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

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 21, 2026 (August 17, 2026)

ELUTIA INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-39577**	**47-4790334**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

20 Firstfield Road, Gaithersburg, MD 20878
(Address of principal executive offices) (Zip Code)

(240) 247-1170
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.001 par value per share	**ELUT**	**The Nasdaq Capital Market**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 2.01 Completion of Acquisition or Disposition of Assets.

Closing of Sale of SimpliDerm Business

As previously reported, on July 16, 2026, Elutia Inc., a Delaware corporation (the "Company" or "Elutia") executed an Asset Purchase Agreement (the "Purchase Agreement") with Cellution Biologics Inc., a Delaware corporation ("Cellution Biologics"). Subject to the terms and conditions of the Purchase Agreement, Cellution Biologics agreed to purchase substantially all of the assets related to the Company's business of commercializing, manufacturing, distributing, selling and/or marketing human acellular dermis (hADM) products for use in the field of breast reconstruction under the SimpliDerm® brand (collectively the "SimpliDerm Business"). The assets of the SimpliDerm Business constituted substantially all of the assets of Elutia's Women's Health segment.

On August 17, 2026, the parties completed the sale of the SimpliDerm Business. In accordance with the Purchase Agreement, $7.7 million of the purchase price was paid to the Company. The purchase price is subject to possible adjustment based on the outcome of a post-closing inventory valuation and could include up to an additional $3 million in contingent payments potentially payable over the next eighteen months depending on the achievement of certain technology transfer and commercial milestones.

At closing, the Company entered into a non-competition agreement pursuant to which it agreed to be subject to certain restrictive covenants in business lines related to human acellular dermis products for five years, a transition services agreement pursuant to which the Company has agreed to provide certain post-closing transitional support services to Cellution Biologics in connection with the transfer of the SimpliDerm Business for up to six months and other documents and agreements customary for transactions similar to the SimpliDerm Business sale. Also in connection with the completion of the sale of the SimpliDerm Business assets, the Company amended its Loan and Security Agreement dated August 11, 2026 with Avenue Venture Opportunities Fund II, L.P., as agent, and the lenders party thereto, to release the lien on the assets.

The foregoing description of the Purchase Agreement and the SimpliDerm Business sale does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Purchase Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference. The Purchase Agreement is not intended to provide any other factual information about the Company or Cellution Biologics or their respective owners, subsidiaries and affiliates. The representations, warranties and covenants contained in the Purchase Agreement: (i) were made solely for purposes of the Purchase Agreement and as of the date of the Purchase Agreement; (ii) were solely for the benefit of the parties to the Purchase Agreement; (iii) may be subject to qualifications and limitations agreed upon by the parties to the Purchase Agreement, including being qualified by confidential disclosures made for the purposes of allocating contractual risk among the parties to the Purchase Agreement instead of establishing these matters as facts; and (iv) may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to security holders of the Company. Investors and security holders of the Company should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts or condition of the Company. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Purchase Agreement, which subsequent information may or may not be fully reflected in public disclosures by the Company.

Forward-Looking Statements

This Report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), related to the SimpliDerm Business purchase price post-closing adjustment for inventory valuation, and the contingent future payments related to technology transfer and commercial milestones. Such statements are subject to the risks of an unfavorable outcome from the post-closing inventory valuation and possible non- or under-achievement of the contingent payment milestones. Any beliefs or assumptions expressed with respect to forward-looking statements are also subject to a number of known and unknown risks, uncertainties and other important factors including those found in the "Risk Factors" and "Forward-Looking Statements" sections of Elutia's public filings with the Securities and Exchange Commission ("SEC"), including Elutia's Annual Report on Form 10-K for the year ended December 31, 2025 and subsequent Quarterly Reports on Form 10-Q, as such factors may be updated from time to time in Elutia's other filings with the SEC, accessible on the SEC's website at www.sec.gov and the Investor Relations page of Elutia's website at https://investors.elutia.com. Because forward-looking statements are inherently subject to risks and uncertainties and only based on currently available information, you should not rely on these forward-looking statements as predictions of future events. Except as required by law, Elutia disclaims any obligation to publicly update any forward-looking statements.

