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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, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____ to ____

Commission File Number: 001-39130

TELA Bio, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**45-5320061**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1 Great Valley Parkway, Suite 24 Malvern, Pennsylvania	**19355**
(Address of principal executive offices)	(Zip Code)

(484) 320-2930
(Registrant's telephone number, including area code)

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	Name of each exchange on which registered
Common Stock, $0.001 par value per share	TELA	The Nasdaq Global 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 ☐
	Smaller reporting company ☒
Non-accelerated filer ☒	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 5, 2026, the registrant had 45,188,230 shares of Common Stock, $0.001 par value per share, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly Report") and the documents incorporated by reference herein contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, we may, through our officers and other authorized representatives, make certain forward-looking statements in publicly released materials, both written and oral, including statements contained in filings with the Securities and Exchange Commission, press releases, and our communications with our stockholders.

Forward-looking statements are neither statements of historical facts nor assurances of future performance, but instead discuss the future of our business, operations, future financial performance, future financial condition, plans, anticipated growth strategies, anticipated or perceived trends in our business, the industry in which we operate or the broader economy, and other objectives of management. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "design," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "positioned," "potential," "seek," "should," "target," "will," "would," the negative of such terms, and other similar expressions although not all forward-looking statements contain these identifying words.

You should understand that the following important factors could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in our forward-looking statements:

- estimates regarding future results of operations, financial position, research and development costs, capital requirements and our needs for additional financing, and our ability to continue as a going concern;
- our ability to maintain compliance with the listing requirements of the Nasdaq Global Market ("Nasdaq");
- our ability to maintain compliance with the financial and other covenants under our credit agreement;
- the commercial success and degree of market acceptance of our products;
- the introduction of new products or product enhancements by us or others in our industry, including new products which may be perceived to negatively impact the demand for our products now or in the future;
- our ability to expand, manage and maintain our direct sales and marketing organization and to market and sell our products in the United States ("U.S.") and Europe;
- the performance of our exclusive contract manufacturer for our OviTex and OviTex PRS products, Aroa Biosurgery Ltd. ("Aroa"), in connection with the supply of product and in the development of additional products and product configurations within these products;
- our ability to maintain our supply chain integrity and expand our supply chain to manage increased demand for our products;
- our ability to compete successfully with larger competitors in our highly competitive industry;
- our ability to achieve and maintain adequate levels of coverage or reimbursement for our current products and any future products we may seek to commercialize;
- our ability to enhance our products, expand our indications and develop and commercialize additional products;
- the development, regulatory approval, efficacy and commercialization of competing products;
- our business model and strategic plans for our products, technologies and business, including our implementation thereof;
- the size of the markets for our current and future products;
- our ability to recruit and retain senior management and other highly qualified personnel;
- our ability to obtain additional capital to finance our planned operations;
- our ability to maintain regulatory approval for our products;
- our ability to commercialize or obtain regulatory approvals for our future products, or the effect of delays in commercializing or obtaining regulatory approvals;
- decreasing selling prices and pricing pressures;
- regulatory developments in the U.S., including regulatory developments due to current or future changes in the U.S. presidential administration and European markets;
- the potential impact of healthcare reform in the U.S., including the Inflation Reduction Act of 2022, and measures being taken worldwide designed to reduce healthcare costs;

- any decrease in frequency of surgical procedures using our products, whether through outbreak of illness or disease, cybersecurity events impacting hospital operations, potential hospital closures, labor and hospital;
- the occurrence of adverse safety events, restrictions on use with our products or product liability claims; and staffing shortages, supply chain disruptions to critical surgical and hospital supplies, and any applicable adverse healthcare economic factors;
- the volatility of capital markets and other adverse macroeconomic factors, including due to inflationary pressures, interest rate and currency rate fluctuations, economic slowdown or recession, banking instability, monetary policy changes, changes in trade policies (including tariffs and trade protection measures that have been or may in the future be imposed by the U.S. or other countries), geopolitical tensions or the outbreak of hostilities or war;
- our ability to develop and maintain our corporate infrastructure, including our internal controls;
- our ability to establish and maintain intellectual property protection for our products, as well as our ability to operate our business without infringing the intellectual property rights of others;
- our expectations regarding the use of proceeds from recent and any future financings, if any; and
- other risks and uncertainties, including those listed under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025 (our "Annual Report"), our subsequent Quarterly Reports on Form 10-Q and the other documents we file with the Securities and Exchange Commission (the "SEC").

These forward-looking statements are based on management's current expectations, estimates, forecasts and projections about our business and the industry in which we operate, and management's beliefs and assumptions are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. In light of the significant uncertainties in these forward-looking statements, you should not rely upon forward-looking statements as predictions of future events. Although we believe the expectations reflected in the forward-looking statements are reasonable, the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements may not be achieved or occur at all.

You should refer to the section titled "Risk Factors" in our Annual Report, this Quarterly Report and any subsequent Quarterly Reports for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. Except as required by law, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

TELA Bio, Inc.
Consolidated Balance Sheets
(In thousands, except share and per share amounts)
(Unaudited)

	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 22,664	$ 50,845
Accounts receivable, net of allowances of $621 and $287	9,273	10,347
Inventory	11,609	11,016
Prepaid expenses and other current assets	1,054	3,373
Total current assets	44,600	75,581
Property and equipment, net	1,881	2,226
Intangible assets, net	1,074	1,359
Right-of-use assets	1,314	1,502
Other long-term assets	425	500
Restricted cash	200	250
Total assets	$ 49,494	$ 81,418
Liabilities and stockholders' (deficit) equity		
Current liabilities:		
Accounts payable	$ 2,394	$ 2,309
Accrued expenses and other current liabilities	14,164	15,666
Current debt	56,299	—
Total current liabilities	72,857	17,975
Long-term debt	—	55,653
Other long-term liabilities	1,213	1,477
Total liabilities	74,070	75,105
Stockholders' (deficit) equity:		
Preferred stock; $0.001 par value: 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock; $0.001 par value: 200,000,000 shares authorized; 45,143,410 and 44,538,264 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	45	44
Additional paid-in capital	405,694	403,739
Accumulated other comprehensive income	83	91
Accumulated deficit	(430,398)	(397,561)
Total stockholders' (deficit) equity	(24,576)	6,313
Total liabilities and stockholders' (deficit) equity	$ 49,494	$ 81,418

See accompanying notes to unaudited interim consolidated financial statements.

TELA Bio, Inc.
Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share amounts)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Revenue	$ 18,959	$ 20,689	$ 57,309	$ 59,406
Cost of revenue (excluding amortization of intangible assets)	6,556	6,625	18,253	18,535
Amortization of intangible assets	95	95	285	285
Gross profit	12,308	13,969	38,771	40,586
Operating expenses:				
Sales and marketing	13,008	15,066	45,460	48,289
General and administrative	3,003	3,948	11,221	11,910
Research and development	1,603	2,348	6,669	7,091
Other	1,984	161	2,520	403
Total operating expenses	19,598	21,523	65,870	67,693
Loss from operations	(7,290)	(7,554)	(27,099)	(27,107)
Other (expense) income:				
Interest expense	(2,099)	(1,201)	(6,228)	(3,608)
Other income	190	152	713	1,010
Total other expense, net	(1,909)	(1,049)	(5,515)	(2,598)
Loss before income tax expense	(9,199)	(8,603)	(32,614)	(29,705)
Income tax expense	(103)	—	(223)	(85)
Net loss	$ (9,302)	$ (8,603)	$ (32,837)	$ (29,790)
Net loss per common share, basic and diluted	$ (0.16)	$ (0.19)	$ (0.57)	$ (0.66)
Weighted average common shares outstanding, basic and diluted	57,689,149	45,421,795	57,456,519	45,351,947
Comprehensive loss:				
Net loss	$ (9,302)	$ (8,603)	$ (32,837)	$ (29,790)
Foreign currency translation adjustment	(1)	(2)	(8)	1
Comprehensive loss	$ (9,303)	$ (8,605)	$ (32,845)	$ (29,789)

See accompanying notes to unaudited interim consolidated financial statements.

TELA Bio, Inc.
Consolidated Statements of Stockholders' (Deficit) Equity
Three and Nine Months Ended September 30, 2026
(In thousands, except share amounts)
(Unaudited)

	Common stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total
	Shares	Amount				
Balance at July 1, 2026	44,833,942	$ 45	$ 405,101	$ 84	$ (421,096)	$ (15,866)
Vesting of restricted stock units	350,626	—	—	—	—	—
Issuance of common stock under the employee stock purchase plan	31,080	—	20	—	—	20
Shares withheld for employee taxes	(99,395)	—	(74)	—	—	(74)
Issuance of common stock in lieu of cash retainer	27,157		21			21
Foreign currency translation adjustment	—	—	—	(1)	—	(1)
Stock-based compensation expense	—	—	626	—	—	626
Net loss	—	—	—	—	(9,302)	(9,302)
Balance at September 30, 2026	45,143,410	$ 45	$ 405,694	$ 83	$ (430,398)	$ (24,576)

	Common stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total
	Shares	Amount				
Balance at January 1, 2026	44,538,264	$ 44	$ 403,739	$ 91	$ (397,561)	$ 6,313
Vesting of restricted stock units	740,071	1	—	—	—	1
Issuance of common stock under the employee stock purchase plan	63,222	—	47	—	—	47
Shares withheld for employee taxes	(225,304)	—	(168)	—	—	(168)
Issuance of common stock in lieu of cash retainer	27,157	—	21	—	—	21
Foreign currency translation adjustment	—	—	—	(8)	—	(8)
Stock-based compensation expense	—	—	2,055	—	—	2,055
Net loss	—	—	—	—	(32,837)	(32,837)
Balance at September 30, 2026	45,143,410	$ 45	$ 405,694	$ 83	$ (430,398)	$ (24,576)

See accompanying notes to unaudited interim consolidated financial statements.

TELA Bio, Inc.
Consolidated Statements of Stockholders' (Deficit) Equity
Three and Nine Months Ended September 30, 2025
(In thousands, except share amounts)
(Unaudited)

	Common stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total
	Shares	Amount				
Balance at July 1, 2025	39,584,178	$ 40	$ 388,968	$ 93	$ (379,917)	$ 9,184
Vesting of restricted stock units and exercise of stock options	37,590	—	—	—	—	—
Issuance of common stock under the employee stock purchase plan	30,917	—	45	—	—	45
Shares withheld for employee taxes	(11,150)	—	(21)	—	—	(21)
Exercise of pre-funded warrant	700,000	—	(1)	—	—	(1)
Foreign currency translation adjustment	—	—	—	(2)	—	(2)
Stock-based compensation expense	—	—	955	—	—	955
Net loss	—	—	—	—	(8,603)	(8,603)
Balance at September 30, 2025	40,341,535	$ 40	$ 389,946	$ 91	$ (388,520)	$ 1,557

	Common stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total
	Shares	Amount				
Balance at January 1, 2025	39,395,712	$ 39	$ 387,059	$ 90	$ (358,730)	$ 28,458
Vesting of restricted stock units and exercise of stock options	268,601	1	—	—	—	1
Issuance of common stock under the employee stock purchase plan	58,235	—	105	—	—	105
Shares withheld for employee taxes	(81,013)	—	(201)	—	—	(201)
Exercise of pre-funded warrant	700,000	—	(1)	—	—	(1)
Foreign currency translation adjustment	—	—	—	1	—	1
Stock-based compensation expense	—	—	2,984	—	—	2,984
Net loss	—	—	—	—	(29,790)	(29,790)
Balance at September 30, 2025	40,341,535	$ 40	$ 389,946	$ 91	$ (388,520)	$ 1,557

See accompanying notes to unaudited interim consolidated financial statements.

TELA Bio, Inc.
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Nine months ended September 30,	
	2026	**2025**
Cash flows from operating activities:		
Net loss	$ (32,837)	$ (29,790)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	512	500
Noncash interest expense	722	370
Amortization of intangible assets	285	285
Net changes in operating lease ROU assets and liabilities	(68)	323
Inventory excess and obsolescence charge	2,097	1,542
Stock-based compensation expense	2,055	2,984
Issuance of common stock in lieu of cash retainer	21	—
Income tax expense	147	85
Loss on disposal of fixed assets	18	—
Change in operating assets and liabilities:		
Accounts receivable, net	1,043	(1,042)
Inventory	(2,712)	(228)
Prepaid expenses and other current and long-term assets	686	286
Accounts payable	90	204
Accrued expenses and other current and long-term liabilities	(1,377)	1,097
Foreign currency transaction loss	75	35
Net cash used in operating activities	(29,243)	(23,349)
Cash flows from investing activities:		
Purchase of property and equipment	(185)	(357)
Proceeds from the sale of product line	1,631	1,011
Net cash provided by investing activities	1,446	654
Cash flows from financing activities:		
Payment of accrued offering costs	(247)	—
Vesting of restricted stock units	1	1
Payment of withholding taxes related to stock-based compensation to employees	(168)	(201)
Proceeds from issuance of common stock under the employee stock purchase plan	47	105
Net cash used in financing activities	(367)	(95)
Effect of exchange rate on cash and cash equivalents	(67)	(182)
Net decrease in cash and cash equivalents and restricted cash	(28,231)	(22,972)
Cash and cash equivalents and restricted cash, beginning of period	51,095	52,935
Cash and cash equivalents and restricted cash, end of period	$ 22,864	$ 29,963
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	$ 5,506	$ 3,978
Cash paid during the period for taxes	$ 76	$ —
Supplemental disclosures of noncash investing and financing activities:		
Property and equipment in accounts payable and accrued expenses and other current liabilities	$ —	$ 15

See accompanying notes to unaudited interim consolidated financial statements.

TELA Bio, Inc.

Notes to Unaudited Interim Consolidated Financial Statements

(1) Background

TELA Bio, Inc. (the "Company") was incorporated in the state of Delaware on April 17, 2012 and wholly owns TELA Bio Limited, a company incorporated in the United Kingdom and is the ultimate parent of TELA Bio GmbH, a company incorporated in Germany through TELA Bio Limited. The Company is a commercial-stage medical technology company focused on providing innovative soft-tissue reconstruction solutions that optimize clinical outcomes by prioritizing the preservation and restoration of the patient's own anatomy. OviTex Reinforced Tissue Matrix ("OviTex"), the Company's first portfolio of products, addresses unmet needs in hernia repair and abdominal wall reconstruction by combining the benefits of biologic matrices and polymer materials while minimizing their shortcomings, at a cost-effective price. OviTex PRS Reinforced Tissue Matrix ("OviTex PRS"), the Company's second portfolio of products, addresses unmet needs in plastic and reconstructive surgery. The Company's principal corporate office and research facility is located in Malvern, Pennsylvania.

(2) Risks and Liquidity

The operations of the Company are subject to certain risks and uncertainties including, among others, the uncertainty of product development, the impact of macroeconomic conditions, including, general economic uncertainty, inflationary pressures and the measures undertaken by various governments to address them, banking instability, monetary policy changes, changes in trade policies (including tariffs and trade protection measures that have been or may in the future be imposed by the U.S. or other countries), geopolitical tensions or the outbreak of hostilities or war, cybersecurity events affecting or disrupting normal hospital operations, constraints on the supply of critical surgical and hospital supplies necessary to facilitate the surgical procedures in which the Company's products are utilized, technological uncertainty, commercial acceptance of any developed products, alternative competing technologies, dependence on collaborative partners, uncertainty regarding patents and proprietary rights, comprehensive government regulations, and dependence on key personnel.

(3) Going Concern

The Company's operations to date have focused on commercializing products, developing and acquiring technology and assets, business planning, raising capital and organization and staffing. The Company has incurred recurring losses and negative cash flows from operations since inception and has an accumulated deficit of $430.4 million as of September 30, 2026. The Company anticipates incurring additional losses until such time, if ever, it can generate sufficient revenue from its products to cover its expenses.

Management has evaluated the Company's ability to continue as a going concern for the twelve-month period following the issuance date of these consolidated financial statements. The Company's Credit Agreement with Perceptive (see Note 6, "Long-Term Debt") requires compliance with certain financial covenants, including minimum revenue and liquidity thresholds. Management's current forecasts indicate it is probable that the Company will not achieve the minimum revenue threshold required under the Credit Agreement during the twelve-month period following the issuance of these consolidated financial statements. On September 28, 2026, the Company entered into a Limited Consent to Credit Agreement and Guaranty (the "Limited Consent") with Perceptive, pursuant to the Limited Consent, the Consenting Lenders (as defined in the Limited Consent) agreed that the minimum revenue covenant will not be tested with respect to the fiscal quarters ending September 30, 2026 and December 31, 2026. If the Company fails to satisfy the applicable covenant requirements and does not obtain a waiver or amendment from Perceptive in the periods tested following December 31, 2026, the lender could declare an event of default and accelerate repayment of all outstanding principal and accrued interest under the Credit Agreement. The Company does not expect to have sufficient liquidity to repay such obligations if repayment were accelerated.

In addition, projected compliance with the liquidity covenant is sensitive to changes in the assumptions of our operating forecast. The Company's ability to maintain compliance with the liquidity covenant is dependent on its ability to grow revenue and manage its costs. The Company's current operating plan includes measures to reduce our operating expenses. Inability to do so may result in an event of default in future periods.

These conditions and events raise substantial doubt about the Company's ability to continue as a going concern within one year after the date these consolidated financial statements are issued.

To address these conditions, management is evaluating and has pursued, and is continuing to pursue various actions, including seeking a waiver of, or amendment to, the applicable covenant requirements under the Credit Agreement, pursuing strategic initiatives intended to increase revenues, and implementing measures designed to reduce operating expenses. While management believes that such measures can be implemented, such actions would not eliminate the risk of noncompliance with the revenue covenant after the applicable waiver period. In addition, the Company's ability to achieve the level of revenue growth necessary to comply with the covenant is dependent on future operating performance and other factors that are not entirely within management's control. Accordingly, management has concluded that substantial doubt exists about the Company's ability to continue as a going concern within one year after the date these consolidated financial statements are issued.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern and do not include any adjustments that might result from the outcome of this uncertainty.

(4) Summary of Significant Accounting Policies

The Company's complete summary of significant accounting policies can be found in "Note 3, Summary of Significant Accounting Policies" in the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. Any reference in these notes to applicable guidance is meant to refer to generally accepted accounting principles ("GAAP") in the U.S. as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") promulgated by the Financial Accounting Standards Board ("FASB").

