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

FORM 10-Q

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

For the quarterly period ended June 30, 2024

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 001-39990

Elicio Therapeutics, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**11-3430072**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
451 D Street, 5th Floor Boston, Massachusetts	**02210**
(Address of Principal Executive Offices)	(Zip Code)

(857) 209-0050

Registrant's telephone number, including area code

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.01	ELTX	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 and post such files). Yes ☒ No ☐

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

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

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

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

The number of shares of the registrant’s common stock outstanding as of August 9, 2024 was10,774,574.

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Forward-Looking Statements

This Quarterly Report on Form 10-Q, including the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact, including statements concerning our business strategy and plans, future operating results and financial position, as well as our objectives and expectations for our future operations, are forward-looking statements.

In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “contemplate,” “continue,” “could,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “predict,” “potential,” “positioned,” “seek,” “should,” “target,” “will,” “would,” and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- our financial condition, including our ability to obtain the funding necessary to advance the development of ELI-002 and any other future product candidates, our ability to continue as a going concern and our cash runway;
- the ability of our clinical trials to demonstrate safety and efficacy of our product candidates, and other positive results;
- our ability to utilize our platform to develop a pipeline of product candidates to address unmet needs in cancer and infectious disease;
- the timing, progress and results of clinical trials for ELI-002, and other product candidates we may develop, including statements regarding the timing of initiation and completion of studies or trials and related preparatory work, the period during which the results of the studies or trials will become available, and the timing, progress and results of our research and development programs;
- the timing, scope and likelihood of regulatory filings and approvals, including timing of Investigational New Drug applications and U.S. Food and Drug Administration (“FDA”) approval of ELI-002 and any future product candidates;
- the timing, scope or likelihood of foreign regulatory filings and approvals;
- our ability to develop and advance our current product candidates and programs into, and successfully complete, clinical studies;
- our manufacturing, commercialization, and marketing capabilities and strategy;
- the need to hire additional personnel and our ability to attract and retain such personnel;
- the size of the market opportunity for our product candidates, including estimates of the number of patients who suffer from the diseases we are targeting;
- expectations regarding the approval and use of our product candidates in combination with other drugs;
- expectations regarding potential for accelerated approval or other expedited regulatory designation;
- our competitive position and the success of competing therapies that are or may become available;
- our anticipated research and development activities and projected expenditures;
- existing regulations and regulatory developments in the United States, Europe and other jurisdictions;
- the extent to which global economic and political developments, including the ongoing conflict between Ukraine and Russia, the conflicts in the Middle East, geopolitical tensions with China, and other geopolitical events, will affect our business operations, clinical trials, or financial condition;
- our expectations regarding other macroeconomic trends;
- our intellectual property position, including the scope of protection we are able to establish and maintain for intellectual property rights covering ELI-002, other product candidates we may develop, including the extensions of existing patent terms where available, the validity of intellectual property rights held by third parties, and our ability not to infringe, misappropriate or otherwise violate any third-party intellectual property rights;
- our continued reliance on third parties to conduct additional clinical trials of our product candidates, and for the manufacture of our product candidates for clinical trials;

- our ability to have manufactured sufficient supplies of drug product for clinical testing and commercialization;
- our ability to obtain, and negotiate favorable terms of, any collaboration, licensing or other arrangements that may be necessary or desirable to develop, manufacture or commercialize our product candidates;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- our projected financial performance;
- our anticipated use of proceeds from any financing activities;
- the period over which we estimate our existing cash and cash equivalents will be sufficient to fund our planned operating expenses and capital expenditure requirements; and
- the impact of laws and regulations.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q.

Forward-looking statements involve known and unknown risks, uncertainties and other 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. We discuss these risks in greater detail in our Annual Report on Form 10-K filed with the SEC on March 29, 2024, as amended, and elsewhere in this Quarterly Report on Form 10-Q. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this Quarterly Report on Form 10-Q. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. In addition, statements such as "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into or review of all relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely on these statements.

This Quarterly Report on Form 10-Q also contains estimates, projections and other information concerning our industry, our business and the markets for certain drugs, including data regarding the estimated size of those markets, their projected growth rates and the incidence of certain medical conditions. Information that is based on estimates, forecasts, projections or similar methodologies is inherently subject to uncertainties, and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from reports, research surveys, studies and similar data prepared by third parties, industry, medical and general publications, government data and similar sources. In some cases, we do not expressly refer to the sources from which this data is derived. In that regard, when we refer to one or more sources of this type of data in any paragraph, you should assume that other data of this type appearing in the same paragraph is derived from the same sources, unless otherwise expressly stated or the context otherwise requires.

In this Quarterly Report on Form 10-Q, unless the context indicates otherwise, the terms "Company," "we," "us," and "our" refer to Elicio Therapeutics, Inc. and our wholly-owned subsidiaries.

Trademarks

This Quarterly Report on Form 10-Q includes trademarks, service marks and trade names owned by us or other companies. All trademarks, service marks and trade names included in this Quarterly Report on Form 10-Q are the property of their respective owners. We do not intend our use or display of other companies' trade names or trademarks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Part I FINANCIAL INFORMATION

Item 1. Financial Statements

ELICIO THERAPEUTICS, INC.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)
(unaudited)

	June 30, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 3,425	$ 12,894
Restricted cash, current	396	722
Prepaid expenses and other current assets	2,868	2,732
Total current assets	6,689	16,348
Property and equipment, net	597	717
Operating lease, right-of-use assets	6,142	6,563
Restricted cash, noncurrent	690	685
Other long-term prepaid assets	1,632	2,833
Total assets	**$ 15,750**	**$ 27,146**
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 1,055	$ 4,369
Accrued expenses	5,321	3,757
Deferred research obligation	350	694
Operating lease liability, current	854	910
Unvested option exercise liability, current	5	25
Total current liabilities	7,585	9,755
Warrant liability	4,252	11
Operating lease liability, noncurrent	5,565	6,007
Total liabilities	17,402	15,773
Commitments and contingencies - Note 10		
Stockholders' (deficit) equity:		
Preferred stock, $0.01 par value; 10,000,000 shares authorized at June 30, 2024 and December 31, 2023; no shares issued and outstanding at June 30, 2024 and December 31, 2023	—	—
Common stock, $0.01 par value; 300,000,000 shares authorized at June 30, 2024 and December 31, 2023;10,273,328 shares and 9,618,178 shares issued at June 30, 2024 and December 31, 2023, respectively;10,258,873 and 9,603,723 outstanding as of June 30, 2024 and December 31, 2023, respectively	103	96
Treasury stock, at cost, 14,455 shares outstanding as of June 30, 2024 and December 31, 2023	(150)	(150)
Additional paid-in capital	159,892	153,827
Accumulated other comprehensive loss	(238)	(197)
Accumulated deficit	(161,259)	(142,203)
Total stockholders' (deficit) equity	(1,652)	11,373
Total liabilities and stockholders' (deficit) equity	**$ 15,750**	**$ 27,146**

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

ELICIO THERAPEUTICS, INC.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating expenses:				
Research and development	$ 8,180	$ 4,944	$ 15,739	$ 10,428
General and administrative	2,744	2,833	5,426	5,154
Total operating expenses	10,924	7,777	21,165	15,582
Loss from operations	**(10,924)**	**(7,777)**	**(21,165)**	**(15,582)**
Other income (expense)				
Change in fair value of warrant liability	3,616	(23)	2,338	(23)
Loss on issuance of pre-funded warrants	—	—	(578)	—
Change in fair value of embedded derivatives	—	321	—	429
Gain on extinguishment of promissory notes payable	—	604	—	604
Gain on sale of equipment	—	—	3	—
Foreign exchange transaction (loss) gain	(9)	(9)	144	(9)
Interest income	137	39	287	51
Interest expense	(49)	(714)	(85)	(1,056)
Total other income (expense), net	3,695	218	2,109	(4)
Net loss	**(7,229)**	**(7,559)**	**(19,056)**	**(15,586)**
Other comprehensive gain (loss):				
Foreign currency translation adjustment	32	(2)	(41)	(2)
Comprehensive loss	**$ (7,197)**	**$ (7,561)**	**$ (19,097)**	**$ (15,588)**
Net loss per common share, basic and diluted (1)	$ (0.64)	$ (2.61)	$ (1.77)	$ (9.65)
Weighted average common shares and pre-funded warrants outstanding, basic and diluted (1)	11,284,853	2,893,244	10,779,389	1,615,772

(1) As described in Note 2 to these Condensed Consolidated Financial Statements, the Company has revised the net loss per common share and weighted average common shares outstanding for 2023.

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

ELICIO THERAPEUTICS, INC.
Condensed Consolidated Statements of Convertible Preferred Stock and Stockholders' (Deficit) Equity
(in thousands, except share amounts)
(unaudited)

	Convertible Preferred Stock		Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' (Deficit) Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2023	—	$ —	9,603,723	$ 96	(14,455)	$ (150)	$ 153,827	$ (197)	$ (142,203)	$ 11,373
Issuance of common stock from At-the-Market offering, net of issuance costs of $103	—	—	615,363	6	—	—	5,056	—	—	5,062
Issuance of common stock upon settlement of restricted stock units	—	—	903	—	—	—	11	—	—	11
Stock-based compensation	—	—	—	—	—	—	324	—	—	324
Foreign currency translation adjustment	—	—	—	—	—	—	—	(73)	—	(73)
Net loss	—	—	—	—	—	—	—	—	(11,827)	(11,827)
Balance as of March 31, 2024	—	$ —	10,219,989	$ 102	(14,455)	$ (150)	$ 159,218	$ (270)	$ (154,030)	$ 4,870
Exercise of stock options	—	—	3,391	—	—	—	13	—	—	13
Issuance of common stock upon settlement of restricted stock units	—	—	677	—	—	—	9	—	—	9
Issuance of common stock from At-the-Market offering, net of issuance costs of $6	—	—	34,816	1	—	—	302	—	—	303
Stock-based compensation	—	—	—	—	—	—	350	—	—	350
Foreign currency translation adjustment	—	—	—	—	—	—	—	32	—	32
Net loss	—	—	—	—	—	—	—	—	(7,229)	(7,229)
Balance as of June 30, 2024	—	$ —	10,258,873	$ 103	(14,455)	$ (150)	$ 159,892	$ (238)	$ (161,259)	$ (1,652)

	Convertible Preferred Stock		Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2022 [(1)]	4,997,920	$ 111,060	320,281	$ 3	—	$ —	$ 4,860	$ —	$ (107,008)	$ (102,145)
Exercise of stock options	—	—	4,699	—	—	—	40	—	—	40
Issuance of common stock upon settlement of restricted stock units	—	—	2,601	—	—	—	34	—	—	34
Stock-based compensation	—	—	—	—	—	—	224	—	—	224
Net loss	—	—	—	—	—	—	—	—	(8,029)	(8,029)
Balance as of March 31, 2023	4,997,920	111,060	327,581	3	—	—	5,158	—	(115,037)	(109,876)
Exercise of stock options	—	—	4,460	—	—	—	—	—	—	—
Issuance of common stock upon settlement of restricted stock units	—	—	903	—	—	—	11	—	—	11
Conversion of preferred stock	(4,997,920)	(111,060)	4,997,920	50	—	—	111,010	—	—	111,060
Issuance of common stock to Angion stockholders as result of Merger and reset to par of $0.01, net of transaction cost of $2.4 million	—	—	3,012,854	30	—	—	19,709	—	—	19,739
Settlement of promissory notes in connection with the Merger	—	—	—	—	—	—	10,028	—	—	10,028
Issuance of common stock upon accelerated vesting of restricted stock units due to Merger, net of treasury stock	—	—	26,550	1	—	—	26	—	—	27
Return of common stock to pay withholding taxes on restricted stock	—	—	—	—	(14,455)	(150)	—	—	—	(150)
Stock-based compensation	—	—	—	—	—	—	279	—	—	279
Foreign currency translation adjustment	—	—	—	—	—	—	—	(2)	—	(2)
Net loss	—	—	—	—	—	—	—	—	(7,559)	(7,559)
Balance as of June 30, 2023	—	$ —	8,370,268	$ 84	(14,455)	$ (150)	$ 146,221	$ (2)	$ (122,596)	$ 23,557

(1) Retroactively restated for the reverse recapitalization as described in Note 3.

