI	–	–
Total Depreciation and Amortization	$ 11,666	$ 8,770
Interest Expense:		
Aethlon	$ (125)	$ (728)
ESI	–	–
Total Interest Expense	$ (125)	$ (728)

12. COMMITMENTS AND CONTINGENCIES

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

There have been no material changes to our contractual obligations and commitments outside the ordinary course of business from those disclosed under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations-Contractual Obligations and Commitments" as contained in our Annual Report on Form 10-K for the year ended March 31, 2021, filed by us with the SEC on June 24, 2021.

SEPARATION AGREEMENT

On October 30, 2020, we entered into a Separation Agreement with Timothy Rodell, M.D., our former Chief Executive Officer, or the Separation Agreement. Under the Separation Agreement, we agreed to pay Dr. Rodell a total of $ 444,729 and to cover his medical insurance costs over a twelve-month period that began on November 1, 2020, all in accordance with the terms of his employment agreement with the Company.

The total expense accrued at June 30, 2021 relating to the Separation Agreement, was $167,743 (see Note 7).

LEASE COMMITMENTS

We currently lease approximately 2,600 square feet of executive office space at 9635 Granite Ridge Drive, Suite 100, San Diego, California 92123 under a 39-month gross plus utilities lease that commenced on December 1, 2014 and expires on August 31, 2021. We recently extended that lease by one month to September 30, 2021. The current rental rate under the lease extension is $8,265 per month.

We also rent approximately 1,700 square feet of laboratory space at 11585 Sorrento Valley Road, Suite 109, San Diego, California 92121 at the rate of $6,148 per month on a one-year lease that originally was to expire on November 30, 2020. In December 2020, we entered into a short-term lease extension running from December 1, 2020 through the completion date of our construction of our planned new laboratory space which is adjacent to our current laboratory.

Rent expense, which is included in general and administrative expenses, approximated $48,000 and $44,000 for the three month periods ended June 30, 2021 and 2020, respectively.

Future minimum lease payments under the Granite Ridge Lease as of June 30, 2021, are as follows:

July 1, 2021 through August 31, 2021	$	16,835
Less: discount		n/a
Total lease liability	$	16,835

During the fiscal year ended March 31, 2020, we adopted ASU Topic 842 on April 1, 2019 utilizing the alternative transition method allowed for under this guidance. As a result, we recorded lease liabilities and right-of-use lease assets of $228,694 on our balance sheet as of April 1, 2019. The lease liabilities represent the present value of the remaining lease payments of our corporate headquarters lease, discounted using our incremental borrowing rate as of April 1, 2019. The corresponding right-of-use lease assets are recorded based on the lease liabilities and the cumulative difference between rent expense and amounts paid under its corporate headquarters lease. We also elected the short-term lease recognition exemption for our laboratory lease. For the laboratory lease that qualified as short-term, we did not recognize right-of-use assets or lease liabilities at adoption.

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. The agreement carries a term of 63 months and we will commence paying rent when we take occupancy of those spaces, which is expected to occur in the second half of 2021. Upon taking occupancy of the space, we will record lease liabilities and right-of-use lease assets related to this agreement on our balance sheet. We estimate that the present value of the contractual payments under the lease agreement to be approximately $806,000.

In addition, the new lease agreement required us to post a standby letter of credit in favor of the landlord in the amount of $46,726 in lieu of a security deposit. We arranged for our bank to issue the standby letter of credit in the fiscal year ended March 31, 2021 and transferred a like amount to a restricted certificate of deposit which secured the bank's risk in issuing that letter of credit. We have classified that restricted certificate of deposit on our balance sheet as restricted cash.

LEGAL MATTERS

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

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

13. SUBSEQUENT EVENTS

Management has evaluated events subsequent to June 30, 2021 through the date that the accompanying condensed consolidated financial statements were filed with the SEC for transactions and other events which may require adjustment of and/or disclosure in such financial statements.

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

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

FORWARD LOOKING STATEMENTS

All statements, other than statements of historical fact, included in this Form 10-Q are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Such forward-looking statements involve assumptions, known and unknown risks, uncertainties and other factors which may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements contained in this Form 10-Q. Such potential risks and uncertainties include, without limitation, completion of our capital-raising activities, our ability to maintain our Nasdaq listing, U.S. Food and Drug Administration, or FDA, approval of our products, other 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 Commission. The forward-looking statements are made as of the date of this Form 10-Q, and we assume no obligation to update the forward-looking statements, or to update the reasons actual results could differ from those projected in such forward-looking statements.