Interim Financial Statements

The accompanying unaudited interim consolidated financial statements have been prepared from the books and records of the Company in accordance with GAAP for interim financial information and Rule 10-01 of Regulation S-X promulgated by the Securities and Exchange Commission ("SEC"), which permits reduced disclosures for interim periods. All adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the accompanying consolidated balance sheets and statements of operations and comprehensive loss, stockholders'(deficit) equity and cash flows have been made. Although these interim consolidated financial statements do not include all of the information and footnotes required for complete annual consolidated financial statements, management believes the disclosures are adequate to make the information presented not misleading. The unaudited interim results of operations and cash flows are not necessarily indicative of the results that may be expected for the full year. The unaudited interim consolidated financial statements and footnotes should be read in conjunction with the consolidated financial statements and footnotes included in the Annual Report on Form 10-K for the year ended December 31, 2025.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The most significant judgments are employed in estimates used to determine the recoverability of the carrying value of the Company's inventory. As future events and their effects cannot be determined with precision, actual results may differ significantly from these estimates.

Operating Expenses – Other

The Company classifies certain operating expenses that are not representative of the Company's ongoing operations as other on the condensed consolidated statements of operations and comprehensive loss. These include costs related to the Company's reduction in force and related legal expenses. To conform to current period presentation, $0.2 million and $0.4 million of sales and marketing expenses related to severance for the three and nine months ended September 30,

2025, respectively, have been reclassified as other in the consolidated statements of operations and comprehensive loss presented in this Quarterly Report on Form 10-Q. The following table summarizes the Company's expenses classified as other in the consolidated statements of operations and comprehensive loss (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Severance expense	$ 1,700	$ 161	$ 2,236	$ 403
Legal expenses related to reduction in force	284	—	284	—
Total other	$ 1,984	$ 161	$ 2,520	$ 403

See Note 10 "Reduction in Force" for additional information regarding the severance expense classified as other in the consolidated statements of operations and comprehensive loss.

Segments

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources in assessing performance. The Company has one reportable segment which is focused on providing innovative soft-tissue reconstruction solutions that optimize clinical outcomes by prioritizing the preservation and restoration of the patient's own anatomy. The Company's chief operating decision maker ("CODM") is the chief executive officer.

The accounting policies of the Company's segment are the same as those described in the summary of significant accounting policies. The CODM uses budget to actual forecasts and net income in assessing entity-wide operating results and deciding how to invest in the Company. The CODM is regularly provided with net loss and consolidated assets, which are reported on the consolidated statement of operations and comprehensive loss and consolidated balance sheet, respectively.

TELA Bio, Inc.

Notes to Unaudited Interim Consolidated Financial Statements (Continued)

The tables below summarizes the items included within net loss regularly provided to the CODM:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Revenue	$ 18,959	$ 20,689	$ 57,309	$ 59,406
Cost of revenue (excluding amortization of intangible assets and write-off of expired product)	5,586	6,124	16,552	16,623
Cost of revenue (amortization of intangible assets and write-off of expired product)	1,065	596	1,986	2,197
Gross profit	12,308	13,969	38,771	40,586
Sales and marketing:				
Sales and sales management	8,253	10,291	29,051	33,025
International	1,912	1,329	5,932	4,137
Other sales and marketing (a)	2,843	3,446	10,477	11,127
Total sales and marketing	13,008	15,066	45,460	48,289
General and Administrative:				
Finance and Legal	1,428	1,842	5,450	5,761
Other general and administrative (b)	1,575	2,106	5,771	6,149
Total general and administrative	3,003	3,948	11,221	11,910
Research and Development:				
Clinical	805	873	3,028	2,654
Regulatory and quality	299	468	1,387	1,334
Other research and development (c)	499	1,007	2,254	3,103
Total research and development	1,603	2,348	6,669	7,091
Other	1,984	161	2,520	403
Other segment items (d)	(2,012)	(1,049)	(5,738)	(2,683)
Net loss	$ (9,302)	$ (8,603)	$ (32,837)	$ (29,790)

(a) Other sales and marketing includes strategy, analytics and allocated facility expenses.
(b) Other general and administrative includes executive, human resources, information technology and allocated facility expenses.
(c) Other research and development includes engineering and allocated facility expenses.
(d) Other segment items include other operating income and other expenses as disclosed in the consolidated statements of operations and comprehensive loss; interest expense, loss on extinguishment of debt, other income and income tax expense.

Restricted Cash

Restricted cash represents an amount held in an escrow deposit account, collateralizing a letter of credit for the Company's office lease.

The following table presents a reconciliation of all captions of cash and cash equivalents and restricted cash reported on the balance sheets that sum to the total of those same amounts shown in the statements of cash flows.

	September 30,	
	2026	2025
Cash and cash equivalents	$ 22,664	$ 29,713
Restricted cash	200	250
Total cash and cash equivalents and restricted cash shown in statements of cash flows	$ 22,864	$ 29,963

TELA Bio, Inc.

Notes to Unaudited Interim Consolidated Financial Statements (Continued)

Revenue Recognition

Under ASC Topic 606, *Revenue from Contracts with Customers*, ("ASC 606"), an entity recognizes revenue when its customer obtains control of the promised good, in an amount that reflects the consideration that the entity expects to be entitled in exchange for those goods. The Company performs the following five steps to recognize revenue under ASC 606: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company only recognizes revenue when it is probable that it will collect the consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer.

A significant portion of the Company's revenue is generated from product shipped to a customer or from consigned inventory maintained at hospitals or other surgical facilities. Revenue from the sale of consigned products is recognized when control is transferred to the customer, which occurs at the time the product is used in a surgical procedure. For product that is not held on consignment, the Company recognizes revenue when control transfers to the customer which occurs at the time the product is shipped or delivered. For all of the Company's customer contracts, the only identified performance obligation is providing the product to the customer.

Revenue is recognized at the estimated net sales price, which includes estimates of variable consideration. The Company enters into contracts with certain third-party payors for the payment of rebates with respect to the utilization of its products. These rebates are primarily based on contractual percentages. The Company estimates and records these rebates in the same period the related revenue is recognized, resulting in a reduction of product revenue.

Payment terms with customers do not exceed one year and, therefore, the Company does not account for a financing component in these arrangements. There are no incremental costs of obtaining a contract that would rise to or enhance an asset other than product costs, which are a component of inventory. The Company expenses incremental costs of obtaining a contract with a customer (e.g., sales commissions) when incurred as the period of benefit is less than one year. Fees charged to customers for shipping are recognized as revenue.

The following table presents revenue disaggregated by the Company's portfolio of products (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
OviTex	$ 13,166	$ 13,206	$ 39,093	$ 37,802
OviTex PRS	5,108	7,079	16,449	20,456
Other	685	404	1,767	1,148
Total revenue	$ 18,959	$ 20,689	$ 57,309	$ 59,406

Sales outside of the U.S. were $3.6 million and $3.0 million, respectively, for the three months ended September 30, 2026 and 2025 and $11.1 million and $8.7 million, respectively, for the nine months ended September 30, 2026 and 2025. Sales within the U.S. were $15.4 million and $17.7 million, respectively, for the three months ended September 30, 2026 and 2025 and $46.2 million and $50.7 million, respectively, for the nine months ended September 30, 2026 and 2025.

Fair Value of Financial Instruments

Fair value is the price that could be received to sell an asset or paid to transfer a liability in an orderly transaction among market participants. Fair value determination in accordance with applicable accounting guidance requires that several significant judgments be made. Additionally, fair value is used on a nonrecurring basis to evaluate assets for impairment or as required for disclosure purposes by applicable accounting guidance on disclosures about fair value of financial instruments. Depending on the nature of the assets and liabilities, various valuation techniques and assumptions are used

when estimating fair value. The carrying amounts of certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, other assets, and accounts payable are shown at cost, which approximates fair value due to the short-term nature of these instruments. The carrying amounts of the Perceptive Term Loan Facility (as later defined) approximates fair value due to its variable interest rate.

The Company follows the provisions of ASC Topic 820, *Fair Value Measurement*, for financial assets and liabilities measured on a recurring basis. The guidance requires fair value measurements be classified and disclosed in one of the following three categories:

- *Level 1:* Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- *Level 2:* Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liabilities.
- *Level 3:* Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The following fair value hierarchy table presents information about each major category of the Company's financial assets and liabilities measured at fair value on a recurring basis (in thousands):

	Fair value measurement at reporting date using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
September 30, 2026:			
Cash equivalents – money market fund	$ 20,121	$ —	$ —
December 31, 2025:			
Cash equivalents – money market fund	$ 47,068	$ —	$ —

Net Loss per Common Share

Basic and diluted net loss per common share is determined by dividing net loss by the weighted-average shares of common stock outstanding during the reporting period. In periods in which the Company reports a net loss, diluted net loss per share is the same as basic net loss per share since dilutive shares are not assumed to have been issued if their effect is antidilutive. Therefore, the weighted-average shares used to calculate both basic and diluted net loss per share are the same.

The following potentially dilutive securities have been excluded from the computation of diluted weighted-average shares outstanding for the periods presented, as they would be antidilutive.

	Nine months ended September 30,	
	2026	2025
Stock options	5,526,842	2,655,472
Unvested restricted stock units	1,948,572	1,309,701
Common stock warrants	88,556	88,556
Common stock warrants issued with credit agreement	2,000,000	—
Total	9,563,970	4,053,729

Due to their nominal exercise price of $0.0001 per share, all outstanding pre-funded warrants are considered common stock equivalents and are included in the calculation of weighted-average shares of common stock outstanding from the respective closing dates.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*. ASU 2024-03 requires additional disclosure of specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The requirements will be applied prospectively with the option for retrospective application. The Company is currently evaluating the impact that the adoption of ASU 2024-03 will have on its consolidated financial statements and disclosures.

In September 2025, the FASB issued ASU 2025-06, *Targeted Improvements to the Accounting for Internal-use Software*. The new guidance eliminates project stages and requires capitalizing software costs to begin when (1) management has authorized and committed to funding the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended. When evaluating if a project is probable to be completed, significant development uncertainty must be assessed. Additionally, disclosures for property, plant and equipment will be required for all capitalized software costs. The guidance is effective in the first quarter of 2028 with early adoption permitted as of the beginning of an annual reporting period. Upon adoption, the guidance may be applied prospectively, retrospectively or using a modified transition approach. The Company is currently evaluating the expected impact that the standard could have on its consolidated financial statements and related disclosures.

(5) Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Compensation and related benefits	$ 5,717	$ 7,096
Third-party and professional fees	3,927	3,525
Amounts due to contract manufacturer	2,745	3,058
Current portion of operating lease liabilities	532	524
Research and development expenses	30	27
Income/sales tax payable	849	725
Other	364	711
Total accrued expenses and other current liabilities	$ 14,164	$ 15,666

(6) Debt

Debt consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Perceptive term loan	$ 60,000	$ 60,000
Unamortized issuance costs	(3,701)	(4,347)
Total debt	$ 56,299	$ 55,653

Perceptive Term Loan

On November 13, 2025, the Company entered into a Credit Agreement and Guaranty (the "Credit Agreement") with Perceptive Credit Holdings V, LP, as lender and administrative agent ("Perceptive"), which provides for a senior secured term loan facility in an aggregate principal amount of up to $70.0 million (the "Perceptive Term Loan Facility"). An initial loan in an aggregate principal amount of $60.0 million (the "Initial Loan") was funded under the Perceptive Term Loan Facility on November 14, 2025 (the "Closing Date"). In addition to the Initial Loan, the Perceptive Term Loan Facility includes an additional delayed draw loan in an aggregate principal amount of $10.0 million to be available in a single drawing after the Closing Date on or prior to the Delayed Draw Commitment Termination Date (as defined in the Credit Agreement but not later than April 30, 2027) (the "Delayed Draw Loan," together with the Initial Loan, the "Loans"), which will be accessible by the Company contingent on it achieving specified net revenue thresholds and satisfying certain customary conditions precedent. The Perceptive Term Loan Facility has a maturity date of November 14, 2030 (the "Maturity Date"). During the three months ended September 30, 2026, the debt was reclassified from long-term to current. As previously discussed in Note 3, Perceptive agreed in September 2026 that the minimum revenue covenant will not be tested with respect to the fiscal quarters ending September 30, 2026 and December 31, 2026. Given the periods not tested do not extend beyond one year from the reporting date and the Company may not satisfy the applicable covenant requirements for periods after December 31, 2026 and may not obtain additional waivers or amendments from Perceptive, the debt was classified as current.

The Perceptive Term Loan Facility will accrue interest at an annual rate equal to the sum of (a) an applicable margin of 7.85% (the "Applicable Margin") plus (b) the greater of (i) the Reference Rate (as defined in the Credit Agreement) and (ii) four and one quarter percent (4.25%). Accrued interest on the Term Loans is payable monthly in arrears. Upon an Event of Default (as defined in the Credit Agreement), the Applicable Margin will automatically increase by an additional 3.00% per annum.

Prior to the Maturity Date, there will be no scheduled principal payments under the Perceptive Term Loan Facility. On the Maturity Date, the Company is required to pay Perceptive the aggregate outstanding principal amount of the Loans and all accrued and unpaid interest thereon. The Term Loans may be prepaid at any time, subject to a prepayment premium equal to 2% to 10% of the aggregate outstanding principal amount being prepaid, depending on the date of prepayment.

In connection with the Credit Agreement, the Company also entered into a Security Agreement (the "Security Agreement"), dated as of the Signing Date, with Perceptive, pursuant to which all of its obligations under the Credit Agreement are secured by a first lien perfected security interest on substantially all of its existing and after-acquired assets, subject to customary exceptions.

In addition, on the Closing Date, as consideration for the Credit Agreement, the Company issued to Perceptive warrants to purchase up to 2,000,000 shares (the "Warrant Shares") of the Company's common stock, par value $0.001 per share (the "Common Stock"), with an exercise price of $1.11 (the "Initial Loan Warrants"). Additionally, if the Delayed Draw Loan is drawn upon, the Company will be required to issue to Perceptive additional warrants to purchase up to 333,333 shares of its Common Stock, with an exercise price of $1.11 (the "DDL Warrants" and, together with the Initial Loan Warrants, the "Warrants").

The Warrants have an expiration date of November 14, 2035 and may be exercised on a cashless or "net" basis. The Warrants are freely transferable and will be automatically exercised, on a cashless basis, prior to their expiration if the value of the underlying shares is greater than the then-applicable exercise price. The exercise price described herein is subject to adjustment for certain recapitalization events, as further described in the Warrants. Pursuant to the Warrants, the Company has granted Perceptive certain resale registration rights in respect of the Warrant Shares. The Company determined that the Warrants were equity classified and therefore allocated the proceeds received between the debt and warrants based on their relative fair values. The amount allocated to the Warrants, or $1.4 million, was treated as an additional debt issuance cost. None of the Warrants have been exercised as of September 30, 2026.

The Credit Agreement contains certain representations and warranties, affirmative covenants, negative covenants, financial covenants, and conditions that are customarily required for similar financings. The affirmative covenants, among other things, require the Company to undertake various reporting and notice requirements, maintain insurance and maintain in full force and effect all Regulatory Approvals, Material Agreements, Intellectual Property (each as defined in the Credit Agreement) and other rights, interests or assets (whether tangible or intangible) reasonably necessary for the operations of its business. The negative covenants restrict or limit the Company's ability to, among other things and subject to certain exceptions contained in the Credit Agreement, incur new indebtedness; create liens on assets; engage in certain fundamental corporate changes, such as mergers or acquisitions, or changes to the Company's business activities; make certain Investments or Restricted Payments (each as defined in the Credit Agreement); change the Company's fiscal year; pay dividends; repay other certain indebtedness; engage in certain affiliate transactions; or enter into, amend or terminate any other agreements that has the impact of restricting the Company's ability to make loan repayments under the Credit Agreement. In addition, the Company must (i) at all times prior to the Maturity Date, maintain minimum Liquidity (as defined in the Credit Agreement) of $5.0 million and (ii) as of each quarterly calculation date set forth in the Credit Agreement, maintain revenue that is not less than the amounts specified in the Credit Agreement. The Credit Agreement also contains certain customary Events of Default which include, among others, non-payment of principal, interest, or fees, violation of covenants, inaccuracy of representations and warranties, bankruptcy and insolvency events, material judgments, cross-defaults to material contracts, certain regulatory-related events and events constituting a change of control. The occurrence of an Event of Default could result in, among other things, the declaration that all outstanding principal and interest under the Perceptive Term Loan Facility are immediately due and payable in whole or in part. On September 28, 2026, the Company entered into the "Limited Consent with Perceptive, pursuant to the Limited Consent, the Consenting Lenders (as defined in the Limited Consent) agreed that the minimum Revenue (as defined in the Credit Agreement) covenant set forth in Section 10.02 of the Credit Agreement shall not be tested with respect to the fiscal quarters ending on or about September 30, 2026 and December 31, 2026. If the Company fails to satisfy the applicable covenant requirements and does not obtain a waiver or amendment from Perceptive in the periods tested following December 31, 2026, the lender could declare an event of default and accelerate repayment of all outstanding principal and accrued interest under the Credit Agreement.

Interest expense associated with the Perceptive Credit Agreement recorded for the three months ended September 30, 2026 was $2.1 million, of which $0.2 million was related to the amortization of debt issuance costs. Interest expense for the nine months ended September 30, 2026 was $6.2 million, of which $0.7 million was related to the amortization of debt issuance costs.

MidCap Term Loan

On May 26, 2022, the Company entered into the Credit and Security Agreement (the "MidCap Credit Agreement") with MidCap Financial Trust ("MidCap"), as agent, and certain lender parties thereto. The MidCap Credit Agreement consisted of $40.0 million in a term loan. On November 14, 2025, the Company closed on a credit facility from Perceptive and upon closing used a portion of the proceeds to repay all borrowings under the MidCap Credit Agreement.

The MidCap term loan bore interest at a rate equal to 6.25% plus the greater of one-month Term SOFR (as defined in the MidCap Credit Agreement) or 1.0%. Interest expense associated with the MidCap Credit Facility recorded for the three months ended September 30, 2025 was $1.2 million, of which $0.1 million, was related to the amortization of debt issuance costs. Interest expense for the nine months ended September 30, 2025 was $3.6 million, of which $0.4 million was related to the amortization of debt issuance costs.

(7) Stockholders' Equity

In November 2023, the Company entered into an Equity Distribution Agreement (the "Equity Agreement") with Piper Sandler & Co, ("Piper") in connection with the establishment of an at-the-market offering program under which the Company may sell shares of its common stock, from time to time through Piper as sales agent, in an initial amount of up to $50.0 million. No sales have been made under the Equity Agreement since its inception.

TELA Bio, Inc.

