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# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**
# FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the quarterly period ended September 30, 2025**
**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the transition period from to**

**Commission file number: 001-39577**

# Elutia Inc.

(Exact name of registrant as specified in its charter)

| **Delaware** | **47-4790334** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **20 Firstfield Road**<br>**Gaithersburg, MD** | **20878** |
| (Address of principal executive offices) | (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 | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ | Smaller reporting company | ☒ |
| | | Emerging growth company | ☒ |

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

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

As of November 7, 2025, there were 40,349,939 shares of the registrant's Class A common stock and 2,351,246 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; 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; 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 Medtronic Sofamor Danek USA, Inc. ("Medtronic"), 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;
- our ability to regain compliance with Nasdaq's minimum bid price requirement and otherwise maintain compliance with any other listing requirement of the Nasdaq Capital Market, and our ability to maintain a listing of our Class A common stock on the Nasadq Capital Market;
- our ability to achieve or sustain profitability;
- the risk of product liability claims and our ability to obtain or maintain adequate product liability insurance;
- our ability to defend against the various lawsuits related to FiberCel and VBM and avoid a material adverse financial consequence;
- our ability to raise funds in the future in the amounts and at the times needed;

- 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;
- physician awareness of the distinctive characteristics, benefits, safety, clinical efficacy and cost-effectiveness of our products;
- 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, 2024 (the "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, "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 Annual Report which can be found at https://investors.Elutia.com/financials/sec-filings. 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)**

| | September 30, 2025 | December 31, 2024 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 4,721 | $ 13,239 |
| Accounts receivable, net | 3,553 | 2,276 |
| Inventory | 2,011 | 1,931 |
| Insurance receivables of litigation costs | 4,561 | 4,760 |
| Prepaid expenses and other current assets | 539 | 1,986 |
| Current assets of discontinued operations | 2,993 | 1,980 |
| Total current assets | 18,378 | 26,172 |
| Property and equipment, net | 2,054 | 671 |
| Intangible assets, net | 1,800 | 2,600 |
| Operating lease right-of-use assets and other | 2,565 | 179 |
| Noncurrent assets of discontinued operations | 4,610 | 6,505 |
| **Total assets** | **$ 29,407** | **$ 36,127** |
| **Liabilities and Stockholders' Deficit** | | |
| Current liabilities: | | |
| Accounts payable | $ 6,598 | $ 4,149 |
| Accrued expenses | 7,274 | 7,104 |
| Current portion of long-term debt | 5,000 | 1,250 |
| Current portion of revenue interest obligation | 5,500 | 4,400 |
| Contingent liability for legal proceedings | 16,383 | 20,432 |
| Current operating lease liabilities | 222 | 145 |
| Current liabilities of discontinued operations | 357 | 315 |
| Total current liabilities | 41,334 | 37,795 |
| Long-term debt | 21,103 | 22,603 |
| Long-term revenue interest obligation | 3,910 | 5,490 |
| Warrant liability | 4,030 | 16,076 |
| Long-term operating lease liabilities | 2,814 | 16 |
| Noncurrent liabilities of discontinued operations | 134 | 407 |
| Total liabilities | 73,325 | 82,387 |
| Commitments and contingencies (Note 9) | | |
| Stockholders' equity (deficit): | | |
| Class A Common stock, $0.001 par value per share, 200,000,000 shares authorized as of September 30, 2025 and December 31, 2024, and 40,198,920 and 30,897,232 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively | 40 | 31 |
| Class B Common stock, $0.001 par value per share, 20,000,000 shares authorized as of September 30, 2025 and December 31, 2024, and 2,351,246 and 4,313,406 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively | 2 | 4 |
| Additional paid-in capital | 203,044 | 183,298 |
| Accumulated deficit | (247,004) | (229,593) |
| Total stockholders' deficit | (43,918) | (46,260) |
| **Total liabilities and stockholders' deficit** | **$ 29,407** | **$ 36,127** |

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 September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Net sales | $ 3,323 | $ 3,662 | $ 9,022 | $ 11,651 |
| Cost of goods sold | 1,470 | 1,871 | 4,340 | 6,258 |
| Gross profit | 1,853 | 1,791 | 4,682 | 5,393 |
| Sales and marketing | 1,601 | 1,241 | 3,863 | 3,791 |
| General and administrative | 3,519 | 4,340 | 10,792 | 13,828 |
| Research and development | 1,088 | 702 | 2,948 | 2,271 |
| Litigation costs, net | 853 | 4,683 | 7,429 | 8,757 |
| Total operating expenses | 7,061 | 10,966 | 25,032 | 28,647 |
| Loss from operations | (5,208) | (9,175) | (20,350) | (23,254) |
| Interest expense, net | 265 | 131 | (42) | 796 |
| (Gain) loss on revaluation of warrant liability | (5,098) | (12,653) | (12,518) | 15,321 |
| Other expense (income), net | — | — | 1,547 | (1,186) |
| Income (loss) before provision for income taxes | (375) | 3,347 | (9,337) | (38,185) |
| Income tax expense | 8 | 8 | 24 | 5 |
| Net income (loss) from continuing operations | (383) | 3,339 | (9,361) | (38,190) |
| Loss from discontinued operations | (3,485) | (2,053) | (8,050) | (6,698) |
| Net income (loss) | (3,868) | 1,286 | (17,411) | (44,888) |
| Less: Undistributed net income to participating securities | — | (219) | — | — |
| Net income (loss) attributable to common stockholders | $ (3,868) | $ 1,067 | $ (17,411) | $ (44,888) |
| | | | | |
| Net income (loss) attributable to common stockholders from continuing operations per share - basic | $ (0.01) | $ 0.10 | $ (0.23) | $ (1.41) |
| Net loss per share attributable to common stockholders from continuing operations per share - diluted | $ (0.12) | $ (0.27) | $ (0.48) | $ (1.41) |
| Net income (loss) attributable to common stockholders from discontinued operations per share - basic | $ (0.08) | $ (0.06) | $ (0.20) | $ (0.25) |
| Net income (loss) attributable to common stockholders from discontinued operations per share - diluted | $ (0.07) | $ (0.06) | $ (0.18) | $ (0.25) |
| Net income (loss) attributable to common stockholders per share - basic | $ (0.09) | $ 0.03 | $ (0.43) | $ (1.65) |
| Net loss attributable to common stockholders per share - diluted | $ (0.19) | $ (0.33) | $ (0.66) | $ (1.65) |
| | | | | |
| Weighted average common shares outstanding - basic | 42,431,314 | 32,520,134 | 40,965,925 | 27,132,216 |
| Weighted average common shares outstanding - diluted | 46,957,199 | 35,520,938 | 45,492,271 | 27,132,216 |

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 | | | | |
|---|---|---|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount | Additional Paid-in Capital | Accumulated Deficit | Total Stockholders' Equity (Deficit) |
| **Balance, June 30, 2025** | **38,081,935** | **$ 38** | **4,313,406** | **$ 4** | **$ 201,251** | **$ (243,136)** | **$ (41,843)** |
| Issuance of common stock under Employee Stock Purchase Plan | 27,710 | — | — | — | 32 | — | 32 |
| Vesting of restricted stock units, net of shares withheld and taxes paid | 127,115 | — | — | — | (58) | — | (58) |
| Stock-based compensation | — | — | — | — | 1,981 | — | 1,981 |
| Conversion of Class B Common Stock to Class A Common Stock | 1,962,160 | 2 | (1,962,160) | (2) | — | — | — |
| Exercise of Prefunded Warrants | — | — | — | — | (162) | — | (162) |
| Net loss | — | — | — | — | — | (3,868) | (3,868) |
| **Balance, September 30, 2025** | **40,198,920** | **$ 40** | **2,351,246** | **$ 2** | **$ 203,044** | **$ (247,004)** | **$ (43,918)** |
| | | | | | | | |
| **Balance, June 30, 2024** | **23,963,101** | **$ 24** | **4,313,406** | **$ 4** | **$ 157,452** | **$ (221,818)** | **$ (64,338)** |
| Exercises of Common Warrants | 5,771,655 | 5 | — | — | 21,630 | — | 21,635 |
| Issuance of common stock under Employee Stock Purchase Plan and exercise of stock options | 33,159 | — | — | — | 92 | — | 92 |
| Vesting of restricted stock units, net of shares withheld and taxes paid | 480,777 | 1 | — | — | (689) | — | (688) |
| Stock-based compensation | — | — | — | — | 1,775 | — | 1,775 |
| Net income | — | — | — | — | — | 1,286 | 1,286 |
| **Balance, September 30, 2024** | **30,248,692** | **$ 30** | **4,313,406** | **$ 4** | **$ 180,260** | **$ (220,532)** | **$ (40,238)** |

| | Class A Common Stock | | Class B Common Stock | | | | |
|---|---|---|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount | Additional Paid-in Capital | Accumulated Deficit | Total Stockholders' Equity (Deficit) |
| **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 $1.2 million | 5,520,000 | 6 | — | — | 12,590 | — | 12,596 |
| Issuance of common stock as payment under revenue interest obligation | 1,105,528 | 1 | — | — | 2,199 | — | 2,200 |
| Issuance of common stock as payment of interest | 50,000 | — | — | — | 83 | — | 83 |
| Conversion of Class B Common Stock to Class A Common Stock | 1,962,160 | 2 | (1,962,160) | (2) | — | — | — |
| Exercise of Prefunded Warrants | 249,910 | — | — | — | 727 | — | 727 |
| Issuance of common stock under Employee Stock Purchase Plan | 59,268 | — | — | — | 112 | — | 112 |
| Vesting of restricted stock units, net of shares withheld and taxes paid | 354,822 | — | — | — | (307) | — | (307) |
| Stock-based compensation | — | — | — | — | 4,342 | — | 4,342 |
| Net loss | — | — | — | — | — | (17,411) | (17,411) |
| **Balance, September 30, 2025** | **40,198,920** | **$ 40** | **2,351,246** | **$ 2** | **$ 203,044** | **$ (247,004)** | **$ (43,918)** |
| | | | | | | | |
| **Balance, December 31, 2023** | **18,884,196** | **$ 19** | **4,313,406** | **$ 4** | **$ 137,021** | **$ (175,644)** | **$ (38,600)** |
| Issuance of common stock in connection with registered direct offering, net of issuance costs of $1.1 million | 3,175,000 | 3 | — | — | 9,669 | — | 9,672 |
| Exercises of Common Warrants and Prefunded Warrants | 7,399,144 | 7 | — | — | 27,736 | — | 27,743 |
| Issuance of common stock under Employee Stock Purchase Plan and exercise of stock options | 98,618 | — | — | — | 162 | — | 162 |
| Vesting of restricted stock units, net of shares withheld and taxes paid | 691,734 | 1 | — | — | (1,011) | — | (1,010) |
| Stock-based compensation | — | — | — | — | 6,683 | — | 6,683 |
| Net loss | — | — | — | — | — | (44,888) | (44,888) |
| **Balance, September 30, 2024** | **30,248,692** | **$ 30** | **4,313,406** | **$ 4** | **$ 180,260** | **$ (220,532)** | **$ (40,238)** |

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

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

**(UNAUDITED)**

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2025 | 2024 |
| Net loss | $ (17,411) | $ (44,888) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 2,488 | 2,588 |
| Gain on sale of Orthobiologics Business | — | (180) |
| (Gain) loss on revaluation of warrant liability | (12,518) | 15,321 |
| Gain on revaluation of revenue interest obligation | — | (1,443) |
| Amortization of deferred financing costs and debt discount | 161 | 162 |
| Interest expense recorded as additional revenue interest obligation and long-term debt | 3,892 | 2,086 |
| Stock-based compensation | 4,342 | 6,683 |
| Bad debt expense | — | 251 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (1,277) | 81 |
| Inventory | (1,093) | 220 |
| Receivables of litigation costs | 199 | (1,886) |
| Prepaid expenses and other | 1,898 | 2,171 |
| Accounts payable and accrued expenses | 3,308 | (984) |
| Contingent liability for legal proceedings | (4,049) | 9,265 |
| Other liabilities | 64 | 153 |
| **Net cash used in operating activities** | **(19,996)** | **(10,400)** |
| **INVESTING ACTIVITIES:** | | |
| Proceeds from sale of Orthobiologics Business | — | 180 |
| Expenditures for property and equipment | (1,022) | (560) |
| **Net cash used in investing activities** | **(1,022)** | **(380)** |
| **FINANCING ACTIVITIES:** | | |
| Proceeds from private placement and warrants, net of offering costs | 13,796 | 12,390 |
| Repayments of long-term debt | — | (2,000) |
| Proceeds from exercises of Common Warrants and Prefunded Warrants | — | 15,725 |
| Payments on revenue interest obligation | — | (6,300) |
| Repayments of insurance premium financings | (1,101) | (1,721) |
| Payments for taxes upon vesting of restricted stock units | (307) | (1,011) |
| Proceeds from stock option exercises and issuance of common stock under ESPP | 112 | 162 |
| **Net cash provided by financing activities** | **12,500** | **17,245** |
| | | |
| **Net increase (decrease) in cash and cash equivalents** | **(8,518)** | **6,465** |
| | | |
| **Cash and cash equivalents, beginning of period** | **13,239** | **19,276** |
| **Cash and cash equivalents, end of period** | **$ 4,721** | **$ 25,741** |
| | | |
| **Supplemental Cash Flow and Non-Cash Financing Activities Disclosures:** | | |
| Cash paid for interest | $ 560 | $ 4,421 |
| Issuance of common stock as payment under revenue interest obligation | $ 2,200 | $ — |
| Additions to operating lease right-of-use assets | $ 2,271 | $ 1,379 |
| Conversion of Common Warrants and Prefunded Warrants to common stock | $ 727 | $ 17,576 |

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 leveraging its unique understanding of biologics combined with local drug delivery to improve the interaction between implanted medical devices and patients by reducing complications associated with these surgeries. The Company has developed a portfolio of products using both human and porcine tissue that are designed to be as close to natural biological material as possible. Elutia's portfolio of products spans the Women's Health and Cardiovascular markets. These products are primarily sold to healthcare providers or commercial partners.