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

ELICIO THERAPEUTICS, INC.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities		
Net loss	$ (19,056)	$ (15,586)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	162	214
Amortization of right-of-use assets, operating leases	421	397
Non-cash interest expense	—	1,061
Change in fair value of embedded derivative	—	(429)
Change in fair value of warrant liability	(2,338)	23
Stock-based compensation expense	674	503
Gain on extinguishment of promissory note payable	—	(604)
Loss on issuance of warrants	578	—
(Gain) Loss on disposal of property and equipment, net	(3)	1
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(136)	(1,083)
Other long-term prepaid assets	1,201	(8)
Accounts payable	(3,314)	(79)
Accrued expenses and other current liabilities	1,603	(251)
Deferred research obligation	(344)	(1,436)
Operating lease liabilities	(498)	(337)
Net cash used in operating activities	(21,050)	(17,614)
Cash flows from investing activities		
Purchases of property and equipment	(42)	(21)
Proceeds from sale of property and equipment	3	34
Net cash (used in) provided by investing activities	(39)	13
Cash flows from financing activities		
Cash acquired in connection with the reverse merger	—	24,001
Merger transaction costs	—	(2,366)
Proceeds from issuance of promissory notes payable	—	10,000
Proceeds from issuance of common stock warrants	5,962	—
Proceeds from issuance of common stock	5,365	—
Payment for purchase of treasury stock	—	(150)
Exercise of stock options	13	67
Net cash provided by financing activities	11,340	31,552
Effect of foreign currency on cash	(41)	(2)
Net (decrease) increase in cash and cash equivalents	(9,790)	13,949
Cash, cash equivalents and restricted cash at the beginning of the period	14,301	8,414
Cash, cash equivalents and restricted cash at the end of the period	**$ 4,511**	**$ 22,363**
Components of cash, cash equivalents, and restricted cash		
Cash and cash equivalents	$ 3,425	$ 21,682
Restricted cash	1,086	681
Total cash, cash equivalents and restricted cash	$ 4,511	$ 22,363
Supplemental disclosure of noncash investing and financing activities:		
Fair value at issuance of March Pre-Funded Warrants	$ 6,579	$ —
Accretion of promissory note discount from embedded derivative	$ —	$ 130
Accretion of promissory note to face value	$ —	$ 897
Non-cash vesting of restricted common stock	$ 20	$ 45
Settlement of promissory notes payable	$ —	$ 10,028
Interest expense from convertible notes payable	$ —	$ 34

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

ELICIO THERAPEUTICS, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements

Note 1—Description of the Business and Financial Condition

Elicio Therapeutics, Inc. ("Elicio" or the "Company") was incorporated in Delaware as Vedantra Pharmaceuticals Inc., in August 2011. Elicio is a clinical-stage biotechnology company pioneering the development of immunotherapies for patients with limited treatment options and poor outcomes suffering from cancer and infectious disease. In December 2018, Elicio formed a wholly-owned subsidiary, Elicio Securities Corporation ("ESC"), a Massachusetts corporation. ESC is an investment company. Elicio and ESC are collectively referred to as "Elicio" throughout these condensed consolidated financial statements.

Reverse Merger Transaction

On January 17, 2023, the Company entered into a definitive merger agreement (the "Merger Agreement") with Angion Biomedica Corp. ("Angion"), a clinical-stage biotechnology company, Arkham Merger Sub, Inc., a wholly owned subsidiary of Angion ("Merger Sub"), and Elicio Operating Company, Inc. ("Former Elicio"), pursuant to which Merger Sub merged with and into Former Elicio, with Former Elicio surviving the merger as a wholly owned subsidiary of Angion (the "Merger").

On June 1, 2023, the Company completed the Merger in accordance with the terms and conditions of the Merger Agreement and Angion changed its name from "Angion Biomedica Corp." to "Elicio Therapeutics, Inc." Immediately following the consummation of the Merger, there were approximately 9.7 million shares of the Company's common stock outstanding on a fully-diluted basis, with Former Elicio equity holders collectively owning approximately 65.2% of the Company and Angion equity holders collectively owning approximately 34.8% of the Company, in each case on a fully diluted basis.

The Merger was accounted for as a reverse recapitalization, with Former Elicio being treated as the acquirer for accounting purposes. See discussions of the transactions in connection with the Merger at Note 3 - Merger and Related Transactions.

Liquidity and Going Concern

The Company has experienced net losses and negative cash flows from operating activities since inception. As of June 30, 2024, the Company had an accumulated deficit of $161.3 million. The Company expects that its operating losses and negative operating cash flows will continue for the foreseeable future as the Company continues to develop its product candidates.

As of June 30, 2024, the Company had $ 3.4 million in cash and cash equivalents. The Company's losses from operations, negative operating cash flows and accumulated deficit, as well as the additional capital needed to fund operations for at least twelve months following the issuance of the condensed consolidated financial statements, raise substantial doubt about the Company's ability to continue as a going concern. The Company expects to incur substantial expenditures in the foreseeable future for the development of its product candidates and will require additional financing to continue this development. The Company plans to address this condition through the sale of Company common stock or other securities in public offerings and/or private placements, debt financings, or through other capital sources, including licensing arrangements, partnerships and collaborations with other companies or other strategic transactions, but there is no assurance these plans will be completed successfully or at all. If the Company is unable to obtain additional capital when and as needed to continue as a going concern, it might have to further reduce or scale back its operations and/or liquidate its assets, and the values it receives for its assets in liquidation or dissolution could be significantly lower than the values reflected in its financial statements.

The accompanying condensed consolidated financial statements have been prepared on a basis that assumes that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 2—Summary of Significant Accounting Policies

Basis of Presentation

The Company's condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") and applicable rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial reporting, consistent in all

material respects with those applied in the Company's audited financial statements and accompanying notes for the years ended December 31, 2023 and 2022 included in the Company's Annual Report on Form 10-K filed March 29, 2024, as amended (the "Form 10-K"). Any reference in these notes to applicable guidance is meant to refer to the authoritative accounting principles generally accepted in the United States as found in the Accounting Standard Codification ("ASC") and Accounting Standards Updates ("ASU") of the Financial Accounting Standards Board ("FASB"). This report should be read in conjunction with the audited consolidated financial statements in the Form 10-K.

The condensed consolidated financial statements include the accounts of the Company, its wholly owned subsidiary, Elicio Australia Pty Ltd. ("Elicio Pty"), which was established in August 2019, and its wholly owned subsidiary, ESC, which was established in Massachusetts in December 2018. The Company established Elicio Pty, an Australian subsidiary, for the purpose of qualifying for research credits for studies conducted in Australia and ESC is an investment company. All significant intercompany balances and transactions have been eliminated in consolidation.

The Company's significant accounting policies are described in Note 2 to its consolidated financial statements for the year ended December 31, 2023, included in the Form 10-K. There have been no material changes to the Company's significant accounting policies during the six months ended June 30, 2024.

Since Former Elicio was determined to be the accounting acquirer in connection with the Merger, for periods prior to the Merger, the condensed consolidated financial statements were prepared on a stand-alone basis for Former Elicio and did not include the combined entities activity or financial position. Subsequent to the Merger, the condensed consolidated financial statements include the acquired business and assets and liabilities at their acquisition date fair value. Historical share and per share figures of Former Elicio have been retroactively restated to reflect the impact of the reverse stock split of Angion's common stock, par value $0.01 per share ("Angion common stock"), at a ratio of 10:1 (the "Reverse Stock Split") completed in connection with and prior to the closing of the Merger, based on the exchange ratio of 0.0181 (the "Exchange Ratio").

Financial Statement Reclassification

Certain account balances from prior periods have been reclassified in these condensed consolidated financial statements to conform to current period classifications. The warrant liability was reclassified from current to noncurrent liabilities. These reclassifications had no effect on the reported results of operations or financial position.

Financial Statement Correction

In the Company's Quarterly Report on Form 10-Q for the three and six months ended June 30, 2023, the Company incorrectly included the Weighted Average Shares Outstanding ("WASO") number from the calculation for diluted Earnings Per Share ("EPS") in its basic EPS calculation. This resulted in an overstatement of WASO and corresponding understatement of EPS. The Company evaluated this error during the period ended December 31, 2023, when it was first discovered to determine the materiality and if it would require a restatement. Based on the Company's analysis, the error was not material enough to warrant a restatement and will be corrected on a prospective basis in future periods. This has been corrected in the reported amounts disclosed in the financial statements for the three and six months ended June 30, 2024.

The following table presents the effect of the correction on the Company's previously reported financial statements.

	Three Months Ended June 30, 2023	Six Months Ended June 30, 2023
Net loss per common share, basic and diluted		
Prior to revision	(2.44)	(9.06)
Revision	(0.17)	(0.59)
As revised	$ (2.61)	$ (9.65)
Weighted average common shares outstanding, basic and diluted		
Prior to revision	3,100,957	1,720,202
Revision	(207,713)	(104,430)
As revised	2,893,244	1,615,772

Segments

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker ("CODM") in making decisions regarding resource allocation and assessing performance. The Company views its operations and manages its business as one operating segment. The Company has determined that the chief executive officer is the CODM.

Use of Estimates

The Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could materially differ from those estimates. Significant estimates reflected in these condensed consolidated financial statements include but are not limited to, the accrual of research and development expenses, the valuation of stock-based awards, the operating lease right-of-use assets and operating lease liability, and forecasts utilized in management's going concern assessment.

Foreign Currency Translation and Transactions

The Australian Dollar ("AUD") is the functional currency for Elicio Pty. Accordingly, nonmonetary assets and liabilities originally acquired or assumed in other currencies are recorded in AUD at the date they were acquired or assumed. As part of the consolidation process, the Elicio Pty results are translated from AUD into the reporting currency of USD using average rates for profit and loss transactions and applicable spot rates for period-end balances. The effect of translating our functional currency into our reporting currency is reported separately in Accumulated Other Comprehensive Loss.

Concentrations of Credit Risk and Off-Balance Sheet Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash, cash equivalents, and restricted cash. At times, cash balances deposited at major financial banking institutions exceed the federally insured limit. The Company regularly monitors the financial condition of the institutions in which it has depository accounts and believes the risk of loss is minimal. The Company has not experienced any losses in such accounts.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of deposits at major financial banking institutions and highly liquid investments with an original maturity of three months or less at the date of purchase. As of June 30, 2024 and December 31, 2023, the Company's cash equivalents were held in institutions in the United States and include deposits in a money market fund which were unrestricted as to withdrawal or use.

Restricted Cash

Restricted cash consists of cash securing a collateral letter of credit issued in connection with the Company's facility operating lease and a research grant. See Notes 6 and 11 for further discussion.

Fair Value Measurement

The Company follows the guidance prescribed by ASC Topic 820, *Fair Value Measurements*, which establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value that focuses on an exit price which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard establishes a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

Level 1: Observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities at measurement.

Level 2: Inputs (other than quoted prices included in Level 1) that are either directly or indirectly observable for the asset or liability. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The carrying amounts of financial instruments reflected in the condensed consolidated balance sheets for cash and cash equivalents, current and non-current restricted cash, accounts payable, and accrued expenses approximate their respective fair values because of the short-term maturity of those financial assets and liabilities.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. Upon sale or retirement, the cost and accumulated depreciation are eliminated from their respective accounts, and the resulting gain or loss is recorded in the consolidated statement of operations and comprehensive loss. Repair and maintenance expenditures are expensed as incurred. Construction in process is not depreciated until the asset is placed into service.

Asset Class	Estimated Useful Lives
Equipment	5 years
Furniture and fixtures	3 years
Leasehold improvements	Shorter of useful life or lease term

Impairment of Long-Lived Assets

The Company evaluates its long-lived assets, which consist primarily of property and equipment, and right-of-use asset, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. During the three and six months ended June 30, 2024 and 2023, no impairments have occurred.