Notes to Unaudited Interim Consolidated Financial Statements (Continued)

Warrants

The Company had the following warrants outstanding to purchase common stock at September 30, 2026:

	Outstanding	Exercise price	Expiration dates
Common stock warrants	8,379	$ 28.65	2028
Common stock warrants	80,177	28.65	2027
Common stock warrants issued with credit agreement	2,000,000	1.11	2035
Pre-funded common stock warrants	12,623,000	0.0001	NA
	14,711,556		

The following table summarizes warrant activity:

	Number of warrants
Outstanding at January 1, 2026	14,711,556
Granted	—
Exercised	—
Canceled/forfeited	—
Outstanding at September 30, 2026	14,711,556

(8) Sale of Product Line

In March 2024, the Company entered into an Asset Purchase Agreement ("APA") with MiMedx Group, Inc. ("MDXG") to sell certain assets (the "Transaction") related to NIVIS Fibrillar Collagen Pack Device ("NIVIS"). These assets mainly included the Company's existing inventory of NIVIS, with a net carrying value of $0.8 million, and certain intellectual property rights to sell NIVIS, with no carrying value. MDXG assumed the Company's existing supply agreements, including the minimum obligations for NIVIS that the Company entered into in 2022 ahead of the initial sales of NIVIS. In exchange for entering into the Transaction, the Company received an initial $5.0 million upfront payment and was entitled to receive future revenue-sharing payments based on the net sales of NIVIS (now marketed as HELIOGEN) during the first two years following its launch by MDXG, which revenue-sharing payments would range from a minimum of $3.0 million to a maximum of $7.0 million in the aggregate. In addition, $0.4 million of consideration was received for existing NIVIS inventory on-hand. Any consideration in excess of $3.0 million up to $7.0 million was considered variable consideration that was fully constrained.

The Company accounted for the Transaction as a sale of a nonfinancial asset group in accordance with ASC 610-20 and followed the principles of ASC 606 to determine the consideration of $8.4 million related to the Transaction which includes the consideration for the existing inventory. The Company transferred control of the nonfinancial asset group in March 2024 and upon closing recognized a gain of $7.6 million in the consolidated statement of operations and comprehensive loss during the three months ended March 31, 2024. The $8.4 million transaction price included the minimum revenue-share payment of $3.0 million, which was recorded as a receivable when the deal closed. Revenue-share payments commenced after the third quarter of 2024 and the remainder of the minimum revenue share payment was collected during the three months ended September 30, 2026. During the term of the revenue-sharing payment period, the Company assessed the constraint of variable consideration at each reporting date and no changes were made to the estimate of variable consideration.

(9) Stock-Based Compensation

The Company has two equity incentive plans: the 2012 Stock Incentive Plan and the Amended and Restated 2019 Equity Incentive Plan (the "Plan"). On April 8, 2026, the Company's board of directors approved an amendment to the Plan to increase the number of authorized shares issuable under the Plan by 3,500,000 shares. This amendment was approved by the Company's stockholders on June 9, 2026 at the 2026 Annual Meeting. New awards can only be granted under the Plan. At September 30, 2026, 5,868,378 shares of common stock were available for future issuances under the Plan. The

TELA Bio, Inc.

Notes to Unaudited Interim Consolidated Financial Statements (Continued)

Plan provides for the grant of incentive stock options, nonqualified stock options, restricted stock awards, restricted stock units and/or stock appreciation rights to employees, directors, and other persons, as determined by the Company's board of directors. The Company estimates forfeitures that it expects will occur and adjusts expense for actual forfeitures in the periods they occur.

The Company measures employee and nonemployee stock-based awards at grant-date fair value and records compensation expense ratably over the vesting period of the award. The Company recorded stock-based compensation expense in the following expense categories of the accompanying consolidated statements of operations and comprehensive loss (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Sales and marketing	$ 118	$ 264	$ 549	$ 844
General and administrative	475	565	1,328	1,772
Research and development	33	126	178	368
Total stock-based compensation	$ 626	$ 955	$ 2,055	$ 2,984

Stock Options

The Company's stock options vest based on the terms in each award agreement and generally vest over four years and have a term of 10 years.

The following table summarizes stock option activity:

	Number of shares	Weighted average exercise price per share	Weighted average remaining contractual term (years)
Outstanding at January 1, 2026	2,672,859	$ 8.62	
Granted	3,504,960	0.81	
Exercised	—	—	
Canceled/forfeited	(650,977)	4.64	
Outstanding at September 30, 2026	5,526,842	$ 4.13	6.51
Vested and expected to vest at September 30, 2026	5,235,465	$ 4.31	6.33
Exercisable at September 30, 2026	2,303,608	$ 8.65	2.08

Included in outstanding options at September 30, 2026 were 2,684,186 stock options granted outside of the Plan. These grants were made pursuant to the Nasdaq inducement grant exception in accordance with Nasdaq listing rule 5635(c)(4). At September 30, 2026, the aggregate intrinsic value of outstanding options was $1.1 million and exercisable options was $0.1 million.

The weighted average grant-date fair value per share of options granted was $0.49 during the nine months ended September 30, 2026. The aggregate intrinsic value of options exercised was $0 for the nine months ended September 30, 2026. At September 30, 2026, the total unrecognized compensation expense related to unvested employee and nonemployee stock option awards was $1.5 million, which is expected to be recognized in expense over a weighted-average period of approximately 3.6 years.

TELA Bio, Inc.

Notes to Unaudited Interim Consolidated Financial Statements (Continued)

The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model and the weighted average assumptions in the table below:

	Nine months ended September 30, 2026
Expected dividend yield	—
Expected volatility	68.0 %
Risk-free interest rate	4.28 %
Expected term (in years)	6.06

Restricted Stock Units

The Company has issued service-based and performance-based restricted stock units ("RSUs"). Vesting of the service-based RSUs is based on the terms in each award agreement and is generally over four years. Vesting of the performance-based RSUs is subject to continued service through 2026 and the achievement of certain performance milestones for fiscal year 2026. The amount of performance-based RSUs that will vest can range from 0% to 110% of the original number of RSUs granted. Expense for the performance-based RSUs is not recognized until the performance conditions are deemed probable of achievement. The Company has not recorded any expense related to the performance-based RSUs.

The following table summarizes the service-based RSUs for the Plan:

	Number of shares
Outstanding at January 1, 2026	1,104,662
Granted	1,858,735
Vested	(740,071)
Canceled/forfeited	(430,935)
Outstanding at September 30, 2026	1,792,391

The following table summarizes the performance-based RSUs for the Plan:

	Number of shares
Outstanding at January 1, 2026	216,500
Granted	—
Vested	—
Canceled/forfeited	(60,319)
Outstanding at September 30, 2026	156,181

Included in outstanding RSUs at September 30, 2026 were 760,010 RSUs granted outside of the Plan. These grants were made pursuant to the Nasdaq inducement grant exception in accordance with Nasdaq listing rule 5635(c)(4). The weighted average grant-date fair value per RSU granted was $0.80 during the nine months ended September 30, 2026. The aggregate intrinsic value of RSUs outstanding was $2.2 million at September 30, 2026. The total unrecognized compensation expense at September 30, 2026 related to RSUs was $1.7 million, excluding unrecognized compensation expense associated with performance-based RSUs that are not deemed probable of achievement, which is expected to be recognized in expense over a weighted-average period of approximately 2.9 years.

(10) Reduction in Force

In August 2026, the Company implemented a plan designed to improve the Company's efficiency by reducing operating expenses and extending liquidity. In addition to decreasing other operating expenses, the plan included a reduction in force representing approximately 20% of the Company's workforce. For the three months ended September 30, 2026, the Company incurred $1.7 million of employee severance expense related to the reduction in force.

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations, as well as other sections in this Quarterly Report, should be read in conjunction with our unaudited interim consolidated financial statements and related notes thereto included elsewhere herein and the consolidated financial statements and notes thereto for the year ended December 31, 2025 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are contained in our Annual Report filed with the SEC on March 25, 2026. In addition to historical financial information, some of the information contained in the following discussion and analysis contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts, including statements regarding our future results of operations and financial position, business strategy, current and prospective products, product approvals, research and development costs, current and prospective collaborations, timing and likelihood of success, plans and objectives of management for future operations and future results of current and anticipated products, are forward-looking statements. These statements involve known and unknown risks, uncertainties, assumptions 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.

Overview

We are a commercial-stage medical technology company focused on providing innovative soft-tissue reconstruction solutions that optimize clinical outcomes by prioritizing the preservation and restoration of the patient's own anatomy. Our growing product portfolio is purposefully designed to leverage the patient's natural healing response while minimizing long-term exposure to permanent synthetic materials. We are committed to delivering our advanced technologies with a strong economic value proposition to assist surgeons and institutions in providing next-generation soft-tissue repair solutions to more patients worldwide.

We are dedicated to building true partnerships with surgeons and healthcare providers to deliver solutions that provide both clinical and economic improvements. We believe that genuine collaboration with surgeons and healthcare providers results in the development of new solutions that empower patient care and addresses unmet needs within the soft tissue reconstruction market.

Our first portfolio of products, the OviTex Reinforced Tissue Matrix ("OviTex") which we first commercialized in the U.S. in July 2016 and in Europe in February 2019, addresses unmet needs in hernia repair and abdominal wall reconstruction by combining the benefits of biologic matrices and polymer materials while minimizing their shortcomings, at a cost-effective price.

Hernia repair is one of the most common surgeries performed in the U.S., representing approximately 1.2 million procedures annually. Based on the volume weighted average selling price of our OviTex products, we estimate the annual U.S. total addressable market opportunity for our OviTex products to be approximately $1.8 billion.

Our OviTex portfolio consists of multiple product configurations intended to address various surgical procedures within hernia repair and abdominal wall reconstruction, including ventral, inguinal, and hiatal hernia repair. In addition, we have also designed an OviTex product specifically for use in laparoscopic and robotic-assisted hernia repair, which we market as OviTex LPR and began commercializing in November 2018. In February 2023, we launched two larger configurations of OviTex LPR, designed for ventral and incisional hernias. In April 2024, we launched OviTex IHR Reinforced Tissue Matrix ("RTM"), a new OviTex configuration specifically designed to address inguinal hernia procedures performed robotically and laparoscopically in the U.S., followed by a launch in the European markets in June 2025. In April 2026, we launched OviTex RTM with Long-Term Resorbable Reinforcement (PLGA).

We have also focused on evaluating and publishing clinical data on the effectiveness and safety of our OviTex products. To date, there have been over sixty-five published or presented works relating to these clinical findings, either by us or a third-party evaluating one or more product configurations in our OviTex portfolio. In October 2022, the 24-

month results of our single arm, multicenter post-market clinical study, which we refer to as our BRAVO study, were published in the *Annals of Medicine and Surgery*. The BRAVO study was designed to evaluate the clinical performance of OviTex for primary or recurrent ventral hernias using open, laparoscopic, or robotic techniques in 92 enrolled patients. The recurrence rate at the 24-month time point was 2.6%, and surgical site occurrences ("SSOs"), were observed in 38% of the study population. Of the enrolled patients, 78% were characterized as high risk for experiencing an SSO based on at least one known risk factor, which included obesity, active smoking, chronic obstructive pulmonary disease ("COPD"), diabetes mellitus, coronary artery disease, or advanced age (≥75 years). The results also indicated that BRAVO patients experienced statistically significant and clinically meaningful improvements in their quality of life and perceived health based on patient responses to the EuroQol-5 Dimension (EQ-5D) health assessment and the validated 12-question Hernia-Related Quality of Life survey (HerQLes). In addition to the BRAVO study, we have also initiated other clinical data collection initiatives evaluating the use of OviTex across a variety of hernia and abdominal wall reconstruction procedures. Among these other initiatives, we continue to enroll patients for our BRAVO II study, a prospective study evaluating the use of OviTex in robot-assisted ventral and inguinal hernia repairs.

Our second portfolio of products, the OviTex PRS Reinforced Tissue Matrix, ("OviTex PRS") which we first commercialized in the U.S. in May 2019, addresses unmet needs in plastic and reconstructive surgery. OviTex PRS is indicated for use in implantation to reinforce soft-tissue where weakness exists in patients requiring soft-tissue repair or reinforcement in plastic and reconstructive surgery. Our OviTex PRS portfolio consists of three product configurations with two or three layers of high-quality tissue derived from ovine rumen, which is reinforced with either permanent or resorbable polymer for added strength, stabilization, and controlled stretch. These products are designed to improve outcomes by facilitating functional tissue remodeling while controlling the degree and direction of stretch. OviTex PRS Long-Term Resorbable, our most recent product configuration, launched in August 2023, and was designed to enhance the OviTex PRS portfolio with specific design features including bi-directional stretch and a fully resorbable, long-term polymer for reinforcement. In March 2025, we announced the U.S. launch of larger sizes of OviTex PRS, which we believe may reduce the need for multiple smaller pieces and have the potential to simplify more complex plastic and reconstructive procedures.

Our OviTex PRS portfolio is supported by non-human primate data that demonstrated more rapid tissue integration and tissue remodeling compared to the market leading biologic matrix used in this indication. In addition, there have been a growing number of published or presented works evaluating the use of OviTex PRS in plastic and reconstruction applications. We also continue to collect patient data in our OPERA study, a retrospective-prospective trial evaluating the safety profile of OviTex PRS in previous pre-pectoral and sub-pectoral implant-based breast reconstructions. Based on the current sales of biologic matrices in the U.S., we estimate the annual U.S. current addressable market opportunity for our OviTex PRS products to be approximately $800 million.

Our OviTex products have received 510(k) clearances from the U.S. Food and Drug Administration, ("FDA") which clearances were obtained and are currently held by our exclusive contract manufacturer of these products, Aroa. In April 2019, our first OviTex PRS products received 510(k) clearance from the FDA, which clearance was initially obtained by Aroa and is currently held by us. In March 2023, we received an additional 510(k) clearance for our OviTex PRS Long-Term Resorbable device, which is currently held by us. In May 2024, we received clearance of a Special 510(k) related to minor changes to our OviTex PRS Permanent and Short-Term Resorbable devices. In October 2024, we received approval from the FDA for our investigational device exemption application relating to the study of the safety and effectiveness of our OviTex PRS product in implant-based breast reconstruction. We continue to evaluate and finalize the clinical study protocol and anticipate additional FDA interactions related to such to support a pre-market application to obtain approval for an indication for OviTex PRS for use in breast reconstruction. In December 2024, we received clearance of a Special 510(k) related to two new additional large size product offerings in our OviTex PRS portfolio. Additionally, in September 2026, we received 510(k) clearance for our Liora Monofilament Scaffold ("Liora") product. Liora is a fully resorbable surgical mesh device for soft tissue reinforcement that will enable us to expand our footprint in the soft tissue reconstruction market and is the first implant to be fully developed in our ISO 8 certified cleanroom.

Historically, we have sought to expand our service offerings beyond our OviTex and OviTex PRS products through commercial partnerships to distribute complimentary soft tissue preservation and restoration solutions. Some additional product offerings include or have included atraumatic mesh fixation devices or surgical wound management and infection control solutions. In September 2023, we entered into a distribution agreement with Advanced Medical

Solutions Limited, a company registered in England, to distribute their LIQUIFIX Hernia Mesh Fixation Devices (LIQUIFIX FIX8™ and LIQUIFIX Precision™). In March 2024, we announced the full commercial launch of LIQUIFIX in the U.S. We previously co-developed and commercialized the NIVIS Fibrillar Collagen Pack, ("NIVIS") an absorbent matrix of Type I and Type III bovine collagen designed to manage moderately to heavily exudating wounds and to control minor bleeding, in partnership with Regenity Biosciences. In March 2024, we sold our distribution rights to MiMedx Group, Inc. in exchange for an initial $5.0 million payment and additional future payments aggregating to $3.0 million based on net sales of NIVIS (now marketed as HELIOGEN) during the first two years following its launch by MiMedx Group, Inc. All amounts have been collected as of September 30, 2026. We may assess additional strategic partnerships with medical device companies whereby we may enter into distribution, product development and/or licensing agreements for additional products complimentary to, or related to, existing and future products in our distribution channel, which could result in the payment by us of single digit percentage royalties or other product acquisition costs.

We have a broad portfolio of intellectual property protecting our products that we believe, when combined with the proprietary manufacturing processes associated with our products and our know-how, provides significant barriers to entry. Our intellectual property applies to our differentiated product construction and materials. In addition, we believe our exclusive manufacturing and long-term supply and license agreement with Aroa (the "Aroa License") creates a competitive advantage by allowing us to secure an exclusive supply of ovine rumen at a low cost. Ovine rumen, the forestomach of a sheep, is the source of the biologic material used in both of our OviTex and OviTex PRS products. We use biologic material from ovine rumen because of its plentiful supply, optimal biomechanical profile and open collagen architecture that allows for rapid cellular infiltration. Our OviTex and OviTex PRS products are manufactured by Aroa at their FDA registered and ISO 13485 compliant facility in Auckland, New Zealand. We purchase product from Aroa at a fixed transfer cost as a percentage of Aroa's cost of goods sold, and subject to a true-up adjustment, resulting in an amount equal to 27% of our net sales of our OviTex and OviTex PRS products, with the exception of OviTex IHR product configurations, for which we pay the greater of the initial fixed transfer cost or 27% of our net sales of OviTex IHR. This revenue sharing arrangement allows us to competitively price our products and pass along cost-savings to our customers.

We primarily market our products through a single direct sales force, predominantly in the U.S., with a small number of sales representatives in the United Kingdom and European Union, and also utilize a smaller number of independent contractors and distributors in the United States and certain European countries. We have invested in our direct sales and marketing infrastructure to expand our presence and to promote awareness and adoption of our products. We believe we can enhance the productivity of our sales force by improving customer segmentation and targeting, implementing and further refining our proprietary training programs, leveraging support from our medical education and medical affairs functions to drive physician awareness, education and clinical understanding of our products, and utilizing engagement analytics to support further product development and enhancement opportunities. Additionally, we have contracted with three national group purchasing organizations ("GPOs") in the United States covering our OviTex and OviTex PRS products and plan to continue to contract with additional GPOs and other integrated delivery networks ("IDNs") to increase access to and penetration of hospital accounts for all products we commercialize.

We are currently devoting research and development resources to develop additional variations of our OviTex and OviTex PRS products, including the development of OviTex configurations with longer-acting resorbable polymers and other potential product and packaging enhancements to extend the shelf life of our products. In addition, we also continue to explore the development of lower-cost, higher-margin resorbable polymer-based devices targeting our current indications. We are also exploring additional technologies that may complement our existing products, or expand the number of our products, in each case within the hernia, plastic and reconstruction, and broader soft-tissue reconstruction market. We intend to continue to make investments in research and development efforts to develop improvements and enhancements to our product portfolio.

The vast majority of our revenue to date has been generated by the sale of our OviTex products. Our revenue decreased by $1.7 million, or 8%, from $20.7 million for the three months ended September 30, 2025 to $19.0 million for the three months ended September 30, 2026 and by $2.1 million, or 4%, from $59.4 million for the nine months ended September 30, 2025 to $57.3 million for the nine months ended September 30, 2026. Our net loss increased by $0.7 million, or 8%, from $8.6 million for the three months ended September 30, 2025 to $9.3 million for the three months ended September

30, 2026 and increased by $3.0 million, or 10% from $29.8 million for the nine months ended September 30, 2025 to $32.8 million for the nine months ended September 30, 2026. We have not been profitable since inception and as of September 30, 2026, we had an accumulated deficit of $430.4 million. We expect to incur losses for the foreseeable future. We announced in August 2026 that we implemented an initiative to strengthen our cost structure and have taken actions to reduce our annual operating expenses by approximately $17.0 million across the organization driven by a targeted headcount reduction of approximately 20% and the streamlining of external resources, while preserving our ability to invest in our core growth priorities and product innovation.