On November 7, 2025, 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 May 6, 2026 (the "Compliance Period"), to regain compliance with the Minimum Bid 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 ("Annual Report") for the fiscal year ended December 31, 2024. The financial information as of September 30, 2025 and for the three and nine months ended September 30, 2025 and 2024 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, 2024 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 "APA") with Boston Scientific Corporation ("BSC"), a Delaware corporation, and Cardiac Pacemakers Inc. ("CPI"), a Minnesota corporation (collectively with BSC, the "Buyers"). On October 1, 2025, at the closing of the transactions contemplated by the APA, the 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 constitute substantially all of the assets held in Elutia's Device Protection segment. The Buyers are only assuming certain liabilities related to performance of the contracts transferred in the APA. The APA provides for an aggregate purchase price, subject to certain adjustments pursuant to the terms of the APA, of up to $88 million in cash,

with $80.3 million (which included a preliminary inventory adjustment of $0.3 million) that was paid in cash to Elutia at the closing of the transactions and $8 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 APA by the Company.

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The sale of the CIED Business represents 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* as of September 30, 2025. 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 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 nine months ended September 30, 2025 or 2024. Additionally, the purchase agreement provides for a customary indemnity holdback in the amount of $1.5 million to be retained by Berkeley for 24 months after closing. In the purchase agreement, the Company has retained the liabilities arising out of the VBM and FiberCel matters, as described in Note 9, 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. The indemnity holdback is available as a source of recovery for Berkeley for claims of indemnification under the purchase agreement, and some or all of the holdback may be retained by Berkeley if Berkeley is successful in asserting a claim or claims for indemnification against the Company. The Company is aware of certain indemnity-related claims raised, including a claim from a former supplier alleging breach of contract. Based on the Company's ongoing assessment of these claims, along with the remaining indemnity holdback of $1.5 million, the Company does not consider a loss to be probable or estimable as of September 30, 2025. Should the Company receive incremental proceeds in the future through an earn-out payment or payment of the holdback amount, 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, general 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 nine months ended September 30, 2025, the Company incurred a net loss of $17.4 million, and as of September 30, 2025, the Company had an accumulated deficit of $247.0 million. In addition, during the nine months ended September 30, 2025, the Company used $20.0 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 8 or pursue asset sales or other transactions, such as the sale of the CIED and Orthobiologics Businesses 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.

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 as of September 30, 2025, along with the proceeds received on October 1, 2025 from the sale of its CIED Business, net of repayment of the SWK debt in conjunction with the sale, 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 nine months ended September 30, 2024, 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.

***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.

Basic net 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. Net loss is not allocated to participating securities as they do not have an obligation to fund losses. For purposes of the diluted net loss per share calculation, stock options, restricted stock units ("RSUs") and warrants are considered to be common stock equivalents. See Note 10 for further discussion of net 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 balances at banks and financial institutions. The balances are insured up to the legal limit. The Company maintains cash 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 purchased materials, direct labor and manufacturing overhead, 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 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 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 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. The Company uses the rate implicit in the lease to discount lease payments to present value unless that rate is not readily determinable. In the case the implicit rate is not readily determinable, 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.

In March 2025, the Company executed a new lease for 26,598 square feet in Gaithersburg, Maryland. The lease expires in January 2036 with early termination dates in 2029 and 2033. Monthly lease payments (including allocation portions of property taxes, insurance and other landlord operating expenses) total approximately $75,000 with annual rent escalations of 3%. Rent is abated for the first 12 months of occupancy and is discounted at 50% for months 13 through 18. The property was made available for use to Elutia by the landlord in May 2025 and at that time, the Company recognized an ROU asset and liability of $2.3 million on the Company's condensed consolidated balance sheet using an incremental borrowing rate of 12.1%. The Company moved its executive offices to this new location in May 2025. The Company is currently using the new facility for administrative purposes along with laboratory space for product development and anticipates using this facility for commercial production of certain new products, to the extent that marketing authorization for such new products is obtained.

As part of the Company's divestiture of its CIED Business, Elutia's lease in Roswell, Georgia was assigned to BSC. See Note 4 for further discussion of the assets and liabilities divested with the sale and their reporting as assets and liabilities of discontinued operations in the accompanying condensed consolidated balance sheets as of September 30, 2025 and December 31, 2024.

***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 nine months ended September 30, 2025 or 2024.

***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 8) 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 (gain) loss on revaluation of warrant liability net 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 or commercial partners. 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 representatives. 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 was one customer that represented 14% of the Company's accounts receivable as of December 31, 2024. No customer represented greater than 10% of the Company's accounts receivable as of September 30, 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 nine months ended September 30, 2025 and 2024, 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.

In July 2025, the One Big Beautiful Bill Act (OBBBA) was enacted into law. The OBBBA amends U.S. tax laws, including provisions related to bonus depreciation and deductions for research and development expenses. Upon adoption, the impact of the OBBBA was not material to the Company's condensed consolidated financial statements; however, the Company is assessing the impact of the OBBBA on the projected taxable gain on the sale of its CIED Business in the fourth quarter of 2025.

**Note 3. Recently Issued Accounting Standards**

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes* (Topic 740): *Improvement to Income Tax Disclosures*. This update improves income tax disclosure requirements, primarily through enhanced transparency and decision usefulness of disclosures. The amendments in this update should be applied prospectively with the option to apply retrospectively and are effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company does not expect the adoption of this guidance to have any material effects on its financial condition, results of operations or cash flows. The Company is currently evaluating any new disclosures that may be required upon adoption of ASU 2023-09.

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 September 8, 2025, the Company executed the APA for the sale of its CIED Business and the CIED Business met the criteria for held-for-sale classification as of September 30, 2025 and is reported as discontinued operations in accordance with ASC 205-20 - *Discontinued Operations*. The related assets and liabilities of the CIED Business are classified as assets and liabilities of discontinued operations as of September 30, 2025 and December 31, 2024 in the condensed consolidated balance sheets and the results of operations from the CIED Business are reported as discontinued operations in the condensed consolidated statements of operations for the three and nine months ended September 30, 2025 and 2024. Applicable amounts in the prior year have been recast to conform to this discontinued operations presentation.

The following tables shows the assets and liabilities of the discontinued operations:

| | September 30, 2025 | December 31, 2024 |
|---|---|---|
| **Carrying amounts of the major classes of assets included in discontinued operations:** | | |
| Inventory | 2,993 | 1,980 |
| Total current assets | 2,993 | 1,980 |
| Property and equipment, net | 71 | 102 |
| Intangible assets, net | 4,067 | 5,673 |
| Operating lease right-of-use and other assets | 472 | 730 |
| Total non-current assets | 4,610 | 6,505 |
| **Total assets of discontinued operations** | **$ 7,603** | **$ 8,485** |
| | | |
| **Carrying amounts of the major classes of liabilities included in discontinued operations:** | | |
| Current operating lease liabilities | 357 | 315 |
| Total current liabilities | 357 | 315 |
| Long-term operating lease liabilities | 134 | 407 |
| **Total liabilities of discontinued operations** | **$ 491** | **$ 722** |

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:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Net sales | $ 3,958 | $ 2,259 | $ 10,552 | $ 7,256 |
| Cost of goods sold | 2,177 | 1,311 | 6,086 | 4,268 |
| Gross profit | 1,781 | 948 | 4,466 | 2,988 |
| Sales and marketing | 2,974 | 1,745 | 7,522 | 5,833 |
| General and administrative | 1,022 | 180 | 1,315 | 437 |
| Research and development | 287 | 77 | 787 | 681 |
| Total operating expenses | 4,283 | 2,002 | 9,624 | 6,951 |
| Interest expense | 983 | 999 | 2,892 | 2,915 |
| Net loss | $ (3,485) | $ (2,053) | $ (8,050) | $ (6,878) |

Total operating and investing cash flows of discontinued operations for the nine months ended September 30, 2025 and 2024 are comprised of the following:

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2025 | 2024 |
| **Significant operating non-cash reconciliation items** | | |
| Depreciation and amortization | 1,569 | 1,777 |
| Stock-based compensation | 892 | 804 |
| Changes in operating assets and liabilities: | | |
| Inventory | (1,013) | (834) |
| Prepaid expenses and other | 257 | 278 |
| Other liabilities | (231) | (358) |
| | | |
| **Significant investing items** | | |
| Expenditures for property and equipment | (27) | — |

The divestiture of the CIED Business was completed pursuant to the APA on October 1, 2025.

**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, and in June 2023, the number of shares of Class A common stock reserved for issuance under the 2020 Plan was increased by 2,000,000 shares. 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 September 30, 2025, the Company had 1,352,707 shares of Class A common stock available for issuance under the 2020 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 and 2020 Plan for the nine months ended September 30, 2025 is as follows:

| | Number of Shares | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Term (years) | Aggregate Intrinsic Value (in thousands) |
|---|---|---|---|---|
| Outstanding, December 31, 2024 | 3,220,991 | $ 5.23 | 7.3 | $ 475 |
| Granted | 331,865 | $ 1.65 | | |
| Exercised | — | $ — | | |
| Forfeited | (21,087) | $ 5.01 | | |
| Outstanding, September 30, 2025 | 3,531,769 | $ 4.90 | 7.1 | $ - |
| Vested and exercisable, September 30, 2025 | 2,373,419 | $ 5.48 | 6.5 | $ - |

As of September 30, 2025, there was approximately $1.8 million of total unrecognized compensation expense related to unvested stock options. These costs are expected to be recognized over a weighted-average period of 1.2 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 nine months ended September 30, 2025 and 2024:

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2025 | 2024 |
| Expected term (years) | 5.5 | 5.9 |
| Risk-free interest rate | 4.0 % | 3.3 % |
| Volatility factor | 107.2 % | 100.9 % |
| Dividend yield | — | — |

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 September 30, 2025, 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 nine months ended September 30, 2025 is as follows:

| | Number of Shares Underlying RSUs | Weighted-Average Grant Date Fair Value |
|---|---|---|
| Unvested, December 31, 2024 | 1,417,123 | $ 3.58 |
| Granted | 155,000 | $ 2.55 |
| Vested | (707,269) | $ 3.58 |
| Forfeited | (13,498) | $ 3.71 |
| Unvested, September 30, 2025 | 851,356 | $ 3.39 |

The total fair value of the RSUs granted during the nine months ended September 30, 2025 was $0.4 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 September 30, 2025, $2.2 million of unrecognized compensation costs related to RSUs is expected to be recognized over a weighted average period of 1.3 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 September 30, 2025, 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 September 30, 2025, the total shares of Class A common stock authorized for issuance under the ESPP was 1,126,448, of which 763,965 remained available for future issuance. During the nine months ended September 30, 2025, shares of Class A common stock totaling 59,268 were issued under the ESPP.

***Stock-Based Compensation Expense***

Stock-based compensation expense recognized during the three and nine months ended September 30, 2025 and 2024 was comprised of the following (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Sales and marketing | $ 265 | $ 112 | 387 | 493 |
| General and administrative | 771 | 1,196 | 2,406 | 4,330 |
| Research and development | 196 | 257 | 539 | 1,008 |
| Cost of goods sold | 103 | (35) | 118 | 50 |
| Total stock-based compensation expense | $ 1,335 | $ 1,530 | $ 3,450 | $ 5,881 |

Stock-based compensation expense included within discontinued operations totaled $0.6 million and $0.2 million for the three months ended September 30, 2025 and 2024 and totaled $0.9 million and $0.8 million, respectively for the nine months ended September 30, 2025 and 2024, respectively.

**Note 6. Inventory**

Inventory as of September 30, 2025 and December 31, 2024 was comprised of the following (in thousands):

| | September 30, 2025 | December 31, 2024 |
|---|---|---|
| Raw materials | $ 48 | $ 68 |
| Finished goods | 1,963 | 1,863 |
| Total | $ 2,011 | $ 1,931 |

**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"). An initial draw of $21 million was made in August 2022, and an additional $4 million was made on December 14, 2022. The SWK Loan Facility also allowed for the establishment of a separate, new asset-based revolving loan facility of up to $8 million, which was not entered into before termination of the SWK Loan Facility, as described below. The SWK Loan Facility also included

both minimum revenue and liquidity covenants, restrictions as to payment of dividends, and was secured by all assets of the Company, subject to certain customary exceptions. As of September 30, 2025, Elutia was in compliance with its financial covenants under the agreement governing the SWK Loan Facility ("SWK Loan Facility Agreement"). See below for discussion of an amendment to the minimum liquidity covenant in May 2025.