Derivative Financial Instruments

The Company's promissory notes included embedded derivatives requiring bifurcation in accordance with ASC 815, *Derivatives and Hedging*. The valuation of the instruments was determined using widely accepted valuation techniques including the probability weighted expected return model. The fair value was determined using a model with the assumptions for equity value proceeds, probability of occurrence of various liquidation scenarios, timeline to liquidity and risk-free interest rate. The fair value of the derivative instruments was measured at each reporting period prior to settlement on June 1, 2023, with changes in fair value reported in earnings (loss).

Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes*. Deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates and laws in effect in the years in which the differences are expected to reverse. A valuation allowance is provided if, based upon the weighted available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company is required to recognize the financial statement effects of a tax position when it is more likely than not, based on the technical merits, the position will be sustained upon examination. As of June 30, 2024, there were no accruals for interest or penalties related to uncertain tax provisions.

Research and Development

Research and development costs are charged to expense as incurred and consist of expenses incurred in performing research and development activities, including salaries and benefits, materials and supplies, preclinical expenses, stock-based compensation expense, depreciation of equipment, contract services, and other outside expenses. The Company accrues for costs incurred by external service providers, based on estimates of services performed and costs. The Company expenses all research and development costs in the periods in which they are

incurred. Costs for certain research and development activities are recognized based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our vendors and service providers. Based on the timing of payments to service providers, the Company may also record prepaid expenses for those service providers that will be recognized as expenses in future periods as the related services are rendered. Research and development costs may be offset by research grants and research and development refundable tax rebates received by Elicio Pty.

Leases

ASC Topic 842, *Leases*, ("ASC 842"), requires a lessee to recognize a right-of-use ("ROU") asset and corresponding lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the condensed consolidated statements of operations and comprehensive loss as well as the reduction of the ROU asset.

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on specific facts and circumstances, the existence of an identified asset(s), if any, and the Company's control over the use of the identified asset(s), if applicable. Operating lease liabilities and their corresponding ROU assets are recorded based on the present value of future lease payments over the expected lease term. The interest rate implicit in lease contracts is typically not readily determinable. As such, the Company will utilize the incremental borrowing rate, which is the rate incurred to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment.

The Company has elected to combine lease and non-lease components as a single component. Operating leases are recognized on the condensed consolidated balance sheet as ROU lease assets, current lease liabilities and non-current lease liabilities. Fixed rents are included in the calculation of the lease balances, while variable costs paid for certain operating and pass-through costs are excluded. Lease expense is recognized over the expected term on a straight-line basis.

Research Grant

The Company analogizes to the guidance provided by International Accounting Standards 20, *Accounting for Government Grants and Disclosure of Government Assistance* ("IAS 20") for funds received from grants from entities that are not customers nor government agencies. The Company recognizes the amount of grant income based on the activity in allowable expenses covered under the grant and has elected to recognize the funds earned as an offset to the related research expenses recorded in operations. Advances from the grant that have yet to be recognized are recorded as restricted cash if the grant requires the funds to be isolated from general cash and cash equivalents. The Company records a liability for any research activity that is required under the grant but has not yet been performed. The liability is recorded as a deferred research obligation on the condensed consolidated balance sheets.

Stock-Based Compensation

The Company issues stock-based awards to employees and non-employees, generally in the form of stock options. The Company accounts for stock-based awards in accordance with ASC 718, *Compensation—Stock Compensation*, which requires all stock-based payments to be recognized in the condensed consolidated statements of operations and comprehensive loss based on their fair values. The expense is recognized on a straight-line basis over the requisite service period, which is generally the vesting period. The Company has elected to account for option forfeitures as they occur.

The Company uses the Black-Scholes option-pricing model ("Black-Scholes") to determine the fair value of options granted, which uses as inputs the fair value of the Company common stock, assumptions the Company makes for the volatility of its Company common stock, the expected term of its stock options, the risk-free interest rate for a period that approximates the expected term of its stock options and its expected dividend yield.

Compensation cost of awards that contain a performance condition are recognized when success is considered probable during the performance period.

Prior to the Merger, there was no public market for Former Elicio's common stock. The estimated fair value of the Company's common stock underlying Former Elicio's stock-based awards was determined by Former Elicio's board of directors as of the grant date of each option grant. To determine the fair value of Former Elicio's common stock underlying option grants, Former Elicio's board of directors considered, among other things, input from management and valuations of Former Elicio's common stock prepared by third-party valuation firms performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* . Following the

Merger, the fair value of the Company's common stock is based on the closing stock price on the date of grant as reported on the Nasdaq Global Market.

Net Loss Per Share

Basic net loss per share of Company common stock is computed by dividing net loss attributable to Company common stockholders by the weighted average number of shares of Company common stock and pre-funded warrants outstanding for the period. Pre-funded warrants are considered outstanding for the purposes of computing basic and diluted net loss per share because shares may be issued for little or no additional consideration and are fully vested and exercisable after the original issuance date of the pre-funded warrants. Diluted net loss per share excludes the potential impact of Company common stock options, warrants and unvested shares of restricted stock because their effect would be anti-dilutive due to the Company's net loss. Since the Company had net losses for the three and six months ended June 30, 2024 and 2023, basic and diluted net loss per common share are the same.

Comprehensive Loss

Comprehensive loss is defined as a change in equity during a period from foreign exchange transactions and other events and circumstances from non-owner sources.

Recently Issued Accounting Standards Not Yet Adopted

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies and adopted by the Company as of the specified effective date. Except as noted below, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its consolidated financial statements and disclosures.

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.* This ASU broadens the disclosure requirements by requiring disclosures of significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss. The standard also requires entities to disclose, on an interim and annual basis, the amount and description, including the nature and type, of the other segment items. Additionally, entities are required to disclose the title and position of the individual identified as the CODM and an explanation of how the CODM uses the reported measures of a segment's profit or loss in assessing segment performance and deciding how to allocate resources. These enhanced disclosure obligations apply to entities that operate with one reportable segment as well. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024 on a retrospective basis. Early adoption is permitted. The Company is currently assessing the impact that this new accounting standard will have on its consolidated financial statements and disclosures.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* This ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The standard requires entities to disclose federal, state, and foreign income taxes in their rate reconciliation tables and elaborate on reconciling items that exceed a quantitative threshold. Additionally, it requires an annual disclosure of income taxes paid, net of refunds, categorized by jurisdiction based on a quantitative threshold. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. Early adoption is permitted. This ASU will result in the required additional disclosures being included in the Company's consolidated financial statements, once adopted.

Note 3—Merger and Related Transactions

As described in Note 1, Former Elicio merged with a wholly owned subsidiary of Angion on June 1, 2023. The Merger was accounted for as a reverse recapitalization under U.S. GAAP. Former Elicio was considered the accounting acquirer for financial reporting purposes. This determination was based on the facts that, immediately following the Merger: (i) Former Elicio stockholders own a substantial majority of the voting rights; (ii) Former Elicio designated a majority (six of nine) of the initial members of the board of directors of the combined company; (iii) Former Elicio's executive management team became the management team of the combined company; and (iv) the Company was named Elicio Therapeutics, Inc. and is headquartered in Boston, Massachusetts. Accordingly, for accounting purposes, the Merger was treated as the equivalent of Former Elicio issuing stock to acquire the net assets of Angion. As a result of the Merger, the net assets of Angion were recorded at their acquisition-date fair value, which approximated book value due to the short-term nature of the instruments, in the financial statements of Former Elicio and the reported operating results prior to the Merger were those of Former Elicio. Historical common share amounts of Former Elicio have been retroactively restated based on the Exchange Ratio. It was concluded that any in-process research and development assets that remained as of the Merger would be *de minimis* when compared to the cash and investments obtained through the Merger.

ELICIO THERAPEUTICS, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements (Continued)

Prior to the effective time of the Merger, on June 1, 2023, in connection with the transactions contemplated by the Merger Agreement, the Company effected the Reverse Stock Split. At the effective time of the Merger, each outstanding share of Former Elicio capital stock (after giving effect to the automatic conversion of all shares of Former Elicio preferred stock into shares of Former Elicio common stock and excluding any shares held as treasury stock by Former Elicio or held or owned by Angion or any subsidiary of Angion or Former Elicio and any dissenting shares) was converted into the right to receive 0.0181 shares of Angion common stock, which resulted in the issuance by Angion of an aggregate of 5,375,751 shares of Angion common stock to the stockholders of Former Elicio (the "Exchange Shares"), and a total of 8,387,025 shares of the Company common stock being issued and outstanding immediately following the effective time of the Merger. In addition, Angion assumed the Former Elicio 2022 Equity Incentive Plan and the Former Elicio 2012 Equity Incentive Plan (the "Former Elicio Plans") and each outstanding and unexercised option to purchase Former Elicio common stock and each outstanding and unexercised warrant to purchase Former Elicio capital stock were adjusted with such stock options and warrants henceforth representing the right to purchase a number of shares of the Company's common stock equal to the Exchange Ratio multiplied by the number of shares of Former Elicio common stock previously represented by such options and warrants, at an exercise price equal to the exercise price of Former Elicio capital stock divided by the Exchange Ratio.

In connection with the execution of the Merger Agreement, Angion made a bridge loan to Former Elicio pursuant to a note purchase agreement and promissory notes up to an aggregate principal amount of $12.5 million, issued with a 20% original issue discount, with an initial closing held substantially concurrently with the execution of the Merger Agreement for a principal amount of $6.25 million in exchange for cash of $5.0 million and an additional closing for a principal amount of $6.25 million in exchange for cash of $5.0 million upon delivery by Former Elicio to Angion of Former Elicio's audited financial statements for the year ended December 31, 2022 (the "Bridge Loan").

As part of the recapitalization, the Company obtained the assets and liabilities listed below (in thousands):

Cash and cash equivalents	$	24,001
Other current assets		540
Promissory notes, net		10,027
Accrued liabilities		(2,438)
Net assets acquired	$	32,130

Per the terms of the Merger Agreement, upon completion of the Merger, all obligations owed by Former Elicio related to the Bridge Loan were automatically forgiven and the amount advanced by Angion, along with any accrued and unpaid interested, was credited towards the net cash balance used to calculate the assets and liabilities listed above. Upon settlement of the Bridge Loan, the Company recognized a gain of $0.6 million related to the fair value of the embedded derivatives associated with the Bridge Loan.

The Company recognized the net assets acquired, excluding the promissory notes and transaction costs of $ 2.9 million, as a reduction to additional paid-in capital in the condensed consolidated statements of convertible preferred stock and stockholders' equity (deficit) for the three and six months ended June 30, 2023.

Note 4—Fair Value Measurements

The following tables present the Company's financial assets and liabilities measured at fair value on a recurring basis and their assigned levels within the fair value hierarchy (in thousands):

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Money market funds[1]	$ 1,162	$ —	$ —	$ 1,162
Total assets	$ 1,162	$ —	$ —	$ 1,162
Warrant liability	$ —	$ 4,245	$ 7	$ 4,252
Total liabilities	$ —	$ 4,245	$ 7	$ 4,252

ELICIO THERAPEUTICS, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements (Continued)

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Money market funds[1]	$ 5,973	$ —	$ —	$ 5,973
Total assets	$ 5,973	$ —	$ —	$ 5,973
Warrant liability	$ —	$ —	$ 11	$ 11
Total liabilities	$ —	$ —	$ 11	$ 11

(1) Included in cash, cash equivalents, and restricted cash on the condensed consolidated balance sheets. This balance includes cash requirements settled on a nightly basis.

Cash equivalents at June 30, 2024 and December 31, 2023 were held in U.S. Treasury securities.

There were no transfers made among the three levels in the fair value hierarchy during the periods presented.