Business Update Regarding Macroeconomic Conditions

Our business, results of operations and commercial operations have been, and may continue to be impacted by macroeconomic conditions outside of our control, including general economic uncertainty, external cybersecurity events impacting our customers, disruptions in supply of critical surgical supplies for procedures utilizing our products, inflationary pressures, tariffs, regulatory changes in the market in which we operate, fluctuations in foreign currency in the jurisdictions in which we operate, banking instability, monetary policy changes and geopolitical conflicts. These factors have and may continue to impact us in the following ways:

General Economic Uncertainty: Continued concerns about the systemic impact of a potential economic downturn or recession, changes in interest rates, further economic downturn or banking instability, monetary policy, changes in trade policies (including the imposition of tariffs and trade protection measures), geopolitical tensions or the outbreak of hostilities or war, have contributed to increased market volatility and diminished expectations for economic growth in the world. Due to this uncertainty and other factors, we have experienced high volatility in our stock price over the prior year. Continued uncertainty, perception of worsening market conditions and the introduction of new products which may, or may be perceived to, negatively impact the demand for our products now or in the future could result in a decline in our stock price, high inflation, an increase in our cost of capital and an adverse effect on our ability to access the capital markets in the future on terms acceptable to us or at all.

Imposition of Tariffs on Import of Product: Our OviTex and OviTex PRS products are manufactured by Aroa at their FDA registered and ISO 13485 compliant facility in Auckland, New Zealand. As of the date of this report, the U.S. has imposed a 12.5% tariff on imports from New Zealand, including on the import of medical devices. While the terms of our agreement with Aroa provide that each of Aroa and our company will share equally the cost of the tariffs, the cost to cover such tariffs could lead us to increase the price of certain of our products, which may adversely impact demand for our products and competitive positioning.

External Supply Constraints for Critical Surgical Supplies: Any disruptions to the supply of critical surgical supplies, including, for example, IV fluids, could lead to deferrals of elective surgical procedures, including those utilizing our products. To the extent that our current and prospective hospital customers experience significant shortages of these critical supplies, whether due to extreme weather events, labor or work stoppages, or other supply chain disruptions, we may experience reductions in procedural volumes that lead to lower sales volume for our products.

Financial Strain: Market acceptance of our medical products in the U.S. and other countries is dependent upon the procurement practices of our customers, patient need for our products and procedures and the reimbursement of patients' medical expenses by government healthcare programs and third-party payors. The continuing uncertainty surrounding macroeconomic conditions and financial markets may adversely affect demand for our products and procedures and result in lower reimbursement rates or coverage for our products, resulting in lower sales volume and downward pricing pressure on our products and slower adoption of new products.

Components of Our Results of Operations

Revenue

The majority of our revenue consists of direct sales of our products to hospital accounts in the U.S. Depending on the terms of our agreements with our customers, we recognize revenue related to product sales when control transfers, which generally occurs when the product is shipped to the customer, or when the product is utilized in a surgical procedure in

the case of consignment agreements. Fees charged to customers for shipping are recognized as revenue. The recent revenue decline has been driven by decreasing OviTex PRS sales and price mix headwinds in the U.S. related to growth of smaller sized units.

Cost of Revenue

Cost of revenue primarily consists of the costs of licensed products, charges related to excess and obsolete inventory adjustments, royalties and costs related to shipping, including tariffs. We purchase product from Aroa at a fixed transfer cost as a percentage of Aroa's cost of goods, which, subject to a true-up adjustment, results in an amount equal to 27% of our net sales of our OviTex and OviTex PRS products, with the exception of OviTex IHR product configurations, for which we pay the greater of the initial fixed transfer cost or 27% of our net sales of OviTex IHR. The initial term of our Aroa License terminates on the expiration of the last patent covering bovine and ovine products, with an option to extend for an additional ten-year period. We expect our cost of revenue to increase in absolute dollars as, and to the extent, our sales volume grows. Any delay in volume growth, whether due to macroeconomic pressures or otherwise, could lead to additional charges to excess and obsolete inventory.

Amortization of Intangible Assets

Amortization of intangible assets relates to the amortization of capitalized milestone amounts paid to Aroa related to license fees or commercialization rights after future economic benefit has been established for a product. These capitalized milestone amounts relate to regulatory clearances, the receipt of certain supply quantities of product, and amounts based upon aggregate net sales thresholds within a specified territory, and are amortized over the remaining useful life of the intellectual property.

Gross Profit and Gross Margin

Our gross profit is calculated by subtracting our cost of revenue and amortization of intangible assets from our revenue. We calculate our gross margin percentage as our gross profit divided by our revenue. Our gross margin has been, and we expect it will continue to be, affected by a variety of factors, including sales volume, royalties and inventory excess and obsolescence costs. Our gross profit may increase to the extent our revenue grows.

Sales and Marketing Expenses

Sales and marketing expenses consist of commercial activities related to the sale of our products, along with the salaries and related benefits, including sales commissions and stock-based compensation for employees focused on these efforts. Other significant sales and marketing expenses include costs incurred with post-market clinical studies, conferences and trade shows, promotional and marketing activities, market research, as well as travel and training expenses.

We expect future sales and marketing expenses will primarily depend on our ability to drive operational leverage and efficiencies from our commercial organization. We expect our sales and marketing expenses to continue to decrease as a percentage of revenue, as and to the extent, our revenue grows.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related benefits, including stock-based compensation for personnel in executive, finance, information technology and administrative functions. General and administrative expenses also include professional service fees for legal, accounting, consulting, investor and public relations, insurance costs and direct and allocated facility-related costs.

We expect future general and administrative expenses will primarily depend on our ability to efficiently execute on our growth initiatives. We expect our general and administrative expenses to decrease as a percentage of revenue primarily as, and to the extent, our revenue grows.

Research and Development Expenses

Research and development expenses consist primarily of product research, engineering, product development, regulatory compliance and clinical development. These expenses include salaries and related benefits including stock-based compensation, for employees focused on these efforts, consulting services, costs associated with our preclinical studies and clinical studies undertaken to obtain regulatory clearance for new or expanded product indications, costs incurred with our manufacturing partner under development agreements related to technology transfer, laboratory materials and supplies and an allocation of related facilities costs. We expense research and development costs as they are incurred.

We expect future research and development expenses will primarily depend on our ability to efficiently develop new products, enhance existing products and conduct research to generate clinical data in support of new or expanded indications for our products. We expect research and development expenses as a percentage of revenue to vary over time depending on the level and timing of new product development and clinical trial initiatives.

Other

Operating expenses classified as other are expenses which we do not consider representative of our ongoing operations. These other expenses primarily consist of employee severance expense and other legal costs related to our reduction in force.

Interest Expense

Interest expense consists of cash interest under our credit facilities and non-cash interest attributable to the amortization of deferred financing costs related to our indebtedness.

Other Income

Other income consists primarily of income earned on our cash and cash equivalents offset by miscellaneous tax expenses and foreign currency exchange gains and losses.

Results of Operations

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

	Three months ended September 30,		Change	
	2026	2025	Dollar	Percentage
	(in thousands, except percentages)			
Revenue	$ 18,959	$ 20,689	$ (1,730)	(8)%
Cost of revenue (excluding amortization of intangible assets)	6,556	6,625	(69)	(1)
Amortization of intangible assets	95	95	—	—
Gross profit	12,308	13,969	(1,661)	(12)
Gross margin	65 %	68 %		
Operating expenses:				
Sales and marketing	13,008	15,066	(2,058)	(14)
General and administrative	3,003	3,948	(945)	(24)
Research and development	1,603	2,348	(745)	(32)
Other	1,984	161	1,823	1,132
Total operating expenses	19,598	21,523	(1,925)	(9)
Loss from operations	(7,290)	(7,554)	264	(3)
Other (expense) income:				
Interest expense	(2,099)	(1,201)	(898)	75
Other income	190	152	38	25
Total other expense, net	(1,909)	(1,049)	(860)	82
Loss before income tax expense	(9,199)	(8,603)	(596)	7
Income tax expense	(103)	—	(103)	NA
Net loss	$ (9,302)	$ (8,603)	$ (699)	8 %

Revenue

Revenue decreased by $1.7 million, or 8%, to $19.0 million for the three months ended September 30, 2026, from $20.7 million for the three months ended September 30, 2025. The decrease in revenue was primarily driven by a decline in OviTex PRS which was concentrated in a few accounts partially offset by growing international sales. During the three months ended September 30, 2026, we sold 5,757 units of OviTex as compared to 5,795 units of OviTex during the three months ended September 30, 2025, a 1% decrease in unit sales volume. Additionally, we sold 946 units of OviTex PRS during the three months ended September 30, 2026 as compared to 1,334 units during the three months ended September 30, 2025, a 29% decline in unit sales volume.

Cost of Revenue

Cost of revenue (excluding amortization of intangible assets) decreased by $0.1 million, or 1%, to $6.5 million for the three months ended September 30, 2026 from $6.6 million for the three months ended September 30, 2025. The decrease in cost of revenue was primarily due to the decline in revenue partially offset by a write-off of expired inventory of $1.0 million resulting in a higher charge for excess and obsolete inventory.

Amortization of Intangible Assets

Amortization of intangible assets was $95,000 for both the three months ended September 30, 2026 and 2025.

Gross Profit

Gross profit decreased by $1.7 million, or 12%, to $12.3 million for the three months ended September 30,2026, from $14.0 million for the three months ended September 30, 2025. The decrease was primarily the result of the decline in revenue and a write-off of expired inventory of $1.0 million resulting in a higher charge for excess and obsolete inventory.

Gross Margin

Gross margin decreased to 65% for the three months ended September 30, 2026, from 68% for the three months ended September 30, 2025. The decrease was primarily due to a higher charge for excess and obsolete inventory as a percentage of revenue of 300 basis points.

Sales and Marketing

Sales and marketing expenses decreased by $2.1 million, or 14%, to $13.0 million for the three months ended September 30, 2026, from $15.1 million for the three months ended September 30, 2025. The decrease was due to lower compensation and benefits primarily from a decrease in headcount which offset higher study costs.

General and Administrative

General and administrative expenses decreased by $0.9 million, or 24%, to $3.0 million for the three months ended September 30, 2026, from $3.9 million for the three months ended September 30, 2025. The increase was primarily due to higher professional fees and bad debt expense which offset lower compensation costs from a decrease in headcount.

Research and Development

Research and development expenses decreased by $0.7 million, or 32%, to $1.6 million for the three months ended September 30, 2026 from $2.3 million for the three months ended September 30, 2025. The decrease was primarily due to lower compensation and benefits from a decrease in headcount and lower study costs.

Other

Other expenses increased by $1.8 million, to $2.0 million for the three months ended September 30, 2026 from $0.2 million for the three months ended September 30, 2025. The increase was primarily due to our reduction in force.

Interest Expense

Interest expense increased by $0.9 million, or 75% to $2.1 million for the three months ended September 30, 2026, from $1.2 million for the three months ended September 30, 2025 due to an increase in the borrowing base and the interest rate from our new credit facility.

Other Income

Other income increased by $38,000, or 25% to $0.2 million for the three months ended September 30, 2026, from $0.2 million for the three months ended September 30, 2025 primarily due to fluctuations in foreign currency adjustments.

Income Tax Expense

We recorded tax expense of $0.1 million related to our foreign jurisdiction for the three months ended September 30, 2026.

Comparison of the Nine Months Ended September 30, 2026 and 2025

	Nine Months Ended September 30,		Change	
	2026	2025	Dollar	Percentage
	(in thousands, except percentages)			
Revenue	$ 57,309	$ 59,406	$ (2,097)	(4)%
Cost of revenue (excluding amortization of intangible assets)	18,253	18,535	(282)	(2)
Amortization of intangible assets	285	285	—	—
Gross profit	38,771	40,586	(1,815)	(4)
Gross margin	68 %	68 %		
Operating expenses:				
Sales and marketing	45,460	48,289	(2,829)	(6)
General and administrative	11,221	11,910	(689)	(6)
Research and development	6,669	7,091	(422)	(6)
Other	2,520	403	2,117	525
Total operating expenses	65,870	67,693	(1,823)	(3)
Loss from operations	(27,099)	(27,107)	8	(0)
Other (expense) income:				
Interest expense	(6,228)	(3,608)	(2,620)	73
Other income	713	1,010	(297)	(29)
Total other expense, net	(5,515)	(2,598)	(2,917)	112
Loss before income tax expense	(32,614)	(29,705)	(2,909)	10
Income tax expense	(223)	(85)	(138)	162
Net loss	$ (32,837)	$ (29,790)	$ (3,047)	10 %

Revenue

Revenue decreased by $2.1 million, or 4%, to $57.3 million for the nine months ended September 30, 2026 from $59.4 million for the nine months ended September 30, 2025. The decrease in revenue was primarily driven by a decline in OviTex PRS sales and price mix headwinds in the U.S. related to growth of smaller sized units partially offset by growing international sales. During the nine months ended September 30, 2026, we sold 17,312 units of OviTex as compared to 15,965 units of OviTex during the nine months ended September 30, 2025, a 8% increase in unit sales volume. Additionally, we sold 3,129 units of OviTex PRS during the nine months ended September 30, 2026 as compared to 3,866 units during the nine months ended September 30, 2025, a 19% decline in unit sales volume.

Cost of Revenue

Cost of revenue (excluding amortization of intangible assets) decreased by $0.3 million, or 2%, to $18.3 million for the nine months ended September 30, 2026, from $18.5 million for the nine months ended September 30, 2025. The decrease in cost of revenue was primarily due to the decline in revenue offset by a refund of tariffs paid in 2025.

Amortization of Intangible Assets

Amortization of intangible assets was $0.3 million for both the nine months ended September 30, 2026 and 2025.

Gross Profit

Gross profit decreased by $1.8 million, or 4%, to $38.8 million for the nine months ended September 30, 2026, from $40.6 million for the nine months ended September 30, 2025. The decrease was primarily the result of the decrease in revenue.

Gross Margin

Gross margin was 68% for both the nine months ended September 30, 2026 and 2025.

Sales and Marketing

Sales and marketing expenses decreased by $2.8 million, or 6%, to $45.5 million for the nine months ended September 30, 2026, from $48.3 million for the nine months ended September 30, 2025. The decrease was primarily due to lower compensation costs primarily from a decrease in headcount and lower travel expenses which offset higher meeting and training costs.

General and Administrative

General and administrative expenses decreased by $0.7 million, or 6%, to $11.2 million for the nine months ended September 30, 2026, from $11.9 million for the nine months ended September 30, 2025. The increase was primarily due to increased professional fees and bad debt expense which offset lower compensation costs primarily from a decrease in headcount.

Research and Development

Research and development expenses decreased by $0.4 million, or 6%, to $6.7 million for the nine months ended September 30, 2026, from $7.1 million for the nine months ended September 30, 2025 primarily due to decreased compensation costs from an decrease in headcount and lower study and development costs.

Other

Other expenses increased by $2.1 million, to $2.5 million for the nine months ended September 30, 2026, from $0.4 million for the nine months ended September 30, 2025. The increase was primarily due to our reduction in force.

Interest Expense

Interest expense increased by $2.6 million or 73% to $6.2 million for the nine months ended September 30, 2026, from $3.6 million for the nine months ended September 30, 2025 due to an increase in the borrowing base and the interest rate from our new credit facility.

Other Income

Other income decreased by $0.3 million, or 29%, to $0.7 million for the nine months ended September 30, 2026, from $1.0 million for the nine months ended September 30, 2025 primarily due to lower interest income from lower cash balances and lower interest rates.

Income Tax Expense

We recorded tax expense of $0.2 million and $85,000 related to our foreign jurisdiction for the nine months ended September 30, 2026 and 2025, respectively.

Liquidity and Capital Resources

Overview

As of September 30, 2026, we had cash and cash equivalents of $22.7 million, negative working capital of $28.3 million due to the debt reclassification and an accumulated deficit of $430.4 million. As of December 31, 2025, we had cash and cash equivalents of $50.8 million, working capital of $57.6 million and an accumulated deficit of $397.6 million.

We have incurred operating losses since our inception, and we anticipate that our operating losses will continue in the near term as we seek to invest in our sales and marketing initiatives to support our growth in existing and new markets and in additional research and development activities. As of September 30, 2026, we had $60.0 million of borrowings

outstanding under our credit facility (the "Perceptive Credit Agreement") with Perceptive Credit Holdings V, LP ("Perceptive"). The Perceptive Credit Agreement matures in November 2030.

Based on our current business plan, our existing cash resources may not be sufficient to meet our capital requirements and fund our operations for at least the next 12 months from the issuance of this Quarterly Report. We may seek to sell common or preferred equity or debt securities or renegotiate our credit facility. In November 2023, we entered into a new Equity Distribution Agreement (the "Equity Agreement") with Piper Sandler & Co, ("Piper") in connection with the establishment of an at-the-market offering program under which we may sell shares of our common stock, from time to time through Piper as sales agent, in an initial amount of up to $50 million. No sales have ever been made under the Equity Agreement. If we raise additional funds by issuing equity or equity-linked securities, our stockholders would experience dilution and any new equity securities could have rights, preferences and privileges superior to those of holders of our common stock. Debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt. We cannot be assured that additional equity, equity-linked or debt financing will be available on terms favorable to us or our stockholders, or at all, including as a result of market volatility stemming from macroeconomic conditions, including those related to banking instability, changes in trade policies, changes in interest rates or other factors. If we are unable to obtain adequate financing, we may be required to delay or reduce the current development, commercialization and marketing plans for our products.

As further discussed in Note 3, "Going Concern" in the accompanying unaudited interim consolidated financial statements, management's current forecasts indicate it is probable that the Company will not achieve the minimum revenue threshold required under the Perceptive Credit Agreement during the twelve-month period following the issuance of these consolidated financial statements. If that were to occur, Perceptive could declare an event of default and accelerate repayment of all outstanding principal and accrued interest under the Perceptive Credit Agreement. The Company does not expect to have sufficient liquidity to repay such obligations if repayment were accelerated. These conditions and events raise doubt about the Company's ability to continue as a going concern within one year after the date these consolidated financial statements are issued.