Item 7.01 Regulation FD Disclosure.

On August 18, 2026, Elutia issued a press release announcing the closing of the sale of the SimpliDerm Business, a copy of which is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 7.01 (including Exhibit 99.1) of this Current Report on Form 8-K is being furnished and 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 to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(b) *Pro forma financial information*. The unaudited pro forma consolidated financial information of the Company as of June 30, 2026, for the six-month period ended June 30, 2026 and for each of the years ended December 31, 2025 and December 31, 2024 is filed as Exhibit 99.2 hereto and is incorporated herein by reference.

(d) *Exhibits.*

Exhibit No.	Description
10.1*†	Asset Purchase Agreement, dated July 16, 2026, by and between Cellution Biologics Inc. and Elutia Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 20, 2026).
99.1	Press Release of Elutia Inc. dated August 18, 2026 announcing closing of SimpliDerm Business sale.
99.2	Unaudited Pro Forma Condensed Consolidated Financial Information of Elutia Inc.
104	Cover Page Interactive Data File (formatted as Inline XBRL document).

*Certain confidential information contained in this Exhibit, marked in brackets, has been omitted, because it is both not material and of the type of information that the registrant treats as private or confidential.

† Schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company undertakes to furnish supplemental copies of any of the omitted schedules upon request by the SEC.

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 hereunto duly authorized.

ELUTIA INC.
(*Registrant*)

Date: August 21, 2026

By: /s/ Matthew Ferguson
Matthew Ferguson
Chief Financial Officer

Elutia Completes SimpliDerm® Sale on Schedule, Adds $8 Million in Cash to Fund NXT-41x Through Full Commercial Launch

- **Deal valued at $11 million in cash, with $8 million at closing and up to $3 million in additional milestone payments over the next 18 months**
- **Divestiture further concentrates Elutia's attention and resources on the development and commercialization of NXT-41x**
- **NXT-41x is an antibiotic-eluting biomatrix designed to address post-operative infection in the $1.5 billion U.S. plastic and reconstructive surgery market**
- **NXT-41x clearance expected in the first half of 2027**

GAITHERSBURG, Md., August 18, 2026 (GLOBE NEWSWIRE) -- Elutia Inc. (Nasdaq: ELUT) ("Elutia" or the "Company"), a pioneer in drug-eluting biomatrix technologies, today announced it completed the sale of its SimpliDerm® human acellular dermal matrix business to Cellution Biologics Inc. for total consideration of up to $11 million. Total proceeds are comprised of $8 million at closing, subject to customary adjustments for inventory levels and transaction expenses, plus additional contingent milestone payments of up to $3 million over the next 18 months.

The transaction strengthens the Company's balance sheet with non-dilutive capital and positions Elutia to focus strategically on NXT-41x, its proprietary drug-eluting biomatrix. The Company expects FDA clearance of NXT-41x in the first half of 2027. With the closing of this transaction and previously announced funding sources, the Company believes it has secured sufficient funding to support operations through the first full year of the NXT-41x commercial launch in 2028.

"Completing this divestiture reflects the discipline and commitment the Elutia team brings to everything we do," said Dr. Sonali Fonseca, Vice President of Emerging Business, who led the divestiture effort. "It is another important step forward in our mission to Humanize Medicine by providing additional funding while sharpening our focus on bringing NXT-41x to patients so they can thrive without compromise."

NXT-41x is being developed for use in plastic and reconstructive surgery, where complex procedures can carry post-operative infection rates of 15–20%. The product is designed to provide soft-tissue reinforcement while locally delivering antibiotics locally to inhibit bacterial colonization at the surgical site. Elutia plans to first commercialize NXT-41x in the approximately $1.5 billion U.S. plastic and reconstructive surgery market, followed by expansion into general and oncologic surgeries with similar infection risks.

