
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, 2026**

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: **001-39577**

Elutia Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or
organization)

47-4790334

(I.R.S. Employer Identification No.)

20 Firstfield Road

Gaithersburg, MD

(Address of principal executive offices)

20878

(Zip Code)

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

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

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, par value \$0.001 per share	ELUT	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 ☐
Non-accelerated filer ☒

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 10, 2026, there were 44,289,230 shares of the registrant's Class A common stock and no shares of the registrant's Class B common stock outstanding.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (the “Quarterly Report”) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in 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”). All statements other than statements of historical facts contained in this Quarterly Report, including, without limitation, statements regarding our results of operations, financial position, and business strategy; expectations regarding our products and their targeted effects; plans for our sales and marketing growth; plans for the closing of the sale of our 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 (the “SimpliDerm Business”), which is subject to customary closing conditions, including if and when the transaction will be consummated, and any statements regarding the maximum of up to \$3 million in contingent technology transfer and commercial milestone and earn-out payments, which if earned, will form part of the consideration and are conditioned upon satisfaction of certain milestones and metrics; expectations regarding the potential payment of post-closing escrow amounts from the sale of our former Device Protection segment, which consisted of our cardiac implantable electronic device business (the “CIED Business”), to Boston Scientific Corporation and Cardiac Pacemakers Inc.; expectations regarding the potential payment of post-closing earnout payments from the sale of our former Orthobiologics segment (the “Orthobiologics Business”) to Berkeley Biologics, LLC; our anticipated expansion of our product development and research activities, including the expected development timelines of NXT-41 and NXT-41x, which are our next-generation biologic scaffolds combined with local antibiotic delivery; any statements and information concerning our future interactions with the U.S. Food and Drug Administration (“FDA”) regarding NXT-41 and NXT-41x; expectations for FDA clearance of NXT-41 and NXT-41x, including the timing and anticipated success thereof; the sufficiency of our current capital resources to develop and commercialize NXT-41 and NXT-41x; the size of the breast reconstruction market and the potential of the Company’s next-generation drug-eluting biomatrix products to compete in that market; increases in expenses and seasonality; expectations regarding our competitive advantages, and overall clinical and commercial success; expectations regarding the pending lawsuits and claims related to our recall of a single lot of Fiber Viable Bone Matrix (“FiberCel”) and a separate single lot of viable bone matrix (“VBM”) and expectations regarding the litigation matter with a former lab and safety equipment supplier, amounts recoverable under insurance, indemnity and contribution agreements and the impact of such lawsuits and claims on our future financial position are forward-looking statements. These statements involve 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 by the forward-looking statements.

Without limiting the foregoing, the words “aim,” “believe,” “may,” “will,” “should,” “expect,” “exploring,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” “seeks,” or “continue” or the negative of these terms or other similar expressions, are intended to identify forward-looking statements, although not all forward-looking statements contain these words. These forward-looking statements are not a guarantee of future results, performance, or achievements, and one should avoid placing undue reliance on such statements.

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 following:

- 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 U.S. Food and Drug Administration and comparable foreign authorities for our products and product candidates;
- 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;
- risks relating to the pending sale of the SimpliDerm Business, including: (i) the occurrence of any event, change or circumstance that could delay the sale of the SimpliDerm Business or give rise to termination of the related asset purchase agreement; (ii) the risk that the technology transfer and commercial milestone payments from the sale of the SimpliDerm Business are reduced, delayed, or not earned or received; (iii) the outcome of any legal proceedings instituted against us following announcement of the sale of the SimpliDerm Business; (iv) the inability to consummate the sale of the SimpliDerm Business due to failure to satisfy closing conditions; (v) the risk that the sale of the SimpliDerm Business disrupts our current plans and operations, including distraction of management and employees; and (vi) costs related to the sale of the SimpliDerm Business;
- 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 and Orthobiologics Businesses;
- 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; and
- our ability to obtain, maintain and adequately protect our intellectual property rights.

These and other important factors discussed in Part I, Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Part II, Item 1A. “Risk Factors” in this Quarterly Report, and in Part I, Item 1A. “Risk Factors” and Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (the “2025 Annual Report”) and in our other filings with the Securities and Exchange Commission (the “SEC”), each of which filings are accessible on the SEC’s website at www.sec.gov and the Investor Relations page of our website at <https://investors.Elutia.com/financials/sec-filings>, could cause actual results to differ materially from those indicated by the forward-looking statements made in this Quarterly Report.

Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties.

You should read this Quarterly Report and the documents that we reference in this Quarterly Report completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

As used in this Quarterly Report, unless otherwise specified or the context otherwise requires, references to “we,” “us,” “our,” the “Company” and “Elutia” refer to the operations of Elutia Inc. and its consolidated subsidiaries.

WEBSITE DISCLOSURE

We may use our website as a distribution channel of material information about the Company. Financial and other important information regarding the Company is routinely posted on and accessible through the Investor Relations sections of its website at www.Elutia.com. In addition, you may automatically receive email alerts and other information about the Company when you enroll your email address by visiting the “Email Alerts” option under the IR Resources menu of the Investor Relations of our website at www.Elutia.com. The reference to our website address does not constitute incorporation by reference of the information contained on or available through our website, and you should not consider such information to be a part of this Quarterly Report.

TRADEMARKS, TRADE NAMES AND SERVICE MARKS

This Quarterly Report includes our trademarks, trade names and service marks, including, without limitation, “Elutia®,” “ProxiCor®,” “Tyke®,” “VasCure®,” “SimpliDerm®,” “SimpliDerm Ellipse®” and our logo, which are our property and are protected under applicable intellectual property laws. This Quarterly Report also contains trademarks, trade names and service marks of other companies, which are the property of their respective owners. Solely for convenience, trademarks, trade names and service marks may appear in this Quarterly Report without the ®, TM and SM symbols, but such references are not intended to indicate, in any way, that we or the applicable owner forgo or will not assert, to the fullest extent permitted under applicable law, our rights or the rights of any applicable licensors to these trademarks, trade names and service marks. We do not intend our use or display of other parties’ trademarks, trade names or service marks to imply, and such use or display should not be construed to imply a relationship with, or endorsement or sponsorship of us, by these other parties.

INDUSTRY AND OTHER DATA

Unless otherwise indicated, information contained in this Quarterly Report concerning our industry and the markets in which we operate, including our general expectations, market position and market opportunity, is based on our management’s estimates and research, as well as industry and general publications and research, surveys and studies conducted by third parties. We believe the information from these third-party publications, research, surveys and studies included in this Quarterly Report is reliable. Management’s estimates are derived from publicly available information, their knowledge of our industry and their assumptions based on such information and knowledge, which we believe to be reasonable. This data involves a number of assumptions and limitations which are subject to a high degree of uncertainty and risk due to a variety of factors, including those described in this Quarterly Report under “Forward-Looking Statements” and Part I, Item 1A. “Risk Factors” in our 2025 Annual Report which can be found at <https://investors.Elutia.com/financials/sec-filings> and Part II, Item 1A. “Risk Factors” in this Quarterly Report. These and other factors could cause our future performance to differ materially from our assumptions and estimates.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

ELUTIA INC. CONDENSED CONSOLIDATED BALANCE SHEETS (In Thousands, Except for Share and Per Share Data) (UNAUDITED)

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 19,896	\$ 36,350
Accounts receivable, net	1,438	1,734
Inventory	2,649	2,617
Insurance receivables of litigation costs	3,854	4,846
Prepaid expenses and other current assets	1,378	2,271
Divestiture proceeds receivable	8,000	8,000
Total current assets	37,215	55,818
Property and equipment, net	2,922	2,511
Intangible assets, net	990	1,529
Operating lease right-of-use assets and other	2,522	2,492
Total assets	\$ 43,649	\$ 62,350
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 3,531	\$ 4,791
Accrued expenses	4,798	4,352
Current portion of revenue interest obligation	6,412	4,400
Contingent liability for legal proceedings	5,619	11,241
Current operating lease liabilities	685	355
Total current liabilities	21,045	25,139
Long-term revenue interest obligation	—	2,828
Warrant liability	3,163	3,124
Long-term operating lease liabilities	3,695	3,587
Total liabilities	27,903	34,678
Commitments and contingencies (Note 10)		
Stockholders' equity (deficit):		
Class A Common stock, \$0.001 par value per share, 200,000,000 shares authorized as of June 30, 2026 and December 31, 2025, and 44,289,230 and 42,784,848 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	44	43
Class B Common stock, \$0.001 par value per share, 20,000,000 shares authorized as of June 30, 2026 and December 31, 2025 and no shares issued and outstanding as of June 30, 2026 and December 31, 2025	—	—
Additional paid-in capital	207,030	203,842
Accumulated deficit	(191,328)	(176,213)
Total stockholders' equity	15,746	27,672
Total liabilities and stockholders' equity	\$ 43,649	\$ 62,350

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

ELUTIA INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Share and Per Share Data)

(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net sales	\$ 2,427	\$ 2,747	\$ 5,541	\$ 5,698
Cost of goods sold	980	1,294	2,292	2,863
Gross profit	1,447	1,453	3,249	2,835
Sales and marketing	1,366	1,273	2,846	2,268
General and administrative	3,454	3,552	7,545	7,273
Research and development	2,527	989	4,500	1,860
Litigation costs, net	2,057	4,004	2,663	6,576
Total operating expenses	9,404	9,818	17,554	17,977
Loss from operations	(7,957)	(8,365)	(14,305)	(15,142)
Interest income, net	(35)	(491)	(143)	(307)
(Gain) loss on revaluation of warrant liability	(226)	(2,233)	1,429	(7,420)
Other (income) expense, net	(58)	1,442	(129)	1,547
Loss before provision for income taxes	(7,638)	(7,083)	(15,462)	(8,962)
Income tax expense	8	8	78	16
Net loss from continuing operations	(7,646)	(7,091)	(15,540)	(8,978)
(Loss) income from discontinued operations	—	(2,519)	425	(4,565)
Net loss	(7,646)	(9,610)	(15,115)	(13,543)
Less: dilutive gain on revaluation of warrant liability	—	(2,233)	—	(7,419)
Net loss for diluted earnings per share	\$ (7,646)	\$ (11,843)	\$ (15,115)	\$ (20,962)
Net loss from continuing operations per share - basic	\$ (0.17)	\$ (0.17)	\$ (0.36)	\$ (0.22)
Net loss from continuing operations per share - diluted	\$ (0.17)	\$ (0.20)	\$ (0.36)	\$ (0.37)
Net (loss) income from discontinued operations per share - basic	\$ —	\$ (0.06)	\$ 0.01	\$ (0.11)
Net (loss) income from discontinued operations per share - diluted	\$ —	\$ (0.05)	\$ 0.01	\$ (0.10)
Net loss per share - basic	\$ (0.17)	\$ (0.23)	\$ (0.35)	\$ (0.34)
Net loss per share - diluted	\$ (0.17)	\$ (0.26)	\$ (0.35)	\$ (0.47)
Weighted average common shares outstanding - basic	44,223,722	41,782,556	43,622,360	40,239,372
Weighted average common shares outstanding - diluted	44,223,722	46,308,642	43,622,360	44,765,897

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

ELUTIA INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(In Thousands, Except Share Amounts)

(UNAUDITED)

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Number of Shares	Amount	Number of Shares	Amount			
Balance, March 31, 2026	44,208,236	\$ 44	—	\$ —	\$ 206,165	\$ (183,682)	\$ 22,527
Exercise of stock options	2,813	—	—	—	2	—	2
Vesting of restricted stock units, net of shares withheld and taxes paid	78,181	—	—	—	(42)	—	(42)
Stock-based compensation	—	—	—	—	905	—	905
Net loss	—	—	—	—	—	(7,646)	(7,646)
Balance, June 30, 2026	44,289,230	\$ 44	—	\$ —	\$ 207,030	\$ (191,328)	\$ 15,746
Balance, March 31, 2025	36,552,348	\$ 37	4,313,406	\$ 4	\$ 197,027	\$ (233,526)	\$ (36,458)
Issuance of common stock as payment under revenue interest obligation	1,105,528	1	—	—	2,199	—	2,200
Issuance of common stock as payment of interest	50,000	—	—	—	83	—	83
Exercise of Prefunded Warrants	249,910	—	—	—	890	—	890
Vesting of restricted stock units, net of shares withheld and taxes paid	124,149	—	—	—	(97)	—	(97)
Stock-based compensation	—	—	—	—	1,149	—	1,149
Net loss	—	—	—	—	—	(9,610)	(9,610)
Balance, June 30, 2025	38,081,935	\$ 38	4,313,406	\$ 4	\$ 201,251	\$ (243,136)	\$ (41,843)

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Number of Shares	Amount	Number of Shares	Amount			
Balance, December 31, 2025	42,784,848	\$ 43	—	\$ —	\$ 203,842	\$ (176,213)	\$ 27,672
Exercise of stock options	4,688	—	—	—	4	—	4
Issuance of common stock under Employee Stock Purchase Plan	48,841	—	—	—	45	—	45
Vesting of restricted stock units, net of shares withheld and taxes paid	152,085	—	—	—	(86)	—	(86)
Warrants exercise, net of administrative costs	1,298,768	1	—	—	1,389	—	1,390
Stock-based compensation	—	—	—	—	1,836	—	1,836
Net loss	—	—	—	—	—	(15,115)	(15,115)
Balance, June 30, 2026	44,289,230	\$ 44	—	\$ —	\$ 207,030	\$ (191,328)	\$ 15,746
Balance, December 31, 2024	30,897,232	\$ 31	4,313,406	\$ 4	\$ 183,298	\$ (229,593)	\$ (46,260)
Issuance of common stock in connection with registered direct offering, net of issuance costs of \$1.1 million	5,520,000	6	—	—	12,590	—	12,596
Issuance of common stock as payment under revenue interest obligation	1,105,528	1	—	—	2,199	—	2,200
Issuance of common stock as payment of interest	50,000	—	—	—	83	—	83
Exercise of Prefunded Warrants	249,910	—	—	—	890	—	890
Issuance of common stock under Employee Stock Purchase Plan	31,558	—	—	—	80	—	80
Vesting of restricted stock units, net of shares withheld and taxes paid	227,707	—	—	—	(249)	—	(249)
Stock-based compensation	—	—	—	—	2,360	—	2,360
Net loss	—	—	—	—	—	(13,543)	(13,543)
Balance, June 30, 2025	38,081,935	\$ 38	4,313,406	\$ 4	\$ 201,251	\$ (243,136)	\$ (41,843)

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

ELUTIA INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(UNAUDITED)

	Six Months Ended June 30,	
	2026	2025
Net loss	\$ (15,115)	\$ (13,543)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	679	1,760
Gain on sale of Orthobiologics Business	(425)	—
(Gain) loss on revaluation of warrant liability	1,429	(7,420)
Amortization of deferred financing costs and debt discount	—	107
Interest expense recorded as additional revenue interest obligation and long-term debt	285	2,646
Stock-based compensation	1,836	2,360
Changes in right-of-use assets and lease liabilities and lease incentives received	408	—
Payments on revenue interest obligation	(1,100)	—
Changes in operating assets and liabilities:		
Accounts receivable	296	(874)
Inventory	(32)	(1,332)
Insurance receivables of litigation costs	994	463
Prepaid expenses and other	892	1,153
Accounts payable and accrued expenses	(816)	1,021
Contingent liability for legal proceedings	(5,623)	(3,417)
Other liabilities	—	(33)
Net cash used in operating activities	(16,292)	(17,109)
INVESTING ACTIVITIES:		
Proceeds from sale of Orthobiologics Business	425	—
Expenditures for property and equipment	(550)	(392)
Net cash used in investing activities	(125)	(392)
FINANCING ACTIVITIES:		
Proceeds from private placement and warrants, net of offering costs	—	13,796
Repayments of insurance premium financings	—	(865)
Payments for taxes upon vesting of restricted stock units	(86)	(249)
Proceeds from stock option exercises and issuance of common stock under ESPP	49	80
Net cash provided by (used in) financing activities	(37)	12,762
Net decrease in cash and cash equivalents	(16,454)	(4,739)
Cash and cash equivalents, beginning of period	36,350	13,239
Cash and cash equivalents, end of period	\$ 19,896	\$ 8,500
Supplemental Cash Flow and Non-Cash Financing Activities Disclosures:		
Cash paid for interest	\$ 1,100	\$ 548
Issuance of common stock as payment under revenue interest obligation	\$ —	\$ 2,200
Operating lease right-of-use assets executed	\$ 113	\$ 2,271
Conversion of Prefunded Warrants to common stock	\$ 1,390	\$ 890

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

ELUTIA INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

Note 1. Organization and Description of Business

Elutia Inc. (together with its consolidated subsidiary, "Elutia" or the "Company") is a commercial-stage company developing proprietary drug-eluting biomatrix products for use in surgical reconstruction and related applications. These products are designed to improve the interaction between implanted medical devices and patients. The Company's focus is on addressing unmet medical needs and reducing complications associated with surgery, including infection, migration, erosion, implant rejection, and fibrosis. Elutia's portfolio of products spans the Women's Health and Cardiovascular markets. These products are sold to healthcare providers.

On August 6, 2026, the Company received a letter from the Listing Qualifications Department of The Nasdaq Stock Market LLC ("Nasdaq"), notifying us that, for the last 30 consecutive business days, the closing bid price for our Class A common stock, par value \$0.001 per share (the "Common Stock"), was below \$1.00 per share, which is the minimum closing bid price (the "Minimum Bid Price") required for continued listing on The Nasdaq Capital Market pursuant to Nasdaq Listing Rule 5550(a)(2) (the "Notice"). The Notice provided a compliance period of 180 calendar days from the date of the Notice, or until February 2, 2027 (the "Compliance Period"), to regain compliance with the Minimum Price requirement.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Liquidity

The unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the Company's consolidated financial statements and accompanying notes included in the Company's annual report on Form 10-K ("2025 Annual Report") for the fiscal year ended December 31, 2025. The financial information as of June 30, 2026 and for the three and six months ended June 30, 2026 and 2025 is unaudited, but in the opinion of management, all adjustments considered necessary for a fair statement of the results for these interim periods have been included. The condensed consolidated balance sheet data as of December 31, 2025 was derived from audited financial statements but does not include all disclosures required by GAAP. The results of the Company's operations for any interim period are not necessarily indicative of the results that may be expected for any other interim period or any future year or period.

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. Intercompany accounts and transactions have been eliminated in consolidation.

On September 8, 2025, Elutia executed an Asset Purchase Agreement (the "CIED APA") with Boston Scientific Corporation ("BSC"), a Delaware corporation, and Cardiac Pacemakers Inc. ("CPI"), a Minnesota corporation (collectively with BSC, the "CIED Buyers"). On October 1, 2025, at the closing of the transactions contemplated by the CIED APA, the CIED Buyers purchased from the Company substantially all of the assets that are related to the Company's business of researching, developing, administering, operating, commercializing, manufacturing, selling and marketing its cardiac implantable electronic device ("CIED") products, including its CanGaroo®, CanGaroo® RM, EluPro™ and CIED envelope products, including next generation CIED envelope products (collectively the "CIED Business"). The assets of the CIED Business constituted substantially all of the assets previously held in Elutia's Device Protection segment. The CIED Buyers only assumed certain liabilities related to performance of the contracts transferred in the CIED APA. The CIED APA provided for an aggregate purchase price, subject to certain adjustments pursuant to the terms of the CIED APA, of up to \$88.0 million in cash, with \$80.4 million (which includes an inventory adjustment of \$0.4 million) that was

paid in cash to Elutia at the closing of the transactions or shortly thereafter, and \$8.0 million that was deposited at the closing of the transactions in escrow with a bank for twelve months, which is subject to potential reduction in the event of certain post-closing breaches of representations and warranties within the CIED APA by the Company. The Company recognized a gain, net of tax effect and divestiture costs, of \$76.1 million on the sale of the CIED Business during the fourth quarter of 2025. Such gain included the recognition of the \$8.0 million in escrow as a divestiture proceeds receivable on the accompanying balance sheet as of June 30, 2026.

The sale of the CIED Business represented a strategic shift that has a major effect on the Company's operations and financial results. Consequently, the Company met the held-for-sale criteria of Accounting Standards Codification ("ASC") 205-20, *Discontinued Operations*. Accordingly, this transaction is accounted for as Discontinued Operations for all periods presented in accordance with ASC 205-20, *Discontinued Operations*. Unless indicated otherwise, the information in the notes to the condensed consolidated financial statements relates to continuing operations. See Note 4 for further discussion of the divestiture of the CIED Business.

On November 8, 2023, the Company completed the sale of substantially all of the assets relating to its Orthobiologics segment (the "Orthobiologics Business") to Berkeley Biologics, LLC ("Berkeley"). The Orthobiologics Business was comprised of assets relating to researching, developing, administering, insuring, operating, commercializing, manufacturing, selling and marketing the Company's Orthobiologics products, and the business of contract manufacturing of particulate bone, precision milled bone, cellular bone matrix, acellular dermis, soft tissue and other products. The assets sold represent the entirety of the Company's Orthobiologics segment. In the sale, the Company received approximately \$14.6 million, and the Company may earn up to an additional \$20.0 million, in the aggregate, in the form of earn-out payments. The earn-out payments are equal to 10% of the actual revenue earned by Berkeley in each of the five years after the closing of the sale from sales of specified Orthobiologics products under the purchase agreement (including improvements, modifications, derivatives and enhancements related to those products). There were no earn-out payments earned or paid in the three or six months ended June 30, 2026 or 2025. In the purchase agreement, the Company has retained the liabilities arising out of the VBM and FiberCel matters, as described in Note 10, both of which products were part of the Orthobiologics Business. The Company recognized a gain of \$6.0 million on the sale of the Orthobiologics Business in the fourth quarter of 2023 and an additional gain of \$0.2 million in the second quarter of 2024 from an adjustment payment related to the final working capital received by Berkeley at the sale date. Additionally, the purchase agreement provided for a customary indemnity holdback in the amount of \$1.5 million to be retained by Berkeley for 24 months after closing of the transaction. In March 2026, the indemnity holdback was resolved with Berkeley remitting \$0.4 million to Elutia. Such amount was recognized as additional gain in the first quarter of 2026 within income (loss) from discontinued operations in the accompanying condensed consolidated financial statements. Should the Company receive incremental proceeds in the future through an earn-out payment, an additional gain will be recorded upon the receipt of such amounts.

Since inception, the Company has financed its operations primarily through amounts borrowed under its credit facilities, proceeds from its initial public offering ("IPO"), sales of its products and more recently, the sale of its Orthobiologics and CIED Businesses and proceeds from follow-on offerings and private placements of its common stock and warrants to purchase its common stock. The Company's historical cash outflows have primarily been associated with manufacturing and administrative costs, sales and marketing, research and development, clinical activity, purchase of property and equipment used in its production activities, litigation defense and settlement costs and investing in its commercial infrastructure. For the six months ended June 30, 2026, the Company incurred a loss from continuing operations of \$15.5 million, and as of June 30, 2026, the Company had an accumulated deficit of \$191.3 million. In addition, during the six months ended June 30, 2026, the Company used \$16.3 million of cash in operating activities. The Company expects to incur operating losses and negative cash flows from operations for the foreseeable future, as the Company advances its development and commercialization of NXT-41 and NXT-41x. Because of the numerous risks and uncertainties associated with the Company's development and commercialization efforts, the Company is unable to predict when it will become profitable, and it may never become profitable. The future viability of the Company is dependent on its ability to generate cash flows from current or future product sales and/or raise additional capital to finance its operations. The Company may seek to raise capital through the issuance of common stock or debt such as the offerings described in Note 9 and the new debt facility described in Note 13, or pursue asset sales or other transactions, such as the sale of the CIED and Orthobiologics Businesses described above and the pending sale of the SimpliDerm business described in Note

13. However, such transactions may not be successful, and we may not be able to raise additional equity, refinance our debt instruments, sell assets or obtain waivers or amendments to our obligations on acceptable terms, or at all.

In accordance with Accounting Standards Update (“ASU”) 2014-15, Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern (Subtopic 205-40), the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the condensed consolidated financial statements are issued. The Company believes that its existing cash and cash equivalents and proceeds received under its term loan facility described in Note 13 will be sufficient to fund its operating expenses and capital expenditure requirements through at least one year after the issuance date of the condensed consolidated financial statements. If the Company is unable to obtain sufficient funding when needed and/or on acceptable terms, the Company may be required to significantly curtail, delay or discontinue its research and development programs, the manufacture of clinical and commercial supplies, product portfolio expansion, commercialization efforts and/or commercial operations, which could adversely affect its business prospects, or the Company may be unable to continue operations.

Reclassifications

The Company has determined that its operating and reportable segments are consistent with its major product groupings which in prior periods included Device Protection, Women’s Health and Cardiovascular. Segment results for the three and six months ended June 30, 2025, have been recast to conform to the new segment presentation, which now excludes Device Protection due to its divestiture noted above. Refer to the Segment Information in Note 12. Additionally, certain prior period amounts have been reclassified to conform to current period presentation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions relating to inventories, receivables, long-lived assets, the valuation of stock-based awards, the valuation of the revenue interest obligation, the valuation of the warrant liability, the contingent liabilities for legal proceedings and deferred income taxes are made at the end of each financial reporting period by management. Management continually re-evaluates its estimates, judgments and assumptions, and management’s evaluation could change. Actual results could differ from those estimates.

Net Income (Loss) per Share

Our common stock has a dual class structure, consisting of Class A common stock, \$0.001 par value per share (the “Class A common stock”) and Class B common stock, \$0.001 par value per share (the “Class B common stock”). Other than voting rights, the Class B common stock has the same rights as the Class A common stock, and therefore, both are treated as the same class of stock for purposes of the earnings per share calculation. The Company is also authorized to issue up to 10,000,000 shares of preferred stock with a par value of \$0.001. No shares of preferred stock have been issued or are outstanding as of June 30, 2026 and December 31, 2025. During the year ended December 31, 2025, all outstanding shares of Class B common stock were converted to Class A common stock.

Basic net income (loss) per share is computed by dividing net loss available to each class of shares by the weighted-average number of shares of common stock and participating securities outstanding during the period. Participating securities include common and prefunded warrants. For purposes of the diluted net income (loss) per share calculation, stock options, restricted stock units (“RSUs”) and warrants are considered to be common stock equivalents. In applying the two-class method, the Company has elected an accounting policy to determine whether undistributed earnings are allocated to participating securities by analogy to the ‘control number’ concept in ASC 260. Accordingly, the Company evaluates income (loss) from continuing operations to determine whether participating securities are allocated earnings. Participating securities are not allocated losses as they are not contractually obligated to share in losses. This policy is applied consistently from period to period. See Note 11 for further discussion of net income (loss) per share attributable to common stockholders.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measures, the following hierarchy prioritizes the inputs to valuation methodologies used to measure fair value:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting the Company's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

The estimated fair value of financial instruments disclosed in the financial statements has been determined by using available market information and appropriate valuation methodologies. The carrying value of all current assets and current liabilities approximates fair value because of their short-term nature.

Cash and Cash Equivalents

The Company maintains its cash and cash equivalent balances at banks and financial institutions. The balances are insured up to the legal limit. The Company maintains cash and cash equivalent balances that may, at times, exceed this insured limit. The Company considers cash on hand, demand deposits in a bank, money market funds, and all highly liquid investments with an original maturity of 90 days or less to be cash and cash equivalents.

Accounts Receivable and Allowances

Accounts receivable in the accompanying balance sheets are presented net of allowances for credit losses. The Company grants credit to customers in the normal course of business, but generally does not require collateral or any other security to support its receivables.

The Company evaluates the collectability of accounts receivable based on a combination of factors. In circumstances where a specific customer is unable to meet its financial obligations to the Company, a provision to the allowance for doubtful accounts is recorded to reduce the net recognized receivable to the amount that is reasonably expected to be collected. For all other customers, a provision to the allowance for credit losses is recorded based on factors including the length of time the receivables are past due, the current business environment and the Company's historical experience. Provisions to the allowance for doubtful accounts are recorded to general and administrative expenses. Account balances are charged off against the allowance when it is probable that the receivable will not be recovered.

Inventory

Inventory, consisting of primarily purchased materials, is stated at the lower of cost or net realizable value, with cost determined generally using the average cost method. At each balance sheet date, the Company also evaluates inventory for excess quantities, obsolescence or shelf-life expiration. This evaluation includes an analysis of the Company's current and future strategic plans, historical sales levels by product, projections of future demand, the risk of technological or competitive obsolescence for products, general market conditions and a review of the shelf-life expiration dates for products. To the extent that management determines there is excess or obsolete inventory or quantities with a shelf life that is too near its expiration for the Company to reasonably expect that it can sell those products prior to their expiration, the Company adjusts the carrying value to the estimated net realizable value.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the following estimated useful lives of the assets:

Processing and research equipment	5 to 10 years
Office equipment and furniture	3 to 5 years
Computer hardware and software	3 years

Leasehold improvements are amortized on the straight-line method over the shorter of the lease term or the estimated useful life of the asset. Repairs and maintenance costs are expensed as incurred.

Leases

In February 2016, the Financial Accounting Standards Board (“FASB”) issued ASU No 2016-02, *Leases* to increase the transparency and comparability about leases among entities. ASU 2016-02 and certain additional ASUs are now codified as ASC 842, *Leases*. ASC 842 supersedes the lease accounting guidance in ASC 840 and requires lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. The Company determines if an arrangement contains a lease at inception. Right-of-use (“ROU”) assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from that lease. For leases with a term of greater than 12 months, ROU assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. The lease term includes the option to extend the lease when it is reasonably certain the Company will exercise that option. When available, the Company uses the rate implicit in the lease to discount lease payments to present value. In the case that the implicit rate is not available, the Company uses its incremental borrowing rate based on information available at the lease commencement date, including publicly available data for instruments with similar characteristics, to determine the present value of lease payments. The Company combines lease and non-lease elements for office leases.

Long-Lived Assets

Purchased intangible assets with finite lives are carried at acquired fair value, less accumulated amortization. Amortization is computed over the estimated useful lives of the respective assets.

The Company periodically evaluates the period of depreciation or amortization for long-lived assets to determine whether current circumstances warrant revised estimates of useful lives. The Company reviews its property and equipment and intangible assets for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. Impairment exists when the carrying value of the company’s asset exceeds the related estimated undiscounted future cash flows expected to be derived from the asset. If impairment exists, the carrying value of that asset is adjusted to its fair value. A discounted cash flow analysis is used to estimate an asset’s fair value, using assumptions that market participants would apply. The results of impairment tests are subject to management’s estimates and assumptions of projected cash flows and operating results. Changes in assumptions or market conditions could result in a change in estimated future cash flows and could result in a lower fair value and therefore an impairment, which could impact reported results. There were no impairment losses for the three and six months ended June 30, 2026 or 2025.

Warrant Liability

The Company accounts for its warrants in accordance with ASC 815, *Derivatives and Hedging – Contracts in Entity’s Own Equity*, as either liabilities or as equity instruments depending on the specific terms of the warrant agreement. The warrants issued in connection with the September 2023 private placement, June 2024 registered direct offering and 2025 registered direct offering (see Note 9) are classified as liabilities and are recorded at fair value. The warrants are subject to re-measurement at each settlement date and at each balance sheet date and any change in fair value is recognized in Loss (gain) on revaluation of warrant liability in the condensed consolidated statements of operations.

Revenue Recognition

The Company's revenue is generated from contracts with customers in accordance with ASC 606. The core principle of ASC 606 is that the Company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The ASC 606 revenue recognition model consists of the following five steps: (1) identify the contracts with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

As noted above, the Company enters into contracts to primarily sell and distribute products to healthcare providers. Revenue is recognized when the Company has met its performance obligations pursuant to its contracts with its customers in an amount that the Company expects to be entitled to in exchange for the transfer of control of the products to the Company's customers. For all product sales, the Company has no further performance obligations and revenue is recognized at the point control transfers which occurs either when: i) the product is shipped via common carrier; or ii) the product is delivered to the customer or distributor, in accordance with the terms of the agreement.

A portion of the Company's product revenue is generated from consigned inventory maintained at hospitals and from inventory physically held by distributors and direct sales agents. For these types of product sales, the Company retains control until the product has been used or implanted, at which time revenue is recognized.

The Company elected to account for shipping and handling activities as a fulfillment cost rather than a separate performance obligation. Amounts billed to customers for shipping and handling are included as part of the transaction price and recognized as revenue when control of the underlying products is transferred to the customer. The related shipping and freight charges incurred by the Company are included in sales and marketing costs.

Contracts with customers state the final terms of the sale, including the description, quantity, and price of each implant distributed. The payment terms and conditions in the Company's contracts vary; however, as a common business practice, payment terms are typically due in full within 30 to 60 days of delivery. The Company, at times, extends volume discounts to customers.

The Company permits returns of its products in accordance with the terms of contractual agreements with customers. Allowances for returns are provided based upon analysis of the Company's historical patterns of returns matched against the revenues from which they originated. The Company records estimated returns as a reduction of revenue in the same period revenue is recognized.

Stock-Based Compensation Plans

The Company accounts for its stock-based compensation plans in accordance with FASB Accounting Standards Codification ("ASC") 718, *Accounting for Stock Compensation*. ASC 718 requires the measurement and recognition of compensation expense for all stock-based awards made to employees and directors, including employee stock options and restricted stock units. Stock-based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense on a straight-line basis over the requisite service period of the entire award.

Research and Development Costs

Research and development costs, which include mainly salaries, outside services and supplies, are expensed as incurred.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash. The Company's cash balances with individual institutions may at times exceed the federally insured limits.

There were two customers that represented 23% and 11%, respectively, of the Company's accounts receivable as of June 30, 2026. There was one customer that represented 13% of the Company's accounts receivable as of December 31, 2025.

Comprehensive Income (Loss)

Comprehensive income (loss) comprises net income (loss) and other changes in equity that are excluded from net income (loss). For the three and six months ended June 30, 2026 and 2025, the Company's net loss equaled its comprehensive loss and accordingly, no additional disclosure is presented.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Deferred income taxes are recorded to reflect the tax consequences on future years for differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to amounts that are more likely than not to be realized.

The Company is subject to income taxes in the federal and state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. In accordance with the authoritative guidance on accounting for uncertainty in income taxes, the Company recognizes tax liabilities for uncertain tax positions when it is more likely than not that a tax position will not be sustained upon examination and settlement with various taxing authorities. Liabilities for uncertain tax positions are measured based upon the largest amount of benefit that is more likely than not (greater than 50%) of being realized upon settlement. The Company's policy is to recognize interest and/or penalties related to income tax matters in income tax expense.

Note 3. Recently Issued Accounting Standards

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* (Topic 220-40). This update assesses the disaggregation of income statement expense which requires more detailed information about specified categories of expenses included in certain expense captions presented on the face of the income statement. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating any new disclosures that may be required upon adoption of ASU 2024-03.

Note 4. Divestiture of CIED Business

As described in Note 2, on October 1, 2025, the Company completed the sale of its CIED Business. Accordingly, the CIED Business is reported as discontinued operations in accordance with ASC 205-20 - *Discontinued Operations* and the amounts for the three and six months ended June 30, 2025 have been recast to conform to this discontinued operations presentation.

In accordance with ASC 205-20, only expenses specifically identifiable and related to a business to be disposed are presented in discontinued operations. Additionally, since the repayment of the Company's SWK Loan Facility (see Note 7) was deemed to be contractually required as part of the CIED Business sale, interest expense on the repaid SWK Loan Facility is also classified within discontinued operations. The following table shows the financial results of the discontinued operations for the three and six months ended June 30, 2025:

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Net sales	\$ 3,516	\$ 6,595

Cost of goods sold	1,913	3,919
Gross profit	1,603	2,676
Sales and marketing	2,502	4,537
General and administrative	144	293
Research and development	467	501
Total operating expenses	3,113	5,331
Interest expense	1,009	1,910
Net loss	<u>\$ (2,519)</u>	<u>\$ (4,565)</u>

Total operating and investing cash flows of discontinued operations for the six months ended June 30, 2025 are comprised of the following:

	Six Months Ended June 30, 2025
Significant operating non-cash reconciliation items	
Depreciation	\$ 1,186
Stock-based compensation	244
Changes in operating assets and liabilities:	
Inventory	(1,019)
Prepaid expenses and other	169
Other current liabilities	(150)
Significant investing items	
Expenditures for property, plant and equipment	(42)

See Note 2 for discussion of the financial results of discontinued operations recognized for the three and six months ended June 30, 2026 which relates to the Company's sale of its Orthobiologics Business.

Note 5. Stock-Based Compensation

In 2015, the Company established the Elutia Inc. 2015 Stock Option/Stock Issuance Plan, as amended (the "2015 Plan") which provided for the granting of incentive and non-qualified stock options to employees, directors and consultants of the Company. On October 7, 2020, in connection with the Company's initial public offering ("IPO"), the Company adopted the Elutia Inc. 2020 Incentive Award Plan, and on June 8, 2023, the Company's stockholders approved the amendment and restatement of that plan (as amended and restated, the "2020 Plan"), which authorizes the grant of incentive and non-qualified stock options, restricted stock, restricted stock units and stock appreciation rights to employees, directors and consultants. Shares of Class A common stock totaling 1,636,000 were initially reserved for issuance pursuant to the 2020 Plan. In June 2023 and June 2026, the number of shares of Class A common stock reserved for issuance under the 2020 Plan was increased by 2,000,000 and 3,000,000 shares, respectively. In addition, the shares reserved for issuance under the 2020 Plan also include shares reserved but not issued under the 2015 Plan as well as an annual increase as set forth in the 2020 Plan. As of June 30, 2026, the Company had 3,529,722 shares of Class A common stock available for issuance under the 2020 Plan.

In March 2026, the Company established the Elutia Inc. 2026 Inducement Award Plan (the "2026 Inducement Plan") to attract, retain and motivate persons who are expected to make important contributions to the Company. Shares of Class A common stock totaling 2,000,000 are reserved for issuance pursuant to the 2026 Inducement Plan.

Stock Options

The Company's policy is to grant stock options at an exercise price equal to 100% of the market value of a share of Class A common stock at closing on the date of the grant. The Company's stock options generally have contractual terms of ten years and vest over a four-year period from the date of grant.

A summary of stock option activity under the Company's 2015 Plan, 2020 Plan and 2026 Inducement Plan for the six months ended June 30, 2026 is as follows:

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2025	3,297,941	\$ 4.75	7.1	\$ -
Granted	3,565,769	\$ 0.78		
Exercised	(5,188)	\$ 0.69		
Forfeited	(119,497)	\$ 4.42		
Outstanding, June 30, 2026	6,739,025	\$ 2.66	8.3	\$ 763
Vested and exercisable, June 30, 2026	2,749,885	\$ 4.62	6.0	\$ -

As of June 30, 2026, there was approximately \$2.8 million of total unrecognized compensation expense related to unvested stock options. These costs are expected to be recognized over a weighted-average period of 2.5 years.

The Company uses the Black-Scholes model to value its stock option grants that vest based on the passage of time or the achievement of certain performance criteria and expenses the related compensation cost using the straight-line method over the vesting period. The fair value of stock options is determined on the grant date using assumptions for the estimated fair value of the underlying common stock, expected term, expected volatility, dividend yield, and the risk-free interest rate. The Company uses the simplified method for estimating the expected term used to determine the fair value of options. The expected volatility of the Class A common stock is based on the Company's historical stock data. The Company uses a zero-dividend yield assumption as the Company has not paid dividends since inception nor does it anticipate paying dividends in the future. The risk-free interest rate approximates recent U.S. Treasury note auction results with a similar life to that of the option. The period expense is then determined based on the valuation of the options and is recognized on a straight-line basis over the requisite service period for the entire award.

The following weighted-average assumptions were used to determine the fair value of time-based options granted during the six months ended June 30, 2026:

	Six Months Ended June 30,	
	2026	2025
Expected term (years)	6.0	5.5
Risk-free interest rate	3.9 %	4.0 %
Volatility factor	105.5 %	107.2 %
Dividend yield	—	—

There were no options granted during the three and six months ended June 30, 2025.

The Company has also granted stock options that vest upon the achievement of certain share price thresholds for twenty consecutive days of trading at each respective threshold. For these stock options, the Company accounted for the awards as market condition awards and used an option pricing model, the Monte Carlo model, to determine the fair value of the respective equity instruments and an expense recognition term of approximately three years. As of June 30, 2026, there were a total of 345,011 stock options outstanding that are market condition stock option awards.

Restricted Stock Units

Restricted stock units ("RSUs") represent rights to receive common shares at a future date. There is no exercise price, and no monetary payment is required for receipt of restricted stock units or the shares issued in settlement of the award.

A summary of the RSU activity under the Company's 2020 Plan for the six months ended June 30, 2026 is as follows:

	Number of Shares Underlying RSUs	Weighted- Average Grant Date Fair Value
Unvested, December 31, 2025	726,805	\$ 3.38
Granted	30,000	\$ 1.22
Vested	(231,452)	\$ 3.75
Forfeited	(6,373)	\$ 3.61
Unvested, June 30, 2026	518,980	\$ 3.09

The total fair value of the RSUs granted during the six months ended June 30, 2026 was approximately \$0.1 million. For the performance vesting RSUs, the fair value was based on the fair market value of the Company's Class A common stock on the date of grant. The market condition RSUs are valued as described below. The respective fair values are amortized to expense on a straight-line basis over the vesting period of generally three to four years.

As of June 30, 2026, \$0.8 million of unrecognized compensation costs related to RSUs is expected to be recognized over a weighted average period of 0.9 years.

The Company has granted RSUs that vest upon the achievement of certain share price thresholds for twenty consecutive days of trading at each respective threshold. For these RSUs, the Company accounted for the awards as market condition awards and used a Monte Carlo model to determine the fair value of these RSUs as well as the expense recognition term of approximately three years using the graded vesting method. As of June 30, 2026, there were 252,394 RSUs outstanding that were market condition RSU awards.

Employee Stock Purchase Plan

The Company makes shares of its Class A common stock available for purchase under its 2020 Employee Stock Purchase Plan (the "ESPP"). The ESPP provides for separate six-month offering periods that begin in March and September of each year. Under the ESPP, employees may purchase a limited number of shares of Elutia Class A common stock at 85% of the fair market value on either the first day of the offering period or the purchase date, whichever is lower. The ESPP is considered compensatory for purposes of stock-based compensation expense. The number of shares reserved under the ESPP will automatically increase on the first day of each fiscal year through January 1, 2030, in an amount as set forth in the ESPP. As of June 30, 2026, the total shares of Class A common stock authorized for issuance under the ESPP was 1,554,296, of which 1,142,972 remained available for future issuance.

Stock-Based Compensation Expense

Stock-based compensation expense recognized during the three and six months ended June 30, 2026 and 2025 was comprised of the following (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Sales and marketing	\$ 46	\$ 56	\$ 89	\$ 122
General and administrative	685	811	1,400	1,668
Research and development	174	142	347	286
Cost of goods sold	-	20	-	40
Total stock-based compensation expense	\$ 905	\$ 1,029	\$ 1,836	\$ 2,116

Stock-based compensation expense included within discontinued operations totaled \$0.1 million and \$0.2 million for the three and six months ended June 30, 2025.

