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# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, DC 20549**

# FORM 10-Q

**(Mark One)**

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

**For the quarterly period ended September 30, 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: 001-40498**

# Century Therapeutics, Inc.
**(Exact Name of Registrant as Specified in its Charter)**

| | |
|---|---|
| **Delaware** | **84-2040295** |
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |
| **25 N 38th Street, 11th Floor Philadelphia, Pennsylvania** | **19104** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**(267) 817-5790**
**(Registrant's telephone number, including area code)**

**Not applicable**
**(Former name, former address and former fiscal year, if changed since last report)**

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $0.0001 par value per share | IPSC | The Nasdaq Global Select Market |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

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

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

As of November 1, 2024 the registrant had 85,029,042 shares of common stock, $0.0001 par value per share, outstanding.

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q and the documents incorporated by reference herein contain forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this Quarterly Report on Form 10-Q or the documents incorporated by reference herein regarding our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “will,” “would,” “could,” “should,” “potential,” “seek,” “evaluate,” “pursue,” “continue,” “design,” “impact,” “affect,” “forecast,” “target,” “outlook,” “initiative,” “objective,” “designed,” “priorities,” “goal,” or the negative of such terms and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated.

The forward-looking statements in this Quarterly Report on Form 10-Q include, among other things, statements about:

- our ability to raise additional capital to fund our operations and continue the development of our current and future product candidates;
- the preclinical and early clinical nature of our business and our ability to successfully advance our current and future product candidates through development activities, preclinical studies, and clinical trials;
- our ability to generate revenue from future product sales and our ability to achieve and maintain profitability;
- the accuracy of our projections and estimates regarding our expenses, capital requirements, cash utilization, and need for additional financing;
- our dependence on the success of our lead product candidate, CNTY-101;
- the novelty of our approach to immuno-oncology and autoimmune treatment of cancer, utilizing iPSC-derived natural killer cells (“iNK cells”) and iPSC-derived T cells (“iT cells”) and the challenges we will face due to the novel nature of such technology;
- the success of competing therapies that are or may become available;
- our reliance on the maintenance of our collaborative relationship with FUJIFILM Cellular Dynamics Inc. (“FCDI”) for access to key differentiation and reprogramming technology for the manufacturing and development of our product candidates;
- the initiation, progress, success, cost, and timing of our development activities, preclinical studies, and clinical trials;
- the timing of future investigational new drug (“IND”) applications and the likelihood of, and our ability to obtain and maintain, regulatory clearance of IND applications for our product candidates;
- the timing, scope and likelihood of regulatory filings and approvals, including final regulatory approval of our product candidates;

- our reliance on FCDI to be the exclusive manufacturer of certain product candidates, and our ability to manufacture our own product candidates in the future, and the timing and costs of such manufacturing activities;
- our reliance on the maintenance of our collaborative relationship with Bristol-Myers Squibb Company ("Bristol-Myers Squibb") in connection with the furtherance of our collaboration programs;
- our ability to achieve the anticipated benefits of our acquisition of Clade Therapeutics, Inc. ("Clade");
- the performance of third parties in connection with the development of our product candidates, including third parties conducting our current and future clinical trials as well as third-party suppliers and manufacturers;
- our ability to attract and retain strategic collaborators with development, regulatory, and commercialization expertise;
- the public opinion and scrutiny of cell-based therapies and its potential impact on public perception of our company and product candidates;
- our ability to successfully commercialize our product candidates and develop sales and marketing capabilities, if our product candidates are approved;
- the size and growth of the potential markets for our product candidates and our ability to serve those markets;
- regulatory developments and approval pathways in the United States and foreign countries for our product candidates;
- the potential scope and value of our intellectual property and proprietary rights;
- our ability, and the ability of our licensors, to obtain, maintain, defend, and enforce intellectual property and proprietary rights protecting our product candidates, and our ability to develop and commercialize our product candidates without infringing, misappropriating, or otherwise violating the intellectual property or proprietary rights of third parties;
- our ability to recruit and retain key members of management and other clinical and scientific personnel;
- the volatility of capital markets and other macroeconomic factors, including due to inflationary pressures, banking instability geopolitical tensions or the outbreak of hostilities or war;
- the extent to which pandemics, or any other global health crises may impact our business, including development activities, preclinical studies, clinical trials, supply chain and labor force; and
- developments relating to our competitors and our industry;

We have based these forward-looking statements largely on our current expectations, estimates, forecasts, and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, and financial needs. In light of the significant uncertainties in these forward-looking statements, you should not rely upon forward-looking statements as predictions of future events. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Quarterly Report on Form 10-Q, we cannot guarantee that the future results, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur at all. You should refer to the section titled “Risk Factors” set forth in Part II, Item 1A of this Quarterly Report on Form 10-Q, the section titled “Risk Factors” set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023 and the section titled “Risk Factors” set forth in Part II, Item 1A of our subsequent Quarterly Reports on Form 10-Q for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. Except as required by law, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

You should read this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from what we expect. We intend the forward-looking statements contained in this Quarterly Report on Form 10-Q to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