Overview

We are a medical technology company focused on developing products to diagnose and treat life and organ threatening diseases. The Aethlon Hemopurifier®, or Hemopurifier, is a clinical-stage immunotherapeutic device designed to combat cancer and life-threatening viral infections. In cancer, the Hemopurifier is designed to deplete the presence of circulating tumor-derived exosomes that promote immune suppression, seed the spread of metastasis and inhibit the benefit of leading cancer therapies. The FDA has designated the Hemopurifier as a "Breakthrough Device" for two independent indications:

- the treatment of individuals with advanced or metastatic cancer who are either unresponsive to or intolerant of standard of care therapy, and with cancer types in which exosomes have been shown to participate in the development or severity of the disease; and

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

We believe the Hemopurifier can be a substantial advance in the treatment of patients with advanced and metastatic cancer through the clearance of exosomes that promote the growth and spread of tumors through multiple mechanisms. We are currently preparing for the initiation of clinical trials in patients with advanced and metastatic cancers. We are initially focused on the treatment of solid tumors, including head and neck cancer, gastrointestinal cancers and other cancers. As we advance our clinical trials, we are in close contact with our clinical sites to navigate and assess the impact of the global COVID-19 pandemic on our clinical trials and current timelines.

On October 4, 2019, the FDA approved our Investigational Device Exemption, or IDE, application to initiate an Early Feasibility Study, or EFS, of the Hemopurifier in patients with head and neck cancer in combination with standard of care pembrolizumab (Keytruda). The primary endpoint for the EFS, which will enroll 10-12 subjects at a single center, will be safety, with secondary endpoints including measures of exosome clearance and characterization, as well as response and survival rates. This study, which will be conducted at the UPMC Hillman Cancer Center in Pittsburgh, PA, has been approved by the Institutional Review Board, or IRB, and is in the process of starting up.

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

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

On June 17, 2020, the FDA approved a supplement to the Company's open IDE for the Company's Hemopurifier in viral disease to allow for the testing of the Hemopurifier in patients with SARS-CoV-2/COVID-19 in a New Feasibility Study. This study is designed to enroll up to 40 subjects at up to 20 centers in the U.S. Subjects will have established laboratory diagnosis of COVID-19, be admitted to an intensive care unit, or ICU and will have acute lung injury and/or severe or life threatening disease among other criteria. Endpoints for this study, in addition to safety, will include reduction in circulating virus as well as clinical outcomes. The Company is currently recruiting sites to conduct this trial.

We are also the majority owner of ESI, a company focused on the discovery of exosomal biomarkers to diagnose and monitor life-threatening diseases. Included among ESI's activities is the advancement of a TauSome™ biomarker candidate to diagnose chronic traumatic encephalopathy, or CTE, in the living. ESI previously documented TauSome levels in former NFL players to be nine times higher than same age-group control subjects. Through ESI, we are also developing exosome based biomarkers in patients with, or at risk for, a number of cancers. We consolidate ESI's activities in our consolidated financial statements.

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

We were formed on March 10, 1999. Our executive offices are located at 9635 Granite Ridge Drive, Suite 100, San Diego, California 92123. Our telephone number is (858) 459-7800. Our website address is www.aethlonmedical.com.

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

COVID-19 Update

In March 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains and created significant volatility and disruption of financial markets.

We are monitoring closely the impact of the COVID-19 global pandemic on our business and have taken steps designed to protect the health and safety of our employees while continuing our operations, including clinical trials. Given the level of uncertainty regarding the duration and impact of the COVID-19 pandemic on capital markets and the U.S. economy, we are unable to assess the impact of the worldwide spread of SARS-CoV-2 and the resulting COVID-19 pandemic on our future access to capital. Further, while we have not experienced significant disruptions to our manufacturing supply chain, business, results of operations, financial condition, clinical trials, or preclinical research to date, we are unable to assess the potential impact this pandemic could have on our manufacturing supply chain, business, results of operations, financial condition, clinical trials, or preclinical research in the future.

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

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act, and must file reports, proxy statements and other information with the Commission. The Commission maintains a web site (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding registrants, like us, which file electronically with the Commission. Our headquarters are located at 9635 Granite Ridge Drive, Suite 100, San Diego, CA 92123. Our phone number at that address is (858) 459-7800. Our website is http://www.aethlonmedical.com.

RESULTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 2021 COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2020

Government Contract Revenues

We entered into the following contract with the NCI, part of the NIH, over the past two years:

Phase 2 Melanoma Cancer Contract

On September 12, 2019, the NCI awarded to us an SBIR Phase II Award Contract, for NIH/NCI Topic 359, entitled "A Device Prototype for Isolation of Melanoma Exosomes for Diagnostics and Treatment Monitoring", or the Award Contract. The Award Contract amount is $1,860,561 and runs for the period from September 16, 2019 through September 15, 2021.
The work to be performed pursuant to this Award Contract will focus on melanoma exosomes. This work follows from our completion of a Phase I contract for the Topic 359 solicitation that ran from September 2017 through June 2018, as described below. Following on the Phase I work, the deliverables in the Phase II program involve the design and testing of a pre-commercial prototype of a more advanced version of the exosome isolation platform.

We recorded $114,849 of government contract revenue on the Phase 2 Melanoma Cancer Contract in the three months ended June 30, 2021. That revenue related to work performed in the three months ended March 31, 2021 that had previously been recorded as deferred revenue as a result of falling short on certain milestones. We then achieved those March period milestones in the June quarter and therefore recorded the previously deferred revenue as government contract revenue. We recorded the invoice related to the June period as deferred revenue since we fell short of certain milestones related to that period.

We did not record any government contract revenue during the three month period ended June 30, 2020 as we did not achieve certain milestones for that period.

Subaward with University of Pittsburgh

In 2020, we entered into a cost reimbursable subaward arrangement with the University of Pittsburgh in connection with an NIH contract entitled "Depleting Exosomes to Improve Responses to Immune Therapy in HNNCC." Our share of the award is $256,750. We recorded $17,117 of revenue related to this subaward in the three months ended June 30, 2021.

Operating Expenses

Consolidated operating expenses for the three months ended June 30, 2021 were $2,230,279, compared to $1,410,418 for the three months ended June 30, 2020. This increase of $819,861, or 58.1%, in the 2021 period was due to increases in payroll and related expenses of $579,831, in general and administrative expenses of $220,845, and in professional fees of $19,185.

The $579,831 increase in payroll and related expenses was primarily due to the combination of a $233,858 increase in our R&D payroll as the result of hiring additional scientists, a $210,216 bonus payment to our CEO as the result of achieving certain milestones in his employment contract, a $63,884 increase in general and administrative payroll expense as the result of additional headcount and a $35,947 increase in our stock-based compensation.

The $220,845 increase in general and administrative expenses was primarily due to a $132,542 increase in our subcontractor expenses related to our government contracts and a $73,800 increase in our insurance expenses.

The $19,185 increase in our professional fees was primarily due to a $50,306 increase in our legal fees which was partially offset by a $21,962 decrease in our scientific consulting expenses and a $5,984 decrease in our accounting expenses.

Other Expense

Other expense during the three months ended June 30, 2021 and 2020 consisted of interest expense only as follows:

Interest Expense

Interest expense was $125 and $728 for the three months ended June 30, 2021 and 2020, respectively.

	Three Months Ended 6/30/21	Three Months Ended 6/30/20	Change

Interest Expense			
	$ 125	$ 728	$ (603)
Total Interest Expense	$ 125	$ 728	$ (603)

Net Loss

As a result of the changes in revenues and expenses noted above, our net loss increased to approximately $2,097,000 in the three months ended June 30, 2021, from approximately $1,410,000 in the three months period ended June 30, 2020.

Basic and diluted loss attributable to common stockholders were ($0.16) for the three months period ended June 30, 2021, compared to ($0.15) for the three months period ended June 30, 2020.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2021, we had a cash balance of $25,171,679 and working capital of $24,416,467. This compares to a cash balance of $9,861,575 and working capital of $8,976,512 at March 31, 2021. We expect our existing cash as of June 30, 2021 to be sufficient to fund the Company's operations for at least twelve months from the issuance date of these financial statements.

The primary sources of our increase in cash during the three months ended June 30, 2021 resulted from our Common Stock Sales Agreement with H.C. Wainwright & Co., LLC, or Wainwright and our registered direct financing through Maxim Group LLC. The cash raised from those activities is noted below:

Common Stock Sales Agreement with H.C. Wainwright & Co., LLC

On March 22, 2021, we entered into an At the Market Offering Agreement, or the Offering Agreement, with Wainwright as sales agent, pursuant to which we may offer and sell shares of our common stock, from time to time as set forth in the Offering Agreement.