Note 6. Inventory

Inventory as of June 30, 2026 and December 31, 2025 was comprised of the following (in thousands):

	June 30, 2026	December 31, 2025
Raw materials	\$ 267	\$ 239
Finished goods	2,382	2,378
Total	<u>\$ 2,649</u>	<u>\$ 2,617</u>

Note 7. Long-Term Debt

On August 10, 2022, the Company entered into a senior secured term loan facility with SWK Funding LLC, as agent, and other lenders party thereto for an aggregate principal amount of \$25 million, and the Company amended the facility in May 2023, March 2024 and September 2024 (as amended, the “SWK Loan Facility”). On October 1, 2025, in connection with and through the proceeds of the sale of the Company’s CIED Business described in Note 2, Elutia fully repaid the SWK Loan Facility as required by the terms of the loan agreement. The outstanding principal, including the accrued exit fee, and accrued interest recognized as of this date totaled approximately \$26.9 million. The total payment by the Company to SWK in full satisfaction of the debt was \$27.8 million, yielding a loss on early repayment of debt of \$1.3 million (including the write-off of the unamortized debt discount and deferred financing costs of \$0.4 million) in the fourth quarter of 2025. The weighted average interest rate on the SWK Loan Facility was 12.6% for the three and six months ended June 30, 2025.

On August 10, 2022, the Company issued to SWK Funding LLC a warrant (“SWK Warrant”) to purchase, in the aggregate, up to 187,969 shares of Class A common stock of the Company, \$0.001 par value per share at an exercise price of \$6.65 per share. The SWK Warrant is immediately exercisable for up to 187,969 shares of Class A common stock from time to time on or after the date of issuance. The exercise price and number of shares of Class A common stock issuable upon exercise of the SWK Warrant are subject to adjustment in the event of stock dividends, stock splits and certain other events affecting the Company’s Class A common stock. Unless earlier exercised or terminated in accordance with its terms, the SWK Warrant will expire on the seventh anniversary of the date of issuance.

Note 8. Revenue Interest Obligation

On May 31, 2017, the Company completed an asset purchase agreement with CorMatrix Cardiovascular, Inc. (“CorMatrix”) and acquired all CorMatrix commercial assets and related intellectual property (the “CorMatrix Acquisition”). As part of the CorMatrix Acquisition, the Company assumed a restructured, long-term royalty obligation (the “Revenue Interest Obligation”) to Ligand Pharmaceuticals Incorporated (“Ligand”) with an estimated present value on the acquisition date of \$27.7 million. On January 10, 2024, the Company entered into an amendment to the Revenue Interest Obligation (the “Amended Revenue Interest Obligation”). Pursuant to the Amended Revenue Interest Obligation, subject to annual minimum payments of \$4.4 million per year, the terms of the Revenue Interest Obligation require Elutia to pay Ligand 5% of future sales of the products Elutia acquired from CorMatrix, including CanGaroo, ProxiCor, Tyke and VasCure, as well as products substantially similar to those products, such as EluPro. Furthermore, a \$5.0 million payment would be due to Ligand if cumulative sales exceed \$300 million during the ten-year term of the agreement which expires on May 31, 2027; as described below, this provision was eliminated in October 2025.

In May 2025, Elutia entered into a subscription agreement and further amendment to the Amended Revenue Interest Obligation with Ligand. Through such amendment, \$2.2 million in outstanding royalty obligations (royalty obligations for the quarters ended December 31, 2024 and March 31, 2025) owed by Elutia to Ligand under the Amended Revenue Interest Obligation was satisfied by the issuance of 1,105,528 shares of Elutia’s Class A common stock to Ligand in a transaction registered with the Securities and Exchange Commission. An additional cash payment to Ligand of \$2.2 million was made in October 2025 in satisfaction of the royalty obligation for the quarters ended June 30, 2025 and September 30, 2025. Moreover, also in October 2025, a further amendment to the Amended Revenue Interest Obligation was executed which eliminated the provision that a \$5.0 million milestone payment would be due if cumulative sales exceed \$300 million or the assets related to CanGaroo and any substantially similar products undergo a change of control.

The Company records the present value of the estimated total future payments under both the Revenue Interest Obligation and Amended Revenue Interest Obligation as a long-term obligation, with the short-term portion being recorded as described below. At each reporting period, the value of the Revenue Interest Obligation is re-measured based on current estimates of future payments, with changes to be recorded in the condensed consolidated statements of operations using the catch-up method. The Amended Revenue Interest Obligation changed the timing and extent of future payments by the Company to Ligand and such change to the estimated future payments yielded a reduction to the total obligation of approximately \$1.4 million during the year ended December 31, 2024. The resulting gain was recognized as Other expense (income), net in the accompanying condensed consolidated statement of operations. During the second quarter of 2025, the Company identified and corrected an accounting error related to the January 2024 amendment of the Revenue Interest Obligation. The Company inappropriately accounted for it under the catch-up method and recognized a gain instead of accounting for it as a modification. As a result, the Company recorded a gain of \$1.4 million recognized in the first quarter of 2024 and overstated interest expense in the subsequent periods. The Company has determined that the error was not material to the current or any of the prior periods. However, as of the second quarter of 2025, the revenue interest obligation was understated by \$0.8 million. As such, the Company corrected this as an out of period adjustment in June 2025 through a \$1.4 million decrease in Other (income) expense, net to reverse the original gain and an increase of \$0.6 million in Interest income, net to reverse the overstatement of interest expense. The out of period correction is not material to the condensed consolidated financial statements.

As of June 30, 2026, the entire Amended Revenue Interest Obligation is recorded as short-term due to the May 2027 expiration date. As of December 31, 2025, the short-term portion of the Amended Revenue Interest Obligation is comprised of the annual minimum payments of \$4.4 million.

Note 9. Common Stock and Warrants

Registered Direct Offering of Common Stock and Warrants

On February 4, 2025, the Company sold, in a registered direct offering (“2025 Registered Offering”), an aggregate of (i) 5,520,000 shares of our Class A common stock and (ii) prefunded warrants (“2025 Prefunded Warrants”) to purchase up to an aggregate of 480,000 shares of Class A Common Stock. The public offering price for each share of Class A Common Stock was \$2.50, and the public offering price for each 2025 Prefunded Warrant was \$2.499, for aggregate gross proceeds of approximately \$15.0 million, before deducting offering expenses. The 2025 Prefunded Warrants have an exercise price of \$0.001 per share of Class A Common Stock, are exercisable immediately and will expire when exercised in full. The Company incurred transaction fees, including commissions and legal fees, of approximately \$1.3 million in connection with the 2025 Registered Offering, of which \$1.2 million were allocated to the issuance of the common stock.

On June 16, 2024, the Company sold, in a registered direct offering (“2024 Registered Offering”), an aggregate of (i) 3,175,000 shares of the Company’s Class A common stock and (ii) prefunded warrants (“2024 Prefunded Warrants”) to purchase up to an aggregate of 725,000 shares of Class A Common Stock. The public offering price for each share of Class A Common Stock was \$3.40, and the public offering price for each 2024 Prefunded Warrant was \$3.399, for aggregate gross proceeds of approximately \$13.3 million, before deducting offering expenses. The 2024 Prefunded Warrants have an exercise price of \$0.001 per share of Class A Common Stock, are exercisable immediately and will expire when exercised in full. The Company incurred transaction fees, including commissions and legal fees, of approximately \$1.4 million in connection with the 2024 Registered Offering, of which \$1.1 million were allocated to the issuance of the common stock.

Private Placement of Common Stock and Warrants

On September 21, 2023, the Company sold, in a private offering (“Private Offering”) an aggregate of (i) 6,852,811 units (“Common Units”) each comprised of (a) one share of the Company’s Class A common stock and (b) a warrant (“Common Warrant”) to purchase one and one half shares of Class A Common Stock, and (ii) 503,058 units (the “Prefunded Units”), each comprised of (a) a prefunded warrant (“2023 Prefunded Warrant”) to purchase one share of Class A Common Stock, and (b) a Common Warrant. The Common Units were sold at a purchase price of \$1.4275 per unit, and the Prefunded Units were sold at a purchase price of \$1.4265 per unit, for aggregate gross proceeds of approximately \$10.5 million, before deducting offering expenses. Each Common Warrant was exercisable until July 31, 2024, the date which

was 30 trading days after the clearance by the FDA of EluPro, at an exercise price per share of \$1.4275. As discussed below, all Common Warrants were exercised before they expired. Each 2023 Prefunded Warrant is exercisable at any time at a nominal exercise price per share of \$0.001 (with the remainder of the exercise price per share of Class A Common Stock having been prefunded to the Company). The Company incurred transaction fees, including commissions and legal fees, of approximately \$1.1 million in connection with the Private Offering, of which \$0.4 million were allocated to the issuance of the common stock.

See below for discussion of the accounting for the warrants and the allocation of the remainder of the transaction fees from the 2025 Registered Offering, 2024 Registered Offering and Private Offering.

Warrant Liabilities

The Company has concluded that the 2025 Prefunded Warrants from the 2025 Registered Offering, the 2024 Prefunded Warrants from the 2024 Registered Offering and the Common Warrants and the 2023 Prefunded Warrants from the Private Offering do not meet the equity contract scope exception under ASC 815-40 as in the event of a (i) fundamental transaction such as a merger and (ii) failure to timely deliver warrant shares upon exercise, certain provisions of which may require the Company to adjust the settlement value in a manner that is not consistent with a fixed-for-fixed option pricing model. As a result, the Company allocated a portion of the gross proceeds from the respective offerings to the related warrants based on their fair values and have recorded such amounts as a Warrant liability in the accompanying condensed consolidated balance sheets as of June 30, 2026 and December 31, 2025. Additionally, the Company allocated a portion of the transaction fees from the 2024 Registered Offering, 2025 Registered Offering and the Private Offering to the respective warrants and recognized the expense within Other expense (income), net. Such expenses totaled \$0.1 million for the six months ended June 30, 2025.

As noted above, the last exercise date for the Common Warrants was July 31, 2024. All Common Warrants outstanding were exercised by such date. Certain of these exercises ultimately resulted in their conversion to 2023 Prefunded Warrants. The liability associated with the 2025 Prefunded Warrants, 2024 Prefunded Warrants and 2023 Prefunded Warrants is recorded as Warrant liability in the accompanying condensed consolidated balance sheets as of June 30, 2026 and December 31, 2025.

A summary of the warrant activity for the six months ended June 30, 2026 is as follows:

	2023 Prefunded Warrants	2024 Prefunded Warrants	2025 Prefunded Warrants
Outstanding, December 31, 2025	3,323,326	725,000	480,000
Exercised	(1,300,000)	—	—
Outstanding, June 30, 2026	<u>2,023,326</u>	<u>725,000</u>	<u>480,000</u>

The valuation of the warrants is adjusted to fair value at each subsequent balance sheet date until the warrants are settled. The following table provides a rollforward of the aggregate fair value of the warrant liability for the six months ended June 30, 2026 (in thousands):

	2023 Prefunded Warrants	2024 Prefunded Warrants	2025 Prefunded Warrants	Total Offering Warrants
Warrant liability, December 31, 2025	\$ 2,292	\$ 500	\$ 332	\$ 3,124
Loss on revaluation of warrant liability	1,080	210	139	1,429
Exercised	(1,390)	-	-	(1,390)
Warrant liability, June 30, 2026	<u>\$ 1,982</u>	<u>\$ 710</u>	<u>\$ 471</u>	<u>\$ 3,163</u>

The Company has used the price of its Class A Common Stock to estimate the fair value of the 2025 Prefunded Warrants, 2024 Prefunded Warrants and 2023 Prefunded Warrants at each measurement date. The price of the Company's Class A Common Stock approximates fair value of the 2025 Prefunded Warrants, 2024 Prefunded Warrants and 2023 Prefunded Warrants due to the exercise price per share of \$0.001. As such warrants utilize quoted prices for the Company's

Class A common stock (similar assets in the active market), their fair valuation is deemed to be “Level 2” within the fair value hierarchy. The fair value adjustments have been recorded as Gain (loss) on revaluation of warrant liability in the accompanying condensed consolidated statements of operations.

Note 10. Commitments and Contingencies

Cook Biotech License and Supply Agreements

In 2017, Elutia entered into a license agreement, as amended, with Cook Biotech (“Cook”), now owned by Evergen, for an exclusive, worldwide license to the porcine tissue for use in the Company’s Cardiovascular, CanGaroo and EluPro products, subject to certain co-exclusive rights retained by Cook. Along with this license agreement, Elutia entered into a supply agreement whereby Cook would be the exclusive supplier to Elutia of licensed porcine tissue. On October 1, 2025, in connection with the sale of the CIED Business described in Note 2, the Company entered into amendments to both the license (the “Amended License Agreement”) and supply agreements such that the Amended License Agreement removed all products divested with the sale of the CIED Business and includes only the Company’s remaining Cardiovascular products. Both agreements expire on December 31, 2028. Under certain limited circumstances, Elutia has the right to manufacture the licensed product and pay Cook a royalty of 3% of sales of the Elutia-manufactured tissue. No royalties were due or paid to Cook during the three and six months ended June 30, 2026 or 2025. The Amended License Agreement includes a final license fee payment of \$0.1 million to be paid by the Company in October 2026. The Company, in its sole discretion, can terminate the Amended License Agreement at any time.

Legal Proceedings

From time to time, the Company may be involved in claims and proceedings arising in the course of the Company’s business. The outcome of any such claims or proceedings, regardless of the merits, is inherently uncertain. The Company records accruals for contingencies when it is probable that a liability has been incurred and the amount can be reasonably estimated. Where the available information is only sufficient to establish a range of probable liability, and no point within the range is more likely than any other, the lower end of the range has been used. When a material loss contingency is reasonably possible, but not probable, the Company does not record a liability, but instead discloses the nature of the matter and an estimate of the loss or range of loss, to the extent such estimate can be made. Accruals recorded are adjusted periodically as assessments change or additional information becomes available, and management’s judgments may be materially different than the actual outcomes.

FiberCel Litigation

As previously disclosed, in June 2021, the Company announced a voluntary recall of a single lot of FiberCel fiber viable bone matrix. Since September 2021, 110 product liability lawsuits or claims have been filed or asserted against the Company involving FiberCel. As of June 30, 2026, four lawsuits or claims are active, 105 have been settled and paid and there is one case where the statute of limitations to file a lawsuit has expired. The unsettled lawsuits allege that the plaintiffs were exposed to and/or contracted tuberculosis and/or suffered substantial symptoms and complications following the implantation of FiberCel during orthopedic fusion operations. Such remaining lawsuits were filed in the Superior Court of Marion County, Indiana and the Court of Common Pleas, Philadelphia County. The Company refers to the aforementioned litigation and claim notices collectively as the “FiberCel Litigation.”

Viable Bone Matrix Litigation

As also previously disclosed, in July 2023, the Company announced a voluntary recall of a single lot of a certain viable bone matrix (“VBM”) product and the market withdrawal of all of its VBM products produced after a specified date. Notice of the voluntary recall was issued to centers after the Company learned of post-surgical Mycobacterium tuberculosis (“MTB”) infections in two patients treated with a VBM product from a single donor lot. Prior to release, samples from this specific lot had tested negative for MTB by an independent laboratory using a nucleic acid test that is designed to specifically detect the MTB organism. Based on our discussions with the CDC, the Company believes that a total of 36 patients were treated with product from the single donor lot. Since August 2023, 28 product liability lawsuits or claims have been filed or asserted against the Company involving VBM. As of June 30, 2026, nine lawsuits or claims

are active, 18 have been settled and one case has been dismissed. Of the settled cases, 17 have been fully paid and one has not yet been paid as of June 30, 2026. Furthermore, there are four potential claims where the statute of limitation to file a lawsuit has expired. The unsettled lawsuits, which have been filed against Elutia and others, allege that the plaintiffs were exposed to and/or contracted tuberculosis and/or suffered substantial symptoms and complications following the implantation of VBM during orthopedic fusion operations. To date, these lawsuits have been filed in California Superior Court, the United States District Court for the Southern District of California, the United States District Court for the Eastern District of Louisiana, the United States District Court for the Western District of Texas, the United States District Court for the Western District of Michigan, the Circuit Court of the State of Oregon and the United States District Court for the Southern District of New York. The Company refers to all of the aforementioned litigation, or claim notices, collectively as the “VBM Litigation.”

Resolution of Medtronic Litigation

In June 2024, the Company filed an action against Medtronic Sofamor Danek USA, Inc. (“Medtronic”) in the Superior Court of the State of Delaware. The Company alleged breach of the 2019 Tissue Product Supply Agreement between the Company and Medtronic. In particular, the Company alleged that Medtronic did not honor its contractual obligations to defend and indemnify it from lawsuits against the Company arising from the use of FiberCel products distributed by Medtronic, and that Medtronic concealed and misrepresented an insurance policy potentially applicable to those lawsuits. Medtronic denied Elutia’s claims and counterclaimed that Elutia breached representations and warranties under the Supply Agreement and owed ongoing indemnity obligations to Medtronic.

On July 20, 2026, the Company entered into a settlement agreement with Medtronic. Pursuant to the terms of the settlement, the Company agreed to pay Medtronic \$1.78 million in three installments with the first installment of \$500,000 due no later than June 17, 2027 and the last two installments of \$640,000 due no later than June 17, 2028 and June 17, 2029, respectively. Additionally, the Company has the option of making a single payment of \$1.513 million on or before June 17, 2027 in full satisfaction of the settlement. On July 21, 2026, all claims and counterclaims were dismissed with prejudice.

As a result of the settlement, the Company recorded a liability of approximately \$1.5 million as of June 30, 2026 which represents the present value of the terms of the settlement. Such liability is recorded within Contingent Liability for Legal Proceedings in the accompanying condensed consolidated balance sheets, and related expense is recorded within Litigation costs, net in the accompanying condensed consolidated statement of operations.

Resolution of Tiger Litigation

On October 21, 2025, Tiger Aesthetics Medical, LLC (“Tiger”) filed an action against Elutia in the Superior Court of the State of Delaware. Tiger originally alleged breach of contract and related claims related to the 2023 distribution agreement between the Company and Tiger as well as the August 2025 letter of intent for the possible sale by the Company to Tiger of certain assets and rights. In March 2026, the Court granted Elutia’s motion to dismiss the Complaint in part, and Tiger subsequently limited its claims to the letter of intent.

On June 24, 2026, the Company entered into a settlement agreement with Tiger. On July 4, 2026, all claims filed by Tiger were dismissed with prejudice, with neither party paying any material amounts in settlement.

Supplier Litigation

In October 2024, a former lab and safety equipment supplier filed a lawsuit in California Superior Court (Contra Costa County) against the Company and two co-defendants. The complaint alleges breach of contract and related equitable claims based on a 2014 agreement that the supplier claims automatically renewed in 2023 for an 84-month term. The lawsuit seeks specified damages. On April 1, 2025, the Company filed an answer denying the allegations in the complaint and asserting affirmative defenses. The court has set a trial for January 2027. Given the early stages of this matter and the Company’s intention to vigorously defend the case, the Company does not consider a loss to be probable or estimable at this time.

Contingent Liability for Legal Proceedings

FiberCel Litigation

Since August 2022, the Company has engaged in a process to negotiate and attempt to resolve many of the cases in the FiberCel Litigation. In total, through June 30, 2026, settlement agreements have been reached in 105 of the cases and settlement payments of \$34.9 million have been made by Elutia, with \$9.6 million of such total settlement outlays having been paid through insurance proceeds. As of June 30, 2026, the Company has a total liability for FiberCel Litigation of \$1.1 million which is recorded within Contingent Liability for Legal Proceedings in the accompanying condensed consolidated balance sheets and which comprises the four cases which have not yet been settled or adjudicated and for which the Company has estimated a probable loss.

In order to reasonably estimate the liability for the unsettled FiberCel Litigation cases, the Company, along with outside legal counsel, has assessed a variety of factors, including (i) the extent of the injuries incurred, (ii) recent experience on the settled claims, (iii) settlement offers made to the other parties to the litigation and (iv) any other factors that may have a material effect on the FiberCel Litigation. While the Company believes its estimated liability to be reasonable, the actual loss amounts are highly variable and are dependent upon the relevant facts and case-by-case resolutions. As more information is learned about asserted claims and potential future trends, adjustments may be made to this Contingent Liability for Legal Proceedings as appropriate. Management believes that it is reasonably possible that the Company could incur liabilities in excess of amounts accrued and the ultimate liability could be material to the Company's financial position, results of operations and cash flows in the period recognized. The Company, however, is unable to estimate the possible loss or range of loss in excess of the amount recognized at this time.

VBM Litigation

Since June 2023, the Company has also engaged in a process to negotiate and attempt to resolve many of the cases in the VBM Litigation. In total, through June 30, 2026, settlement agreements have been reached in 18 of the cases and settlement payments of \$1.5 million have been made on behalf of Elutia through its insurance coverage.

As of June 30, 2026, the Company has a total liability for VBM Litigation of \$3.0 million which is recorded within Contingent Liability for Legal Proceedings in the accompanying condensed consolidated balance sheets. Such liability includes \$0.2 million for one case in which a settlement has been reached but had not yet been paid and the remaining 13 cases, including unasserted claims that the Company believes are probable of assertion, for which an estimation of probable loss is required as of June 30, 2026. The expense related to this estimate was recorded within Litigation costs, net in the accompanying condensed consolidated statement of operations, with the entirety of such expense offset by insurance recoveries received or receivable as further described below.

In order to reasonably estimate the liability for the unsettled VBM Litigation cases and unasserted claims, the Company, along with outside legal counsel, has assessed a variety of factors, including (i) the extent of the injuries incurred, (ii) recent experience on the settled claims, (iii) settlement offers made to the other parties to the litigation and (iv) any other factors that may have a material effect on the VBM Litigation. While the Company believes its estimated liability to be reasonable, the actual loss amounts are highly variable and are dependent upon the relevant facts and case-by-case resolutions. As more information is learned about asserted and unasserted claims and potential future trends, adjustments may be made to this Contingent Liability for Legal Proceedings as appropriate. Management believes that it is reasonably possible that the Company could incur liabilities in excess of amounts accrued and the ultimate liability could be material to the Company's financial position, results of operations and cash flows in the period recognized. The Company, however, is unable to estimate the possible loss or range of loss in excess of the amount recognized at this time.

Defense costs for both the FiberCel Litigation and VBM Litigation are recognized in the accompanying condensed consolidated statements of operations as incurred, with the entirety of such expense related to the VBM Litigation offset by insurance recoveries received or receivable as further described below.

Insurance Receivables of Litigation Costs

The Company has purchased insurance coverage that, subject to common contract exclusions, provided coverage for the FiberCel Litigation and VBM Litigation product liability losses as well as legal defense costs. When settlements are reached and/or amounts are recorded in the related Contingent Liability for Legal Proceedings, the Company calculates amounts due to be reimbursed pursuant to the terms of the coverage and related agreements, and pursuant to other indemnity or contribution claims, in respect of product liability losses and related defense costs. The probable amounts of reimbursement or recovery from this calculation are recorded as receivables. The determination that the recorded receivables are probable of collection is based on the terms of agreements reached in respect of indemnity and contribution claims as well as the advice of the Company's outside legal counsel. These receivables as of June 30, 2026 totaled \$3.9 million and are recorded as Insurance Receivables of Litigation Costs in the accompanying condensed consolidated balance sheets.

As of June 30, 2026, all amounts recorded as Insurance Receivables of Litigation Costs relate to the VBM Litigation, and additional insurance remains available to cover the future cost of the VBM Litigation and related defense costs. Conversely, the Company has no more insurance to cover the cost of the FiberCel Litigation and the related defense costs.

As of June 30, 2026, the Company was not a party to, or aware of, any legal matters or claims with material financial exposure, except for the FiberCel Litigation, VBM Litigation, the matters involving Medtronic and Tiger, both of which were subsequently dismissed, and the matter involving a former supplier.

Note 11. Net Income (Loss) Per Share

Net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per share is computed by dividing net income (loss), adjusted for gains on the revaluation of warrant liability (see Note 9), by the weighted average number of shares of common stock outstanding during the period, adjusted for the potential dilutive effect of the Company's prefunded warrants (see Note 9), outstanding stock options, outstanding RSUs, and shares issuable under the ESPP. The treasury stock method was used to calculate the potential dilutive effect of these common stock equivalents.

(in thousands, except share and per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Numerator:				
Net loss from continuing operations	\$ (7,646)	\$ (7,091)	\$ (15,540)	\$ (8,978)
(Loss) income from discontinued operations	—	(2,519)	425	(4,565)
Net loss	(7,646)	(9,610)	(15,115)	(13,543)
Less: dilutive gain on revaluation of warrant liability	—	(2,233)	—	(7,419)
Net loss for diluted earnings per share	<u>\$ (7,646)</u>	<u>\$ (11,843)</u>	<u>\$ (15,115)</u>	<u>\$ (20,962)</u>
Denominator:				
Weighted average number of common shares - basic	44,223,722	41,782,556	43,622,360	40,239,372
Effect of dilutive prefunded warrants	—	4,526,086	-	4,526,525
Weighted average number of common shares - diluted	<u>44,223,722</u>	<u>46,308,642</u>	<u>43,622,360</u>	<u>44,765,897</u>
Net loss from continuing operations per share - basic	<u>\$ (0.17)</u>	<u>\$ (0.17)</u>	<u>\$ (0.36)</u>	<u>\$ (0.22)</u>
Net loss from continuing operations per share - diluted	<u>\$ (0.17)</u>	<u>\$ (0.20)</u>	<u>\$ (0.36)</u>	<u>\$ (0.37)</u>
Net (loss) income from discontinued operations per share - basic	<u>\$ —</u>	<u>\$ (0.06)</u>	<u>\$ 0.01</u>	<u>\$ (0.11)</u>
Net (loss) income from discontinued operations per share - diluted	<u>\$ —</u>	<u>\$ (0.05)</u>	<u>\$ 0.01</u>	<u>\$ (0.10)</u>
Net loss per share - basic	<u>\$ (0.17)</u>	<u>\$ (0.23)</u>	<u>\$ (0.35)</u>	<u>\$ (0.34)</u>
Net loss per share - diluted	<u>\$ (0.17)</u>	<u>\$ (0.26)</u>	<u>\$ (0.35)</u>	<u>\$ (0.47)</u>

Certain of the Company's potential dilutive securities have been excluded from the computation of diluted net loss per share as the effect would be anti-dilutive. The Company excluded the following potential common shares, presented based on amounts outstanding at period end, from the computation of diluted net loss per share:

	As Of June 30,	
	2026	2025
Options to purchase common stock	6,739,025	3,535,780
Restricted stock units	518,980	1,167,991
SWK Warrants	187,969	187,969
2023 Prefunded Warrants	2,023,326	—
2024 Prefunded Warrants	725,000	—
2025 Prefunded Warrants	480,000	—
Total	<u>10,674,300</u>	<u>4,891,740</u>

Note 12. Segment Information

With the divestiture of the CIED Business, the Company now operates in two segments. The Company determined its operating and reportable segments to be consistent with its major product groupings – Women's Health and Cardiovascular. The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

The Chief Operating Decision Maker ("CODM") is the Chief Executive Officer. The CODM evaluates the performance of our segments based upon, among other things, segment net sales and segment gross profit, excluding intangible asset amortization ("segment gross profit"). Segment gross profit is what the CODM uses in evaluating our results of operations and the financial measure that provides insight into our overall performance and financial position. The CODM considers budget-to-actual variances and variances against prior years using segment gross profit when

making decisions about allocating resources to the segments. Asset information is not provided as the Company's CODM does not regularly review or utilize detailed asset data to assess segment performance.

For the three months ended June 30, 2026, the Company's segment gross profit was comprised of the following (in thousands):

	Women's Health	Cardiovascular	Total
Net sales	\$ 1,283	\$ 1,144	\$ 2,427
Cost of goods sold, excluding intangible asset amortization	538	172	710
Segment gross profit	<u>\$ 745</u>	<u>\$ 972</u>	<u>\$ 1,717</u>

For the six months ended June 30, 2026, the Company's segment gross profit was comprised of the following (in thousands):

	Women's Health	Cardiovascular	Total
Net sales	\$ 3,372	\$ 2,169	\$ 5,541
Cost of goods sold, excluding intangible asset amortization	1,428	324	1,752
Segment gross profit	<u>\$ 1,944</u>	<u>\$ 1,845</u>	<u>\$ 3,789</u>

For the three months ended June 30, 2025, the Company's segment gross profit was comprised of the following (in thousands):

	Women's Health	Cardiovascular	Total
Net sales	\$ 2,011	\$ 736	\$ 2,747
Cost of goods sold, excluding intangible asset amortization	895	129	1,024
Segment gross profit	<u>\$ 1,116</u>	<u>\$ 607</u>	<u>\$ 1,723</u>

For the six months ended June 30, 2025, the Company's segment gross profit was comprised of the following (in thousands):

	Women's Health	Cardiovascular	Total
Net sales	\$ 4,636	\$ 1,062	\$ 5,698
Cost of goods sold, excluding intangible asset amortization	2,068	253	2,321
Segment gross profit	<u>\$ 2,568</u>	<u>\$ 809</u>	<u>\$ 3,377</u>

Two customers within the Company's Women's Health segment represented 11% and 10% of the Company's total net sales, respectively, for the three months ended June 30, 2026. No customer represented more than 10% of the Company's total net sales for the six months ended June 30, 2026.

Two customers within the Company's Women's Health segment represented 17% and 10% of the Company's total net sales, respectively, for the three months ended June 30, 2025. One customer within the Company's Women's Health segment represented 24% of the Company's total net sales for the six months ended June 30, 2025.

The following table is a reconciliation of segment gross profit to the consolidated loss before provision for income taxes for the three and six months ended June 30, 2026 and 2025, (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Segment gross profit	\$ 1,717	\$ 1,723	\$ 3,789	\$ 3,377
Adjustments:				
Intangible asset amortization expense	(270)	(270)	(540)	(542)
Sales and marketing	(1,366)	(1,273)	(2,846)	(2,268)
General and administrative	(3,454)	(3,552)	(7,545)	(7,273)
Research and development	(2,527)	(989)	(4,500)	(1,860)
Litigation costs, net	(2,057)	(4,004)	(2,663)	(6,576)
Loss from operations	(7,957)	(8,365)	(14,305)	(15,142)
Interest income, net	(35)	(491)	(143)	(307)
(Gain) loss on revaluation of warrant liability	(226)	(2,233)	1,429	(7,420)
Other (income) expense, net	(58)	1,442	(129)	1,547
Loss before provision for income taxes	\$ (7,638)	\$ (7,083)	\$ (15,462)	\$ (8,962)

During the three and six months ended June 30, 2026 and 2025, the Company did not have any material international product sales, and the Company did not own any long-lived assets outside the United States.

Note 13. Subsequent Events

Agreement to Divest SimpliDerm Business

On July 16, 2026, the Company entered into an Asset Purchase Agreement (the “SimpliDerm APA”) with Cellution Biologics Inc. (“Cellution”). Subject to the terms and conditions of the SimpliDerm APA, at the closing (the “SimpliDerm Closing”) of the transactions contemplated by the SimpliDerm APA, Cellution will purchase from the Company 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 (the “SimpliDerm Business”). The assets of the SimpliDerm Business constitute substantially all of the assets currently held in Elutia’s Women’s Health segment. Cellution is only assuming certain liabilities related to performance of the contracts transferred in the SimpliDerm APA.

The SimpliDerm APA provides for aggregate consideration payable to the Company of up to \$11 million, consisting of: (i) a base purchase price of \$8 million in cash, payable at the SimpliDerm Closing, subject to adjustment for any inventory shortfall; (ii) a contingent payment of up to \$2 million, payable upon completion of certain technology transfer and manufacturing transition milestones within an 18-month period following the SimpliDerm Closing, subject to reduction for sales shortfalls against monthly SimpliDerm sales targets during such transition period; and (iii) contingent payments of up to \$1 million, in the aggregate, in the form of earn-out payments, payable for any four of the first five quarters following the SimpliDerm Closing in which SimpliDerm sales exceed a specified quarterly revenue target.

New Loan Agreement and 2026 Warrants

On August 11, 2026 (the “Loan Agreement Closing Date”), the Company entered into a loan and security agreement, and supplement to loan and security agreement (collectively, the “Loan Agreement”), with Avenue Venture Opportunities Fund II, L.P., as administrative agent and collateral agent for the lenders (in such capacities, the “Loan Agent”) and as lender (“Avenue 2”), and Avenue Growth Lending Fund III, L.P., as a lender (“Avenue 3”; together with Avenue 2, the “Lenders”), which provides for a senior secured term loan facility of up to \$15 million in the aggregate that matures on March 1, 2030, consisting of (i) an initial term loan of \$10 million (the “First Tranche Term Loan”), which was fully funded on the Loan Agreement Closing Date, and (ii) a \$5 million delayed draw term loan (the “Second Tranche Term Loan”), which will be made available between May 1, 2027 and September 30, 2027, subject to the satisfaction of

certain regulatory approvals and liquidity conditions (the “Second Tranche Term Loan”, which together with the First Tranche Term Loan, the “Term Loans”).

The Company’s obligations under the Loan Agreement are secured by substantially all of its assets. The Term Loans bear interest at the greater of (i) 12.25% and (ii) the sum of the Wall Street Journal Prime Rate (as defined in the Loan Agreement) plus 5.50%. Interest-only payments on the principal amount outstanding are due monthly beginning with the month the loan is disbursed. Beginning on either (i) February 11, 2028, or (ii) if the Second Tranche Term Loan has been drawn, August 11, 2028, the Company will also be required to repay in equal monthly installments (the “Amortization Payments”) the outstanding principal amount of the Term Loans.

If any portion of the Loan Agreement is prepaid prior to the maturity date (other than the Amortization Payments), then the Company will pay a prepayment premium with respect to such portion of the Term Loans being prepaid equal to (i) during the first year after the Loan Agreement Closing Date, 3.0% of the principal amount of such portion; (ii) during the second year after the Loan Agreement Closing Date, 2.0% of the principal amount of such portion; and (iii) thereafter but prior to the maturity date, 1.0% of the principal amount of such portion. In addition, the Company will pay certain other fees with respect to the Loan Agreement, including an upfront fee and a final payment fee equal to 4% of Term Loans funded.

The Loan Agreement contains customary affirmative covenants for transactions of this type, including, among others, the provision of financial and other information to the Loan Agent, notice to the Loan Agent upon the occurrence of certain material events, compliance with applicable laws and certain liquidity requirements. The Loan Agreement also contains customary negative covenants, including certain restrictions on the ability to merge and consolidate with other companies, incur indebtedness, pay dividends, redeem the Company’s capital stock and grant liens or security interests on assets. The Loan Agreement includes certain customary events of default. If a default occurs and is continuing, the Company may be required to repay all amounts outstanding under the Loan Agreement. The Company may use the proceeds of borrowings under the Loan Agreement as working capital and to fund its general business requirements.

The Loan Agreement also provides that the Lenders may elect to convert up to \$2.5 million of the principal amount of the Term Loans outstanding thereunder into shares of the Company’s common stock (“Common Stock”) at a price per share equal to 120% of the Warrant Price (as defined below).

In addition, the Loan Agreement provides that the Lenders have the right, in their discretion, to invest up to \$1.0 million in equity securities on the same terms, conditions and pricing offered by the Company to any investor in connection with an equity securities offering that occurs after the Loan Agreement Closing Date. The Lenders’ co-invest right terminates upon the repayment in full of all obligations owing under the Loan Agreements and is subject to certain qualifications and limitations as more fully set forth in the Loan Agreement.

In connection with the Loan Agreement, the Company agreed to issue to the Lenders warrants (the “2026 Warrants”) exercisable for 1,395,348 shares of Common Stock, subject to possible adjustment in the event of a dilutive financing between the date of issuance and December 31, 2026. The exercise price of the 2026 Warrants will be the lower of (i) \$0.86 and (ii) the lowest effective sale price per share paid in cash by third party investors to the Company for its Common Stock in any bona fide offering of Common Stock (or instruments exercisable for, or convertible into, shares of Common Stock) consummated at any time until (but excluding) December 31, 2026, subject to certain exceptions, in each case as adjusted from time to time in accordance with the terms of the 2026 Warrants (the “Warrant Price”). The 2026 Warrants became exercisable on the date of issuance and will expire on August 31, 2031. A holder of the 2026 Warrants will not have the right to exercise any portion of the 2026 Warrants if the holder, together with its affiliates and certain related parties, would beneficially own in excess of 4.99% (or, at the election of the holder, with the Company’s consent, up to 9.99%) of the number of shares of Common Stock outstanding immediately after giving effect to such exercise.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report, as well as the audited financial statements and the related notes thereto, and the discussion under Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2025 Annual Report. This discussion contains forward-looking statements reflecting our current expectations, estimates, plans and assumptions concerning events and financial trends that involve risks and may affect our future operating results and financial position. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the sections entitled "Forward-Looking Statements" and Part II, Item 1A. "Risk Factors" of this Quarterly Report and in the section entitled "Risk Factor Summary" and in Part I, Item 1A. "Risk Factors" of our 2025 Annual Report.

Overview

At Elutia, our mission is to humanize medicine so that patients can thrive without compromise. We develop proprietary drug-eluting biomatrix products for use in surgical reconstruction and related applications. These products are designed to improve the interaction between implanted medical devices and patients. Our focus is on addressing unmet medical needs and reducing complications associated with surgery, including infection, migration, erosion, implant rejection, and fibrosis. Our operations span research and development through the commercial distribution of biologic matrix products used in plastic and reconstructive surgery.

We have applied these capabilities to develop and commercialize products for specific surgical applications. As more fully described below, on October 1, 2025, we divested one such product family through the sale of substantially all of the assets related to our business of developing, commercializing, manufacturing, selling and marketing our cardiac implantable electronic device ("CIED") products, EluPro™ and CanGaroo®, to Boston Scientific Corporation ("BSC") and Cardiac Pacemakers Inc ("CPI") for an aggregate purchase price of up to \$88.0 million in cash. EluPro was the first antibiotic-eluting biologic matrix envelope for use with CIEDs. This transaction reflects the technical and commercial value of solutions developed using our biologic matrices and local drug delivery capabilities.

Following the sale of the CIED business, we are focused on advancing our drug-eluting biomatrix ("DEB") platform. This platform builds on our biologic matrix and local drug delivery capabilities to address complications that lead to poor outcomes in reconstructive procedures and surgical repair. EluPro demonstrated the commercial potential of combining a biologic scaffold with antibiotic drug delivery to reduce device-related complications. We believe the same foundational technology can be applied to reconstructive and soft tissue repair markets where biologic matrix products are widely used, but where outcomes remain suboptimal due to complications such as infection, inflammation, and fibrosis.

The clinical and economic need in the reconstructive and soft tissue repair markets is substantial, reflecting both the volume of reconstructive surgery and the persistence of high complication rates. For example, in implant-based breast reconstruction and complex abdominal wall repair, infection rates approximate 15% to 20%, leading to frequent reoperations and hospital readmissions. Each year, in the United States, there are approximately 168,000 post-mastectomy breast reconstruction procedures, and roughly one in three experiences a serious complication such as infection, capsular contracture, or implant loss. We believe biologic matrices represent an estimated \$1.5 billion U.S. market opportunity and account for more than 60% of reconstruction spending, yet meaningful innovation has been limited and significant unmet medical need remains.

Our lead development programs comprise NXT-41, a next-generation biologic matrix, and NXT-41x, which builds on the NXT-41 matrix by incorporating local antibiotic delivery. NXT-41 is an advanced biomatrix designed to provide consistent handling and incorporation while enabling scalable manufacturing. In NXT-41x, antibiotics are incorporated into the matrix and released locally over extended periods, offering broad-spectrum antimicrobial protection against common causes of post-surgical infection.

Elutia continues to market and sell its proprietary biologic matrix products, including its cardiovascular repair portfolio, comprising ProxiCor, VasCure, and Tyke, and SimpliDerm®, a human acellular dermal matrix ("hADM") used

in soft tissue reconstruction. The cardiovascular products reside in our Cardiovascular segment and SimpliDerm is the primary commercial product in our Women's Health segment. These products are sold directly to healthcare facilities through independent sales agents. See "Agreement to Divest SimpliDerm Business" below for a discussion regarding the pending disposition of our SimpliDerm Business.

SimpliDerm was historically processed at our former Richmond, California facility, which was included in the divestiture of the Orthobiologics Business in 2023. SimpliDerm is now supplied to Elutia through a long-term supply agreement with Berkeley, the acquiror of our Orthobiologics Business. The porcine SIS-ECM for our Cardiovascular products is supplied by Cook Biotech Incorporated ("Cook"), now owned by Evergen, through a long-term supply agreement. Both Berkeley and Cook are currently our sole sources of supply within the respective product offerings, and we cannot guarantee that an interruption in supply will not occur.

In March 2025, we signed a lease for 26,598 square feet of production, laboratory and administrative space in Gaithersburg, Maryland, which now serves as our headquarters and primary operations site. This facility supports administrative functions as well as the development of NXT-41 and NXT-41x and, subject to obtaining the necessary FDA marketing authorizations, is expected to support the commercial production of NXT-41x, to the extent marketing authorization is obtained.

Agreement to Divest SimpliDerm Business

On July 16, 2026, we entered into an Asset Purchase Agreement (the "SimpliDerm APA") with Cellution Biologics Inc. ("Cellution"). Subject to the terms and conditions of the SimpliDerm APA, at the closing of the transactions contemplated by the SimpliDerm APA, Cellution will purchase from us substantially all of the assets related to our 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 (the "SimpliDerm Business"). The assets of the SimpliDerm Business constitute substantially all of the assets currently held in our Women's Health segment. Cellution is only assuming certain liabilities related to performance of the contracts transferred in the SimpliDerm APA. Subject to the satisfaction or waiver of the conditions to closing, we expect the closing of the transaction to occur in the third quarter of 2026. Following the sale of the SimpliDerm Business, we intend to remain focused on advancing our DEB platform.

The SimpliDerm APA provides for aggregate consideration payable to us of up to \$11 million, consisting of: (i) a base purchase price of \$8 million in cash, payable at closing of the transaction, subject to adjustment for any inventory shortfall; (ii) a contingent payment of up to \$2 million, payable upon completion of certain technology transfer and manufacturing transition milestones within an 18-month period following the closing of the transaction, subject to reduction for sales shortfalls against monthly SimpliDerm sales targets during such transition period; and (iii) contingent payments of up to \$1 million, in the aggregate, in the form of earn-out payments, payable for any four of the first five quarters following the closing of the transaction in which SimpliDerm sales exceed a specified quarterly revenue target.