# PART I—FINANCIAL INFORMATION

**Item 1. Unaudited Consolidated Financial Statements.**

## CENTURY THERAPEUTICS, INC.
## CONSOLIDATED BALANCE SHEETS
## (In thousands, except share amounts)

| | September 30, 2024 (unaudited) | December 31, 2023 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | $ 52,593 | $ 47,324 |
| Short-term investments | 145,519 | 125,414 |
| Prepaid expenses and other current assets | 7,897 | 4,256 |
| Total current assets | 206,009 | 176,994 |
| Property and equipment, net | 65,284 | 71,705 |
| Operating lease right-of-use assets | 28,828 | 20,376 |
| Restricted cash | 2,839 | 1,979 |
| Long-term investments | 46,565 | 89,096 |
| Goodwill | 4,727 | — |
| Intangible assets | 33,800 | — |
| Security deposits and non-current assets | 565 | 541 |
| **Total assets** | **$ 388,617** | **$ 360,691** |
| **Liabilities and stockholders' equity** | | |
| Current liabilities | | |
| Accounts payable | $ 2,598 | $ 2,741 |
| Accrued expenses and other liabilities | 13,444 | 10,149 |
| Deposit liability | 209 | 584 |
| Deferred revenue, current | 3,569 | 4,372 |
| Total current liabilities | **19,820** | **17,846** |
| Operating lease liability, long term | 50,837 | 46,658 |
| Security deposit, non-current | 20 | — |
| Deposit liability, non-current | — | 56 |
| Deferred revenue, non-current | 109,768 | 111,381 |
| Contingent consideration liability | 8,983 | — |
| Deferred tax liability | 3,503 | — |
| **Total liabilities** | **192,931** | **175,941** |
| Commitments and contingencies (Note 9) | | |
| Stockholders' equity: | | |
| Preferred stock, $ 0.0001 par value, 10,000,000 shares authorized and 0 shares issued and outstanding at September 30, 2024 and December 31, 2023 | — | — |
| Common stock, $0.0001 par value, 300,000,000 shares authorized; 84,761,949 and 60,335,701 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively | 9 | 6 |
| Additional paid-in capital | 941,185 | 840,407 |
| Accumulated deficit | (746,266) | (655,771) |
| Accumulated other comprehensive Income | 758 | 108 |
| **Total stockholders' equity** | **195,686** | **184,750** |
| **Total liabilities and stockholders' equity** | **$ 388,617** | **$ 360,691** |

*See accompanying notes to the consolidated financial statements.*

**CENTURY THERAPEUTICS, INC.**
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**
**(Unaudited)**
**(In thousands, except share and per share amounts)**

| | Three Months Ended September 30, 2024 | Three Months Ended September 30, 2023 | Nine Months Ended September 30, 2024 | Nine Months Ended September 30, 2023 |
|---|---|---|---|---|
| **Collaboration revenue** | $ 791 | $ 148 | $ 2,416 | $ 1,967 |
| | | | | |
| **Operating expenses** | | | | |
| Research and development | 27,228 | 22,788 | 77,869 | 70,414 |
| General and administrative | 8,352 | 8,986 | 25,400 | 26,117 |
| In-process research and development | - | 4,000 | - | 4,000 |
| Impairment of long-lived assets | - | — | - | 4,220 |
| **Total operating expenses** | 35,580 | 35,774 | 103,269 | 104,751 |
| | | | | |
| **Loss from operations** | (34,789) | (35,626) | (100,853) | (102,784) |
| | | | | |
| Interest expense | — | — | - | (540) |
| Interest income | 3,305 | 3,486 | 10,126 | 9,167 |
| Other income (expense) | 250 | 12 | 248 | (368) |
| **Total other income** | 3,555 | 3,498 | 10,374 | 8,259 |
| **Loss before provision for income taxes** | (31,234) | (32,128) | (90,479) | (94,525) |
| Benefit (provision) for income taxes | 8 | (592) | (14) | (2,750) |
| **Net loss** | **$ (31,226)** | **$ (32,720)** | **$ (90,493)** | **$ (97,275)** |
| | | | | |
| Net loss per common share Basic and Diluted | (0.37) | (0.55) | (1.18) | (1.65) |
| Weighted average common shares outstanding Basic and Diluted | 84,704,352 | 59,448,229 | 76,394,266 | 59,087,374 |
| Other comprehensive loss | | | | |
| Net loss | $ (31,226) | $ (32,720) | $ (90,493) | $ (97,275) |
| Unrealized gain (loss) on investments | 1,075 | (95) | 622 | 1,157 |
| Foreign currency translation (loss) gain | (8) | (2) | 28 | (1) |
| Comprehensive loss | $ (30,159) | $ (32,817) | $ (89,843) | $ (96,119) |