As part of the Merger transaction, Former Elicio assumed Angion's warrant liabilities. The fair value of the assumed Angion warrants was classified as Level 3 with key Level 3 inputs of exercise price, term, and volatility. The following table presents a summary of changes in Level 3 in the fair value of the Company's common stock warrant liability (in thousands):

	June 30, 2024	June 30, 2023
Balance, beginning of the period	$ 11	$ —
Existing Angion warrant liability	—	9
Change in fair value	(4)	23
Balance, end of the period	$ 7	$ 32

Both observable and unobservable inputs were used to determine the fair value of positions that the Company has classified within the Level 3 category. Unrealized gains and losses associated with assets and liabilities within the Level 3 category include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs.

The fair value of the Angion warrants issued by the Company has been estimated using Black-Scholes option pricing model. The underlying equity included in Black-Scholes was valued based on the equity value implied from sales of preferred and common stock at each measurement date, as applicable. The fair value of the warrants was impacted by the model selected as well as assumptions surrounding unobservable inputs including the underlying equity value, expected volatility of the underlying equity, risk free interest rate, and the expected term.

In March 2024, the Company entered into a subscription agreement (the "March Subscription Agreement") with GKCC, LLC (the "Purchaser"), an entity controlled by a director of the Company, providing for the issuance and sale by the Company to the Purchaser of pre-funded warrants (the "Pre-Funded Warrants") to purchase up to 1,032,702 shares of the Company's common stock, at a purchase price per Pre-Funded Warrant of $ 5.81 (the "March Offering"). The Company identified these warrants as liabilities and measured them at fair value on March 19, 2024, and subsequently remeasures the fair value of these warrant liabilities on a quarterly basis. The Company is able to calculate the fair value measurement based on directly observable inputs for the asset from active markets, therefore these warrants are classified as Level 2.

The Company records the change in the fair value of common stock warrants in change in fair value of warrant liability in the condensed consolidated statements of operations and comprehensive loss.

ELICIO THERAPEUTICS, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements (Continued)

The fair value of the common stock warrant liability, excluding the Pre-Funded Warrants, was estimated using the following assumptions:

	June 30, 2024	December 31, 2023
Weighted average strike price	$76.00	$76.00
Contractual term (years)	4.2	4.7
Volatility (annual)	121.9%	94.0%
Risk-free rate	4.3%	3.9%
Dividend yield (per share)	0.0%	0.0%

Note 5—Balance Sheet Components

Prepaid and Other Current Assets

Prepaid and other current assets consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Prepaid research and development contract services	$ 1,699	$ 1,883
Advanced professional fees	180	300
Prepaid insurance	647	376
Miscellaneous receivables	87	—
Other prepaid expenses and other current assets	255	173
Total prepaid and other current assets	$ 2,868	$ 2,732

Property and Equipment, Net

Property and equipment, net was comprised of the following (in thousands):

	June 30, 2024	December 31, 2023
Equipment	$ 1,616	$ 1,574
Furniture and fixtures	242	242
Leasehold improvements	132	132
Total property and equipment	1,990	1,948
Less: accumulated depreciation	(1,393)	(1,231)
Property and equipment, net	$ 597	$ 717

Depreciation expense was immaterial for the three and six months ended June 30, 2024 and 2023.

Other long-term prepaid assets

Other long-term prepaid assets consisted of the advance payments for clinical trial services, totaling $ 1.6 million and $2.8 million as of June 30, 2024 and December 31, 2023, respectively.

ELICIO THERAPEUTICS, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements (Continued)

Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Accrued professional fees	$ 812	$ 945
Accrued compensation and benefits	1,110	1,849
Accrued research and development	2,379	912
Advanced payment of July Pre-Funded Warrants	1,000	—
Other accrued expenses	20	51
Total accrued expenses	$ 5,321	$ 3,757

Note 6 — Research Grant

In September 2022, Former Elicio entered into a grant agreement with the Gastro-Intestinal ("GI") Research Foundation, a not-for-profit organization focused on supporting research to treat, cure, and prevent digestive diseases. Of the $2.8 million award, $2.3 million was received in September 2022 and the remaining $0.5 million was received in June 2023 with the completion of the development efforts as defined in the grant agreement. The final $ 0.5 million payment was applied as a credit to the second grant agreement described below. For the three and six months ended June 30, 2023, the Company incurred $0.5 million in research and development expenses related to this project.

In September 2023, the Company entered into a second grant agreement with the GI Research Foundation for $ 3.1 million, with such amount received net of the $0.5 million credit, described above. The grant funds available as of June 30, 2024 were $0.4 million, which are reflected in restricted cash in the accompanying consolidated balance sheets. The deferred research obligation as of June 30, 2024 was $0.4 million which was reflected in the deferred research obligation in the accompanying consolidated balance sheets. For the three and six months ended June 30, 2024, the Company incurred $0.8 million and $2.2 million, respectively, in research and development expenses related to this project, of which $0.1 million and $0.3 million was reimbursed, respectively.

The award money for both agreements was earned and recognized as a contra research and development expense as the expenses were incurred.

Note 7—Convertible Preferred Stock, Common Stock and Stockholders' Equity

Authorized Shares

The Company's current Amended and Restated Certificate of Incorporation, as amended, authorizes 300,000,000 shares of common stock, par value $0.01 per share, and 10,000,000 shares of preferred stock, par value $ 0.01 per share.

Convertible Preferred Stock of Former Elicio

Former Elicio's convertible preferred stock consisted of Series A preferred stock ("Series A Preferred Shares"), Series B preferred stock ("Series B Preferred Shares") and Series C preferred stock ("Series C Preferred Shares").

Conversion of Convertible Preferred Stock

On June 1, 2023, Former Elicio completed the Merger with Angion in accordance with the Merger Agreement. Under the terms of the Merger Agreement, immediately prior to the effective time of the Merger, each share of Former Elicio's convertible preferred stock was converted into a share of Former Elicio's common stock. At the closing of the Merger, the Company issued an aggregate of 5,375,751 shares of its common stock to Former Elicio stockholders, based on the Exchange Ratio. No shares of convertible preferred stock were issued during the six months ended June 30, 2024 or 2023.

As a result of the Merger, the aggregate amount of 276,128,177 shares of Former Elicio preferred stock (retroactively restated for the reverse recapitalization as described in Note 3) were converted into 4,997,920 shares of Former Elicio's common stock to be exchanged for the same number of shares of the Company's common stock.

At-The-Market Equity Programs

In May 2022, the Company filed a registration statement on Form S-3 (the "Prior Shelf Registration St atement") with the SEC that registered the offering, issuance, and sale of an amount of common stock, preferred stock, debt securities, and warrants to purchase common stock, preferred stock and/or debt securities, not to exceed an aggregate initial offering price of $100 million. Simultaneously, the Company entered into an At-the-Market Equity Offering Sales Agreement with Stifel, Nicolaus & Company, Incorporated and Virtu Americas LLC, as sales agents, pursuant to which the Company may offer, issue or sell shares of its common stock having an aggregate offering price of up to $21 million from time to time in "at-the-market" offerings under the Prior Shelf Registration Statement and related prospectus filed with the Prior Shelf Registration Statement (the "2022 ATM Program"). During the six months ended June 30, 2024, the Company issued and sold a total of 650,179 shares of common stock under the 2022 ATM Program for aggregate net sale proceeds of approximately $5.4 million after deducting sales commissions. No sales were made under the 2022 ATM Program during the six months ended June 30, 2023.

In May 2024, the 2022 ATM Program was terminated by the Company. In June 2024, the Company filed a registration statement on Form S-3 (the "2024 Registration Statement") with the SEC that registered the offering, issuance, and sale of an amount of common stock, preferred stock, debt securities, warrants to purchase common stock, preferred stock and/or debt securities, and/or units consisting of any combination of such securities, not to exceed an aggregate initial offering price of $200 million. Simultaneously, the Company entered into the Capital on Demand ™ Sales Agreement with JonesTrading Institutional Services, LLC, as agent, to provide for the issuance and sale of up to $40 million of common stock from time to time in "at-the-market" offerings under the 2024 Registration Statement and related prospectus filed with the 2024 Registration Statement (the "2024 ATM Program"). No sales were made under the 2024 ATM Program during the six months ended June 30, 2024.

Private Placement

In March 2024, the Company entered into the March Subscription Agreement with the Purchaser, an entity controlled by a director of the Company, for purposes of the March Offering. Each Pre-Funded Warrant issued and sold in the March Offering is exercisable at an exercise price equal to $0.01 per share, subject to certain adjustments and limitations as provided under the terms of the Pre-Funded Warrants. The Pre-Funded Warrants were classified as a liability at issuance due to the need for the Company to obtain stockholder approval to settle the instruments in shares in an amount exceeding the 19.99% beneficial ownership blocker. See Note 15 - Related Party Transactions for a discussion of the March Offering.

Note 8—Stock-Based Compensation

2012 Plan and 2022 Plan

Pursuant to the Merger Agreement, the Company assumed the Former Elicio Plans and all stock options issued and outstanding under the Former Elicio Plans. Each outstanding and unexercised option to purchase Former Elicio common stock was adjusted with such Company stock options henceforth representing the right to purchase a number of shares of the Company's common stock based on the Exchange Ratio. Any restriction on the exercise of any Former Elicio stock options assumed by the Company continued in full force and effect and the term, exercisability, vesting schedule, accelerated vesting provisions, and any other provisions of such Former Elicio stock options otherwise remained unchanged; provided, however, that the Compensation Committee of the Company's board of directors assumed the responsibility and the authority of Former Elicio's board of directors or any committee thereof with respect to each Former Elicio stock option assumed by the Company.

2015 Plan

In June 2019, Angion approved an Amended and Restated 2015 Equity Incentive Plan (the "2015 Plan") permitting the granting of incentive stock options, non-statutory stock options, restricted stock and other stock-based awards. Following the effectiveness of the 2021 Incentive Award Plan ("2021 Plan"), Angion ceased making grants under the 2015 Plan. However, the 2015 Plan continues to govern the terms and conditions of the outstanding awards granted under it. Shares of common stock subject to awards granted under the 2015 Plan that cease to be subject to such awards by forfeiture or otherwise after the termination of the 2015 Plan will be available for issuance under the 2021 Plan.

2021 Plan and Amendment to 2021 Plan

In January 2021, Angion's board of directors approved the 2021 Plan which permits the granting of incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards to employees, directors, officers and consultants. The 2021 Plan provides that the number of shares reserved and available for issuance will automatically increase each January 1st by the lesser of 5% of the Company's common stock outstanding on the immediately preceding December 31st, or such lesser number of shares as determined by the Company's board of directors. In March 2023, Angion's board of directors approved an amendment to the 2021 Plan to increase the cumulative number of shares of common stock reserved for issuance thereunder by 30,113 shares.

As of June 30, 2024, 566,772 shares and 174,289 shares remain available for future grants under the 2021 Plan and Former Elicio 2022 Equity Incentive Plan, respectively.

2024 Inducement Incentive Award Plan

In February 2024, the Company's board of directors approved the Company's 2024 Inducement Incentive Award Plan (the "2024 Inducement Plan") which permits the granting of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, and other stock-based awards to employees as an inducement pursuant to Listing Rule 5635(c)(4) of the corporate governance rules of the Nasdaq Stock Market. The 2024 Inducement Plan provides for an overall share limit of 500,000 shares of the Company's common stock. As of June 30, 2024, 346,136 shares remain available for future grants under the 2024 Inducement Plan.

Stock Options

The following table summarizes information and activity related to the Company's stock options:

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Total Intrinsic Value (in thousands)
Outstanding as of December 31, 2023	1,305,924	$ 21.27	7.43	$ 2,511
Options granted	471,934	4.57		
Options exercised	(3,391)	3.86		
Forfeited (unvested)	(95,422)	13.77		
Outstanding as of June 30, 2024	1,679,045	$ 17.05	6.75	$ 131
Options vested and exercisable	755,185	$ 31.08	5.15	$ 124

The aggregate intrinsic value in the above table is calculated as the difference between the estimated fair value of the Company's common stock price and the exercise price of the stock options. 471,934 stock options were granted during the six months ended June 30, 2024. The weighted average grant date fair value per share for the stock option grants during the six months ended June 30, 2024 was $4.57. As of June 30, 2024, the total unrecognized compensation expense related to unvested stock option awards granted was $3.1 million, which the Company expects to recognize over a weighted-average period of approximately 2.71 years.