About Elutia

Elutia develops and commercializes drug-eluting biomatrix products to improve compatibility between medical devices and the patients who need them. With a growing population in need of implantable technologies, Elutia's mission is humanizing medicine so patients can thrive without compromise. For more information, visit www.Elutia.com.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can be identified by words such as "projects," "may," "will," "could," "would," "should," "believes," "expects," "anticipates," "estimates," "intends," "plans," "potential," "promise" or similar references to future periods. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including any statements and information regarding whether any of the technology transfer and commercial milestones related to the sale of SimpliDerm will be achieved or any related milestone payments will be received; the application of the proceeds of the transaction; the size of the U.S. plastic and reconstructive surgery market and the potential of the Company's next-generation drug-eluting biomatrix pipeline to compete in that market, including the timing and success of NXT-41 and NXT-41x; the expansion of commercialization of NXT-41x into general and oncologic surgical procedures; and the sufficiency of the Company's capital resources to fund operations through commercialization of NXT-41x. These forward-looking statements are based on our management's beliefs and assumptions and on information currently available to us. Such beliefs and assumptions may or may not prove to be correct. Additionally, such forward-looking statements are subject to a number of known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in the forward-looking statements, including, but not limited to: the risk that the technology transfer and commercial milestone payments are reduced, delayed, or not earned or received; risks associated with our reliance on a narrower product set, and increasingly on under-development solutions, NXT-41 and NXT-41x; our ability to successfully execute or achieve expected benefits from the divestiture of our SimpliDerm business; our ability to enhance our products, expand our product indications and successfully develop, acquire and commercialize additional product offerings, including NXT-41 and NXT-41x; our ability to obtain regulatory approval or other marketing authorizations by the FDA and comparable foreign authorities for our products and product candidates, including NXT-41 and NXT-41x; physician awareness of the distinctive characteristics, benefits, safety, clinical efficacy and cost-effectiveness of our products; our ability to achieve or sustain profitability; our ability to service our indebtedness; our ability to regain compliance with Nasdaq's minimum bid price requirement and otherwise maintain compliance with any other listing requirement of Nasdaq Capital Market, and our ability to maintain a listing of our Class A common stock on the Nasdaq Capital Market; our ability to raise funds in the future in the amounts and at the times needed; the risk of product liability claims and our ability to obtain or maintain adequate product liability insurance; our ability to defend against the various lawsuits related to FiberCel and VBM, and any other ongoing or future litigation, and avoid a material adverse financial consequence; the continued and future acceptance of our products by the medical community; our dependence on independent sales agents to generate a substantial portion of our net sales; our dependence on a limited number of third-party suppliers and manufacturers, which, in certain cases, are exclusive suppliers for products essential to our business; our ability to successfully realize the anticipated benefits of the sale of our CIED business; our ability to compete against other companies, most of which have longer operating histories, more established products and/or greater resources than we do; pricing pressure as a result of cost-containment efforts of our customers, purchasing groups, third-party payors and governmental organizations could adversely affect our sales and profitability; our ability to obtain, maintain and adequately protect our intellectual property rights; and other important factors which can be found in the "Risk Factors" section of Elutia's public filings with the Securities and Exchange Commission ("SEC"), including Elutia's Annual Report on Form 10-K for the year ended December 31, 2025, as such factors may be updated from time to time in Elutia's other filings with the SEC, accessible on the SEC's website at www.sec.gov and the Investor Relations page of Elutia's website at https://investors.elutia.com. Because forward-looking statements are inherently subject to risks and uncertainties, you should not rely on these forward-looking statements as predictions of future events. Any forward-looking statement made by Elutia in this press release is based only on information currently available and speaks only as of the date on which it is made. Except as required by applicable law, Elutia expressly disclaims any obligation to publicly update any forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