*See accompanying notes to the consolidated financial statements.*

# CENTURY THERAPEUTICS, INC.
# CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
# (Unaudited)
# (In thousands, except share amounts)

| | Common Stock | | Additional Paid-in Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Total Stockholders' Equity |
|---|---|---|---|---|---|---|
| | Shares | Amount | | | | |
| **Balance, December 31, 2023** | **60,335,701** | **$ 6** | **$ 840,407** | **$ (655,771)** | **$ 108** | **$ 184,750** |
| Issuance of common stock upon the exercise of stock options and 2021 ESPP | 220,647 | — | 366 | — | — | **366** |
| Vesting of restricted stock | 24,734 | — | — | — | — | **—** |
| Vesting of early exercise stock options | 34,900 | — | 142 | — | — | **142** |
| Vesting of restricted stock units | 109,108 | — | — | — | — | **—** |
| Issuance of common stock upon the exercise of ATM, net of underwriting discounts and commissions and other issuance costs | 4,084,502 | — | 17,829 | — | — | **17,829** |
| Unrealized loss on investments | — | — | — | — | (351) | **(351)** |
| Foreign currency translation | — | — | — | — | 2 | **2** |
| Stock based compensation | — | — | 3,207 | — | — | **3,207** |
| Net loss | — | — | — | (28,062) | — | **(28,062)** |
| **Balance, March 31, 2024** | **64,809,592** | **$ 6** | **$ 861,951** | **$ (683,833)** | **$ (241)** | **$ 177,883** |
| Issuance of common stock upon the exercise of stock options and 2021 ESPP | 100,305 | — | 103 | — | — | **103** |
| Vesting of early exercise stock options | 27,169 | — | 141 | — | — | **141** |
| Issuance of common stock in connection with the transaction | 3,741,646 | — | 15,154 | — | — | **15,154** |
| Issuance of common stock upon the exercise of PIPE, net of underwriting discounts and commissions and other issuance costs | 15,873,011 | 2 | 56,593 | — | — | **56,595** |
| Unrealized loss on investments | — | — | — | — | (102) | **(102)** |
| Foreign currency translation | — | — | — | — | 34 | **34** |
| Stock based compensation | — | — | 3,503 | — | — | **3,503** |
| Net loss | — | — | — | (31,207) | — | **(31,207)** |
| **Balance, June 30, 2024** | **84,551,723** | **8** | **937,445** | **(715,040)** | **(309)** | **222,104** |
| Issuance of common stock upon the exercise of stock options and 2021 ESPP | 159,428 | 1 | 281 | — | — | **282** |
| Vesting of restricted stock | — | — | — | — | — | **—** |
| Vesting of early exercise stock options | 27,169 | — | 141 | — | — | **141** |
| Vesting of restricted stock units | 23,629 | — | — | — | — | **—** |
| Unrealized loss on investments | — | — | — | — | 1,075 | **1,075** |
| Foreign currency translation | — | — | — | — | (8) | **(8)** |
| Stock based compensation | — | — | 3,318 | — | — | **3,318** |
| Net loss | — | — | — | (31,226) | — | **(31,226)** |
| **Balance, September 30, 2024** | **84,761,949** | **$ 9** | **$ 941,185** | **$ (746,266)** | **$ 758** | **$ 195,686** |

| | Common Stock | | Additional Paid-in Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Total Stockholders' Equity |
|---|---|---|---|---|---|---|
| | Shares | Amount | | | | |
| **Balance, December 31, 2022** | **58,473,660** | **$ 6** | **$ 824,292** | **$ (519,098)** | **$ (2,462)** | **$ 302,738** |
| Issuance of common stock upon the exercise of stock options | 452,102 | — | 448 | — | — | 448 |
| Vesting of restricted stock | 95,877 | — | — | — | — | — |
| Vesting of early exercise stock options | 85,145 | — | 269 | — | — | 269 |
| Unrealized gain on investments | — | — | — | — | 1,196 | 1,196 |
| Foreign currency translation | — | — | — | — | (9) | (9) |
| Stock based compensation | — | — | 3,797 | — | — | 3,797 |
| Net loss | — | — | — | (31,264) | — | (31,264) |
| **Balance, March 31, 2023** | **59,106,784** | **$ 6** | **$ 828,806** | **$ (550,362)** | **$ (1,275)** | **$ 277,175** |
| Issuance of common stock upon the exercise of stock options | 118,567 | — | 125 | — | — | 125 |
| Vesting of early exercise stock options | 83,645 | — | 209 | — | — | 209 |
| Unrealized gain on investments | — | — | — | — | 59 | 59 |
| Foreign currency translation | — | — | — | — | 9 | 9 |
| Stock based compensation | — | — | 3,285 | — | — | 3,285 |
| Net loss | — | — | — | (33,291) | — | (33,291) |
| **Balance, June 30, 2023** | **59,308,996** | **$ 6** | **$ 832,425** | **$ (583,653)** | **$ (1,207)** | **$ 247,571** |
| Issuance of common stock upon the exercise of stock options | 131,074 | — | 299 | — | — | **299** |
| Vesting of early exercise stock options | 74,512 | — | 199 | — | — | **199** |
| Unrealized gain on investments | — | — | — | — | (95) | **(95)** |
| Foreign currency translation | — | — | — | — | (2) | **(2)** |
| Stock based compensation | — | — | 3,978 | — | — | **3,978** |
| Net loss | — | — | — | (32,720) | — | **(32,720)** |
| **Balance, September 30, 2023** | **59,514,582** | **$ 6** | **$ 836,901** | **$ (616,373)** | **$ (1,304)** | **$ 219,230** |