Stock-based Compensation Expense

The following table summarizes total stock-based compensation expense recorded in the condensed consolidated statements of operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Research and development	$ 140	$ 229	$ 276	$ 412
General and administrative	210	50	398	91
Total	$ 350	$ 279	$ 674	$ 503

ELICIO THERAPEUTICS, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements (Continued)

The fair value of each option is estimated on the date of grant using Black-Scholes with the assumptions noted in the table below. The fair value of an award with only a service condition is amortized as compensation expense on a straight-line basis over the requisite service period of the awards, which is generally the vesting period. Compensation cost of awards that contain a performance condition are recognized when success is considered probable during the performance period. The Company has elected to account for forfeitures as they occur, rather than estimating the number of awards that are expected to vest. The risk-free interest rate is estimated using the weighted average rate of return on U.S. Treasury notes with a life that approximates the expected life of the option. The expected term of options granted to employees was calculated using the simplified method, which represents the average of the contractual term of the option and the weighted-average vesting period of the option. The Company uses the simplified method because it does not have sufficient historical option exercise data to provide a reasonable basis upon which to estimate expected term. The contractual life of the option was used for the expected life of options granted to non-employees. Expected volatility is based on the weighted average of the historical volatility of a peer group of publicly traded companies, using the daily closing prices during the equivalent period of the calculated expected term of stock-based awards. The Company will continue to apply this process until a sufficient amount of historical information regarding the volatility of the Company's stock price becomes available, or until circumstances change, such that the identified entities are no longer comparable companies. The assumed dividend yield is based upon the Company's expectation of not paying dividends in the foreseeable future.

The fair value of each employee and non-employee stock option grant was estimated on the date of grant using Black-Scholes based on the following assumptions.

Options	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Risk-free interest rate	4.3%	3.7%	3.8% - 4.3%	3.7%
Expected dividend yield	0.0%	0.0%	0.0%	0.0%
Expected term in years (employees)	6.08	6.00	5.50 - 6.08	6.00
Expected volatility	79.6%	71.9% - 72.5%	79.5% - 79.7%	71.9% - 72.5%

In March 2021 and June 2022, certain employees of the Company early exercised options to purchase shares of the Company's common stock. The shares had not fully vested at the time of exercise and were recorded as an unvested option exercise liability. As the shares vested, the Company recognized the shares and related expense as issuance of common stock upon settlement of restricted stock in the condensed consolidated financial statements for the periods ended June 30, 2024 and 2023.

Employee Stock Purchase Plan

In January 2021, the board of directors of Angion approved the Employee Stock Purchase Plan (the "ESPP"). The ESPP was effective on the date immediately prior to the effectiveness of Angion's registration statement relating to the initial public offering. The offering period and purchase period was determined by Angion's board of directors. No offering periods or purchasing periods were active as of June 30, 2024. As of June 30, 2024, 68,958 shares under the ESPP remain available for purchases and no offerings have been authorized.

Note 9—Warrants

In accordance with ASC 815, the warrants classified as liabilities are recorded at fair value at the issuance date, with subsequent changes in the fair value recognized in the condensed consolidated statements of operations and comprehensive loss at the end of each reporting period. Refer to Note 4 for changes in the fair value recognized during the periods reported.

As disclosed in Note 4, in March 2024, the Company entered into the March Subscription Agreement with the Purchaser, an entity controlled by a director of the Company, for purposes of the March Offering. Each Pre-Funded Warrant issued and sold in the March Offering is exercisable at an exercise price equal to $0.01 per share, subject to certain adjustments and limitations as provided under the terms of the Pre-Funded Warrants.

Upon issuance, the fair value of the Pre-Funded Warrants was $ 6.6 million. The Company recorded the $0.6 million difference between the proceeds and grant date fair value as a loss on issuance of warrants in the statements of operations and comprehensive loss. The fair value of the Pre-Funded Warrants was measured using the Black-Scholes Option Pricing model as of the grant date. For the three and six months ended June 30, 2024,

the Company recognized a gain of $ 3.6 million and $2.3 million, respectively in fair value remeasurement of the Pre-Funded Warrants.

The following table summarizes information regarding common stock warrants outstanding at June 30, 2024:

	Warrants	Weighted Average Exercise Price	Weighted Average Life (years)
Outstanding at December 31, 2023	148,764	$ 54.19	5.5
Issued	1,032,702	0.01	
Exercised	—	—	
Outstanding at June 30, 2024	1,181,466	$ 6.83	5.0

Note 10—Commitments and Contingencies

Legal Proceedings

From time to time, the Company may be involved in legal proceedings, as well as demands, claims and threatened litigation, which arise in the normal course of its business or otherwise.

The outcome of any future litigation is uncertain. Such litigation, if not resolved, could result in substantial costs to the Company, including any costs associated with the indemnification of directors and officers.

The Company may be exposed to litigation in connection with its products under development and operations. The Company's policy is to assess the likelihood of any adverse judgments or outcomes related to legal matters, as well as ranges of probable losses. The Company is not aware of any material legal matters.

License Agreements

In January 2016, Former Elicio entered into a license agreement to license certain intellectual property from a university, which agreement has been amended from time to time to license additional intellectual property. The Company is required to pay certain contractual maintenance and milestone payments related to clinical trials and royalties on product sales over the term of the contract, with minimum annual royalty payments commencing in the calendar year after commercialization. The license term for the January 2016 license agreement extends until terminated by either party under certain provisions. No commercialization royalties have been achieved to date.

Future minimum annual maintenance payments are $0.1 million for the year ended December 31, 2024 and for each year thereafter. Future minimum annual payments are due until the termination of the agreement.

Note 11—Leases

Operating Leases

In July 2021, the Company signed an operating lease for office and laboratory space in Boston, Massachusetts (the "Boston Lease"). The Boston Lease commenced in February 2022 with the term set to expire in February 2030. The Boston Lease has rent payments escalating annually, which total $11.1 million in the aggregate. As a result, at the commencement of the Boston Lease the Company recognized a right-of-use lease asset of $ 8.0 million with a corresponding lease liability of $8.0 million based on the present value of the minimum rental payments. In addition, the Company will make payments for operating expenses and real estate taxes. In June 2023, the Company secured a letter of credit for the deposit on the Boston Lease and has a deposit in the amount of $0.7 million, which was reported as restricted cash, noncurrent on the condensed consolidated balance sheets as of June 30, 2024 and December 31, 2023.

As part of the Merger Agreement, the Company also assumed a lease for clinical and regulatory space in Newton, Massachusetts, comprising approximately 6,157 square feet for approximately $0.2 million per year, under a non-cancelable operating lease that expired on June 30, 2024.

Lease expense for all leases for the three and six months ended June 30, 2024 was $ 0.4 million and $0.8 million, respectively. Lease expense for all leases for the three and six months ended June 30, 2023 was $0.3 million and $0.7 million, respectively.

ELICIO THERAPEUTICS, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements (Continued)

The following table summarizes quantitative information about the Company's operating leases (dollars in thousands):

	Six Months Ended June 30,	
	2024	2023
Operating cash outflows from operating leases	$ 765	$ 743
Weighted-average remaining lease term—operating leases (in years)	5.58	6.44
Weighted-average discount rate—operating leases	8.0 %	7.9 %

As of June 30, 2024, maturities of lease liabilities were as follows (in thousands):

Year Ended December 31,	Amounts
2024 (remaining six months)	$ 661
2025	1,350
2026	1,383
2027	1,425
2028	1,467
Thereafter	1,765
Total	8,051
Less present value discount	(1,632)
Operating lease liabilities	6,419
Less: operating lease liability, current portion	(854)
Operating lease liability, noncurrent portion	$ 5,565

Note 12 - Notes Payable

In connection with execution of the Merger Agreement, Angion made the Bridge Loan to Former Elicio pursuant to a note purchase agreement and promissory notes up to an aggregate principal amount of $12.5 million, issued with a 20% original issue discount, with an initial closing held substantially concurrently with the execution of the Merger Agreement for a principal amount of $6.25 million in exchange for cash of $5.0 million and an additional closing for a principal amount of $6.25 million in exchange for cash of $5.0 million upon delivery by Former Elicio to Angion of Former Elicio's audited financial statements for the year ended December 31, 2022.

The promissory notes included multiple settlement options depending on the outcome of the Merger. Former Elicio evaluated all the settlement features, included within the promissory note agreement, under FASB ASC Topic 815, *Derivatives and Hedging,* and determined the settlement features met the definition of a derivative and required bifurcation from the promissory notes. The bifurcated embedded derivative of $0.4 million was recorded as a liability at fair value at the date of issuance based on the probability of occurrence of a triggering event taking place during the term of the promissory notes and was recorded as a discount to the carrying value of the promissory note. During the period ended June 30, 2023, Former Elicio recorded other expense of $0.1 million related to the accretion of the discount of the promissory notes derivative.

Per the terms of the Merger Agreement, upon completion of the Merger, all obligations owed by Former Elicio related to the promissory notes were automatically forgiven and the amount advanced by Angion, along with any accrued and unpaid interest, was credited towards the net cash balance used to calculate the assets and liabilities listed above.

Note 13—Income Taxes

The Company did not record a provision or benefit for income taxes during the three and six months ended June 30, 2024 or 2023. As of June 30, 2024 and December 31, 2023, the Company continues to maintain a full valuation allowance against all of its deferred tax assets in light of its history of cumulative net losses.

Note 14—Net Loss Per Share

The Company has reported losses since inception and has computed basic net loss per share attributable to common stockholders by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock and pre-funded warrants outstanding for the period, without consideration for potentially

dilutive securities. The Company computes diluted net loss per share of common stock after giving consideration to all potentially dilutive shares of common stock, including options to purchase common stock and preferred stock outstanding during the period determined using the treasury-stock and if-converted methods, except where the effect of including such securities would be antidilutive. Because the Company has reported net losses since inception, these potential shares of common stock and preferred stock have been anti-dilutive and basic and diluted loss per share were the same for all periods presented.

Basic and diluted net loss per share attributable to common stockholders was calculated for the periods ended June 30, 2024 and 2023 as follows (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator				
Net loss	$ (7,229)	$ (7,559)	$ (19,056)	$ (15,586)
Denominator:				
Weighted-average shares used in computing net loss per share, basic and diluted	11,284,853	2,893,244	10,779,389	1,615,772
Net loss per share, basic and diluted	$ (0.64)	$ (2.61)	$ (1.77)	$ (9.65)

The table below provides potentially dilutive securities not included in the calculation of the diluted net loss per share because to do so would be anti-dilutive:

	Six Months Ended June 30,	
	2024	2023
Shares issuable upon exercise of stock options	755,185	1,285,257
Shares issuable upon the exercise of warrants	148,764	148,764
Unvested common stock	348	—
Total	904,297	1,434,021

Note 15 —Related Party Transactions

Consulting Agreement

The Company paid $0 for both the three and six months ended June 30, 2024, and $ 0.3 million and $0.7 million for the three and six months ended June 30, 2023, respectively, for consulting services provided by an entity affiliated with the Company's former interim chief financial officer and former board member.

Private Placement and Subscription Agreement

In March 2024, the Company entered into the March Subscription Agreement with the Purchaser, an entity controlled by a director of the Company, for purposes of the March Offering. Each Pre-Funded Warrant issued and sold in the March Offering is exercisable at an exercise price equal to $0.01 per share, subject to certain adjustments and limitations as provided under the terms of the Pre-Funded Warrants.

The March Offering closed on March 19, 2024 (the "March Offering Closing Date"). Each Pre-Funded Warrant is exercisable at any time on or after the March Offering Closing Date at an exercise price equal to $0.01 per share, subject to adjustments as provided under the terms of the Pre-Funded Warrants, and subject to a post-exercise beneficial ownership limitation of 19.99%, unless stockholder approval is obtained. The gross proceeds to the Company from the March Offering were approximately $6.0 million.