Investors

Elutia Investor Relations
ir@elutia.com

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

On August 17, 2026, Elutia Inc. (the "Company") completed the previously announced sale of its Women's Health segment (the "SimpliDerm Business") to Cellution Biologics Inc. ("Cellution Biologics" or the "Buyer"). The sale (the "SimpliDerm Sale") was structured as an asset sale, which occurred by divestiture of substantially all of the assets related to the Company's business of commercializing, manufacturing, distributing, selling and/or marketing human acellular dermis (hADM) products for use in the field. The Company received net cash proceeds of approximately $7.7 million from the SimpliDerm Sale, subject to post-closing adjustments. As part of the SimpliDerm Sale, the Company may also receive up to $3.0 million in contingent payments based on the satisfaction of transition milestones and revenue targets in the post-close periods. Although the transaction was legally structured as an asset sale, the Company evaluated the transaction under the definition of a business according to Accounting Standards Codification 805-10 and concluded the transferred assets constituted a business. As a result, the transaction was treated as a divestiture of a business under U.S. GAAP.

The Company determined that the SimpliDerm Sale has met the criteria under Accounting Standards Codification 205-20, Presentation of Financial Statements - Discontinued Operations ("ASC 205-20") to be classified as a discontinued operation, as the SimpliDerm Sale represents a strategic shift that will have a significant effect on the Company's operations and financial results. Accordingly, the Company will account for the SimpliDerm Sale as a discontinued operation beginning in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2026. The Company's estimates as presented in the unaudited pro forma condensed consolidated financial information are preliminary and actual results could differ from these estimates as the Company finalizes the discontinued operations accounting to be reported.

The unaudited pro forma condensed consolidated financial information is based on historical financial statements of the Company as adjusted for the unaudited pro forma effects of the SimpliDerm Sale. The unaudited pro forma condensed consolidated financial information should be read in conjunction with:

- the historical consolidated financial statements, accompanying notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the SEC on March 13, 2026;

- the unaudited historical condensed consolidated financial statements, accompanying notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Company's Quarterly Report on Form 10-Q for the six months ended June 30, 2026 filed with the SEC on August 14, 2026;

The unaudited pro forma condensed consolidated financial information has been prepared in accordance with Article 11 of Regulation S-X, Pro Forma Financial Information ("Article 11").

The following Unaudited Pro Forma Condensed Consolidated Balance Sheet as of June 30, 2026 presents the financial position of the Company as if the SimpliDerm Sale had occurred on June 30, 2026.

The following Unaudited Pro Forma Condensed Consolidated Statements of Operations for the six months ended June 30, 2026, and for the years ended December 31, 2025 and 2024 present the Company's results of operations through income from continuing operations and reflect the SimpliDerm Sale as if it had occurred on January 1, 2025. Therefore, there are no Transaction Accounting Adjustments for the year ended December 31, 2024.

The following Unaudited Pro Forma Condensed Consolidated Statements of Operations for the six months ended June 30, 2026, and for the years ended December 31, 2025 and 2024 reflect the effects of the SimpliDerm Sale as a discontinued operation.

In connection with the sale, the Company and the Buyer entered into a Transition Services Agreement ("TSA"), effective August 17, 2026, whereby the Company will provide certain post-closing services to the Buyer on a transitional basis. The unaudited pro forma condensed consolidated financial information does not include any fees that may be earned under the TSA as the fees are not expected to be material.

The unaudited pro forma adjustments and related assumptions are described in the accompanying notes to the unaudited pro forma condensed consolidated financial information. The unaudited pro forma condensed consolidated financial information has been prepared based upon currently available information and assumptions that are deemed appropriate by the Company's management. The unaudited pro forma condensed consolidated financial information is for informational and illustrative purposes only and is not intended to be indicative of what actual results would have been had the SimpliDerm Sale occurred on the dates assumed, nor does such data purport to represent the consolidated financial results of the Company for future periods. The pro forma adjustments are based on currently available information, estimates and assumptions that the Company believes are reasonable in order to reflect, on a pro forma basis, the impact of this disposition on our historical financial information. The actual financial position and results of operations may differ significantly from the unaudited pro forma amounts reflected herein due to a variety of factors.