*See accompanying notes to the consolidated financial statements.*

# CENTURY THERAPEUTICS, INC.
# CONSOLIDATED STATEMENTS OF CASH FLOWS
# (Unaudited)
# (in thousands)

| | Nine Months Ended September 30, 2024 | Nine Months Ended September 30, 2023 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net loss | $ (90,493) | $ (97,275) |
| **Adjustments to reconcile net loss to net cash used in operating activities:** | | |
| Depreciation | 9,986 | 9,492 |
| Amortization of deferred financing cost | — | 94 |
| Non-cash operating lease expense (benefit) | (394) | (2,000) |
| Stock based compensation | 10,028 | 11,060 |
| Impairment | — | 4,220 |
| Amortization/accretion of investments | (3,779) | — |
| Change in fair value of contingent liabilities | (1,111) | — |
| Decrease in lease liability due to lease termination | 959 | |
| **Change in operating assets and liabilities:** | | |
| Escrow deposit | — | 220 |
| Prepaid expenses and other assets | (2,863) | 408 |
| Operating lease liability | (2,599) | 11,447 |
| Deferred revenue | (2,416) | (1,967) |
| Accounts payable | (1,946) | 526 |
| Accrued expenses and other liabilities | (1,304) | 1,657 |
| Non-current security deposit | 20 | — |
| **Net cash used in operating activities** | **(85,912)** | **(62,118)** |
| | | |
| **Cash flows from investing activities** | | |
| Acquisition of property and equipment | 21 | (12,756) |
| Acquisition of fixed maturity securities, available for sale | (102,145) | (199,342) |
| Sale of fixed maturity securities, available for sale | 128,608 | 254,627 |
| Acquisition of Clade Therapeutics, Inc., net of cash acquired | (9,608) | — |
| **Net cash provided by investing activities** | **16,876** | **42,529** |
| | | |
| **Cash flows from financing activities** | | |
| | | |
| Proceeds from issuance of common stock and ESPP | 743 | 872 |
| Payments on long term debt | — | (10,241) |
| Proceeds from ATM, net of issuance costs | 17,829 | — |
| Proceeds from PIPE, net of issuance costs | 56,593 | — |
| **Net cash provided by (used in) financing activities** | **75,165** | **(9,369)** |
| | | |
| **Net increase (decrease) in cash, cash equivalents, and restricted cash** | **6,129** | **(28,958)** |
| | | |
| Cash, cash equivalents and restricted cash, beginning of period | 49,303 | 86,244 |
| | | |
| **Cash, cash equivalents and restricted cash, end of period** | **$ 55,432** | **$ 57,286** |
| | | |
| **Supplemental disclosure of cash and non-cash operating activities:** | | |
| Cash paid for interest | **$ —** | **$ 586** |
| Cash paid for income tax | **$ 13** | **$ 911** |
| | | |
| **Supplemental disclosure of non-cash investing and financing activities:** | | |
| Stock issued in connection with the Acquisition | **$ 15,154** | **$ —** |
| Purchase of property and equipment, accrued and unpaid | **$ —** | **54** |
| Landlord paid leasehold improvements | **$ 934** | **$ —** |

*See accompanying notes to the consolidated financial statements.*

**CENTURY THERAPEUTICS, INC.**
**NOTES TO FINANCIAL STATEMENTS**
**(Unaudited)**
**(in thousands, except share and per share amounts)**

## Note 1—Organization and description of the business

Century Therapeutics, Inc. (the "Company") is an innovative biotechnology company developing transformative allogeneic cell therapies to create products for the treatment of both solid tumor and hematological malignancies and autoimmune diseases with significant unmet medical need. Since inception, the Company has devoted substantially all of its time and efforts to performing research and development activities, building infrastructure and raising capital. The Company is incorporated in the state of Delaware.

*Principles of Consolidation*

The consolidated financial statements include the consolidated financial position and consolidated results of operations of the Company and the Company's subsidiaries, Century Therapeutics Canada ULC ("Century Canada"), Clade Therapeutics ("Clade") and Gadeta B.V. ("Gadeta"). All intercompany balances and transactions have been eliminated in consolidation.

*Liquidity*

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. The Company has limited operating history and its prospects are subject to risks, expenses, and uncertainties frequently encountered by companies in the biotechnology and pharmaceutical industries. These risks include, but are not limited to, the uncertainty of availability of additional financing and the uncertainty of achieving future profitability.

Since inception, the Company has incurred net losses and negative cash flows from operations. During the three and nine months ended September 30, 2024, the Company incurred a net loss of $31,226 and $90,493, respectively. During the nine months ended September 30, 2024, the Company used $85,912 of cash in operations. Cash and cash equivalents and investments were $244,677 at September 30, 2024. Management expects to incur additional losses in the future to fund its operations and conduct product research and preclinical and clinical development and recognizes the need to raise additional capital to fully implement its business plan. The Company believes it has adequate cash and financial resources to operate for at least the next 12 months from the date of issuance of these consolidated financial statements.

## Note 2—Summary of significant accounting policies and basis of presentation

*Basis of presentation*

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and with the interim period reporting requirements of Form 10-Q and Article 10 of Regulation S-X. The consolidated balance sheet as of September 30, 2024, and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in stockholders' equity, and the consolidated statements of cash flows for the nine months ended September 30, 2024 and 2023 are unaudited, but, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, which the Company considers necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented. The results for any interim period are not necessarily indicative of results for the year ending December 31, 2024 or for any other subsequent interim period. The consolidated balance sheet at December 31, 2023 has been derived from the Company's audited consolidated financial statements.

Certain prior year information has been reclassified to conform to the fiscal year 2024 presentation.