Public Offering

Following the Public Offering described in Note 16 "Subsequent Events" below, Yekaterina Chudnovsky, a member of the Company's board of directors, and Jay Venkatesan, a member of the Company's board of directors, and trusts affiliated with Jay Venkatesan, purchased 1,600,000 July Pre-Funded Warrants and July Common Warrants and 200,000 July Pre-Funded Warrants and July Common Warrants, respectively, with such July Pre-Funded Warrants and July Common Warrants subject to the terms and conditions of the July Pre-Funded Warrants and July Common Warrants, as further detailed in Note 16 below.

ELICIO THERAPEUTICS, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements (Continued)

Note 16 —Subsequent Events

July Public Offering

On July 1, 2024, the Company closed its underwritten public offering (the "Public Offering") consisting of (i) 500,000 shares of the Company's common stock, par value $0.01 per share (the "July Shares") and (ii) 1,800,000 pre-funded warrants exercisable for shares of common stock (the "July Pre-Funded Warrants"), together with common warrants (the "July Common Warrants") to purchase up to 2,300,000 shares of common stock. Each July Share and accompanying July Common Warrant were sold together at a combined offering price of $5.00 per July Share and accompanying July Common Warrant, and each July Pre-Funded Warrant and accompanying July Common Warrant were sold together at a combined offering price of $4.99 per July Pre-Funded Warrant and accompanying July Common Warrant, which represented the combined purchase price per July Pre-Funded Warrant and accompanying July Common Warrant less the $0.01 per share exercise price for each such July Pre-Funded Warrant.

The July Common Warrants have an exercise price of $ 5.00 per share, were immediately exercisable and will expire five years from the issuance date. The net proceeds from the Public Offering were approximately $10.9 million, after deducting underwriting discounts and commissions and estimated offering expenses payable by the Company. The Company does not intend to list the July Common Warrants and July Pre-Funded Warrants on The Nasdaq Global Market or any other nationally recognized securities exchange or trading system.

Senior Secured Convertible Note Financing

In August 2024, the Company entered into a securities purchase agreement (the "Securities Purchase Agreement") with GKCC, LLC, an entity controlled by a member of the Company's board of directors (the "Purchaser"), pursuant to which the Company issued a 3% Senior Secured Convertible Promissory Note due February 15, 2026 (the "Convertible Note") in the principal amount of $20.0 million (the "Note Financing"). Unless earlier converted in accordance with the terms of the Convertible Note, the Convertible Note will mature on February 15, 2026. Interest on the Convertible Note will accrue and will be payable quarterly in cash on the principal amount equal to 3% per annum, with the initial interest payment date to be June 30, 2025. The Convertible Note is secured by a (i) first priority lien on substantially all assets of the Company and its subsidiaries, pursuant to a security agreement and (i) first priority lien on intellectual property of the Company, pursuant to an intellectual property security agreement. The Convertible Note will be convertible into shares of the Company's common stock, in whole or in part, at the option of the Purchaser at any time, based on an initial conversion price of $5.81 (the "Conversion Price") per share of common stock, subject to adjustments and satisfaction of certain conversion conditions; provided that the Company will not effect any conversion of the Convertible Note and the Purchaser will not have any right to convert any portion of the Convertible Note until the Company's stockholders have provided all approvals as may be required by the applicable rules and regulations of The Nasdaq Stock Market, LLC ("Stockholder Approval"). If at any time from and after the date of the Securities Purchase Agreement and for so long as certain conversion conditions are satisfied, the closing price of the common stock on Nasdaq equals or exceeds 135% of the Conversion Price for 20 trading days in a 30 trading day period, then the Company has the right to require the Purchaser to convert all or any portion of the Convertible Note, including any accrued but unpaid interest into shares of common stock, as further described in the Convertible Note; provided that the Company will not effect any such conversion of the Convertible Note until the Company obtains Stockholder Approval. The Convertible Note contains customary terms and covenants and customary events of default. The Company granted the Purchaser certain customary registration rights with respect to the shares of common stock issuable upon conversion of the Convertible Note.

The Company received net proceeds of approximately $ 19.7 million from the Note Financing, after deducting offering expenses.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and the related notes appearing elsewhere in this Quarterly Report on Form 10-Q and in our audited financial statements and accompanying notes for the years ended December 31, 2023 and 2022 included in our Annual Report on Form 10-K filed March 29, 2024, as amended (the "Form 10-K"). In addition to the historical financial information, this discussion contains forward-looking statements that involve risks, assumptions and uncertainties, such as statements of our plans, objectives, expectations, intentions, forecasts and projections. Our actual results and the timing of selected events could differ materially from those discussed in these forward-looking statements as a result of several factors, including those set forth under the section of this Quarterly Report on Form 10-Q titled "Risk Factors" and the Form 10-K, which you should read carefully to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements. Please also see the section titled "Forward-Looking Statements" at the beginning of this report.

Overview

We are a clinical-stage biotechnology company pioneering the development of immunotherapies for patients with limited treatment options and poor outcomes suffering from cancer and infectious disease. Our proprietary Amphiphile ("AMP") technology is designed to mobilize the body's immune response by preferentially targeting our product candidates to the lymph nodes with the goal of generating a robust T cell response. Recent advances have identified T cell responses as a key component of effective cancer immunotherapy and we believe our AMP technology can generate a robust T cell response that can potentially provide meaningful clinical benefit.

We believe the therapeutic utility of currently approved and development stage immunotherapies are limited in many cases due to their inability to sufficiently localize to lymph nodes and adequately engage with the critical immune cells responsible for stimulating adaptive immunity. Our AMP technology is specifically intended to localize payloads to lymph nodes leading to the generation of a robust T cell response that we believe is critical to generate an anticancer immune response.

We have developed our cancer vaccine product candidates to target biologically validated tumor mutation drivers using known neoantigens. This strategy results in an "off-the-shelf" therapeutic option allowing patients to receive treatment without delay due to manufacturing timelines and costs associated with personalized vaccine approaches.

Our clinical and preclinical pipeline includes the lymph node targeted therapeutic cancer vaccines ELI-002, currently being evaluated in a Phase 2 clinical program, designed to stimulate an immune response against mutant KRAS cancers, ELI-007, currently being evaluated in a preclinical study for the treatment of mutant v-raf murine sarcoma viral oncogene homolog B1 ("BRAF")-driven cancers, and ELI-008, currently being evaluated in a preclinical study for use in the treatment of mutated tumor protein p53 ("TP53") expressing cancers. We believe that each of our cancer vaccine product candidates, if approved, have the potential to improve the lives of patients suffering from solid tumors arising due to specific oncogenic driver mutations.

Our operations to date have been financed primarily by aggregate net proceeds of $152.0 million from the issuance of common stock, pre-funded warrants, convertible preferred stock, convertible notes, the exercise of stock options and common stock warrants, the private placement of our securities, an at-the-market offering, and proceeds from the Merger. Since inception, we have had significant annual operating losses. Our net loss was $7.2 million and $19.1 million for the three and six months ended June 30, 2024, respectively, and $7.6 million and $15.6 million for the three and six months ended June 30, 2023, respectively. As of June 30, 2024, we had an accumulated deficit of $161.3 million and $3.4 million in cash and cash equivalents.

Elicio Operating Company, Inc. ("Former Elicio") was incorporated in Delaware as Vedantra Pharmaceuticals Inc. in August 2011. In December 2018, Former Elicio formed a wholly owned subsidiary, Elicio Securities Corporation, a Massachusetts corporation.

On January 17, 2023, Former Elicio entered into a definitive merger agreement (the "Merger Agreement") with Angion Biomedica Corp ("Angion"), a clinical-stage biotechnology company, and Arkham Merger Sub, Inc., a wholly owned subsidiary of Angion ("Merger Sub"), pursuant to which Merger Sub merged with and into Former Elicio, with Former Elicio surviving the merger as a wholly owned subsidiary of Angion (the "Merger").

On June 1, 2023, the Merger was completed in accordance with the terms and conditions of the Merger Agreement and Angion changed its name from "Angion Biomedica Corp." to "Elicio Therapeutics, Inc." Immediately following the consummation of the Merger, there were approximately 9.7 million shares of our common stock

outstanding on a fully-diluted basis, with Former Elicio equity holders collectively owning approximately 65.2% of the Company and Angion equity holders collectively owning approximately 34.8% of the Company, in each case on a fully diluted basis. The Merger was accounted for as a reverse recapitalization, with Former Elicio being treated as the acquirer for accounting purposes. As a result of the Merger, the net assets of Angion were recorded at their acquisition-date fair value, which approximated book value due to the short-term nature of the instruments, in the financial statements of Former Elicio and the reported operating results prior to the Merger were those of Former Elicio.

We are currently facing substantial doubt about our ability to continue as a going concern, given our cash position and cash runway. As of the filing date of this Quarterly Report on Form 10-Q, we believe that our cash on hand will enable us to fund our operations into the second quarter of calendar year 2025 based on our current plan. This period could be shortened if there are any significant increases in planned or actual spending on development programs or more rapid progress of development programs than anticipated. There is no assurance that financing will be available when needed to allow us to continue as a going concern. Our losses from operations, negative operating cash flows and accumulated deficit, as well as the additional capital needed to fund operations for at least twelve months following the issuance of the condensed consolidated financial statements, raise substantial doubt about our ability to continue as a going concern. We expect to incur substantial expenditures in the foreseeable future for the development of our product candidates and will require additional financing to continue this development. We plan to address this condition through the sale of common stock or other securities in public offerings and/or private placements, debt financings, or through other capital sources, including licensing arrangements, partnerships and collaborations with other companies or other strategic transactions, but there is no assurance these plans will be completed successfully or at all. If we are unable to obtain additional capital when and as needed to continue as a going concern, we might have to further reduce or scale back our operations and/or liquidate our assets, and the values we receive for our assets in liquidation or dissolution could be significantly lower than the values reflected in our financial statements.

Our condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q have been prepared on a basis that assumes that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Our condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern.

Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our accounts payable and accrued expenses. We expect to continue to incur net losses for the foreseeable future, and we expect our research and development expenses, general and administrative expenses, and capital expenditures will continue to increase. In particular, we expect our expenses to increase as we continue our development of, and seek regulatory approvals for, our product candidates, as well as hire additional personnel, pay fees to outside consultants, attorneys and accountants, and incur other increased costs associated with being a public company. In addition, if and when we seek and obtain regulatory approval to commercialize any product candidate, we will also incur increased expenses in connection with commercialization and marketing of any such product. Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of our clinical trials and our expenditures on other research and development activities. We anticipate that our expenses will increase significantly in connection with our ongoing activities, as we:

- advance our lead product candidate, ELI-002, to late stage clinical trials;
- advance our preclinical programs to clinical trials;
- expand our pipeline of product candidates;
- seek regulatory approval for our investigational medicines;
- maintain, expand, protect and defend our intellectual property portfolio;
- acquire or in-license technology;
- expand our clinical, scientific, management and administrative teams; and
- operate as a public company.

As of the filing date of this Quarterly Report on Form 10-Q, we believe that our cash on hand will enable us to fund our operations into the second quarter of calendar year 2025 based on our current plan. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. To finance our operations beyond that point we will need to raise additional capital, which cannot be

assured. Our losses from operations, negative operating cash flows and accumulated deficit, as well as the additional capital needed to fund operations for at least twelve months following the issuance of the condensed consolidated financial statements, raise substantial doubt about our ability to continue as a going concern.

We have not had any products approved for sale. We do not expect to generate any product sales unless and until we successfully complete development and obtain regulatory approval for one or more of our product candidates. If we obtain regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. As a result, until such time, if ever, that we can generate substantial product revenue, we expect to finance our cash needs through equity offerings, debt financings or other capital sources, including collaborations, licenses or similar arrangements. However, we may be unable to raise additional funds or enter into such other arrangements when needed or on favorable terms, if at all. Any failure to raise capital as and when needed could have a negative impact on our financial condition and on our ability to pursue our business plans and strategies, including our research and development activities. If we are unable to raise capital, we will need to delay, reduce or terminate planned activities to reduce costs.

Components of Results of Operations

The following discussion summarizes the key factors our management believes are necessary for an understanding of our financial statements.