New Loan Agreement

On August 11, 2026 (the "Loan Agreement Closing Date"), the Company entered into a loan and security agreement, and supplement to loan and security agreement (collectively, the "Loan Agreement"), with Avenue Venture Opportunities Fund II, L.P., as administrative agent and collateral agent for the lenders (in such capacities, the "Loan Agent") and as lender ("Avenue 2"), and Avenue Growth Lending Fund III, L.P., as a lender ("Avenue 3"; together with Avenue 2, the "Lenders"), which provides for a senior secured term loan facility of up to \$15 million in the aggregate that matures on March 1, 2030, consisting of (i) an initial term loan of \$10 million (the "First Tranche Term Loan"), which was fully funded on the Loan Agreement Closing Date, and (ii) a \$5 million delayed draw term loan (the "Second Tranche Term Loan"), which will be made available between May 1, 2027 and September 30, 2027, subject to the satisfaction of certain regulatory approvals and liquidity conditions (the "Second Tranche Term Loan", which together with the First Tranche Term Loan, the "Term Loans"). See Note 13 to the condensed consolidated financial statements for further discussion of the new Loan Agreement and the 2026 Warrants issued to the lenders in connection with the new Loan Agreement.

Discontinued Operations - Sale of CIED Businesses

On September 8, 2025, we executed an Asset Purchase Agreement (the “CIED APA”) with Boston Scientific Corporation (“BSC”) and Cardiac Pacemakers Inc. (collectively with BSC, the “CIED Buyers”). On October 1, 2025, at the closing of the transactions contemplated by the CIED APA, the CIED Buyers purchased from Elutia substantially all of the assets related to its business of researching, developing, administering, operating, commercializing, manufacturing, selling and marketing CIED products, including the CanGaroo®, CanGaroo® RM, EluPro™ and CIED envelope products, including next generation CIED envelope products (collectively the “CIED Business”).

The CIED APA provided for an aggregate purchase price, subject to certain adjustments pursuant to the terms of the CIED APA, of up to \$88 million in cash, with \$80.4 million (which included an inventory adjustment of \$0.4 million) that was paid in cash to Elutia at the closing of the transactions, and \$8.0 million that was deposited at the closing of the transactions in escrow for a period of twelve months, which is subject to potential reduction in the event of certain post-closing breaches of representations and warranties within the CIED APA by Elutia. The assets of the CIED Business constituted substantially all of the assets previously held in Elutia’s Device Protection segment. The CIED Buyers only assumed certain liabilities related to performance of the contracts transferred in the CIED APA.

As described in Note 2 to the condensed consolidated financial statements, the sale of the CIED Business was accounted for as Discontinued Operations for all periods presented in accordance with Accounting Standards Codification (“ASC”) 205-20, *Discontinued Operations*. Consequently, the results of operations from the CIED Business are reported as discontinued operations in the condensed consolidated statements of operations for the three and six months ended June 30, 2025.

Prior to the divestiture, we marketed EluPro and CanGaroo in the United States through our direct sales force, supported by a commercial partner, BSC. As part of the divestiture, the sales organization supporting the CIED business transferred to the CIED Buyers.

Payoff and Termination of SWK Loan Facility

On October 1, 2025, in connection with and through the proceeds of the sale of the Company’s CIED Business described in Note 2 to the consolidated financial statements, we fully repaid the SWK Loan Facility as required by the terms of the credit agreement. As of such date, the outstanding principal, including the accrued exit fee, and accrued interest totaled approximately \$26.9 million. The total payment by the Company to SWK in full satisfaction of the debt and termination of the credit agreement was \$27.8 million.

Discontinued Operations - Sale of Orthobiologics Businesses

On November 8, 2023, we completed the sale of substantially all of the assets relating to our former Orthobiologics Business to Berkeley. The Orthobiologics Business was comprised of assets relating to researching, developing, administering, insuring, operating, commercializing, manufacturing, selling and marketing our Orthobiologics products, and the business of contract manufacturing of particulate bone, precision milled bone, cellular bone matrix, acellular dermis, soft tissue and other products. The assets sold represented the entirety of our Orthobiologics segment. We received approximately \$14.6 million, and we may earn up to an additional \$20.0 million, in the aggregate, in the form of earn-out payments. The earn-out payments are equal to 10% of the actual revenue earned by Berkeley in each of the five years after the closing of the sale from sales of specified Orthobiologics products under the purchase agreement (including improvements, modifications, derivatives and enhancements related to those products). There have been no earn-out payments made to date. Pursuant to the purchase agreement, we retained the liabilities arising out of the viable bone matrix (“VBM”) and FiberCel recall matters, as described in Note 10 to the condensed consolidated financial statements, both of which products were part of the Orthobiologics Business. We recognized a gain of \$6.0 million on the sale of the Orthobiologics Business in 2023 and an additional gain of \$0.2 million in the second quarter of 2024 from an adjustment payment related to the final working capital received by Berkeley at the sale date. Additionally, the purchase agreement provided for a customary indemnity holdback in the amount of \$1.5 million to be retained by Berkeley for 24 months after closing of the transaction. In March 2026, the indemnity holdback was resolved with Berkeley remitting \$0.4

million to Elutia. Such amount was recognized as additional gain in the first quarter of 2026. Should we receive incremental proceeds in the future through an earn-out payment, an additional gain will be recorded upon the receipt of such amounts.

Components of Our Results of Operations

Net Sales

We recognize revenue from the sale of our products. Our Women's Health products are sold directly to hospitals and other healthcare facilities through independent sales agents, and until its termination in October 2025, through our distribution agreement with Tiger. From April 2023 through April 2025, our Cardiovascular products were sold through a distribution agreement with LeMaitre Vascular. In April 2025, this agreement with LeMaitre Vascular terminated, and, in May 2025, we resumed selling these products directly to hospitals and other healthcare facilities through independent sales agents.

Expenses

In recent years, we have incurred significant costs in the operation of our business. We expect that our recurring operating costs will largely stabilize, or increase at modest rates, in the near future through the identification of efficiencies as we grow. We may, however, still experience more significant expense increases to the extent we expand our sales and marketing, product development and clinical and research activities. As a result, we will need to generate significant net sales in order to achieve profitability. Below is a breakdown of our main expense categories and the related expenses incurred in each category:

Cost of Goods Sold

Our cost of goods sold relates to the purchase costs of the SimpliDerm finished goods and the purchased raw materials and minor finished good conversion costs required for the Cardiovascular products. Cost of goods sold also includes the amortization of intangibles related to the Cardiovascular products generated from the CorMatrix Acquisition in 2017.

Sales and Marketing Expenses

Sales and marketing expenses are primarily related to the sales commissions of our SimpliDerm and Cardiovascular independent sales agents. Additionally, this expense category includes distribution and customer service costs as well as market research, trade show attendance, advertising and public relations related to our products.

General and Administrative Expenses

General and administrative ("G&A") expenses consist primarily of compensation, consulting, legal, human resources, information technology, accounting, insurance (including directors' and officers' liability premiums), SEC compliance, and general business expenses.

Research and Development Expenses

Research and development ("R&D") expenses consist primarily of salaries and fringe benefits, laboratory supplies, clinical studies and outside service costs. Over the last several years, our product development efforts have primarily related to activities associated with the development of EluPro, our initial DEB product offering, which gained FDA clearance in June 2024 and was sold in connection with the divestiture of the CIED Business in October 2025. Since then and in the future, our development efforts and associated internal and external costs are expected to focus on next-generation biologic scaffolds combined with local antibiotic delivery.

Litigation Costs, net

Litigation costs, net consist primarily of legal fees and the estimated and actual costs to resolve the outstanding FiberCel and VBM litigation cases offset by the estimated and actual amounts recoverable or recovered under insurance, indemnity and contribution agreements for such costs. Such expenses also include the FiberCel-related Medtronic litigation, which has been dismissed pursuant to the terms of a settlement agreement reached in June 2026. See Note 10 to the condensed consolidated financial statements for further discussion of all litigation proceedings.

Results of Operations

Comparison of the Three Months Ended June 30, 2026 and 2025

(in thousands, except percentages)	Three Months Ended June 30,				Change 2025 / 2026	
	2026		2025		\$	%
	Amount	% of Net Sales	Amount	% of Net Sales		
Net sales	\$ 2,427	100.0 %	\$ 2,747	100.0 %	\$ (320)	(11.6)%
Cost of goods sold	980	40.4 %	1,294	47.1 %	(314)	(24.3)%
Gross profit	1,447	59.6 %	1,453	52.9 %	(6)	(0.4)%
Sales and marketing	1,366	56.3 %	1,273	46.3 %	93	7.3 %
General and administrative	3,454	142.3 %	3,552	129.3 %	(98)	(2.8)%
Research and development	2,527	104.1 %	989	36.0 %	1,538	155.5 %
Litigation costs, net	2,057	84.8 %	4,004	145.8 %	(1,947)	(48.6)%
Total operating expenses	9,404	387.5 %	9,818	357.4 %	(414)	(4.2)%
Loss from operations	(7,957)	(327.9)%	(8,365)	(304.5)%	408	(4.9)%
Interest income, net	(35)	(1.4)%	(491)	(17.9)%	456	(92.9)%
Gain on revaluation of warrant liability	(226)	(9.3)%	(2,233)	(81.3)%	2,007	NM
Other (income) expense, net	(58)	(2.4)%	1,442	52.5 %	(1,500)	NM
Loss before provision for income taxes	(7,638)	(314.7)%	(7,083)	(257.8)%	(555)	7.8 %
Income tax expense	8	0.3 %	8	0.3 %	—	— %
Net income (loss) from continuing operations	(7,646)	(315.0)%	(7,091)	(258.1)%	(555)	7.8 %
Loss from discontinued operations	—	— %	(2,519)	(91.7)%	2,519	(100.0)%
Net loss	\$ (7,646)	(315.0)%	\$ (9,610)	(349.8)%	\$ 1,964	20.4 %

NM = not meaningful

Net Sales

Net sales information for our products is summarized as follows:

(in thousands, except percentages)	Three Months Ended June 30,				Change 2025 / 2026	
	2026		2025		\$	%
	Amount	% of Net Sales	Amount	% of Net Sales		
Products:						
Women's Health	1,283	52.9 %	2,011	73.2 %	(728)	(36.2)%
Cardiovascular	1,144	47.1 %	736	26.8 %	\$ 408	55.4 %
Total Net Sales	\$ 2,427	100.0 %	\$ 2,747	100.0 %	\$ (320)	(11.6)%

Total net sales were \$2.4 million in the three months ended June 30, 2026, a decrease of \$0.3 million compared to \$2.7 million in the three months ended June 30, 2025. The decrease was due to lower sales of Women's Health compared to the three months ended June 30, 2025, partially offset by growth in Cardiovascular. With respect to Cardiovascular, our former exclusive distribution agreement with LeMaitre Vascular terminated in April 2025, and we resumed selling these products directly through independent sales agents in May 2025. The sales increases in the three months ended June 30, 2026 were generated by both volume growth and higher unit prices as such sales are now at end-user pricing versus contracted prices (which are lower than end-user pricing). The decrease in Women's Health was caused by a disruption in product supply from our contract manufacturer as well as our termination of the Tiger distribution agreement as noted above. Sales of SimpliDerm generated by Tiger totaled \$0.5 million in the three months ended June 30, 2025.

Cost of Goods Sold

Cost of goods sold and gross margin percentage information for our products is summarized as follows:

(in thousands, except percentages)	Three Months Ended June 30,					
	2026		2025		Change 2025 / 2026	
	Amount	Gross Margin %	Amount	Gross Margin %	\$	%
Products:						
Women's Health	538	58.1 %	895	55.5 %	(357)	(39.9)%
Cardiovascular	172	85.0 %	129	82.5 %	43	33.3 %
Cost of goods sold, excluding intangible asset amortization	710	70.7 %	1,024	62.7 %	(314)	(30.7)%
Intangible asset amortization expense	270	(11.1)%	270	(9.8)%	—	— %
Total Cost of Goods Sold	\$ 980	59.6 %	\$ 1,294	52.9 %	\$ (314)	(24.3)%

Total cost of goods sold decreased by \$0.3 million to \$1.0 million for the three months ended June 30, 2026, compared with \$1.3 million for the three months ended June 30, 2025. Gross margin increased to 59.6% for the three months ended June 30, 2026, from 52.9% for the three months ended June 30, 2025. Excluding intangible asset amortization, gross margin increased to 70.7% from 62.7% during the respective periods. The improvement between years was due to both Women's Health and Cardiovascular, for which, in mid to late 2025, we resumed selling these products only directly to hospitals and other healthcare facilities through our independent sales agents where end user pricing (versus contracted prices with distributors) yields higher margins.

Operating Expenses

Sales and Marketing

Sales and marketing expenses increased \$0.1 million, or 7.3%, to \$1.4 million in the three months ended June 30, 2026 compared to \$1.3 million in the three months ended June 30, 2025. As a percentage of sales, sales and marketing expenses increased to 56.3% in the three months ended June 30, 2026 from 46.3% in the three months ended June 30, 2025. The increase was largely attributable to sales commission expense growth commensurate with the resumption in the direct selling of our Cardiovascular products as well as the entirety of SimpliDerm sales occurring through our commissioned independent sales agents in 2026.

General and Administrative

G&A expenses decreased \$0.1 million, or 2.8%, to \$3.5 million in the three months ended June 30, 2026 compared to \$3.6 million in the three months ended June 30, 2025. The decrease in expense was primarily driven by slightly lower legal fees compared to the prior year.

Research and Development

R&D expenses increased \$1.5 million, or 155.5% to \$2.5 million in the three months ended June 30, 2026 compared to \$1.0 million in the three months ended June 30, 2025. The increase in expense reflects our heightened development activity in the 2026 period as we aggressively pursue the development of NXT-41 and NXT-41x, our next-generation biologic matrices, which in the case of NXT-41x, is combined with local antibiotic delivery.

Litigation Costs, net

Litigation costs, net decreased to \$2.1 million in the three months ended June 30, 2026 compared to \$4.0 million in the three months ended June 30, 2025. The decrease in expense was primarily due to significant reductions in our FiberCel activities and related contingent liability fluctuations with nearly all cases having been settled as of June 30,

2026. As of June 30, 2026, insurance remains available to cover the cost of the VBM Litigation and related defense costs; however, we have no more insurance to cover the cost of the FiberCel Litigation and the related defense costs. See further discussion in Note 10 to the condensed consolidated financial statements.

Interest Income, net

Interest income, net was less than \$0.1 million in the three months ended June 30, 2026 and \$0.5 million in the three months ended June 30, 2025. The decrease was primarily due to the error correction related to the January 2024 Ligand amendment described in Note 8 to the condensed consolidated financial statements.

Comparison of the Six Months Ended June 30, 2026 and 2025

	Six Months Ended June 30,				Change 2025 / 2026	
	2026		2025			
(in thousands, except percentages)	Amount	% of Net Sales	Amount	% of Net Sales	\$	%
Net sales	\$ 5,541	100.0 %	\$ 5,698	100.0 %	\$ (157)	(2.8)%
Cost of goods sold	2,292	41.4 %	2,863	50.2 %	(571)	(19.9)%
Gross profit	3,249	58.6 %	2,835	49.8 %	414	14.6 %
Sales and marketing	2,846	51.4 %	2,268	39.8 %	578	25.5 %
General and administrative	7,545	136.2 %	7,273	127.6 %	272	3.7 %
Research and development	4,500	81.2 %	1,860	32.6 %	2,640	141.9 %
Litigation costs, net	2,663	48.1 %	6,576	115.4 %	(3,913)	(59.5)%
Total operating expenses	17,554	316.8 %	17,977	315.5 %	(423)	(2.4)%
Loss from operations	(14,305)	(258.2)%	(15,142)	(265.7)%	837	5.5 %
Interest income, net	(143)	(2.6)%	(307)	(5.4)%	164	(53.4)%
(Gain) loss on revaluation of warrant liability	1,429	25.8 %	(7,420)	(130.2)%	8,849	NM
Other (income) expense, net	(129)	(2.3)%	1,547	27.1 %	(1,676)	NM
Loss before provision of income taxes	(15,462)	(279.0)%	(8,962)	(157.3)%	(6,500)	72.5 %
Income tax expense	78	1.4 %	16	0.3 %	62	387.5 %
Net loss from continuing operations	(15,540)	(280.5)%	(8,978)	(157.6)%	(6,562)	(73.1)%
(Income) loss from discontinued operations	425	7.7 %	(4,565)	(80.1)%	4,990	(109.3)%
Net loss	\$ (15,115)	(272.8)%	\$ (13,543)	(237.7)%	\$ (1,572)	(11.6)%

NM = not meaningful

Net Sales

Net sales information for our products is summarized as follows:

(in thousands, except percentages)	Six Months Ended June 30,				Change 2025 / 2026	
	2026		2025			
	Amount	% of Net Sales	Amount	% of Net Sales	\$	%
Products:						
Women's health	3,372	60.9 %	4,636	81.4 %	(1,264)	(27.3)%
Cardiovascular	2,169	39.1 %	1,062	18.6 %	\$ 1,107	104.2 %
Total Net Sales	\$ 5,541	100.0 %	\$ 5,698	100.0 %	\$ (157)	(2.8)%

Total net sales were \$5.5 million for the six months ended June 30, 2026, a decrease of \$0.2 million, or 2.8%, compared with \$5.7 million for the six months ended June 30, 2025. The decrease was attributable to lower Women's

Health sales resulting from a disruption in product supply from our contract manufacturer as well as the termination of the Tiger distribution agreement, partially offset by growth in Cardiovascular sales, as discussed above.

Cost of Goods Sold

Cost of goods sold and gross margin percentage information for our products is summarized as follows:

(in thousands, except percentages)	Six Months Ended June 30,					
	2026		2025		Change 2025 / 2026	
	Amount	Gross Margin %	Amount	Gross Margin %	\$	%
Products:						
Women's health	1,428	57.7 %	2,068	55.4 %	(640)	(30.9)%
Cardiovascular	324	85.1 %	253	76.2 %	71	28.1 %
Cost of goods sold, excluding intangible asset amortization	1,752	68.4 %	2,321	59.3 %	(569)	(24.5)%
Intangible asset amortization expense	540	(9.7)%	542	(9.5)%	(2)	(0.4)%
Total Cost of Goods Sold	\$ 2,292	58.6 %	\$ 2,863	49.8 %	\$ (571)	(19.9)%

Total cost of goods sold decreased \$0.6 million to \$2.3 million in the six months ended June 30, 2026 compared to \$2.9 million in the six months ended June 30, 2025. Gross margin was 58.6% in the six months ended June 30, 2026 compared to 49.8% in the six months ended June 30, 2025. Gross margin, excluding intangible asset amortization, was 68.4% in the six months ended June 30, 2026 compared to 59.3% in the six months ended June 30, 2025. The improvement between years was due to both Women's Health and Cardiovascular, for which, in mid to late 2025, we resumed selling these products only directly to hospitals and other healthcare facilities through our independent sales agents where end user pricing (versus contracted prices with distributors) yields higher margins.

Operating Expenses

Sales and Marketing

Sales and marketing expenses increased \$0.6 million, or 25.5%, to \$2.8 million in the six months ended June 30, 2026 compared to \$2.3 million in the six months ended June 30, 2025. As a percentage of sales, sales and marketing expenses increased to 51.4% in the six months ended June 30, 2026 from 39.8% in the six months ended June 30, 2025. The increase was largely attributable to sales commission expense growth commensurate with the resumption in the direct selling of our Cardiovascular products as well as the entirety of SimpliDerm sales occurring through our commissioned independent sales agents in 2026.

General and Administrative

G&A expenses increased \$0.3 million, or 3.7%, to \$7.5 million in the six months ended June 30, 2026 compared to \$7.3 million in the six months ended June 30, 2025. The increase in expense was primarily driven by the incremental facility costs associated with our Gaithersburg headquarters to which we moved in May 2025.

Research and Development

R&D expenses increased \$2.6 million, or 141.9% to \$4.5 million in the six months ended June 30, 2026 compared to \$1.9 million in the six months ended June 30, 2025. The increase in expense reflects our heightened development activity in the 2026 period as we aggressively pursue the development of NXT-41 and NXT-41x, our next-generation biologic scaffolds combined with local antibiotic delivery.

Litigation Costs, net

Litigation costs, net decreased to \$2.7 million in the six months ended June 30, 2026 compared to \$6.6 million in the six months ended June 30, 2025. The decrease in expense was primarily due to significant reductions in our FiberCel activities and related contingent liability fluctuations with nearly all cases having been settled as of June 30, 2026. As of June 30, 2026, insurance remains available to cover the cost of the VBM Litigation and related defense costs; however, we have no more insurance to cover the cost of the FiberCel Litigation and the related defense costs. See further discussion in Note 10 to the condensed consolidated financial statements.

Interest Income, net

Interest income, net was interest income of \$0.1 million in the six months ended June 30, 2026 and interest income, net of \$0.3 million in the six months ended June 30, 2025. The decrease was primarily due to the error correction related to the January 2024 Ligand amendment described in Note 8 to the condensed consolidated financial statements.

Non-GAAP Financial Measures

This Quarterly Report presents our gross margin, excluding intangible asset amortization, for the three and six months ended June 30, 2026 and 2025. We calculate gross margin, excluding intangible asset amortization, as gross profit, excluding amortization expense relating to intangible assets we acquired in the CorMatrix Acquisition, divided by net sales. Gross margin, excluding intangible asset amortization, is a supplemental measure of our performance, is not defined by or presented in accordance with U.S. generally accepted accounting principles (“GAAP”), has limitations as an analytical tool and should not be considered in isolation or as an alternative to our GAAP gross margin, gross profit or any other financial performance measure presented in accordance with GAAP. We present gross margin, excluding intangible asset amortization, because we believe that it provides meaningful supplemental information regarding our operating performance by removing the impact of amortization expense, which is not indicative of our overall operating performance. We believe this provides our management and investors with useful information to facilitate period-to-period comparisons of our operating results. Our management uses this metric and the results of the segments in assessing the health of our business and our operating performance, and we believe investors’ understanding of our operating performance is similarly enhanced by our presentation of this metric.

Although we use gross margin, excluding intangible asset amortization, as described above, this metric has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies, including companies in our industry, may use other measures to evaluate their performance, which could reduce the usefulness of this non-GAAP financial measure as a tool for comparison.

The following table presents a reconciliation of our gross margin, excluding intangible asset amortization, for the three and six months ended June 30, 2026 and 2025, to the most directly comparable GAAP financial measure, which is our GAAP gross margin (in thousands).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net sales	\$ 2,427	\$ 2,747	\$ 5,541	\$ 5,698
Cost of goods sold	980	1,294	2,292	2,863
Gross profit	1,447	1,453	3,249	2,835
Intangible asset amortization expense	270	270	540	542
Gross profit, excluding intangible asset amortization	\$ 1,177	\$ 1,183	\$ 2,709	\$ 2,293
Gross margin	59.6 %	52.9 %	58.6 %	49.8 %
Gross margin, excluding intangible asset amortization	70.7 %	62.7 %	68.4 %	59.3 %

Seasonality

Historically, we have experienced seasonality in our first and fourth quarters, and we generally expect this trend to continue but may also see quarter-to-quarter fluctuations that are inconsistent with this trend. We have experienced and may in the future experience higher sales in the fourth quarter as a result of hospitals in the United States increasing their purchases of our products to coincide with the end of their budget cycles. Satisfaction of patient deductibles throughout the course of the year also results in increased sales later in the year, once patients have paid their annual insurance deductibles in full, which reduces their out-of-pocket costs. Conversely, our first quarter generally has lower sales than the preceding fourth quarter as patient deductibles are re-established with the new year, which increases their out-of-pocket costs.

Liquidity and Capital Resources

As of June 30, 2026, we had cash and cash equivalents of approximately \$19.9 million. Since inception, we have financed our operations primarily through amounts borrowed under our credit facilities, proceeds from our initial public offering (“IPO”), sales of our products and more recently, the sale of our Orthobiologics and CIED Businesses and proceeds from follow-on offerings and private placements of our common stock and warrants. Our historical cash outflows have primarily been associated with manufacturing and administrative costs, sales and marketing, research and development, clinical activity, purchase of property and equipment used in our production activities, litigation defense and settlement costs and investing in our commercial infrastructure. We expect to incur operating losses and negative cash flows from operations for the foreseeable future as we advance our development and commercialization of NXT-41 and NXT-41x. Because of the numerous risks and uncertainties associated with our development and commercialization efforts, we are unable to predict when we will become profitable, and we may never become profitable. Our inability to achieve and then maintain profitability would negatively affect our business, financial condition, results of operations and cash flows. The future viability of Elutia is dependent on our ability to generate cash flows from current or future product sales and/or raise additional capital to finance its operations. We may seek to raise capital through the issuance of common stock or debt such as the offerings described below and in Note 13 to the condensed consolidated financial statements or pursue asset sales or other transactions, such as the sale of the Orthobiologics and CIED Businesses and the pending sale of the SimpliDerm business described above. However, such transactions may not be successful, and we may not be able to raise additional equity, refinance our debt instruments, sell assets or obtain waivers or amendments to our obligations on acceptable terms, or at all.

On February 4, 2025, we sold, in a registered direct offering (“2025 Registered Offering”) an aggregate of (i) 5,520,000 shares of our Class A common stock and (ii) prefunded warrants (“2025 Prefunded Warrants”) to purchase up to an aggregate of 480,000 shares of Class A Common Stock. The public offering price for each share of Class A Common Stock was \$2.50, and the public offering price for each 2025 Prefunded Warrant was \$2.499, for aggregate gross proceeds of approximately \$15.0 million, before deducting offering expenses. The 2025 Prefunded Warrants have an exercise price of \$0.001 per share of Class A Common Stock, are exercisable immediately and will expire when exercised in full.

On June 16, 2024, we sold, in a registered direct offering (“2024 Registered Offering”) an aggregate of (i) 3,175,000 shares of our Class A common stock and (ii) prefunded warrants (“2024 Prefunded Warrants”) to purchase up to an aggregate of 725,000 shares of Class A Common Stock. The public offering price for each share of Class A Common Stock was \$3.40, and the public offering price for each 2024 Prefunded Warrant was \$3.399, for aggregate gross proceeds of approximately \$13.3 million, before deducting offering expenses. The 2024 Prefunded Warrants have an exercise price of \$0.001 per share of Class A Common Stock, are exercisable immediately and will expire when exercised in full.

On September 21, 2023, we sold, in a private offering (“Private Offering”) an aggregate of (i) 6,852,811 units (“Common Units”), each comprised of (a) one share of our Class A common stock and (b) a warrant (“Common Warrant”) to purchase one and one half shares of Class A Common Stock, and (ii) 503,058 units (the “Prefunded Units”), each comprised of (a) a prefunded warrant (“2023 Prefunded Warrant”) to purchase one share of Class A Common Stock, and (b) a Common Warrant. The Common Units were sold at a purchase price of \$1.4275 per unit, and the 2023 Prefunded Units were sold at a purchase price of \$1.4265 per unit, for aggregate gross proceeds of approximately \$10.5 million, before deducting offering expenses. Each Common Warrant was exercisable until July 31, 2024, the date which was 30 trading days after the clearance by the FDA of EluPro, at an exercise price per share of \$1.4275. All Common Warrants

were exercised by such date yielding exercise proceeds of \$15.7 million in 2024. Certain of these exercises ultimately resulted in their conversion to 2023 Prefunded Warrants. Each 2023 Prefunded Warrant is exercisable at any time at a nominal exercise price per share of \$0.001 (with the remainder of the exercise price per share of Class A Common Stock having been prefunded to us).

On October 1, 2025, in connection with and through the proceeds of the sale of the Company's CIED Business described in Note 2 to the condensed consolidated financial statements, we fully repaid the SWK Loan Facility as required by the terms of the credit agreement. As of such date, the outstanding principal, including the accrued exit fee, and accrued interest totaled approximately \$26.9 million. The total payment by the Company to SWK in full satisfaction of the debt and termination of the credit agreement was \$27.8 million.

Cash Flows for the Six Months ended June 30, 2026 and 2025

	Six Months Ended June 30,	
	2026	2025
	(in thousands)	
Net cash provided by (used in):		
Operating activities	\$ (16,292)	\$ (17,109)
Investing activities	(125)	(392)
Financing activities	(37)	12,762
Net decrease in cash and cash equivalents	\$ (16,454)	\$ (4,739)

Cash Flows From Operating Activities

Net cash used in operating activities for the six months ended June 30, 2026 was \$16.3 million compared to \$17.1 million for the six months ended June 30, 2025. The decrease was primarily due to a lower operating loss in the current year.

Cash Flows From Investing Activities

Net cash used in investing activities for the six months ended June 30, 2026 was \$0.1 million compared to \$0.4 million for the six months ended June 30, 2025. The decrease was primarily due to proceeds received from the sale of our Orthobiologics Business during the first quarter of 2026.

Cash Flows From Financing Activities

Net cash used in financing activities for the six months ended June 30, 2026 was less than \$0.1 million compared to net cash provided by financing activities of \$12.7 million for the six months ended June 30, 2025. The prior year's cash generation was primarily through the 2025 Registered Offering.

Payoff and Termination of SWK Loan Facility

On August 10, 2022, we entered into a senior secured term loan facility with SWK Funding LLC ("SWK"), as agent, and other lenders party thereto (as amended and modified subsequent to August 10, 2022, the "SWK Loan Facility") for an aggregate principal amount of \$25 million. On October 1, 2025, in connection with and through the proceeds of the sale of the Company's CIED Business described in Note 2 to the condensed consolidated financial statements, Elutia fully repaid the SWK Loan Facility as required by the terms of the credit agreement. As of such date, the outstanding principal, including the accrued exit fee, and accrued interest totaled approximately \$26.9 million. The total payment by the Company to SWK in full satisfaction of the debt and termination of the credit agreement was \$27.8 million.

Ligand Revenue Interest Obligation

We are also a party to a royalty agreement with Ligand Pharmaceuticals Incorporated (“Ligand”) pursuant to which we have incurred a long-term obligation to Ligand (the “Revenue Interest Obligation”). The Revenue Interest Obligation, as amended in January 2024, requires us to pay Ligand 5.0% of future sales of our CanGaroo, ProxiCor, Tyke and VasCure products, and substantially similar products, such as EluPro, through May 31, 2027, subject to annual minimum payments of \$4.4 million.

Effective May 8, 2025, we entered into a subscription agreement and further amendment to the Revenue Interest Obligation with Ligand. Through the amendment, \$2.2 million in outstanding royalty obligations (royalty obligations for the fiscal quarters ended December 31, 2024 and March 31, 2025) owed by Elutia to Ligand under the Revenue Interest Obligation as amended were satisfied by the issuance of 1,105,528 shares of Elutia’s Class A common stock to Ligand in a transaction registered with the Securities and Exchange Commission.

On October 1, 2025, in connection with sale of the CIED Business described in Note 2, Ligand and the Company further amended the Amended Revenue Interest Obligation. Such amendment primarily consisted of a consent to the sale of the CIED Business and a release by Ligand of its security and royalty interest in the assets of the CIED Business including EluPro and CanGaroo.

Funding Requirements

As of June 30, 2026, we had cash and cash equivalents of approximately \$19.9 million. We expect to continue to incur significant expenses and operating losses for the foreseeable future as we further expand our product development and clinical and research activities. In addition, we expect to continue to incur significant costs and expenses associated with operating as a public company.

If our available cash balances and cash flow from operations are insufficient to satisfy our liquidity requirements, we may seek to raise additional capital through equity offerings, debt financings, substitution of cash payment obligations with equity or asset sale or other transactions. In the future, we may also seek to preserve existing capital by obtaining waivers, amendments or similar accommodations from our lenders and other obligees. However, such transactions may not be successful, and we may not be able to raise additional equity or debt, sell or license assets or obtain waivers or amendments on acceptable terms, or at all. We may also consider raising additional capital in the future to expand our business, pursue strategic investments or take advantage of financing opportunities. Our present and future funding requirements will depend on many factors, including, among other things:

- the cost of our research and development activities and the cost and timing of commercializing new products or technologies, including NXT-41 and NXT-41x;
- the costs of defending against, or the damages payable in connection with the FiberCel Litigation and VBM Litigation, associated litigation related to indemnity claims by other defendants to the FiberCel Litigation and any other ongoing or future litigation that we are or may be subject to (to the extent above the applicable insurance coverage);
- continued patient, physician and market acceptance of our products;
- the scope, rate of progress and cost of our current and future pre-clinical and clinical studies;
- the cost and timing of expanding our sales and marketing capabilities;
- the cost of filing and prosecuting patent applications and maintaining, defending and enforcing our patent or other intellectual property rights;
- the cost of defending, in litigation or otherwise, any claims that we infringe, misappropriate or otherwise violate third-party patents or other intellectual property rights;

- the cost and timing of additional regulatory approvals;
- costs associated with any product recall that may occur;
- the effect of competing technological and market developments;
- the expenses we incur in manufacturing and selling our products;
- the extent to which we acquire or invest in products, technologies and businesses in the future, although we may currently have no commitments or agreements relating to any of these types of transactions;
- the costs of operating as a public company; and
- unanticipated general, legal and administrative expenses.

In addition, our operating plans may change as a result of any number of factors, including those set forth above and other factors currently unknown to us, and we may need additional funds sooner than anticipated. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest may be materially diluted, and the terms of such securities could include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing, if available, may involve agreements that include restrictive covenants that limit our ability to take specific actions, such as incurring additional debt, making capital expenditures, creating liens, redeeming shares of our common stock and/or declaring dividends. If we raise funds through collaborations, licensing agreements or other strategic alliances, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates, or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings or other arrangements when needed, we may be required to delay the development or commercialization of our products, license to third parties the rights to commercialize products or technologies that we would otherwise seek to commercialize and reduce marketing, customer support or other resources devoted to our products or cease operations. See our 2025 Annual Report Part I, Item 1A. “Risk Factors — Risks Related to Our Business — *Our future capital needs are uncertain and we may need to raise funds in the future, and such funds may not be available on acceptable terms or at all.*”

Critical Accounting Policies and Estimates

The preparation of our unaudited condensed consolidated financial statements in accordance with GAAP requires us to make estimates and assumptions that affect reported amounts and related disclosures. We have discussed the policies and estimates that we believe are critical and require the use of complex judgment in their application in our 2025 Annual Report, and, during the six months ended June 30, 2026, there were no material changes to those previously disclosed.

Recent Accounting Pronouncements

See Note 3, “Recently Issued Accounting Standards,” to our condensed consolidated financial statements included elsewhere in this Quarterly Report for information regarding recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks in the ordinary course of our business, including risks relating to changes in interest rates, foreign currency and inflation. The following discussion provides additional information regarding these risks.

Interest Rate Risk

As a result of the repayment of our SWK Loan Facility on October 1, 2025 (see “Payoff and Termination of SWK Loan Facility” in Part II, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations), we were not subject to any material interest rate risk during the six months ended June 30, 2026, which was formerly our primary exposure to market risk.

Credit Risk

As of June 30, 2026, our cash and cash equivalents were maintained with two financial institutions in the United States. While our deposit accounts are insured up to the legal limit, the balances we maintain may, at times, exceed this insured limit. We believe these financial institutions have sufficient assets and liquidity to conduct their operations in the ordinary course of business with little or no credit risk to us.

Foreign Currency Risk

Our business is primarily conducted in U.S. dollars. Any transactions that may be conducted in foreign currencies are not expected to have a material effect on our financial condition, results of operations or cash flows. As we grow our operations, our exposure to foreign currency risk could become more significant.

Inflation Risk

Inflationary factors, such as increases in our cost of goods sold or other operating expenses, may adversely affect our operating results. While it is difficult to accurately measure the impact of inflation due to the imprecise nature of the estimates required, we do not believe inflation had a material effect on our financial condition or results of operations during the six months ended June 30, 2026 and 2025. We cannot assure you, however, that we will be able to increase the selling prices of our products or reduce our operating expenses in an amount sufficient to offset the effects future inflationary pressures may have on our gross margin. Accordingly, we cannot assure you that our financial condition and results of operations will not be materially impacted by inflation in the future.

Item 4. Controls and Procedures.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

The Company’s management has evaluated, with the participation of the Chief Executive Officer and the Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective as of June 30, 2026.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended June 30, 2026 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, we may be involved in claims and proceedings arising in the course of our business. The outcome of any such claims or proceedings, regardless of the merits, is inherently uncertain. For information about legal proceedings in which we are involved, see Note 10 to the condensed consolidated financial statements included elsewhere in this Quarterly Report.

Item 1A. Risk Factors.

Our business, financial condition and operating results can be affected by a number of factors, whether currently known or unknown, including but not limited to those described as risk factors, any one or more of which could, directly or indirectly, cause our actual operating results and financial condition to vary materially from past, or anticipated future, operating results and financial condition. For a discussion of these potential risks and uncertainties, see Part I, Item 1A. “Risk Factors” of our 2025 Annual Report. Any of these factors, in whole or in part, could materially and adversely affect our business, financial condition, operating results and the price of our common stock. Except as set forth below, there have been no material changes in our risk factors from those included in our 2025 Annual Report:

The sale of our SimpliDerm Business may not be completed within the expected timeframe, or at all, and the failure to complete the transaction could adversely affect our business, our financial condition and the market price of our stock.

On July 16, 2026, we entered into an Asset Purchase Agreement (the “SimpliDerm APA”) to sell our SimpliDerm Business to Cellution Biologics Inc. (the “Disposition”). The consummation of the Disposition is subject to closing conditions, including, among others, (i) the accuracy of representations and warranties set forth in the SimpliDerm APA (subject to customary materiality qualifiers), (ii) the absence of any Material Adverse Effect (as defined in the SimpliDerm APA) with respect to the SimpliDerm Business, (iii) material compliance with covenants set forth in the SimpliDerm APA, (iv) the execution and delivery of certain related ancillary documents, (v) no termination or material impairment of assumed or shared contracts, (vi) resolution of certain supply related matters, and (vii) certain other conditions set forth in the SimpliDerm APA. Subject to the satisfaction or waiver of the conditions to the closing of the Disposition, the Company expects the Disposition to occur in the third quarter of 2026. However, we cannot predict when or if these conditions will be satisfied. There can be no assurance that our business, our relationships or our financial condition will not be adversely affected, as compared to the condition prior to the announcement of the Disposition, if the Disposition is not consummated in a timely matter, or at all. If the Disposition is not completed, our directors, executive officers and other employees will have expended time and effort and experienced distractions from their work during the pendency of the Disposition and we will have incurred third-party transaction costs, in each case, without any commensurate benefit, which may have a material and adverse effect on our stock price, financial condition and results of operations.

Even if the Disposition is completed, the amount of net proceeds that we will receive from the Disposition will be subject to uncertainties.

The amount of net proceeds that we will receive from the Disposition is subject to uncertainties. The SimpliDerm APA provides for aggregate consideration payable to us of up to \$11 million, consisting of: (i) a base purchase price of \$8 million in cash, payable at closing of the transaction, subject to adjustment for any inventory shortfall; (ii) a contingent payment of up to \$2 million, payable upon completion of certain technology transfer and manufacturing transition milestones within an 18-month period following the closing of the transaction, subject to reduction for sales shortfalls against monthly SimpliDerm sales targets during such transition period (the “Milestone Payments”); and (iii) contingent payments of up to \$1 million, in the aggregate, in the form of earn-out payments, payable for any four of the first five quarters following the closing of the transaction in which SimpliDerm sales exceed a specified quarterly revenue target (the “Earn-Out Payments”). However, there can be no assurance that these technology transfer and manufacturing transition milestones will be achieved, or that these revenue targets will be met, on a timely basis. Accordingly, we may not receive a portion, or any of, the contingent Milestone Payments and/or contingent Earn-Out Payments following the Disposition. In addition, following the Disposition, if Cellution successfully asserts claims against us pursuant to the

SimpliDerm APA, the amount of net proceeds may be subject to further reduction. We may also have unforeseen liabilities and expenses that must be satisfied from the after-tax net proceeds of the Disposition. As a result, the amount of the net proceeds from the Disposition is subject to substantial uncertainty, and it is possible that the net proceeds from the Disposition will be materially less than we expect.

Even if the Disposition is completed, we may not realize some or all of the anticipated benefits of the sale of our SimpliDerm Business.

We may not be able to achieve the full strategic and financial benefits expected to result from the sale of our SimpliDerm Business, or such benefits may be delayed or not occur at all. Our ability to realize the anticipated benefits of the Disposition will depend significantly on our ability to successfully develop, commercialize and grow our drug-eluting biomatrix (“DEB”) platform. In addition, some of the anticipated benefits may not occur for a significant time period following the completion of the Disposition. If our strategy is not successful and does not achieve our expectations over the long term, our business, financial condition and results of operations may be adversely affected and the price of our stock could decline.

If the Disposition is completed, our future results of operations, which will be solely dependent on our ability to successfully develop, commercialize and grow our drug-eluting biomatrix platform and on the operations of our Cardiovascular segment, may differ materially from our previous results.

The SimpliDerm Business generated approximately 61% of our aggregate revenue for the first six months of 2026, and approximately 81% of our aggregate revenue for the first six months of 2025. Accordingly, our future financial results may differ from our previous results since our future financial results will be dependent solely (i) on our ability to successfully develop, commercialize and grow our drug-eluting biomatrix platform and (ii) on the existing operations of our Cardiovascular segment. In addition, as we have previously announced, we are also exploring the potential divestiture of our Cardiovascular product line.

As we have previously disclosed, following the sale of the CIED Business, we are focused on advancing our DEB platform. Our lead development programs in our DEB platform comprise NXT 41, a next-generation biologic matrix, and NXT-41x, which builds on the NXT-41 matrix by incorporating local antibiotic delivery. However, we have not yet received FDA clearance for either NXT-41 or NXT-41x. Moreover, there is no guarantee that the FDA approvals we may seek will be granted on a timely basis, or at all, or that other actions or approvals are not required. If we fail to successfully develop, commercialize, market and sell NXT-41x, the Company’s business and financial condition may be materially adversely affected.

We may not be able to maintain a listing of our Class A common stock on the Nasdaq Capital Market.

Because our Class A common stock is listed on the Nasdaq Capital Market, we must meet certain financial and liquidity criteria to maintain such listing. On August 6, 2026, we received a letter from the Listing Qualifications Department of The Nasdaq Stock Market LLC (“Nasdaq”), notifying us that, for the last 30 consecutive business days, the closing bid price for our Class A common stock, par value \$0.001 per share (the “Common Stock”), was below \$1.00 per share, which is the minimum closing bid price (the “Minimum Bid Price”) required for continued listing on The Nasdaq Capital Market pursuant to Nasdaq Listing Rule 5550(a)(2) (the “Notice”). We were provided a compliance period of 180 calendar days from the date of the Notice, or until February 2, 2027 (the “Compliance Period”), to regain compliance with the Minimum Bid Price requirement. As of the date of this filing, we have not had a closing bid price over \$1.00 and there can be no assurance that we will regain compliance with the Minimum Bid Price requirement prior to the end of the Compliance Period or that we will otherwise maintain compliance with any of the other Nasdaq listing requirements.