All of the SWK Loan Facility borrowings took the form of Secured Overnight Financing Rate ("SOFR") loans and bore interest at a rate per annum equal to the sum of an applicable margin of (i) 7.75% and the "Term SOFR Rate" (based upon an interest period of 3 months), or (ii) if the Company elected the PIK Interest option (as defined below), 3.75% and the "Term SOFR Rate." The Company could elect a portion of the interest due, to be paid in-kind at a rate per annum of 4.5% ("PIK Interest"), and such election could be made until November 15, 2025. The "Term SOFR Rate" was subject to a floor of 2.75%. The agreement governing the SWK Loan Facility also included an exit fee equal to 6.5% of the aggregate principal amount funded prior to termination plus $112,500. The weighted average interest rate on the SWK Loan Facility was 12.3% and 13.5% for the three months ended September 30, 2025 and 2024 and 12.5% and 13.5% for the nine months ended September 30, 2025 and 2024, respectively.

On August 10, 2022 (the "Closing Date"), 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 Closing Date. 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 SWK common stock. Unless earlier exercised or terminated in accordance with its terms, the SWK Warrant will expire on the seventh anniversary of the Closing Date. Upon issuance, the Company valued the SWK Warrant at approximately $0.6 million using the Black-Scholes model. The recognition of the SWK Warrant as well as deferred financing costs of approximately $0.5 million incurred in securing the SWK Loan Facility served to reduce the recorded value of the associated debt. The debt discount and deferred financing costs are recognized as interest expense through the maturity of the loan.

In May 2025, Elutia entered into a fourth amendment (the "Fourth Amendment") to the SWK Loan Facility. The Fourth Amendment, among other things: (i) allowed for 100% of the interest payment due in May 2025 to be paid as PIK Interest, (ii) removed mandatory repayment obligations related to non-ordinary course asset sales, (iii) allowed the Company to request that SWK advance a new term loan in the amount of up to $5.0 million, which advance would have been in the sole and absolute discretion of SWK and (iv) fixed the amount of the minimum liquidity covenant to be $8.0 million. In consideration for the Fourth Amendment, the Company agreed to issue SWK 50,000 shares of its Class A Common Stock in a private placement.

In August 2025, the Company entered into a fifth amendment (the "Fifth Amendment") to the SWK Loan Facility, which, among other things, provided that the following amounts were capitalized into the unpaid principal balance of the SWK Loan Facility: (i) all accrued and unpaid interest due and owing to the lenders on the payment date in August 2025, (ii) a $50,000 amendment fee agreed to by us on June 30, 2025, and (iii) a $10,000 amendment fee to be paid pursuant to the Fifth Amendment.

Prior to the May 2025 amendment described above, the SWK Loan Facility Agreement required certain mandatory prepayments, subject to certain exceptions, with: (1) 100% of any net casualty proceeds in excess of $250,000 and (2) for non-ordinary course asset sales, an amount equal to the difference between (x) the proportion of divested gross profit (as defined in the SWK Loan Facility Agreement) to the Company's total gross profit (as defined in the SWK Loan Facility Agreement) multiplied by the outstanding loans under the SWK Loan Facility and (y) the difference between $1,000,000 and the aggregate sale proceeds of any assets previously sold during the fiscal year. The closing of the divestiture of the Orthobiologics Business in November 2023 triggered a mandatory prepayment of $4.0 million. Of such amount, $2.0 million was paid shortly after closing of the divestiture in 2023 and the remainder was paid in February 2024 based on mutual agreement between the parties.

Long-term debt was comprised of the following (in thousands):

| | September 30, 2025 | December 31, 2024 |
|---|---|---|
| Term Loan Facility, net of unamortized discount and deferred financing costs | $ 26,103 | $ 23,853 |
| Current Portion | (5,000) | (1,250) |
| Long-Term Debt | $ 21,103 | $ 22,603 |

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 $26.5 million. The total payment by the Company to SWK in full satisfaction of the debt was $27.8 million.

In addition to the above, the Company finances the annual premiums of certain insurance policies through short-term financing arrangements and includes the liabilities associated with such arrangements within accrued liabilities in accompanying consolidated balance sheets. The fair value of all debt instruments, which is based on inputs considered to be Level 2 under the fair value hierarchy, approximates the respective carrying values as of September 30, 2025 and December 31, 2024.

**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.

In connection with the execution of the Amended Revenue Interest Obligation, the Company made payments totaling $3.0 million (50% paid in January 2024 and 50% paid in April 2024) in satisfaction of all royalty obligations for the first three fiscal quarters of 2023 and made a payment in February 2024 of $1.1 million in satisfaction of the royalty obligations for the fourth quarter of 2023. 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 fiscal 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. No additional payments to Ligand have been made during the nine months ended September 30, 2025. Total payments to Ligand during the nine months ended September 30, 2024 were $6.3 million comprised of the aforementioned 2023 amounts due and a 2024 quarterly minimum payments of $2.2 million.

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 first quarter of 2024. The resulting gain was recognized as other income 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 recorded a gain instead of accounting for the amendment 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 increase in "Other expense (income), net" to reverse the original gain and a reduction of $ 0.6 million in "Interest expense, net" to reverse the overstatement of interest expense. The out of period correction is not material to the condensed consolidated financial statements.

Interest expense related to the Revenue Interest Obligation of approximately $0.3 million and $0.4 million was recorded for the three months ended September 30, 2025 and 2024, respectively and approximately $0.3 million (net of the corrections noted above) and $1.3 million was recorded for the nine months ended September 30, 2025 and 2024, respectively.

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 the EluPro and CanGaroo products. The Company's annual minimum payment requirements of $4.4 million per year remain unchanged. In partial consideration of Ligand entering into the amendment, Elutia paid $1.1 million in accrued unpaid royalty obligations to Ligand.

**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 the Company's EluPro product, 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 outstanding 2025 Prefunded Warrants, 2024 Prefunded Warrants and 2023 Prefunded Warrants 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 2025 Prefunded Warrants, 2024 Prefunded Warrants and 2023 Prefunded Warrants based on their fair values and have recorded such amounts as a warrant liability in the accompanying condensed consolidated balance sheet as of September 30, 2025 and December 31, 2024. 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 nine months ended September 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 yielding exercise proceeds of $13.8 million in July 2024. Certain of these exercises ultimately resulted in their conversion to 2023 Prefunded Warrants.

A summary of the warrant activity for the nine months ended September 30, 2025 is as follows:

| | 2023 Prefunded Warrants | 2024 Prefunded Warrants | 2025 Prefunded Warrants |
|---|---|---|---|
| Outstanding, December 31, 2024 | 3,573,326 | 725,000 | — |
| Issued | — | — | 480,000 |
| Exercised | (250,000) | — | — |
| Outstanding, September 30, 2025 | 3,323,326 | 725,000 | 480,000 |

The valuation of the warrants is adjusted to fair value (Level 3) 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 nine months ended September 30, 2025 (in thousands):

| | 2023 Prefunded Warrants | 2024 Prefunded Warrants | 2025 Prefunded Warrants | Total Offering Warrants |
|---|---|---|---|---|
| Warrant liability, December 31, 2024 | $ 13,365 | $ 2,711 | $ - | $ 16,076 |
| Fair value upon issuance | - | - | 1,200 | 1,200 |
| Gain on revaluation of warrant liability | (9,680) | (2,066) | (772) | (12,518) |
| Exercised | (728) | - | - | (728) |
| Warrant liability, September 30, 2025 | $ 2,957 | $ 645 | $ 428 | $ 4,030 |

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. The fair value adjustments, which include a $5.1 million gain recognized during the three months ended September 30, 2025, have been recorded as (gain) loss on revaluation of

warrant liability in the accompanying condensed consolidated statements of operations for the three and nine months ended September 30, 2025.

The Company had previously calculated the fair value of the Common Warrants using the Black-Scholes option pricing model with the following inputs as of September 30, 2024:

| | | |
|---|---|---|
| Common stock price | $ | 4.96 |
| Expected term (years) | | 0.1 |
| Risk-free interest rate | | 5.5 % |
| Volatility factor | | 88.4 % |
| Dividend yield | | — % |

***Class B Common Stock***

During the third quarter of 2025, 1,962,160 shares of the Company's Class B common stock were converted by the holder to voting Class A common stock.

**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 nine months ended September 30, 2025 or 2024. The Amended License Agreement includes license fee payments of $0.1 million to be paid by the Company in October 2025 and 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 ("FiberCel"). Since September 2021, 110 product liability lawsuits or claims have been filed or asserted against the Company involving FiberCel. As of September 30, 2025, there were 44 active lawsuits or claims against the Company, including 38 lawsuits or claims where settlements have been reached but had not yet been paid by quarter-end and six lawsuits which have not yet been settled or adjudicated. The lawsuits, which have been filed against Elutia, certain Medtronic entities, and others, 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 lawsuits were filed in various U.S. federal courts and in state courts in Indiana, Pennsylvania, Delaware, Florida, Maryland and Ohio. The Company refers to all of the aforementioned litigation, or 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 (the "VBM Recall"). 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. As of September 30, 2025, there were 13 active lawsuits or claims filed or asserted against the Company. The 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. Such lawsuits were filed in various U.S. federal courts and in the California state court. The Company refers to all of the aforementioned litigation, or claim notices, collectively as the "VBM Litigation."

*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's operative complaint alleges breach of the 2019 Tissue Product Supply Agreement (the "Supply Agreement") between the Company and Medtronic. In particular, the complaint alleges that Medtronic did not honor its contractual obligations to defend and indemnify the Company for over 100 lawsuits against the Company alleging claims arising from the use of FiberCel products distributed by Medtronic and that Medtronic concealed and misrepresented an insurance policy potentially applicable to those FiberCel-related lawsuits. The complaint does not specify the amount of damages owed by Medtronic for these breaches. On July 31, 2024, Medtronic responded to the complaint by denying Elutia's claims and asserting a single counterclaim alleging that Elutia breached certain representations and warranties under the Supply Agreement and owes ongoing indemnity obligations to Medtronic. The counterclaim does not specify the amount of any alleged damages. On September 19, 2025, Medtronic filed a partial motion to dismiss some of the claims in Elutia's current complaint. On October 17, 2025, Elutia filed an opposition to that motion. The court has not set a hearing or rendered a decision on the partial motion to dismiss. Discovery is ongoing in the case. Given the early stages of this matter and the Company's intention to vigorously defend Medtronic's counterclaim, we do not consider a loss to be probable or estimable at this time.

*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. The Complaint alleges breach of contract and related claims related to the 2023 distribution agreement (the "Tiger Distribution Agreement") between the Company and Tiger as well as the August 2025 letter of intent (the "LOI") for the possible sale by the Company to Tiger of certain assets and rights. The complaint does not specify the amount of any alleged damages. Given the early stages of this matter and the Company's intention to vigorously defend against Tiger's claims, Elutia does not consider a loss to be probable or estimable at this time. Elutia terminated the Tiger Distribution Agreement effective October 25, 2025. Additionally, the LOI expired on October 25, 2025.

*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, Elutia's liability in 64 of the cases has been settled for a total cash outlay of $22.5 million, with $9.6 million of such total settlement outlays having been paid through insurance proceeds. For the remaining 44 cases (which excludes one case that has been dismissed and one case where the statute of limitations has elapsed), the Company estimated a probable loss related to each case and has recorded a liability at a total estimated amount of $12.7 million at September 30, 2025, which is recorded within Contingent Liability for Legal Proceedings in the accompanying

condensed consolidated balance sheets. Such liability includes $12.0 million for the 38 cases in which the settlements have been reached but had not yet been paid by quarter-end and $0.7 million for the six cases which have not yet been settled or adjudicated.

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 2024, the Company has also engaged in a process to negotiate and attempt to resolve many of the cases in the VBM Litigation. In total, Elutia's liability in 13 of the cases has been settled for a total cash outlay of approximately $1.5 million. For the remaining 21 cases (which includes unasserted claims that the Company believes are probable of assertion and excludes one case that has been dismissed and one case where the statute of limitations has elapsed), the Company estimated a probable loss at an estimated amount of $3.7 million at September 30, 2025, which is recorded within Contingent Liability for Legal Proceedings in the accompanying consolidated balance sheets. The expense related to this estimate was recorded within Litigation costs, net in the accompanying 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 the insurance received or receivable as further described below.

*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 amounts probable 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 September 30, 2025 totaled $4.6 million and are recorded as Insurance Receivables of Litigation Costs in the accompanying consolidated balance sheets.

As of September 30, 2025, 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 both September 30, 2025 and 2024, 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, Medtronic matter and Tiger matter.