Cash Flows

The following table summarizes our sources and uses of cash for each of the periods presented:

	Nine Months Ended September 30,	
(in thousands)	**2026**	**2025**
Cash used in operating activities	$ (29,243)	$ (23,349)
Cash provided by investing activities	1,446	654
Cash used by financing activities	(367)	(95)
Effect of exchange rate changes on cash and cash equivalents	(67)	(182)
Net decrease in cash and cash equivalents and restricted cash	$ (28,231)	$ (22,972)

Operating Activities

During the nine months ended September 30, 2026, we used $29.2 million of cash in operating activities, resulting from our net loss of $32.8 million and changes in operating assets and liabilities of $2.2 million, partially offset by our non-cash items of $5.8 million. Our non-cash items were primarily comprised of stock-based compensation expense of $2.1 million, our excess and obsolete inventory charge of $2.1 million, depreciation and amortization expense of $0.8 million and noncash interest expense of $0.7 million. The change in our operating assets and liabilities was primarily related to an increase in inventory and a decrease in accrued expenses offset by a decrease in accounts receivable. Consistent with historical trends, cash used in operations in the remaining quarter of the fiscal year ending December 31, 2026 is expected to be lower than the amount reported for the nine months ended September 30, 2026.

During the nine months ended September 30, 2025, we used $23.3 million of cash in operating activities, resulting from our net loss of $29.8 million, partially offset by our non-cash items of $6.1 million and changes in operating assets and liabilities of $0.4 million. Our non-cash items were primarily comprised of stock-based compensation expense of $3.0 million, our excess and obsolete inventory charge of $1.5 million, depreciation and amortization expense of $0.8 million

and noncash interest expense of $0.4 million. The change in our operating assets and liabilities was primarily related changes in accounts receivable and inventory offset by increases in accounts payable and accrued expenses.

Investing Activities

During the nine months ended September 30, 2026, cash provided by investing activities was $1.4 million consisting of proceeds received from the sale of NIVIS of $1.6 million offset by $0.2 million in purchases of property and equipment.

During the nine months ended September 30, 2025, cash provided by investing activities was $0.7 million consisting of proceeds received from the sale of NIVIS of $1.0 million offset by $0.4 million in purchases of property and equipment.

Financing Activities

During the nine months ended September 30, 2026, cash used in financing activities was $0.4 million, consisting primarily of payments of accrued offering costs and payments of withholding taxes related to stock-based compensation to employees partially offset by proceeds received from the issuance of common stock under the employee stock purchase plan.

During the nine months ended September 30, 2025, cash used in financing activities was $0.1 million, consisting primarily of payments of withholding taxes related to stock-based compensation to employees partially offset by proceeds received from the issuance of common stock under the employee stock purchase plan.

Indebtedness

On November 13, 2025, the Company entered into a Credit Agreement and Guaranty (the "Credit Agreement") with Perceptive, which provides for a senior secured term loan facility in an aggregate principal amount of up to $70.0 million. An initial loan in an aggregate principal amount of $60.0 million (the "Initial Loan") was funded under the Perceptive Term Loan Facility on November 14, 2025 (the "Closing Date"). In addition to the Initial Loan, the Perceptive Term Loan Facility includes an additional delayed draw loan in an aggregate principal amount of $10.0 million to be available in a single drawing after the Closing Date on or prior to the Delayed Draw Commitment Termination Date (as defined in the Credit Agreement but not later than April 30, 2027) (the "Delayed Draw Loan," together with the Initial Loan, the "Loans"), which will be accessible by the Company contingent on it achieving net revenue thresholds and satisfying certain customary conditions precedent. The Perceptive Term Loan Facility has a maturity date of November 14, 2030.

The Perceptive Term Loan Facility accrues interest at an annual rate equal to the sum of (a) an applicable margin of 7.85% (the "Applicable Margin") plus (b) the greater of (i) the Reference Rate (as defined in the Credit Agreement) and (ii) four and one quarter percent (4.25%). Accrued interest on the Term Loans is payable monthly in arrears. Upon an Event of Default (as defined in the Credit Agreement), the Applicable Margin will automatically increase by an additional 3.00% per annum.

Prior to the Maturity Date, there will be no scheduled principal payments under the Perceptive Term Loan Facility. On the Maturity Date, the Company is required to pay Perceptive the aggregate outstanding principal amount of the Loans and all accrued and unpaid interest thereon. The Term Loans may be prepaid at any time, subject to a prepayment premium equal to 2% to 10% of the aggregate outstanding principal amount being prepaid, depending on the date of prepayment.

In connection with the Credit Agreement, the Company also entered into a Security Agreement (the "Security Agreement"), dated as of the Signing Date, with Perceptive, pursuant to which all of its obligations under the Credit Agreement are secured by a first lien perfected security interest on substantially all of its existing and after-acquired assets, subject to customary exceptions.

The Credit Agreement contains certain representations and warranties, affirmative covenants, negative covenants, financial covenants, and conditions that are customarily required for similar financings. The affirmative covenants,

among other things, require the Company to undertake various reporting and notice requirements, maintain insurance and maintain in full force and effect all Regulatory Approvals, Material Agreements, Intellectual Property (each as defined in the Credit Agreement) and other rights, interests or assets (whether tangible or intangible) reasonably necessary for the operations of its business. The negative covenants restrict or limit the Company's ability to, among other things and subject to certain exceptions contained in the Credit Agreement, incur new indebtedness; create liens on assets; engage in certain fundamental corporate changes, such as mergers or acquisitions, or changes to the Company's business activities; make certain Investments or Restricted Payments (each as defined in the Credit Agreement); change the Company's fiscal year; pay dividends; repay other certain indebtedness; engage in certain affiliate transactions; or enter into, amend or terminate any other agreements that has the impact of restricting the Company's ability to make loan repayments under the Credit Agreement. In addition, the Company must (i) at all times prior to the Maturity Date, maintain minimum Liquidity (as defined in the Credit Agreement) of $5.0 million and (ii) as of each calculation date set forth in the Credit Agreement, maintain Revenue that is not less than the amounts specified in the Credit Agreement. The Credit Agreement also contains certain customary Events of Default which include, among others, non-payment of principal, interest, or fees, violation of covenants, inaccuracy of representations and warranties, bankruptcy and insolvency events, material judgments, cross-defaults to material contracts, certain regulatory-related events and events constituting a change of control. The occurrence of an Event of Default could result in, among other things, the declaration that all outstanding principal and interest under the Perceptive Term Loan Facility are immediately due and payable in whole or in part.

On September 28, 2026, the Company entered into the "Limited Consent with Perceptive, pursuant to the Limited Consent, the Consenting Lenders (as defined in the Limited Consent) agreed that the minimum Revenue (as defined in the Credit Agreement) covenant set forth in Section 10.02 of the Credit Agreement shall not be tested with respect to the fiscal quarters ending on or about September 30, 2026 and December 31, 2026. If the Company fails to satisfy the applicable covenant requirements and does not obtain a waiver or amendment from Perceptive in the periods tested following December 31, 2026, the lender could declare an event of default and accelerate repayment of all outstanding principal and accrued interest under the Credit Agreement.

Contractual Obligations and Commitments

As of September 30, 2026, there were no significant changes to our commitments and future minimum contractual obligations as set forth in our Annual Report.

Critical Accounting Policies and Significant Judgments and Estimates

The Critical Accounting Policies and Significant Judgments and Estimates included in our Annual Report have not materially changed.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our cash is held on deposit in demand accounts at high-credit-quality financial institutions in amounts in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance coverage limit of $250,000 per depositor, per FDIC-insured bank, per ownership category. Following the events relating to Silicon Valley Bank in 2023, we established a redundant account at a high-credit-quality financial institution to mitigate liquidity risk to our cash and cash equivalents from any further instability in the financial industry. We have reviewed the consolidated financial statements of these financial institutions and believe they have sufficient assets and liquidity to conduct their operations in the ordinary course of business with little or no credit risk to us.

Financial instruments that potentially subject us to concentrations of credit risk principally consist of cash equivalents and accounts receivable. We limit our credit risk associated with cash equivalents by placing investments in highly-rated

money market funds. We limit our credit risk with respect to accounts receivable by performing credit evaluations when deemed necessary, but we do not require collateral to secure amounts owed to us by our customers.

As discussed above in the section of this Quarterly Report entitled "Liquidity and Capital Resources — Indebtedness," the Perceptive Credit Agreement bears interest at a floating rate of interest, which resets monthly and is equal to 7.85% plus the greater of one-month Term SOFR or 4.25%. As a result, we are exposed to risks from changes in interest rates. A 1% increase in interest rates would have resulted in a $0.5 million increase to our interest expense for the nine months ended September 30, 2026.

Inflationary factors, such as increases in our cost of revenue and operating expenses, may adversely affect our operating results. Although we do not believe inflation has had a material impact on our financial condition, results of operations or cash flows to date, a high rate of inflation in the future may have an adverse effect on our ability to maintain and increase our gross margin or decrease our operating expenses as a percentage of our revenue if our selling prices of our products do not increase as much or more than our costs increase.

We do not currently have any material exposure to foreign currency fluctuations and do not engage in any hedging activities as part of our normal course of business.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation and supervision of our Chief Executive Officer have evaluated our disclosure controls and procedures (as defined in Rules 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 that evaluation, our Chief Executive Officer has concluded that, as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are not currently subject to any material legal proceedings.

Item 1A. Risk Factors.

You should carefully consider the risk factors described in our Annual Report and our Quarterly Reports, under the caption "Item 1A. Risk Factors." There have been no material changes in our risk factors disclosed in our Annual Report and Quarterly Reports.

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

Recent Sales of Unregistered Securities

None.

Purchase of Equity Securities

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements

During the three months ended September 30, 2026, none of our directors or officers adopted, terminated or modified a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as defined in Item 408(a) of Regulation S-K of the Exchange Act.

Item 6. Exhibits.

The following exhibits are being filed herewith:

EXHIBIT INDEX

Exhibit No.	Exhibit
10.1#	Employment Agreement, dated as of August 3, 2026, by and between the Company and Heather Getz.
10.2#	Separation Agreement and General Release, dated as of August 7, 2026, by and between the Company and Antony Koblish.
10.3#	Separation Agreement and General Release, dated as of August 31, 2026, by and between the Company and Roberto Cuca.
10.4	Limited Consent to Credit Agreement and Guaranty, dated as of September 28, 2026, by and among the Company and the Lenders party thereto and Perceptive Credit Holdings V, LP, as administrative agent and collateral agent.
31.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Rules 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101 INS	Inline XBRL Instance Document (filed herewith).
101 SCH	Inline XBRL Taxonomy Extension Schema Document (filed herewith).
101 CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document (filed herewith).
101 DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document (filed herewith).
101 LAB	Inline XBRL Taxonomy Extension Label Linkbase Document (filed herewith).
101 PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document (filed herewith).
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

# Indicates a management contract or any compensatory plan, contract or arrangement.

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.

TELA BIO, INC.

Date: November 10, 2026

By: /s/ HEATHER GETZ
Heather Getz
Chief Executive Officer
(Principal executive and principal financial officer)

Date: November 10, 2026

By: /s/ MEGAN SMEYKAL
Megan Smeykal
Chief Accounting Officer and Controller
(Principal accounting officer)

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement"), dated as of August 3, 2026, is made and entered into by and between TELA Bio, Inc., a Delaware corporation (the "Company"), and Heather Getz (the "Executive").

WHEREAS, the Company desires to employ the Executive and the Executive desires to be employed by the Company on the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and intending to be bound hereby, the parties agree as follows:

1. Duration of Agreement. This Agreement shall be effective as of the first date Executive begins employment with the Company (the "Effective Date"). Unless terminated or amended in writing by the parties, this Agreement will govern the Executive's employment by the Company until that employment ceases in accordance with Section 5 hereof.

2. Position; Duties. The Executive will be employed as the Company's Chief Executive Officer, reporting directly to the Company's Board of Directors (the "Board"). In such position, the Executive shall perform such duties and shall have such authority consistent with such position as may be assigned to her from time to time by the Board including, but not limited to, the responsibility and authority over the administration, management and supervision of the business of the Company. The Executive shall devote her best efforts and all of her business time and services to the Company and its Affiliates. The Executive shall not, in any capacity, engage in other business activities or perform services for any other Person without the prior written consent of the Board; provided, however, that without such consent, the Executive may engage in charitable or public service, and serve on the Boards of Myomo, Inc. and Vital Connect, Inc., so long as such activities do not interfere with the Executive's performance of her duties and obligations hereunder.

3. Place of Performance. The Executive may perform the services hereunder at, among other locations, the principal executive offices of the Company, the Executive's home office and/or during business related travel.

4. Compensation.

4.1. Base Salary. The Executive's annual salary will be $650,000 (the "Base Salary"). The Company shall pay the Base Salary, less such withholdings and deductions as required by applicable law, to the Executive in accordance with the Company's usual payroll practices as in effect from time to time. The Base Salary shall be reviewed on an annual basis by the Board and may be adjusted from time to time by the Board; *provided*, *however*, that any decrease in the Base Salary shall be made only if the Company contemporaneously decreases the salaries of all senior executives and vice presidents of the Company and the Executive's Base Salary is decreased by a percentage that is not greater than the average percentage by which the salaries of such other senior executives and vice presidents are decreased.

4.2. Annual Bonus. Executive will be eligible to participate in an annual incentive program established by the Board. Executive's annual incentive compensation under

such incentive program (the "Annual Bonus") shall be targeted at 100% of Executive's Base Salary (the "Target Bonus"). The Annual Bonus payable under the incentive program shall be based on the achievement of performance goals to be determined by the Board. The Annual Bonus for 2026 year will be prorated based on the Effective Date. Executive must be employed by the Company on the date the Annual Bonus is paid in order to receive it. Any Annual Bonus earned will be paid at the same time annual bonuses are paid to other executives of the Company generally, subject to Executive's continuous employment through the date of payment, except as otherwise provided in Section 5.

4.3. Employee Benefits. The Executive will be eligible to participate in the employee benefit plans, policies or arrangements maintained by the Company for its senior executive employees generally, subject to the terms and conditions of such plans, policies or arrangements; *provided, however,* that this Agreement will not limit the Company's ability to amend, modify or terminate such plans, policies or arrangements at any time for any reason.

4.4. Paid Time Off. Subject to the terms and conditions of the Company's policy, as may be amended from time to time, the Executive will be eligible for four weeks of paid time off each calendar year.

4.5. Reimbursement of Expenses. The Company will pay or reimburse the Executive for all reasonable business expenses incurred or paid by the Executive in the performance of her duties and responsibilities for the Company in accordance with the business expense reimbursement policies of the Company, as may be amended from time to time.

4.6. Equity Award. The Company will grant to the Executive (i) a stock option with respect to 1,365,000 shares (the "Initial Option") of the Company's common stock, (ii) a stock option with respect to 1,005,000 shares (the "Premium Option" and, together with the "Initial Option", the "Options") of the Company's common stock and (iii) Restricted Stock Units ("Initial RSUs" and, together with the Options, the "Initial Grants") covering 500,00 shares of the Company's common stock. The Initial Option will have an exercise price per share equal to the fair market value of the Company's common stock on the date of grant, and the Premium Option will have an exercise price equal to a 15% premium to the fair market value of the Company's common stock on the date of grant. The Initial RSUs will represent a right to receive the applicable number of shares of the Company's common stock upon fulfillment of the applicable vesting criteria. Each Option will vest and become exercisable as follows: 25% of such Option will vest and become exercisable on the first anniversary of the date of grant, and the remaining 75% of such Option will vest and become exercisable in equal monthly installments (on the last day of each of the 36 calendar months immediately following the first anniversary of the grant date), subject in each case to the Executive's continued employment with the Company through the applicable vesting date. The Initial RSUs will vest in equal 25% annual installments over four years based on date of grant, subject in each case to the Executive's continued employment with the Company through the applicable vesting date. The grant date for the Initial Grants will be set by the Board or Compensation Committee at the time of approval and each award shall be granted either under the inducement award exception set forth in Nasdaq Marketplace Rule 5635(c)(4) outside of the Company's Amended and Restated 2019 Equity Incentive Plan (the "2019 Plan") or under the 2019 Plan, in the discretion of the Board or Compensation Committee. In addition, in the event the Company consummates one or more

public or private equity financings within the 18 month period following the Effective Date (which, for the avoidance of doubt, shall exclude any issuances of the Company's securities pursuant to its employee benefits or incentive plans, including the 2019 Plan and the 2019 Employee Stock Purchase Plan, inducement awards, and the conversion or exercise of any securities issues pursuant to such plans or awards, and the exercise of any pre-funded warrants outstanding as of the date hereof), the Executive shall be entitled to additional equity grants (the "Top-Up Grants") such that the aggregate number of shares subject to the Initial Grants and Top-Up Grants is equal to 5% of the total number of shares issued and outstanding of the Company as of immediately following such equity financing (including, for this purpose, shares underlying pre-funded warrants). Such Top-Up Grants shall be in the form of options, premium options and RSUs, to be granted in the same proportion as the Initial Grants.

5. Termination; Severance. The Executive's employment hereunder shall terminate (i) on the date following written notice from the Company that Executive's employment with the Company will be terminated, (ii) on the date not less than 30 days following written notice from the Executive that she is resigning from the Company, (iii) on the date of Executive's death or (iv) on the date of Executive's Disability, as reasonably determined by the Company. Upon cessation of Executive's employment for any reason, unless otherwise consented to in writing by the Board, the Executive shall resign immediately from any and all officer, director and other positions she then holds with the Company and/or its Affiliates. Upon any cessation of her employment with the Company, the Executive shall be entitled only to such compensation and benefits as described in this Section 5.

5.1. Termination without Cause or upon Good Reason. If the Executive's employment by the Company ceases due to a termination by the Company without Cause (as defined below) or a termination by the Executive for Good Reason (as defined below), the Company shall:

5.1.1. pay to the Executive all accrued and unpaid Base Salary through the termination date at the time such Base Salary would otherwise be paid according to the Company's usual payroll practices;

5.1.2. pay to the Executive any accrued and unpaid Annual Bonus for the year preceding the year in which the termination date occurs at the time such Annual Bonus would otherwise be paid in accordance with Section 4.2;

5.1.3. pay to the Executive an amount in cash equal to 100% of the Executive's then current Base Salary, payable in the form of salary continuation in regular installments over a period of twelve (12) months following the termination date, or, in the event that the termination occurs on or within the Change of Control Period, 150% of the Executive's then current Base Salary, payable in the form of salary continuation in regular installments over a period of eighteen (18) months following the termination date (such 12- or 18-month period, as applicable, the "Severance Period"), in any case, in accordance with the Company's normal payroll practices;

5.1.4. subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under

the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the twelve (12) month anniversary of the date of termination; (B) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's health continuation rights under COBRA; *provided, however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates; and

5.1.5. in the event that the termination occurs on or within the Change of Control Period, (i) pay to the Executive an amount equal to 150% of the Executive's then current Target Bonus, (ii) pay to the Executive a pro-rated portion (based on the number of days Executive was employed by the Company during the calendar year in which the termination date occurs) of the Annual Bonus that Executive would have earned had Executive remained employed through the end of the calendar year in which Executive's termination date occurs, as determined by the Board in good faith; *provided* that such pro-rated Annual Bonus shall be paid out at the same time annual bonuses are paid generally to other executives of the Company for the relevant year, but in no event later than March 15th of the year immediately following that in which the termination date occurs, and (iii) the vesting and, if applicable, exercisability shall be accelerated (and, if applicable, all restrictions and rights of repurchase on such awards shall lapse) effective as of immediately prior to the termination date with respect to 100% of the shares subject to Executive's then outstanding equity awards; provided, however, that for any awards that vest in whole or in part based on the attainment of performance-vesting conditions, the service-vesting conditions (if any) of such award shall be deemed satisfied, while the performance-vesting conditions of such award shall remain eligible to be achieved based upon the actual level of performance of the applicable performance criteria under the applicable award agreement in accordance with its terms.