If we do not regain compliance during the Compliance Period, we may be eligible for an additional 180-calendar day period to regain compliance with the Minimum Bid Price, provided that we meet the applicable market value of publicly held shares requirement for continued listing and all other applicable standards for initial listing on The Nasdaq Capital Market (except the Minimum Bid Price requirement), and notify Nasdaq of our intent to cure the deficiency by effecting a reverse stock split of our Common Stock, if necessary. If Nasdaq determines that we are not eligible for an

additional 180 calendar days compliance period or we will not be able to cure the deficiency with the Minimum Bid Price requirement within the allotted compliance period, the Common Stock will be subject to delisting.

We will continue to actively monitor the closing bid price of our Common Stock and will evaluate available options, including, without limitation, seeking to effect a reverse stock split, in order to resolve the deficiency and regain compliance with the Minimum Bid Price requirement. However, if we fail to regain compliance with the Minimum Bid Price requirement, or otherwise violate or fail to meet any Nasdaq listing requirements, our Common Stock may be delisted. A delisting of our Common Stock from Nasdaq may materially impair our stockholders' ability to buy and sell our Common Stock and could have an adverse effect on the market price of, and the efficiency of the trading market for, our Common Stock. In the event our Common Stock is delisted from Nasdaq, the delisting of our Common Stock could significantly impair our ability to raise capital and stockholder value.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Securities Trading Plans of Directors and Executive Officers

During the three months ended June 30, 2026, none of our directors or officers (as defined in Rule 16a-1 under the Exchange Act) adopted or terminated any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K).

New Loan Agreement and 2026 Warrants

On August 11, 2026 (the "Loan Agreement Closing Date"), the Company entered into a loan and security agreement, and supplement to loan and security agreement (collectively, the "Loan Agreement"), with Avenue Venture Opportunities Fund II, L.P., as administrative agent and collateral agent for the lenders (in such capacities, the "Loan Agent") and as lender ("Avenue 2"), and Avenue Growth Lending Fund III, L.P., as a lender ("Avenue 3"; together with Avenue 2, the "Lenders"), which provides for a senior secured term loan facility of up to \$15 million in the aggregate that matures on March 1, 2030, consisting of (i) an initial term loan of \$10 million (the "First Tranche Term Loan"), which was fully funded on the Loan Agreement Closing Date, and (ii) a \$5 million delayed draw term loan (the "Second Tranche Term Loan"), which will be made available between May 1, 2027 and September 30, 2027, subject to the satisfaction of certain regulatory approvals and liquidity conditions (the "Second Tranche Term Loan", which together with the First Tranche Term Loan, the "Term Loans").

The Company's obligations under the Loan Agreement are secured by substantially all of its assets. The Term Loans bear interest at the greater of (i) 12.25% and (ii) the sum of the Wall Street Journal Prime Rate (as defined in the Loan Agreement) plus 5.50%. Interest-only payments on the principal amount outstanding are due monthly beginning with the month the loan is disbursed. Beginning on either (i) February 11, 2028, or (ii) if the Second Tranche Term Loan has been drawn, August 11, 2028, the Company will also be required to repay in equal monthly installments (the "Amortization Payments") the outstanding principal amount of the Term Loans.

If any portion of the Loan Agreement is prepaid prior to the maturity date (other than the Amortization Payments), then the Company will pay a prepayment premium with respect to such portion of the Term Loans being prepaid equal to (i) during the first year after the Loan Agreement Closing Date, 3.0% of the principal amount of such portion; (ii) during the second year after the Loan Agreement Closing Date, 2.0% of the principal amount of such portion; and (iii) thereafter but prior to the maturity date, 1.0% of the principal amount of such portion. In addition, the Company will pay certain other fees with respect to the Loan Agreement, including an upfront fee and a final payment fee equal to 4% of Term Loans funded.

The Loan Agreement contains customary affirmative covenants for transactions of this type, including, among others, the provision of financial and other information to the Loan Agent, notice to the Loan Agent upon the occurrence of certain material events, compliance with applicable laws and certain liquidity requirements. The Loan Agreement also contains customary negative covenants, including certain restrictions on the ability to merge and consolidate with other companies, incur indebtedness, pay dividends, redeem the Company's capital stock and grant liens or security interests on assets. The Loan Agreement includes certain customary events of default. If a default occurs and is continuing, the Company may be required to repay all amounts outstanding under the Loan Agreement. The Company may use the proceeds of borrowings under the Loan Agreement as working capital and to fund its general business requirements.

The Loan Agreement also provides that the Lenders may elect to convert up to \$2.5 million of the principal amount of the Term Loans outstanding thereunder into shares of the Company's common stock ("Common Stock") at a price per share equal to 120% of the Warrant Price (as defined below).

In addition, the Loan Agreement provides that the Lenders have the right, in their discretion, to invest up to \$1.0 million in equity securities on the same terms, conditions and pricing offered by the Company to any investor in connection with an equity securities offering that occurs after the Loan Agreement Closing Date. The Lenders' co-invest right terminates upon the repayment in full of all obligations owing under the Loan Agreements and is subject to certain qualifications and limitations as more fully set forth in the Loan Agreement.

In connection with the Loan Agreement, the Company agreed to issue to the Lenders warrants (the "2026 Warrants") exercisable for 1,395,348 shares of Common Stock, subject to possible adjustment in the event of a dilutive financing between the date of issuance and December 31, 2026. The exercise price of the 2026 Warrants will be the lower of (i) \$0.86 and (ii) the lowest effective sale price per share paid in cash by third party investors to the Company for its Common Stock in any bona fide offering of Common Stock (or instruments exercisable for, or convertible into, shares of Common Stock) consummated at any time until (but excluding) December 31, 2026, subject to certain exceptions, in each case as adjusted from time to time in accordance with the terms of the 2026 Warrants (the "Warrant Price"). The 2026 Warrants became exercisable on the date of issuance and will expire on August 31, 2031. A holder of the 2026 Warrants will not have the right to exercise any portion of the 2026 Warrants if the holder, together with its affiliates and certain related parties, would beneficially own in excess of 4.99% (or, at the election of the holder, with the Company's consent, up to 9.99%) of the number of shares of Common Stock outstanding immediately after giving effect to such exercise.

The foregoing description of the Loan Agreement and the 2026 Warrants does not purport to be complete and is qualified in its entirety by reference to the full text of the Loan Agreement, copies of which are filed as Exhibits 10.47 and 10.48 to this Quarterly Report on Form 10-Q, and incorporated herein by reference, and the full text of the 2026 Warrants, copies of which are filed as Exhibits 4.10 and 4.11 to this Quarterly Report on Form 10-Q, and incorporated herein by reference.

Item 6. Exhibits.

Exhibit Number	Description	Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
2.1	Asset Purchase Agreement, dated September 17, 2023, by and among Elutia Inc., Berkeley Biologics, LLC, and GNI Group, Ltd. (solely with respect to Section 11.18)	8-K	001-39577	10.1	9/19/2023	

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3.1a	Restated Certificate of Incorporation of Elutia Inc.	8-K	001-39577	3.1	10/13/2020	
3.1b	Certificate of Amendment to the Restated Certificate of Incorporation of Elutia Inc.	8-K	001-39577	3.1	09/07/2023	
3.2	Amended and Restated Bylaws of Elutia Inc.	8-K	001-39577	3.2	10/13/2020	
4.1	Second Amended and Restated Investor Rights Agreement, dated as of September 14, 2020, among the Registrant and the investors named therein	S-1	333-248788	4.1	09/14/2020	
4.2	Specimen stock certificate evidencing the shares of Class A common stock	S-1	333-248788	4.2	09/14/2020	
4.3	Specimen stock certificate evidencing the shares of Class B common stock	S-1/A	333-248788	4.3	09/30/2020	
4.4	Warrant to Purchase Stock, issued on August 10, 2022, by Elutia Inc. to SWK Funding LLC	8-K	001-39577	4.1	8/15/2022	
4.5	Form of Common Warrant	8-K	001-39577	4.1	9/21/2023	
4.6	2023 Form of Prefunded Warrant	8-K	001-39577	4.2	9/21/2023	
4.7	Registration Rights Agreement, dated September 21, 2023, by and among Elutia Inc. and the Investors named therein	8-K	001-39577	10.2	9/21/2023	
4.8	2024 Form of Prefunded Warrant	8-K	001-39577	4.1	6/18/2024	
4.9	2025 Form of Prefunded Warrant	8-K	001-39577	4.1	2/4/2025	
4.10	Warrant to Purchase Shares of Stock of Elutia Inc., issued on August 11, 2026, by Elutia Inc. to Avenue Growth Lending Fund III, L.P.					*
4.11	Warrant to Purchase Shares of Stock of Elutia Inc., issued on August 11, 2026, by Elutia Inc. to Avenue Venture Opportunities Fund II, L.P.					*
10.45	First Amendment to Elutia Inc. Amended and Restated 2020 Incentive Award Plan	Proxy Statement	001-39577	Annex A	4/22/2026	
10.46	Asset Purchase Agreement, dated July 16, 2026, by and between Cellution Biologics Inc. and Elutia Inc. #†	8-K	001-39577	10.1	7/20/2026	
10.47	Loan and Security Agreement, dated August 11, 2026, by and among Elutia Inc., Elutia Med LLC, Avenue Venture Opportunities Fund II, L.P. and Avenue Growth Lending Fund III, L.P. #†					*
10.48	Supplement to Loan and Security Agreement, dated August 11, 2026, by and between Elutia Inc., Elutia Med LLC, Avenue Venture Opportunities Fund II, L.P. and Avenue Growth Lending Fund III, L.P. #†					*

31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	*
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	*
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	**
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	**
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.	*
101.SCH	Inline XBRL Taxonomy Extension Schema Document	*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	*

* Filed herewith.

** Furnished herewith.

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 thereunto duly authorized.

ELUTIA INC.

Date: August 14, 2026

By: /s/ C. Randal Mills, Ph.D.
C. Randal Mills, Ph.D.
President and Chief Executive Officer
(principal executive officer)

Date: August 14, 2026

By: /s/ Matthew Ferguson
Matthew Ferguson
Chief Financial Officer
(principal financial officer and principal accounting officer)

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE AND DISTRIBUTION THEREOF, AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF (A) SUCH REGISTRATION, (B) AN OPINION OF COUNSEL IN A FORM REASONABLY ACCEPTABLE TO COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED DUE TO AN EXEMPTION THEREFROM UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR (C) ELUTIA INC. OTHERWISE SATISFIES ITSELF THAT SUCH TRANSACTION IS COMPLIANT WITH SUCH LAWS.

Date of Issuance: August 11, 2026

WARRANT TO PURCHASE

SHARES OF STOCK OF

ELUTIA INC.

(Void after August 31, 2031)

This certifies that AVENUE VENTURE OPPORTUNITIES FUND II, L.P., a Delaware limited partnership (together with its permitted assigns, “Holder”), for value received, is entitled to purchase from ELUTIA INC., a Delaware corporation (“Company”), the Applicable Number (hereinafter defined) of fully paid and nonassessable shares of the Company’s Common Stock (the “Common Stock”), for cash, at a purchase price per share equal to the Exercise Price (hereinafter defined). Holder may also exercise this Warrant on a cashless or “net issuance” basis as described in Section 1(b) below, and this Warrant shall be deemed to have been exercised in full on such basis on the Expiration Date (hereinafter defined), to the extent not fully exercised prior to such date. This Warrant is issued in connection with that certain Loan and Security Agreement and Supplement thereto, both of even date herewith (as amended, restated and supplemented from time to time, the “Loan Agreement” and the “Supplement”, respectively), between Company, as borrower, and Holder, as lender (“Lender”). Capitalized terms used herein and not otherwise defined in this Warrant shall have the meaning(s) ascribed to them in the Loan Agreement and the Supplement, unless the context would otherwise require; provided that, in the interest of clarity, to the extent the Warrant survives termination of the Loan Agreement and the Supplement, such terms shall have the meaning(s) ascribed to them in the Loan Agreement and the Supplement immediately prior to such termination.

In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated below:

“Applicable Number” means the number of shares of Common Stock purchasable hereunder obtained by dividing (A) \$480,000 by (B) the Exercise Price.

“Cardiovascular Franchise Assets” means all assets relating, or incidental to, Company’s cardiovascular product line.

“Closing Price” means \$0.86.

“Excluded Issuances” means an issuance or sale of any Common Stock or Common Stock equivalents or derivatives issued or sold by the Company in connection with: (a) a grant to any existing or prospective directors, officers or other employees, consultants, or service providers of the Company or any Company subsidiary for

compensatory purposes; (b) the conversion or exchange of any securities of the Company into Common Stock, or the exercise of any warrants or other rights to acquire Common Stock; (c) any acquisition by the Company or any Company subsidiary of any equity interests, assets, properties, or business of any person; (d) any merger, consolidation, or other business combination involving the Company or any Company subsidiary; (e) any subdivision of Common Stock (by a split or otherwise), payment of stock dividend, reclassification, reorganization, or any similar recapitalization; (f) a joint venture, strategic alliance or other commercial relationship with any person (including persons that are customers, suppliers, and strategic partners of the Company or any Company subsidiary) relating to the operation of the Company's or any Company subsidiary's business and not for the primary purpose of raising equity capital; or (g) any office lease or equipment lease or similar equipment financing transaction in which the Company or any Company subsidiary obtains from a lessor or vendor the use of such office space or equipment for its business.

"Exercise Price" means the lower of the Closing Price or the Next Round Price (as hereinafter defined).

"Next Round Price" means the lowest effective price per share of any bona fide equity offering of the Common Stock after the Date of Issuance and prior to December 31, 2026, other than Excluded Issuances.

"Person" and "Persons" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and any governmental entity or any department or agency thereof.

"Principal Trading Market" means the principal trading market for the Company's Common Stock. The "Principal Trading Market" for the Common Stock is the Nasdaq Global Market.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"SimpliDerm Assets" means the Purchased Assets (as such term is defined in that certain Asset Purchase Agreement dated as of July 16, 2026, by and between Cellution Biologics Inc. and Company).

"Trading Day" means a day when the Nasdaq Global Market is open for trading in shares of the Common Stock.

Subject to Section 4.3, this Warrant may be exercised at any time or from time to time up to and including 5:00 p.m. (Pacific time) on August 31, 2031 (the "Expiration Date"), upon surrender to Company at its principal office at 20 Firstfield Rd, Gaithersburg, MD 20878 (or at such other location as Company may advise Holder in writing) of this Warrant properly endorsed with the Form of Subscription attached hereto duly completed and signed and upon payment in cash or by check of the aggregate Exercise Price for the number of shares for which this Warrant is being exercised determined in accordance with the provisions hereof. The Exercise Price and the number of shares purchasable hereunder are subject to further adjustment as provided in Section 4 of this Warrant.

This Warrant is subject to the following terms and conditions:

1. Exercise; Issuance of Certificates; Payment for Shares.

(a) Unless an election is made pursuant to clause (b) of this Section 1, this Warrant shall be exercisable at the option of Holder, at any time or from time to time, on or before the Expiration Date for all or any portion of the shares of Common Stock (but not for a fraction of a share) which may be purchased hereunder for the Exercise Price multiplied by the number of shares to be purchased. Company agrees that the shares of Common Stock purchased under this Warrant shall be and are deemed to be issued to Holder as the record owner of such shares as of the close of business on the date on which the form of subscription shall have been delivered and payment made for

such shares. Subject to the provisions of Section 2, certificates for the shares of Common Stock so purchased, together with any other securities or property to which Holder is entitled upon such exercise, shall be delivered to Holder by Company at Company's expense within a reasonable time after the rights represented by this Warrant have been so exercised. Except as provided in clause (b) of this Section 1, in case of a purchase of less than all the shares which may be purchased under this Warrant, Company shall cancel this Warrant and execute and deliver a new Warrant or Warrants of like tenor for the balance of the shares purchasable under this Warrant surrendered upon such purchase to Holder within a reasonable time. Each stock certificate so delivered shall be in such denominations of Common Stock as may be requested by Holder and shall be registered in the name of Holder or such other name as shall be designated by Holder, subject to the limitations contained in Section 2.

(b) Holder, in lieu of exercising this Warrant by the cash payment of the Exercise Price pursuant to clause (a) of this Section 1, may elect, at any time on or before the Expiration Date, to surrender this Warrant and receive that number of shares of Common Stock computed using the following formula:

$$X = \frac{Y(A - B)}{A}$$

Where: X = the number of shares of Common Stock to be issued to Holder.

Y = the number of shares of Common Stock that Holder would otherwise have been entitled to purchase hereunder pursuant to Section 1(a) (or such lesser number of shares as Holder may designate in the case of a partial exercise of this Warrant).

A = the price per share of the Common Stock as of the last Trading Day immediately prior to the date of exercise under this Section 1(b).

B = the Exercise Price then in effect.

Election to exercise under this Section 1(b) may be made by delivering a signed form of subscription to Company via electronic mail or facsimile, to be followed by delivery of this Warrant. Notwithstanding anything to the contrary contained in this Warrant, if as of the close of business on the last business day preceding the Expiration Date this Warrant remains unexercised as to all or a portion of the shares of Common Stock purchasable hereunder, then effective at 9:00 a.m. (Pacific time) on the Expiration Date, Holder shall be deemed, automatically and without need for notice to Company, to have elected to exercise this Warrant in full pursuant to the provisions of this Section 1(b), and upon surrender of this Warrant shall be entitled to receive that number of shares of Common Stock computed using the above formula, provided that the application of such formula as of the Expiration Date yields a positive number for "X".

(c) The Company shall not effect the exercise of this Warrant, and Holder shall not have the right to exercise this Warrant, to the extent that after giving effect to such exercise, such Person (together with such Person's affiliates) would beneficially own in excess of 4.99% (the "Maximum Percentage") of the shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by such Person and its affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude shares of Common Stock which would be issuable upon (i) exercise of the remaining, unexercised portion of this Warrant beneficially owned by such Person and its affiliates, and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such Person and its affiliates (including, without limitation, any convertible notes or convertible preferred stock or warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended. For purposes of this Warrant, in determining the number of outstanding shares of Common Stock, Holder may rely on the number of outstanding

shares of Common Stock as reflected in (1) the Company's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other public filing with the SEC, as the case may be, (2) a more recent public announcement by the Company or (3) any other notice by the Company or the transfer agent setting forth the number of shares of Common Stock outstanding. To the extent that the limitation contained in this Section 1(c) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by Holder) and of which a portion of this Warrant is exercisable shall be in the sole discretion of Holder, in each case subject to such aggregate percentage limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. For any reason at any time, upon the written or oral request of Holder, the Company shall within two (2) business days confirm to Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by Holder and its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. By written notice to the Company, Holder may from time to time increase or decrease the Maximum Percentage to any other percentage specified in such notice; provided that (i) any such increase will not be effective until the sixty-first (61st) day after such notice is delivered to the Company, and (ii) any such increase or decrease will apply only to Holder. Notwithstanding anything anywhere in this Warrant to the contrary, the aggregate number of shares issued pursuant to the exercise of this Warrant shall not exceed the aggregate number of shares of Common Stock which Holder may exercise pursuant to the terms of this Warrant without breaching the Company's obligations under the rules or regulations of the Principal Trading Market (the number of shares which may be issued without violating such rules and regulations, the "Exchange Cap"), except that such limitation shall not apply in the event that the Company obtains the approval of its stockholders as required by the applicable rules of the Principal Trading Market for issuances of shares of Common Stock in excess of such amount or such approval is not required pursuant to the applicable rules of the Principal Trading Market.

2. Limitation on Transfer.

(a) This Warrant and the Common Stock shall not be transferable except upon the conditions specified in this Section 2, which conditions are intended to ensure compliance with the provisions of the Securities Act. Each holder of this Warrant or the Common Stock issuable hereunder will cause any proposed transferee of the Warrant or Common Stock to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Section 2. Notwithstanding the foregoing and any other provision of this Section 2 but subject to the legend requirement of Section 2(b), if applicable, and the last sentence of Section 2(c), Holder may freely transfer all or part of this Warrant or the shares issuable upon exercise of this Warrant (or the securities issuable, directly or indirectly, upon conversion of the shares, if any) at any time to any affiliate of Lender if such transfer is made without payment of consideration by the transferee, by giving Company notice of the portion of the Warrant being transferred setting forth the name, address and taxpayer identification number of the transferee and surrendering this Warrant to Company for reissuance to the transferee(s) (and Holder, if applicable).

(b) Each certificate representing (i) this Warrant, (ii) the Common Stock, and (iii) any other securities issued in respect of the Common Stock issued upon any stock split, stock dividend, recapitalization, merger, consolidation or similar event, shall (unless otherwise permitted by the provisions of this Section 2 or unless such securities have been registered under the Securities Act or sold under Rule 144) be stamped or otherwise imprinted with a legend substantially in the following form (in addition to any legend required under applicable state securities laws):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE AND DISTRIBUTION THEREOF, AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF (A) SUCH REGISTRATION, (B) AN OPINION OF COUNSEL IN A FORM REASONABLY ACCEPTABLE TO COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED DUE TO AN EXEMPTION THEREFROM UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR (C) ELUTIA INC. OTHERWISE SATISFIES ITSELF THAT SUCH TRANSACTION IS COMPLIANT WITH SUCH LAWS.

(c) Holder and each person to whom this Warrant is subsequently transferred represents and warrants to Company and agrees (by acceptance of such transfer) that it will not transfer this Warrant (or securities issuable upon exercise hereof unless a registration statement under the Securities Act was in effect with respect to such securities at the time of issuance thereof) unless (i) with respect to securities issued upon exercise, there is an effective registration statement under the Securities Act and applicable state securities laws covering any such transaction, (ii) pursuant to Rule 144 under the Securities Act (or any other rule under the Securities Act relating to the disposition of securities), (iii) Company receives an opinion of counsel, reasonably satisfactory to Company, that an exemption from registration is available or (iv) the Company otherwise satisfies itself that such transaction is exempt from registration. Notwithstanding the foregoing or any other provision of this Section 2, Holder shall not transfer this Warrant (or securities issuable upon exercise hereof, or securities issuable, directly or indirectly, upon conversion of such securities, if any) to any competitor of Company, as determined in good faith by the Board of Directors of Company (the "Board"), without the prior written consent of Company.

3. Shares to be Fully Paid; Reservation of Shares. Company covenants and agrees that all shares of Common Stock which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be duly authorized, validly issued, fully paid and nonassessable and free from all preemptive rights of any stockholder and free of all taxes, liens and charges with respect to the issue thereof. Company further covenants and agrees that during the period within which the rights represented by this Warrant may be exercised, Company will at all times have authorized and reserved, for the purpose of issue or transfer upon exercise of the subscription rights evidenced by this Warrant, a sufficient number of shares of authorized but unissued Common Stock, or other securities and property, when and as required to provide for the exercise of the rights represented by this Warrant. Company will take all such action as may be necessary to assure that such shares of Common Stock may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any domestic securities exchange upon which the Common Stock may be listed. Company will not take any action which would result in any adjustment of the Exercise Price (as described in Section 4 hereof) (i) if the total number of shares of Common Stock issuable after such action upon exercise of all outstanding warrants, together with all shares of Common Stock then outstanding and all shares of Common Stock then issuable upon exercise of all options and upon the conversion of all convertible securities then outstanding, would exceed the total number of shares of Common Stock then authorized by Company's Certificate of Incorporation, as amended and restated from time to time (the "Charter"), or (ii) if the par value per share of the Common Stock would exceed the Exercise Price.

4. Adjustment of Exercise Price and Number of Shares. The Exercise Price and the number of shares purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 4. Upon each adjustment of the Exercise Price, Holder of this Warrant shall thereafter be entitled to purchase, at the Exercise Price resulting from such adjustment, the number of shares obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of shares purchasable pursuant hereto immediately prior to such adjustment, and dividing the product thereof by the Exercise Price resulting from such adjustment.

4.1 Subdivision or Combination of Stock. In case Company shall at any time subdivide its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced, and conversely, in case the outstanding shares of Common Stock of Company shall be combined into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased.

4.2 Dividends. If at any time or from time to time the holders of Common Stock (or any shares of stock or other securities at the time receivable upon the exercise of this Warrant) shall have received or become entitled to receive,

(a) Common Stock, or any shares of stock or other securities whether or not such securities are at any time directly or indirectly convertible into or exchangeable for Common Stock, or any rights or options to subscribe for, purchase or otherwise acquire any of the foregoing by way of dividend or other distribution,

(b) any cash paid or payable including as a cash dividend, or

(c) Common Stock or other or additional stock or other securities or property (including cash) by way of spin off, split-up, reclassification, combination of shares or similar corporate rearrangement, (other than shares of Common Stock issued as a stock split, adjustments in respect of which shall be covered by the terms of Section 4.1 above),

then and in each such case, Holder hereof shall, upon the exercise of this Warrant, be entitled to receive, in addition to the number of shares of Common Stock receivable thereupon, and without payment of any additional consideration therefor, the amount of stock and other securities and property (including cash in the cases referred to in clauses (b) and (c) above) which Holder would hold on the date of such exercise had it been the holder of record of such Common Stock as of the date on which holders of Common Stock received or became entitled to receive such shares and/or all other additional stock and other securities and property.

4.3 Change of Control. In the event of a Change of Control (as hereinafter defined) if the transaction in such Change of Control values the Company's Common Stock at less than three (3) times the Exercise Price then in effect, this Warrant shall be automatically exchanged for a number of shares of Company's securities, such number of shares being equal to the maximum number of shares issuable pursuant to the terms hereof (after taking into account all adjustments described herein) had Holder elected to exercise this Warrant immediately prior to the closing of such Change of Control and purchased all such shares pursuant to the cash exercise provision set forth in Section 1(a) hereof (as opposed to the cashless exercise provision set forth in Section 1(b)). Company acknowledges and agrees that Holder shall not be required to make any payment (cash or otherwise) for such shares as further consideration for their issuance pursuant to the terms of the preceding sentence. "Change of Control" shall mean any sale, license, or other disposition of all or substantially all of the assets of Company (provided, the sale of all or substantially all of the SimpliDerm Assets and/or Cardiovascular Franchise Assets shall not constitute a Change of Control), any reorganization, consolidation, merger or other transaction involving Company where the holders of Company's securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction; provided that an issuance of equity securities for the primary purpose of raising capital shall not be considered a Change of Control under this Warrant. This Warrant shall terminate upon Holder's receipt of the number of shares of Company's equity securities described in this Section 4.3.

4.4 Reserved.

4.5 Notice of Adjustment. Upon any adjustment of the Exercise Price, and/or any increase or decrease in the number of shares purchasable upon the exercise of this Warrant, Company shall give written notice thereof to Holder pursuant to Section 12. The notice, which may be substantially in the form of Exhibit "A" attached hereto, shall be signed by Company's chief financial officer and shall state the Exercise Price resulting from such adjustment and the increase or decrease, if any, in the number of shares purchasable at such price upon the exercise of this Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

4.6 Other Notices. If at any time:

(a) Company shall declare any cash dividend upon its Common Stock;

(b) Company shall declare any dividend upon its Common Stock payable in stock or make any special dividend or other distribution to the holders of its Common Stock;

(c) Company shall offer for subscription pro rata to the holders of its Common Stock any additional shares of stock of any class or other rights;

(d) there shall be any capital reorganization or reclassification of the capital stock of Company, or consolidation or merger of Company with, or sale of all or substantially all of its assets to, another entity;

(e) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of Company; or

(f) Company shall take or propose to take any other action, notice of which is actually provided to holders of the Common Stock;

then, in any one or more of said cases, Company shall give Holder, pursuant to Section 12, (i) at least 5 days' prior written notice of the date on which the books of Company shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, or other action and (ii) in the case of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, or other action, at least 5 days' prior written notice of the date when the same shall take place. Any notice given in accordance with the foregoing clause (i) shall also specify, in the case of any such dividend, distribution or subscription rights, the date on which the holders of Common Stock shall be entitled thereto. Any notice given in accordance with the foregoing clause (ii) shall also specify the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, or other action as the case may be.

5. Issue Tax. The issuance of certificates for shares of Common Stock upon the exercise of this Warrant shall be made without charge to Holder of this Warrant for any issue tax in respect thereof; provided, however, that Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the then Holder of this Warrant being exercised.

6. Closing of Books. Company will at no time close its transfer books against the transfer of this Warrant or of any shares of Common Stock issued or issuable upon the exercise of this Warrant in any manner which interferes with the timely exercise of this Warrant.

7. No Voting Rights; Limitation of Liability. Nothing contained in this Warrant shall be construed as conferring upon Holder hereof the right to vote or to consent as a stockholder in respect of meetings of stockholders for the election of directors of Company or any other matters or any rights whatsoever as a stockholder of Company. No dividends or interest shall be payable in respect of this Warrant or the interest represented hereby or the shares purchasable hereunder until, and only to the extent that, this Warrant shall have been exercised; provided, however, that if any dividends are due or paid at any time on the underlying securities for which this Warrant is exercisable, then upon exercise, the securities issued to Holder shall be deemed to have accrued dividends and be paid identical dividends from the same time as the outstanding shares for which this Warrant is exercisable were first issued (or, if later, the date of this Warrant). No provisions hereof, in the absence of affirmative action by Holder to purchase shares of Common Stock, and no mere enumeration herein of the rights or privileges of Holder hereof, shall give rise to any liability of such Holder for the Exercise Price or as a stockholder of Company, whether such liability is asserted by Company or by its creditors.

8. Amendment of Charter. Unless Holder consents thereto in writing, Company shall not amend its Charter prior to the exercise of this Warrant if the Common Stock would be adversely affected by such amendment in a manner that would be more adverse to Holder with respect to the shares of Common Stock issuable upon the exercise of this Warrant than, and substantially dissimilar to, such amendment's effect on the other holders of the Common Stock.

9. Registration Rights.

(a) If Company has an effective and usable resale shelf registration statement on SEC Form S-3 at the time of any written request by Holder, Company shall use commercially reasonable efforts to, within ninety (90) days of such written request by Holder, file a prospectus supplement to include the shares of Common Stock obtained upon exercise of this Warrant (“Registrable Securities”) to include the Registrable Securities for resale thereunder. If Registrable Securities cannot be added to an effective and usable existing shelf registration statement by prospectus supplement, but can be added by post-effective amendment, Company shall prepare and file with the SEC a post-effective amendment to such effective and usable shelf registration statement covering the resale of the Registrable Securities and use its commercially reasonable efforts to cause the post-effective amendment to become effective within ninety (90) days of such written request; provided, however, that Company is under no obligation to prepare and file such post-effective amendment if the Company would be obligated to recast any previously-filed historical financial information.

(b) If no shelf registration statement is then effective or usable, or Registrable Securities cannot be added to such effective and usable shelf registration statement as described in Section 9(a) above, then upon the written request of Holder, Company shall (i) prepare and file with the SEC a registration statement (the “Demand Registration Statement”) covering the resale of the shares of Common Stock obtained upon exercise of this Warrant (“Registrable Securities”) from time to time pursuant to Rule 415 under the Securities Act, (ii) use its commercially reasonable efforts to cause the Demand Registration Statement to become effective within 90 days of such written request, and (iii) cause the Demand Registration Statement (or a successor or replacement registration statement) to remain effective at all times that any Registrable Securities remain outstanding, except for any Allowed Delay (as defined below); provided, however, Company shall be under no obligation to file a Demand Registration Statement, cause it to become effective or maintain its effectiveness at such time as the Holder is not an “affiliate” of the Company within the meaning of Rule 144 under the Securities Act and is then able to resell Registrable Securities pursuant to Rule 144 without restriction or limitation (including without the requirement to be in compliance with Rule 144(c)(1) under the Securities Act), or when all Registrable Securities have been resold; provided, further, that in the event Company would be required to recast any previously-filed historical financial information in order to file the Demand Registration Statement, Company’s obligations under clauses (i) and (ii) above shall be triggered upon the latest to occur of (x) Holder’s written request, (y) the filing of Company’s Annual Report on Form 10-K for the year ended December 31, 2026 and (z) March 31, 2027. The Holder acknowledges and agrees that Registrable Securities issued to it will not be issued in a registered transaction, and may only be resold pursuant to the Demand Registration Statement or in another registered transaction, and only if also qualified or registered under any applicable state law, or in a transaction exempt from the Securities Act and any applicable state laws, and any Registrable Securities issued to the Holder will bear, or have associated with them, a legend to such effect. Holder may make one written request pursuant to this Section 9.

(c) Whenever the Company proposes to register the offer and sale of any shares of its Common Stock under the Securities Act (other than a registration (i) pursuant to a registration statement on Form S-8 (or other registration solely relating to an offering or sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit arrangement), (ii) pursuant to a registration statement on Form S-4 (or similar form that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule thereto), (iii) in connection with any dividend or distribution reinvestment or similar plan, or (iv) in connection with a strategic or commercial arrangement with a vendor, licensor or similar business partner, other than a lender, that is not primarily for capital-raising purposes), whether for its own account or for the account of one or more stockholders of the Company, and the form of registration statement (a “Piggyback Registration Statement”, and together with a Demand Registration Statement, a “Registration Statement”) may be used for the resale of Registrable Securities, the Company shall give written notice to Holder of its intention to effect such a registration and, subject to Section 9(d) and Section 9(e), shall include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion from the Holder within five (5) business days after the Company’s notice has been given to each such holder. The Company may postpone or withdraw the filing or the effectiveness of a Piggyback Registration Statement at any time in its sole discretion.

(d) If a Piggyback Registration Statement is initiated as a primary underwritten offering on behalf of the Company and the managing underwriter advises the Company in writing that the number of shares of Common Stock and/or Registrable Securities proposed to be included in such registration or takedown potentially exceeds the number which can be sold in such offering and/or that the number of shares of Common Stock and/or Registrable Securities proposed to be included in any such registration or takedown would adversely affect the price per share of the securities to be sold in such offering, the Company shall include in such registration (i) first, all securities the Company proposes to sell for its own account, and (ii) second, the Registrable Securities and other securities requested to be included in such registration by other holders, allocated pro rata among all such holders on the basis of the number of securities requested to be included by each such holder, or in such other manner as they may otherwise agree.

(e) If a Piggyback Registration Statement is initiated as an underwritten offering on behalf of a holder of Common Stock other than Registrable Securities, and the managing underwriter advises the Company in writing that the number of shares of Common Stock and/or Registrable Securities proposed to be included in such registration potentially exceeds the number of shares of Common Stock which can be sold in such offering and/or that the number proposed to be included in any such registration or takedown would adversely affect the price per share of the securities to be sold in such offering, the Company shall include in such registration (i) first, all securities requested to be included by the holder(s) initiating such registration, and (ii) second, the Registrable Securities and other securities requested to be included in such registration by other holders (including Holder), allocated pro rata among all such holders on the basis of the number of securities requested to be included by each such holder, or in such other manner as they may otherwise agree.

(f) It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 9 that the Holder shall furnish to Company such information regarding the Holder, the Company securities held by it, and any other information that is reasonably required to effect the registration of such Holder's Registrable Securities, including the completion of a customary selling security holder questionnaire.

(g) Notwithstanding anything to the contrary contained herein, Company may, upon written notice to Holder, suspend the use of a Registration Statement, including any prospectus that forms a part of the Registration Statement, if the Company determines (i) that it would be required to make disclosure of material information in the Registration Statement that the Company has a bona fide business purpose for preserving as confidential, (ii) it must amend the Registration Statement to include recast or other historical financial statements or financial information, whether due to a fundamental change (within the meaning of Item 512 of the SEC's Regulation S-K) or otherwise, or (iii) it must otherwise amend or supplement the Registration Statement or the related prospectus to correct a material misstatement or omission therein (an "Allowed Delay"); provided, however, that (x) no single Allowed Delay shall exceed forty-five (45) consecutive days, (y) the aggregate number of days during which Allowed Delays are in effect shall not exceed ninety (90) days in any twelve (12) month period, and (z) the Company shall use commercially reasonable efforts to terminate any Allowed Delay as promptly as practicable; provided, further, that in the event the Allowed Delay is due to a requirement to recast previously filed financial information, the Allowed Delay may last until the SEC filing due date for the Company's next annual report on Form 10-K.

(h) Company shall use commercially reasonable efforts to cause all Registrable Securities listed in a Registration Statement to be listed on any securities exchange, quotation system or market, if any, on which similar securities issued by Company are then listed or traded.

(i) All reasonable fees and expenses incident to the performance of or compliance with Section 9 by Company (excluding underwriters' discounts and commissions and the fees and expenses of any attorneys or other advisors engaged by Holder) shall be borne by Company.

(j) Company shall indemnify and hold harmless Holder, its officers, directors, members, partners, agents, and each person who controls Holder within the meaning of Section 15 of the Securities Act, from and against any and all losses, claims, damages, liabilities and expenses (including reasonable attorneys' fees) arising

out of or based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or prospectus or any amendment or supplement thereto, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that Company shall not be liable for any such losses, claims, damages, liabilities or expenses to the extent they arise out of or are based upon any untrue statement or omission made in reliance upon and in conformity with information furnished in writing to Company by or on behalf of Holder specifically for inclusion therein.

(k) Holder shall indemnify and hold harmless Company, its officers, directors, members, partners, agents, and each person who controls Company within the meaning of Section 15 of the Securities Act, from and against any and all losses, claims, damages, liabilities and expenses (including reasonable attorneys' fees) arising out of or based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any information furnished in writing by or on behalf of Holder specifically for inclusion in a Registration Statement or prospectus or any amendment or supplement thereto, or (ii) any omission or alleged omission to state in such information furnished by or on behalf of Holder a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

10. Rights and Obligations Survive Exercise of Warrant. The rights and obligations of Company, of Holder of this Warrant and of the holder of shares of Common Stock issued upon exercise of this Warrant, contained in Sections 6, 8, 9 and 18 shall survive the exercise of this Warrant.

11. Modification and Waiver. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the same is sought.

12. Notices. Any notice, request or other document required or permitted to be given or delivered to Holder or Company shall be deemed to have been given (i) upon receipt if delivered personally or by courier (ii) upon confirmation of receipt if by telecopy or (iii) three business days after deposit in the US mail, with postage prepaid and certified or registered, to each such Holder at its address as shown on the books of Company or to Company at the address indicated therefor in the opening paragraphs of this Warrant (or at such other location as Company may advise Holder in writing).

13. Survival of Certain Obligations. All of the obligations of Company relating to the Common Stock issuable upon the exercise of this Warrant shall survive the exercise and termination of this Warrant. All of the covenants and agreements of Company shall inure to the benefit of and be binding upon the successors and permitted assigns of Holder. Company will, at the time of the exercise of this Warrant, in whole or in part, upon request of Holder but at Company's expense, acknowledge in writing its continuing obligation to Holder in respect of any rights (including, without limitation, any right to registration of the shares of Common Stock) to which Holder shall continue to be entitled after such exercise in accordance with this Warrant; provided, that the failure of Holder to make any such request shall not affect the continuing obligation of Company to Holder in respect of such rights.

14. Descriptive Headings and Governing Law. The descriptive headings of the several sections and paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. This Warrant shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Delaware.

15. Lost Warrants or Stock Certificates. Company agrees that upon receipt of evidence reasonably satisfactory to Company of the loss, theft, destruction, or mutilation of any Warrant or stock certificate and, in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably satisfactory to Company, or in the case of any such mutilation upon surrender and cancellation of such Warrant or stock certificate, Company at its expense will make and deliver a new Warrant or stock certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant or stock certificate.

16. Fractional Shares. No fractional shares shall be issued upon exercise of this Warrant. Company shall, in lieu of issuing any fractional share, pay the holder entitled to such fraction a sum in cash equal to such fraction multiplied by the then effective Exercise Price.

17. Representations of Holder. With respect to this Warrant, Holder represents and warrants to Company as follows:

17.1 Experience. It is experienced in evaluating and investing in companies engaged in businesses similar to that of Company; it understands that investment in this Warrant involves substantial risks; it has made detailed inquiries concerning Company, its business and services, its officers and its personnel; the officers of Company have made available to Holder any and all written information it has requested; the officers of Company have answered to Holder's satisfaction all inquiries made by it; in making this investment it has relied upon information made available to it by Company; and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in Company and it is able to bear the economic risk of that investment.

17.2 Investment. It is acquiring this Warrant for investment for its own account and not with a view to, or for resale in connection with, any distribution thereof. It understands that this Warrant and the shares of Common Stock issuable upon exercise of this Warrant, have not been registered under the Securities Act, nor qualified under applicable state securities laws.

17.3 Rule 144. It acknowledges that this Warrant and the Common Stock issuable upon exercise of this Warrant must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. It has been advised or is aware of the provisions of Rule 144 promulgated under the Securities Act.

17.4 Access to Data. It has had an opportunity to discuss Company's business, management and financial affairs with Company's management and has had the opportunity to inspect Company's facilities.

17.5 Accredited Investor. It is an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act.

18. Additional Representations and Covenants of Company. Company hereby represents, warrants and agrees as follows:

18.1 Corporate Power. Company has all requisite corporate power and corporate authority to issue this Warrant and to carry out and perform its obligations hereunder.

18.2 Authorization. All corporate action on the part of Company, its directors and stockholders necessary for the authorization, execution, delivery and performance by Company of this Warrant has been taken. This Warrant is a valid and binding obligation of Company, enforceable in accordance with its terms.

18.3 Offering. Subject in part to the truth and accuracy of Holder's representations set forth in Section 17 hereof, the offer, issuance and sale of this Warrant is, and the Common Stock issuable upon exercise of this Warrant will be, exempt from the registration requirements of the Securities Act, and are exempt from the qualification requirements of any applicable state securities laws; and neither Company nor anyone acting on its behalf will take any action hereafter that would cause the loss of such exemptions.

18.4 Listing; Stock Issuance. Company shall secure and maintain the listing of the Common Stock issuable upon exercise of this Warrant and the shares of Common Stock or other securities issuable upon exercise of this Warrant, upon each securities exchange or over-the-counter market upon which securities of the same class or series issued by Company are listed, if any. Upon exercise of this Warrant, Company will use commercially

reasonable efforts to cause stock certificates or direct registration book entries on the records of the Company's transfer agent and registrar representing the shares of Common Stock purchased pursuant to the exercise to be issued in the names of Holder, its nominees or assignees, as appropriate at the time of such exercise.

18.5 Charter Documents. Company has provided Holder with true and complete copies of Company's Charter, By-Laws, and each Certificate of Designation or other charter document setting forth any rights, preferences and privileges of Company's capital stock, each as amended and in effect on the date of issuance of this Warrant.

18.6 Reserved.

18.7 Financial and Other Reports. Until the earlier of (a) the Expiration Date, and (b) the termination of this Warrant pursuant to Section 4.3, Company shall furnish to Holder (i) promptly following the filing of Company's annual report on Form 10-K, a balance sheet, together with an income statement, a cash flow statement and a statement of changes in equity, for such fiscal year, in substantially the same form as such annual financial statements are filed with the SEC; (ii) within 60 days after the close of each fiscal quarter of Company, an unaudited balance sheet, income statement and cash flow statement, each at and as of the end of such quarter. In addition, Company agrees to provide Holder at any time and from time to time with such information as Holder may reasonably request for purposes of Holder's compliance (as determined by Holder in its reasonable discretion) with regulatory, accounting and reporting requirements applicable to Holder (e.g., Fair Value Accounting Standard 157), including any 409A valuation reports (or equivalent reports) and budgets. Notwithstanding the foregoing, Company shall not be required to furnish to Holder the financial information described in this Section 18.7 in the event such financial information has been previously delivered to Lender pursuant to the Loan Agreement.