Operating Expenses

Our operating expenses since inception have consisted primarily of research and development expenses and general and administrative costs.

Research and Development Expenses

Our research and development expenses consist primarily of costs incurred for the development of our product candidates and our drug discovery efforts, which include:

- personnel costs, which include salaries, benefits and equity-based compensation expense;
- expenses incurred under agreements with consultants and contract organizations that conduct research and development activities on our behalf;
- costs related to sponsored research service agreements;
- costs related to production of preclinical and clinical materials, including fees paid to contract manufacturers;
- laboratory and vendor expenses related to the execution of preclinical studies and planned clinical trials; and
- laboratory supplies and equipment used for internal research and development activities.

We expense all research and development costs in the periods in which they are incurred. Costs for certain research and development activities are recognized based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our vendors and service providers.

Our research and development expenses are not currently tracked on a program-by-program basis. We use our personnel and infrastructure resources across multiple research and development programs directed toward identifying and developing product candidates. Substantially all our research and development costs are incurred on the development of ELI-002 and our preclinical candidates.

We expect our research and development expenses to increase substantially for the foreseeable future as we continue to invest in research and development activities related to developing our product candidates, including investments in conducting clinical trials, manufacturing and otherwise advancing our programs. The process of conducting the clinical research necessary to obtain regulatory approval is costly and time-consuming, and the successful development of our product candidates is highly uncertain. At this time, we cannot reasonably estimate the nature, timing and costs of the efforts that will be needed to complete the development of, or the period, if any, in which material net cash inflows may commence from ELI-002 or any of our preclinical candidates. This is due to the numerous risks and uncertainties associated with developing drugs, including the uncertainty of:

- the scope, rate of progress and expense of our research and development activities;
- clinical trials and early-stage results;
- the terms and timing of regulatory approvals; and

- the ability to market, commercialize and achieve market acceptance for ELI-002, or any of our preclinical candidates that we or our future collaboration partners may develop in the future.

Any of these variables with respect to the development of ELI-002, or any other of our preclinical candidates that we may develop could result in a significant change in the costs and timing associated with the development of such candidates. For example, if the FDA or other regulatory authority were to require us to conduct preclinical and clinical studies beyond those which we currently anticipate will be required for the completion of clinical development or if we experience significant delays in enrollment in any clinical trials, we could be required to expend significant additional financial resources and time on the completion of our clinical development programs.

General and Administrative Expenses

Our general and administrative expenses consist primarily of personnel costs, including equity-based compensation, and other expenses for outside professional services, including marketing, legal, audit and accounting, and facility-related costs not otherwise included in research and development expenses, and recruiting. We expect our general and administrative expenses to increase over the next several years to support our continued research and development activities, manufacturing activities, increased costs of expanding our operations and operating as a public company. These increases will likely include increases related to the hiring of additional personnel and legal, regulatory and other fees and services associated with maintaining compliance with Nasdaq Stock Market LLC ("Nasdaq") Marketplace Rules, or the Nasdaq Listing Rules, and Securities and Exchange Commission ("SEC") requirements, accounting and audit fees, director and officer insurance costs and investor relations costs associated with being a public company.

Other Income (Expense)

For the three and six months ended June 30, 2024 and 2023, other income and expense consisted primarily of interest income, foreign exchange transaction gains and losses, gain on sale of equipment, interest expense, changes in fair value of the embedded derivative, gain on extinguishment of the promissory note payable, and gains and losses related to the re-measurement of our warrant liabilities.

Results of Operations

Comparison of the Three Months Ended June 30, 2024 and 2023

The following table summarizes our results of operations for the periods indicated (in thousands, except percentages):

	Three Months Ended June 30,			
	2024	2023	$ Change	% Change
Operating expenses:				
Research and development	$ 8,180	$ 4,944	$ 3,236	65 %
General and administrative	2,744	2,833	(89)	(3)%
Total operating expenses	10,924	7,777	3,147	40 %
Loss from operations	(10,924)	(7,777)	(3,147)	40 %
Total other income (expense), net	3,695	218	3,477	1595 %
Net loss	**$ (7,229)**	**$ (7,559)**	$ 330	

Research and Development Expenses

Research and development expenses were $8.2 million for the three months ended June 30, 2024, compared to $4.9 million for the three months ended June 30, 2023. The increase of $3.2 million was primarily due to clinical trial expenses as the Company advanced ELI-002 clinical development.

General and Administrative Expenses

General and administrative expenses were $2.7 million for the three months ended June 30, 2024, compared to $2.8 million for the three months ended June 30, 2023. The consistent year-over-year cost was

primarily due to the Company managing personnel-related costs and professional fees in connection with operating as a public company.

Other Income (Expense), net

Other income (expense), net for the three months ended June 30, 2024 was expense of $3.7 million compared to expense of $0.2 million for the three months ended June 30, 2023. The increase of $3.5 million was primarily due to the change in fair value associated with the Pre-Funded Warrants, as defined in our condensed consolidated financial statements for the three and six months ended June 30, 2024.

Results of Operations

Comparison of the Six Months Ended June 30, 2024 and 2023

The following table summarizes our results of operations for the periods indicated (in thousands, except percentages):

	Six Months Ended June 30,			
	2024	2023	$ Change	% Change
Operating expenses:				
Research and development	$ 15,739	$ 10,428	$ 5,311	51
General and administrative	5,426	5,154	272	5
Total operating expenses	21,165	15,582	5,583	36
Loss from operations	(21,165)	(15,582)	(5,583)	36
Other income (expense), net	2,109	(4)	2,113	(52825)
Net loss	**$ (19,056)**	**$ (15,586)**	$ (3,470)	

Research and Development Expenses

Research and development expenses were $15.7 million for the six months ended June 30, 2024, compared to $10.4 million for the six months ended June 30, 2023. The increase of $5.3 million was primarily due to an increase in external costs associated with ELI-002 manufacturing and clinical trials.

General and Administrative Expenses

General and administrative expenses were $5.4 million for the six months ended June 30, 2024, compared to $5.2 million for the six months ended June 30, 2023. The increase of $0.3 million was primarily due to higher personnel-related costs in connection with operating as a public company.

Other Income (Expense)

Other expense for the six months ended June 30, 2024 was income of $2.1 million compared to expense of $0.0 million for the six months ended June 30, 2023. The increase of $2.1 million was primarily due to the change in fair value associated with the Pre-Funded Warrants.

Liquidity and Capital Resources

Sources and Uses of Liquidity

Our operations through June 30, 2024 have been financed primarily by aggregate net proceeds of $152.0 million from the issuance of common stock, pre-funded warrants, convertible preferred stock, convertible notes, the exercise of stock options and common stock warrants, the private placement of our securities, an at-the-market offering, and proceeds from the Merger. Since inception, we have had significant operating losses. Our net loss was $19.1 million and $15.6 million for the six months ended June 30, 2024 and six months ended June 30, 2023, respectively. As of June 30, 2024, we had an accumulated deficit of $161.3 million and $3.4 million in cash and cash equivalents. Cash and cash equivalents as of June 30, 2024 did not include $9.9 million of net proceeds from the public offering that was received on July 1, 2024 or $19.7 million of net proceeds from the convertible note financing that was received on August 12, 2024. Our primary use of cash is to fund operating expenses, which

consist primarily of research and development expenditures, and to a lesser extent, general and administrative expenditures. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our outstanding accounts payable and accrued expenses.

Our losses from operations, negative operating cash flows and accumulated deficit, as well as the additional capital needed to fund operations for at least twelve months following the issuance of the condensed consolidated financial statements, raise substantial doubt about our ability to continue as a going concern. We expect to incur substantial expenditures in the foreseeable future for the development of our product candidates and will require additional financing to continue this development. The condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q have been prepared on a basis that assumes that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern. We plan to address this condition through the sale of common stock or other securities in public offerings and/or private placements, debt financings, or through other capital sources, including licensing arrangements, partnerships and collaborations with other companies or other strategic transactions. However, there is no assurance that we will be successful in raising additional capital or that such additional funds will be available on acceptable terms, if at all. Should we be unable to raise this amount of capital our operating plans will be limited to the amount of capital that we can access. We may also consider steps to reduce our operating expenses. There can be no assurances that we will be successful in any of the foregoing.

Summary Statement of Cash Flows

The following table sets forth a summary of our net cash flow activity for the six months ended June 30, 2024 and 2023 (in thousands):

	Six Months Ended June 30,	
	2024	**2023**
Net cash provided by (used in)		
Operating activities	$ (21,050)	$ (17,614)
Investing activities	(39)	13
Financing activities	11,340	31,552
Effect of foreign currency on cash	(41)	(2)
Net (decrease) increase in cash	$ (9,790)	$ 13,949

Operating Activities

For the six months ended June 30, 2024, net cash used in operating activities was $21.1 million, which consisted of a net loss of $19.1 million, changes in our assets and liabilities of $1.5 million, and non-cash charges of $0.5 million. The non-cash charges were related to $2.3 million of change in the fair value of warrant liability offset by $0.7 million of stock-based compensation, $0.6 million loss on the issuance of the Pre-Funded Warrants, $0.4 million amortization of the right of use asset, and $0.2 million of depreciation.

For the six months ended June 30, 2023, net cash used in operating activities was $17.6 million, which consisted of a net loss of $15.6 million and changes in our assets and liabilities of $3.2 million which was partially offset by non-cash charges of $1.2 million. The non-cash charges were related to $1.1 million of interest expense related to promissory notes, $0.5 million of stock-based compensation, $0.4 million decrease in the right of use asset, $0.2 million of depreciation, partially offset by a $0.6 million of gain on the settlement of the promissory note payable and $0.4 million decrease in the fair value of the embedded derivative associated with the convertible note.

Investing Activities

For the six months ended June 30, 2024 and 2023, net cash provided by or used in investing activities was immaterial.

Financing Activities

For the six months ended June 30, 2024, net cash provided by financing activities was $11.3 million as a result of the issuance of $5.4 million of our common stock under the 2022 ATM program and $6.0 million of our pre-funded warrants in a private placement.

For the six months ended June 30, 2023, net cash provided by financing activities was $31.6 million, primarily as a result of the Merger Agreement.

Future Cash Needs and Funding Requirements

Based on our current operating plan, as of the filing date of this Quarterly Report on Form 10-Q, we believe our cash and cash equivalents will be sufficient to fund our planned operations into the second quarter of calendar year 2025. However, we have based our projections of operating capital requirements on assumptions that may prove to be incorrect and we may use all our available capital resources sooner than we expect. We are unable to estimate the exact amount of our operating capital requirements. The amount and timing of our future funding requirements will depend on many factors, including, but not limited to:

- the scope, progress, results and costs of researching and developing product candidates, and conducting preclinical studies and clinical trials;
- the outcome of any future clinical trials, for any existing or future product candidates;
- whether we are able to take advantage of any FDA expedited development and approval programs for any of our product candidates;
- the outcome, costs and timing of seeking and obtaining and maintaining FDA and any foreign regulatory approvals;
- the costs associated with any delays we may encounter as a result of evolving regulatory requirements or adverse results with respect to any of our product candidates;
- the number and characteristics of product candidates we pursue, including product candidates in preclinical development;
- the ability of our product candidates to progress through clinical development successfully;
- our need to expand our research and development activities, including to conduct additional clinical trials;
- market acceptance of our product candidates, including physician adoption, market access, pricing and reimbursement;
- the costs of acquiring, licensing or investing in businesses, products, product candidates and technologies;
- our ability to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments potentially required to make, or that we may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;
- our need and ability to hire additional personnel, including management, clinical development, medical and commercial personnel;
- the effect of competing technological, market developments and government policy;
- the costs associated with being a public company, including our need to implement additional internal systems and infrastructure, including financial and reporting systems;
- the costs associated with securing and establishing commercialization and manufacturing capabilities, as well as those associated with packaging, warehousing and distribution;
- the economic and other terms, timing of and success of our existing licensing arrangements and any collaboration, licensing or other arrangements into which we may enter in the future and timing and amount of payments thereunder; and
- the timing, receipt and amount of sales and general commercial success of any future approved products, if any.