**Note 11. Net Income (Loss) Per Share**

| (in thousands, except share and per share data) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Numerator: | | | | |
| Net income (loss) from continuing operations | $ (383) | $ 3,339 | $ (9,361) | $ (38,190) |
| Less: Undistributed net income to participating securities | — | (219) | — | — |
| Net income (loss) from continuing operations attributable to common stockholders | (383) | 3,120 | (9,361) | (38,190) |
| Loss attributable to common stockholders from discontinued operations | (3,485) | (2,053) | (8,050) | (6,698) |
| Net income (loss) attributable to common stockholders | (3,868) | 1,067 | (17,411) | (44,888) |
| Less: dilutive gain on revaluation of warrant liability, net of addback for undistributed net income to participating securities | (5,098) | (12,822) | (12,518) | — |
| Net loss attributable to common stockholders for diluted earnings per share | $ (8,966) | $ (11,755) | $ (29,929) | $ (44,888) |
| | | | | |
| Denominator: | | | | |
| Weighted average number of common shares - basic | 42,431,314 | 32,520,134 | 40,965,925 | 27,132,216 |
| Effect of dilutive common and prefunded warrants | 4,525,885 | 3,000,804 | 4,526,346 | — |
| Weighted average number of common shares - diluted | 46,957,199 | 35,520,938 | 45,492,271 | 27,132,216 |
| | | | | |
| Net income (loss) attributable to common stockholders from continuing operations per share - basic | $ (0.01) | $ 0.10 | $ (0.23) | $ (1.41) |
| Net loss per share attributable to common stockholders from continuing operations per share - diluted | $ (0.12) | $ (0.27) | $ (0.48) | $ (1.41) |
| Net income (loss) attributable to common stockholders from discontinued operations per share - basic | $ (0.08) | $ (0.06) | $ (0.20) | $ (0.25) |
| Net income (loss) attributable to common stockholders from discontinued operations per share - diluted | $ (0.07) | $ (0.06) | $ (0.18) | (0.25) |
| Net income (loss) attributable to common stockholders per share - basic | $ (0.09) | $ 0.03 | $ (0.43) | $ (1.65) |
| Net loss attributable to common stockholders per share - diluted | $ (0.19) | $ (0.33) | $ (0.66) | $ (1.65) |

Basic net loss per share is computed by dividing net loss for the period by the weighted average number of common shares outstanding during the period.

Diluted net loss per share is computed by dividing the net loss, adjusted for gains on the revaluation of warrant liability (see Note 9), by the weighted average number of common shares outstanding for the period, adjusted for the dilutive effect of shares of common stock equivalents resulting from the exercise of the Common Warrants, 2023

Prefunded Warrants, 2024 Prefunded Warrants and 2025 Prefunded Warrants. The treasury stock method was used to calculate the potential dilutive effect of these common stock equivalents.

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:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Options to purchase common stock | 3,531,769 | 3,230,454 | 3,531,769 | 3,230,454 |
| Restricted stock units | 851,356 | 1,540,624 | 851,356 | 1,540,624 |
| Class A common stock warrants | 187,969 | 187,969 | 187,969 | 187,969 |
| 2023 Prefunded Warrants | — | 3,896,130 | — | 4,137,718 |
| 2024 Prefunded Warrants | — | — | — | 725,000 |
| 2025 Prefunded Warrants | — | — | — | — |
| Total | 4,571,094 | 8,855,177 | 4,571,094 | 9,821,765 |

**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 September 30, 2025, the Company's segment gross profit was comprised of the following (in thousands):

| | Women's Health | Cardiovascular | Total |
|---|---|---|---|
| Net sales | $ 2,379 | $ 944 | $ 3,323 |
| Cost of goods sold, excluding intangible asset amortization | 1,024 | 177 | 1,201 |
| Segment gross profit | $ 1,355 | $ 767 | $ 2,122 |

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

| | Women's Health | Cardiovascular | Total |
|---|---|---|---|
| Net sales | $ 7,015 | $ 2,007 | $ 9,022 |
| Cost of goods sold, excluding intangible asset amortization | 3,091 | 442 | 3,533 |
| Segment gross profit | $ 3,924 | $ 1,565 | $ 5,489 |

For the three months ended September 30, 2024, the Company's segment gross profit was comprised of the following (in thousands):

| | Women's Health | Cardiovascular | Total |
|---|---|---|---|
| Net sales | $ 3,100 | $ 562 | $ 3,662 |
| Cost of goods sold, excluding intangible asset amortization | 1,361 | 240 | 1,601 |
| Segment gross profit | $ 1,739 | $ 322 | $ 2,061 |

For the nine months ended September 30, 2024, the Company's segment gross profit was comprised of the following (in thousands):

| | Women's Health | Cardiovascular | Total |
|---|---|---|---|
| Net sales | $ 9,238 | $ 2,413 | $ 11,651 |
| Cost of goods sold, excluding intangible asset amortization | 4,522 | 928 | 5,450 |
| Segment gross profit | $ 4,716 | $ 1,485 | $ 6,201 |

One customer in the Women's Health segment, Tiger, represented 16%, 26%, 21% and 24% of total sales for the three months ended September 30, 2025 and 2024 and the nine months ended September 30, 2025 and 2024, respectively. The distribution agreement with Tiger was terminated by the Company effective in October 2025. Additionally, another customer in the Women's Health segment represented 13%, 9%, 9% and 5% of total sales for the three months ended September 30, 2025 and 2024 and the nine months ended September 30, 2025 and 2024, respectively. One customer in the Cardiovascular segment, LeMaitre Vascular, represented 0%, 13%, 4% and 16% of total sales for the three months ended September 30, 2025 and 2024 and the nine months ended September 30, 2025 and 2024, respectively. The distribution agreement with LeMaitre Vascular was terminated by the Company in April 2025.

The following table is a reconciliation of segment gross profit to the consolidated loss before provision for income taxes for the three and nine months ended September 30, 2025 and 2024, (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Segment gross profit | $ 2,122 | $ 2,061 | $ 5,489 | $ 6,201 |
| Adjustments: | | | | |
| Intangible asset amortization expense | (269) | (270) | (807) | (808) |
| Sales and marketing | (1,601) | (1,241) | (3,863) | (3,791) |
| General and administrative | (3,519) | (4,340) | (10,792) | (13,828) |
| Research and development | (1,088) | (702) | (2,948) | (2,271) |
| Litigation costs, net | (853) | (4,683) | (7,429) | (8,757) |
| Loss from operations | (5,208) | (9,175) | (20,350) | (23,254) |
| Interest expense, net | 265 | 131 | (42) | 796 |
| (Gain) loss on revaluation of warrant liability | (5,098) | (12,653) | (12,518) | 15,321 |
| Other expense (income), net | — | — | 1,547 | (1,186) |
| Loss before provision for income taxes | $ (375) | $ 3,347 | $ (9,337) | $ (38,185) |

During the nine months ended September 30, 2025 and 2024, the Company did not have any material international product sales, and the Company did not own any long-lived assets outside the United States.

## 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 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 IA. "Risk Factors" of our Annual Report.*

### Overview

At Elutia, our mission is to humanize medicine so that patients can thrive without compromise. As a commercial-stage company, we seek to leverage our unique understanding of biologics combined with local drug delivery to improve the interaction between implanted medical devices and patients by reducing complications associated with these surgeries. These complications include infection, device migration, erosion, implant rejection, non-union of implants, fibrosis and scar formation.

As more fully described below, on October 1, 2025, we sold substantially all of the assets that are related to our business of researching, developing, administering, operating, commercializing, manufacturing, selling and marketing our cardiac implantable electronic device ("CIED") products, including CanGaroo® and EluPro™, to Boston Scientific Corporation ("BSC") and Cardiac Pacemakers Inc ("CPI) for an aggregate purchase price of up to $88 million in cash. EluPro is a unique bioenvelope designed to mitigate cardiac implantable electronic device complications including, device migration, erosion and bacterial colonization that can lead to infection. The bioenvelope features a biomatrix comprised of extracellular matrix, which supports healthy wound healing and may facilitate re-operative procedures by reducing scar formation and fibrosis. Additionally, EluPro is embedded with the powerful antibiotics rifampin and minocycline, which are gradually released over several weeks post-implantation to provide antimicrobial protection. The CanGaroo bioenvelope, our first generation bioenvelope product, utilizes the same biomatrix but does not contain antibiotics. In connection with the sale to BSC and CPI, we entered into a transition services agreement pursuant to which we will provide certain paid post-closing transitional support services in connection with the transfer of the CIED Business. We also entered into a non-competition agreement with respect to the CIED Business for five years and a transition services agreement pursuant to which we agreed to provide certain paid post-closing transitional support services to BSC and CPI in connection with the transfer of the CIED Business (generally for periods of 12 to 30 months).

Following the divestiture, Elutia continues to market and sell its biologic products, including SimpliDerm, a human-derived acellular dermal matrix used in soft tissue reconstruction, and its cardiovascular ("CV") portfolio, which comprises ProxiCor, VasCure, and Tyke. SimpliDerm is currently the key component of our Women's Health segment, and the CV portfolio represents the commercial offerings of our Cardiovascular segment. These products form our established commercial foundation and provide a revenue base that supports ongoing investment in next-generation innovation.

We are now focused on advancing our proprietary drug-eluting biomatrix ("DEB") platform for use in surgical reconstruction and related applications. This platform combines our expertise in biologics and localized drug delivery to address complications that lead to poor outcomes in reconstructive procedures. Our first commercial product under this platform, EluPro, demonstrated the clinical 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 broader reconstructive and soft tissue repair markets where biologic matrix products are widely used but where outcomes remain suboptimal due to causes of failure, such as infection, inflammation, and fibrosis.

Despite the broad use of biologic matrices, innovation in these fields has been limited over the past two decades. Few meaningful product improvements have emerged, and clinical outcomes have been compromised by persistently high

complication rates. Traditional biologic matrices provide only passive structural support and do not actively promote healing. By incorporating therapeutic agents, our DEB products are designed to overcome these limitations by improving the biologic environment around implants, reducing the foreign body response, and lowering postoperative complication rates.

The clinical and economic need in these 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 can exceed 15% to 20%, leading to frequent reoperations and hospital readmissions. Each year, in the United States, there are approximately 162,000 post-mastectomy breast reconstruction procedures, and roughly one in three experiences a serious complication such as infection, capsular contracture, or implant loss. Biologic matrices represent an estimated $1.5 billion U.S. market and account for more than 60% of reconstruction spending, yet meaningful innovation has been limited and unmet medical need remains.

Our lead development programs, NXT-41 and NXT-41x, are designed as next-generation biologic scaffolds combined with local antibiotic delivery. NXT-41 features a porcine-derived engineered matrix that provides superior handling, consistency, and incorporation compared to human-derived acellular dermal matrices. In NXT-41x, drug is incorporated into the matrix, and rifampin and minocycline are released locally over extended periods, offering broad-spectrum antimicrobial protection against the pathogens most associated with implant infections, without systemic toxicity. The objective is to materially reduce complications arising from contamination, biofilm formation, and inflammation while maintaining surgeon-preferred handling, flexibility, and soft-tissue reinforcement for implant support. We believe Elutia is well-positioned to pioneer a new class of active, performance-enhancing biomatrices for reconstructive biosurgery, combining biologic innovation and localized pharmacologic activity to improve outcomes for patients at favorable economics for healthcare systems.

In Women's Health, we continue to advance our patented and proprietary technologies, building on extensive experience in regenerative materials. We developed and launched SimpliDerm, a human acellular dermal matrix (hADM), designed for superior structural integrity, handling, and consistency that leverages the body's natural healing processes. Its proprietary processing methods help preserve key biologic components and reduce immunogenicity, which may mitigate inflammation and enhance tissue incorporation, leading to improved healing compared with other human ADM products. SimpliDerm complements our NXT-41 and NXT-41x pipeline programs within the reconstructive biosurgery portfolio. These products address overlapping call points with reconstructive and plastic surgeons, who consider biologic matrices essential tools in surgical reconstruction. SimpliDerm establishes and strengthens the commercial channel for NXT-41 and NXT-41x, while building relationships, surgeon experience, and organizational capabilities to support the introduction of our next-generation biologic and drug-eluting technologies.

We sell SimpliDerm through independent sales agents to plastic and reconstructive surgeons. To expand our distribution, in March 2023, we entered into a non-exclusive distribution agreement with Sientra, a medical aesthetics company focused on plastic surgery. Subsequently, in April 2024, Tiger Aesthetics Medical ("Tiger") assumed this agreement in connection with their acquisition of Sientra. The agreement with Tiger was terminated by Elutia effective in October 2025. We are now evaluating future commercial strategies to strengthen the Women's Health channel and reassessing distribution approaches with the goal of achieving better alignment with reconstructive market priorities, including SimpliDerm, NXT-41, and NXT-41x. SimpliDerm was historically processed at our Richmond, California facility, which was included in the divestiture of the Orthobiologics Business. SimpliDerm is now supplied to Elutia through a long-term supply agreement with Berkeley Biologics, LLC ("Berkeley").

In Cardiovascular, we market a portfolio of specialized porcine extracellular matrix products, including ProxiCor and VasCure, used for intracardiac and vascular repair as well as for pericardial reconstruction. Our TYKE product is specifically designed for use in the neonatal patient population. From May 2017 through March 2023, these products were sold directly to hospitals and other healthcare facilities through our sales force and independent sales agents. In April 2023, we entered into an exclusive distribution agreement with LeMaitre Vascular for these products in the United States. The agreement was terminated on April 30, 2025, and we resumed selling these products directly to hospitals and other healthcare facilities through independent sales agents.