*Segment information*

Operating segments are identified as components of an enterprise for which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions on how to allocate resources and assess performance. The Company views its operations and manages the business as one operating segment.

*Use of estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are primarily made in relation to the valuations supporting stock compensation, the estimation of the incremental borrowing rate for operating leases, intangible assets acquired in business combinations and standalone selling prices of performance obligations in collaboration agreements. If actual results differ from the Company's estimates, or to the extent these estimates are adjusted in future periods, the Company's results of operations could either benefit from, or be adversely affected by, any such change in estimate.

*Concentration of credit risk and other risks and uncertainties*

Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist of cash, cash equivalents, U.S. Treasury bills and bonds, as well as corporate bonds. Cash and cash equivalents, as well as short and long-term investments include a checking account and asset management accounts held by a limited number of financial institutions. At times, such deposits may be in excess of insured limits. As of September 30, 2024 and December 31, 2023, the Company has not experienced any losses on its deposits of cash and cash equivalents.

The Company's future results of operations involve a number of risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, but are not limited to, rapid technological change, uncertainty of market acceptance of its products, competition from substitute products and larger companies, protection of proprietary technology, strategic relationships, and dependence on key individuals.

Products developed by the Company require clearances from the U.S. Food and Drug Administration (the "FDA") or other international regulatory agencies prior to commercial sales. There can be no assurance the Company's future products will receive the necessary clearances. If the Company was denied clearance, clearance was delayed, or if the Company was unable to maintain clearance, it could have a material adverse impact on the Company.

*Fair value of financial instruments*

The Company discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 Inputs are unobservable in which there is little or no market data available, which require the reporting entity to develop its own assumptions that are unobservable.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability.

*Cash and cash equivalents*

Management considers all highly liquid investments with an insignificant interest rate risk and original maturities of three months or less to be cash equivalents.

*Restricted cash*

As of September 30, 2024 and December 31, 2023, the Company had $2,839 and $1,979, respectively in cash on deposit to secure certain lease commitments. Restricted cash is recorded separately in the Company's consolidated balance sheets.

The following provides a reconciliation of the Company's cash, cash equivalents, and restricted cash as reported in the consolidated balance sheets to the amounts reported in the consolidated statements of cash flows:

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| Cash and cash equivalents | $ 52,593 | $ 47,324 |
| Restricted cash | 2,839 | 1,979 |
| Cash, cash equivalents, and restricted cash | $ 55,432 | $ 49,303 |

*Investments*

The Company invests in fixed maturity securities including U.S. Treasury bills and bonds as well as corporate bonds. The investments are classified as available-for-sale and reported at fair value. Unrealized gains or losses are determined by comparing the fair market value of the securities with their cost or amortized cost. Realized gains and losses on investments are recorded on the trade date and are included in the statement of operations. Unrealized gains and losses on investments are recorded in other comprehensive loss on the consolidated statements of operations and comprehensive loss. The cost of securities sold is based on the specified identification method. Investment income is recognized as earned and discounts or premiums arising from the purchase of debt securities are recognized in investment income using the interest method over the remaining term of the security. Securities with an original maturity date greater than three months that mature within one year of the balance sheet date are classified as short-term, while investments with a maturity date greater than one year are classified as long-term.

*Property and equipment, net*

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is generally five years. Leasehold improvements are amortized over the shorter of the asset's useful life or the remaining term of the lease. Construction in progress includes direct cost related to the construction of leasehold improvements and is stated at original cost. Such costs are not depreciated until the asset is completed and placed into service. Once the asset is placed into service, these capitalized costs will be allocated to leasehold improvements and will be depreciated over the shorter of the asset's useful life or the remaining term of the lease. Computer software and equipment includes implementation costs for cloud-based software and network equipment.

Expenditures for major additions and improvements are capitalized, while minor replacements, maintenance, and repairs are charged to expense as incurred. When property is retired or otherwise disposed of, the costs and accumulated depreciation are removed from the respective accounts, with any resulting gain or loss recognized concurrently.

*Research and development expenses*

Research and development expenses include costs directly attributable to the conduct of research and development programs, including the cost of salaries, payroll taxes, employee benefits, stock compensation, materials, supplies, rent, depreciation on and maintenance of research equipment with alternative future use, and the cost of services provided by outside contractors. All costs associated with research and development are expensed as incurred.

Clinical trial costs are a component of research and development expenses. The Company expenses costs for its clinical trial activities performed by third parties, including clinical research organizations and other service providers, as they are incurred, based upon estimates of the work completed over the life of the individual study in accordance with associated agreements. The Company uses information it receives from internal personnel and outside service providers to estimate the clinical trial costs incurred.

*Stock-based compensation*

Employees, consultants, and members of the Board of Directors of the Company have received stock options and restricted stock of the Company. The Company recognizes the cost of the stock-based compensation incurred as its employees and board members vest in the awards. The Company accounts for stock-based compensation arrangements in accordance with provisions of Accounting Standards Codification (“ASC”) 718, Compensation—Stock Compensation. ASC 718 requires the recognition of compensation expense, using a fair-value based method, for costs related to all share-based payments including stock options. ASC 718 requires companies to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The Company uses the Black-Scholes option-pricing model (“Black Scholes”) to determine the fair value of options granted. The Company’s stock-based awards are subject to service-based vesting conditions and performance-based vesting conditions. Compensation expense related to awards to employees and directors with service-based vesting conditions is recognized on a straight-line basis based on the grant date fair value over the associated service period of the award, which is generally the vesting term. For performance-based awards, the Company reassesses at each reporting date whether achievement of the performance condition is probable and accrues compensation expense if and when achievement of the performance condition is probable.