ELUTIA INC.
PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
As of June 30, 2026
(In Thousands, Except for Share and Per Share Data)

(UNAUDITED)

	Historical (as reported)	SimpliDerm Discontinued Operations (Note a)		Adjusted for Discontinued Operations	Transaction Accounting Adjustments		Pro Forma
Assets							
Current assets:							
Cash and cash equivalents	$ 19,896	$ -		$ 19,896	$ 7,700	(b, e)	$ 27,596
Accounts receivable, net	1,438	-		1,438	-		1,438
Inventory	2,649	(2,379)	(d)	270	-		270
Insurance receivables of litigation costs	3,854	-		3,854	-		3,854
Prepaid expenses and other current assets	1,378	-		1,378	-		1,378
Divestiture proceeds receivable	8,000			8,000	-		8,000
Total current assets	37,215	(2,379)		34,836	7,700		42,536
Property and equipment, net	2,922	-		2,922	-		2,922
Intangible assets, net	990	-		990	-		990
Operating lease right-of-use assets and other	2,522	-		2,522	-		2,522
Total assets	**$ 43,649**	**$ (2,379)**		**$ 41,270**	**$ 7,700**		**$ 48,970**
Liabilities and Stockholders' Deficit							
Current liabilities:							
Accounts payable	$ 3,531	$ -		$ 3,531	$ -		$ 3,531
Accrued expenses	4,798	-		4,798	400	(c)	5,198
Current portion of long-term debt	-	-		-	-		-
Current portion of revenue interest obligation	6,412	-		6,412	-		6,412
Contingent liability for legal proceedings	5,619	-		5,619	-		5,619
Current operating lease liabilities	685	-		685	-		685
Total current liabilities	21,045	-		21,045	400		21,445
Long-term debt	-	-		-	-		-
Long-term revenue interest obligation	-	-		-	-		-
Warrant liability	3,163	-		3,163	-		3,163
Long-term operating lease liabilities	3,695	-		3,695	-		3,695
Total liabilities	27,903	-		27,903	400		28,303
Stockholders’ equity (deficit):							
Class A Common stock	44	-		44	-		44
Class B Common stock	-	-		-	-		-
Additional paid-in capital	207,030	-		207,030	-		207,030
Accumulated deficit	(191,328)	(2,379)	(d)	(193,707)	7,300	(d)	(186,407)
Total stockholders’ deficit	15,746	(2,379)		13,367	7,300		20,667
Total liabilities and stockholders' deficit	**$ 43,649**	**$ (2,379)**		**$ 41,270**	**$ 7,700**		**$ 48,970**

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated financial information.

ELUTIA INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
For the Six Months Ended June 30, 2026
(In Thousands, Except Share and Per Share Data)

(UNAUDITED)