Our supply chain strategy is designed to ensure the quality and continuity of our cardiovascular product manufacturing and distribution. We rely on a single or limited number of suppliers for certain raw materials and supplies. We have a long-term supply agreement with Cook Biotech, now owned by Evergen, the supplier of our porcine extracellular matrix for our cardiovascular products. We historically performed the minor finished goods conversion activities along with the stocking and distribution of the cardiovascular products at our manufacturing facility in Roswell, Georgia. Our Roswell facility was acquired by BSC in connection with the sale of the CIED Business, and these logistics are now provided to us through a third-party logistics provider, ensuring uninterrupted supply.

In March 2025, we signed a lease for 26,598 square feet of production, laboratory and administrative space in Gaithersburg, Maryland and moved our executive offices to that location in May 2025. We are currently using this space for administrative purposes along with development of NXT-41 and NXT-41x and anticipate using this facility for the commercial production of these products, to the extent marketing authorization is obtained.

**Discontinued Operations - Sale of CIED Businesses**

On September 8, 2025, Elutia executed an Asset Purchase Agreement (the "APA") with Boston Scientific Corporation ("BSC"), a Delaware corporation, and Cardiac Pacemakers Inc. ("CPI"), a Minnesota corporation (collectively with BSC, the "Buyers"). On October 1, 2025, at the closing of the transactions contemplated by the APA, the Buyers purchased from Elutia substantially all of the assets that are related to our 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").

Prior to the divestiture, we sold EluPro and CanGaroo in the United States using our direct sales force and our commercial partner, BSC, which acted as a sales agent and gave us access to approximately 900 sales representatives and clinical specialists to further expand our footprint and accelerate our sales. Our primary customers were electrophysiologists and neurosurgeons. Our direct sales force was focused on gaining additional market access and driving market penetration, not only by selling our products, but also, where appropriate, by managing our commercial partners and providing technical assistance for selling our products. Our sales team provided the critical knowledge of the advantages that EluPro and CanGaroo provide for patients over those of our competitors. We shipped the product directly to hospitals.

The APA provides for an aggregate purchase price, subject to certain adjustments pursuant to the terms of the APA, of up to $88 million in cash, with $80.3 million (which included a preliminary inventory adjustment of $0.3 million) that was paid in cash to Elutia at closing of the transactions and $8 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 APA by Elutia. The assets of the CIED Business constitute substantially all of the assets held in Elutia's Device Protection segment. The Buyers are only assuming certain liabilities related to performance of the contracts transferred in the APA.

As described in Note 2 to the condensed consolidated financial statements, the sale of the CIED Business is accounted for as Discontinued Operations for all periods presented in accordance with Accounting Standards Codification ("ASC") 205-20, *Discontinued Operations*. The related assets and liabilities of the CIED Business are classified as assets and liabilities of discontinued operations as of September 30, 2025 and December 31, 2024 in the condensed consolidated balance sheets and the results of operations from the CIED Business are reported as discontinued operations in the condensed consolidated statements of operations for the three and nine months ended September 30, 2025 and 2024. Applicable amounts in the prior year have been recast to conform to this discontinued operations presentation.

**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 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 $26.5 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 represent the entirety of our Orthobiologics segment. In the sale, we received $14.6 million, and we may earn up to an additional $20 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. Additionally, the purchase agreement provides for a customary indemnity holdback in the amount of $1.5 million to be retained by Berkeley for 24 months after closing. In the purchase agreement, the Company has retained the liabilities arising out of the viable bone matrix ("VBM") and FiberCel matters, as described in Note 10, 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. Should we receive incremental proceeds in the future through an earn-out payment or payment of the holdback amount, an additional gain will be recorded upon the receipt of such amounts.

**Product Recalls**

In June 2021, we issued a voluntary recall pertaining to a single donor lot of our FiberCel Fiber Viable Bone Matrix, a bone repair product formerly manufactured under a contract with Medtronic PLC, which also distributed the product. The recall was issued after learning of postsurgical infections reported in several patients treated with the product, including some patients that tested positive for tuberculosis. Additionally, in July 2023, we announced a voluntary recall of a single lot of one of our viable bone matrix ("VBM") products and the market withdrawal of all of our VBM products produced after a specified date. Notice of the voluntary recall was issued to centers after we learned of post-surgical tuberculosis infections in two patients treated with product from a single donor lot of our VBM product. Both of these products were part of our Orthobiologics Business, which we have fully divested as described above. For information about legal proceedings in which we are involved and the possible future financial implications, see Note 9 to the condensed consolidated financial statements included elsewhere in this Quarterly Report.

**Components of Our Results of Operations**

*Net Sales*

We recognize revenue on 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 began 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 relate 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 and general business expenses. Our G&A expenses have increased as a result of operating as a public company, in particular as a result of hiring additional personnel and incurring greater director and officer insurance premiums, greater investor relations costs, and additional costs associated with accounting, legal, tax-related and other services associated with maintaining compliance with exchange listing and SEC requirements.

*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. Future development efforts and associated internal and external costs are expected to focus on our lead development programs, NXT-41 and NXT-41x, which are designed as 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.

**Results of Operations**

***Comparison of the Three Months Ended September 30, 2025 and 2024***

| | Three Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | 2024 | | Change 2024 / 2025 | |
| (in thousands, except percentages) | Amount | % of Net Sales | Amount | % of Net Sales | $ | % |
| Net sales | $ 3,323 | 100.0 % | $ 3,662 | 100.0 % | $ (339) | (9.3)% |
| Cost of goods sold | 1,470 | 44.2 % | 1,871 | 51.1 % | (401) | (21.4)% |
| Gross profit | 1,853 | 55.8 % | 1,791 | 48.9 % | 62 | 3.5 % |
| Sales and marketing | 1,601 | 48.2 % | 1,241 | 33.9 % | 360 | 29.0 % |
| General and administrative | 3,519 | 105.9 % | 4,340 | 118.5 % | (821) | (18.9)% |
| Research and development | 1,088 | 32.7 % | 702 | 19.2 % | 386 | 55.0 % |
| Litigation costs, net | 853 | 25.7 % | 4,683 | 127.9 % | (3,830) | (81.8)% |
| Total operating expenses | 7,061 | 212.5 % | 10,966 | 299.5 % | (3,905) | (35.6)% |
| Loss from operations | (5,208) | (156.7)% | (9,175) | (250.5)% | 3,967 | (43.2)% |
| Interest expense, net | 265 | 8.0 % | 131 | 3.6 % | 134 | 102.3 % |
| Gain on revaluation of warrant liability | (5,098) | (153.4)% | (12,653) | (345.5)% | 7,555 | (59.7)% |
| Other expense (income), net | — | — % | — | — % | — | — % |
| Loss before provision for income taxes | (375) | (11.3)% | 3,347 | 91.4 % | (3,722) | (111.2)% |
| Income tax expense | 8 | 0.2 % | 8 | 0.2 % | — | — % |
| Net income (loss) from continuing operations | (383) | (11.5)% | 3,339 | 91.2 % | (3,722) | (111.5)% |
| Loss from discontinued operations | (3,485) | (104.9)% | (2,053) | (56.1)% | (1,432) | 69.8 % |
| **Net income (loss)** | **$ (3,868)** | **(116.4)%** | **$ 1,286** | **35.1 %** | **$ (5,154)** | **400.8 %** |

NM = not meaningful

***Net Sales***

Net sales information for our products is summarized as follows:

| | Three Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | 2024 | | Change 2024 / 2025 | |
| (in thousands, except percentages) | Amount | % of Net Sales | Amount | % of Net Sales | $ | % |
| Products: | | | | | | |
| Women's Health | 2,379 | 71.6 % | 3,100 | 84.7 % | (721) | (23.3)% |
| Cardiovascular | 944 | 28.4 % | 562 | 15.3 % | $ 382 | 68.0 % |
| **Total Net Sales** | **$ 3,323** | **100.0 %** | **$ 3,662** | **100.0 %** | **$ (339)** | **(9.3)%** |

Total net sales were $3.3 million in the three months ended September 30, 2025, a decrease of $0.4 million compared to $3.7 million in the three months ended September 30, 2024. The decrease was due to Women's Health where the sales of SimpliDerm generated by Tiger totaled $0.5 million in the three months ended September 30, 2025, a decline of $0.4 million from the prior year three-month period. As noted above, we terminated the distribution agreement with Tiger effective in October 2025.

***Cost of Goods Sold***

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

| | Three Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | 2024 | | | |
| (in thousands, except percentages) | Amount | Gross Margin % | Amount | Gross Margin % | Change 2024 / 2025 $ | Change 2024 / 2025 % |
| Products: | | | | | | |
| Women's Health | 1,024 | 57.0 % | 1,361 | 56.1 % | (337) | (24.8)% |
| Cardiovascular | 177 | 81.3 % | 240 | 57.3 % | (63) | (26.3)% |
| Cost of goods sold, excluding intangible asset amortization | 1,201 | 63.9 % | 1,601 | 56.3 % | (400) | (25.0)% |
| Intangible asset amortization expense | 269 | (8.1)% | 270 | (7.4)% | (1) | (0.4)% |
| **Total Cost of Goods Sold** | **$ 1,470** | **55.8 %** | **$ 1,871** | **48.9 %** | **$ (401)** | **(21.4)%** |

Total cost of goods sold decreased $0.4 million to $1.5 million in the three months ended September 30, 2025 compared to $1.9 million in the three months ended September 30, 2024. Gross margin was 55.8% in the three months ended September 30, 2025 compared to 48.9% in the three months ended September 30, 2024. Gross margin, excluding intangible asset amortization, was 63.9% in the three months ended September 30, 2025 compared to 56.3% in the three months ended September 30, 2024. The improvement between years was due primarily to Cardiovascular, where we terminated our exclusive distribution agreement with LeMaitre Vascular on April 30, 2025, upon which we resumed selling these products directly to hospitals and other healthcare facilities through independent sales agents with end user pricing.

***Operating Expenses***

*Sales and Marketing*

Sales and marketing expenses increased $0.4 million, or 29.0%, to $1.6 million in the three months ended September 30, 2025 compared to $1.2 million in the three months ended September 30, 2024. As a percentage of sales, sales and marketing expenses increased to 48.2% in the three months ended September 30, 2025 from 33.9% in the three months ended September 30, 2024. The increase was largely attributable to sales commission expense growth commensurate with the resumption in the second quarter of 2025 of the direct selling of our Cardiovascular products as well as higher percentage of SimpliDerm sales occurring through our commissioned independent sales representatives in 2025.

*General and Administrative*

G&A expenses decreased $0.8 million, or 18.9%, to $3.5 million in the three months ended September 30, 2025 compared to $4.3 million in the three months ended September 30, 2024. The decrease in expense was primarily driven by lower non-cash equity compensation in the 2025 period.

*Research and Development*

R&D expenses increased $0.4 million, or 55.0% to $1.1 million in the three months ended September 30, 2025 compared to $0.7 million in the three months ended September 30, 2024. The increase in expense reflects our heightened development activity in the 2025 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 $0.9 million in the three months ended September 30, 2025 compared to $4.7 million in the three months ended September 30, 2024. 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 September 30, 2025. As of September 30, 2025, 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 9 to the condensed consolidated financial statements.

***Interest Expense, net***

Interest expense, net was approximately $0.3 million in the three months ended September 30, 2025 compared to $0.1 million in the three months ended September 30, 2024. With our sale of the CIED Business and the required repayment of our SWK debt upon close, all interest expense related to our SWK Loan Facility (see Note 7 to the condensed consolidated financial statements) has been included within Loss from Discontinued Operations for all periods presented. The remaining interest expense relates to our Amended Revenue Interest Obligation (see Note 8 to the condensed consolidated financial statements) and the financing of certain insurance premiums. The increase between periods was due to higher interest income (offset to interest expense) in the 2024 period due to larger amounts of cash on hand.

***Discontinued Operations***

Loss from discontinued operations was $3.5 million and $2.1 million for the three months ended September 30, 2025 and 2024, respectively. The increase between years was due to higher sales and marketing costs in the 2025 period which offset the growth in CIED sales and gross profit in the current year. Also contributing to the increase were legal fees totaling approximately $0.9 million recognized in the three months ended September 30, 2025 which were incurred in connection with the CIED Business divestiture in October 2025.