19. Counterparts; Facsimile; Electronic Signatures. This Warrant may be executed by one or more of the parties hereto in any number of separate counterparts, all of which together shall constitute one and the same instrument. Holder's execution and delivery of Holder's counterpart signature page to this Warrant via facsimile or electronic mail (including pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, e.g., www.docusign.com) shall constitute Holder's effective execution and delivery of this Warrant and agreement to and acceptance of the terms hereof for all purposes.

[Remainder of this page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, Company has caused this Warrant to be duly executed by its officer, thereunto duly authorized as of the date of issuance set forth on the first page hereof.

ELUTIA INC.

By: /s/ Matthew Ferguson
Name: Matthew Ferguson
Title: CFO

AGREED AND ACCEPTED:

HOLDER:

AVENUE VENTURE OPPORTUNITIES FUND II, L.P.

By: Avenue Venture Opportunities Partners II, LLC
Its: General Partner

By: /s/ Sonia Gardner
Name: Sonia Gardner
Title: Authorized Signatory

FORM OF SUBSCRIPTION

(To be signed only upon exercise of Warrant)

To: _____

- ☐ The undersigned, the holder of the within Warrant, hereby irrevocably elects to exercise the purchase right represented by such Warrant for, and to purchase thereunder, (1) _____ (_____) shares¹ (the "Shares") of Stock of _____ and herewith makes payment of _____ Dollars (\$ _____) therefor, and requests that the certificates for such shares be issued in the name of, and delivered to, _____, whose address is _____.
- ☐ The undersigned hereby elects to convert _____ percent (____%) of the value of the Warrant pursuant to the provisions of Section 1(b) of the Warrant.

The undersigned acknowledges that it has reviewed the representations and warranties contained in Section 17 of this Warrant and by its signature below hereby makes such representations and warranties to Company.

Dated _____

Holder: _____

By: _____

Its: _____

(Address) _____

¹ Insert here the number of shares called for on the face of the Warrant (or, in the case of a partial exercise, the portion thereof as to which the Warrant is being exercised), in either case without making any adjustment for additional Common Stock or any other stock or other securities or property or cash which, pursuant to the adjustment provisions of the Warrant, may be issuable upon exercise.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned, the holder of the within Warrant, hereby sells, assigns and transfers all of the rights of the undersigned under the within Warrant, with respect to the number of shares of Common Stock covered thereby set forth herein below, unto:

Name of Assignee	Address	No. of Shares
------------------	---------	---------------

Dated _____

Holder: _____

By: _____

Its: _____

EXHIBIT "A"

[On letterhead of Company]

Reference is hereby made to that certain Warrant dated August 11, 2026 issued by ELUTIA INC., a Delaware corporation (the "Company"), to AVENUE VENTURE OPPORTUNITIES FUND II, L.P., a Delaware limited partnership (the "Holder").

[IF APPLICABLE] The Warrant provides that the actual number and type of shares of Company's capital stock issuable upon exercise of the Warrant and the initial exercise price per share are to be determined by reference to one or more events or conditions subsequent to the issuance of the Warrant. Such events or conditions have now occurred or lapsed, and Company wishes to confirm the actual number of shares issuable and the initial exercise price. The provisions of this Supplement to Warrant are incorporated into the Warrant by this reference, and shall control the interpretation and exercise of the Warrant.

[IF APPLICABLE] Notice is hereby given pursuant to Section 4.5 of the Warrant that the following adjustment(s) have been made to the Warrant: [describe adjustments, setting forth details regarding method of calculation and facts upon which calculation is based].

This certifies that Holder is entitled to purchase from Company _____, at the Holder's option, either (i) (_____) fully paid and nonassessable shares of Company's _____ Stock at a price of _____ Dollars (\$_____) per share or (ii) (_____) fully paid and nonassessable shares of Company's _____ Stock at a price of _____ Dollars (\$_____) per share. The applicable Exercise Price and the number of shares purchasable under the Warrant remain subject to adjustment as provided in Section 4 of the Warrant.

Executed this ____ day of _____, 20 ____.

ELUTIA INC.

By: _____

Name: _____

Title: _____

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE AND DISTRIBUTION THEREOF, AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF (A) SUCH REGISTRATION, (B) AN OPINION OF COUNSEL IN A FORM REASONABLY ACCEPTABLE TO COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED DUE TO AN EXEMPTION THEREFROM UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR (C) ELUTIA INC. OTHERWISE SATISFIES ITSELF THAT SUCH TRANSACTION IS COMPLIANT WITH SUCH LAWS.

Date of Issuance: August 11, 2026

WARRANT TO PURCHASE

SHARES OF STOCK OF

ELUTIA INC.

(Void after August 31, 2031)

This certifies that AVENUE GROWTH LENDING FUND III, L.P., a Delaware limited partnership (together with its permitted assigns, “Holder”), for value received, is entitled to purchase from ELUTIA INC., a Delaware corporation (“Company”), the Applicable Number (hereinafter defined) of fully paid and nonassessable shares of the Company’s Common Stock (the “Common Stock”), for cash, at a purchase price per share equal to the Exercise Price (hereinafter defined). Holder may also exercise this Warrant on a cashless or “net issuance” basis as described in Section 1(b) below, and this Warrant shall be deemed to have been exercised in full on such basis on the Expiration Date (hereinafter defined), to the extent not fully exercised prior to such date. This Warrant is issued in connection with that certain Loan and Security Agreement and Supplement thereto, both of even date herewith (as amended, restated and supplemented from time to time, the “Loan Agreement” and the “Supplement”, respectively), between Company, as borrower, and Holder, as lender (“Lender”). Capitalized terms used herein and not otherwise defined in this Warrant shall have the meaning(s) ascribed to them in the Loan Agreement and the Supplement, unless the context would otherwise require; provided that, in the interest of clarity, to the extent the Warrant survives termination of the Loan Agreement and the Supplement, such terms shall have the meaning(s) ascribed to them in the Loan Agreement and the Supplement immediately prior to such termination.

In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated below:

“Applicable Number” means the number of shares of Common Stock purchasable hereunder obtained by dividing (A) \$720,000 by (B) the Exercise Price.

“Cardiovascular Franchise Assets” means all assets relating, or incidental to, Company’s cardiovascular product line.

“Closing Price” means \$0.86.

“Excluded Issuances” means an issuance or sale of any Common Stock or Common Stock equivalents or derivatives issued or sold by the Company in connection with: (a) a grant to any existing or prospective directors, officers or other employees, consultants, or service providers of the Company or any Company subsidiary for

compensatory purposes; (b) the conversion or exchange of any securities of the Company into Common Stock, or the exercise of any warrants or other rights to acquire Common Stock; (c) any acquisition by the Company or any Company subsidiary of any equity interests, assets, properties, or business of any person; (d) any merger, consolidation, or other business combination involving the Company or any Company subsidiary; (e) any subdivision of Common Stock (by a split or otherwise), payment of stock dividend, reclassification, reorganization, or any similar recapitalization; (f) a joint venture, strategic alliance or other commercial relationship with any person (including persons that are customers, suppliers, and strategic partners of the Company or any Company subsidiary) relating to the operation of the Company's or any Company subsidiary's business and not for the primary purpose of raising equity capital; or (g) any office lease or equipment lease or similar equipment financing transaction in which the Company or any Company subsidiary obtains from a lessor or vendor the use of such office space or equipment for its business.

"Exercise Price" means the lower of the Closing Price or the Next Round Price (as hereinafter defined).

"Next Round Price" means the lowest effective price per share of any bona fide equity offering of the Common Stock after the Date of Issuance and prior to December 31, 2026, other than Excluded Issuances.

"Person" and "Persons" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and any governmental entity or any department or agency thereof.

"Principal Trading Market" means the principal trading market for the Company's Common Stock. The "Principal Trading Market" for the Common Stock is the Nasdaq Global Market.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"SimpliDerm Assets" means the Purchased Assets (as such term is defined in that certain Asset Purchase Agreement dated as of July 16, 2026, by and between Cellution Biologics Inc. and Company).

"Trading Day" means a day when the Nasdaq Global Market is open for trading in shares of the Common Stock.

Subject to Section 4.3, this Warrant may be exercised at any time or from time to time up to and including 5:00 p.m. (Pacific time) on August 31, 2031 (the "Expiration Date"), upon surrender to Company at its principal office at 20 Firstfield Rd, Gaithersburg, MD 20878 (or at such other location as Company may advise Holder in writing) of this Warrant properly endorsed with the Form of Subscription attached hereto duly completed and signed and upon payment in cash or by check of the aggregate Exercise Price for the number of shares for which this Warrant is being exercised determined in accordance with the provisions hereof. The Exercise Price and the number of shares purchasable hereunder are subject to further adjustment as provided in Section 4 of this Warrant.

This Warrant is subject to the following terms and conditions:

1. Exercise; Issuance of Certificates; Payment for Shares.

(a) Unless an election is made pursuant to clause (b) of this Section 1, this Warrant shall be exercisable at the option of Holder, at any time or from time to time, on or before the Expiration Date for all or any portion of the shares of Common Stock (but not for a fraction of a share) which may be purchased hereunder for the Exercise Price multiplied by the number of shares to be purchased. Company agrees that the shares of Common Stock purchased under this Warrant shall be and are deemed to be issued to Holder as the record owner of such shares as of the close of business on the date on which the form of subscription shall have been delivered and payment made for

such shares. Subject to the provisions of Section 2, certificates for the shares of Common Stock so purchased, together with any other securities or property to which Holder is entitled upon such exercise, shall be delivered to Holder by Company at Company's expense within a reasonable time after the rights represented by this Warrant have been so exercised. Except as provided in clause (b) of this Section 1, in case of a purchase of less than all the shares which may be purchased under this Warrant, Company shall cancel this Warrant and execute and deliver a new Warrant or Warrants of like tenor for the balance of the shares purchasable under this Warrant surrendered upon such purchase to Holder within a reasonable time. Each stock certificate so delivered shall be in such denominations of Common Stock as may be requested by Holder and shall be registered in the name of Holder or such other name as shall be designated by Holder, subject to the limitations contained in Section 2.

(b) Holder, in lieu of exercising this Warrant by the cash payment of the Exercise Price pursuant to clause (a) of this Section 1, may elect, at any time on or before the Expiration Date, to surrender this Warrant and receive that number of shares of Common Stock computed using the following formula:

$$X = \frac{Y(A - B)}{A}$$

Where: X = the number of shares of Common Stock to be issued to Holder.

Y = the number of shares of Common Stock that Holder would otherwise have been entitled to purchase hereunder pursuant to Section 1(a) (or such lesser number of shares as Holder may designate in the case of a partial exercise of this Warrant).

A = the price per share of the Common Stock as of the last Trading Day immediately prior to the date of exercise under this Section 1(b).

B = the Exercise Price then in effect.

Election to exercise under this Section 1(b) may be made by delivering a signed form of subscription to Company via electronic mail or facsimile, to be followed by delivery of this Warrant. Notwithstanding anything to the contrary contained in this Warrant, if as of the close of business on the last business day preceding the Expiration Date this Warrant remains unexercised as to all or a portion of the shares of Common Stock purchasable hereunder, then effective at 9:00 a.m. (Pacific time) on the Expiration Date, Holder shall be deemed, automatically and without need for notice to Company, to have elected to exercise this Warrant in full pursuant to the provisions of this Section 1(b), and upon surrender of this Warrant shall be entitled to receive that number of shares of Common Stock computed using the above formula, provided that the application of such formula as of the Expiration Date yields a positive number for "X".

(c) The Company shall not effect the exercise of this Warrant, and Holder shall not have the right to exercise this Warrant, to the extent that after giving effect to such exercise, such Person (together with such Person's affiliates) would beneficially own in excess of 4.99% (the "Maximum Percentage") of the shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by such Person and its affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude shares of Common Stock which would be issuable upon (i) exercise of the remaining, unexercised portion of this Warrant beneficially owned by such Person and its affiliates, and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such Person and its affiliates (including, without limitation, any convertible notes or convertible preferred stock or warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended. For purposes of this Warrant, in determining the number of outstanding shares of Common Stock, Holder may rely on the number of outstanding

shares of Common Stock as reflected in (1) the Company's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other public filing with the SEC, as the case may be, (2) a more recent public announcement by the Company or (3) any other notice by the Company or the transfer agent setting forth the number of shares of Common Stock outstanding. To the extent that the limitation contained in this Section 1(c) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by Holder) and of which a portion of this Warrant is exercisable shall be in the sole discretion of Holder, in each case subject to such aggregate percentage limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. For any reason at any time, upon the written or oral request of Holder, the Company shall within two (2) business days confirm to Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by Holder and its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. By written notice to the Company, Holder may from time to time increase or decrease the Maximum Percentage to any other percentage specified in such notice; provided that (i) any such increase will not be effective until the sixty-first (61st) day after such notice is delivered to the Company, and (ii) any such increase or decrease will apply only to Holder. Notwithstanding anything anywhere in this Warrant to the contrary, the aggregate number of shares issued pursuant to the exercise of this Warrant shall not exceed the aggregate number of shares of Common Stock which Holder may exercise pursuant to the terms of this Warrant without breaching the Company's obligations under the rules or regulations of the Principal Trading Market (the number of shares which may be issued without violating such rules and regulations, the "Exchange Cap"), except that such limitation shall not apply in the event that the Company obtains the approval of its stockholders as required by the applicable rules of the Principal Trading Market for issuances of shares of Common Stock in excess of such amount or such approval is not required pursuant to the applicable rules of the Principal Trading Market.

2. Limitation on Transfer.

(a) This Warrant and the Common Stock shall not be transferable except upon the conditions specified in this Section 2, which conditions are intended to ensure compliance with the provisions of the Securities Act. Each holder of this Warrant or the Common Stock issuable hereunder will cause any proposed transferee of the Warrant or Common Stock to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Section 2. Notwithstanding the foregoing and any other provision of this Section 2 but subject to the legend requirement of Section 2(b), if applicable, and the last sentence of Section 2(c), Holder may freely transfer all or part of this Warrant or the shares issuable upon exercise of this Warrant (or the securities issuable, directly or indirectly, upon conversion of the shares, if any) at any time to any affiliate of Lender if such transfer is made without payment of consideration by the transferee, by giving Company notice of the portion of the Warrant being transferred setting forth the name, address and taxpayer identification number of the transferee and surrendering this Warrant to Company for reissuance to the transferee(s) (and Holder, if applicable).

(b) Each certificate representing (i) this Warrant, (ii) the Common Stock, and (iii) any other securities issued in respect of the Common Stock issued upon any stock split, stock dividend, recapitalization, merger, consolidation or similar event, shall (unless otherwise permitted by the provisions of this Section 2 or unless such securities have been registered under the Securities Act or sold under Rule 144) be stamped or otherwise imprinted with a legend substantially in the following form (in addition to any legend required under applicable state securities laws):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE AND DISTRIBUTION THEREOF, AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF (A) SUCH REGISTRATION, (B) AN OPINION OF COUNSEL IN A FORM REASONABLY ACCEPTABLE TO COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED DUE TO AN EXEMPTION THEREFROM UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR (C) ELUTIA INC. OTHERWISE SATISFIES ITSELF THAT SUCH TRANSACTION IS COMPLIANT WITH SUCH LAWS.

(c) Holder and each person to whom this Warrant is subsequently transferred represents and warrants to Company and agrees (by acceptance of such transfer) that it will not transfer this Warrant (or securities issuable upon exercise hereof unless a registration statement under the Securities Act was in effect with respect to such securities at the time of issuance thereof) unless (i) with respect to securities issued upon exercise, there is an effective registration statement under the Securities Act and applicable state securities laws covering any such transaction, (ii) pursuant to Rule 144 under the Securities Act (or any other rule under the Securities Act relating to the disposition of securities), (iii) Company receives an opinion of counsel, reasonably satisfactory to Company, that an exemption from registration is available or (iv) the Company otherwise satisfies itself that such transaction is exempt from registration. Notwithstanding the foregoing or any other provision of this Section 2, Holder shall not transfer this Warrant (or securities issuable upon exercise hereof, or securities issuable, directly or indirectly, upon conversion of such securities, if any) to any competitor of Company, as determined in good faith by the Board of Directors of Company (the "Board"), without the prior written consent of Company.

3. Shares to be Fully Paid; Reservation of Shares. Company covenants and agrees that all shares of Common Stock which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be duly authorized, validly issued, fully paid and nonassessable and free from all preemptive rights of any stockholder and free of all taxes, liens and charges with respect to the issue thereof. Company further covenants and agrees that during the period within which the rights represented by this Warrant may be exercised, Company will at all times have authorized and reserved, for the purpose of issue or transfer upon exercise of the subscription rights evidenced by this Warrant, a sufficient number of shares of authorized but unissued Common Stock, or other securities and property, when and as required to provide for the exercise of the rights represented by this Warrant. Company will take all such action as may be necessary to assure that such shares of Common Stock may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any domestic securities exchange upon which the Common Stock may be listed. Company will not take any action which would result in any adjustment of the Exercise Price (as described in Section 4 hereof) (i) if the total number of shares of Common Stock issuable after such action upon exercise of all outstanding warrants, together with all shares of Common Stock then outstanding and all shares of Common Stock then issuable upon exercise of all options and upon the conversion of all convertible securities then outstanding, would exceed the total number of shares of Common Stock then authorized by Company's Certificate of Incorporation, as amended and restated from time to time (the "Charter"), or (ii) if the par value per share of the Common Stock would exceed the Exercise Price.

4. Adjustment of Exercise Price and Number of Shares. The Exercise Price and the number of shares purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 4. Upon each adjustment of the Exercise Price, Holder of this Warrant shall thereafter be entitled to purchase, at the Exercise Price resulting from such adjustment, the number of shares obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of shares purchasable pursuant hereto immediately prior to such adjustment, and dividing the product thereof by the Exercise Price resulting from such adjustment.

4.1 Subdivision or Combination of Stock. In case Company shall at any time subdivide its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced, and conversely, in case the outstanding shares of Common Stock of Company shall be combined into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased.

4.2 Dividends. If at any time or from time to time the holders of Common Stock (or any shares of stock or other securities at the time receivable upon the exercise of this Warrant) shall have received or become entitled to receive,

(a) Common Stock, or any shares of stock or other securities whether or not such securities are at any time directly or indirectly convertible into or exchangeable for Common Stock, or any rights or options to subscribe for, purchase or otherwise acquire any of the foregoing by way of dividend or other distribution,

(b) any cash paid or payable including as a cash dividend, or

(c) Common Stock or other or additional stock or other securities or property (including cash) by way of spin off, split-up, reclassification, combination of shares or similar corporate rearrangement, (other than shares of Common Stock issued as a stock split, adjustments in respect of which shall be covered by the terms of Section 4.1 above),

then and in each such case, Holder hereof shall, upon the exercise of this Warrant, be entitled to receive, in addition to the number of shares of Common Stock receivable thereupon, and without payment of any additional consideration therefor, the amount of stock and other securities and property (including cash in the cases referred to in clauses (b) and (c) above) which Holder would hold on the date of such exercise had it been the holder of record of such Common Stock as of the date on which holders of Common Stock received or became entitled to receive such shares and/or all other additional stock and other securities and property.

4.3 Change of Control. In the event of a Change of Control (as hereinafter defined) if the transaction in such Change of Control values the Company's Common Stock at less than three (3) times the Exercise Price then in effect, this Warrant shall be automatically exchanged for a number of shares of Company's securities, such number of shares being equal to the maximum number of shares issuable pursuant to the terms hereof (after taking into account all adjustments described herein) had Holder elected to exercise this Warrant immediately prior to the closing of such Change of Control and purchased all such shares pursuant to the cash exercise provision set forth in Section 1(a) hereof (as opposed to the cashless exercise provision set forth in Section 1(b)). Company acknowledges and agrees that Holder shall not be required to make any payment (cash or otherwise) for such shares as further consideration for their issuance pursuant to the terms of the preceding sentence. "Change of Control" shall mean any sale, license, or other disposition of all or substantially all of the assets of Company (provided, the sale of all or substantially all of the SimpliDerm Assets and/or Cardiovascular Franchise Assets shall not constitute a Change of Control), any reorganization, consolidation, merger or other transaction involving Company where the holders of Company's securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction; provided that an issuance of equity securities for the primary purpose of raising capital shall not be considered a Change of Control under this Warrant. This Warrant shall terminate upon Holder's receipt of the number of shares of Company's equity securities described in this Section 4.3.

4.4 Reserved.

4.5 Notice of Adjustment. Upon any adjustment of the Exercise Price, and/or any increase or decrease in the number of shares purchasable upon the exercise of this Warrant, Company shall give written notice thereof to Holder pursuant to Section 12. The notice, which may be substantially in the form of Exhibit "A" attached hereto, shall be signed by Company's chief financial officer and shall state the Exercise Price resulting from such adjustment and the increase or decrease, if any, in the number of shares purchasable at such price upon the exercise of this Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

4.6 Other Notices. If at any time:

(a) Company shall declare any cash dividend upon its Common Stock;

(b) Company shall declare any dividend upon its Common Stock payable in stock or make any special dividend or other distribution to the holders of its Common Stock;

(c) Company shall offer for subscription pro rata to the holders of its Common Stock any additional shares of stock of any class or other rights;

(d) there shall be any capital reorganization or reclassification of the capital stock of Company, or consolidation or merger of Company with, or sale of all or substantially all of its assets to, another entity;

(e) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of Company; or

(f) Company shall take or propose to take any other action, notice of which is actually provided to holders of the Common Stock;

then, in any one or more of said cases, Company shall give Holder, pursuant to Section 12, (i) at least 5 days' prior written notice of the date on which the books of Company shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, or other action and (ii) in the case of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, or other action, at least 5 days' prior written notice of the date when the same shall take place. Any notice given in accordance with the foregoing clause (i) shall also specify, in the case of any such dividend, distribution or subscription rights, the date on which the holders of Common Stock shall be entitled thereto. Any notice given in accordance with the foregoing clause (ii) shall also specify the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, or other action as the case may be.

5. Issue Tax. The issuance of certificates for shares of Common Stock upon the exercise of this Warrant shall be made without charge to Holder of this Warrant for any issue tax in respect thereof; provided, however, that Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the then Holder of this Warrant being exercised.

6. Closing of Books. Company will at no time close its transfer books against the transfer of this Warrant or of any shares of Common Stock issued or issuable upon the exercise of this Warrant in any manner which interferes with the timely exercise of this Warrant.

7. No Voting Rights; Limitation of Liability. Nothing contained in this Warrant shall be construed as conferring upon Holder hereof the right to vote or to consent as a stockholder in respect of meetings of stockholders for the election of directors of Company or any other matters or any rights whatsoever as a stockholder of Company. No dividends or interest shall be payable in respect of this Warrant or the interest represented hereby or the shares purchasable hereunder until, and only to the extent that, this Warrant shall have been exercised; provided, however, that if any dividends are due or paid at any time on the underlying securities for which this Warrant is exercisable, then upon exercise, the securities issued to Holder shall be deemed to have accrued dividends and be paid identical dividends from the same time as the outstanding shares for which this Warrant is exercisable were first issued (or, if later, the date of this Warrant). No provisions hereof, in the absence of affirmative action by Holder to purchase shares of Common Stock, and no mere enumeration herein of the rights or privileges of Holder hereof, shall give rise to any liability of such Holder for the Exercise Price or as a stockholder of Company, whether such liability is asserted by Company or by its creditors.

8. Amendment of Charter. Unless Holder consents thereto in writing, Company shall not amend its Charter prior to the exercise of this Warrant if the Common Stock would be adversely affected by such amendment in a manner that would be more adverse to Holder with respect to the shares of Common Stock issuable upon the exercise of this Warrant than, and substantially dissimilar to, such amendment's effect on the other holders of the Common Stock.

9. Registration Rights.

(a) If Company has an effective and usable resale shelf registration statement on SEC Form S-3 at the time of any written request by Holder, Company shall use commercially reasonable efforts to, within ninety (90) days of such written request by Holder, file a prospectus supplement to include the shares of Common Stock obtained upon exercise of this Warrant (“Registrable Securities”) to include the Registrable Securities for resale thereunder. If Registrable Securities cannot be added to an effective and usable existing shelf registration statement by prospectus supplement, but can be added by post-effective amendment, Company shall prepare and file with the SEC a post-effective amendment to such effective and usable shelf registration statement covering the resale of the Registrable Securities and use its commercially reasonable efforts to cause the post-effective amendment to become effective within ninety (90) days of such written request; provided, however, that Company is under no obligation to prepare and file such post-effective amendment if the Company would be obligated to recast any previously-filed historical financial information.

(b) If no shelf registration statement is then effective or usable, or Registrable Securities cannot be added to such effective and usable shelf registration statement as described in Section 9(a) above, then upon the written request of Holder, Company shall (i) prepare and file with the SEC a registration statement (the “Demand Registration Statement”) covering the resale of the shares of Common Stock obtained upon exercise of this Warrant (“Registrable Securities”) from time to time pursuant to Rule 415 under the Securities Act, (ii) use its commercially reasonable efforts to cause the Demand Registration Statement to become effective within 90 days of such written request, and (iii) cause the Demand Registration Statement (or a successor or replacement registration statement) to remain effective at all times that any Registrable Securities remain outstanding, except for any Allowed Delay (as defined below); provided, however, Company shall be under no obligation to file a Demand Registration Statement, cause it to become effective or maintain its effectiveness at such time as the Holder is not an “affiliate” of the Company within the meaning of Rule 144 under the Securities Act and is then able to resell Registrable Securities pursuant to Rule 144 without restriction or limitation (including without the requirement to be in compliance with Rule 144(c)(1) under the Securities Act), or when all Registrable Securities have been resold; provided, further, that in the event Company would be required to recast any previously-filed historical financial information in order to file the Demand Registration Statement, Company’s obligations under clauses (i) and (ii) above shall be triggered upon the latest to occur of (x) Holder’s written request, (y) the filing of Company’s Annual Report on Form 10-K for the year ended December 31, 2026 and (z) March 31, 2027. The Holder acknowledges and agrees that Registrable Securities issued to it will not be issued in a registered transaction, and may only be resold pursuant to the Demand Registration Statement or in another registered transaction, and only if also qualified or registered under any applicable state law, or in a transaction exempt from the Securities Act and any applicable state laws, and any Registrable Securities issued to the Holder will bear, or have associated with them, a legend to such effect. Holder may make one written request pursuant to this Section 9.

(c) Whenever the Company proposes to register the offer and sale of any shares of its Common Stock under the Securities Act (other than a registration (i) pursuant to a registration statement on Form S-8 (or other registration solely relating to an offering or sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit arrangement), (ii) pursuant to a registration statement on Form S-4 (or similar form that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule thereto), (iii) in connection with any dividend or distribution reinvestment or similar plan, or (iv) in connection with a strategic or commercial arrangement with a vendor, licensor or similar business partner, other than a lender, that is not primarily for capital-raising purposes), whether for its own account or for the account of one or more stockholders of the Company, and the form of registration statement (a “Piggyback Registration Statement”, and together with a Demand Registration Statement, a “Registration Statement”) may be used for the resale of Registrable Securities, the Company shall give written notice to Holder of its intention to effect such a registration and, subject to Section 9(d) and Section 9(e), shall include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion from the Holder within five (5) business days after the Company’s notice has been given to each such holder. The Company may postpone or withdraw the filing or the effectiveness of a Piggyback Registration Statement at any time in its sole discretion.

(d) If a Piggyback Registration Statement is initiated as a primary underwritten offering on behalf of the Company and the managing underwriter advises the Company in writing that the number of shares of Common Stock and/or Registrable Securities proposed to be included in such registration or takedown potentially exceeds the number which can be sold in such offering and/or that the number of shares of Common Stock and/or Registrable Securities proposed to be included in any such registration or takedown would adversely affect the price per share of the securities to be sold in such offering, the Company shall include in such registration (i) first, all securities the Company proposes to sell for its own account, and (ii) second, the Registrable Securities and other securities requested to be included in such registration by other holders, allocated pro rata among all such holders on the basis of the number of securities requested to be included by each such holder, or in such other manner as they may otherwise agree.

(e) If a Piggyback Registration Statement is initiated as an underwritten offering on behalf of a holder of Common Stock other than Registrable Securities, and the managing underwriter advises the Company in writing that the number of shares of Common Stock and/or Registrable Securities proposed to be included in such registration potentially exceeds the number of shares of Common Stock which can be sold in such offering and/or that the number proposed to be included in any such registration or takedown would adversely affect the price per share of the securities to be sold in such offering, the Company shall include in such registration (i) first, all securities requested to be included by the holder(s) initiating such registration, and (ii) second, the Registrable Securities and other securities requested to be included in such registration by other holders (including Holder), allocated pro rata among all such holders on the basis of the number of securities requested to be included by each such holder, or in such other manner as they may otherwise agree.

(f) It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 9 that the Holder shall furnish to Company such information regarding the Holder, the Company securities held by it, and any other information that is reasonably required to effect the registration of such Holder's Registrable Securities, including the completion of a customary selling security holder questionnaire.

(g) Notwithstanding anything to the contrary contained herein, Company may, upon written notice to Holder, suspend the use of a Registration Statement, including any prospectus that forms a part of the Registration Statement, if the Company determines (i) that it would be required to make disclosure of material information in the Registration Statement that the Company has a bona fide business purpose for preserving as confidential, (ii) it must amend the Registration Statement to include recast or other historical financial statements or financial information, whether due to a fundamental change (within the meaning of Item 512 of the SEC's Regulation S-K) or otherwise, or (iii) it must otherwise amend or supplement the Registration Statement or the related prospectus to correct a material misstatement or omission therein (an "Allowed Delay"); provided, however, that (x) no single Allowed Delay shall exceed forty-five (45) consecutive days, (y) the aggregate number of days during which Allowed Delays are in effect shall not exceed ninety (90) days in any twelve (12) month period, and (z) the Company shall use commercially reasonable efforts to terminate any Allowed Delay as promptly as practicable; provided, further, that in the event the Allowed Delay is due to a requirement to recast previously filed financial information, the Allowed Delay may last until the SEC filing due date for the Company's next annual report on Form 10-K.

(h) Company shall use commercially reasonable efforts to cause all Registrable Securities listed in a Registration Statement to be listed on any securities exchange, quotation system or market, if any, on which similar securities issued by Company are then listed or traded.

(i) All reasonable fees and expenses incident to the performance of or compliance with Section 9 by Company (excluding underwriters' discounts and commissions and the fees and expenses of any attorneys or other advisors engaged by Holder) shall be borne by Company.

(j) Company shall indemnify and hold harmless Holder, its officers, directors, members, partners, agents, and each person who controls Holder within the meaning of Section 15 of the Securities Act, from and against any and all losses, claims, damages, liabilities and expenses (including reasonable attorneys' fees) arising

out of or based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or prospectus or any amendment or supplement thereto, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that Company shall not be liable for any such losses, claims, damages, liabilities or expenses to the extent they arise out of or are based upon any untrue statement or omission made in reliance upon and in conformity with information furnished in writing to Company by or on behalf of Holder specifically for inclusion therein.

(k) Holder shall indemnify and hold harmless Company, its officers, directors, members, partners, agents, and each person who controls Company within the meaning of Section 15 of the Securities Act, from and against any and all losses, claims, damages, liabilities and expenses (including reasonable attorneys' fees) arising out of or based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any information furnished in writing by or on behalf of Holder specifically for inclusion in a Registration Statement or prospectus or any amendment or supplement thereto, or (ii) any omission or alleged omission to state in such information furnished by or on behalf of Holder a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

10. Rights and Obligations Survive Exercise of Warrant. The rights and obligations of Company, of Holder of this Warrant and of the holder of shares of Common Stock issued upon exercise of this Warrant, contained in Sections 6, 8, 9 and 18 shall survive the exercise of this Warrant.

11. Modification and Waiver. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the same is sought.

12. Notices. Any notice, request or other document required or permitted to be given or delivered to Holder or Company shall be deemed to have been given (i) upon receipt if delivered personally or by courier (ii) upon confirmation of receipt if by telecopy or (iii) three business days after deposit in the US mail, with postage prepaid and certified or registered, to each such Holder at its address as shown on the books of Company or to Company at the address indicated therefor in the opening paragraphs of this Warrant (or at such other location as Company may advise Holder in writing).

13. Survival of Certain Obligations. All of the obligations of Company relating to the Common Stock issuable upon the exercise of this Warrant shall survive the exercise and termination of this Warrant. All of the covenants and agreements of Company shall inure to the benefit of and be binding upon the successors and permitted assigns of Holder. Company will, at the time of the exercise of this Warrant, in whole or in part, upon request of Holder but at Company's expense, acknowledge in writing its continuing obligation to Holder in respect of any rights (including, without limitation, any right to registration of the shares of Common Stock) to which Holder shall continue to be entitled after such exercise in accordance with this Warrant; provided, that the failure of Holder to make any such request shall not affect the continuing obligation of Company to Holder in respect of such rights.

14. Descriptive Headings and Governing Law. The descriptive headings of the several sections and paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. This Warrant shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Delaware.

15. Lost Warrants or Stock Certificates. Company agrees that upon receipt of evidence reasonably satisfactory to Company of the loss, theft, destruction, or mutilation of any Warrant or stock certificate and, in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably satisfactory to Company, or in the case of any such mutilation upon surrender and cancellation of such Warrant or stock certificate, Company at its expense will make and deliver a new Warrant or stock certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant or stock certificate.

16. Fractional Shares. No fractional shares shall be issued upon exercise of this Warrant. Company shall, in lieu of issuing any fractional share, pay the holder entitled to such fraction a sum in cash equal to such fraction multiplied by the then effective Exercise Price.

17. Representations of Holder. With respect to this Warrant, Holder represents and warrants to Company as follows:

17.1 Experience. It is experienced in evaluating and investing in companies engaged in businesses similar to that of Company; it understands that investment in this Warrant involves substantial risks; it has made detailed inquiries concerning Company, its business and services, its officers and its personnel; the officers of Company have made available to Holder any and all written information it has requested; the officers of Company have answered to Holder's satisfaction all inquiries made by it; in making this investment it has relied upon information made available to it by Company; and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in Company and it is able to bear the economic risk of that investment.

17.2 Investment. It is acquiring this Warrant for investment for its own account and not with a view to, or for resale in connection with, any distribution thereof. It understands that this Warrant and the shares of Common Stock issuable upon exercise of this Warrant, have not been registered under the Securities Act, nor qualified under applicable state securities laws.

17.3 Rule 144. It acknowledges that this Warrant and the Common Stock issuable upon exercise of this Warrant must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. It has been advised or is aware of the provisions of Rule 144 promulgated under the Securities Act.

17.4 Access to Data. It has had an opportunity to discuss Company's business, management and financial affairs with Company's management and has had the opportunity to inspect Company's facilities.

17.5 Accredited Investor. It is an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act.

18. Additional Representations and Covenants of Company. Company hereby represents, warrants and agrees as follows:

18.1 Corporate Power. Company has all requisite corporate power and corporate authority to issue this Warrant and to carry out and perform its obligations hereunder.

18.2 Authorization. All corporate action on the part of Company, its directors and stockholders necessary for the authorization, execution, delivery and performance by Company of this Warrant has been taken. This Warrant is a valid and binding obligation of Company, enforceable in accordance with its terms.

18.3 Offering. Subject in part to the truth and accuracy of Holder's representations set forth in Section 17 hereof, the offer, issuance and sale of this Warrant is, and the Common Stock issuable upon exercise of this Warrant will be, exempt from the registration requirements of the Securities Act, and are exempt from the qualification requirements of any applicable state securities laws; and neither Company nor anyone acting on its behalf will take any action hereafter that would cause the loss of such exemptions.

18.4 Listing; Stock Issuance. Company shall secure and maintain the listing of the Common Stock issuable upon exercise of this Warrant and the shares of Common Stock or other securities issuable upon exercise of this Warrant, upon each securities exchange or over-the-counter market upon which securities of the same class or series issued by Company are listed, if any. Upon exercise of this Warrant, Company will use commercially

reasonable efforts to cause stock certificates or direct registration book entries on the records of the Company's transfer agent and registrar representing the shares of Common Stock purchased pursuant to the exercise to be issued in the names of Holder, its nominees or assignees, as appropriate at the time of such exercise.

18.5 Charter Documents. Company has provided Holder with true and complete copies of Company's Charter, By-Laws, and each Certificate of Designation or other charter document setting forth any rights, preferences and privileges of Company's capital stock, each as amended and in effect on the date of issuance of this Warrant.

18.6 Reserved.

18.7 Financial and Other Reports. Until the earlier of (a) the Expiration Date, and (b) the termination of this Warrant pursuant to Section 4.3, Company shall furnish to Holder (i) promptly following the filing of Company's annual report on Form 10-K, a balance sheet, together with an income statement, a cash flow statement and a statement of changes in equity, for such fiscal year, in substantially the same form as such annual financial statements are filed with the SEC; (ii) within 60 days after the close of each fiscal quarter of Company, an unaudited balance sheet, income statement and cash flow statement, each at and as of the end of such quarter. In addition, Company agrees to provide Holder at any time and from time to time with such information as Holder may reasonably request for purposes of Holder's compliance (as determined by Holder in its reasonable discretion) with regulatory, accounting and reporting requirements applicable to Holder (e.g., Fair Value Accounting Standard 157), including any 409A valuation reports (or equivalent reports) and budgets. Notwithstanding the foregoing, Company shall not be required to furnish to Holder the financial information described in this Section 18.7 in the event such financial information has been previously delivered to Lender pursuant to the Loan Agreement.

19. Counterparts; Facsimile; Electronic Signatures. This Warrant may be executed by one or more of the parties hereto in any number of separate counterparts, all of which together shall constitute one and the same instrument. Holder's execution and delivery of Holder's counterpart signature page to this Warrant via facsimile or electronic mail (including pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, e.g., www.docusign.com) shall constitute Holder's effective execution and delivery of this Warrant and agreement to and acceptance of the terms hereof for all purposes.

[Remainder of this page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, Company has caused this Warrant to be duly executed by its officer, thereunto duly authorized as of the date of issuance set forth on the first page hereof.

ELUTIA INC.

By: /s/ Matthew Ferguson
Name: Matthew Ferguson
Title: CFO

AGREED AND ACCEPTED:

HOLDER:

AVENUE GROWTH LENDING FUND III, L.P.

By: Avenue Growth Lending Partners III, LLC
Its: General Partner

By: /s/ Sonia Gardner
Name: Sonia Gardner
Title: Member

FORM OF SUBSCRIPTION

(To be signed only upon exercise of Warrant)

To: _____

- ☐ The undersigned, the holder of the within Warrant, hereby irrevocably elects to exercise the purchase right represented by such Warrant for, and to purchase thereunder, (1) _____ (_____) shares¹ (the "Shares") of Stock of _____ and herewith makes payment of _____ Dollars (\$ _____) therefor, and requests that the certificates for such shares be issued in the name of, and delivered to, _____, whose address is _____.
- ☐ The undersigned hereby elects to convert _____ percent (____%) of the value of the Warrant pursuant to the provisions of Section 1(b) of the Warrant.

The undersigned acknowledges that it has reviewed the representations and warranties contained in Section 17 of this Warrant and by its signature below hereby makes such representations and warranties to Company.

Dated _____

Holder: _____

By: _____

Its: _____

(Address) _____

¹ Insert here the number of shares called for on the face of the Warrant (or, in the case of a partial exercise, the portion thereof as to which the Warrant is being exercised), in either case without making any adjustment for additional Common Stock or any other stock or other securities or property or cash which, pursuant to the adjustment provisions of the Warrant, may be issuable upon exercise.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned, the holder of the within Warrant, hereby sells, assigns and transfers all of the rights of the undersigned under the within Warrant, with respect to the number of shares of Common Stock covered thereby set forth herein below, unto:

Name of Assignee	Address	No. of Shares
------------------	---------	---------------

Dated _____

Holder: _____

By: _____

Its: _____

EXHIBIT "A"

[On letterhead of Company]

Reference is hereby made to that certain Warrant dated August 11, 2026 issued by ELUTIA INC., a Delaware corporation (the "Company"), to AVENUE GROWTH LENDING FUND III, L.P., a Delaware limited partnership (the "Holder").

[IF APPLICABLE] The Warrant provides that the actual number and type of shares of Company's capital stock issuable upon exercise of the Warrant and the initial exercise price per share are to be determined by reference to one or more events or conditions subsequent to the issuance of the Warrant. Such events or conditions have now occurred or lapsed, and Company wishes to confirm the actual number of shares issuable and the initial exercise price. The provisions of this Supplement to Warrant are incorporated into the Warrant by this reference, and shall control the interpretation and exercise of the Warrant.

[IF APPLICABLE] Notice is hereby given pursuant to Section 4.5 of the Warrant that the following adjustment(s) have been made to the Warrant: [describe adjustments, setting forth details regarding method of calculation and facts upon which calculation is based].

This certifies that Holder is entitled to purchase from Company _____, at the Holder's option, either (i) (_____) fully paid and nonassessable shares of Company's _____ Stock at a price of _____ Dollars (\$_____) per share or (ii) (_____) fully paid and nonassessable shares of Company's _____ Stock at a price of _____ Dollars (\$_____) per share. The applicable Exercise Price and the number of shares purchasable under the Warrant remain subject to adjustment as provided in Section 4 of the Warrant.

Executed this ____ day of _____, 20 ____.

ELUTIA INC.

By: _____

Name: _____

Title: _____

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH “[***]”. SUCH IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS (i) NOT MATERIAL AND (ii) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS THAT INFORMATION AS PRIVATE OR CONFIDENTIAL.

LOAN AND SECURITY AGREEMENT

Dated as of August 11, 2026

among

ELUTIA INC.,
a Delaware corporation
(“Parent”),

and

ELUTIA MED LLC,
a Delaware limited liability company
(“Elutia Med”); and together with Parent, jointly and severally, individually and collectively, “Borrower”)

and

AVENUE VENTURE OPPORTUNITIES FUND II, L.P.,
a Delaware limited partnership
(as administrative agent and collateral agent (in such capacity “Agent”))

and

AVENUE VENTURE OPPORTUNITIES FUND II, L.P.,
a Delaware limited partnership, (“Avenue 2”)
as a lender

and

AVENUE GROWTH LENDING FUND III, L.P.,
a Delaware limited partnership (“Avenue 3”)
as a lender (in such capacity, together with Avenue 2 and each other lender from time to time party hereto, a “Lender” and collectively, the “Lenders”)

LOAN AND SECURITY AGREEMENT

Borrower, Lenders and Agent have entered or anticipate entering into one or more transactions pursuant to which each Lender agrees to make available to Borrower a loan facility governed by the terms and conditions set forth in this document and one or more Supplements executed by Borrower, Lenders and Agent which incorporate this document by reference. Each Supplement constitutes a supplement to and forms part of this document and will be read and construed as one with this document, so that this document and the Supplement constitute a single agreement between the parties (collectively referred to as this “**Agreement**”).