	Historical (as reported)	SimpliDerm Discontinued Operations (Note a)	Adjusted for Discontinued Operations	Transaction Accounting Adjustments	Pro Forma
Net sales	$ 5,541	$ (3,372)	$ 2,169	$ -	$ 2,169
Cost of goods sold	2,292	(1,428)	864	-	864
Gross profit	3,249	(1,944)	1,305	-	1,305
Sales and marketing	2,846	(1,177)	1,669	-	1,669
General and administrative	7,545	(121)	7,424	-	7,424
Research and development	4,500	-	4,500	-	4,500
Litigation costs, net	2,663	-	2,663	-	2,663
Total operating expenses	17,554	(1,298)	16,256	-	16,256
(Loss)/income from continuing operations	(14,305)	(646)	(14,951)	-	(14,951)
Interest expense, net	(143)	-	(143)	-	(143)
Loss revaluation of warrant liability	1,429	-	1,429	-	1,429
Other expense, net	(129)	-	(129)	-	(129)
(Loss)/income before provision for income taxes	(15,462)	(646)	(16,108)	-	(16,108)
Income tax expense	78	-	78	-	78
Net (loss)/income from continuing operations	**$ (15,540)**	**$ (646)**	**$ (16,186)**	**$ -**	**$ (16,186)**
Net loss per share from continuing operations attributable to common stockholders - basic and diluted	**$ (0.36)**				**$ (0.37)**
Weighted average common shares outstanding - basic and diluted	43,622,360				43,622,360

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated financial information.

ELUTIA INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
For the Twelve Months Ended December 31, 2025
(In Thousands, Except Share and Per Share Data)

(UNAUDITED)

	Historical (as reported)	SimpliDerm Discontinued Operations (Note a)	Adjusted for Discontinued Operations	Transaction Accounting Adjustments	Pro Forma
Net sales	$ 12,293	$ (9,138)	$ 3,155	$ -	$ 3,155
Cost of goods sold	5,697	(3,986)	1,711	-	1,711
Gross profit	6,596	(5,152)	1,444	-	1,444
Sales and marketing	5,765	(2,627)	3,138	-	3,138
General and administrative	15,080	(508)	14,572	-	14,572
Research and development	4,163	-	4,163	-	4,163
Litigation costs, net	8,499	-	8,499	-	8,499
Total operating expenses	33,507	(3,135)	30,372	-	30,372
(Loss)/income from operations	(26,911)	(2,017)	(28,928)	-	(28,928)
Interest expense, net	(387)	-	(387)	-	(387)
(Gain) revaluation of warrant liability	(13,424)	-	(13,424)	-	(13,424)
Other expense, net	2,758	-	2,758	-	2,758
(Loss)/income before provision for income taxes	(15,858)	(2,017)	(17,875)	-	(17,875)
Income tax expense	13	-	13	-	13
Net (loss)/income from continuing operations	**(15,871)**	**(2,017)**	**(17,888)**	**-**	**(17,888)**
Less: dilutive gain on revaluation of warrant liability	(13,424)	-	(13,424)	-	(13,424)
Net loss from continuing operations for diluted earnings per share	$ (29,295)	$ (2,017)	$ (31,312)	$ -	$ (31,312)
Net loss from continuing operations per share - basic	$ **(0.38)**				$ **(0.43)**
Net loss from continuing operations per share - diluted	$ **(0.64)**				$ **(0.68)**
Weighted average common shares outstanding - basic	41,416,850				41,416,850
Weighted average common shares outstanding - diluted	45,942,787				45,942,787

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated financial information.

ELUTIA INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
For the Twelve Months Ended December 31, 2024
(In Thousands, Except Share and Per Share Data)

(UNAUDITED)

	Historical (as reported)	SimpliDerm Discontinued Operations (Note a)	Pro Forma
Net sales	$ 14,467	$ (11,553)	$ 2,914
Cost of goods sold	7,752	(5,568)	2,184
Gross profit	6,715	(5,985)	730
Sales and marketing	4,988	(2,948)	2,040
General and administrative	18,073	-	18,073
Research and development	2,998	-	2,998
Litigation costs, net	11,368	-	11,368
Total operating expenses	37,427	(2,948)	34,479
(Loss)/income from continuing operations	(30,712)	(3,037)	(33,749)
Interest expense, net	934	-	934
Loss revaluation of warrant liability	14,878	-	14,878
Other expense, net	(1,186)	-	(1,186)
(Loss)/income before provision for income taxes	(45,338)	(3,037)	(48,375)
Income tax expense	7	-	7
Net (loss) from continuing operations	**$ (45,345)**	**$ (3,037)**	**$ (48,382)**
Net loss per share from continuing operations attributable to common stockholders - basic and diluted	**$ (1.56)**		**$ (1.66)**
Weighted average common shares outstanding - basic and diluted	29,071,113		29,071,113

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated financial information.