The offering has been registered under the Securities Act of 1933, as amended, or Securities Act, pursuant to our shelf registration statement on FormS-3 (Registration Statement No. 333-237269), as previously filed with the SEC and declared effective on March 30, 2020. We filed a prospectus supplement, dated March 22, 2021, with the SEC in connection with the offer and sale of the shares of common stock, pursuant to which we may offer and sell shares of common stock having an aggregate offering price of up to $5,080,000 from time to time.
Subject to the terms and conditions set forth in the Offering Agreement, Wainwright agreed to use its commercially reasonable efforts consistent with its normal trading and sales practices to sell the shares under the Offering Agreement from time to time, based upon our instructions. We provided Wainwright with customary indemnification rights under the Offering Agreement, and Wainwright is entitled to a commission at a fixed rate equal to three percent of the gross proceeds per share sold. In addition, we agreed to reimburse Wainwright for certain specified expenses in connection with entering into the Offering Agreement. The Offering Agreement will terminate upon the written termination by either party as permitted thereunder.

Sales of the shares, if any, under the Offering Agreement will be made in transactions that are deemed to be "at the market offerings" as defined in Rule 415 under the Securities Act, including sales made by means of ordinary brokers' transactions, including on the Nasdaq Capital Market, at market prices or as otherwise agreed with Wainwright. We have no obligation to sell any of the shares, and, at any time, we may suspend offers under the Offering Agreement or terminate the agreement.

In the three months ended June 30, 2021, we raised aggregate net proceeds under the Offering Agreement described above of $4,947,785, net of $126,922 in commissions to Wainwright and $2,154 in other offering expense through the sale of 626,000 shares of our common stock at an average price of $7.90 per share of net proceeds. No further sales may be made under the agreement.

Registered Direct Financing

In the three months ended June 30, 2021, we sold an aggregate of 1,380,555 shares of our common stock at a purchase price per share of $9.00, for aggregate net proceeds to us of $11,659,044 after deducting fees payable to Maxim Group LLC, the placement agent and other offering expenses. These shares were sold through a securities purchase agreement with certain institutional investors, The shares were issued pursuant to an effective shelf registration statement on Form S-3, which was originally filed with the SEC on March 19, 2020, and was declared effective on March 30, 2020 (File No. 333-237269) and a prospectus supplement thereunder.

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.

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, 2021	June 30, 2020
Cash provided by (used in):		
Operating activities	$ (2,072)	$ (1,102)
Investing activities	(38)	(18)
Financing activities	17,420	7,237
Net increase (decrease) in cash	$ 15,310	$ 6,117

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 $2,072,000 in the three month period ended June 30, 2021, compared to approximately $1,102,000 in the three month period ended June 30, 2020.

NET CASH USED IN INVESTING ACTIVITIES. We used approximately $38,000 of cash to purchase laboratory and office equipment in the three months ended June 30, 2021, compared to approximately $18,000 in the three month period ended June 30, 2020.

NET CASH PROVIDED BY FINANCING ACTIVITIES. During the three months ended June 30, 2021, we raised approximately $17,456,000 from the issuance of common stock. That source of cash from our financing activities was partially offset by the use of approximately $36,000 to pay for the tax withholding on restricted stock units, for an aggregate increase of cash provided by financing activities of approximately $17,420,000.

During the three months ended June 30, 2020, we raised approximately $7,261,000 from the issuance of common stock. That source of cash from our financing activities was partially offset by the use of approximately $24,000 to pay for the tax withholding on restricted stock units, for an aggregate increase of cash provided by financing activities of approximately $7,237,000.

As of the date of this filing, we plan to invest significantly into purchases of our raw materials and in our internal manufacturing facility for our clinical trials.

CRITICAL ACCOUNTING POLICIES

Use of Estimates

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

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

There have been no changes to our critical accounting policies as disclosed in our Form 10-K for the year ended March 31, 2021.

OFF-BALANCE SHEET ARRANGEMENTS

As of June 30, 2021, we did not have any off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

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

ITEM 4. CONTROLS AND PROCEDURES.