Black Scholes requires inputs based on certain subjective assumptions, including (i) the expected stock price volatility, (ii) the expected term of the award, (iii) the risk-free interest rate and (iv) expected dividends. The historical volatility is calculated based on a period of time commensurate with expected term assumption. The risk-free interest rate is based on U.S. Treasury securities with a maturity date commensurate with the expected term of the associated award. The expected dividend yield is assumed to be zero as the Company has never paid dividends and has no current plans to pay any dividends on its common stock. Forfeitures are recognized as they occur.

*Foreign currency translation*

The reporting currency of the Company is the U.S. dollar. The functional currency of Century Canada is the Canadian dollar. The functional currency of Gadeta is the Euro.  Assets and liabilities of Century Canada and Gadeta are translated into U.S. dollars based on exchange rates at the end of each reporting period. Expenses are translated at average exchange rates during the reporting period. Gains and losses arising from the translation of assets and liabilities are included as a component of accumulated other comprehensive loss or income on the Company’s consolidated balance sheets. Gains and losses resulting from foreign currency transactions are reflected within the Company’s consolidated statements of operations

and comprehensive loss. The Company has not utilized any foreign currency hedging strategies to mitigate the effect of its foreign currency exposure.

Intercompany payables and receivables are considered to be long-term in nature and any change in balance due to foreign currency fluctuation is included as a component of the Company's consolidated comprehensive loss and accumulated other comprehensive loss within the Company's consolidated balance sheets.

*Basic and diluted net loss per common share*

Basic net loss per common share is computed by dividing net loss applicable to common shareholders by the weighted-average number of common shares outstanding during the period. The Company computes diluted net loss per common share by dividing the net loss applicable to common shareholders by the sum of the weighted-average number of common shares outstanding during the period plus the potential dilutive effects of its warrants, restricted stock and stock options to purchase common shares, but such items are excluded if their effect is anti-dilutive. Because the impact of these items is anti-dilutive during periods of net loss, there were no differences between the Company's basic and diluted net loss per common share for the three and nine months ended September 30, 2024 and 2023.

*Collaboration revenue*

The Company may enter into collaboration and licensing agreements with strategic partners for research and development, manufacturing, and commercialization of its product candidates. Payments under these arrangements may include non-refundable, upfront fees; reimbursement of certain costs; customer option fees for additional goods or services; payments upon the achievement of development, regulatory, and commercial milestones; sales of product at certain agreed-upon amounts; and royalties on product sales.

The Company recognizes revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers, ("ASC 606"). This standard applies to all contracts with customers. When an agreement falls under the scope of other standards, such as ASC Topic 808, Collaborative Arrangements, or ("ASC 808"), the Company will apply the recognition, measurement, presentation, and disclosure guidance in ASC 606 to the performance obligations in the agreements if those performance obligations are with a customer. Revenue recognized by analogizing to ASC 606 is recorded as collaboration revenue on the statements of operations.

Under ASC 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under a collaboration agreement, the Company performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations on a relative stand-alone selling price basis; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

As part of the accounting for these arrangements, the Company must use its judgment to determine the stand-alone selling price for each performance obligation identified in the contract for the allocation of transaction price. The estimation of the stand-alone selling price may include such estimates as forecasted revenues and costs, development timelines, discount rates, and probabilities of regulatory and commercial success. The Company also applies significant judgment when evaluating whether contractual obligations represent distinct performance obligations, allocating transaction price to performance obligations within a contract, determining when performance obligations have been met, assessing the recognition and future reversal of variable consideration and determining and applying appropriate methods of measuring progress for performance obligations satisfied over time. Amounts expected to be recognized as revenue within the 12 months following the balance sheet date are classified as deferred revenue, current. Amounts not expected to be recognized as revenue within the 12 months following the balance sheet date are classified as deferred revenue, non-current.

If an arrangement is determined to contain customer options that allow the customer to acquire additional goods or services, the goods and services underlying the customer options are not considered to be performance obligations at the outset of the arrangement, as they are contingent upon option exercise. The Company evaluates the customer options for material rights or options to acquire additional goods or services for free or at a discount. If the customer options are not determined to represent a material right, no transaction price is allocated to these options and the Company will account for these options at that time they are exercised. If the customer options are determined to represent a material right, the material right is recognized as a separate performance obligation at the outset of the arrangement.

The obligations under the Company's collaboration agreements may include research and development services to be performed by the Company for or on behalf of the customer. Amounts allocated to these performance obligations are recognized as the Company performs these obligations, and revenue is measured based on an inputs method of costs incurred to date of budgeted costs. Under certain circumstances, the Company may be reimbursed for certain expenses incurred under the research and development services.