5.1.6. Except as otherwise provided in this Section 5.1, all compensation and benefits will cease at the time of the Executive's cessation of employment and the Company will have no further liability or obligation by reason of such cessation of employment. The payments and benefits described in this Section 5.1 are in lieu of, and not in addition to, any other severance arrangement maintained by the Company. Notwithstanding any provision of this Agreement, the payments described in Section 5.1 (other than Section 5.1.1) are conditioned on: (a) the Executive's execution and delivery to the Company of a separation agreement that contains a general release of claims against the Company and its Affiliates substantially in form and substance satisfactory to the Company (the "Release") and on such Release becoming irrevocable by the 60th day following the effective date of the Executive's cessation of employment; (b) the Executive's continued compliance with the provisions of the Restrictive Covenant Agreement (as defined below); and (c) the Company being financially solvent at the time any such severance payment becomes due, and further provided that the payment of any such severance amounts would not cause the Company to become insolvent. For purposes of

this Agreement, the Company shall be considered financially solvent if the Company's then current assets exceed its then current liabilities and the Company is able to pay its debts as they become due. Subject to Section 5.3 below, to the extent that any payments under this Section 5.1 (other than Section 5.1.1) are delayed pursuant to the execution and nonrevocation of the Release, the delayed amounts will be paid in a lump sum as soon as administratively practicable after the Release becomes irrevocable, provided that if the 60 day period described above begins in one taxable year and ends in a second taxable year, the payment of the delayed amounts and the commencement of the remaining payments shall not occur until the second taxable year.

5.2. Other Terminations. If the Executive's employment with the Company ceases for any reason other than as described in Section 5.1 above (including but not limited to (a) termination by the Company for Cause, (b) resignation by the Executive without Good Reason, (c) termination as a result of the Executive's Disability, or (d) the Executive's death), then the Company's obligation to the Executive will be limited solely to the payment of accrued and unpaid Base Salary as described in Section 5.1.1 through the date of such cessation of employment and, in the case of Executive's death or Disability, Annual Bonus as described in Section 5.1.2. All compensation and benefits will cease at the time of such cessation of employment and, except as otherwise provided by COBRA, the Company will have no further liability or obligation by reason of such termination. The foregoing will not be construed to limit the Executive's right to payment or reimbursement for claims incurred prior to the date of such termination under any insurance contract funding an employee benefit plan, policy or arrangement of the Company in accordance with the terms of such insurance contract.

5.3. Compliance with Section 409A. Notwithstanding anything to the contrary in this Agreement, no portion of the benefits or payments to be made under Section 5.1 will be payable until the Executive has a "separation from service" from the Company within the meaning of Section 409A of the Code. In addition, to the extent compliance with the requirements of Treas. Reg. § 1.409A-3(i)(2) (or any successor provision) is necessary to avoid the application of an additional tax under Section 409A of the Code to payments due to the Executive upon or following her "separation from service", then notwithstanding any other provision of this Agreement (or any otherwise applicable plan, policy, agreement or arrangement), any such payments that are otherwise due within six months following the Executive's "separation from service" (taking into account the preceding sentence of this paragraph) will be deferred without interest and paid to the Executive in a lump sum on the earlier of (i) the expiration of such six month period and (ii) the date of Executive's death. This paragraph should not be construed to prevent the application of Treas. Reg. § 1.409A-1 (b)(9)(iii) (or any successor provision) to amounts payable hereunder. For purposes of the application of Section 409A of the Code, each payment in a series of payments will be deemed a separate payment.

6. Restrictive Covenants. As a condition to the effectiveness of this Agreement, the Executive will execute and deliver to the Company contemporaneously herewith a Confidential Information, Non-Competition and Assignment Agreement in the form attached hereto as Exhibit A (the "Restrictive Covenant Agreement"). The Executive agrees to abide by the terms of the Restrictive Covenant Agreement, which are hereby incorporated by reference into this Agreement. The Executive acknowledges that the terms of the Restrictive Covenant Agreement

shall continue to remain in full force and effect following the cessation of the Executive's employment with the Company for any reason.

7. Certain Definitions. For purposes of this Agreement:

7.1. "Affiliate" means, with respect to any specified Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person, provided that, in any event, any business in which the Company has any direct ownership interest shall be treated as an Affiliate of the Company.

7.2. "Cause" means (i) indictment, commission of, or the entry of a plea of guilty or no contest to, (A) a felony or (B) any crime (other than a felony) that causes the Company or its Affiliates public disgrace or disrepute, or adversely affects the Company's or its Affiliates' operations or financial performance or the relationship the Company has with its Affiliates, customers and suppliers; (ii) commission of an act of gross negligence, willful misconduct, fraud, embezzlement, theft or material dishonesty with respect to the Company or any of its Affiliates; (iii) a breach of the Executive's fiduciary duty of loyalty to the Company or any of its Affiliates; (iv) alcohol abuse or use of controlled substances (other than prescription drugs taken in accordance with a physician's prescription); (v) material breach of any agreement with the Company or any of its Affiliates, including this Agreement and the Restrictive Covenant Agreement; (vi) a material breach of any Company policy regarding employment practices; or (vii) refusal to perform the lawful directives of the Board, if not cured within 30 days following receipt by the Executive from the Company of written notice thereof.

7.3. "Change of Control" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events: (A) any sale, lease, exclusive license or other transfer of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole by means of a single transaction or series of related transactions, except where such sale, lease, exclusive license or other transfer is to a wholly owned Subsidiary of the Company; or (B) any transaction or series of transactions involving the Company, or its securities, whether by consolidation, merger, purchase of shares of capital stock or other reorganization or combination or otherwise, in which the holders of the Company's outstanding shares of capital stock immediately prior to such transaction or series of related transactions own, immediately after such transaction or series of related transactions, securities representing fifty percent (50%) or less of the voting power of the entity surviving such transaction or series of related transactions or the entity whose securities are issued pursuant to such transaction or series of related transactions.

7.4. "Change of Control Period" means the period beginning on the date of the consummation of a Change in Control and ending on the first anniversary of such date.

7.5. "Code" means the Internal Revenue Code of 1986, as amended.

7.6. "Control" (including, with correlative meanings, the terms "Controlled by" and "under common Control with"), as used with respect to any Person, means the direct or

indirect possession of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

7.7. "Disability" means the Executive is disabled and unable to perform or expected to be unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 et seq. and the Americans with Disabilities Act, 42 U.S.C. §12101 et seq. Termination as a result of a Disability will not be construed as a termination by the Company "without Cause."

7.8. "Good Reason" means one or more of the following: (i) a material reduction in the Executive's title, duties, authority or responsibilities, provided that a material reduction of the Executive's title, duties, authority or responsibilities hereunder shall be deemed not to have occurred if, following a Change of Control, (A) if the Company remains a separate entity, Executive is the most senior executive directly responsible for the operations of the Company, or (B) if the Company does not remain a separate entity, Executive is the most senior executive directly responsible for the operations of the acquiring entity that are comprised of the former business of the Company; (ii) a material breach of this Agreement by the Company; (iii) a material reduction in Base Salary or Target Bonus by the Company to the Executive that is not in accordance with Sections 4.1 or 4.2 and to which the Executive has not provided written consent; or (iv) any requirement following a Change of Control that the Executive be based 50 or more miles from the facility where the Executive is based immediately prior to the Change of Control. The notice by the Executive of the condition constituting Good Reason under this Agreement shall be provided to the Company in writing within ninety (90) days of the initial existence of the condition constituting Good Reason, the Company shall then have thirty (30) days after receipt of such written notice to remedy the condition, and in the event the Company fails to remedy the condition, the Executive's resignation based on such Good Reason must be effective within thirty (30) days after the expiration of such remedy period.

7.9. "Person" means any individual, firm, corporation, partnership, limited liability company, trust, joint venture, association, governmental entity, unincorporated entity or other entity.

7.10. "Subsidiary" means any corporation, limited liability company, partnership or other entity of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company.

8. Miscellaneous.

8.1. Cooperation. The Executive further agrees that, subject to reimbursement of her reasonable expenses, she will cooperate fully with the Company and its counsel with respect to any matter (including litigation, investigations, or governmental proceedings) in which the Executive was in any way involved during her employment with the Company. The Executive shall render such cooperation in a timely manner on reasonable notice from the Company, so long as the Company exercises commercially reasonable efforts to schedule and limit its need for the Executive's cooperation under this paragraph so as not to interfere with the Executive's other personal and professional commitments.

8.2. Section 409A.

8.2.1. Notwithstanding anything herein to the contrary or otherwise, except to the extent any expense, reimbursement or in-kind benefit provided to the Executive does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code, and its implementing regulations and guidance, (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to the Executive in any other calendar year, (ii) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred and (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

8.2.2. Anything to the contrary herein notwithstanding, all benefits or payments provided by the Company to the Executive that would be deemed to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code are intended to comply with Section 409A of the Code. Notwithstanding anything in this Agreement to the contrary, distributions may only be made under this Agreement upon an event and in a manner permitted by Section 409A of the Code or an applicable exemption.

8.3. Section 280G. Notwithstanding any other provision of this Agreement, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 5 above, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total

Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). The reduction of the Total Payments contemplated in this Section 8.3 shall be implemented by determining the Parachute Payment Ratio (as defined below), as determined in good faith by the Company (or its successor), for each Total Payment and then reducing the Total Payments in order beginning with the Total Payment with the highest Parachute Payment Ratio. For Total Payments with the same Parachute Payment Ratio, such Total Payments shall be reduced based on the time of payment of such Total Payments, with amounts having later payment dates being reduced first. For Total Payments with the same Parachute Payment Ratio and the same time of payment, such Total Payments shall be reduced on a pro rata basis (but not below zero) prior to reducing Total Payments with a lower Parachute Payment Ratio. For purposes hereof, the term "Parachute Payment Ratio" shall mean a fraction, (x) the numerator of which is the value of the applicable Total Payment (as calculated for purposes of Section 280G of the Code), and (y) the denominator of which is the intrinsic (i.e., economic) value of such Total Payment.

8.4. Other Agreements. The Executive represents and warrants to the Company that there are no restrictions, agreements, including but not limited to confidentiality, non-compete, invention assignment, or consulting agreements, or understandings whatsoever to which she is a party that would prevent or make unlawful her execution of this Agreement, that would be inconsistent or in conflict with this Agreement or the Executive's obligations hereunder, or that would otherwise prevent, limit or impair the performance by the Executive of her duties under this Agreement.

8.5. Successors and Assigns. The Company may assign this Agreement to any Affiliate or to any successor to its assets and business by means of liquidation, dissolution, merger, sale of assets or otherwise. Upon such assignment, the rights and obligations of the Company hereunder shall become the rights and obligations of such Affiliate or successor. For avoidance of doubt, a termination of the Executive's employment by the Company in connection with a permitted assignment of the Company's rights and obligations under this Agreement is not a termination "without Cause" so long as the assignee offers employment to the Executive substantially on the terms herein specified (without regard to whether the Executive accepts employment with the assignee). The rights and duties of the Executive hereunder are personal to Executive and may not be assigned by her.

8.6. Governing Law and Enforcement. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the principles of conflicts of laws. Any legal proceeding arising out of or relating to this Agreement will be instituted in a state or federal court in the Commonwealth of Pennsylvania, and the Executive and the Company hereby consent to the personal and exclusive jurisdiction of such court(s) and hereby waive any objection(s) that they may have to personal jurisdiction, the laying of venue of any such proceeding and any claim or defense of inconvenient forum.

8.7. Waivers. The waiver by either party of any right hereunder or of any breach by the other party will not be deemed a waiver of any other right hereunder or of any other breach by the other party. No waiver will be deemed to have occurred unless set forth in writing. No waiver will constitute a continuing waiver unless specifically stated, and any waiver will operate only as to the specific term or condition waived.

8.8. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. However, if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced as though the invalid, illegal or unenforceable provision had never been herein contained.

8.9. Survival. This Agreement will survive the cessation of the Executive's employment to the extent necessary to fulfill the purposes and intent of this Agreement.

8.10. Notices. Any notice or communication required or permitted under this Agreement will be made in writing and (a) sent by reputable overnight courier, (b) mailed by overnight U.S. express mail, return receipt requested or (c) sent by telefax. Any notice or communication to the Executive will be sent to the address contained in her personnel file. Any notice or communication to the Company will be sent to the Company's principal executive offices, to the attention of the Board. Notwithstanding the foregoing, either party may change the address for notices or communications hereunder by providing written notice to the other in the manner specified in this paragraph.

8.11. Withholding. All payments (or transfers of property) to the Executive will be subject to tax withholding to the extent required by applicable law.

8.12. Section Headings. The headings of sections and paragraphs of this Agreement are inserted for convenience only and will not in any way affect the meaning or construction of any provision of this Agreement.

8.13. Counterparts; Facsimile. This Agreement may be executed in multiple counterparts (including by facsimile signature), each of which will be deemed to be an original, but all of which together will constitute but one and the same instrument.

8.14. Entire Agreement; Amendments. This Agreement contains the entire agreement and understanding of the parties hereto relating to the subject matter hereof, and supersedes all prior discussions, agreements and understandings of every nature relating to that subject matter, except for the Restrictive Covenant Agreement. This Agreement may not be changed or modified, except by an agreement in writing signed by each of the parties hereto.

8.15. Policies. Executive acknowledges that Executive shall be subject to, and hereby agrees to abide by the terms of, Company policies in effect from time to time, including, without limitation, any clawback or recoupment policies, securities trading policies and stock ownership guidelines.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Executive has executed this Agreement, in each case on the date first above written.

COMPANY:

TELA Bio, Inc.

By: /s/Joseph Capper
Name: Joseph Capper
Title: Chairman of the Board of Directors

EXECUTIVE:

/s/ Heather Getz
Heather Getz

(Signature Page to Amended and Restated Employment Agreement)

Exhibit 10.2

SEPARATION AGREEMENT AND GENERAL RELEASE

This **SEPARATION AGREEMENT AND GENERAL RELEASE**, dated August 3, 2026 (the "Agreement"), is between Antony Koblish ("Executive") and TELA Bio, Inc. ("TELA Bio" or the "Company").

WHEREAS, TELA Bio and Executive entered into that certain Amended and Restated Employment Agreement, dated October 25, 2019 (the "Employment Agreement");

WHEREAS, in accordance with Section 5 of the Employment Agreement, TELA Bio has provided Executive with written notice of termination of the Employment Agreement and termination of Executive's employment with TELA Bio without Cause, effective on August 3, 2026 (the "Separation Date"); and

WHEREAS, in accordance with Section 5.1.6 of the Employment Agreement, Executive is eligible for certain separation benefits conditioned on his signing this Agreement and a release of claims;

NOW, THEREFORE, in consideration of the promises, the mutual covenants of the Executive and TELA Bio (collectively the "Parties") herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, it is agreed as follows:

1. **Separation from Employment**. Executive is terminated without Cause, effective as of the Separation Date.

2. **Resignation from Positions with Company**. As of the Separation Date, Executive resigns, effective immediately, from all officer, director, and other positions he holds with the Company and/or its affiliates.

3. **Benefits Regardless of Execution of this Agreement**. Regardless of whether Executive executes this Agreement, the Company shall provide Executive with the following:

    a. Pay to the Executive all accrued and unpaid Base Salary through the Separation Date at the time such Base Salary would otherwise be paid according to the Company's usual payroll practices.

    b. Executive's health insurance benefits (medical, dental and vision) will end on August 31, 2026. Beginning on September 1, 2026, Executive may elect to continue health insurance coverage, at Executive's sole expense, under the federal law commonly known as "COBRA." Information regarding COBRA continuation coverage will be provided to Executive under separate cover.

4. **Severance and Benefits Upon Execution of Agreement.** Conditioned on the Executive's execution and delivery of this Agreement and Release to the Company and on such Release becoming irrevocable by the sixtieth (60^{th}) day following the Separation Date, as well as

Executive's continued compliance with the terms and conditions of this Agreement the Company will:

a. Make severance payments to the Executive in the form of continuation of the Executive's current Base Salary for a period of twelve (12) months (the "Severance Payments"). To the extent that any Severance Payments are delayed pending the Release becoming irrevocable, the delayed amounts will be paid in a lump sum as soon as administratively practicable after the Release becomes irrevocable. The remainder of the Severance Payments will be paid thereafter in accordance with the Company's normal payroll practices; and

b. Provided that Executive is eligible for and timely elects to continue his health, dental and vision coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), the Company will pay COBRA premiums on Executive's behalf for a period of twelve (12) months, under the same terms and conditions as if Executive was an active employee. At the end of the twelve (12)-month period, Executive may continue COBRA coverage at his sole expense, to the extent he remains eligible to so continue COBRA coverage.

c. Notwithstanding anything to the contrary in the applicable equity agreement(s) between the Executive and the Company and the applicable Company equity plan (the "Equity Documents"), all equity awards held by the Executive shall immediately accelerate and become fully vested and exercisable or nonforfeitable as of the later of (i) the Separation Date or (ii) the Effective Date (the "Accelerated Vesting Date"); provided that in order to effectuate the accelerated vesting contemplated by this subsection, the unvested portion of the equity awards that would otherwise be forfeited on the Separation Date will be delayed until the earlier of (A) the Effective Date (at which time acceleration will occur), or (B) the date that the Agreement can no longer become fully effective (at which time the unvested portion of such equity awards will be forfeited); provided further that, for any awards that vest in whole or in part based on the attainment of performance-vesting conditions, only the service-vesting conditions (if any) of such award shall be deemed satisfied, while the performance-vesting conditions of such award shall remain eligible to be achieved based upon actual performance over the remainder of the applicable performance period. Notwithstanding the foregoing, no additional vesting of the Executive's equity awards shall occur during the period between the Separation Date and the Accelerated Vesting Date.

d. Subject to Board approval, the period during which the Executive may exercise his outstanding options (including any options accelerated in accordance with the foregoing Section 4(c)) shall be extended until the earlier of (i) December 31, 2027 and (ii) the applicable expiration date set forth in the Equity Documents, subject to earlier termination in the event of a Change in Control (as defined in the Equity Documents) (the "Exercise Period Extension"). The Executive acknowledges that as a result of the Exercise Period Extension, any options intended to qualify as "incentive stock options" under Section 422 of the Internal Revenue Code, as

amended (the "Code") may no longer so qualify. The Executive is advised to seek tax guidance from his personal tax advisors with regard to the effect of the Exercise Period Extension on the tax treatment of the Executive's stock options. Except as set forth in Sections 4(c) and (d), the terms of the Equity Documents shall continue in full force in all respects.