DISCLOSURE CONTROLS AND PROCEDURES

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

Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of such period, our disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, and are effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

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

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

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

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

ITEM 1A. RISK FACTORS.

RISK FACTOR SUMMARY

Below is a summary of the principal factors that make an investment in our securities speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below under the heading "Risk Factors" 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 operating losses since our inception and have not generated any revenue. We expect to incur continued losses for the foreseeable future and may never achieve or maintain profitability.
- We will require substantial additional funding to sustain our operations. If we are unable to raise capital on favorable terms when needed, we could be forced to delay, reduce or eliminate our research or device development programs or any future commercialization efforts.
- To achieve the levels of production necessary to commercialize our Hemopurifier and any other future products, we will need to secure large-scale manufacturing agreements with contract manufacturers which comply with good manufacturing practice standards and other standards prescribed by various federal, state and local regulatory agencies in the U.S. and any other country of use. We have limited experience coordinating and overseeing the manufacture of medical device products on a large-scale.
- Our Hemopurifier product may be made unmarketable prior to commercialization by us by new scientific or technological developments by others with new treatment modalities that are more efficacious and/or more economical than our products. Any one of our competitors could develop a more effective product which would render our technology obsolete.
- Our Hemopurifier product is subject to extensive government regulations related to development, testing, manufacturing and commercialization in the U.S. and other countries. If we fail to comply with these extensive regulations of the U.S. and foreign agencies, the commercialization of our products could be delayed or prevented entirely.
- 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 will need to significantly expand our operations to implement our longer-term business plan and growth strategies. We will also be required to manage multiple relationships with various strategic partners, technology licensors, customers, manufacturers and suppliers, consultants and other third parties. The time and costs to effectuate these steps may place a significant strain on our management personnel, systems and resources, particularly given the limited amount of financial resources and skilled employees that may be available at the time.
- Our business prospects will depend on our ability to complete studies, clinical trials, obtain satisfactory results, obtain required regulatory approvals and successfully commercialize our Hemopurifier product candidate. Delays in successfully completing the clinical trials could jeopardize our ability to obtain regulatory approval.
- If we are unable to adequately address these and other risks we face, our business, financial condition, operating results and prospects may be adversely affected.
- Our business could be adversely affected by the effects of health pandemics or epidemics, including the COVID-19 pandemic.

As a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and in Item 10(f)(1) of Regulation S-K, we are electing scaled disclosure reporting obligations and therefore are not required to provide the information requested by this item. For a discussion of our potential risks and uncertainties, please see the information listed in the item captioned "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2021.

Should any of our potential products, including the Hemopurifier, be approved for commercialization, adverse changes in reimbursement policies and procedures by payors may impact our ability to market and sell our products.

Healthcare costs have risen significantly over the past decade, and there have been and continue to be proposals by legislators, regulators and third-party payors to decrease costs. Third-party payors are increasingly challenging the prices charged for medical products and services and instituting cost containment measures to control or significantly influence the purchase of medical products and services.

For example, in the U.S., the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively, PPACA, among other things, reduced and/or limited Medicare reimbursement to certain providers. However, on December 14, 2018, a Texas U.S. District Court Judge ruled that the Affordable Care Act is unconstitutional in its entirety because the "individual mandate" was repealed by Congress as part of the Tax Cuts and Jobs Act of 2017. Additionally, on June 17, 2021, the U.S. Supreme Court dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress. Thus, the ACA will remain in effect in its current form. Further, prior to the U.S. Supreme Court ruling, on January 28, 2021, President Biden issued an executive order that initiated a special enrollment period for purposes of obtaining health insurance coverage through the ACA marketplace, which began on February 15, 2021 and will remain open through August 15, 2021. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. It is possible that the ACA will be subject to judicial or Congressional challenges in the future. It is unclear how any such challenges and litigation, and the healthcare reform measures of the Biden administration will impact the ACA and our business. The Budget Control Act of 2011, as amended by subsequent legislation, further reduces Medicare's payments to providers by two percent through fiscal year 2030. However, COVID-19 relief legislation suspended the two percent Medicare sequester from May 1, 2020 through December 31, 2021. These reductions may reduce providers' revenues or profits, which could affect their ability to purchase new technologies. Furthermore, the healthcare industry in the U.S. has experienced a trend toward cost containment as government and private insurers seek to control healthcare costs by imposing lower payment rates and negotiating reduced contract rates with service providers. Legislation could be adopted in the future that limits payments for our products from governmental payors. It is possible that additional governmental action is taken to address the COVID-19 pandemic. In addition, commercial payors such as insurance companies, could adopt similar policies that limit reimbursement for medical device manufacturers' products. Therefore, it is possible that our product or the procedures or patient care performed using our product will not be reimbursed at a cost-effective level. We face similar risks relating to adverse changes in reimbursement procedures and policies in other countries where we may market our products. Reimbursement and healthcare payment systems vary significantly among international markets. Our inability to obtain international reimbursement approval, or any adverse changes in the reimbursement policies of foreign payors, could negatively affect our ability to sell our products and have a material adverse effect on our business and financial condition.