Accordingly, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions. The terms defined in Article 10 and in the Supplement will have the meanings therein specified for purposes of this Agreement.

1.2 Inconsistency. In the event of any inconsistency between the provisions of any Supplement and this document, the provisions of the Supplement will be controlling for the purpose of all relevant transactions.

ARTICLE 2 - THE COMMITMENT AND LOANS

2.1 The Commitment. Subject to the terms and conditions of this Agreement, each Lender agrees to make term loans to Borrower from time to time from the Closing Date and to and including the Termination Date in an aggregate principal amount not exceeding the Commitment. The Commitment is not a revolving credit commitment, and Borrower does not have the right to repay and reborrow hereunder. The aggregate Loans requested by Borrower to be made on a single Business Day shall be for a minimum principal amount set forth in the Supplement, except to the extent the remaining Commitment is a lesser amount.

2.2 Notes Evidencing Loans; Repayment. Each Loan shall be evidenced by a separate Note payable to the order of each Lender of such Loan, in the total principal amount of the Loan. Principal and interest of each Loan shall be payable at the times and in the manner set forth in the Note and regularly scheduled payments thereof shall be effected by automatic debit of the appropriate funds from Borrower's Primary Operating Account as specified in the Supplement hereto. Repayment of the Loans and payment of all other amounts owed to each Lender will be paid by Borrower in the currency in which the same has been provided (i.e., United States Dollars).

2.3 Procedures for Borrowing.

(a) At least five (5) Business Days prior to a proposed Borrowing Date (or such lesser period of time as may be agreed upon by the Required Lenders in their sole discretion), Agent shall have received from Borrower a written request for a borrowing hereunder (a “**Borrowing Request**”). Each Borrowing Request shall be in substantially the form of Exhibit “B” to the Supplement, shall be executed by a responsible executive or financial officer of Borrower, and shall state how much is requested, and shall be accompanied by such other information and documentation as any Lender may reasonably request, including the executed Note(s) for the Loan(s) covered by the Borrowing Request.

(b) No later than 1:00 p.m. Pacific Standard Time on the Borrowing Date, if Borrower has satisfied the conditions precedent in Article 4 by 9:00 a.m. Pacific Standard Time on such Borrowing Date, each Lender shall make its Loan available to Borrower in immediately available funds.

2.4 Interest. Except as otherwise specified in the applicable Note and/or Supplement, Basic Interest on the outstanding principal balance of each Loan shall accrue daily at the Designated Rate from the Borrowing Date. If the outstanding principal balance of such Loan is not paid at maturity, interest shall accrue at the Default Rate until paid in full, as further set forth herein.

2.5 Intentionally Omitted.

2.6 Interest Rate Calculation. Basic Interest, along with charges and fees under this Agreement and any Loan Document, shall be calculated for actual days elapsed on the basis of a 360-day year, which results in higher interest, charge or fee payments than if a 365-day year were used. In no event shall Borrower be obligated to pay any Lender interest, charges or fees at

a rate in excess of the highest rate permitted by applicable law from time to time in effect.

2.7 Default Interest. Any unpaid payments in respect of the Obligations shall bear interest from their respective maturities, whether scheduled or accelerated, at the Default Rate, compounded monthly. Following the occurrence of an Event of Default, all outstanding Obligations shall bear interest at the Default Rate, compounded monthly, as of the date of occurrence of such Event of Default. Borrower shall pay such interest on demand.

2.8 Late Charges. If Borrower is late in making any scheduled payment in respect of the Obligations by more than five (5) days, then Borrower agrees to pay a late charge of five percent (5%) of the payment due, but not less than fifty dollars (\$50.00) for any one such delinquent payment. This late charge shall be charged by Agent, for the ratable benefit of the Lenders, for the purpose of defraying the expenses incidental to the handling of such delinquent amounts. Borrower acknowledges that such late charge represents a reasonable sum considering all of the circumstances existing on the date of this Agreement and represents a fair and reasonable estimate of the costs that will be sustained by Lenders due to the failure of Borrower to make timely payments. Borrower further agrees that proof of actual damages would be costly and inconvenient. Such late charge shall be paid without prejudice to the right of Lenders and Agent to collect any other amounts provided to be paid or to declare a default under this Agreement or any of the other Loan Documents or from exercising any other rights and remedies of Agent for the ratable benefit of the Lenders.

2.9 Lender's Records. Principal, Basic Interest and all other sums owed under any Loan Document shall be evidenced by entries in records maintained by each Lender for such purpose. Each payment on and any other credits with respect to principal, Basic Interest and all other sums outstanding under any Loan Document shall be evidenced by entries in such records. Absent manifest error, each Lender's records shall be conclusive evidence thereof.

2.10 Grant of Security Interests; Filing of Financing Statements.

(a) To secure the timely payment and performance of all of Borrower's Obligations, Borrower hereby grants to Agent, for the ratable benefit of the Lenders, continuing security interests in all of the Collateral. In connection with the foregoing, Borrower authorizes Agent to prepare and file any financing

statements describing the Collateral. Such financing statements may indicate the Collateral as "all assets of the Debtor" or words of similar effect.

(b) In furtherance of Borrower's grant of the security interests in the Collateral pursuant to Section 2.10(a) above, Borrower hereby pledges and grants to Agent, for the ratable benefit of the Lenders, a security interest in all the Shares, together with all proceeds and substitutions thereof, all cash, stock and other moneys and property paid thereon, all rights to subscribe for securities declared or granted in connection therewith, and all other cash and noncash proceeds of the foregoing, as security for the performance of the Obligations. On the Closing Date or at any time thereafter following Agent's request, the certificate or certificates for the Shares will be delivered to the Agent, accompanied by an instrument of assignment duly executed in blank by Borrower, unless such Shares have not been certificated. To the extent required by the terms and conditions governing the Shares, Borrower shall cause the books of each entity whose Shares are part of the Collateral and any transfer agent to reflect the pledge of the Shares. Upon the occurrence and during the continuance of an Event of Default hereunder, Agent, at the direction of the Required Lenders, may effect the transfer of any securities included in the Collateral (including but not limited to the Shares) into the name of Agent and cause new certificates representing such securities to be issued in the name of Agent or its transferee(s). Borrower will execute and deliver such documents, and take or cause to be taken such actions, as Agent may reasonably request to perfect or continue the perfection of Agent's security interest in the Shares. Except as provided in the following sentence, Borrower shall be entitled to exercise any voting rights with respect to the Shares and to give consents, waivers and ratifications in respect thereof, provided that no vote shall be cast or consent, waiver or ratification given or action taken which would constitute a violation of any of the terms of this Agreement. All such rights to vote and give consents, waivers and ratifications shall terminate upon the occurrence and continuance of an Event of Default and Agent's, at the direction of the Required Lenders, written notice to Borrower of Agent's intent to exercise its rights and remedies under this Agreement, including this Section 2.10(b).

(c) Borrower is and shall remain absolutely and unconditionally liable for the performance of its Obligations, including, without limitation, any deficiency by reason of the failure of the Collateral to satisfy all amounts due to each Lender under any of the Loan Documents.

(d) All Collateral pledged by Borrower under this Agreement and any Supplement shall secure the timely payment and performance of all Obligations. Except as expressly provided in this Agreement, no Collateral pledged under this Agreement or any Supplement shall be released until such time as all Obligations have been satisfied and paid in full (other than inchoate indemnity obligations).

ARTICLE 3 – REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants that, except as set forth in the Supplement or the Schedule of Exceptions hereto, if any, as of the Closing Date and each Borrowing Date:

3.1 Due Organization. Borrower is a corporation or limited liability company, as applicable, duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation or formation, as applicable, and is duly qualified to conduct business and is in good standing in each other jurisdiction in which its business is conducted or its properties are located, except where the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect.

3.2 Authorization, Validity and Enforceability. The execution, delivery and performance of all Loan Documents executed by Borrower are within Borrower's powers, have been duly authorized, and are not in conflict with Borrower's certificate of incorporation, certificate of formation, by-laws or operating agreement, as applicable, or the terms of any charter or other organizational document of Borrower, as amended from time to time; and all such Loan Documents constitute valid and binding obligations of Borrower, enforceable in accordance with their terms (except as may be limited by bankruptcy, insolvency and similar laws affecting the enforcement of creditors' rights in general, and subject to general principles of equity).

3.3 Compliance with Applicable Laws. Except as set forth in the SEC Reports under the headings "Legal Proceedings", Borrower has complied with all licensing, permit and fictitious name requirements necessary to lawfully conduct the business in which it is engaged, and to any sales, leases or the furnishing of services by Borrower, including without limitation those requiring consumer or other disclosures, the noncompliance with which would have a Material Adverse Effect.

3.4 No Conflict. The execution, delivery, and performance by Borrower of all Loan Documents are not in conflict in any material respect with any law, rule, regulation, order or directive, or any indenture, agreement, or undertaking to which Borrower is a party or by which Borrower may be bound or affected. Without limiting the generality of the foregoing, the issuance of the Warrant and the grant of registration rights in connection therewith do not violate in any material respect any agreement or instrument by which Borrower is bound or require the consent of any holders of Borrower's securities other than consents which have been obtained prior to the Closing Date.

3.5 No Litigation, Claims or Proceedings. Except as set forth in the SEC Reports under the headings "Legal Proceedings", there is no material litigation, tax claim, proceeding or dispute pending, or, to the knowledge of Borrower, threatened against or affecting Borrower, its property or the conduct of its business.

3.6 Correctness of Financial Statements. Borrower's financial statements which have been delivered to Agent or any Lender or included in the SEC Reports fairly and accurately, in all material respects, reflect Borrower's financial condition in accordance with GAAP as of the latest date of such financial statements; and, since the date of the most recent balance sheet included in the SEC Reports there has been no Material Adverse Change.

3.7 No Subsidiaries. As of the Closing Date, Parent is not a majority owner of or in a control relationship with any other business entity, except for Elutia Med.

3.8 Environmental Matters. To its knowledge after reasonable inquiry, Borrower has concluded that Borrower is in compliance with Environmental Laws, except to the extent a failure to be in such compliance would not reasonably be expected to have a Material Adverse Effect.

3.9 No Event of Default. No Default or Event of Default has occurred and is continuing.

3.10 Full Disclosure. None of the representations or warranties made by Borrower in the Loan Documents as of the date such representations and warranties are made or deemed made, and none of the written statements contained in any exhibit, report or certificate furnished by or on behalf of Borrower in connection with the Loan Documents (including disclosure materials delivered by or on behalf of Borrower to Lenders prior to the Closing Date or

pursuant to Section 5.2 hereof), taken as a whole together with the disclosures in the SEC Reports, contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading as of the time when made or delivered.

3.11 Specific Representations Regarding Collateral.

(a) **Title.** Except for the security interests created by this Agreement and Permitted Liens, (i) Borrower is and will be the unconditional legal and beneficial owner of the Collateral, and (ii) the Collateral is genuine and subject to no Liens. There exist no presently effective assignments or encumbrances of record with the U.S. Patent and Trademark Office or U.S. Copyright Office affecting any Collateral in favor of any third party, other than Permitted Liens.

(b) **Rights to Payment.** The names of the obligors, amount owing to Borrower, due dates and all other material information with respect to the Rights to Payment are and will be correctly stated in all material respects in all Records relating to the Rights to Payment. Borrower further represents and warrants, to its knowledge, that each Person appearing to be obligated on a Right to Payment has authority and capacity to contract and is bound as it appears to be.

(c) **Location of Collateral.** As of the Closing Date, Borrower's chief executive office, Inventory, Records, Equipment, and any other offices or places of business are located at the address(es) shown on the Supplement.

(d) **Business Names.** Other than its full corporate name, Borrower has not within the five-year period preceding the Closing Date conducted business using any trade names or fictitious business names except as shown on the Supplement.

3.12 Copyrights, Patents, Trademarks and Licenses.

(a) Borrower owns or is licensed or otherwise has the right to use all of the patents, trademarks, service marks, trade names, copyrights, contractual franchises, authorizations and other similar rights that are reasonably necessary for the operation of its business, without known conflict with the rights of any other Person.

(b) To Borrower's knowledge, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by Borrower infringes upon any rights held by any other Person.

(c) No claim or litigation regarding any of the foregoing is pending or, to Borrower's knowledge, threatened, and, to Borrower's knowledge, no patent, invention, device, application, principle or any statute, law, rule, regulation, standard or code is pending or proposed which, in either case, could reasonably be expected to have a Material Adverse Effect.

3.13 Regulatory Compliance. Borrower has met the minimum funding requirements of ERISA with respect to any employee benefit plans subject to ERISA. No event has occurred resulting from Borrower's failure to comply with ERISA that is reasonably likely to result in Borrower's incurring any liability that could have a Material Adverse Effect. Borrower is not required to be registered as an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940. Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations T and U of the Board of Governors of the Federal Reserve System). Borrower has complied in all material respects with all the provisions of the Federal Fair Labor Standards Act.

3.14 Shares. Borrower has full power and authority to create a first priority Lien on the Shares and no disability or contractual obligation exists that would prohibit Borrower from pledging the Shares pursuant to this Agreement. To Borrower's knowledge, there are no subscriptions, warrants, rights of first refusal or other restrictions on transfer relative to, or options exercisable with respect to the Shares. The Shares have been and will be duly authorized and validly issued, and are fully paid and non-assessable. To Borrower's knowledge, the Shares are not the subject of any present or threatened suit, action, arbitration, administrative or other proceeding, and Borrower knows of no reasonable grounds for the institution of any such proceedings.

3.15 Compliance with Anti-Corruption Laws. Borrower has not taken any action that would cause a violation of any anti-corruption law, including but not limited to, the Foreign Corrupt Practices Act, the United Kingdom Bribery Act, and all other applicable anti-corruption laws. Borrower, its employees, agents and representatives have not, directly or indirectly,

offered, paid, given, promised or authorized the payment of any money, gift or anything of value to any person acting in an official capacity for any government department, agency or instrumentality, including state-owned or controlled companies or entities, and public international organizations, as well as a political party or official thereof or candidate for political office. None of Borrower's principals or staff are officers, employees or representatives of governments, government agencies, or government-owned or controlled enterprises.

3.16 Survival. The representations and warranties of Borrower as set forth in this Agreement survive the execution and delivery of this Agreement.

ARTICLE 4 - CONDITIONS PRECEDENT

4.1 Conditions to First Loan. The obligation of each Lender to make its first Loan hereunder is, in addition to the conditions precedent specified in Section 4.2 and in any Supplement, subject to the fulfillment of the following conditions and to the receipt by Lenders of the documents described below, duly executed and in form and substance satisfactory to each Lender and its counsel:

(a) Resolutions. A certified copy of the resolutions of the Board of Directors of Borrower authorizing the execution, delivery and performance by Borrower of the Loan Documents.

(b) Incumbency and Signatures. A certificate of an officer of Borrower certifying the names of the officer or officers of Borrower authorized to sign the Loan Documents, together with a sample of the true signature of each such officer.

(c) Legal Opinion. The opinion of legal counsel for Borrower as to such matters as Agent may reasonably request, in form and substance satisfactory to Agent.

(d) Charter Documents. Copies of the organizational and charter documents of Borrower (e.g., Articles or Certificate of Incorporation and Bylaws), as amended through the Closing Date, certified by an officer of Borrower as being true, correct and complete.

(e) This Agreement. Counterparts of this Agreement and the initial Supplement, with all schedules completed and attached thereto, and disclosing such information as is acceptable to the Required Lenders.

(f) Financing Statements. Filing copies (or other evidence of filing satisfactory to Agent and its counsel) of such UCC financing statements, collateral assignments, Account Control Agreements, and termination statements, with respect to the Collateral as Agent shall request.

(g) Intellectual Property Security Agreement. An Intellectual Property Security Agreement executed by Borrower in form and substance satisfactory to Agent.

(h) Lien Searches. UCC lien, judgment, bankruptcy and tax lien searches of Borrower from such jurisdictions or offices as Agent may reasonably request, all as of a date reasonably satisfactory to Agent and its counsel.

(i) Good Standing Certificate. A certificate of status or good standing of Borrower as of a date acceptable to Agent from the jurisdiction of Borrower's organization and any foreign jurisdictions where Borrower is qualified to do business.

(j) Warrant. A Warrant issued by Borrower to each Lender exercisable for such number, type and class of shares of Borrower's capital stock, and for an initial exercise price as is specified therein.

(k) Insurance Certificates. Insurance certificates with respect to property insurance showing Agent as loss payee and additional insured and with respect to general liability insurance showing Agent as additional insured.

(l) [Reserved].

(m) [Reserved].

(n) Other Documents. Such other documents and instruments as Agent or Lenders may reasonably request to effectuate the intents and purposes of this Agreement.

4.2 Conditions to All Loans. The obligation of each Lender to make its initial Loan and each subsequent Loan is subject to the following further conditions precedent that:

(a) No Default. No Default or Event of Default has occurred and is continuing or will result from the making of any such Loan, and the representations and warranties of Borrower contained in Article 3 of this Agreement and Part 3 of the Supplement are true and

correct in all material respects as of the Borrowing Date of such Loan.

(b) No Material Adverse Change. No event has occurred that has had or could reasonably be expected to have a Material Adverse Change since the date of the most recent balance sheet included in the SEC Reports.

(c) Borrowing Request. Borrower shall have delivered to Agent a Borrowing Request for the Loans.

(d) Note. Borrower shall have delivered an executed Note to each Lender evidencing the Loan made by such Lender, substantially in the form attached to the Supplement as an exhibit.

(e) Supplemental Lien Filings. Borrower shall have executed and delivered such amendments or supplements to this Agreement and additional Security Documents, financing statements and third party waivers as Agent may reasonably request in connection with the proposed Loan, in order to create, protect or perfect or to maintain the perfection of Agent's Liens on the Collateral.

(f) [Reserved].

(g) Financial Projections. Borrower shall have delivered to Agent Borrower's most recently prepared business plan and/or financial projections or forecasts.

4.3 Post-Closing Conditions. In form and substance satisfactory to each Lender:

(a) Within two (2) Business Days after the Closing Date (or such later date as Lenders may agree), Borrower shall provide to Lenders duly executed Account Control Agreements with respect to any Deposit Account, Securities Account, or Commodity Account of Borrower;

(b) Within one (1) week after the Closing Date (or such later date as Lenders may agree), Borrower shall provide to Lenders duly executed copies of a Waiver for each of the following addresses: (i) 20 Firstfield Rd, Gaithersburg, MD 20878 and (ii) 8836 Polk Lane, Olive Branch, MS 38654; and

(c) Within thirty (30) days after the Closing Date (or such later date as Lenders may agree), Borrower shall provide to Lenders a notice of recordation for (i) a trademark assignment filed by Aziyo Biologics, Inc. to Borrower with the United States Patent and Trademark Office and (ii) a trademark

assignment filed by Aziyo Med, LLC to Borrower with the United States Patent and Trademark Office.

ARTICLE 5 - AFFIRMATIVE COVENANTS

During the term of this Agreement and until its performance of all Obligations (other than inchoate indemnity obligations), Borrower will in each case, unless otherwise agreed in writing by Agent and Required Lenders:

5.1 Notice to Lenders. Promptly give written notice to Agent of:

(a) Any litigation or administrative or regulatory proceeding affecting Borrower where the amount claimed against Borrower is at the Threshold Amount or more, or where the granting of the relief requested could reasonably be expected to have a Material Adverse Effect; or of the acquisition by Borrower of any commercial tort claim where the amount in controversy is equal to or exceeds \$100,000, including brief details of such claim and such other information as Agent may reasonably request to enable Agent to better perfect its Lien in such commercial tort claim as Collateral.

(b) Any substantial dispute which may exist between Borrower and any governmental or regulatory authority to the extent the outcome of such dispute, if resolved against Borrower, could reasonably be expected to have a Material Adverse Effect.

(c) The occurrence of any Default or any Event of Default.

(d) Any change in the location of any of Borrower's places of business or Collateral at least thirty (30) days in advance of such change, or of the establishment of any new, or the discontinuance of any existing, place of business, in each case, to the extent Collateral with a fair market value of at least \$100,000 is stored at such place of business or location.

(e) Any dispute or default by Borrower or any other party under any joint venture, partnering, distribution, cross-licensing, strategic alliance, collaborative research or manufacturing, license or similar agreement which could reasonably be expected to have a Material Adverse Effect.

(f) Any other matter which has resulted or might reasonably result in a Material Adverse Change since the date of the most recent balance sheet included in the SEC Reports.

(g) Any Subsidiary Borrower intends to acquire or create.

5.2 Financial Statements. Deliver to Agent or cause to be delivered to Agent, in form and detail satisfactory to Agent the following financial and other information, which Borrower warrants shall be accurate and complete in all material respects:

(a) **Monthly Financial Statements.** As soon as available but no later than thirty (30) days after the end of each month (or within forty five (45) after the end of each month that is the end of a fiscal quarter), Borrower's unaudited balance sheet as of the end of such period, and Borrower's unaudited income statement and cash flow statement for such period and for that portion of Borrower's financial reporting year ending with such period, prepared in accordance with GAAP or as consistent with Borrower's past practices or in such manner as otherwise disclosed in writing to Agent, and attested by a responsible financial officer of Borrower as being complete and correct in all material respects and fairly presenting Borrower's financial condition and the results of Borrower's operations as of the date(s) and for the period(s) covered thereby.

(b) **Year-End Financial Statements.** As soon as available but no later than ninety (90) days after the end of each financial reporting year, a complete copy of Borrower's audit report, which shall include balance sheet, income statement, statement of changes in equity and statement of cash flows for such year, prepared in accordance with GAAP and certified by an independent certified public accountant selected by Borrower and satisfactory to Agent (the "Accountant"). The Accountant's certification shall not be qualified or limited due to a restricted or limited examination by the Accountant of any material portion of Borrower's records. Notwithstanding the foregoing, if Borrower's Board of Directors does not require Borrower's financial statements to be audited for a particular reporting year, then Borrower shall deliver to Agent unaudited financial statements for such year, including the items described in, and in the timeframe specified in, this Section 5.2(b) (other than the Accountant's certification).

(c) **Compliance Certificates.** Simultaneously with the delivery of each set of financial statements referred to in paragraphs (a) and (b) above, a certificate of the chief financial officer of Borrower (or other executive officer) substantially in the form of Exhibit "C" to the Supplement (a "Compliance Certificate") stating, among other things, whether any Default or Event of Default exists on the date of such certificate, and if so, setting forth the details thereof and the action

which Borrower is taking or proposes to take with respect thereto.

(d) **Government Required Reports.** Promptly after sending, issuing, making available, or filing, copies of all reports, proxy statements, and financial statements that Borrower sends or makes available generally to its stockholders, and, not later than five (5) days after actual filing, or the date such filing was first due if later, all SEC Reports that Borrower files or is required to file with the Securities and Exchange Commission, or any other governmental or regulatory authority having similar authority; provided, however, such delivery shall be deemed made with respect to any report, proxy statement, financial statement or SEC Report that is filed publicly with the SEC within the time periods (including any allowed extensions) prescribed by the SEC.

(e) **Other Information.** Such other statements, lists of property and accounts, budgets (as updated), sales projections, forecasts, reports, 409A valuation reports (as updated), operating plans, financial exhibits, capitalization tables (as updated) and information relating to equity and debt financings consummated after the Closing Date (including post-closing capitalization table(s)), or other information as any Lender may from time to time reasonably request.

(f) **Board Packages.** In addition to the information described in Section 5.2(e), Borrower will promptly provide Lenders with copies of all notices, minutes, consents and other materials, financial or otherwise, which Borrower provides to its Board of Directors in connection with regularly scheduled quarterly meetings (collectively, "Board Packages"); provided, however, that Borrower need not provide Lender with copies of routine Board actions, such as option and stock grants under Borrower's equity incentive plan in the normal course of business; and provided, further, however, that such Board Packages may be redacted to the extent that (i) based on the advice of counsel, Borrower's Board of Directors determines such redaction is reasonably necessary to preserve the attorney-client privilege, to protect highly confidential proprietary information, or for other similar reasons or (ii) such redacted material relates to any Lender (or Borrower's strategy regarding the Loans or any Lender).

5.3 [Reserved].

5.4 Existence. Maintain and preserve Borrower's existence, present form of business, and all rights and privileges necessary in the normal course of its business; and keep all Borrower's property in good

working order and condition, ordinary wear and tear excepted.

5.5 Insurance. Obtain and keep in force insurance in such amounts and types as is usual in the type of business conducted by Borrower, with insurance carriers having a policyholder rating of not less than “A” and financial category rating of Class VII in “Best’s Insurance Guide,” unless otherwise approved by the Required Lenders. Such insurance policies must be in form and substance reasonably satisfactory to the Required Lenders, and shall list Agent as an additional insured or loss payee, as applicable, on endorsement(s) in form reasonably acceptable to Agent. Borrower shall furnish to Agent such endorsements, and upon Agent’s or any Lender’s request, copies of any or all such policies.

5.6 Accounting Records. Maintain adequate books, accounts and records, and prepare all financial statements in accordance with GAAP, and in compliance in all material respects with the regulations of any governmental or regulatory authority having jurisdiction over Borrower or Borrower’s business; and, upon reasonable prior notice at reasonable times during normal business hours, permit employees or agents of Agent, at Borrower’s expense (not to exceed Two Thousand Five Hundred Dollars (\$2,500) in any 12-month period unless an Event of Default has occurred and is continuing), to inspect Borrower’s properties, and to examine, review and audit, and make copies and memoranda of Borrower’s books, accounts and records.

5.7 Compliance with Laws. Comply with all laws (including Environmental Laws), rules, regulations applicable to, and all orders and directives of any governmental or regulatory authority having jurisdiction over, Borrower or Borrower’s business, and with all material agreements to which Borrower is a party, except where the failure to so comply would not have a Material Adverse Effect.

5.8 Taxes and Other Liabilities. Pay all Borrower’s material Indebtedness when due; pay all taxes and other governmental or regulatory assessments before delinquency or before any penalty attaches thereto, except as may be contested in good faith by the appropriate procedures and for which Borrower shall maintain appropriate reserves; and timely file all required tax returns (subject to any applicable extensions).

5.9 Special Collateral Covenants.

(a) Maintenance of Collateral; Inspection. Do all things reasonably necessary to maintain, preserve, protect and keep all Collateral in good working order and salable condition, ordinary wear and tear excepted, deal with the Collateral in all commercially reasonable ways as are considered good practice by owners of like property, and use the Collateral lawfully and, to the extent applicable, only as permitted by Borrower’s insurance policies. Maintain, or cause to be maintained, complete and accurate Records, in all material respects, relating to the Collateral. Upon reasonable prior notice at reasonable times during normal business hours (and not more than once during any 12-month period unless an Event of Default has occurred and is continuing), Borrower hereby authorizes Agent’s and each Required Lender’s officers, employees, representatives and agents to inspect the Collateral and to discuss the Collateral and the Records relating thereto with Borrower’s officers and employees, and, in the case of any Right to Payment, after consultation with Borrower, with any Person which is or may be obligated thereon.

(b) Documents of Title. Not sign or authorize the signing of any financing statement or other document naming Borrower as debtor or obligor, or acquiesce or cooperate in the issuance of any bill of lading, warehouse receipt or other document or instrument of title with respect to any Collateral, except those negotiated to Agent, or those naming Agent as secured party, or if solely to create, perfect or maintain a Permitted Lien.

(c) Change in Location or Name. Without at least 30 days’ prior written notice to Agent: (i) not relocate any Collateral with a fair market value in excess of \$100,000, or establish a new place of business at which Collateral with a fair market value in excess of \$100,000 will be located, in each case, other than as specified in the Supplement; (ii) not relocate its chief executive office or Records; and (iii) not change its name, mailing address, jurisdiction of incorporation or its legal structure.

(d) [Reserved].

(e) Agreement with Persons in Possession of Collateral. Use its commercially reasonable efforts to obtain and maintain such acknowledgments, consents, waivers and agreements (each a “**Waiver**”) from the owner, operator, lienholder, mortgagee, landlord or any Person in possession of tangible Collateral in excess of \$100,000 per location as Agent may require, all in form and substance reasonably satisfactory to Agent. In

addition, Agent shall have the right to require Borrower to use its commercially reasonable efforts to provide Agent with a Waiver for any tangible Collateral valued in excess of \$100,000 that is located in a jurisdiction that provides for statutory landlord's Liens and for any location at which the Person in possession of such Collateral has a Lien thereon. Notwithstanding anything to the contrary in this Section 5.9(e), Borrower, Agent and Lenders acknowledge and agree that all material Intellectual Property and Records that are maintained on items of Collateral for which Borrower is unable to provide a Waiver also shall be maintained or backed up in a manner sufficient that Agent shall be able to have access to such Intellectual Property and Records in accordance with the exercise of Agent's rights hereunder.

(f) Certain Agreements on Rights to Payment. Other than in the ordinary course of business, not make any material discount, credit, rebate or other reduction in the original amount owing on a Right to Payment or accept in satisfaction of a Right to Payment less than the original amount thereof.

5.10 Authorization for Automated Clearinghouse Funds Transfer. (i) Authorize each Lender to initiate debit entries to Borrower's Primary Operating Account, specified in the Supplement hereto, through Automated Clearinghouse ("ACH") transfers, in order to satisfy the regularly scheduled payments of principal and interest; (ii) provide each Lender at least thirty (30) days' notice of any change in Borrower's Primary Operating Account; and (iii) grant each Lender any additional authorizations necessary to begin ACH debits from a new account which becomes the Primary Operating Account.

5.11 Anti-Corruption Laws. Provide true, accurate and complete information, in all material respects, in all product orders, reimbursement requests and other communications relating to Borrower and its products.

5.12 Financial Covenants. Maintain Borrower's consolidated financial condition as follows in accordance with GAAP and used consistently with prior practices (except to the extent modified by the definitions herein):

(a) Minimum Cash. Borrower shall maintain minimum unrestricted cash (in accounts subject to Account Control Agreements in favor of, and in form and content reasonably acceptable to, Agent) of at least Two Million Dollars (\$2,000,000.00) at all times.

ARTICLE 6 - NEGATIVE COVENANTS

During the term of this Agreement and until the performance of all Obligations (other than inchoate indemnity obligations), Borrower will not in each case, unless otherwise agreed in writing by Agent and Required Lenders:

6.1 Indebtedness. Be indebted for borrowed money, the deferred purchase price of property, or leases which would be capitalized in accordance with GAAP; or become liable as a surety, guarantor, accommodation party or otherwise for or upon the obligation of any other Person, except for Permitted Indebtedness.

6.2 Liens. Create, incur, assume or permit to exist any Lien, or grant any other Person a negative pledge, on any of Borrower's property, except Permitted Liens and any negative pledge in respect of any asset subject to a Lien permitted by clauses (c) and (p) of the definition of Permitted Liens. Borrower, Agent and each Lender agree that this covenant is not intended to constitute a lien, deed of trust, equitable mortgage, or security interest of any kind on any of Borrower's real property, and this Agreement shall not be recorded or recordable.

6.3 Dividends. Pay any dividends or purchase, redeem or otherwise acquire or make any other distribution with respect to any of Borrower's capital stock, except (a) dividends or other distributions solely of capital stock of Borrower, (b) so long as no Event of Default has occurred and is continuing, repurchases of stock from employees or contractors upon termination of employment or services under reverse vesting or similar repurchase plans not to exceed One Hundred Thousand Dollars (\$100,000) in any calendar year, (c) the conversion of Borrower's securities into other securities pursuant to the terms of such securities or otherwise in exchange thereof, (d) the purchase, redemption or other acquisition of shares of Borrower's capital stock with the proceeds received from a substantially concurrent issue of new shares of its capital stock, and (e) repurchases of shares of Borrower's capital stock to satisfy tax withholding obligations arising in connection with the vesting or exercise of equity awards.

6.4 Fundamental Changes. (a) Liquidate or dissolve; (b) enter into, or permit any of Borrower's Subsidiaries to enter into, any Change of Control; or (c) acquire, or permit any of Borrower's Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person. Notwithstanding anything to the contrary in this Section 6.4, Borrower may

complete a transaction that will constitute a Change of Control so long as: (i) the Person that results from such Change of Control (the “**Surviving Entity**”) shall have executed and delivered to Agent and Lenders an agreement in form and substance reasonably satisfactory to Agent and Lenders, containing an assumption by the Surviving Entity of the due and punctual payment and performance of all Obligations and performance and observance of each covenant and condition of Borrower in the Loan Documents; (ii) all such obligations of the Surviving Entity to Lenders shall be guaranteed by any Person that directly or indirectly owns or controls 50% or more of the voting stock of the Surviving Entity; (iii) immediately after giving effect to such Change of Control, no Event of Default or, event which with the lapse of time or giving of notice or both, would result in an Event of Default shall have occurred and be continuing; and (iv) the credit risk to Lenders, in each Lender’s reasonable discretion, with respect to the Obligations and the Collateral shall not be increased. In determining whether the proposed Change of Control would result in an increased credit risk, Lenders may consider, among other things, changes in Borrower’s management team, employee base, access to equity markets, capital support, financial position and/or disposition of intellectual property rights which may reasonably be anticipated as a result of the Change of Control. In addition, (i) a Subsidiary may merge or consolidate into another Subsidiary and (ii) Borrower may consolidate or merge with any of Borrower’s Subsidiaries provided that Borrower is the continuing or surviving Person.

6.5 Sales of Assets. Sell, transfer, lease, license or otherwise dispose of (a “**Transfer**”) any of Borrower’s assets except (i) (1) non-exclusive licenses of Intellectual Property in the ordinary course of business consistent with industry practice, and (2) exclusive licenses of Intellectual Property in the ordinary course of business consistent with industry practice that are limited to a particular field of use or geographic territory (except for the United States) and that do not relate to all or substantially all of Borrower’s Intellectual Property, provided that in each case such licenses of Intellectual Property neither result in a legal transfer of title of the licensed Intellectual Property nor have the same effect as a sale of such Intellectual Property; (ii) Transfers of worn-out, obsolete or surplus property (each as determined by Borrower in its reasonable judgment); (iii) Transfers of Inventory in the ordinary course of business; (iv) Transfers constituting Permitted Liens; (v) Transfers permitted in Section 6.3, 6.4, 6.6 or 6.7 hereunder; (vi) Transfers of assets (other than Intellectual Property) for fair consideration and in the ordinary course of its business;

(vii) the Transfer of the SimpliDerm Assets so long as the aggregate upfront cash payment received by Borrower in connection with any such Transfer is at least [***]; and (viii) the Transfer of the Cardiovascular Franchise Assets so long as the aggregate upfront cash payment received by Borrower in connection with any such Transfer is at least [***]. In connection with the Transfers described in the foregoing clauses (vii) and (viii), Agent agrees to promptly deliver to Borrower all Lien release documentation reasonably requested by Borrower or the applicable asset purchaser evidencing the release of Agent’s Liens on the SimpliDerm Assets and the Cardiovascular Franchise Assets, as applicable, including, without limitation, one or more amendments to Agent’s financing statements.

6.6 Loans/Investments. Make or suffer to exist any loans, guaranties, advances, or investments (“**Investments**”), except for Permitted Investments.

6.7 Transactions with Related Persons. Directly or indirectly enter into any transaction with or for the benefit of a Related Person on terms more favorable to the Related Person than would have been obtainable in an “arms’ length” dealing, except (a) sales of equity securities by Borrower and incurrence of Subordinated Debt for capital raising purposes, and (b) Permitted Investments.

6.8 Other Business. Engage in any material line of business other than the business Borrower conducts as of the Closing Date and any business substantially similar or related or incidental thereto.

6.9 Financing Statements and Other Actions. Fail to execute and deliver to Agent all financing statements, notices and other documents (including, without limitation, any filings with the United States Patent and Trademark Office and the United States Copyright Office) from time to time reasonably requested by Agent to maintain a perfected first priority security interest in the Collateral in favor of Agent, subject to Permitted Liens, in each case, to the extent that perfection of such security interests can be effectuated by virtue of filing a financing statement, notice or other such documents; perform such other acts, and execute and deliver to Agent such additional conveyances, assignments, agreements and instruments, as Agent may at any time reasonably request in connection with the administration and enforcement of this Agreement or Agent’s rights, powers and remedies hereunder.

6.10 Compliance. Become required to be registered as an “investment company” or controlled by an “investment company,” within the meaning of the Investment Company Act of 1940, or become principally engaged in, or undertake as one of its important activities, the business of extending credit for the purpose of purchasing or carrying margin stock, or use the proceeds of any Loan for such purpose. Fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur, fail to comply with the Federal Fair Labor Standards Act or violate any law or regulation, which violation could reasonably be expected to have a Material Adverse Effect or a material adverse effect on the Collateral or the priority of Agent’s Lien on the Collateral, or permit any of its Subsidiaries to do any of the foregoing.

6.11 Other Deposit and Securities Accounts. Maintain any Deposit Accounts or accounts holding securities owned by Borrower except (i) Deposit Accounts and investment/securities accounts as set forth in the Supplement, and (ii) other Deposit Accounts and securities/investment accounts, in each case, with respect to which Borrower and Agent shall have taken such action as Agent reasonably deems necessary to obtain a perfected first priority security interest therein, subject to Permitted Liens. The provisions of the previous sentence shall not apply to Deposit Accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower’s employees and identified to Agent as such, so long as the aggregate amount maintained in all such accounts does not exceed the amount required to fund the then-next two (2) payroll cycles as at any time.

6.12 Prepayment of Indebtedness. Prepay, redeem or otherwise satisfy in any manner prior to the scheduled repayment thereof any Indebtedness (other than the Loans and Indebtedness permitted by Section 6.1 hereof and to the extent permitted under Section 6.13 hereof). Notwithstanding the foregoing, Agent and each Lender agrees that the conversion or exchange into Borrower’s equity securities of any Indebtedness (other than the Loans) shall not be prohibited by this Section 6.12.

6.13 Repayment of Subordinated Debt. Repay, prepay, redeem or otherwise satisfy in any manner any Subordinated Debt, except in accordance with the terms of any subordination agreement among Borrower, Agent and the holder(s) of such Subordinated Debt. Notwithstanding the foregoing, each Lender agrees that the conversion or exchange into Borrower’s equity securities of any Subordinated Debt and the payment of

cash in lieu of fractional shares shall not be prohibited by this Section 6.13.

6.14 Subsidiaries.

(a) Acquire or create any Subsidiary, unless such Subsidiary becomes, at Agent and Required Lender’s option, either a co-borrower hereunder or executes and delivers to Agent one or more agreements, in form and substance reasonably satisfactory to Agent, containing a guaranty of the Obligations that is secured by first priority Liens on such Person’s assets, subject to Permitted Liens. For clarity, the parties acknowledge and agree that Agent and Required Lenders shall have the exclusive right to determine whether any such Person will be made a co-borrower hereunder or a guarantor of the Obligations. Prior to the acquisition or creation of any such Subsidiary, Borrower shall notify Agent thereof in writing, which notice shall contain the jurisdiction of such Person’s formation and include a description of such Person’s fully diluted capitalization and Borrower’s purpose for its acquisition or creation of such Subsidiary.

(b) Sell, transfer, encumber or otherwise dispose of Borrower’s ownership interest in any Subsidiary other than Permitted Liens.

(c) Cause or permit a Subsidiary to do any of the following: (i) grant Liens on such Subsidiary’s assets, except for Liens that would constitute Permitted Liens if incurred by Borrower and Liens on any property held or acquired by such Subsidiary in the ordinary course of its business securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring such property; provided, that such Lien attaches solely to the property acquired with such Indebtedness and that the principal amount of such Indebtedness does not exceed one hundred percent (100%) of the cost of such property; and (ii) issue any additional Shares, except to Borrower or a wholly owned Subsidiary of Borrower.

6.15 Leases. Create, incur, assume, or suffer to exist any obligation as lessee for the rental or hire of any personal property (“**Personal Property Leases**”), except for Personal Property Leases of Equipment in the ordinary course of business that do not in the aggregate require Borrower to make payments (including taxes, insurance, maintenance and similar expenses which Borrower is required to pay under the terms of any such lease) in any calendar year in excess of \$250,000 in aggregate amount. For the avoidance of doubt, this Section 6.15 will not be applicable to Indebtedness otherwise permitted under Section 6.1(f) of this Agreement.

6.16 Anti-Corruption Laws.

(a) Take any action that would cause a violation of any anti-corruption law, including but not limited to, the Foreign Corrupt Practices Act, the United Kingdom Bribery Act, and all other applicable anti-corruption laws.

(b) Directly or indirectly, offer, pay, give, promise or authorize the payment of any money, gift, or anything of value to any person acting in an official capacity for any government department, agency, or instrumentality, including state-owned or controlled companies or entities, and public international organizations, as well as a political party or official thereof or candidates for political office, except in compliance with applicable law.

ARTICLE 7 - EVENTS OF DEFAULT

7.1 Events of Default; Acceleration. Upon the occurrence and during the continuation of any Event of Default, the obligation of each Lender to make any additional Loan shall be suspended. The occurrence and continuation of any of the following (each, an “**Event of Default**”) shall at the option of Agent, at the direction of the Required Lenders (1) make all sums of Basic Interest and principal, as well as any other Obligations and amounts owing under any Loan Documents, immediately due and payable without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor or any other notices or demands, (2) give Agent the right to apply the Default Rate to all outstanding Obligations as of the date of occurrence of such Event of Default, and (3) give Agent the right to exercise any other right or remedy provided by contract or applicable law:

(a) Borrower shall fail to pay any principal or interest under this Agreement or any Note, or fail to pay any fees or other charges when due under any Loan Document, and such failure continues for three (3) Business Days or more after the same first becomes due; or an Event of Default as defined in any other Loan Document shall have occurred (beyond any applicable notice, grace or cure period).

(b) Any representation or warranty made, or financial statement, certificate or other document provided by Borrower under any Loan Document shall prove to have been false or misleading in any material respect when made or deemed made herein.

(c) If there occurs any circumstance or circumstances that could reasonably be expected to have a Material Adverse Effect.

(d) (i) Borrower shall fail to pay its debts generally as they become due; or (ii) Borrower shall commence any Insolvency Proceeding with respect to itself, an involuntary Insolvency Proceeding shall be filed against Borrower, or a custodian, receiver, trustee, assignee for the benefit of creditors, or other similar official, shall be appointed to take possession, custody or control of the properties of Borrower, and such involuntary Insolvency Proceeding, petition or appointment is acquiesced to by Borrower or is not dismissed within forty five (45) days; or (iii) the dissolution, winding up, or termination of the business or cessation of operations of Borrower (including any transaction or series of related transactions deemed to be a liquidation, dissolution or winding up of Borrower pursuant to the provisions of Borrower’s charter documents); or (iv) Borrower shall take any corporate action for the purpose of effecting, approving, or consenting to any of the foregoing.