5. **Release.** In consideration of the foregoing, Executive freely and voluntarily releases and discharges the Company, its affiliated and related entities, their respective predecessors, successors and assigns, their respective employee benefit plans and fiduciaries of such plans, and their current and former officers, directors, shareholders, employees, attorneys, accountants and agents of each of the foregoing in their official and personal capacities (collectively, "Protected Parties"), from any and all suits, causes of action, complaints, obligations, demands, promises or claims of any kind, whether in law or in equity, direct or indirect, known or unknown, foreseen or unforeseen (hereinafter "Claims"), which Executive ever had or now have against the Company or any Protected Party (the "Release"). This Release specifically includes, but is not limited to, any and all Claims:

    a. That could be brought under any federal, state or local law, including but not limited to the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Genetic Information Nondiscrimination Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act, the Equal Pay Act, the Pennsylvania Human Relations Act, the Pennsylvania Wage Payment and Collection Law, the Pennsylvania Minimum Wage Act, all as amended, and any comparable statute of any other state, county or locality;

    b. That relate to Executive's employment by and termination of employment with the Company;

    c. For compensation and benefits, including without limitation, salary, severance pay, separation pay, commissions, incentive pay, stock, stock options, vacation pay, sick pay, or bonuses;

    d. For wrongful or constructive discharge or breach of contract (whether express or implied);

    e. For alleged employment discrimination and/or retaliation on the basis of any legally protected characteristic, including but not limited to age, race, color, religion, sex, sexual orientation, gender identity or expression, national origin, veteran status, and/or handicap, disability, or any other protected class in violation of any federal, state, or local statute, ordinance, judicial precedent, or executive order;

    f. Under any federal or state statute relating to employee benefits or pensions;

    g. In tort (including but not limited to any claims for misrepresentation, defamation, interference with contract or prospective economic advantages, intentional

infliction of emotional distress, or negligence);

h. For additional compensation or damages of any kind; and

i. For attorney's fees and costs.

6. **Covenant Not to Sue.** Executive acknowledges that this Agreement constitutes a full settlement, accord and satisfaction of all claims covered by the Release provisions of Paragraph 5. Executive represents that Executive has not filed any complaints, charges, claims, grievances, or lawsuits against the Company or any Releasee with any local, state, or federal agency or court or other tribunal. Executive further agrees, subject to Section 12 of this Agreement, not to sue the Company or join any lawsuit against the Company or any of the Releasees, concerning any matter that arose on or before the Effective Date of this Agreement. Further, notwithstanding the foregoing, it is understood by the parties that Executive is not releasing:

a. Any claims which may arise under the terms of this Agreement;

e. Any claims that may arise out of events occurring after the date Executive executes this Agreement;

f. Any claims which may not be released as a matter of law;

e. Any claims to any vested benefits that Executive already is entitled to receive under any of the Company's employee benefit plans; or

f. Any right Executive may have to benefits under workers' compensation laws, unemployment compensation laws or COBRA.

7. **Class/Collective Action Waiver.** If a Claim is not subject to release, to the extent permitted by law, Executive waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceedings based on such a claim in which the Company is a party.

8. **Confidentiality of Agreement.** Subject to Section 12 of this Agreement, Executive agrees not to reveal the terms of this Agreement or the fact that this Agreement exists, except: (i) to Executive's immediate family, tax advisors, or attorneys and only on condition that they also maintain the confidentiality of this Agreement; (ii) as required by law, regulation, or legal process or as permitted in Section 12 of this Agreement; and (iii) for the purpose of enforcing this Agreement.

9. **Nondisparagement.** Subject to Section 12 of this Agreement, Executive agrees not to make any statements about the Company or any Protected Party that are disparaging or would negatively affect the reputation of the Company or any Protected Party. The Company will instruct its officers to refrain from making statements about the Executive that are disparaging or would negatively affect the reputation of the Executive.

10. **Confidential Information, Non-Competition and Assignment Agreement.** Executive understands and agrees that his obligations under that certain Confidential Information, Non-Competition and Assignment Agreement (the "Restrictive Covenant Agreement"), remain in full force and survive termination of his employment and the Employment Agreement.

11. **Cooperation.** Executive agrees that, subject to reimbursement of his reasonable expenses, he will cooperate fully with the Company and its counsel with respect to any matter (including litigation, investigations, or governmental proceedings) in which the Executive was in any way involved during his employment with the Company. The Executive shall render such cooperation in a timely manner on reasonable notice from the Company, so long as the Company exercises commercially reasonable efforts to schedule and limit its need for the Executive's cooperation under this paragraph so as not to interfere with the Executive's other personal and professional commitments**.**

12. **Protected Activates**. Nothing contained in this Agreement, any other agreement with the Company, or any Company policy limits Executive's ability, with or without notice to the Company, to: (i) file a charge or complaint with any federal, state or local governmental agency or commission (a "Government Agency"), including without limitation, the Equal Employment Opportunity Commission, the National Labor Relations Board or the Securities and Exchange Commission (the "SEC"); (ii) communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including by providing non-privileged documents or information; (iii) exercise any rights under Section 7 of the National Labor Relations Act, which are available to non-supervisory employees, including assisting co-workers with or discussing any employment issue as part of engaging in concerted activities for the purpose of mutual aid or protection; (iv) discuss or disclose information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Executive has reason to believe is unlawful; or (v) testify truthfully in a legal proceeding. Any such communications and disclosures must not violate applicable law and the information disclosed must not have been obtained through a communication that was subject to the attorney-client privilege (unless disclosure of that information would otherwise be permitted consistent with such privilege or applicable law). If a Government Agency or any other third party pursues any claim on Executive's behalf, Executive waives any right to monetary or other individualized relief (either individually or as part of any collective or class action), but the Company will not limit any right Executive may have to receive an award pursuant to the whistleblower provisions of any applicable law or regulation for providing information to the SEC or any other Government Agency.

13. **Acknowledgements.** Executive acknowledges and agrees that Executive is not eligible for any payments from the Company, or any Company-paid benefits under the Employment Agreement or under any other agreement with the Company, except as expressly set forth in this Agreement or with respect to any vested benefits under the Company's 401(k) plan, if applicable.

14. **No Admission of Liability**. Nothing in this Agreement shall be construed as an admission or concession of liability or wrongdoing by the Company or any Protected Party. Rather, the proposed Agreement, including the Release, is being offered for the sole purpose of settling amicably any and all possible disputes between the parties.

15. **Section 409A**. All payments hereunder our intended to be exempt from Section 409A of the Code pursuant to the separation pay exemption set forth under Treasury Regulation Section 1.409A-1(b)(9) or as a short-term deferral under Treasury Regulation Section 1.409A-1(b)(4) and shall be interpreted consistent with the requirements of those regulations. Notwithstanding foregoing, the Company shall not be liable to Employee or any other person if the Internal Revenue Service or any court or other authority having jurisdiction over such matter, determines for any reason that such payments are subject to taxes, penalty, or interest as a result of failing to be exempt from or comply with section 409A of the Code. For purposes of Section 409A of the Code, each payment pursuant to this Agreement is intended to be a separate payment.

16. **Affirmations.** In signing this Separation Agreement and General Release, Executive affirms the following:

    a. Executive has not filed, or caused to be filed, or presently is a party to any claim against the Company;

    b. Executive has been paid and received all compensation, salary, severance pay, separation pay, commissions, incentive pay, stock, stock options, vacation pay, sick pay or bonuses and benefits due to Executive, except as provided in this Agreement;

    c. Executive is not eligible for any leave of absence under any statute, rule or regulation, other than what already may have been provided to him;

    d. Executive has not sustained any workplace injuries; and

    e. Executive has fully disclosed to the Company any matters for which he was responsible, or which came to his attention as an employee of TELA Bio that might give rise to, evidence, or support any claim of illegal conduct, regulatory violation, unlawful discrimination, or other cause of action against the Company. Executive has not brought an internal or external complaint of discrimination, harassment or retaliation, or sexual assault, and does not believe that he has a basis for doing so.

17. **Waiver.** Executive understands that by signing this Agreement, Executive is providing a complete waiver of all claims that may have arisen, whether known or unknown, up until the time that this Agreement is executed by Executive, other than any claims that cannot lawfully be waived.

18. **Choice of Law.** The laws of the Commonwealth of Pennsylvania will apply to any dispute concerning this Agreement, except where preempted by federal law. Should any provision of this Agreement be declared illegal or unenforceable by any court of competent

jurisdiction and cannot be modified to be enforceable, excluding the general release language, such provision shall immediately become null and void, leaving the remainder of the Agreement in full force and effect. Should the general release be declared unlawful or unenforceable by a court of competent jurisdiction, Executive agrees to sign a new general release which is in a form acceptable to the Company for no additional consideration.

19. **Modifications.** This Agreement may not be modified, altered, or changed except in writing and signed by both parties wherein specific reference is made to this Agreement.

20. **Entire Agreement.** This Agreement, together with the Restrictive Covenant Agreement, represents the entire agreement between the parties and supersedes any prior agreements between the parties, including, but not limited to, the Employment Agreement. Executive acknowledges that he has not relied on any representations, promises, or agreements of any kind made to him in connection with Executive's decision to accept this Agreement, except for those expressly set forth in this Agreement.

21. **Knowing and Voluntary Waiver.** Executive acknowledges that:

    a. He has read this Agreement and has had an opportunity to discuss it with the individuals of his choice, who are not associated with the Company;

    b. The Company has advised Executive to consult with an attorney of his own choosing;

    c. He understands the meaning and effect of the terms of this Agreement, including the Release;

    d. He was given adequate time to determine whether he wished to enter into this Agreement, including the Release;

    e. The entry into and execution of this Separation Agreement and Release is of his own free and voluntary act without compulsion of any kind;

    f. No promise or inducement not expressed herein has been made to Executive;

    g. He has enough information to make a knowing and voluntary waiver.

21. **Consideration Period**. Executive has twenty-one (21) days (the "Consideration Period") to accept this offer by signing this Agreement and forwarding it to Jennifer Armstrong, SVP – Human Resources. If Executive signs this Agreement prior to the expiration of the Consideration Period, the remainder of the Consideration Period is waived. If Executive fails to sign this Agreement before the expiration of the Consideration Period, the offers contained in this Agreement are deemed to be withdrawn. Executive agrees that any changes to this Agreement, regardless of whether they are material, will not restart the Consideration Period.

22. **Revocation Period.** Executive has seven (7) days after he signs this Agreement to revoke his signature and acceptance of this Agreement. Executive may revoke this Agreement by sending a written notice of revocation to Ms. Armstrong in a manner so that it is received before the end of the seven-day period. If Executive revokes his signature on this Agreement, the offers contained in this Agreement are deemed withdrawn. This Agreement will become effective on the eighth day after Executive signs it, provided he has not revoked his signature on this Agreement (the "Effective Date").

TELA BIO, INC.

/s/ Roberto Cuca
By: Roberto Cuca
Its: Chief Operating Officer & Chief Financial Officer

/s/Antony Koblish Dated:8/07/2026

Exhibit 10.3

SEPARATION AGREEMENT AND GENERAL RELEASE

This **SEPARATION AGREEMENT AND GENERAL RELEASE**, dated August 31, 2026 (the "Agreement"), is between Roberto Cuca ("Executive") and TELA Bio, Inc. ("TELA Bio" or the "Company").

WHEREAS, TELA Bio and Executive entered into that certain Employment Agreement, dated August 27, 2021 (the "Employment Agreement");

WHEREAS, in accordance with Section 5 of the Employment Agreement, TELA Bio has provided Executive with written notice of termination of the Employment Agreement and termination of Executive's employment with TELA Bio without Cause, effective on August 31, 2026 (the "Separation Date"); and

WHEREAS, in accordance with Section 5.1.6 of the Employment Agreement, Executive is eligible for certain separation benefits conditioned on his signing this Agreement and a release of claims;

NOW, THEREFORE, in consideration of the promises, the mutual covenants of the Executive and TELA Bio (collectively the "Parties") herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, it is agreed as follows:

1. **Separation from Employment**. Executive is terminated without Cause, effective as of the Separation Date.

2. **Resignation from Positions with Company**. As of the Separation Date, Executive resigns, effective immediately, from all officer, director, and other positions he holds with the Company and/or its affiliates.

3. **Benefits Regardless of Execution of this Agreement**. Regardless of whether Executive executes this Agreement, the Company shall provide Executive with the following in accordance with Section 5.1.1 of the Employment Agreement:

    a. Pay to the Executive all accrued and unpaid Base Salary and accrued and unused vacation through the Separation Date at the time such Base Salary would otherwise be paid according to the Company's usual payroll practices.

    b. Executive's health insurance benefits (medical, dental and vision) will end on September 30, 2026. Beginning on October 1, 2026, Executive may elect to continue health insurance coverage, at Executive's sole expense, under the federal law commonly known as "COBRA." Information regarding COBRA continuation coverage will be provided to Executive under separate cover.

4. **Severance and Benefits Upon Execution of Agreement.** Conditioned on the Executive's execution and delivery of this Agreement and Release to the Company and on such Release

becoming irrevocable by the sixtieth (60th) day following the Separation Date, as well as Executive's continued compliance with the terms and conditions of this Agreement the Company will:

a. Make severance payments to the Executive in the form of continuation of the Executive's current Base Salary for a period of nine (9) months (the "Severance Payments"). To the extent that any Severance Payments are delayed pending the Release becoming irrevocable, the delayed amounts will be paid in a lump sum as soon as administratively practicable after the Release becomes irrevocable. The remainder of the Severance Payments will be paid thereafter in accordance with the Company's normal payroll practices; and

b. Provided that Executive is eligible for and timely elects to continue his health, dental and vision coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), the Company will pay COBRA premiums on Executive's behalf for a period of nine (9) months, under the same terms and conditions as if Executive was an active employee. At the end of the nine (9)-month period, Executive may continue COBRA coverage at his sole expense, to the extent he remains eligible to so continue COBRA coverage.

5. **Release.** In consideration of the foregoing, Executive freely and voluntarily releases and discharges the Company and each of its officers, directors, employees, agents, and assigns (collectively, "Protected Parties"), from any and all suits, causes of action, complaints, obligations, demands, promises or claims of any kind, whether in law or in equity, direct or indirect, known or unknown, foreseen or unforeseen (hereinafter "Claims"), which Executive ever had or now have against the Company or any Protected Party (the "Release"). This Release specifically includes, but is not limited to, any and all Claims:

a. That could be brought under any federal, state or local law, including but not limited to the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Genetic Information Nondiscrimination Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act, the Equal Pay Act, the Pennsylvania Human Relations Act, the Pennsylvania Wage Payment and Collection Law, and the Pennsylvania Minimum Wage Act, all as amended, and any comparable statute of any other state, county or locality;

b. For compensation and benefits, including without limitation, salary, severance pay, separation pay, commissions, incentive pay, stock, stock options, vacation pay, sick pay, or bonuses;

c. For wrongful or constructive discharge or breach of contract (whether express or implied);

d. For alleged employment discrimination and/or retaliation on the basis of any

legally protected characteristic, including but not limited to age, race, color, religion, sex, sexual orientation, gender identity or expression, national origin, veteran status, and/or handicap or disability, in violation of any federal, state, or local statute, ordinance, judicial precedent, or executive order;

e. Under any federal or state statute relating to employee benefits or pensions;

f. In tort (including but not limited to any claims for misrepresentation, defamation, interference with contract or prospective economic advantages, intentional infliction of emotional distress, or negligence);

g. Whistleblower Claims under any state or federal statute or pursuant to common law;

h. For additional compensation or damages of any kind; and

i. For attorney's fees and costs.

6. **Covenant Not to Sue.** Executive acknowledges that this Agreement constitutes a full settlement, accord and satisfaction of all claims covered by the Release provisions of Paragraph 5. Executive represents that Executive has not filed any complaints, charges, claims, grievances, or lawsuits against the Company or any Releasee with any local, state, or federal agency or court or other tribunal. Executive further agrees not to sue the Company or join any lawsuit against the Company or any of the Releasees, concerning any matter that arose on or before the Effective Date of this Agreement. Nothing herein shall prevent Executive from filing a charge or complaint with the Equal Employment Opportunity Commission ("EEOC") or similar federal, state or city agency or Executive's ability to participate in any investigation or proceeding conducted by such agency; provided, however, that, to the fullest extent permitted by law, Executive is waiving any right to recover monetary damages or any other form of personal relief in connection with any such charge, complaint, investigation or proceeding. Notwithstanding the above, this Agreement does not restrict Executive's ability to participate in, provide information or receive a monetary award in connection with a government-sponsored whistleblower program. Further, notwithstanding the foregoing, it is understood by the parties that Executive is not releasing:

a. Any claims which may arise under the terms of this Agreement;

b. Any right to challenge the validity of the release of claims under the ADEA or applicable state law;

c. Any claims that may arise out of events occurring after the date Executive executes this Agreement;

d. Any claims which may not be released as a matter of law;

e. Any claims to any vested benefits that Executive already is entitled to receive under any of the Company's employee benefit plans;

f. Any right Executive may have to benefits under workers' compensation laws, unemployment compensation laws or COBRA; or

g. Any right Executive has to participate in, provide information to or receive a monetary award from a government agency in connection with a government-sponsored whistleblower program.

7. **Class/Collective Action Waiver.** If a Claim is not subject to release, to the extent permitted by law, Executive waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceedings based on such a claim in which the Company is a party.

8. **Confidentiality of Agreement.** To the extent not disclosed by the Company, Executive agrees not to reveal the terms of this Agreement or the fact that this Agreement exists, except: (i) to Executive's immediate family, tax advisors, or attorneys and only on condition that they also maintain the confidentiality of this Agreement; (ii) as required by law, regulation, or legal process; and (iii) for the purpose of enforcing this Agreement.

9. **Nondisparagement.** Executive also agrees to refrain from making statements about the Company or any Protected Party that are disparaging or would negatively affect the reputation of the Company or any Protected Party, provided that nothing in this Agreement will (a) prohibit Executive from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under any whistleblower protection provisions of state or federal law or regulation, or (b) require notification or prior approval by TELA Bio of any reporting described in clause (a). Further, notwithstanding the foregoing, nothing in this Agreement is intended to or will be used in any way to prevent Executive from providing truthful testimony under oath in a judicial or administrative proceeding or limiting Executive's right to communicate with a government agency as provided for, protected under, or warranted by applicable law.