At the inception of each arrangement that includes development milestone payments, the Company evaluates whether the milestones are considered probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the control of the Company or the licensee, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. The Company evaluates factors such as the scientific, clinical, regulatory, commercial and other risks that must be overcome to achieve the particular milestone in making this assessment. There is considerable judgment involved in determining whether it is probable that a significant revenue reversal would not occur. At the end of each subsequent reporting period, the Company reevaluates the probability of achievement of all milestones subject to constraint and, if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis in the statements of operations in the period of adjustment.

*Acquisition-Related Contingent Consideration*

Acquisition-related contingent consideration consist of our future obligation owed to shareholders of Clade and Gadeta and includes contingent milestone payments, earn out considerations, and indemnification obligations. Acquisition-related contingent consideration was recorded on the acquisition date at the estimated fair value of the obligation, in accordance with the acquisition method of accounting. The fair value measurement is based on significant inputs that are unobservable in the market and thus represents a Level 3 fair value measurement. The fair value of the acquisition-related contingent considerations are remeasured each reporting period, with changes in fair value recorded in the consolidated statements of operations and comprehensive loss with general and administrative expense.

*Business Combinations*

The Company accounts for business combinations using the acquisition method of accounting in accordance with ASC 805, Business Combinations. Identifiable assets acquired and liabilities assumed are recorded at their acquisition date fair values. The excess of the fair value of purchase consideration over the fair values of the identifiable assets and liabilities is recorded as goodwill. Acquisition related costs are expensed as incurred. Upon acquisition, the accounts and results of operations are consolidated as of and subsequent to the acquisition date.

When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets. The Company utilizes commonly accepted valuation techniques, such as the income approach in establishing the fair value of intangible assets. See "Note 3 – Business combination" for additional detail.

*Goodwill and Intangible Assets*

Goodwill represents the excess of the purchase price over the net amount of identifiable assets acquired and liabilities assumed in a business combination measured at fair value. Goodwill is not amortized but is tested for impairment at least annually. The Company reviews goodwill for impairment annually in the fourth quarter and whenever events or changes in circumstances indicate that the fair value of a reporting unit may be less than its carrying amount (a “triggering event”). Triggering events may include a sustained period where the Company’s carrying value is in excess of its market capitalization or adverse changes in business climate. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of its reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative goodwill impairment test described in ASC Topic 350, Intangibles – Goodwill and Other. The more likely than not threshold is defined as having a likelihood of more than 50 percent. If, after assessing the totality of events or circumstances, the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the quantitative goodwill impairment test is unnecessary and goodwill is considered to be unimpaired. However, if based on the qualitative assessment the Company concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company will proceed with performing the quantitative goodwill impairment test. In performing the quantitative goodwill impairment test, the Company determines the fair value of its reporting unit and compares it to its carrying value. If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that unit, goodwill is not impaired. If the carrying value of the reporting unit exceeds its fair value, the Company records an impairment loss equal to the difference. For the three and nine months ended September 30, 2024 there were no impairment charges.

Indefinite-lived intangibles are carried at the initially recorded fair value less any recognized impairment. Indefinite-lived intangibles are tested at least annually for impairment. Impairment assessments are conducted more frequently if certain conditions exist, including a change in the competitive landscape, any internal decisions to pursue new or different technology strategies, or a significant change in the marketplace, including changes in the size of the market for the Company’s products. In performing the impairment test, the Company estimates the fair value of the indefinite-lived intangible asset and compares it to the carrying value. If they carrying value exceeds the estimated fair value, the Company records an impairment loss for the difference. For the three and nine months ended September 30, 2024, there were no impairment charges. For further discussion of identified intangible assets, see “Note 3 – Business Combination”.

**Recent accounting pronouncements**

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). ASU 2023-09 requires entities to provide additional information in their tax rate reconciliation and additional disclosures about income taxes paid by jurisdiction. ASU 2023-09 is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted. The guidance should be applied prospectively, but entities have the option to apply it retrospectively for each period presented. The Company is currently evaluating the impact of adopting this new accounting guidance.

In November 2023, the Financial Accounting Standard Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires disclosure of incremental segment information on an interim and annual basis. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal periods beginning after December 15, 2024, and requires retrospective application to all prior periods presented in the financial statements. The Company is currently evaluating the impact of the guidance on the financial statements and disclosures.

## Note 3 – Business combination

On April 11, 2024, the Company acquired 100% of Clade, a privately held biotechnology company focused on discovering and delivering engineerable, off-the-shelf, scalable, and consistent stem cell-based medicines, with a focus on iPSC-derived αβ T cells. The acquisition brings us novel technology enhancing our efforts on Allo-Evasion™ and a newly expanded pipeline incorporating three additional preclinical-stage programs from Clade's αβ iT platform spanning across cancer and autoimmune diseases. The results of Clade's operations have been included in the consolidated financial statements since that date. A total of 3,741,646 common shares were issued to the Clade shareholders on the date of close, which were valued based on the closing price of common stock on that date.

Contingent consideration was estimated at fair value on the date of the close and consists of both additional stock consideration ("Holdback Shares") as well as a contingent milestone payment of $10,000 ("Clade Milestone"). The Holdback Shares total up to 793,687 shares of common stock consideration which will be issued and delivered to the sellers on the eighteen-month anniversary of the Closing Date, subject to potential reduction based on indemnification claims favoring the Company, if any. This contingent consideration was recorded at fair value as of the closing date, based on the closing stock price on that date, adjusted for a discount for lack of marketability, and totaled $2,600. Contingent consideration also includes the Clade Milestone, which consists of one potential clinical development milestone payment of $10,000, which may be paid in cash, shares, or a combination thereof, upon the achievement of the milestone. The fair value of this contingent consideration was estimated based on the probability of milestone achievement, and an estimated discount rate, and totaled $7,100.