***Comparison of the Nine months Ended September 30, 2025 and 2024***

| | Nine Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | 2024 | | Change 2024 / 2025 | |
| (in thousands, except percentages) | Amount | % of Net Sales | Amount | % of Net Sales | $ | % |
| Net sales | $ 9,022 | 100.0 % | $ 11,651 | 100.0 % | $ (2,629) | (22.6)% |
| Cost of goods sold | 4,340 | 48.1 % | 6,258 | 53.7 % | (1,918) | (30.6)% |
| Gross profit | 4,682 | 51.9 % | 5,393 | 46.3 % | (711) | (13.2)% |
| Sales and marketing | 3,863 | 42.8 % | 3,791 | 32.5 % | 72 | 1.9 % |
| General and administrative | 10,792 | 119.6 % | 13,828 | 118.7 % | (3,036) | (22.0)% |
| Research and development | 2,948 | 32.7 % | 2,271 | 19.5 % | 677 | 29.8 % |
| Litigation costs, net | 7,429 | 82.3 % | 8,757 | 75.2 % | (1,328) | (15.2)% |
| Total operating expenses | 25,032 | 277.5 % | 28,647 | 245.9 % | (3,615) | (12.6)% |
| Loss from operations | (20,350) | (225.6)% | (23,254) | (199.6)% | 2,904 | 12.5 % |
| Interest expense, net | (42) | (0.5)% | 796 | 6.8 % | (838) | (105.3)% |
| (Gain) loss on revaluation of warrant liability | (12,518) | (138.7)% | 15,321 | 131.5 % | (27,839) | NM |
| Other expense (income), net | 1,547 | 17.1 % | (1,186) | (10.2)% | 2,733 | NM |
| Loss before provision of income taxes | (9,337) | (103.5)% | (38,185) | (327.7)% | 28,848 | (75.5)% |
| Income tax expense | 24 | 0.3 % | 5 | 0.0 % | 19 | NM |
| Net loss from continuing operations | (9,361) | (103.8)% | (38,190) | (327.8)% | 28,829 | 75.5 % |
| Loss from discontinued operations | (8,050) | (89.2)% | (6,698) | (57.5)% | (1,352) | 20.2 % |
| **Net loss** | **$ (17,411)** | **(193.0)%** | **$ (44,888)** | **(385.3)%** | **$ 27,477** | **61.2 %** |

NM = not meaningful

***Net Sales***

Net sales information for our products is summarized as follows:

| | Nine Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | 2024 | | Change 2024 / 2025 | |
| (in thousands, except percentages) | Amount | % of Net Sales | Amount | % of Net Sales | $ | % |
| Products: | | | | | | |
| Women's health | 7,015 | 77.8 % | 9,238 | 79.3 % | (2,223) | (24.1)% |
| Cardiovascular | 2,007 | 22.2 % | 2,413 | 20.7 % | $ (406) | (16.8)% |
| **Total Net Sales** | **$ 9,022** | **100.0 %** | **$ 11,651** | **100.0 %** | **$ (2,629)** | **(22.6)%** |

Total net sales decreased $2.6 million, or 22.6%, to $9.0 million in the nine months ended September 30, 2025 compared to $11.7 million in the nine months ended September 30, 2024. The decrease was due primarily to Women's Health and caused, in large part, by various physician users of SimpliDerm who transferred to hospitals where SimpliDerm is not yet available. Additionally, sales of SimpliDerm generated by Tiger totaled $1.9 million in the nine months ended September 30, 2025, a decrease of $0.9 million from the prior year nine-month period.

***Cost of Goods Sold***

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

| | Nine Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | 2024 | | Change 2024 / 2025 | |
| (in thousands, except percentages) | Amount | Gross Margin % | Amount | Gross Margin % | $ | % |
| Products: | | | | | | |
| Women's health | 3,091 | 55.9 % | 4,522 | 51.1 % | (1,431) | (31.6)% |
| Cardiovascular | 442 | 78.0 % | 928 | 61.5 % | (486) | (52.4)% |
| Cost of goods sold, excluding intangible asset amortization | 3,533 | 60.8 % | 5,450 | 53.2 % | (1,917) | (35.2)% |
| Intangible asset amortization expense | 807 | (8.9)% | 808 | (6.9)% | (1) | (0.1)% |
| **Total Cost of Goods Sold** | **$ 4,340** | **51.9 %** | **$ 6,258** | **46.3 %** | **$ (1,918)** | **(30.6)%** |

Total cost of goods sold decreased $1.9 million to $4.3 million in the nine months ended September 30, 2025 compared to $6.3 million in the nine months ended September 30, 2024. Gross margin was 51.9% in the nine months ended September 30, 2025 compared to 46.3% in the nine months ended September 30, 2024. Gross margin, excluding intangible asset amortization, was 60.8% in the nine months ended September 30, 2025 compared with 53.2% in the nine months ended September 30, 2024. The improvement between years was due primarily to Cardiovascular, where we terminated our exclusive distribution agreement with LeMaitre Vascular on April 30, 2025, upon which we resumed selling these products directly to hospitals and other healthcare facilities through independent sales agents with end user pricing.

***Operating Expenses***

*Sales and Marketing*

Sales and marketing expenses increased $0.1 million, or 1.9%, to $3.9 million in the nine months ended September 30, 2025 compared to $3.8 million in the nine months ended September 30, 2024. As a percentage of sales, sales and marketing expenses increased to 42.8% in the nine months ended September 30, 2025 from 32.5% in the nine months ended September 30, 2024. The increase was largely attributable to sales commission expense growth commensurate with the resumption in the second quarter of 2025 of the direct selling of our Cardiovascular products.

*General and Administrative*

G&A expenses decreased $3.0 million, or 22.0%, to $10.8 million in the nine months ended September 30, 2025 compared to $13.8 million in the nine months ended September 30, 2024. The decrease in expense was primarily driven by lower non-cash equity compensation in the 2025 period.

*Research and Development*

R&D expenses increased to $2.9 million in the nine months ended September 30, 2025 compared to $2.3 million in the nine months ended September 30, 2024. The increase in expense reflects our heightened development activity in the 2025 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*

FiberCel litigation costs decreased to $7.4 million in the nine months ended September 30, 2025 compared to $8.8 million in the nine months ended September 30, 2024. The decrease in expense was primarily due to the continued evaluation of the contingent FiberCel liability and significant reductions in our FiberCel activities with nearly all cases having been settled as of September 30, 2025. As of September 30, 2025, 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 9 to the condensed consolidated financial statements.

***Interest Expense***

Interest expense was less than $0.1 million in the nine months ended September 30, 2025 compared to $0.8 million in the nine months ended September 30, 2024. The decrease was primarily due to the error correction related to the January 2024 Ligand amendment described in Note 7 to the condensed consolidated financial statements.

***Discontinued Operations***

Loss from discontinued operations was $8.0 million and $6.7 million for the nine months ended September 30, 2025 and 2024, respectively. The increase was due to higher sales and marketing costs in the 2025 period which offset the growth in CIED sales and gross profit in the current year. Also contributing to the increase were legal fees totaling approximately $0.9 million recognized in the nine months ended September 30, 2025 which were incurred in connection with the CIED Business divestiture in October 2025.

**Non-GAAP Financial Measures**

This Quarterly Report presents our gross margin, excluding intangible asset amortization, for the three and nine months ended September 30, 2025 and 2024. 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 nine months ended September 30, 2025 and 2024, to the most directly comparable GAAP financial measure, which is our GAAP gross margin (in thousands).

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Net sales | $ 3,323 | $ 3,662 | $ 9,022 | $ 11,651 |
| Cost of goods sold | 1,470 | 1,871 | 4,340 | 6,258 |
| Gross profit | 1,853 | 1,791 | 4,682 | 5,393 |
| Intangible asset amortization expense | 269 | 270 | 807 | 808 |
| Gross profit, excluding intangible asset amortization | $ 2,122 | $ 2,061 | $ 5,489 | $ 6,201 |
| Gross margin | 55.8 % | 48.9 % | 51.9 % | 46.3 % |
| Gross margin, excluding intangible asset amortization | 63.9 % | 56.3 % | 60.8 % | 53.2 % |

**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 September 30, 2025, we had cash of approximately $4.7 million. Additionally, on October 1, 2025, upon closing of the sale of our CIED Business, and the payment of transaction expenses and the required repayment of our SWK debt, we received cash proceeds of approximately $49 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, general 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 or pursue asset sales or other transactions, such as the sale of the Orthobiologics and CIED Businesses 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 18, 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 the Company's EluPro product, 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).

***Cash Flows for the Nine months ended September 30, 2025 and 2024***

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2025 | 2024 |
| | (in thousands) | |
| Net cash provided by (used in): | | |
| Operating activities | $ (19,996) | $ (10,400) |
| Investing activities | (1,022) | (380) |
| Financing activities | 12,500 | 17,245 |
| **Net (decrease) increase in cash and cash equivalents** | **$ (8,518)** | **$ 6,465** |

*Cash Flows From Operating Activities*

Net cash used in operating activities for the nine months ended September 30, 2025 was $20.0 million compared to $10.4 million for the nine months ended September 30, 2024. The increase was primarily due to inventory growth in the 2025 period to keep pace with EluPro sales growth, as well as FiberCel settlement payments of $8.1 million in the nine months ended September 30, 2025.

*Cash Flows From Investing Activities*

Net cash used in investing activities for the nine months ended September 30, 2025 was $1.0 million compared to $0.4 million for the nine months ended September 30, 2024. The increase primarily reflects higher investments in our production facilities in 2025 as we continue the buildout of our new Gaithersburg location in preparation for the commercial production of NXT-41 and NXT-41x to the extent marketing authorization is obtained.

*Cash Flows From Financing Activities*

Net cash provided by financing activities for the nine months ended September 30, 2025 was $12.5 million compared to $17.2 million for the nine months ended September 30, 2024. The current year's cash generation was primarily through the 2025 Registered Offering which yielded net proceeds of $13.8 million offset by financed insurance premium payments. The prior year's cash generation was primarily through the 2024 Registered Offering and warrant exercises, which yielded net proceeds of $28.1 million offset by long-term debt and the revenue interest obligation payments totaling $8.3 million.

***Credit Facilities***

*General*

On August 10, 2022 (the "Closing Date"), 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 the Closing Date, the "SWK Loan Facility") for an aggregate principal amount of $25 million. An initial draw of $21 million was made on the Closing Date with the additional $4 million drawn on December 14, 2022. As of September 30, 2025, we had $26.1 million of indebtedness outstanding under our SWK Loan Facility and an exit fee liability to SWK of $1.1 million, with such balances being net of $0.4 million of unamortized discount and deferred financing costs.

On August 15, 2025, we entered into a fifth amendment (the "Fifth Amendment") to the credit agreement governing the SWK Loan Facility, which, among other things, provided that the following amounts were capitalized into the unpaid principal balance of the SWK Loan Facility: (i) all accrued and unpaid interest due and owing to the lenders on the payment date in August 2025, (ii) a $50,000 amendment fee agreed to by us on June 30, 2025, and (iii) a $10,000 amendment fee to be paid pursuant to the Fifth Amendment.

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 $26.5 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.

*Interest Rates*

All of the SWK Loan Facility borrowings took the form of Secured Overnight Financing Rate ("SOFR") loans and bear interest at a rate per annum equal to the sum of an applicable margin of (i) 7.75% and the "Term SOFR Rate" (based upon an interest period of 3 months), or (ii) if we had elected the PIK Interest option (as defined below), 3.75% and the "Term SOFR Rate." We could elect a portion of the interest due, to be paid in-kind at a rate per annum of 4.5% ("PIK Interest"), and such election could be made until November 15, 2025. The "Term SOFR Rate" was subject to a floor of 2.75%.

*Optional Prepayment*

The agreement, as amended, governing the SWK Loan Facility also included an exit fee equal to 6.5% of the aggregate principal amount funded prior to termination plus $112,500.

*Covenants and Other Matters*

The SWK Loan Facility Agreement that governed the SWK Loan Facility contained a number of covenants that, among other things and subject to certain exceptions, restricted our ability to: incur additional indebtedness; incur certain liens; pay dividends or make other distributions on equity interests; redeem, repurchase or refinance subordinated indebtedness; consolidate, merge or sell or otherwise dispose of assets; make investments, loans, advances, guarantees and acquisitions; enter into transactions with affiliates; amend or modify our governing documents; amend or modify certain material agreements; and alter the business conducted by us and our subsidiaries. In addition, the SWK Loan Facility

Agreement contained two financial covenants. The first covenant, which was measured quarterly, required us to achieve a specified Minimum Aggregate Revenue (as defined in the SWK Loan Facility) for the preceding 12-month period or, alternatively, to maintain Consolidated Unencumbered Liquid Assets (as defined in the SWK Loan Facility) greater than either (i) the outstanding principal balance of the loan, or (ii) the aggregate operating cash burn (as defined in the SWK Loan Facility) for the preceding 12-month period. The second covenant initially required us to maintain a minimum liquidity (as defined in the SWK Loan Facility) of the greater of (a) $5.0 million and (b) the sum of the operating cash burn for the two prior consecutive fiscal quarters then ended (the "Liquidity Covenant").

In May 2025, we entered into an amendment to the SWK Loan Facility. The amendment, among other things: (i) allowed for 100% of the interest payment due and owing in May 2025 to be paid as PIK interest, (ii) removed mandatory repayment obligations related to non-ordinary course asset sales, (iii) allowed us to request that SWK advance a new term loan in the amount of up to $5.0 million, which advance will be in the sole and absolute discretion of SWK and (iv) fixed the amount of the Liquidity Covenant to a minimum liquidity of $8.0 million. In consideration for the amendment, the Company agreed to issue SWK 50,000 shares of its Class A Common Stock in a private placement.

As of September 30, 2025, we were in compliance with the financial covenants, as amended, and all other covenants under the credit agreement governing the SWK Loan Facility.

***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 October 31, 2025, we had cash and cash equivalents of approximately $44 million. This amount is the resulting balance from our cash on hand as of September 30, 2025, plus the cash proceeds from the sale of our CIED Business less transaction expenses, full repayment of our SWK debt, payments of $2.2 million on Ligand obligations, certain FiberCel settlements and other working capital requirements.