SimpliDerm Discontinued Operations:

(a) Reflects the discontinued operations, including associated net assets and results directly attributable to the SimpliDerm Business, which were previously included in the Company's historical financial statements. The SimpliDerm Sale has been accounted for retrospectively as a discontinued operation in accordance with ASC 205-20, "Discontinued Operations" for all periods presented.

Transaction Accounting Adjustments:

(b) *Adjustments to cash.* The Company received cash of $7.7 million at closing from the SimpliDerm Sale, which includes $8.0 million of cash paid at close and a $0.3 million reduction related to post-close estimated adjustments for inventory levels (which may change after a definitive post-closing inventory reconciliation). As part of the sale, the Company may receive contingent payments up to $3.0 million of cash in the 18 months following the close based on certain requirements outlined within the Asset Purchase Agreement, which are further described below.

(c) *Costs to complete the SimpliDerm Sale*. Reflects an estimate of $0.4 million total transaction fees related primarily to legal fees incurred to complete the SimpliDerm Sale that have not yet been reflected in the historical statements. The transaction fees were not paid at closing and have been recorded in current liabilities. This adjustment is not reflected in the Unaudited Pro Forma Condensed Consolidated Statement of Operations as the impacts of the transaction costs are included in discontinued operations.

(d) *Effect on stockholders' equity*. Reflects an estimated gain of $4.9 million related to the SimpliDerm Sale based on the $7.7 million of consideration, net of post-close adjustments for inventory levels at closing, less transaction costs of $0.4 million, and SimpliDerm Business net assets as of June 30, 2026 of $2.4 million. The actual gain, and related tax impact, recorded upon close may be subject to change and will be based on amounts as of the close date and the finalization of the Company's analysis. Since the Unaudited Pro Forma Condensed Consolidated Statements of Operations only include continuing operations, the estimated gain resulting from the SimpliDerm Sale is not included in any period presented.

(e) *Contingent payments*. As part of the SimpliDerm Sale, the Company may receive (i) a contingent payment of up to $2 million, payable upon completion of certain technology transfer and manufacturing transition milestones, which the parties have agreed to use commercially reasonable efforts to complete within six months following the closing, subject to reduction for sales shortfalls against monthly SimpliDerm sales targets during the 18-month period following closing; and (ii) contingent earnout payments of up to $250,000 per quarter, payable for each of the first five full fiscal quarters following the closing in which SimpliDerm product revenue exceeds a specified quarterly revenue target, subject to an aggregate cap of $1 million (collectively, the "Contingent Payments"). The Company has concluded that the SimpliDerm Sale represents the disposition of a business under U.S. GAAP. In connection with its planned early adoption of ASU 2025-07 in its Form 10-Q for the quarterly period ended September 30, 2026, the Company evaluated the contingent payment arrangements and determined that they will qualify for the scope exception in ASC 815-10-15. As a result, the Company will record the contingent consideration portion of the arrangement when the consideration is determined to be realizable. As of the date of the SimpliDerm Sale, the Company has determined that the contingent consideration is not realizable and, as a result, no amounts related to the Contingent Payments have been reflected in the unaudited pro forma condensed consolidated financial information.

(f) *Income Tax Effect.* No income tax effect has been reflected for the SimpliDerm Sale. The Company maintains a full valuation allowance against its deferred tax assets, and therefore the pro forma adjustments have not been tax-affected. In addition, the Company has available net operating loss carryforwards that are expected to offset any taxable income that may result from the SimpliDerm Sale. Accordingly, no material current income tax payable or deferred tax adjustment has been recorded in the unaudited pro forma condensed consolidated financial information.