10. **Confidential Information, Non-Competition and Assignment Agreement.** Executive understands and agrees that his obligations under that certain Confidential, Proprietary Information, Non-Competition and Assignment Agreement, dated October 5, 2017 (the "Restrictive Covenant Agreement"), remain in full force and survive termination of his employment and the Employment Agreement.

11. **Cooperation.** Executive agrees that, subject to reimbursement of his reasonable expenses, he will cooperate fully with the Company and its counsel with respect to any matter (including litigation, investigations, or governmental proceedings) in which the Executive was in any way involved during his employment with the Company. The Executive shall render such cooperation in a timely manner on reasonable notice from the Company, so long as the Company exercises commercially reasonable efforts to schedule and limit its

need for the Executive's cooperation under this paragraph so as not to interfere with the Executive's other personal and professional commitments**.** Notwithstanding the foregoing, nothing in this Agreement prohibits or restricts Executive from providing information to, participating in or receiving a monetary award in connection with a government-sponsored whistleblower program.

12. **Acknowledgements.** Executive acknowledges and agrees that Executive is not eligible for any payments from the Company, or any Company-paid benefits under the Employment Agreement or under any other agreement with the Company, except as expressly set forth in this Agreement or with respect to any vested benefits under the Company's 401(k) plan, if applicable.

13. **No Admission of Liability**. Nothing in this Agreement shall be construed as an admission or concession of liability or wrongdoing by the Company or any Protected Party. Rather, the proposed Agreement, including the Release, is being offered for the sole purpose of settling amicably any and all possible disputes between the parties.

14. **Section 409A**. All payments hereunder our intended to be exempt from section 409A of the Internal Revenue Code, as amended (the "Code") pursuant to the separation pay exemption set forth under Treasury Regulation section 1.409A-1(b)(9) and shall be interpreted consistent with the requirements of those regulations. Notwithstanding foregoing, the Company shall not be liable to Employee or any other person if the Internal Revenue Service or any court or other authority having jurisdiction over such matter, determines for any reason that such payments are subject to taxes, penalty, or interest as a result of failing to be exempt from or comply with section 409A of the Code.

15. **Affirmations.** In signing this Separation Agreement and General Release, Executive affirms the following:

    a. Executive has not filed, or caused to be filed, or presently is a party to any claim against the Company;

    b. Executive has been paid and received all compensation, salary, severance pay, separation pay, commissions, incentive pay, stock, stock options, vacation pay, sick pay or bonuses and benefits due to Executive, except as provided in this Agreement;

    c. Executive is not eligible for any leave of absence under any statute, rule or regulation, other than what already may have been provided to him;

    d. Executive has not sustained any workplace injuries; and

    e. Executive has fully disclosed to the Company any matters for which he was responsible, or which came to his attention as an employee of TELA Bio that might give rise to, evidence, or support any claim of illegal conduct, regulatory violation, unlawful discrimination, or other cause of action against the Company. Executive has not brought an internal or external complaint of discrimination, harassment or

retaliation, or sexual assault, and does not believe that he has a basis for doing so.

16. **Waiver.** Executive understands that by signing this Agreement, Executive is providing a complete waiver of all claims that may have arisen, whether known or unknown, up until the time that this Agreement is executed by Executive, other than any claims that cannot lawfully be waived.

17. **Choice of Law.** The laws of the State of Pennsylvania will apply to any dispute concerning this Agreement, except where preempted by federal law. Should any provision of this Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language, such provision shall immediately become null and void, leaving the remainder of the Agreement in full force and effect. Should the general release be declared unlawful or unenforceable by a court of competent jurisdiction, you agree to sign a new general release which is in a form acceptable to the Company for no additional consideration.

18. **Modifications.** This Agreement may not be modified, altered, or changed except in writing and signed by both parties wherein specific reference is made to this Agreement.

19. **Entire Agreement.** This Agreement, together with the Restrictive Covenant Agreement, represents the entire agreement between the parties and supersedes any prior agreements between the parties, including, but not limited to, the Employment Agreement. Executive acknowledges that he has not relied on any representations, promises, or agreements of any kind made to him in connection with your decision to accept this Agreement, except for those expressly set forth in this Agreement.

20. **Knowing and Voluntary Waiver.** Executive acknowledges that:

    a. He has read this Agreement and has had an opportunity to discuss it with the individuals of his choice, who are not associated with the Company;

    b. The Company has advised Executive to consult with an attorney of his own choosing;

    c. He understands the meaning and effect of the terms of this Agreement, including the Release;

    d. He was given adequate time to determine whether you wished to enter into this Agreement, including the Release;

    e. The entry into and execution of this Separation Agreement and Release is of his own free and voluntary act without compulsion of any kind;

    f. No promise or inducement not expressed herein has been made to Executive;

    g. He has enough information to make a knowing and voluntary waiver.

21. **Consideration Period**. Executive has forty-five (45) days (the "Consideration Period") to accept this offer by signing this Agreement and forwarding it to Jennifer Armstrong, SVP – Human Resources. If Executive signs this Agreement prior to the expiration of the Consideration Period, the remainder of the Consideration Period is waived. If Executive fails to sign this Agreement before the expiration of the Consideration Period, the offers contained in this Agreement are deemed to be withdrawn.

22. **Revocation Period.** Executive has seven (7) days after he signs this Agreement to revoke his signature and acceptance of this Agreement. Executive may revoke this Agreement by sending a written notice of revocation to Ms. Armstrong in a manner so that it is received before the end of the seven-day period. If Executive revokes his signature on this Agreement, the offers contained in this Agreement are deemed withdrawn. This Agreement will become effective on the eighth day after Executive signs it, provided he has not revoked his signature on this Agreement (the "Effective Date").

TELA BIO, INC.

/s/Heather Getz
By: Heather Getz
Its: Chief Executive Officer

/s/Roberto Cuca
Roberto Cuca

Dated: 08/31/2026

Exhibit 10.4

Execution Version

LIMITED CONSENT TO CREDIT AGREEMENT AND GUARANTY

THIS LIMITED CONSENT TO CREDIT AGREEMENT AND GUARANTY (this "Agreement") is made as of September 28, 2026, by and among TELA BIO, INC., a Delaware corporation (the "Borrower"), the Lenders party hereto (constituting Required Lenders under the Credit Agreement (as defined below), the "Consenting Lenders") and PERCEPTIVE CREDIT HOLDINGS V, LP, a Delaware limited partnership, as administrative agent and collateral agent for the Lenders (in such capacities, together with its successors and assigns in such capacities, the "Administrative Agent"). Capitalized terms used in this Agreement (including this Preamble and the Recitals), to the extent not otherwise defined herein, shall have the same meaning as in the Credit Agreement.

RECITALS

WHEREAS, the Borrower is party to that certain Credit Agreement and Guaranty, dated as of November 13, 2025 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Credit Agreement"), by and among the Borrower, the Administrative Agent and the Lenders party thereto from time to time, pursuant to which, among other things, the Lenders have made certain loans and financial accommodations available to the Borrower;

WHEREAS, pursuant to Section 10.02 of the Credit Agreement, the Borrower is required to maintain minimum Revenue of $80,800,000 and $86,300,000 for the trailing twelve consecutive month periods ending on September 30, 2026, and December 31, 2026, respectively (collectively, the "Q3 & Q4 '26 Minimum Revenue");

WHEREAS, the Borrower has requested that, subject to the terms and conditions set forth herein, the Administrative Agent and the Consenting Lenders agree that the Q3 & Q4 '26 Minimum Revenue shall not be tested pursuant to Section 10.02 of the Credit Agreement;

WHEREAS, pursuant to Section 14.04 of the Credit Agreement, the consent set forth herein requires the written consent of the Borrower, the Administrative Agent and the Consenting Lenders; and

WHEREAS, Administrative Agent and the Consenting Lenders are willing to grant the requested consent subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Limited Consent. Subject to the terms and conditions and relying upon the representations and warranties set forth herein, the Administrative Agent and the Consenting Lenders hereby agree that, notwithstanding Section 10.02 of the Credit Agreement to the contrary, the minimum Revenue financial covenant set forth therein shall not be tested for the periods ending on or about September 30, 2026 or December 31, 2026. This Agreement is specific as to content and time and shall not constitute a consent to departure from or a waiver of any other current or future default or breach of any other terms in the Credit Agreement or any other Loan Documents. The foregoing consent shall also not be deemed to operate as or obligate the Administrative Agent or the Lenders to grant any future waiver, modification of or consent to any other term, condition or Default under the Credit Agreement. Nothing contained herein shall constitute a course of conduct or dealing among the parties.

2. Conditions Precedent to Effectiveness of this Agreement. This Agreement shall become effective upon the satisfaction of all of the following conditions precedent or waiver thereof by the Lenders

(such date, the "Consent Effective Date"):

(a) The Administrative Agent shall have received counterparts of this Agreement, executed by the Borrower, the Administrative Agent and the Lenders.

(b) The representations and warranties set forth in Section 3 hereof shall be true and correct as of the date hereof.

(c) [reserved].

(d) The Borrower shall have paid all amounts owing pursuant to the terms of Section 14.03 of the Credit Agreement for which the Administrative Agent has provided an invoice to the Borrower at least one (1) Business Day prior to the Consent Effective Date.

3. Representations and Warranties. The Borrower represents and warrants to the Administrative Agent and the Lenders as follows:

(a) Organization; Powers; Governmental Approvals; No Conflicts. The execution and delivery by the Borrower of this Agreement and the performance by the Borrower of the Loan Documents (as modified hereby) to which it is a party (i) are within its corporate or other organizational powers, (ii) have been duly authorized by all necessary corporate or other organizational action, (iii) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except for those that have been obtained or made and are in full force and effect, and filings created pursuant to the Security Documents, (iv) will not violate the Borrower's Organizational Documents or any Law applicable to the Borrower, and (v) will not violate or result in a default under any Material Agreement, or give rise to a right thereunder to require any payment to be made by any such Person.

(b) Binding Effect. This Agreement and each other Loan Document (as modified hereby) to which Borrower is a party has been duly executed and delivered by the Borrower and is a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or similar Laws of general applicability affecting the enforcement of creditors' rights, and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) Representations and Warranties. The representations and warranties of the Borrower contained in each Loan Document are true, correct and complete in all material respects (without duplication of any materiality qualifier contained therein) on and as of the date hereof (with the same effect as though made on and as of the date hereof); provided that (x) all representations and warranties set forth in each Loan Document that are qualified by materiality or Material Adverse Effect or the like are, in each case, true and correct in all respects as of the date hereof; provided that to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all respects as of such earlier date, and (y) the representations and warranties set forth in each Loan Document that are not qualified by materiality, Material Adverse Effect or the like are, in each case, true and correct in all material respects as of the date hereof; provided that to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date.

(d) No Default. No Default or Event of Default has occurred and is continuing immediately before or immediately after giving effect to this Agreement and the transactions contemplated hereby.

4. Governing Law; Jurisdiction. THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT, WHETHER IN TORT, CONTRACT (AT LAW OR IN EQUITY) OR OTHERWISE, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION; PROVIDED THAT SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY. EACH PARTY HERETO HEREBY AGREE THAT ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY OR ANY JUDGMENT ENTERED BY ANY COURT IN RESPECT THEREOF MAY BE BROUGHT INITIALLY IN THE FEDERAL OR STATE COURTS IN NEW YORK, NEW YORK OR IN THE COURTS OF ITS OWN CORPORATE DOMICILE AND IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF EACH SUCH COURT FOR THE PURPOSE OF ANY SUCH SUIT, ACTION, PROCEEDING OR JUDGMENT.

5. **WAIVER OF JURY TRIAL**. **EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.**

6. Venue; Consent to Service of Process. Each of the parties hereto hereby agrees that each of Sections 14.10(a), 14.10(b) and 14.10(c) of the Credit Agreement is incorporated by reference herein, *mutatis mutandis*, and shall have the same force and effect with respect to this Agreement as if originally set forth herein.

7. Amendments; Counterparts; Integration. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart. Delivery of an executed signature page of this Agreement by electronic transmission (in PDF format) shall be effective as delivery of a manually executed counterpart hereof. Any signature (including, without limitation, (x) any electronic symbol or process attached to, or associated with, a Contract or other record and adopted by a Person with the intent to sign, authenticate or accept such Contract or record and (y) any pdf signature) hereto, and any contract formation or record-keeping, in each case, through electronic means, shall have the same legal validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any similar state Law based on the Uniform Electronic Transactions Act, and the parties hereto hereby waive any objection to the contrary.

8. Reference to and Effect on the Loan Documents.

(a) Upon and after the effectiveness of this Agreement, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as modified by this Agreement.

(b) Except as specifically set forth in this Agreement, the Credit Agreement and all other Loan Documents, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed and shall constitute the legal, valid, binding and enforceable obligations of the

Borrower to the Administrative Agent and the Lenders without defense, offset, claim or contribution.

(c) The execution, delivery and effectiveness of this Agreement shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Administrative Agent or any Lender under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

9. Ratification. The Borrower hereby ratifies and reaffirms each and every term and condition set forth in the Credit Agreement, as modified by this Agreement, and the other Loan Documents effective as of the date hereof, including, without limitation, the grant of security interests and liens by the Borrower under the Collateral Documents and confirms and agrees that such security interests and liens are and shall remain in full force and effect to secure all of the Obligations, including as modified hereby, in accordance with the terms of the Loan Documents. The validity and enforceability of any appointment of the Administrative Agent as proxy or attorney-in-fact under any Loan Document is ratified and reaffirmed as of the date hereof, and the Borrower reappoints the Administrative Agent as its proxy and attorney-in-fact in accordance with the terms of the Loan Documents, as applicable, which appointment is **IRREVOCABLE** and coupled with an interest until the Termination Date, for the purpose of carrying out the provisions of the Loan Documents, as applicable. Each Guarantor hereby ratifies and reaffirms its guaranty of the Obligations pursuant to the Loan Documents. In furtherance of the above, the Borrower hereby authorizes Administrative Agent to file one or more financing or continuation statements, and amendments thereto (or similar documents required by any laws of any applicable jurisdiction), relating to all or any part of the Collateral without the signature of the Borrower (to the extent such signature is required under the laws of any applicable jurisdiction), which financing statements may describe the Collateral as "all assets", "all assets of the Debtor, whether now owned or existing or hereafter acquired or arising and regardless of where located" or "all personal property" or words of like import.

10. Severability. To the extent permitted by law, any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

11. Status as a Loan Document. This Agreement constitutes a Loan Document.

12. Captions. The section headings of this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

13. No Novation. By its execution of this Agreement, each of the parties hereto acknowledges and agrees that the terms of this Agreement do not constitute a novation, but, rather, a supplement of the terms of a pre-existing indebtedness and related agreement, as evidenced by the Credit Agreement.

14. Release of Claims. The Borrower hereby acknowledges and agrees that as of the date hereof: (a) neither it nor any of its Subsidiaries has any claim or cause of action against the Administrative Agent or any Lender (or any of the directors, officers, employees, agents, attorneys or consultants of any of the foregoing), and (b) the Administrative Agent and the Lenders have heretofore properly performed and satisfied in a timely manner all of their obligations to the Borrower, and all of their Subsidiaries and Affiliates. Notwithstanding the foregoing, the Administrative Agent and the Lenders wish (and the Borrower agrees) to eliminate any possibility that any past conditions, acts, omissions, events or circumstances would impair or otherwise adversely affect any of their rights, interests, security and/or remedies. Accordingly, for and in consideration of the agreements contained in this Agreement and other good and valuable consideration, the Borrower (for itself and its Subsidiaries and Affiliates and the

successors, assigns, heirs and representatives of each of the foregoing) (collectively, the "Releasors") does hereby fully, finally, unconditionally and irrevocably release, waive and forever discharge the Administrative Agent and the Lenders, together with their respective Affiliates and Related Funds, and each of the directors, officers, employees, agents, attorneys and consultants of each of the foregoing (collectively, the "Released Parties"), from any and all debts, claims, allegations, obligations, damages, costs, attorneys' fees, suits, demands, liabilities, actions, proceedings and causes of action, in each case, whether known or unknown, contingent or fixed, direct or indirect, and of whatever nature or description, and whether in law or in equity, under contract, tort, statute or otherwise, which any Releasor has heretofore had or now or hereafter can, shall or may have against any Released Party by reason of any act, omission or thing whatsoever done or omitted to be done, in each case, on or prior to the Consent Effective Date directly arising out of, connected with or related to this Agreement, the Credit Agreement or any other Loan Document, or any act, event or transaction related or attendant thereto, or the agreements of the Administrative Agent or any Lender contained therein, or the possession, use, operation or control of any of the assets of the Borrower, or the making of any Loans or other advances, or the management of such Loans or other advances or the Collateral (each individually, a "Claim"). The Borrower represents and warrants that it has no knowledge of any Claim by any Releasor against any Released Party or of any facts or acts or omissions of any Released Party which on the date hereof would be the basis of a Claim by any Releasor against any Released Party which would not be released hereby. Further, each Releasor hereby (i) expressly agrees that the release contemplated by the foregoing Section 14 extends to any and all rights granted under Section 1542 of the California Civil Code ("Section 1542") or any analogous state law or federal law or regulation, and (ii) expressly waives the benefit of Section 1542 and any analogous state law or federal law or regulation. Section 1542 reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Without limiting the generality of the foregoing, each Releasor hereby covenants and agrees from and after the date hereof (i) not to file, or permit any other Releasor to file, any claim, complaint or cause of action, and (ii) not to commence, or permit any other Releasor to commence, any suit, action, arbitration or other proceedings with any court, arbitration forum, regulatory or administrative agency, with respect to any Claim released pursuant to this Section 14.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

BORROWER:

TELA BIO, INC.,
a Delaware corporation

By: /s/ Heather Getz
Name: Heather Getz
Title: Chief Executive Officer

ADMINISTRATIVE AGENT:

PERCEPTIVE CREDIT HOLDINGS V, LP,
a Delaware limited partnership, as Administrative Agent and Required Lender

By: Perceptive Credit Opportunities GP, LLC, its General Partner

By: /s/ Sandeep Dixit
Name: Sandeep Dixit
Title: Chief Credit Officer

By: /s/ Sam Chawla
Name: Sam Chawla
Title: Portfolio Manager

EXHIBIT 31.1

CERTIFICATION

Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Heather Getz, certify that:

1. I have reviewed this Form 10-Q of TELA Bio, 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 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 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 10, 2026

/s/ Heather Getz
Heather Getz
Chief Executive Officer
(Principal Executive and 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

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), that: Heather Getz, Chief Executive Officer of TELA Bio, Inc. (the "Company"), hereby certifies that, to the best of his knowledge:

(1) The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2026, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

(2) The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 10, 2026

/s/ Heather Getz
Heather Getz
Chief Executive Officer
(Principal Executive and Principal Financial Officer)