Until such time as we can generate significant revenue from sales of product candidates, if ever, we expect to finance our operations through the sale of common stock or other securities in public offerings and/or private placements, debt financings, or through other capital sources, including licensing arrangements, partnerships and collaborations with other companies or other strategic transactions. Adequate funding may not be available to us on acceptable terms, or at all. To the extent we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be or could be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing and equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we raise funds through additional collaborations, or other similar arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to and/or may reduce the value of our common stock. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or commercialization efforts or grant rights to develop and market our product candidates even if we would otherwise prefer to develop and market such product candidates ourselves.

Critical Accounting Policies and Significant Judgements and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, as well as the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Our critical accounting policies are described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Judgments and Estimates" in the Form 10-K. There have been no material changes in our critical accounting policies and estimates in the preparation of our condensed consolidated financial statements during the six months ended June 30, 2024 compared to those disclosed in the Form 10-K, other than as set forth in Footnotes 4 and 9, with respect to our accounting policy related to pre-funded warrants.

Pre-Funded Warrants

The Pre-Funded Warrants, as defined in our condensed consolidated financial statements for the six months ended June 30, 2024, did not meet the equity classification requirements under ASC 815, *Derivative and Hedging*; specifically, the Pre-Funded Warrants do not meet the condition of index to its own stock and because the Pre-Funded Warrants were pre-funded and proceeds were received before exercise, these Pre-Funded Warrants do not meet the definition of a derivative. The Pre-Funded Warrants could not be exercised in an amount that would cause the holder to exceed 19.99% beneficial ownership of our shares unless we obtained stockholder approval pursuant to the rules and regulations of the Nasdaq Stock Market LLC, which limited our ability to issue common stock to settle the Pre-Funded Warrants beyond such 19.99% ownership blocker. Consequently, the Pre-Funded Warrants were classified as liabilities and measured at fair value as of the grant date. Subsequent to the grant date, we remeasured the Pre-Funded Warrants at fair value and recognized a gain from change in fair value of the Pre-Funded Warrants on the condensed consolidated financial statements during the six months ended June 30, 2024.

Emerging Growth Company and Smaller Reporting Company Status

We are a smaller reporting company and an emerging growth company, as defined under the Jumpstart Our Business Startup ("JOBS") Act. Under the JOBS Act, emerging growth companies can delay the adoption of new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. Other exemptions and reduced reporting requirements under the JOBS Act for emerging growth companies include presentation of only two years of audited financial statements in a registration statement for an initial public offering, an exemption from the requirement to provide an auditor's report on internal controls over financial reporting pursuant to Sarbanes-Oxley Act of 2002, as amended ("Sarbanes-Oxley"), an exemption from any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation, and less extensive disclosure about our executive compensation arrangements.

We have elected to use the extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that (i) we are no longer an emerging growth company or (ii) we affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our condensed consolidated financial statements may not be comparable to companies that comply with new or revised accounting standards as of public company effective dates.

We will remain an emerging growth company until the earliest of (i) December 31, 2026, (ii) the last day of our first fiscal year in which we have total annual gross revenue of $1.235 billion or more, (iii) the date on which we are deemed to be a “large accelerated filer,” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which means the market value of equity securities that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter and (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

Even after we no longer qualify as an emerging growth company, we may still qualify as a “smaller reporting company” and/or “non-accelerated filer” which may allow us to take advantage of many of the same exemptions from disclosure requirements including not being required to comply for a period of time with the auditor attestation requirements of Section 404 of Sarbanes-Oxley, and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 4. Controls and Procedures

Definition and Limitations of Disclosure Controls

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act, such as this Quarterly Report on Form 10-Q, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Our management evaluates these controls and procedures on an ongoing basis.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. These limitations include the possibility of human error, the circumvention or overriding of the controls and procedures and reasonable resource constraints. In addition, because we have designed our system of controls based on certain assumptions, which we believe are reasonable, about the likelihood of future events, our system of controls may not achieve its desired purpose under all possible future conditions. Accordingly, our disclosure controls and procedures provide reasonable assurance, but not absolute assurance, of achieving their objectives.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our President and Chief Executive Officer and our Chief Financial Officer, our principal executive officer and principal accounting and financial officer, respectively, have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of June 30, 2024.

Based on the evaluation of our disclosure controls and procedures, our President and Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this Quarterly Report on Form 10-Q as a result of our material weaknesses in our internal control over financial reporting.

However, our management, including our Chief Executive Officer and our Chief Financial Officer, has concluded that, notwithstanding the identified material weaknesses in our internal control over financial reporting, the financial statements in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f)) under the Exchange Act) that occurred during the quarter ended June 30, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting, except as follows:

Material Weakness Remediation Plan

As previously reported, in connection with the preparation of our consolidated financial statements, we identified control deficiencies in the design and operation of our internal control over financial reporting that

constituted material weaknesses. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified in our internal control over financial reporting related to (i) insufficient resources with knowledge and expertise in U.S. GAAP to properly evaluate certain complex transactions, including debt instruments and equity instruments; (ii) insufficient financial reporting and close controls to ensure that incurred expenses are accrued at period end and deliverables from third party contractors are reviewed for accuracy; and (iii) insufficient resources to ensure that calculations used in financial reporting are properly reviewed, including earnings per share and weighted average shares outstanding calculations.

We initiated several steps to remediate these material weaknesses, including:

- engaging SEC compliance and technical accounting consultants to assist in evaluating transactions for conformity with U.S. GAAP;
- hiring additional finance and accounting personnel to augment accounting staff and to provide more resources for complex accounting matters and financial reporting; and
- strengthening our financial reporting and close relating to incurred expenses by ensuring our data capture procedures are clearly defined and that responsible personnel, including supervisory personnel, have adequate training regarding the process and expectation.

Although we have initiated efforts to remediate these material weaknesses, the material weaknesses have not been fully remediated as of June 30, 2024 and continue to be disclosed as material weaknesses in this Quarterly Report on Form 10-Q for the six month period ended June 30, 2024. Our remediation efforts are intended to address the identified material weaknesses. Management is committed to continuous improvement of our internal control over financial reporting and will continue to diligently review our internal control over financial reporting. However, we cannot assure you that we will be successful in remediating the material weaknesses we identified or that our internal control over financial reporting, as modified, will enable us to identify or avoid material weaknesses in the future.

Inherent Limitation on the Effectiveness Over Financial Reporting

The effectiveness of any system of internal control over financial reporting, including ours, is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, including ours, no matter how well designed and operated, can only provide reasonable and not absolute assurances. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business, but there can be no assurance such improvements will be sufficient to provide us with effective internal control over financial reporting.

Part II OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be subject to various legal proceedings, claims and administrative proceedings that arise in the ordinary course of our business activities or otherwise. Although the results of the litigation and claims cannot be predicted with certainty, as of the date of this report, we do not believe we are party to any claim, proceeding or litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our business. The outcome of any future litigation is uncertain. Such litigation, if not resolved, could result in substantial costs to us, including any costs associated with the indemnification of directors and officers.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risk factors, described in the Form 10-K as well as the other information in this Quarterly Report on Form 10-Q, before deciding whether to invest in shares of our common stock. There have been no material changes in our risk factors from those described in our Annual Report on Form 10-K other than the updates to the risk factors set forth below.

Our largest stockholder has significant influence over us, including influence over decisions that require the approval of stockholders, which could limit our stockholders' ability to influence the outcome of key transactions, including a change of control.

GKCC, LLC ("GKCC"), an entity controlled by a member of our board of directors, beneficially owns 19.99% of our outstanding common stock. Additionally, GKCC holds pre-funded warrants to purchase approximately 4.0 million shares of common stock and a convertible note that is convertible into approximately 3.0 million shares of common stock, neither of which are currently convertible into shares of common stock due to a 19.99% beneficial ownership limitation. Although we are not a "controlled company" within the meaning of the corporate governance standards of the Nasdaq Stock Market LLC, GKCC is able to significantly influence our decisions. Furthermore, should the convertible securities held by GKCC no longer be subject to the 19.99% beneficial ownership limitation and should they be converted into shares of our common stock, GKCC could own an even greater percentage of our outstanding common stock. Additionally, GKCC's interests may not align with the interests of our other stockholders. GKCC may make investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. GKCC may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

The terms of our convertible note arrangement with GKCC, an entity controlled by a member of our board of directors, places certain restrictions on our operating and financial flexibility. If we raise additional capital through debt financing, the terms of any new debt could further restrict our ability to operate our business.

On August 12, 2024, we entered into a securities purchase agreement (the "Securities Purchase Agreement") pursuant to which we issued a 3.0% Senior Secured Convertible Promissory Note due February 15, 2026 (the "Convertible Note") in the principal amount of $20.0 million (the "Note Financing"). The purchaser of the Convertible Note was GKCC (the "Purchaser"). If we raise any additional debt through a financing, the terms of such additional debt could further restrict our operating and financial flexibility. These restrictions may include, among other things, limitations on borrowing and specific restrictions on the use of the proceeds of such additional debt financing, as well as prohibitions on our ability to incur further debt financing, create liens, pay dividends, redeem capital stock or make investments.

If we default under the terms of the Convertible Note beyond the applicable grace period, if any, the Purchaser may declare all amounts outstanding under the Convertible Note to be immediately due and payable. If we are unable to repay the amounts due under the Convertible Note upon the Purchaser's declaration, the Purchaser could proceed against the collateral granted to it to secure the obligations under the Securities Purchase Agreement (including, but not limited to taking control of our pledged assets and foreclosing on other collateral, including those of our subsidiaries, Elicio Operating Company, Inc. and Elicio Securities Corp.). The enforcement by the Purchaser upon its declaration to accelerate the obligations under the Convertible Note, as mentioned above, could adversely affect our operations. Further, if we are liquidated, the Purchaser's right to repayment, as well as the right to repayment of other lenders under any additional debt financing, would be senior to the rights of the holders of our common stock.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

During the fiscal quarter ended June 30, 2024, none of our directors or executive officers adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
1.1	Capital on Demand™ Sales Agreement, dated as of June 3, 2024, by and between Elicio Therapeutics, Inc. and JonesTrading Institutional Services LLC	S-3	6/03/2024	1.3	
4.1	Form of Common Warrant.	8-K	6/28/2024	4.1	
4.2	Form of Pre-Funded Warrant.	8-K	6/28/2024	4.2	
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1^	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2^	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
101.INS	XBRL Instance Document.				X
101.SCH	XBRL Taxonomy Extension Schema Document.				X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.				X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.				X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.				X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.				X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).				X

^ The certification that accompanies this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, is not deemed “filed” by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

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.

ELICIO THERAPEUTICS, INC.

By: /s/ ROBERT CONNELLY

Robert Connelly
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 13, 2024

ELICIO THERAPEUTICS, INC.

By: /s/ BRIAN PIEKOS

Brian Piekos
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Date: August 13, 2024

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Connelly, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Elicio Therapeutics, 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.

ELICIO THERAPEUTICS, INC.

By: /s/ ROBERT CONNELLY

Robert Connelly

President and Chief Executive Officer

(Principal Executive Officer)

Date: August 13, 2024

Exhibit 31.2

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian Piekos, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Elicio Therapeutics, 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.

ELICIO THERAPEUTICS, INC.

By: /s/ Brian Piekos

Brian Piekos

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

Date: August 13, 2024

Exhibit 32.1

CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

The undersigned officer of Elicio Therapeutics, Inc. (the "Company") certifies to such officer's knowledge, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2024 (the "Quarterly Report"), as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and

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

ELICIO THERAPEUTICS, INC.

By: /s/ ROBERT CONNELLY
Robert Connelly
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 13, 2024

Exhibit 32.2

CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

The undersigned officer of Elicio Therapeutics, Inc. (the "Company") certifies to the officer's knowledge, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2024 (the "Quarterly Report"), as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and

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

ELICIO THERAPEUTICS, INC.

By: /s/ BRIAN PIEKOS

Brian Piekos
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Date: August 13, 2024