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, 2021.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

We have no disclosure applicable to this item.

ITEM 4. MINE SAFETY DISCLOSURES.

We have no disclosure applicable to this item.

ITEM 5. OTHER INFORMATION.

We have no disclosure applicable to this item.

ITEM 6. EXHIBITS.

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

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	SEC File No.	Exhibit Number	Date	
3.1	Articles of Incorporation.	S-3	333-211151	3.1	May 5, 2016	
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 Common Stock Purchase Warrant dated August 29, 2012.	8-K	000-21846	4.1	September 6, 2012	
4.3	Form of Common Stock Purchase Warrant dated October, November and December 2012.	10-Q	000-21846	4.1	February 12, 2013	
4.4	Form of Common Stock Purchase Warrant dated June 14, 2013.	10-Q	000-21846	4.1	August 13, 2013	
4.5	Form of Common Stock Purchase Warrant dated June 24, 2014.	8-K	000-21846	4.1	June 30, 2014	
4.6	Form of Common Stock Purchase Warrant dated July 24, 2014.	8-K	000-21846	4.1	July 28, 2014	
4.7	Form of Common Stock Purchase Warrant dated August and September 2014.	10-Q	000-21846	4.3	November 10, 2014	
4.8	Form of Warrant to Purchase Common Stock dated June 25, 2015.	8-K	000-21846	4.1	June 24, 2015	
4.9	Form of Purchase Agent Warrant dated June 25, 2015.	8-K	000-21846	4.1	June 26, 2015	
4.10	Form of Warrant Agreement dated March 27, 2017.	8-K	001-37487	4.1	March 22, 2017	
4.11	Form of Warrant dated _____, 2017.	S-1/A	333-219589	4.29	September 18, 2017	
4.12	Form of Placement Agent Warrant dated _____, 2017.	S-1/A	333-219589	4.30	September 22, 2017	
4.13	Form of Warrant to Purchase Common Stock.	S-1/A	333-234712	4.14	December 11, 2019	
4.14	Form of Underwriter Warrant.	S-1/A	333-234712	4.15	December 11, 2019	
4.15	Form of Common Stock Purchase Warrant.	8-K	001-37487	4.1	January 17, 2020	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	SEC File No.	Exhibit Number	Date	

31.1	Certification of our Chief Executive Officer, pursuant to Securities Exchange Act rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.					X
31.2	Certification of our Chief Financial Officer, pursuant to Securities Exchange Act rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.					X
32.1	Statement of our Chief Executive Officer under Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).					X
32.2	Statement of our Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).					X
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted in IXBRL, and included in exhibit 101).					X

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 9, 2021

By: /s/ JAMES B. FRAKES
JAMES B. FRAKES
CHIEF FINANCIAL OFFICER
CHIEF ACCOUNTING 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, Charles J. Fisher, Jr., MD certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 9, 2021

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

EXHIBIT 31.2

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

I, James Frakes, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 9, 2021

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

EXHIBIT 32.1

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

In connection with the Quarterly Report of Aethlon Medical, Inc., or the Registrant, on Form 10-Q for the three-month period ended June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof, I, Charles J. Fisher, Jr., MD, Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Dated: August 9, 2021

/s/ CHARLES J. FISHER, JR., MD
Charles J. Fisher, Jr., MD
Chief Executive Officer
Aethlon Medical, Inc.

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

EXHIBIT 32.2

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

In connection with the Quarterly Report of Aethlon Medical, Inc., or the Registrant, on Form 10-Q for the three-month period ended June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof, I, James B. Frakes, Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Dated: August 9, 2021

/s/ JAMES B. FRAKES
James B. Frakes
Chief Financial Officer
Aethlon Medical, Inc.

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