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;
- 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 future litigation that we 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 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 Annual Report, and, during the nine months ended September 30, 2025, there were no material changes to those previously disclosed other than those outlined in Note 2, "Summary of Significant Accounting Policies."

**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.

**JOBS Act**

Section 107 of the JOBS Act permits us, as an "emerging growth company," to take advantage of an extended transition period for adopting new or revised accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this exemption and, as a result, for so long as we remain an emerging growth company, unless we subsequently choose to affirmatively and irrevocably opt out of the extended transition period, our financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies. Section 107 of the JOBS Act provides that we can elect to opt out of the extended transition period at any time, which election is irrevocable.

We will remain an emerging growth company, and will be able to take advantage of the foregoing exemptions, until the earliest of: (i) the last day of the first fiscal year in which our annual gross revenues are $1.235 billion or more; (ii) the last day of 2025; (iii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common equity held by non-affiliates is $700 million or more as of the last business day of our most recently completed second fiscal quarter; or (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the previous three years.

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**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***

Our primary exposure to market risk relates to changes in interest rates. Borrowings under our SWK Loan Facility bear interest at variable rates, subject to an interest rate floor. Interest rate risk is highly sensitive to many factors, including U.S. monetary and tax policies, U.S. and international economic factors and other factors beyond our control. A hypothetical 10% relative change in interest rates on our variable rate indebtedness outstanding at September 30, 2025 would not have had a material effect on our financial statements. We do not currently engage in hedging transactions to manage our exposure to interest rate risk.

***Credit Risk***

As of September 30, 2025, our cash was 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.

**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 September 30, 2025.

**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 September 30, 2025 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 9 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 Annual Report on Form 10-K for the year ended December 31, 2024. 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 to those included in our Annual Report.

***Our future results largely depend upon our ability to successfully develop, commercialize, market and sell breast reconstruction biologic products.***

The Company has focused much of its attention recently on EluPro, which was cleared for marketing by the U.S. Food and Drug Administration ("FDA") in June 2024 and was indicated for use with implantable electronic devices including cardiac and neurostimulator devices. As previously reported, on October 1, 2025, Elutia and its subsidiary completed the sale of all of its assets related to its business of researching, developing, administering, operating, commercializing, manufacturing, selling and marketing 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 of Elutia's former Device Protection segment.

Our future results consequently depend on the success of our Women's Health and Cardiovascular businesses. There can be no guarantee, however, that we will be able to increase the sales or profitability of the remaining businesses sufficiently to replace or exceed the financial contribution, or potential financial contribution, from the sold CIED Business.

Elutia's current strategy principally focuses on applying the Company's drug-eluting biologics platform to advancing NXT-41x, a biomatrix that seeks to ameliorate breast reconstruction infections following mastectomy. We believe the development, commercialization and marketing efforts with respect to NXT-41x will require significant investments in time and resources. Although the sale of the CIED Business has resulted in significant cash net proceeds to the Company, there can be no assurance that these resources, or other resources we may raise or have access to in the future, will be sufficient to make the necessary investments in order to develop and commercially exploit NXT-41x, or that if made, such investments will yield the results sought.

Moreover, development or marketing of NXT-41x may require further approvals or action from the FDA, and there can be no guarantee that the Company will be able to obtain such approvals on a timely basis, or at all.

If we fail to successfully develop, commercialize, market and sell NXT-41x, the Company's business and financial condition may be materially adversely affected.

Our enhanced reliance in the wake of the disposition of the CIED Business on a smaller suite of existing products and on future products poses risks to the Company's growth. If the financial contribution from remaining legacy products and NXT-41x and other potential future drug-eluting biomatrix products fail to replace lost contribution from the CIED Business, or otherwise fail to meet expectations, the Company's business and financial condition may be materially adversely affected.

***We may not be able to maintian 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 November 7, 2025, 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 May 6, 2026 (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 Sock 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 Minimum Bid Price requirement.

We are also subject to continued listing requirements under Nasdaq Listing Rule 5550(b) for the Nasdaq Capital Market. Rule 5550(b) requires that a listed company must satisfy one of the following three standards: (1) stockholders' equity of at least $2.5 million; (2) market value of listed securities of at least $35 million; or (3) net income from continuing operations of $500,000 in the most recently completed fiscal year or in two of the three most recently completed fiscal years. Although we believe we are currently in compliance with this standard based on our market capitalization, there is no guarantee that we will be able to maintain compliance with this standard, particularly in view of the recent decline in our prevailing stock price and our history of net losses and stockholders' deficits.

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 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.**

(a) *Termination of Consulting Agreement; Amendment to RSU Vesting Terms*

As previously reported, on October 10, 2025, the Company announced that Mr. Guido Neels had been elected to the Board of Directors, effective October 9, 2025. Also as previously reported, the Company and Mr. Neels were parties to a consulting agreement dated as of December 1, 2023 (the "Consulting Agreement") pursuant to which Mr. Neels provided the Company with advice and counsel on an independent contractor basis on business and financial matters and other matters within Mr. Neels' experience. The Consulting Agreement is filed herewith as Exhibit 10.42.

In consideration of Mr. Neels' consulting services, the Company issued him 50,000 restricted stock units ("RSUs") on December 20, 2023, which vest in eight equal installments commencing March 1, 2024 and on the 1st of every third month thereafter until fully vested on December 1, 2025. In addition, on March 5, 2025, pursuant to the Consulting Agreement, Mr. Neels was granted 25,000 RSUs which vest in four equal installments commencing on March 10, 2025 and on the 10th of every third month thereafter until fully vested on December 10, 2025. The RSUs were granted under the Company's 2020 Incentive Award Plan and settle in shares of the Company's Class A Common Stock.

The parties terminated the Consulting Agreement effective November 11, 2025. In view of Mr. Neels's continuing service to the Company as a member of the Board, the RSU grants under the Consulting Agreement were

amended to provide for continued vesting on the original schedule notwithstanding the termination of the Consulting Agreement, provided Mr. Neels remains a director upon each subsequent vesting date.

The foregoing summary of the Consulting Agreement is qualified in its entirety by reference to the full text of such agreement.

(b) During the three months ended September 30, 2025, 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).

**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 | |
| 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 | |
| 4.10 | 2025 Form of Prefunded Warrant | 8-K | 001-39577 | 4.1 | 2/4/2025 | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 10.39 | Fifth Amendment to Credit Agreement, dated as of August 14, 2025, by and among Elutia Inc., SWK Funding LLC, as Agent, and the Lenders from time to time party thereto. | 8-K | 001-39577 | 10.1 | 8/20/2025 | |
| 10.40+† | Asset Purchase Agreement, dated September 8, 2025, by and among Boston Scientific Corporation and Cardiac Pacemakers Inc. and Elutia Inc. and Elutia Med LLC | 8-K | 001-39577 | 10.1 | 9/9/2025 | |
| 10.41‡ | Consent, Release and Amendment No. 3 dated as of October 1, 2025 to Royalty Agreement by and between Elutia Med LLC and Ligand Pharmaceuticals Incorporated. | 8-K | 001-39577 | 10.2 | 10/7/2025 | |
| 10.42 | Consulting Agreement, dated December 1, 2023, between Elutia Inc. and Guido Neels | | | | | * |
| 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.

‡ Certain confidential information contained in this Exhibit, marked in brackets, has been omitted, pursuant to Item 601(a)(6) of Regulation S-K.

**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: November 12, 2025

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

Date: November 12, 2025

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

**Exhibit 10.42**

# CONSULTING AGREEMENT

This Consulting Agreement (the "***Agreement***") is made between Elutia Inc. (the "***Company***") and Guido Neels (the "***Consultant***") (collectively, the "***Parties***").

**WHEREAS**, the Company desires to obtain the advice and counsel of the Consultant regarding the Company's business and financial matters/matters within the Consultant's experience and expertise;

**WHEREAS**, the Company would like to engage the Consultant as an independent contractor to act as an adviser to the Company's management, and the Consultant is willing to provide advice and services to management on the terms and conditions set forth in this Agreement;

**WHEREAS**, the Company has spent significant time, effort and money to develop certain Confidential Information (as defined herein) which the Company considers vital to its business and goodwill;

**WHEREAS**, the Company wishes to protect and preserve the confidentiality of such Confidential Information and protect it from misuse; and

**WHEREAS**, the Company does not desire to receive from the Consultant any information which is confidential to, or the ownership of which resides in, a third party, whether acquired prior to or subsequent to the Consultant's engagement under this Agreement.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Engagement. The Company wishes to engage Consultant on an independent contractor basis. The Consultant shall perform services hereunder as an independent contractor and not as an employee, agent, joint venturer or partner of the Company. The Consultant shall have no power or authority to act for, represent or bind the Company or its affiliates in any manner whatsoever, except as may be expressly agreed on each occasion, in writing, by the Company and the Board. The Consultant agrees to take no action that expresses or implies that the Consultant has such power or authority.

2. Term of Agreement. This Agreement shall be in effect for a period of one year from the date of this Agreement (the "***Term***"), provided that either party may terminate the Agreement, with or without reason, by providing seven days' written notice to the other. The Term may be extended for additional one-year periods with the mutual written consent of the Company and the Consultant. The Company shall have no obligation to pay Consultant any outstanding amounts owed to Consultant under this Agreement until after Consultant has returned all property of the Company that is in Consultant's possession at the time of the termination of this Agreement.

3. Independent Contractor Status. Consultant is engaged as an independent contractor. Consultant shall have sole control of the manner and means of performing this Agreement and of performing Consultant work. The Consultant shall have full discretion as to

the time and place for performing the services covered by this Agreement, subject only to any deadlines for completion of the final product or any interim products of any engagement that may be set by the Company. This Agreement is not intended to commit Consultant to provide services exclusively to the Company, and throughout the Term of this Agreement (and any renewals thereof), Consultant remains free to perform services for other companies or entities, subject to any restrictions set forth in this Agreement. Throughout the Term of the Agreement (and any renewals thereof) and any engagement under it, Consultant shall be solely responsible for the payment of all taxes and the filing of all reports required by the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, the Internal Revenue Code, and the laws of the State of Delaware relating to Services performed pursuant to this Agreement and the compensation paid by the Company for those Services. The Company shall not withhold or be responsible for the payment of any state or federal income taxes or Social Security contributions or any other form of tax or withholding on behalf of Consultant.

4. Services. The services provided by the Consultant shall be to advise the Company's management team on a non-exclusive basis for the term of this Agreement. During the term of this Agreement, the Consultant will use its commercially reasonable efforts to provide advice and counsel to the Company's management team as may be reasonably requested from time to time, including by rendering the services described on **Exhibit A** to this Agreement (the "***Services***"). The Consultant will report directly to management in the course of performing the Services.

5. Compensation. As compensation for the Consultant's services under this Agreement, the Company shall pay to the Consultant the compensation described on **Exhibit B** to this Agreement. In addition, beginning in December 2024, so long as the Consultant is still engaged by the Company, he shall be entitled to receive compensation consistent with the compensation paid to outside directors of the Board of Directors of the Company. Consultant shall also be entitled to receive reimbursement for any and all reasonable out of pocket expenses incurred in connection with the performance of his services hereunder. The reimbursement of expenses will be consistent with Company policies.

6. Other Relationships. During the term of this Agreement, the Consultant shall provide the Company with prior written notice if the Consultant intends to provide any services, as an employee, consultant or otherwise, to any person, company or entity that competes directly with the Company, which written notice shall include the name of the competitor. It is understood that, in such event, the Company will review whether the Consultant's activities are consistent with the Consultant remaining an adviser to the Company.

(a) During the six (6) months following the expiration or termination of this Agreement, the Consultant shall provide the Company with written notice any time that the Consultant provides any services, as an employee, consultant or otherwise, to any person, company or entity that competes directly with the Company. This **Section 6(a)** shall survive termination or expiration of this Agreement.

(b) Notwithstanding anything to the contrary contained herein, the Company hereby consents to the Consultant providing services, as an employee, consultant or otherwise, to the following companies: EW Healthcare Partners.

7. Non-Disclosure of Trade Secrets or Confidential Information.

(a) Consultant and Company agree and acknowledge that Consultant shall sign the Company's Contractor Proprietary Information Agreement that is included in the "Contractor Packet" that the Company has or shall provide to Consultant contemporaneously with this Agreement before performing any Services under this Agreement. A copy of that Contractor Proprietary Information Agreement is attached to this Agreement as **Exhibit C**, and its terms are incorporated by reference in their entirety into this Agreement as if those terms were set forth in full herein.

(b) The Company shall own all right, title and interest relating to all inventions, improvements, discoveries, methods, developments, software, and works of authorship, whether patentable or not, which are created, made, conceived or reduced to practice by the Consultant or jointly with others in the course of the Consultant's performance of the Services or using the Company's Confidential Information (collectively, "**Developments**"). The Consultant agrees to make full and prompt disclosure to the Company of all Developments and provide all Developments to the Company. Consultant hereby assigns to the Company or its designee all of the Consultant's right, title and interest in and to any and all Developments. The Consultant agrees to cooperate fully with the Company, both during and after the term of this Agreement, with respect to the procurement, maintenance and enforcement of intellectual property rights (both in the United States and foreign countries) relating to any Developments. The Consultant shall sign all documents which may be necessary or desirable in order to protect the Company's rights in and to any Developments, and the Consultant hereby irrevocably designates and appoints each officer of the Company as the Consultant's agent and attorney-in-fact to execute any such documents on the Consultant's behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Developments. Notwithstanding anything to the contrary above, this **Section 7(b)** does not apply to an invention for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on the Consultant's own time, unless the invention relates to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or the invention results from any work performed by the Consultant for the Company.