(e) Borrower shall be in default beyond any applicable period of grace or cure under (i) any other agreement (other than the Ligand Royalty Agreement) involving the borrowing of money, the purchase of property, the advance of credit or any other monetary liability of any kind to any Lender or to any Person, in each case, in an amount in excess of the Threshold Amount or (ii) the Ligand Royalty Agreement and as a result of such default Ligand accelerates any outstanding indebtedness owing by Borrower thereunder or otherwise enforces its remedies against Borrower.

(f) Any governmental or regulatory authority shall take any judicial or administrative action, or any defined benefit pension plan maintained by Borrower shall have any unfunded liabilities, any of which, in the reasonable judgment of Agent, could reasonably be expected to have a Material Adverse Effect.

(g) Any sale, transfer or other disposition of all or substantially all of the assets of Borrower, including without limitation to any trust or similar entity, shall occur. For clarity, the parties acknowledge and agree that Transfers permitted under Section 6.5 of this Agreement shall not constitute an Event of Default.

(h) Any judgment(s) singly or in the aggregate in excess of the Threshold Amount shall be entered against Borrower which remain unsatisfied, unvacated or unstayed pending appeal for fifteen (15) or more days after entry thereof.

(i) Borrower shall fail to perform or observe any covenant contained in Article 6 of this Agreement.

(j) Borrower shall fail to perform or observe any covenant contained in Article 5 or elsewhere in this Agreement or any other Loan Document (other than a covenant which is dealt with specifically elsewhere in this Article 7) and, if capable of being cured, the breach of such covenant is not cured within ten (10) days after the sooner to occur of Borrower's receipt of notice of such breach from Agent or the date on which such breach first becomes known to any officer of Borrower (the "**Notice Date**"); provided, however that if such breach is not capable of being cured within such 10-day period and Borrower timely notifies Agent of such fact and Borrower diligently pursues such cure, then the cure period shall be extended to the date requested in Borrower's notice but in no event more than thirty (30) days from the Notice Date.

7.2 Remedies upon Default. Upon the occurrence and during the continuance of an Event of Default, Agent, at the direction of the Required Lenders, shall be entitled to exercise any or all of the rights and remedies available to a secured party under the UCC or any other applicable law, and exercise any or all of its rights and remedies provided for in this Agreement and in any other Loan Document. The obligations of Borrower under this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any Obligations is rescinded or must otherwise be returned by Agent or any Lender upon, on account of, or in connection with, the insolvency, bankruptcy or reorganization of Borrower or otherwise, all as though such payment had not been made.

7.3 Sale of Collateral. Upon the occurrence and during the continuance of an Event of Default, Agent, at the direction of the Required Lenders, may sell all or any part of the Collateral, at public or private sales, to itself, a wholesaler, retailer or investor, for cash, upon credit or for future delivery, and at such price or prices as Agent or the Required Lenders may deem commercially reasonable. To the extent permitted by law, Borrower hereby specifically waives all rights of redemption and any rights of stay or appraisal which it has or may have under any applicable law in effect from time to time. Any such public or private sales shall be held at such times and at such place(s) as Agent, at the direction of the Required Lenders, may determine and in full compliance with applicable law. In case of the sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by Agent until the selling price is paid by the purchaser, but neither Agent nor any Lender shall incur any liability in case of the failure of such purchaser to pay for the Collateral and, in case of any such failure, such Collateral may be

resold. Agent may, at the direction of the Required Lenders, instead of exercising its power of sale, proceed to enforce its security interest in the Collateral by seeking a judgment or decree of a court of competent jurisdiction. Without limiting the generality of the foregoing, if an Event of Default is in existence,

(1) Subject to the rights of any third parties, Agent may license, or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any Copyrights, Patents or Trademarks included in the Collateral throughout the world for such term or terms, on such conditions and in such manner as the Required Lenders shall in their sole discretion determine;

(2) Agent, at the direction of the Required Lenders, may (without assuming any obligations or liability thereunder), at any time and from time to time, enforce against any licensee or sublicensee all rights and remedies of Borrower in, to and under any Copyright Licenses, Patent Licenses or Trademark Licenses and take or refrain from taking any action under any thereof, and Borrower hereby releases Agent and each Lender from, and agrees to hold Agent and each Lender free and harmless from and against any claims arising out of, any lawful action so taken or omitted to be taken with respect thereto other than claims arising out of Agent's or any Lender's gross negligence or willful misconduct; and

(3) Upon request by Agent, at the direction of the Required Lenders, Borrower will execute and deliver to Agent a power of attorney, in form and substance reasonably satisfactory to Agent for the implementation of any lease, assignment, license, sublicense, grant of option, sale or other disposition of a Copyright, Patent or Trademark. In the event of any such disposition pursuant to this clause 3, Borrower shall supply its know-how and expertise relating to the products or services made or rendered in connection with Patents, the manufacture and sale of the products bearing Trademarks, and its customer lists and other records relating to such Copyrights, Patents or Trademarks and to the distribution of said products, to Agent.

(4) If, at any time when Agent, at the direction of the Required Lenders, shall determine to exercise the right to sell the whole or any part of the Shares hereunder, such Shares or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act (or any similar statute), then Agent may, in its discretion (subject only to applicable requirements of law), sell such Shares or part thereof by private sale in such manner and under

such circumstances as Agent, at the direction of the Required Lenders may deem necessary or advisable, but subject to the other requirements of this Article 7, and shall not be required to effect such registration or to cause the same to be effected.

Without limiting the generality of the foregoing, in any such event, Agent may, at the direction of the Required Lenders in their sole discretion (i) in accordance with applicable securities laws proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Shares or part thereof could be or shall have been filed under the Securities Act (or similar statute), (ii) approach and negotiate with a single possible purchaser to effect such sale, and (iii) restrict such sale to a purchaser who is an accredited investor under the Securities Act and who will represent and agree that such purchaser is purchasing for its own account, for investment and not with a view to the distribution or sale of such Shares or any part thereof. In addition to a private sale as provided above in this Article 7, if any of the Shares shall not be freely distributable to the public without registration under the Securities Act (or similar statute) at the time of any proposed sale pursuant to this Article 7, then Agent shall not be required to effect such registration or cause the same to be effected but, in its discretion (subject only to applicable requirements of law), may require that any sale hereunder (including a sale at auction) be conducted subject to restrictions:

- (A) as to the financial sophistication and ability of any Person permitted to bid or purchase at any such sale;
- (B) as to the content of legends to be placed upon any certificates representing the Shares sold in such sale, including restrictions on future transfer thereof;
- (C) as to the representations required to be made by each Person bidding or purchasing at such sale relating to such Person's access to financial information about Borrower or any of its Subsidiaries and such Person's intentions as to the holding of the Shares so sold for investment for its own account and not with a view to the distribution thereof; and
- (D) as to such other matters as Agent may, in its discretion, deem necessary or appropriate in order that such sale (notwithstanding any failure so to register) may be effected in compliance with the Bankruptcy Code and other laws affecting the enforcement of creditors' rights and the Securities Act and all applicable state

securities laws.

(5) Borrower recognizes that Agent may be unable to effect a public sale of any or all the Shares and may be compelled to resort to one or more private sales thereof in accordance with clause (4) above. Borrower also acknowledges that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. Agent shall be under no obligation to delay a sale of any of the Shares for the period of time necessary to permit the applicable Subsidiary to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if Borrower and/or the Subsidiary would agree to do so.

7.4 Borrower's Obligations upon Default. Upon the request of Agent, at the direction of Lenders, after the occurrence and during the continuance of an Event of Default, Borrower will:

(a) Assemble and make available to Agent the Collateral at such place(s) as Agent shall reasonably designate, segregating all Collateral so that each item is capable of identification; and

(b) Subject to the rights of any lessor, permit Agent, by Agent's officers, employees, agents and representatives, to enter any premises where any Collateral is located, to take possession of the Collateral, to complete the processing, manufacture or repair of any Collateral, and to remove the Collateral, or to conduct any public or private sale of the Collateral, all without any liability of Agent or any Lender for rent or other compensation for the use of Borrower's premises.

ARTICLE 8 - SPECIAL COLLATERAL PROVISIONS

8.1 Compromise and Collection. Borrower and Agent recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Rights to Payment; that certain of the Rights to Payment may be or become uncollectible in whole or in part; and that the expense and probability of success of litigating a disputed Right to Payment may exceed the amount that reasonably may be expected to be recovered with respect to such Right to Payment.

Borrower hereby authorizes Agent, after and during the continuance of an Event of Default, to compromise with the obligor, accept in full payment

of any Right to Payment such amount as Agent shall negotiate with the obligor, or abandon any Right to Payment. Any such action by Agent shall be considered commercially reasonable so long as the Required Lenders have made the determination in good faith based on information known to them at the time Agent takes any such action.

8.2 Performance of Borrower's Obligations. Without having any obligation to do so, upon reasonable prior notice to Borrower, Agent may, at the direction of the Required Lenders, perform or pay any obligation which Borrower has agreed to perform or pay under this Agreement solely to the extent Borrower has failed to so perform or pay in accordance with the terms hereof, including, without limitation, the payment or discharge of taxes or Liens levied or placed on or threatened against the Collateral. In so performing or paying, Agent and the Required Lenders shall determine the action to be taken and the amount necessary to discharge such obligations. Borrower shall reimburse Agent on demand for any amounts paid by Agent pursuant to this Section, which amounts shall constitute Obligations secured by the Collateral and shall bear interest from the date of demand at the Default Rate.

8.3 Power of Attorney. For the purpose of protecting and preserving the Collateral and Agent's rights under this Agreement, Borrower hereby irrevocably appoints Agent, with full power of substitution, as its attorney-in-fact with full power and authority, after the occurrence and during the continuance of an Event of Default: to do any act which Borrower is obligated to do hereunder; to exercise such rights with respect to the Collateral as Borrower might exercise; to use such Inventory, Equipment, Fixtures or other property as Borrower might use; to enter Borrower's premises; to give notice of Agent's security interest in, and to collect the Collateral; to execute and file in Borrower's name any financing statements, amendments and continuation statements, Account Control Agreements or other Security Documents necessary or desirable to create, maintain, perfect or continue the perfection of Agent's security interests in the Collateral. Borrower hereby ratifies all that Agent shall lawfully do or cause to be done by virtue of this appointment.

8.4 Authorization for Agent to Take Certain Action. The power of attorney created in Section 8.3 is a power coupled with an interest and shall be irrevocable. The powers conferred on Agent hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon Agent to exercise such powers. Agent shall be accountable only for amounts

that it actually receives as a result of the exercise of such powers and in no event shall Agent or any of its directors, officers, employees, agents or representatives be responsible to Borrower for any act or failure to act, except for gross negligence or willful misconduct. After the occurrence and during the continuance of an Event of Default, Agent may exercise this power of attorney without notice to or assent of Borrower, in the name of Borrower, or in Agent's own name, from time to time in Agent's sole discretion and at Borrower's expense. To further carry out the terms of this Agreement, after the occurrence and during the continuance of an Event of Default, Agent may, at the direction of the Required Lenders:

(a) Execute any statements or documents or take possession of, and endorse and collect and receive delivery or payment of, any checks, drafts, notes, acceptances or other instruments and documents constituting Collateral, or constituting the payment of amounts due and to become due or any performance to be rendered with respect to the Collateral.

(b) Sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts; drafts, certificates and statements under any commercial or standby letter of credit relating to Collateral; assignments, verifications and notices in connection with Accounts; or any other documents relating to the Collateral, including without limitation the Records.

(c) Use or operate Collateral or any other property of Borrower for the purpose of preserving or liquidating Collateral.

(d) File any claim or take any other action or proceeding in any court of law or equity or as otherwise deemed appropriate by Agent for the purpose of collecting any and all monies due or securing any performance to be rendered with respect to the Collateral.

(e) Commence, prosecute or defend any suits, actions or proceedings or as otherwise deemed appropriate by Agent for the purpose of protecting or collecting the Collateral. In furtherance of this right, upon the occurrence and during the continuance of an Event of Default, Agent may apply for the appointment of a receiver or similar official to operate Borrower's business.

(f) Prepare, adjust, execute, deliver and receive payment under insurance claims, and collect and receive payment of and endorse any instrument in payment of loss or returned premiums or any other

insurance refund or return, and apply such amounts at Agent's sole discretion, toward repayment of the Obligations or replacement of the Collateral.

8.5 Application of Proceeds. Any Proceeds and other monies or property received by Agent pursuant to the terms of this Agreement or any Loan Document may be applied as follows:

(a) First, to Agent, the aggregate amount of all costs, expenses, indemnities and other amounts required to be reimbursed to Agent, in its capacity as such, until paid in full;

(b) Second, to Agent, for the ratable benefit of Lenders (in accordance with the portion funded by each Lender), the aggregate amount of all Obligations arising on account of payments made by Agent in accordance with Section 8.2, until repaid in full;

(c) Third, to Lenders, ratably in accordance with principal amount of the Loans held by each Lender, an amount equal to the aggregate costs, expenses, indemnities or other amounts then required to be reimbursed to Lenders, until paid in full;

(d) Fourth, to Lenders, ratably in accordance with aggregate amount of any fees, premiums or similar payments due to each Lender in respect of the Loans held by such Lender, an amount equal to the aggregate fees, premiums or other similar such payments due to such Lender in respect of the Loans, until paid in full;

(e) Fifth, to Lenders, ratably in accordance with accrued and unpaid interest in respect of the Loans and the other Obligations due to each Lender, an amount equal to the aggregate accrued and unpaid interest on the Loans and other Obligations then due, until paid in full;

(f) Sixth, to Lenders, ratably in accordance outstanding principal due to each Lender in respect of the Loans, an amount equal to the aggregate principal outstanding in respect of the Loans then due, until paid in full;

(g) Seventh, to Agent and each Lender, ratably in accordance with any other Obligations due to such Lender, an amount equal to all other Obligations due and payable to Agent and each Lender, until paid in full; and

(h) Last, the balance, if any, to Borrower or as otherwise required by applicable law.

8.6 Deficiency. If the Proceeds of any disposition of the Collateral are insufficient to cover all costs and expenses of such sale and the payment in full of all the Obligations, plus all other sums required to be expended or distributed by Agent to Lenders, then Borrower shall be liable for any such deficiency.

8.7 Agent Transfer. Upon the transfer of all or any part of the Obligations (subject in all respects to Borrower's consent to such transfer in accordance with Sections 9.2), Agent may transfer all or part of the Collateral and shall be fully discharged thereafter from all liability and responsibility with respect to such Collateral so transferred, and the transferee shall be vested with all the rights and powers of Agent hereunder with respect to such Collateral so transferred, but with respect to any Collateral not so transferred, Agent shall retain all rights and powers hereby given.

8.8 Agent's Duties.

(a) Agent shall use reasonable care in the custody and preservation of any Collateral in its possession. Without limitation on other conduct which may be considered the exercise of reasonable care, Agent shall be deemed to have exercised reasonable care in the custody and preservation of such Collateral if such Collateral is accorded treatment substantially equal to that which Agent accords its own property, it being understood that Agent shall not have any responsibility for ascertaining or taking action with respect to calls, conversions, exchanges, maturities, declining value, tenders or other matters relative to any Collateral, regardless of whether Agent has or is deemed to have knowledge of such matters; or taking any necessary steps to preserve any rights against any Person with respect to any Collateral. Under no circumstances shall Agent be responsible for any injury or loss to the Collateral, or any part thereof, arising from any cause beyond the reasonable control of Agent unless such injury or loss results from Agent's gross negligence or willful misconduct.

(b) Agent may at any time deliver the Collateral or any part thereof to Borrower and the receipt of Borrower shall be a complete and full acquittance for the Collateral so delivered, and Agent shall thereafter be discharged from any liability or responsibility therefor.

(c) Unless otherwise set forth herein or in any other Loan Document, neither Agent, nor any of its directors, officers, employees, agents, attorneys or any other person affiliated with or representing Agent shall be liable for any claims, demands, losses or damages, of any kind whatsoever, made, claimed, incurred or

suffered by Borrower or any other party through the ordinary negligence of Agent, or any of its directors, officers, employees, agents, attorneys or any other person affiliated with or representing Agent.

8.9 Termination of Security Interests and Loan Documents. Upon the payment in full of the Obligations (other than inchoate indemnity obligations) and satisfaction of all Borrower's obligations under this Agreement and the other Loan Documents, and if Lenders have no further obligations under their Commitment, the security interest granted hereby shall terminate, all rights to the Collateral shall revert to Borrower and this Agreement and the other Loan Documents shall terminate; provided that (i) those obligations, liabilities, covenants and terms that are expressly specified herein and in any other Loan Document as surviving that respective agreement's termination, including without limitation, Borrower's indemnity obligations set forth in this Agreement, shall continue to survive notwithstanding anything to the contrary set forth herein, and (ii) nothing set forth herein shall affect or be deemed to affect those obligations, liabilities, covenants and terms set forth in any warrant instrument issued to a Lender's parent company or set forth in any other equity securities or convertible debt securities of Borrower acquired by any Lender in connection with this Agreement. Upon any such termination, Agent shall return all Collateral in its possession or control to Borrower and, at Borrower's expense, execute and deliver to Borrower such documents as Borrower shall reasonably request to evidence such termination. In connection therewith, Borrower agrees to provide each Lender with such information as may be reasonably requested by such Lender as to whether the securities issuable upon the exercise of any Warrant issued in connection with this Agreement constitute "qualified small business stock" for purposes of Section 1202(c) of the Internal Revenue Code and Section 18152.5 of the California Revenue and Taxation Code.

ARTICLE 9 - GENERAL PROVISIONS

9.1 Notices. Any notice given by any party under any Loan Document shall be in writing and personally delivered, sent by overnight courier, or United States mail, postage prepaid, or sent by facsimile or electronic mail, or other authenticated message, charges prepaid, to the other party's or parties' addresses shown on the Supplement. Each party may change the address, facsimile number or email address to which notices, requests and other communications are to be sent by giving written notice of such change to each other party. Notice given by hand delivery shall be deemed received on the date

delivered; if sent by overnight courier, on the next Business Day after delivery to the courier service; if by first class mail, on the third Business Day after deposit in the U.S. Mail; and if by facsimile or electronic mail, on the date of transmission.

9.2 Binding Effect. The Loan Documents shall be binding upon and inure to the benefit of Borrower, Lenders, Agent and their respective successors and assigns; provided, however, that Borrower may not assign or transfer Borrower's rights or obligations under any Loan Document. Each Lender reserves the right, with the written consent of the Required Lenders, to sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in, such Lender's rights and obligations under the Loan Documents; provided that, so long as no Event of Default has occurred and is continuing, no Lender shall assign any of such rights or obligations without Borrower's prior written consent or to any competitor of Borrower. Without limiting the foregoing, any Lender may sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in, such Lender's rights and obligations under the Loan Documents to any Affiliate of such Lender. In connection with any of the foregoing, Lenders and Agent may disclose all documents and information which Lenders and Agent now or hereafter may have relating to the Loans, Borrower, or its business, provided that any Person who receives such information shall have agreed in writing in advance to maintain the confidentiality of such information on terms no less favorable to Borrower than are set forth in Section 9.13 hereof.

9.3 No Waiver. Any waiver, consent or approval by Agent and the Required Lenders of any Event of Default or breach of any provision, condition, or covenant of any Loan Document must be in writing and shall be effective only to the extent set forth in writing and signed by Agent and the Required Lenders. No waiver of any breach or default shall be deemed a waiver of any later breach or default of the same or any other provision of any Loan Document. No failure or delay on the part of Agent or any Lender in exercising any power, right, or privilege under any Loan Document shall operate as a waiver thereof, and no single or partial exercise of any such power, right, or privilege shall preclude any further exercise thereof or the exercise of any other power, right or privilege. Agent and the Required Lenders have the right, at their sole option, to continue to accept interest and/or principal payments due under the Loan Documents after default, and such acceptance shall not constitute a waiver of said default or an extension of the maturity of any Loan unless the Required Lenders agree otherwise in writing.

9.4 Rights Cumulative. All rights and remedies existing under the Loan Documents are cumulative to, and not exclusive of, any other rights or remedies available under contract or applicable law.

9.5 Unenforceable Provisions. Any provision of any Loan Document executed by Borrower which is prohibited or unenforceable in any jurisdiction, shall be so only as to such jurisdiction and only to the extent of such prohibition or unenforceability, but all the remaining provisions of any such Loan Document shall remain valid and enforceable.

9.6 Accounting Terms. Except as otherwise provided in this Agreement, accounting terms and financial covenants and information shall be determined and prepared in accordance with GAAP.

9.7 Indemnification; Exculpation. Borrower shall pay and protect, defend and indemnify each Lender, Agent and each Lender's and Agent's employees, officers, directors, shareholders, affiliates, correspondents, agents and representatives (other than Lender, collectively "**Agents**") against, and hold each Lender, Agent and each of such Agents harmless from, all claims, actions, proceedings, liabilities, damages, losses, expenses (including, without limitation, attorneys' fees and costs) and other amounts incurred by each Lender, Agent and each of such Agents, arising from (i) the matters contemplated by this Agreement or any other Loan Documents, (ii) any dispute between Borrower and a third party, or (iii) any contention that Borrower has failed to comply with any law, rule, regulation, order or directive applicable to Borrower's business; provided, however, that this indemnification shall not apply to any of the foregoing to the extent incurred as the result of any Lender's, Agent's or any of such Agents' gross negligence or willful misconduct. This indemnification shall survive the payment and satisfaction of all of Borrower's Obligations to Lenders.

9.8 Reimbursement. Borrower shall reimburse each Lender and Agent for all costs and expenses, including without limitation reasonable, documented and out-of-pocket attorneys' fees and disbursements expended or incurred by each Lender and Agent in any arbitration, mediation, judicial reference, legal action or otherwise in connection with (a) the preparation and negotiation of the Loan Documents, (b) the amendment and enforcement of the Loan Documents, including without limitation during any workout, attempted workout, and/or in connection with the rendering of legal advice as to each Lender's and Agent's rights, remedies and obligations under the Loan Documents, (c) collecting any sum which becomes due to each

Lender under any Loan Document, (d) any proceeding for declaratory relief, any counterclaim to any proceeding, or any appeal, or (e) the protection, preservation or enforcement of any rights of Lenders or Agent under the Loan Documents (but, in each case, limited to one counsel for Agent and one counsel for each Lender and, if reasonably necessary, one local counsel in each relevant jurisdiction (which may include a single special counsel acting in multiple jurisdictions) and, in the case of an actual or perceived conflict of interest, where the party affected by such conflict, informs Borrower of such conflict and thereafter retains its own counsel, of another firm or counsel for each such affected Person (in each case, excluding allocated costs of in-house counsel)). For the purposes of this section, attorneys' fees shall include, without limitation, fees incurred in connection with the following: (1) contempt proceedings; (2) discovery; (3) any motion, proceeding or other activity of any kind in connection with an Insolvency Proceeding; (4) garnishment, levy, and debtor and third party examinations; and (5) post-judgment motions and proceedings of any kind, including without limitation any activity taken to collect or enforce any judgment. All of the foregoing costs and expenses shall be payable upon demand by any Lender or Agent, and if not paid within sixty (60) days of presentation of invoices shall bear interest at the Default Rate.

9.9 Execution in Counterparts; Electronic Signatures.

This Agreement and the other Loan Documents may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. This Agreement and each of the other Loan Documents may be executed by electronic signatures. Borrower, Agent and Lenders expressly agree to conduct the transactions contemplated by this Agreement and the other Loan Documents by electronic means (including, without limitation, with respect to the execution, delivery, storage and transfer of this Agreement and each of the other Loan Documents by electronic means and to the enforceability of electronic Loan Documents). Delivery of an executed signature page to this Agreement and each of the other Loan Documents by facsimile or other electronic mail transmission (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) shall be effective as delivery of a manually executed counterpart hereof and thereof, as applicable. The words "execution," "signed," "signature" and words of like import herein shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a

manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

9.10 Entire Agreement. No amendment, modification or termination of any provision of this Agreement or any other Loan Document shall in any event be effective unless the same shall be in writing and signed by Borrower, Agent and the Required Lenders provided that:

(a) no such amendment, waiver or other modification that would have the effect of increasing or reducing a Lender's Commitment shall be effective as to such Lender without such Lender's written consent;

(b) no such amendment, waiver or modification that would affect the rights and duties of Agent shall be effective without Agent's written consent;

(c) no such amendment, waiver or other modification shall, unless signed by all the Lenders directly affected thereby, (A) reduce the principal of, rate of interest on or any fees with respect to any Loan or forgive any principal, interest (other than default interest) or fees (other than late charges) with respect to any Loan (B) postpone the date fixed for, or waive, any payment of principal of any Loan or of interest on any Loan (other than default interest) or any fees provided for hereunder (other than late charges or for any termination of any commitment); (C) change the definition of the term "Required Lenders" or the percentage of Lenders which shall be required for the Lenders to take any action hereunder; (D) release all or substantially all of any material portion of the Collateral, authorize Borrower to sell or otherwise dispose of all or substantially all or any material portion of the Collateral or release any Guarantor of all or any portion of the Obligations or its guaranty obligations with respect thereto, except, in each case with respect to this clause (D), as otherwise may be expressly permitted under this Agreement or the other Loan Documents (including in connection with any disposition permitted hereunder); (E) amend, waive or otherwise modify this Section 9.10 or the definitions of the terms used in this Section 9.10 insofar as the definitions affect the substance of this Section 9.10; (F) consent to the assignment, delegation or other transfer by Borrower of any of its rights and obligations under any Loan Document or release Borrower of its payment obligations under any Loan Document, except, in each case with respect to this clause (F), pursuant to a merger or consolidation permitted pursuant to this Agreement; (G) amend any of the provisions that provide for

Lenders to receive their pro rata portion of any fees, payments, setoffs or proceeds of Collateral hereunder; or (H) subordinate the Liens granted in favor of Agent securing the Obligations.

(d) The Loan Documents are intended by the parties as the final expression of their agreement and therefore contain the entire agreement between the parties and supersede all prior understandings or agreements concerning the subject matter hereof.

9.11 Governing Law and Jurisdiction.

(a) THIS AGREEMENT AND THE LOAN DOCUMENTS SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF CALIFORNIA OR OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF CALIFORNIA, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF BORROWER, AGENT AND EACH LENDER CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF BORROWER, AGENT AND EACH LENDER IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. BORROWER, AGENT AND EACH LENDER EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY CALIFORNIA LAW.

9.12 Waiver of Jury Trial. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, BORROWER, AGENT AND EACH LENDER EACH WAIVES ITS RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN

ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE.

BORROWER, AGENT AND EACH LENDER EACH AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEMS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

9.13 Confidentiality. Agent and each Lender agrees to hold in confidence all confidential information that it receives from Borrower pursuant to the Loan Documents, except for disclosure as shall be reasonably required: (a) to legal counsel and accountants for Agent and each Lender; (b) to other professional advisors to Agent and each Lender; (c) to regulatory officials having jurisdiction over Lender to the extent required by law; (d) to Agent's and each Lender's investors and prospective investors (subject to the same confidentiality obligation set forth herein), and in Agent's and each Lender's SEC filings as required by law; (e) as required by law or legal process or in connection with any legal proceeding to which Agent, any Lender and Borrower are adverse parties; (f) in connection with a disposition or proposed disposition of any or all of Agent's and any Lender's rights hereunder to any assignee or participant (subject to the same confidentiality obligation set forth herein); (g) to Agent's and each Lender's subsidiaries or Affiliates in connection with their business with Borrower (subject to the same confidentiality obligation set forth herein); (h) as required by valid order of a court of competent jurisdiction, administrative agency or governmental body, or by any applicable law, rule, regulation, subpoena, or any other administrative or legal process, or by applicable regulatory or professional standards, including in connection with any judicial or other proceeding involving Agent or any Lender relating to this Agreement and the transactions contemplated hereby;

and (i) as required in connection with Agent's and any Lender's examination or audit. For purposes of this section, Agent, each Lender and Borrower agree that "confidential information" shall mean any information regarding or relating to Borrower other than: (i) information which is or becomes generally available to the public other than as result of a disclosure by Agent or any Lender in violation of this section, (ii) information which becomes available to Agent or any Lender from any other source (other than Borrower) which neither Agent nor the relevant Lender knows is bound by a confidentiality agreement with respect to the information made available, and (iii) information that Agent or such Lender knows on a non-confidential basis prior to Borrower disclosing it to Agent or such Lender. In addition, Borrower agrees that Agent and each Lender may use Borrower's name, logo and/or trademark in connection with certain promotional materials that Agent and any Lender may disseminate to the public, including, but are not limited to, brochures, internet website, press releases and any other materials relating to the fact that Agent and each Lender has a financing relationship with Borrower.

ARTICLE 10 - AGENCY.

10.1 Appointment. Each Lender hereby irrevocably appoints Avenue Venture Opportunities Fund II, L.P. to act on its behalf as the administrative agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto.

10.2 Indemnity. Each Lender agrees to indemnify the Agent in its capacity as such (to the extent not reimbursed by Borrowers and without limiting the obligation of Borrowers to do so), according to its respective Commitment percentage in effect on the date on which indemnification is sought under this Section 10.2, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of, this Agreement, a Supplement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Agent under or in connection with any of the foregoing; The agreements in this Section shall survive the payment of each Loan and all other amounts payable hereunder. Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of any Lender or as Agent shall believe in

good faith shall be necessary, under the circumstances or (ii) in the absence of its own gross negligence or willful misconduct.

10.3 Duties. Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Section 4 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

10.4 Reliance by Agent. Agent may rely, and shall be fully protected in acting, or refraining to act, upon, any resolution, statement, certificate, instrument, opinion, report, notice, request, consent, order, bond or other paper or document that it has no reason to believe to be other than genuine and to have been signed or presented by the proper party or parties or, in the case of cables, telecopies and telexes, to have been sent by the proper party or parties. In the absence of its gross negligence or willful misconduct, Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to Agent and conforming to the requirements of the Loan Agreement or any of the other Loan Documents. Agent may consult with counsel, and any opinion or legal advice of such counsel shall be full and complete authorization and protection in respect of any action taken, not taken or suffered by Agent hereunder or under any Loan Documents in accordance therewith. Agent shall have the right at any time to seek instructions concerning the administration of the Collateral from any court of competent jurisdiction. Agent shall not be under any obligation to exercise any of the rights or powers granted to Agent by this Agreement, the Loan Agreement and the other Loan Documents at the request or direction of Lenders unless Agent shall have been provided by Lenders with adequate security and indemnity against the costs, expenses and liabilities that may be incurred by it in compliance with such request or direction.

10.5 Collateral Agent. The Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders hereby irrevocably appoints and authorizes the Agent to act as the agent of such Lender

for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by Borrowers to secure any of the Obligations. Each Lender hereby authorizes Agent, on behalf of and for the ratable benefit of Lenders, in its capacity as collateral agent, to enter into any of the Loan Documents as secured party for purposes of acquiring, holding and enforcing all Liens on Collateral (and any other collateral from time to time securing the Obligations), and as Agent for and representative of Lender thereunder, and each Lender agrees to be bound by the terms of each such document. All powers, rights and remedies under the Loan Documents may be exercised solely by Agent, at the direction of the Required Lenders, for the benefit of Lenders and Agent in accordance with the terms thereof. In the event of a foreclosure on any of the Collateral pursuant to a public or private sale, either Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale and Agent, as agent for and representative of Lenders (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled (subject to the proviso at the end of this sentence), for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by Agent at such sale; provided however, that neither Agent nor any Lender shall "credit bid" at any foreclosure and/or other public or private sale absent the consent of the Required Lenders. Without limiting the generality of the foregoing, Agent is hereby expressly authorized to execute any and all documents (including releases) that bind Lenders with respect to (i) the Collateral and the rights of Lenders with respect thereto, as contemplated by and in accordance with the provisions of the Loan Documents, and (ii) any other subordination agreement with respect to any Subordinated Debt.

10.6 Successor Agents. Agent may resign upon thirty (30) days' notice to the Lenders and Borrowers. If Agent shall resign in its capacity under this Agreement and the other Loan Documents, then the Required Lenders shall appoint a successor agent, whereupon such successor agent shall succeed to the rights, powers and duties of Agent in its capacity, and the term "Agent" shall mean such successor agent effective upon such appointment and approval, and the former Agent's rights, powers and duties as Agent in its capacity shall be terminated, without any other or further act or deed on the part of such former Agent or any of the parties to this Agreement or any Lender. If no applicable successor agent has accepted appointment as such Agent in its capacity by the date

that is twenty (20) days following such retiring Agent's notice of resignation, such retiring Agent's resignation shall nevertheless thereupon become effective and the Lenders shall assume and perform all of the duties of such Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Agent's resignation as Agent, the provisions of this Section 10 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was an Agent under this Agreement and the other Loan Documents.

ARTICLE 11 - DEFINITIONS

The definitions appearing in this Agreement or any Supplement shall be applicable to both the singular and plural forms of the defined terms:

"Account" means any "account," as such term is defined in the UCC, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest and, in any event, shall include, without limitation, all accounts receivable, book debts and other forms of obligations (other than forms of obligations evidenced by Chattel Paper, Documents or Instruments) now owned or hereafter received or acquired by or belonging or owing to Borrower (including, without limitation, under any trade name, style or division thereof) whether arising out of goods sold or services rendered by Borrower or from any other transaction, whether or not the same involves the sale of goods or services by Borrower (including, without limitation, any such obligation that may be characterized as an account or contract right under the UCC) and all of Borrower's rights in, to and under all purchase orders or receipts now owned or hereafter acquired by it for goods or services, and all of Borrower's rights to any goods represented by any of the foregoing (including, without limitation, unpaid seller's rights of rescission, replevin, reclamation and stoppage in transit and rights to returned, reclaimed or repossessed goods), and all monies due or to become due to Borrower under all purchase orders and contracts for the sale of goods or the performance of services or both by Borrower or in connection with any other transaction (whether or not yet earned by performance on the part of Borrower), now in existence or hereafter occurring, including, without limitation, the right to receive the proceeds of said purchase orders and contracts, and all collateral security and guarantees of any kind given by any Person with respect to any of the foregoing.

"Account Control Agreement" means any control agreement entered into among the depository institution at which a Borrower or any Subsidiary maintains a

Deposit Account or the securities intermediary or commodity intermediary at which a Borrower or any Subsidiary maintains a Securities Account or a Commodity Account, pursuant to which Agent, for the benefit of Lenders, obtains control (within the meaning of the UCC over such Deposit Account, Securities Account, or Commodity Account.

"Affiliate" means any Person which directly or indirectly controls, is controlled by, or is under common control with Borrower. "Control," "controlled by" and "under common control with" mean direct or indirect possession of the power to direct or cause the direction of management or policies (whether through ownership of voting securities, by contract or otherwise); provided, that control shall be conclusively presumed when any Person or affiliated group directly or indirectly owns ten percent (10%) or more of the securities having ordinary voting power for the election of directors of a corporation.

"Agreement" means this Loan and Security Agreement and each Supplement thereto, as each may be amended or supplemented from time to time.

"Bankruptcy Code" means the Federal Bankruptcy Reform Act of 1978 (11 U.S.C. §101, et seq.), as amended.

"Basic Interest" means the rate of interest payable on the outstanding balance of each Loan at the applicable Designated Rate.

"Borrowing Date" means the Business Day on which the proceeds of a Loan are disbursed by any Lender.

"Borrowing Request" means a written request from Borrower in substantially the form of Exhibit "B" to the Supplement, requesting the funding of one or more Loans on a particular Borrowing Date.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in New York City or San Francisco are authorized or required by law to close.

"Capital Stock" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares

(or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“Cardiovascular Franchise Assets” means all assets relating, or incidental to, Borrower’s cardiovascular product line.

“Change of Control” means: (a) any sale, license, or other disposition of all or substantially all of the assets of Borrower (other than a sale of the Simpliderm Assets and/or Cardiovascular Franchise Assets in compliance with Section 6.5); (b) any reorganization, consolidation, merger or other transaction involving Borrower; or (c) any transaction or series of related transactions in which any Person or two or more Persons acting in concert shall have become the “beneficial owner” (as such term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) of equity interests of Borrower entitled to vote for members of the Board of Directors or equivalent governing body of Borrower on a fully-diluted basis (and taking into account all such securities that such Person or Persons have the right to acquire pursuant to any option right) representing 50% or more of the combined voting power of such securities (other than in connection with a public offering or a sale to recognized investors or any Persons who report beneficial ownership of Borrower’s equity securities on Schedule 13G under the Exchange Act in a transaction or series of transactions effected by Borrower for financing purposes, so long as Borrower identifies to Agent and each Lender the investors prior to the closing of the transaction and provides Agent and each Lender with a description of the material terms of such transaction).

“Chattel Paper” means any “chattel paper,” as such term is defined in the UCC, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

“Closing Date” means the date of this Agreement.

“Collateral” means all of Borrower’s right, title and interest in and to the following property, whether now owned or hereafter acquired and wherever located: (a) all Receivables; (b) all Equipment; (c) all Fixtures; (d) all General Intangibles; (e) all Inventory; (f) all Investment Property; (g) all Deposit Accounts; (h) all Shares; (i) all other Goods and personal property of Borrower, whether tangible or intangible and whether now or hereafter owned or existing, leased, consigned

by or to, or acquired by, Borrower and wherever located; (j) all Records; and (k) all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of each of the foregoing.

Notwithstanding the foregoing the term “Collateral” shall not include: (i) if Borrower demonstrates, to Agent’s reasonable satisfaction, a present and existing adverse tax consequence from a grant of one hundred percent (100%) of the issued and outstanding capital stock, membership units or other securities entitled to vote owned or held of record by Borrower in any Subsidiary that is a controlled foreign corporation (as defined in the Internal Revenue Code), more than sixty-five percent (65%) of such capital stock, membership units or other securities, provided that in all instances the Collateral shall include one hundred percent (100%) of the issued and outstanding non-voting capital stock of such Subsidiary; (ii) “intent-to-use” trademarks at all times prior to the first use thereof, whether by the actual use thereof in commerce, the recording of a statement of use with the United States Patent and Trademark Office or otherwise, but only to the extent the granting of a security interest in such “intent to use” trademarks would be contrary to applicable law; (iii) any contract, Instrument or Chattel Paper in which Borrower has any right, title or interest if and to the extent such contract, Instrument or Chattel Paper includes a provision containing a restriction on assignment such that the creation of a security interest in the right, title or interest of Borrower therein would be prohibited and would, in and of itself, cause or result in a default thereunder enabling another person party to such contract, Instrument or Chattel Paper to enforce any remedy with respect thereto; provided, however, that the foregoing exclusion shall not apply if (A) such prohibition has been waived or such other person has otherwise consented to the creation hereunder of a security interest in such contract, Instrument or Chattel Paper, or (B) such prohibition would be rendered ineffective pursuant to Sections 9-407(a) or 9-408(a) of the UCC, as applicable and as then in effect in any relevant jurisdiction, or any other applicable law (including the Bankruptcy Code or principles of equity); provided, further, that immediately upon the ineffectiveness, lapse or termination of any such provision, the term “Collateral” shall include, and Borrower shall be deemed to have granted a security interest in, all its rights, title and interests in and to such contract, Instrument or Chattel Paper as if such provision had never been in effect; and provided further that the foregoing exclusion shall in no way be construed so as to limit, impair or otherwise affect Agent’s unconditional continuing security interest in and to all rights, title and interests of Borrower in or to

any payment obligations or other rights to receive monies due or to become due under any such contract, Instrument or Chattel Paper and in any such monies and other proceeds of such contract, Instrument or Chattel Paper; (iv) the Ligand Royalty Interests; or (v) the Excluded Licensed Patents; provided, that such exclusion shall apply only for so long as (A) the License Agreement remains in full force and effect and (B) Borrower is otherwise contractually prohibited from granting liens on the Excluded Licensed Patents such that the creation of a security interest in the right, title or interest of Borrower therein would, in and of itself, cause or result in a default under any contract to which Borrower is a party and enabling another person party to such contract to enforce any remedy with respect thereto; provided, however, that the exclusion in the foregoing cause (B) shall not apply if such prohibition has been waived or such other person has otherwise consented to the creation hereunder of a security interest in the Excluded Licensed Patents; and provided, further, that immediately upon the termination, expiration, or other cessation of the License Agreement for any reason whatsoever and so long as the exclusion in the foregoing clause (B) is no longer applicable, the Excluded Licensed Patents shall automatically and without any further action by any Person constitute Collateral hereunder, solely to the extent that Borrower is the sole and exclusive record owner of such Excluded Licensed Patents at such time, and Borrower shall be deemed to have granted a security interest therein to Agent for the benefit of the Lenders as of the date on which the foregoing exclusions are no longer applicable.

“Commitment” means the obligation of each Lender to make Loans to Borrower up to the aggregate principal amount set forth in the Supplement.

“Copyright License” means any written agreement granting any right to use any Copyright or Copyright registration now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

“Copyrights” means all of the following now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest: (i) all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, any State thereof or of any other country; (ii) all registrations, applications and recordings in the United States Copyright Office or in any similar office or agency of the United States, any State thereof or any other country; (iii) all continuations, renewals or extensions thereof; and (iv) any registrations to be issued under any pending applications.

“Default” means an event which with the giving of notice, passage of time, or both would constitute an Event of Default.

“Default Rate” means the applicable Designated Rate plus five percent (5%) per annum.

“Deposit Accounts” means any “deposit accounts,” as such term is defined in the UCC, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

“Designated Rate” means the rate of interest per annum described in the Supplement as being applicable to an outstanding Loan from time to time.

“Disqualified Capital Stock” means, with respect to any Person, any Capital Stock of such Person that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event or otherwise, (a) matures or is mandatorily redeemable or subject to any mandatory repurchase requirement, pursuant to a sinking fund obligation or otherwise, (b) is redeemable or subject to any mandatory repurchase requirement at the sole option of the holder thereof, or (c) is convertible into or exchangeable for (whether at the option of the issuer or the holder thereof) (y) debt securities or (z) any Capital Stock referred to in clauses (a), (b) or (c) above, in each case under clauses (a), (b) or (c) above at any time on or prior to the date that is 91 days after the Maturity Date; provided, however, that only the portion of Capital Stock that so matures or is mandatorily redeemable, is so redeemable at the option of the holder thereof, or is so convertible or exchangeable on or prior to such date shall be deemed to be Disqualified Capital Stock. Notwithstanding the foregoing: (i) any Capital Stock issued to any employee or to any plan for the benefit of employees of Borrower or by any such plan to such employees shall not constitute Disqualified Capital Stock solely because they may be required to be repurchased by Borrower in order to satisfy applicable statutory or regulatory obligations or as a result of such employees’ termination, death or disability and (ii) any class of Capital Stock of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of Capital Stock (other than Disqualified Capital Stock) shall not be deemed to be Disqualified Capital Stock.