(c) The Consultant acknowledges that the Company competes with other businesses that are or could be located anywhere; that the provisions of this Agreement are reasonable and necessary to protect and preserve the Company's business interests; and that the unauthorized disclosure, use or disposition of any Confidential Information in breach of this Agreement may cause irreparable harm and significant injury for which there is no adequate remedy at law. Accordingly, the parties agree that the Company shall have the right to immediate injunctive relief in the event of any breach or threatened breach of the obligations in this **Section 7**, without security or bond, in addition to any other remedies that may be available to the Company at law or in equity. The terms and provisions of this **Section 7** shall survive termination or expiration of this Agreement.

8. No Conflicts. The Consultant represents and warrants to the Company that the Consultant is free to enter into this Agreement and the services to be provided pursuant to this

Agreement are not in conflict with any other contractual or other obligation to which the Consultant is bound.

9. Non-Recruitment of Employees. For a period of two (2) years following termination of the Agreement, Consultant shall not solicit to leave employment with Company, for employment for or on behalf of Consultant or any other person or entity, anyone who is an employee of the Company at the time of the solicitation and was an employee of the Company with whom Consultant interacted during the last year of the term of this Agreement.

10. Equitable Relief. The parties acknowledge and agree that a breach or threat to breach any term or provision of Section 9 of this Agreement by Consultant would result in material and irreparable damage and injury to the Company and that it would be difficult or impossible to establish the full monetary value of such damage. Therefore, the Company shall be entitled to injunctive relief by a court of competent jurisdiction if Consultant breaches or threatens to breach any such term or provision.

11. Interpretations; Severability of Invalid Provisions. All rights and restrictions contained in this Agreement may be exercised and shall be applicable and binding only to the extent that they do not violate applicable law and are intended to be limited to the extent necessary so that they will not render this Agreement illegal, invalid, or unenforceable. If any term of this Agreement is held to be illegal, invalid, or unenforceable by a court of competent jurisdiction, the remaining terms shall remain in full force and effect.

12. No Waiver. No waiver by the Company or any provision hereof will be deemed a waiver of any prior or subsequent breach of the same or any other provision. The failure of Company to exercise any right provided herein will not be deemed on any subsequent occasions to be a waiver of any right granted hereunder to Company.

13. Miscellaneous.

(a) Notices. Whenever any written notice is required, it shall be delivered to the following :

Company:
Elutia Inc.
Attention: Matt Ferguson
12510 Prosperity Drive, Suite 370
Silver Spring, MD 20904
Email: mferguson@elutia.com

Consultant:
Guido Neels
7916 Dean Road
Indianapolis, IN 46240
Email: gneels@ewhealthcare.com

Notice shall be deemed given and effective three (3) days after the deposit in the U.S. mail of a writing addressed as above and sent first class mail, certified, return receipt requested,

or when actually received, whichever is earlier. Either party may change the address to which notices shall be delivered or mailed by notifying the other party of such change in accordance with this paragraph.

(b) Binding Effect. This Agreement inures to the benefit of, and is binding upon, Company and its successors and assigns, and Consultant, together with Consultant's employees, executor, administrator, personal representative, heirs, and legatees.

(c) Entire Agreement. This Agreement is intended by the parties hereto to be the final expression of their agreement with respect to the subject matter hereof and is the complete and exclusive statement of the terms thereof, notwithstanding any representations, statements, or agreements to the contrary heretofore made. This Agreement supersedes and terminates all prior consulting and compensation agreements, arrangements, and understandings between or among Company and Consultant. This Agreement may be modified only by a written instrument signed by all of the parties hereto.

(d) Applicable Law. This Agreement shall be deemed to be made in, and in all respects shall be interpreted, construed, and governed by and in accordance with, the laws of the State of Delaware. Any and all claims, controversies and causes of action arising out of or relating to this Agreement, whether sounding in contract, tort or statute, shall be governed by the laws of Delaware, including its statutes of limitations, without giving effect to any conflict-of-laws rule that would result in the application of the laws of a different jurisdiction.

(e) Acknowledgement Forms and Authorization Forms. Consultant and Company agree and acknowledge that before Consultant is offered any Engagement under this Agreement, Consultant shall sign the acknowledgment forms and authorization forms that Company has presented to Consultant or may present to Consultant in connection with the initiation of the contractual relationship created by this Agreement.

(f) Ethics and Compliance Program. Consultant agrees to comply with the Ethics & Compliance Program/Conduct Guideline Policy in performing Services for Company.

14. Indemnification. In the performance of services under this Agreement, the Consultant shall be obligated to act only in good faith and shall not be liable to the Company for errors in judgment that are not the result of willful misconduct. The Company agrees to indemnify and hold the Consultant harmless from and against any and all losses, claims, expenses, damages or liabilities, joint or several, to which the Consultant may become subject (including the costs of any investigation and all reasonable attorneys' fees and costs) or incurred by the Consultant, to the fullest extent lawful, in connection with any pending or threatened litigation, legal claim or proceeding arising out of or in connection with the services rendered by the Consultant under this Agreement; *provided, however*, that the foregoing indemnity shall not apply to any such losses, claims, related expenses, damages or liabilities arising out of or in connection with the Consultant's willful misconduct or fraud, or material breach this Agreement. The terms and provisions of this **Section 14** shall survive termination or expiration of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of this 1st day of December, 2023.

**ELUTIA INC.:**

By: /s/ C. Randal Mills
Name: C. Randal Mills, Ph.D.
Title: President and CEO

**CONSULTANT:**

/s/ Guido Neels
Guido Neels

*[Signature Page to Consulting Agreement]*

**Exhibit A**

**DUTIES**

As a Consultant, you shall:

- Attend and participate in up to two (2) in-person meetings per year, generally to be held at the Company's headquarters in Silver Spring, Maryland. Your attendance at board meetings shall be at the board's invitation only. If you are invited to attend a board meeting, your status will be as an observer, without any right to vote on matters submitted to a vote of the board.

- Participate in monthly advisory calls with members of the Company's management which shall last no more than one (1) hour each.

- Be available upon reasonable advance notice to provide telephonic guidance and consultation to members of the Company's management on an as-needed basis a maximum of twice per quarter.

- Study and review the business, operations and historical financial performance of the Company, so as to be able to properly advise members of the Company's management.

**Exhibit B**

**COMPENSATION**

The Company shall issue the Consultant 50,000 restricted stock units (the "RSUs"), which shall vest as follows provided this Agreement remains in effect: 12 1/2% of the RSUs shall vest on each of March 1, 2024, June 1, 2024, September 1, 2024, December 1, 2024, March 1, 2025, June 1, 2025, September 1, 2025 and December 1, 2025. In the event this Agreement is terminated by either party, any unvested RSUs shall be forfeited.

The grant of the RSUs is subject to the approval of the Board of Directors of Elutia and in the event that the RSUs are not granted by January 31, 2024, the Consultant has the right to terminate this Agreement.

Consultant is solely responsible for the payment of all taxes and contributions on the Consultant's behalf. The Company shall not be responsible for withholding or paying any income, payroll, Social Security or other federal, state or local taxes, making any insurance contributions, including unemployment or disability, or obtaining worker's compensation insurance on the Consultant's behalf. However, the Company may file informational returns with the appropriate federal and state agencies regarding such payments. The

**Exhibit C**

# CONTRACTOR PROPRIETARY INFORMATION AGREEMENT

In consideration for and as a condition of my contract work assignment(s) with Elutia Inc. and/or companies which it owns, controls, or is affiliated with, or their successors in business (collectively, the "***Company***"), I agree as follows:

**1. Confidentiality.**

I agree to use my best efforts to protect Confidential Information. I will not use, except in connection with work for or with the company and will not disclose Confidential Information. "***Confidential Information***" means information relating to the Company's customers, operations, finances, and business or to its clients, licensees or affiliates that derives value from not being generally known to other persons, including, but not limited to, technical or nontechnical data, formulas, patterns (including designs), compilations (including business plans), programs, devices, methods (including marketing plans and strategies), techniques (including pricing strategies) drawings, processes, financial data, and lists of actual or potential customers or suppliers (including identifying information about those customers), whether or not reduced to writing. Confidential Information includes information disclosed to the Company by third parties that the Company is obligated to maintain as confidential. Confidential Information subject to this Contractor Proprietary Information Agreement may include information that is not a trade secret under applicable law, but information not constituting a trade secret shall be treated as Confidential Information under this agreement only for two years following the date I complete my relationship with the Company. I specifically agree not to deliver, reproduce or in any way allow any Confidential Information or any other data, documentation or other information belonging to the Company to be delivered to or used by any third party without specific written direction or written consent from either the Chief Executive Officer or the Chief Financial Officer of the Company.

**2. Modification.**

This Contractor Proprietary Information Agreement may not be changed, modified, released, discharged, abandoned, or otherwise amended, in whole or in part, except by an instrument in writing, signed by the contractor and either the Chief Executive Officer or the Chief Financial Officer of the Company.

**3. Entire Agreement.**

I acknowledge receipt of this Contractor Proprietary Information Agreement and agree that with respect to the subject matter thereof it is my entire agreement with the Company, superseding any previous oral or written communications, representations, understandings, or agreements with the Company or any officer or representative thereof with respect to the subject matter of this Contractor Proprietary Information Agreement.

**4. Severability and Relief.**

In the event that any paragraph or provision of this Contractor Proprietary Information Agreement shall be held to be illegal or unenforceable, such paragraph or provision shall be severed from this Contractor Proprietary Information Agreement and the entire agreement shall not fail on account thereof but shall otherwise remain in full force and effect. Because any breach or threatened breach of this Contractor Proprietary Information Agreement by me would result in continuing material and irreparable harm to the Company, and because it would be difficult or impossible to establish the full monetary value of such damage, the Company shall be entitled to injunctive relief in the event of my breach or threatened breach of this Contractor Proprietary Information Agreement. Injunctive relief is in addition to any other available remedy, including termination of this Contractor Proprietary Information Agreement and damages. In the event of any breach or threatened breach by me, I shall reimburse the Company for its reasonable attorneys' fees and other expenses.

**5. Successors and Assigns.**

This Contractor Proprietary Information Agreement shall be binding upon my heirs, executors, administrators or other legal representatives and is for the benefit of the Company, its successors and assigns.

**6. Governing Law.**

This Agreement shall be governed by the laws of the State of Delaware.

**7. Counterparts.**

This Agreement shall be signed in two counterparts, each of which shall be deemed an original and both of which shall together constitute one agreement.

**8. Work for Hire Acknowledgment and Assignment:**

I acknowledge that my work on and contributions to documents, programs, and other expressions in any tangible medium at the request or direction of the Company (collectively, "***Works***") are within the scope of my assignment and part of my duties and responsibilities for the Company. My work on and contributions to the Works will be rendered and made by me for, at the instigation of, and under the overall direction of the Company, and are and at all times shall be

regarded, together with the Works, as "work made for hire" as that term is used in the United States Copyright Laws. Without limiting this acknowledgment, I assign, grant, and deliver exclusively to the Company all rights, titles, and interests in and to any such Works, and all copies and versions, including all copyrights and renewals. I will execute and deliver to the Company, its successors and assigns, any assignments and documents the Company requests for the purpose of establishing, evidencing, and enforcing or defending its complete, exclusive, perpetual, and worldwide ownership of all rights, titles, and interests of every kind and nature, including all copyrights, in and to the Works, and I constitute and appoint the Company as my agent to execute and deliver any assignments and documents that I fail or refuse to execute and deliver promptly, this power and agency being coupled with an interest and being irrevocable.

**9. Inventions, Ideas and Patents.**

I shall disclose promptly to the Company (which shall receive it in confidence), and only to the Company, any invention or idea of mine (developed alone or with others) conceived or made during my contract assignment with the Company or within six months of the last day of my contract assignment with the Company. I assign to the Company any such invention or idea in any way connected with my contract assignment or related to the Company's business, research or development, or demonstrably anticipated research or development, and will cooperate with the Company and sign all papers deemed necessary to confirm the Company's exclusive ownership of all rights in such inventions or ideas and in any patents derived from such inventions or ideas, and I irrevocably appoint the Company as my agent to execute and deliver any such assignments or documents that I fail or refuse to execute and deliver promptly, this power and agency being coupled with an interest and being irrevocable. This constitutes the Company's written notification to me that this assignment does not apply to an invention for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on my own time, unless (a) the invention relates (I) directly to the business of the Company or (II) to the Company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by me for the Company.

Accepted and Agreed:

| | |
|---|---|
| Guido Neels | Date |

**Exhibit 31.1**

**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 September 30, 2025 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: November 12, 2025

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

**Exhibit 31.2**

**CERTIFICATIONS**

I, Matthew Ferguson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2025 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: November 12, 2025

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

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Elutia Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(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.

Date: November 12, 2025

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

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Elutia Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(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.

Date: November 12, 2025

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.