“Documents” means any “documents,” as such term is defined in the UCC, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

“Dollars” or **“\$”** means lawful currency of the United States.

“Elutia Med” means Elutia Med LLC, a Delaware limited liability company and wholly-owned Subsidiary of Parent.

“Environmental Laws” means all federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any governmental authorities, in each case relating to environmental, health, or safety matters.

“Equipment” means any “equipment,” as such term is defined in the UCC, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest and any and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

“Event of Default” means any event described in Section 7.1.

“Excluded Licensed Patents” [***]

“Fixtures” means any “fixtures,” as such term is defined in the UCC, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

“GAAP” means generally accepted accounting principles and practices consistent with those principles and practices promulgated or adopted by the Financial Accounting Standards Board and the Board of the American Institute of Certified Public Accountants, their respective predecessors and successors. Each accounting term used but not otherwise expressly defined herein shall have the meaning given it by GAAP.

“General Intangibles” means any “general intangibles,” as such term is defined in the UCC, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest and, in any event, shall include, without limitation, all right, title and interest that Borrower may now or hereafter have in or under any contract, all customer lists, Copyrights, Trademarks, Patents, websites, domain names, and all applications therefor and reissues, extensions, or renewals thereof, other items of, and rights to, Intellectual Property, interests in partnerships, joint ventures and other business associations, Licenses, permits, trade secrets, proprietary or confidential information,

inventions (whether or not patented or patentable), technical information, procedures, designs, knowledge, know-how, software, data bases, data, skill, expertise, recipes, experience, processes, models, drawings, materials and records, goodwill (including, without limitation, the goodwill associated with any Trademark, Trademark registration or Trademark licensed under any Trademark License), claims in or under insurance policies, including unearned premiums, uncertificated securities, money, cash or cash equivalents, deposit, checking and other bank accounts, rights to sue for past, present and future infringement of Copyrights, Trademarks and Patents, rights to receive tax refunds and other payments and rights of indemnification.

“Goods” means any “goods,” as such term is defined in the UCC, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

“Indebtedness” of any Person means at any date, without duplication and without regard to whether matured or unmatured, absolute or contingent: (i) all obligations of such Person for borrowed money; (ii) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments; (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business; (iv) all obligations of such Person as lessee under capital leases; (v) all obligations of such Person to reimburse or prepay any bank or other Person in respect of amounts paid under a letter of credit, banker's acceptance, or similar instrument, whether drawn or undrawn (but only to the extent unreimbursed); (vi) all Disqualified Capital Stock issued by such Person, with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price; (vii) all obligations of such Person to repurchase assets or securities previously sold, including (x) any obligation to purchase securities that arises out of or in connection with the sale of the same or substantially similar securities and (y) any obligation to repurchase any accounts or chattel paper under any factoring, receivables purchase, or similar arrangement; (viii) obligations of such Person under interest rate swap, cap, collar or similar hedging arrangements; and (ix) all obligations of others of any type described in clause (i) through clause (viii) above guaranteed by such Person.

“Insolvency Proceeding” means with respect to a Person (a) any case, action or proceeding before any court or other governmental authority relating to bankruptcy, reorganization, insolvency, liquidation,

receivership, dissolution, winding-up or relief of debtors with respect to such Person, or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors, or other, similar arrangement in respect of such Person's creditors generally or any substantial portion of its creditors, undertaken under U.S. Federal, state or foreign law, including the Bankruptcy Code, but in each case, excluding any avoidance or similar action against such Person commenced by an assignee for the benefit of creditors, bankruptcy trustee, debtor in possession, or other representative of another Person or such other Person's estate.

"Instruments" means any "instrument," as such term is defined in the UCC, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

"Intellectual Property" means all of Borrower's Copyrights, Trademarks, Patents, Licenses, trade secrets, source codes, customer lists, proprietary or confidential information, inventions (whether or not patented or patentable), technical information, procedures, designs, knowledge, know-how, software, data bases, skill, expertise, experience, processes, models, drawings, materials, records and goodwill associated with the foregoing.

"Intellectual Property Security Agreement" means any Intellectual Property Security Agreement executed and delivered by Borrower in favor of Agent, as the same may be amended, supplemented, or restated from time to time.

"Inventory" means any "inventory," as such term is defined in the UCC, wherever located, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest, and, in any event, shall include, without limitation, all inventory, goods and other personal property that are held by or on behalf of Borrower for sale or lease or are furnished or are to be furnished under a contract of service or that constitute raw materials, work in process or materials used or consumed or to be used or consumed in Borrower's business, or the processing, packaging, promotion, delivery or shipping of the same, and all finished goods, whether or not the same is in transit or in the constructive, actual or exclusive possession of Borrower or is held by others for Borrower's account, including, without limitation, all goods covered by purchase orders and contracts with suppliers and all goods billed and held by suppliers and all such property that may be in the possession or custody of any carriers, forwarding agents, truckers, warehousemen, vendors, selling agents or other Persons.

"Investment Property" means any "investment property," as such term is defined in the UCC, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

"Letter of Credit Rights" means any "letter of credit rights," as such term is defined in the UCC, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest, including any right to payment under any letter of credit.

"License" means any Copyright License, Patent License, Trademark License or other license of rights or interests now held or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest and any renewals or extensions thereof.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment for security, security interest, encumbrance, levy, lien or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, against any property, any conditional sale or other title retention agreement, any lease in the nature of a security interest, and the filing of any financing statement (other than a precautionary financing statement with respect to a lease that is not in the nature of a security interest) under the UCC or comparable law of any jurisdiction.

"Ligand" means Ligand Pharmaceuticals Incorporated, a Delaware corporation.

"Ligand Royalty Agreement" means that certain Royalty Agreement dated as of May 31, 2017, by and between Ligand and Elutia Med, as amended by that certain Amendment No. 1 to Royalty Agreement dated as of January 10, 2024, by and between Ligand and Elutia Med, that certain Amendment No. 2 to Royalty Agreement dated as of May 8, 2025, by and between Ligand and Elutia Med, that certain Consent, Release and Amendment No. 3 to Royalty Agreement dated as of October 1, 2025, by and between Ligand and Elutia Med, and as further amended, restated, supplemented or otherwise modified from time to time in any manner not adverse in any material respect to the interests of Agent and Lenders.

"Ligand Royalty Interests" means the "Royalty Interests" as such term is defined in the Ligand Royalty Agreement.

"Loan" means an extension of credit by each Lender under this Agreement.

“Loan Documents” means, individually and collectively, this Loan and Security Agreement, each Supplement, each Note, the Intellectual Property Security Agreement, and any other security or pledge agreement(s), any Warrant issued by Borrower in connection with this Agreement, any Account Control Agreement and all other contracts, instruments, addenda and documents executed in connection with this Agreement or the extensions of credit which are the subject of this Agreement.

“Material Adverse Effect” or **“Material Adverse Change”** means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, or condition (financial or otherwise) of Borrower (taken as a whole); (b) a material impairment of the ability of Borrower (taken as a whole) to perform its (or their) obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against Borrower of any Loan Document to which it is a party.

“Note” means a promissory note substantially in the form attached to the Supplement as Exhibit “A”, executed by Borrower evidencing each Loan.

“Obligations” means all debts, obligations and liabilities of Borrower to each Lender or Agent now or hereafter made, incurred or created under, pursuant to or in connection with this Agreement or any other Loan Document (other than the Warrants), whether voluntary or involuntary and however arising or evidenced, whether direct or acquired by such Lender or Agent by assignment or succession, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, and whether Borrower may be liable individually or jointly, or whether recovery upon such debt may be or become barred by any statute of limitations or otherwise unenforceable; and all renewals, extensions and modifications thereof; and all reasonable, documented and out-of-pocket attorneys’ fees and costs incurred by each Lender and Agent in connection with the collection and enforcement thereof as provided for in any such Loan Document.

“Patent License” means any written agreement granting any right with respect to any invention on which a Patent is in existence now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

“Patents” means all of the following property now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest: (a) all letters patent of, or rights corresponding thereto in, the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of, or rights corresponding thereto in, the

United States or any other country, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country; (b) all reissues, continuations, continuations-in-part or extensions thereof; (c) all petty patents, divisionals, and patents of addition; and (d) all patents to be issued under any such applications.

“Permitted Indebtedness” means:

(a) Indebtedness incurred for the acquisition of supplies, inventory or other property or services on normal trade credit;

(b) Indebtedness incurred pursuant to one or more transactions permitted under Section 6.4;

(c) Indebtedness of Borrower under this Agreement;

(d) Subordinated Debt;

(e) any Indebtedness approved by Agent prior to the Closing Date as shown on Schedule 6.1;

(f) Indebtedness secured by a Lien described in clause (c) of the defined term “Permitted Liens” not to exceed Five Hundred Thousand Dollars (\$500,000) in aggregate principal amount outstanding at any time;

(g) Indebtedness incurred under corporate credit cards not to exceed One Hundred Thousand Dollars (\$100,000) in aggregate principal amount outstanding at any time;

(h) guaranties and similar surety obligations in respect of Indebtedness otherwise constituting Permitted Indebtedness;

(i) Indebtedness incurred under the Ligand Royalty Agreement;

(j) Indebtedness incurred in the ordinary course of business owing to any insurance company in connection with the financing of any insurance premiums in an aggregate amount not to exceed One Million Dollars (\$1,000,000) at any time;

(k) warrants, options or similar equity instruments to acquire Capital Stock (other than Disqualified Capital Stock) of Borrower;

(l) installment payments owing by Borrower in connection with settlement agreements entered into by Borrower as of the Closing Date in respect of litigation proceedings;

(m) extensions, refinancings and renewals of any of the foregoing; provided that the principal amount thereof is not increased; and

(n) any other unsecured Indebtedness incurred by Borrower in an aggregate outstanding amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000) at any time.

“Permitted Investment” means:

(a) accounts receivable in the ordinary course of Borrower’s business;

(b) Investments in domestic certificates of deposit issued by, and other domestic investments with, financial institutions organized under the laws of the United States or a state thereof, having at least One Hundred Million Dollars (\$100,000,000) in capital and a rating of at least “investment grade” or “A” by Moody’s or any successor rating agency;

(c) Investments in marketable obligations of the United States of America and in open market commercial paper given the highest credit rating by a national credit agency and maturing not more than one year from the creation thereof;

(d) temporary advances to cover incidental expenses to be incurred in the ordinary course of business;

(e) Investments in joint ventures, strategic alliances, licensing and similar arrangements customary in Borrower’s industry and which do not require Borrower to assume or otherwise become liable for the obligations of any third party not directly related to or arising out of such arrangement or, without the prior written consent of Agent, require Borrower to transfer ownership of non-cash assets to such joint venture or other entity;

(f) Investments in one or more wholly-owned domestic Subsidiaries of Borrower, so long as in accordance with Section 6.14(a) of this Agreement, each such Person has been made a co-borrower hereunder or has executed and delivered to Agent an agreement, in form and substance reasonably satisfactory to Agent, containing a guaranty of the Obligations;

(g) Investments approved by Agent prior to the Closing Date as shown on Schedule 6.6;

(h) Investments accepted in connection with Transfers permitted by Section 6.5;

(i) non-cash loans approved by Borrower’s Board of Directors to employees, officers or directors relating to the purchase of equity securities of Borrower pursuant to employee stock purchase plans or agreements approved by Borrower’s Board of Directors, limited to an aggregate total of Two Hundred Fifty Thousand (\$250,000) at any time outstanding;

(j) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of Borrower’s business;

(k) Investments permitted under Section 6.11;

(l) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions to, customers and suppliers in the ordinary course of business; and

(m) Investments by wholly owned Subsidiaries which are not co-borrowers hereunder in other wholly owned Subsidiaries or in Borrower.

“Permitted Lien” means:

(a) involuntary Liens which, in the aggregate, would not have a Material Adverse Effect and which in any event would not exceed, in the aggregate, the Threshold Amount;

(b) Liens for current taxes or other governmental or regulatory assessments which are not delinquent, or which are contested in good faith by the appropriate procedures and for which appropriate reserves are maintained;

(c) security interests on any property held or acquired by Borrower in the ordinary course of business securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring such property; provided, that such Lien attaches solely to the property acquired with such Indebtedness and that the principal amount of such Indebtedness does not exceed one hundred percent (100%) of the cost of such property;

(d) Liens in favor of Agent;

(e) bankers' liens, rights of setoff and similar Liens incurred on deposits made in the ordinary course of business;

(f) materialmen's, mechanics', repairmen's, warehousemen's, carriers', landlord's (subject to Section 5.9(e) hereof), employees' or other like Liens arising in the ordinary course of business and which are not delinquent for more than sixty (60) days or are being contested in good faith by appropriate proceedings;

(g) any judgment, attachment or similar Lien, unless the judgment it secures exceeds the Threshold Amount and has not been discharged or execution thereof effectively stayed and bonded against pending appeal within sixty (60) days of the entry thereof;

(h) licenses or sublicenses of Intellectual Property in accordance with the terms of Section 6.5 hereof;

(i) Liens securing Subordinated Debt;

(j) Liens which have been approved by Agent in writing prior to the Closing Date, as shown on Schedule 6.2 hereto;

(k) the interests of licensors under inbound licenses to Borrower;

(l) the interests of sub-lessees under subleases of real property;

(m) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(n) deposits to secure the performance of bids, trade contracts (other than for Indebtedness), leases (other than capital lease obligations), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature arising as a matter of law and incurred in the ordinary course of business;

(o) zoning restrictions, easements, rights of way, restrictions on use of real property and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and do not materially detract from the value

of the property subject thereto or interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries; and

(p) Liens arising pursuant to the Ligand Royalty Agreement.

"Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation, other entity or government (whether federal, state, county, city, municipal, local, foreign, or otherwise, including any instrumentality, division, agency, body or department thereof).

"Proceeds" means "proceeds," as such term is defined in the UCC and, in any event, shall include, without limitation, (a) any and all Accounts, Chattel Paper, Instruments, cash or other forms of money or currency or other proceeds payable to Borrower from time to time in respect of the Collateral, (b) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to Borrower from time to time with respect to any of the Collateral, (c) any and all payments (in any form whatsoever) made or due and payable to Borrower from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any Person acting under color of governmental authority), (d) any claim of Borrower against third parties (i) for past, present or future infringement of any Copyright, Patent or Patent License or (ii) for past, present or future infringement or dilution of any Trademark or Trademark License or for injury to the goodwill associated with any Trademark, Trademark registration or Trademark licensed under any Trademark License and (e) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Receivables" means all of Borrower's Accounts, Instruments, Documents, Chattel Paper, Supporting Obligations, and letters of credit and Letter of Credit Rights.

"Records" means all Borrower's computer programs, software, hardware, source codes and data processing information, all written documents, books, invoices, ledger sheets, financial information and statements, and all other writings concerning Borrower's business.

"Related Person" means any Affiliate of Borrower, or any officer, employee, director or equity security holder of Borrower or any Affiliate.

“Required Lenders” means the Lenders holding at least sixty six percent (66%) of the aggregate principal balance of the Loans.

“Rights to Payment” means all Borrower’s accounts, instruments, contract rights, documents, chattel paper and all other rights to payment, including, without limitation, the Accounts, all negotiable certificates of deposit and all rights to payment under any Patent License, any Trademark License, or any commercial or standby letter of credit.

“SEC” means the United States Securities and Exchange Commission.

“SEC Reports” means the reports, registration statements, proxy statements and other documents filed by Borrower with the SEC.

“Security Documents” means this Loan and Security Agreement, the Supplement hereto, the Intellectual Property Security Agreement, and any and all Account Control Agreements, collateral assignments, chattel mortgages, financing statements, amendments to any of the foregoing and other documents from time to time executed or filed to create, perfect or maintain the perfection of Agent’s Liens on the Collateral.

“Shares” means: (a) one hundred percent (100%) of the issued and outstanding capital stock, membership units or other securities owned or held of record by Borrower in any Subsidiary that is not a controlled foreign corporation (as defined in the Internal Revenue Code), and (b) 65% of the issued and outstanding capital stock, membership units or other securities entitled to vote owned or held of record by Borrower in any Subsidiary that is a controlled foreign corporation (as defined in the Internal Revenue Code).

“SimpliDerm Assets” means the Purchased Assets (as such term is defined in that certain Asset Purchase Agreement dated as of July 16, 2026, by and between Cellution Biologics Inc. and Parent).

“Subordinated Debt” means Indebtedness (i) approved by Required Lenders; and (ii) where the holder’s right to payment of such Indebtedness, the priority of any Lien securing the same, and the rights of the holder thereof to enforce remedies against Borrower following default have been made subordinate to the Liens of Agent and to the prior payment to each Lender of the Obligations, either (A) pursuant to a written subordination agreement approved by Required Lenders in their sole but reasonable discretion or (B) on terms otherwise

approved by Required Lenders in their sole but reasonable discretion.

“Subsidiary” means any Person a majority of the equity ownership or voting stock of which is directly or indirectly now owned or hereafter acquired by Borrower or by one or more other Subsidiaries.

“Supplement” means that certain supplement to the Loan and Security Agreement, as the same may be amended or restated from time to time, and any other supplements entered into between Borrower, Agent and each Lender, as the same may be amended or restated from time to time.

“Supporting Obligations” means any “supporting obligations,” as such term is defined in the UCC, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

“Termination Date” has the meaning specified in the Supplement.

“Threshold Amount” has the meaning specified in the Supplement.

“Trademark License” means any written agreement granting any right to use any Trademark or Trademark registration now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

“Trademarks” means all of the following property now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest: (a) all trademarks, tradenames, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof and (b) reissues, extensions or renewals thereof.

“UCC” means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of California; provided, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, Agent’s Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in

effect in a jurisdiction other than the State of California, the term “UCC” shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions. Unless otherwise defined herein, terms that are defined in the UCC and used herein shall have the meanings given to them in the UCC.

“**Warrant**” has the meaning specified in the Supplement.

[Signature page follows]

[Signature page to Loan and Security Agreement]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

BORROWER:

ELUTIA INC.

By: /s/ Matthew Ferguson

Name: Matthew Ferguson

Title: CFO

ELUTIA MED LLC

By: /s/ Matthew Ferguson

Name: Matthew Ferguson

Title: CFO

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

AGENT:

AVENUE VENTURE OPPORTUNITIES FUND II, L.P.

By: Avenue Venture Opportunities Partners II, LLC
Its: General Partner

By: /s/ Sonia Gardner
Name: Sonia Gardner
Title: Authorized Signatory

LENDER:

AVENUE VENTURE OPPORTUNITIES FUND II, L.P.

By: Avenue Venture Opportunities Partners II, LLC
Its: General Partner

By: /s/ Sonia Gardner
Name: Sonia Gardner
Title: Authorized Signatory

AVENUE GROWTH LENDING FUND III, L.P.

By: Avenue Growth Lending Partners III, LLC
Its: General Partner

By: /s/ Sonia Gardner
Name: Sonia Gardner
Title: Member

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH “[***]”. SUCH IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS (i) NOT MATERIAL AND (ii) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS THAT INFORMATION AS PRIVATE OR CONFIDENTIAL.

SUPPLEMENT
to the
Loan and Security Agreement
dated as of August 11, 2026
among

ELUTIA INC.,
a Delaware corporation,
(“Parent”),

ELUTIA MED LLC,
a Delaware limited liability company
(“Elutia Med”; and together with Parent, jointly and severally, individually and collectively, “Borrower”)

and

AVENUE VENTURE OPPORTUNITIES FUND II, L.P.,
a Delaware limited partnership
(as administrative agent and collateral agent (in such capacity “Agent”)

and

AVENUE VENTURE OPPORTUNITIES FUND II, L.P.,
a Delaware limited partnership (“Avenue 2”)
as a lender

and

AVENUE GROWTH LENDING FUND III, L.P.,
a Delaware limited partnership (“Avenue 3”)
as a lender (in such capacity, together with Avenue 2 and each other lender from time to time party hereto, a “Lender” and collectively, the “Lenders”)

This is a Supplement identified in the document entitled Loan and Security Agreement, dated as of August 11, 2026 (as amended, restated, supplemented and modified from time to time, the “**Loan and Security Agreement**”), by and among Borrower, Lenders and Agent. All capitalized terms used in this Supplement and not otherwise defined in this Supplement have the meanings ascribed to them in Article 10 of the Loan and Security Agreement, which is incorporated in its entirety into this Supplement. In the event of any inconsistency between the provisions of the Loan and Security Agreement and this Supplement, this Supplement is controlling.

In addition to the provisions of the Loan and Security Agreement, the parties agree as follows:

Part 1 - Additional Definitions:

“510(k) Clearance” means written clearance issued by the FDA pursuant to Section 510(k) of the Federal Food, Drug, and Cosmetic Act, as amended (21 U.S.C. § 360(k)), and the regulations promulgated thereunder, authorizing the marketing and commercial distribution of NXT-41x in the United States.

“Amortization Period” means the period commencing on the first day of the first full calendar month following the Interest-only Period and continuing until the Maturity Date.

“Commitment” means, subject to the terms and conditions set forth in the Loan and Security Agreement and this Supplement, Lender’s commitment to make Growth Capital Loans to Borrower up to an aggregate original principal amount of Ten Million Dollars (\$10,000,000) (**“Tranche 1”**) on the Closing Date and up to Five Million Dollars (\$5,000,000) to be funded between May 1, 2027 and September 30, 2027, subject to the conditions in Section 1(i) of Part 2 (**“Tranche 2”**), with Four Million Dollars (\$4,000,000) funded by Avenue 2 and Six Million Dollars (\$6,000,000) funded by Avenue 3 on the Closing Date.

“Designated Rate” means, for each Growth Capital Loan, a variable rate of interest per annum equal to the greater of (A) the Prime Rate plus five and one half of one percent (5.50%) and (B) twelve and one quarter of one percent (12.25%). Changes to the Designated Rate based on changes to the Prime Rate shall be effective as of the next scheduled interest payment date immediately following such change.

“FDA” means the U.S. Food and Drug Administration or any successor thereto.

“Final Payment” means a payment (in addition to and not a substitution for the regular monthly payments of principal plus accrued interest) equal to four percent (4.00%) of the funded amount of the Loans.

“Growth Capital Loan” means any Loan requested by Borrower and funded by a Lender under its Commitment for general corporate purposes of Borrower.

“Interest-only Milestone 1” means Borrower has (i) achieved the Tranche 2 Availability Milestone and (ii) drawn the full amount of Tranche 2.

“Interest-only Period” means the period commencing on the Closing Date and continuing until the eighteen (18) month anniversary of the Closing Date; provided, however, that such period shall be extended for six (6) months if as of the last day of the Interest-only Period then in effect Borrower has achieved Interest-only Milestone 1; provided, further, however, that no extension of the Interest-only Period shall be available if as of the last day of the Interest-only Period then in effect an Event of Default shall have occurred and be continuing.

“Loan” or **“Loans”** mean, as the context may require, individually a Growth Capital Loan, and collectively, the Growth Capital Loans.

“Loan Commencement Date” means, with respect to each Growth Capital Loan: (a) the first day of the first full calendar month following the Borrowing Date of such Loan if such Borrowing Date is not the first day of a month; or (b) the same day as the Borrowing Date if the Borrowing Date is the first day of a month.

“Maturity Date” means March 1, 2030.

“NXT-41x” means the medical device product candidate designated by Borrower as “NXT-41x” as of the Closing Date, together with any successor, modified, or renamed version thereof that is substantially similar in intended use, indication, and function, as reasonably determined by Agent.

“Prepayment Fee” means, with respect to any prepayment of the Loans:

(i) if the prepayment occurs during the period commencing on the Closing Date and ending on (and including) the one-year anniversary of the Closing Date, an amount equal to the principal amount of the Loans prepaid multiplied by three percent (3.00%);

(ii) if the prepayment occurs during the period commencing on the day immediately following the one-year anniversary of the Closing Date and ending on (and including) the two-year anniversary of the Closing Date, an amount equal to the principal amount of the Loans prepaid multiplied by two percent (2.00%); and

(iii) if the prepayment occurs at any time after the date immediately following the two-year anniversary of the Closing Date, an amount equal to the principal amount of the Loans prepaid multiplied by one percent (1.00%).

“Prime Rate” is the rate of interest per annum from time to time published in the money rates section of The Wall Street Journal or any successor publication thereto as the “prime rate” then in effect; provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Supplement; and provided further that if such rate of interest, as set forth from time to time in the money rates section of The Wall Street Journal, becomes unavailable for any reason as determined by Agent, the “Prime Rate” shall mean the rate of interest per annum announced by Wells Fargo Bank as its prime rate in effect at its principal office in the State of California (such announced Prime Rate not being intended to be the lowest rate of interest charged by such institution in connection with extensions of credit to debtors); provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Supplement.

“Principal Trading Market” means the principal trading market for the Borrower’s common stock. The “Principal Trading Market” as of the date hereof for the common stock is the Nasdaq Global Market.

“Termination Date” means the earlier of: (i) the date Lender may terminate making Growth Capital Loans or extending other credit pursuant to the rights of Lender under Article 7 of the Loan and Security Agreement; and (ii) with respect to Tranche 2, September 30, 2027.

“Tranche 2 Availability Milestone” means that, on or before the applicable Termination Date, (a) Borrower has provided evidence reasonably satisfactory to Agent that Borrower has achieved 510(k) Clearance, and (b) Borrower has received at least Ten Million Dollars (\$10,000,000) in aggregate net proceeds from (i) the sale and issuance of its equity securities, (ii) upfront licensing payments, and/or (iii) asset sale proceeds, in each case after the Closing Date, all based upon written evidence thereof provided to, and in form and content acceptable to, and reviewed and approved by Agent in its reasonable discretion; provided, however, Tranche 2 shall not be made available if on the date of the occurrence of the Tranche 2 Availability Milestone an Event of Default has occurred and is continuing.

“Threshold Amount” means Two Hundred Fifty Thousand Dollars (\$250,000).

“Trading Day” means a day when the Principal Trading Market is open for trading in shares of the common stock.

“Warrant” is defined in Part 2, Section 4(a) hereof.

Part 2 - Additional Covenants and Conditions:

1. Additional Condition(s) Precedent Regarding Growth Capital Loan Commitments. In addition to the satisfaction of all of the other applicable conditions precedent specified in Sections 4.1 and 4.2 of the Loan and Security Agreement and this Supplement, each Lender’s obligation to fund its pro rata share of Tranche 2 of Growth Capital Loans is subject to receipt by Agent of evidence that the following conditions precedent have been satisfied, as determined by Agent in its sole discretion:

- (i) **Tranche 2.** Borrower has achieved the Tranche 2 Availability Milestone.

Subject to satisfaction of the conditions precedent identified above and as specified in Sections 4.1 and Section 4.2 of the Loan and Security Agreement and this Supplement, each Lender agrees to make Growth Capital Loans to Borrower under such Lender’s Commitment from time to time from and after the Closing Date up to and including the Termination Date in an aggregate, original principal amount up to, but not exceeding, then-unfunded portion of such Lender’s Commitment.

2. Minimum Funding Amount; Maximum Number of Borrowing Requests. Growth Capital Loans requested by Borrower to be made on a single Business Day shall be for a minimum aggregate, original principal amount of Two Million Five Hundred Thousand Dollars (\$2,500,000), or such lesser amount as may be remaining to draw under the applicable tranche, and Borrower shall not submit a Borrowing Request more frequently than once per calendar month without Agent's prior consent.

(a) Repayment of Growth Capital Loans. Principal of, and interest on, each Growth Capital Loan shall be payable as set forth in a Note evidencing such Growth Capital Loan (substantially in the form attached hereto as Exhibit "A"), which Note shall provide substantially as follows: principal shall be fully amortized over the Amortization Period in equal, monthly principal installments plus, in each case, unpaid interest thereon at the Designated Rate, commencing after the Interest-only Period of interest-only installments at the Designated Rate. In particular, on the Borrowing Date applicable to such Growth Capital Loan, Borrower shall pay to Agent (i) if the Borrowing Date is earlier than the Loan Commencement Date, interest only at the Designated Rate, in advance, on the outstanding principal balance of the Growth Capital Loan for the period from the Borrowing Date through the last day of the calendar month in which such Borrowing Date occurs (it being understood that this clause (i) shall not apply in the case the Borrowing Date is on the same date as the Loan Commencement Date), and (ii) the first (1st) interest-only installment at the Designated Rate, in advance, on the outstanding principal balance of the Note evidencing such Loan for the ensuing month. Commencing on the first day of the second full month after the Borrowing Date and continuing on the first day of each month during the Interest-only Period thereafter, Borrower shall pay to Agent interest only at the Designated Rate, in advance, on the outstanding principal balance of the Loan evidenced by such Note for the ensuing month. Commencing on the first day of the first full month after the end of the Interest-only Period, and continuing on the first day of each consecutive calendar month thereafter, Borrower shall pay to Agent equal consecutive monthly principal installments in advance in an amount sufficient to fully amortize the Loan evidenced by such Note over the Amortization Period, plus interest at the Designated Rate for such month. On the Maturity Date, all principal and accrued interest then remaining unpaid and the Final Payment shall be due and payable.

3. Prepayment. The Growth Capital Loans may be prepaid as provided in this Section 3 only. Borrower may prepay all, but not less than all, outstanding Growth Capital Loans in whole, but not in part, at any time upon no less than five (5) Business Days' prior written notice to Agent, by tendering to each Lender a cash payment in respect of such Loans in an amount determined by such Lender equal to the sum of: (i) the aggregate outstanding principal amount of such Loans; (ii) the accrued and unpaid interest on such Loans as of the date of prepayment; (iii) the Prepayment Fee, if any; and (iv) the Final Payment; provided that, if a Lender has not yet exercised its rights under Section 4(d) hereof, Borrower shall provide written notice of prepayment at least ten (10) days in advance of the proposed prepayment date and such Lender shall have the option, with respect to the Conversion Option, to exercise its rights pursuant to Section 4(d) hereof by delivering written notice to Borrower at least five (5) Business Days in advance of the proposed prepayment date. If the Growth Capital Loans are prepaid on any day other than the first or last calendar day of a month, Lenders agree to refund to Borrower, or otherwise credit against the payoff amount owing by Borrower to Lenders, the amount of any interest paid in advance for days not yet elapsed during such month.

4. Warrant and Right to Invest; Conversion Option.

(a) Warrant. As additional consideration for the making of its Commitment, each Lender has earned and is entitled to receive immediately upon the execution of the Loan and Security Agreement and this Supplement, a warrant instrument issued by Borrower (the "**Warrant**").

(b) Warrant General. The Warrant shall be substantially in the form attached hereto as Exhibit "D".

(c) Right to Invest. Lenders shall have the right, in their respective discretion, but not the obligation, to invest an aggregate amount of up to One Million Dollars (\$1,000,000) in equity securities of Borrower on the same terms, conditions, and pricing offered by Borrower to any investor existing at such time, in connection with any offering of Borrower's equity securities after the Closing Date primarily for the purposes of raising capital; provided, however, (A) Borrower shall deliver written notice to Agent of any transaction involving Borrower's equity securities at least ten (10) Business Days prior to the closing of such transaction; (B) the terms shall exclude a board or observer seat on the Borrower's Board of Directors, which may be offered to other investors at Borrower's

discretion, and any other terms that are not offered generally to all investors participating in such financing; and (C) any information provided to Agent or any Lender pursuant to clause (A) that constitutes material nonpublic information regarding Borrower shall be held in strict confidence by Agent and such Lender and shall not be disclosed to any third party or used as a basis to trade in Borrower's securities, in each case until such information is publicly disclosed by Borrower or otherwise ceases to be material. This right shall terminate upon the repayment in full of the Indebtedness under the Loan and Security Agreement. This right to invest shall not apply to any offering in connection with: (i) any grant to an existing or prospective consultant, employee, officer, or director pursuant to any stock option agreement, employee stock purchase plan, or similar equity-based plan or compensation agreement; (ii) the conversion or exchange of any equity securities or convertible debt of the Borrower into other equity securities, or the exercise of any option, warrant, convertible note or other right to acquire such shares; (iii) any acquisition by the Borrower of the stock, assets, properties, or business of any person; (iv) any merger, consolidation, or other business combination involving the Borrower, or any other transaction or series of transactions resulting in a change of control; (v) any stock split, stock dividend, or similar recapitalization transaction; or (vi) any issuance in connection with a strategic relationship, including supplier, vendor or other service provider or business correspondent. If the placement agent or managing or lead underwriter for the offering advises the Borrower that the total number of securities and/or securities proposed to be allocated to Lenders exceeds the number which can be sold in such offering and/or that the total number of securities and/or securities proposed to be allocated to Lenders would adversely affect the price per share of the securities to be sold in such offering, the Borrower may reduce the number of securities to be allocated to Lenders; provided that any such reduction shall not exceed fifty percent (50%) of the securities proposed to be allocated to Lenders. Any such reduction shall be shared pro rata amongst the Lenders according to their respective commitments.

(d) **Conversion Option.** Lenders shall have the right, in their respective discretion, but not the obligation, at any time and from time to time, while the Loan is outstanding, to convert an aggregate amount of up to Two Million Five Hundred Thousand Dollars (\$2,500,000) of the principal amount of the outstanding Growth Capital Loans (the "**Conversion Option**") into Borrower's common stock (the "**Common Stock**") at a price per share equal to one hundred twenty percent (120.00%) of the Exercise Price set forth (and as defined) in the Warrant (the "**Conversion Price**;" the exercise of such Conversion Option, a "**Conversion**"). Any securities not issued in a registered transaction may bear an appropriate restrictive legend. The Conversion Option will be exercised by such Lender delivering a written, signed conversion notice to the Borrower in accordance with this Section 4(d) which will include (i) the date of which the conversion notice is given, (ii) a statement to the effect that such Lender is exercising the Conversion Option, (iii) the amount in respect of which the Conversion Option is being exercised and the number of shares issued and (iv) a date on which the allotment and issuance of the shares is to take place. In the event Borrower prepays the Loan in full pursuant to Section 3, Lenders shall have 10 days to elect to exercise the Conversion Option prior to such prepayment. The Conversion Option will not survive the expiration or other termination of the Loan and Security Agreement and shall otherwise terminate when the Loan is repaid in full.

(e) **Conversion Limitations.** Borrower shall not exercise the Conversion Option, and no Lender shall have the right to exercise the Conversion Option, and any such exercise shall be null and void and treated as if never made, to the extent that after giving effect to the conversion set forth on the applicable conversion notice, such Lender (together with such Lender's Affiliates, and any Persons acting as a group together with such Lender or any of such Lender's Affiliates, the "**Attribution Parties**") would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of common stock beneficially owned by any Lender and its Attribution Parties shall include the number of shares of common stock issuable upon such Lender's exercise of the Conversion Option with respect to which such determination is being made, but shall exclude the number of shares of common stock which are issuable upon (i) conversion of the remaining, unconverted principal amount of any outstanding Growth Capital Loans beneficially owned by such Lender or any of its Attribution Parties and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of Borrower subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by such Lender or any of its Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 4(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. To the extent that the limitation contained in this Section 4(e) applies, the determination of whether any Lender can exercise the Conversion Option (in relation to other securities owned by such Lender together with any Attribution Parties) shall be in the sole discretion of Lender, and the submission of a conversion notice shall be deemed to be such Lender's determination of whether such Lender may exercise the Conversion Option (in relation to other securities owned by such Lender together with any Attribution Parties) in each case subject to the Beneficial Ownership Limitation. In addition, a determination as to any

group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 4(e), in determining the number of outstanding shares of common stock, Lenders may rely on the number of outstanding shares of common stock as stated in the most recent of the following: (i) Borrower's most recent periodic or annual report filed with the Securities and Exchange Commission, as the case may be, (ii) a more recent public announcement by Borrower, or (iii) a more recent written notice by Borrower or Borrower's transfer agent setting forth the number of shares of common stock outstanding. Upon the written or oral request of any Lender, Borrower shall within two Trading Days confirm orally and in writing to such Lender the number of shares of common stock then outstanding. In any case, the number of outstanding shares of common stock shall be determined after giving effect to the conversion or exercise of securities of Borrower, including the Conversion Option, by any Lender or its Attribution Parties since the date as of which such number of outstanding shares of common stock was reported. The **"Beneficial Ownership Limitation"** shall be 4.99% of the number of shares of the common stock outstanding immediately after giving effect to the issuance of shares of common stock issuable upon exercise of the Conversion Option.

By written notice to the Borrower, any Lender may from time to time increase or decrease the Beneficial Ownership Limitation to any other percentage specified in such notice; *provided* that (i) any such increase will not be effective until the sixty-first (61st) day after such notice is delivered to the Borrower, and (ii) any such increase or decrease will apply only to the applicable Lender delivering such notice.

(f) Maximum Issuance. Notwithstanding anything anywhere in the Loan Documents to the contrary, the aggregate number of shares issued pursuant to the Conversion Option, together with the shares of common stock issued or issuable upon exercise of the Warrant and any shares of common stock purchased pursuant to the Right to Invest, shall not exceed the aggregate number of shares of common stock which any Lender may receive pursuant to the terms of this Supplement without breaching Borrower's obligations under the rules or regulations of the Principal Trading Market, including any stockholder approval requirement applicable to the aggregate issuance of shares of common stock in excess of the threshold specified by the applicable rules of the Principal Trading Market, except that such limitation shall not apply in the event that Borrower obtains the approval of its stockholders as required by the applicable rules of the Principal Trading Market for issuances of shares of common stock in excess of such amount or such approval is not required pursuant to the applicable rules of the Principal Trading Market.

5. Commitment Fee. Borrower shall pay to each Lender, pro-rata in accordance with each Lender's respective Commitment, a commitment fee in the amount of one percent (1.00%) of the total Commitment of such Lender, due and payable on the Closing Date, of which Seventy Five Thousand Dollars (\$75,000) has been paid by Borrower to Agent, for the pro rata benefit of Lenders, as an advance deposit prior to the date hereof. As an additional condition precedent under Section 4.1 of the Loan and Security Agreement, each Lender shall have completed to its satisfaction its due diligence review of Borrower's business and financial condition and prospects, and such Lender's pro rata share of the Commitment shall have been approved. If this condition is not satisfied, the Seventy Five Thousand Dollars (\$75,000) advance deposit previously paid by Borrower shall be refunded. Except as set forth in this Section 4, the Commitment Fee is not refundable.

6. Documentation Fee Payment. On the Closing Date, Borrower shall reimburse each Lender and Agent pursuant to Section 9.8(a) of the Loan and Security Agreement for (i) its reasonable, documented and out-of-pocket attorneys' fees, costs and expenses incurred in connection with the preparation and negotiation of the Loan Documents and (ii) Agent's costs and filing fees related to perfection of its Liens in the Collateral in any United States jurisdiction in which the same is located, recording a copy of the Intellectual Property Security Agreement with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, and confirming the priority of such Liens.

7. Account Information

(a) Borrower's Primary Operating Account and Wire Transfer Instructions:

Institution Name:	[***]
Address:	[***]
ABA No.:	[***]
Bank Swift Code:	[***]
Contact Name:	[***]
Phone No.:	[***]
E-mail:	[***]
Account Title:	[***]
Account No.:	[***]

8. Debits to Account for ACH Transfers. For purposes of Sections 2.2 and 5.10 of the Loan and Security Agreement, the Primary Operating Account shall be the bank account set forth in Section 7 above, unless and until such account is changed in accordance with Section 5.10 of the Loan and Security Agreement. Borrower hereby agrees that the Growth Capital Loans will be advanced to the account specified above and regularly scheduled payments of principal, interest and fees due to each Lender will be automatically debited by each Lender from the same account. Borrower hereby confirms that the bank at which the Primary Operating Account is maintained uses that same ABA Number for incoming wires transfers to the Primary Operating Account and outgoing ACH transfers from the Primary Operating Account.

Part 3 - Additional Representations:

Borrower represents and warrants that as of the Closing Date and, subject to any written updates of the information set forth below by Borrower to Agent, each Borrowing Date:

- a) [***]
- b) [***]
- c) [***]
- d) [***]
- e) [***]
- f) [***]
- g) [***]

Part 4 - Additional Loan Documents:

Form of Promissory Note	Exhibit "A"
Form of Borrowing Request	Exhibit "B"
Form of Compliance Certificate	Exhibit "C"
Form of Warrant	Exhibit "D"

[Remainder of this page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties have executed this Supplement as of the date first above written.

BORROWER:

ELUTIA INC.

By: /s/ Matthew Ferguson

Name: Matthew Ferguson

Title: CFO

ELUTIA MED LLC

By: /s/ Matthew Ferguson

Name: Matthew Ferguson

Title: CFO

Address for Notices:

20 Firstfield Rd
Gaithersburg, MD 20878
Attn: Matthew Ferguson
Email: [***]

AGENT:

AVENUE VENTURE OPPORTUNITIES FUND II, L.P.

By: Avenue Venture Opportunities Partners II, LLC
Its: General Partner

By: /s/ Sonia Gardner
Name: Sonia Gardner
Title: Authorized Signatory

Address for Notices:

11 West 42nd Street, 9th Floor
New York, New York 10036
Attn: Todd Greenbarg, Senior Managing Director; Chad Norman,
Senior Portfolio Manager; Jeff Becker, Managing Director
Email: [***]
Phone [***]

LENDER:

AVENUE VENTURE OPPORTUNITIES FUND II, L.P.

By: Avenue Venture Opportunities Partners II, LLC
Its: General Partner

By: /s/ Sonia Gardner
Name: Sonia Gardner
Title: Authorized Signatory

Address for Notices:

11 West 42nd Street, 9th Floor
New York, New York 10036
Attn: Todd Greenbarg, Senior Managing Director; Chad Norman,
Senior Portfolio Manager; Jeff Becker, Managing Director
Email: [***]
Phone [***]

LENDER:

AVENUE GROWTH LENDING FUND III, L.P.

By: Avenue Growth Lending Partners III, LLC
Its: General Partner

By: /s/ Sonia Gardner

Name: Sonia Gardner

Title: Member

Address for Notices:

11 West 42nd Street, 9th Floor

New York, New York 10036

Attn: Todd Greenbarg, Senior Managing Director; Chad Norman,
Senior Portfolio Manager; Jeff Becker, Managing Director

Email: [***]

Phone [***]

EXHIBIT “A”

FORM OF PROMISSORY NOTE

Note No. X-XXX

EXHIBIT “B”

FORM OF BORROWING REQUEST

EXHIBIT “C”

**FORM OF
COMPLIANCE CERTIFICATE**

EXHIBIT “D”

**FORM OF
WARRANT**

CERTIFICATIONS

I, C. Randal Mills, Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 of Elutia 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 14, 2026

By: /s/ C. Randal Mills, Ph.D.
C. Randal Mills, Ph.D.
President and Chief Executive Officer
(principal executive officer)

CERTIFICATIONS

I, Matthew Ferguson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 of Elutia 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 14, 2026

By: /s/ Matthew Ferguson
Matthew Ferguson
Chief Financial Officer
(principal financial officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

- (1) the Report 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 the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Matthew Ferguson
Matthew Ferguson
Chief Financial Officer
(principal financial officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.