The Company recognized $895 of acquisition-related costs during the nine months ended September 30, 2024, which were expensed as incurred in the consolidated statement of operations.

The following table summarizes the provisional fair values of the assets acquired and liabilities assumed at the date of the acquisition:

| | | |
|---|---|---|
| Consideration transferred: | | |
| Cash consideration | $ | 14,854 |
| Fair value of common stock (3,741,646 at closing price of $4.05) | | 15,154 |
| Contingent consideration | | 9,722 |
| Total consideration transferred | $ | 39,730 |
| | | |
| Assets acquired: | | |
| Cash and restricted cash | $ | 5,246 |
| Prepaid expenses and other assets | | 400 |
| Property and equipment | | 2,652 |
| Right-of-use operating lease | | 8,065 |
| In-process research and development ("IPR&D") | | 33,800 |
| Goodwill | | 4,727 |
| Total assets acquired | $ | 54,890 |
| | | |
| Liabilities assumed: | | |
| Accounts payable | $ | 868 |
| Accrued expenses and other current liabilities | | 2,352 |
| Lease liabilities - operating lease | | 8,065 |
| Contingent consideration | | 372 |
| Deferred tax liability | | 3,503 |
| Total liabilities assumed | $ | 15,160 |
| | | |
| Net assets acquired | $ | 39,730 |

The amounts above represent the Company's provisional fair value estimates related to the acquisition as of April 11, 2024 and are subject to subsequent adjustments as additional information is obtained during the applicable measurement period. The primary areas of estimates that are not yet finalized include the valuation of the identifiable intangible assets and income taxes. The purchase price was allocated to the tangible assets and identifiable intangible assets acquired and liabilities assumed based on their acquisition date estimated fair values. The identifiable intangible assets consist of IPR&D which were assigned fair values of $33,800. The fair value of the IPR&D was estimated using the multi-period excess earnings method, which the Company estimates future cash flows attributable to the technology and applies a probability of success and a discount rate of 16.4%.

These nonrecurring fair value measurements are Level 3 measurements within the fair value hierarchy.

Goodwill represents the excess of the purchase price over the net identifiable tangible and intangible assets acquired. The Company believes the goodwill related to the acquisition was attributable to the expected synergies and value of the assembled workforce as well as the collective experience of the management team with regards to its operations. The goodwill is not expected to be tax deductible.

Results for nine months ended September 30, 2024, included a net loss of $3,652 from Clade. The following table presents unaudited supplemental pro forma financial information as if the Clade acquisition had occurred on January 1, 2023.

| | Three Months Ended September 30, 2024 | Three Months Ended September 30, 2023 | Nine Months Ended September 30, 2024 | Nine Months Ended September 30, 2023 |
|---|---|---|---|---|
| Revenue | $ 791 | 148 | 2,416 | 1,967 |
| Net loss | (31,226) | (42,911) | (101,039) | (127,584) |

The pro forma financial information presented above has been prepared by combining the Company's historical results and the historical results of Clade and adjusting those results to eliminate historical transaction costs and to reflect the effects of the acquisition as if they occurred on January 1, 2023. These results do not purport to be indicative of the results of operations which actually would have resulted had the acquisitions occurred on the date indicated above, or that may result in the future, and do not reflect potential synergies or additional costs following the acquisition.

## Note 4—Financial instruments and fair value measurements

The following table sets forth the Company's assets that were measured at fair value as of September 30, 2024 by level within the fair value hierarchy:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Assets: | | | | |
| Cash equivalents | $ 48,005 | — | — | $ 48,005 |
| U.S. Treasury | — | 35,795 | — | 35,795 |
| Corporate bonds | — | 156,289 | — | 156,289 |
| Total | $ 48,005 | $ 192,084 | $ — | $ 240,089 |
| Liabilities: | | | | |
| Contingent consideration | — | — | 8,983 | 8,983 |
| Total | $ — | $ — | $ 8,983 | $ 8,983 |

The following table sets forth the Company's assets that were measured at fair value as of December 31, 2023, by level within the fair value hierarchy:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Cash equivalents | $ 42,263 | — | — | $ 42,263 |
| U.S. Treasury | — | 26,114 | — | 26,114 |
| Corporate bonds | — | 188,396 | — | 188,396 |
| Total | $ 42,263 | $ 214,510 | $ — | $ 256,773 |

There were no transfers between levels during the period ended September 30, 2024. The Company uses the services of its investment manager, which uses widely accepted models for assumptions in valuing securities with inputs from major third-party data providers.

The Company classifies all of its investments in fixed maturity debt securities as available-for-sale and, accordingly, are carried at estimated fair value.

The amortized cost, gross unrealized gains and losses, and fair value of investments in fixed maturity securities are as follows as of September 30, 2024:

| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|---|---|---|---|---|
| U.S. Treasury | $ 35,612 | $ 183 | $ — | $ 35,795 |
| Corporate bonds | 155,627 | 673 | (11) | 156,289 |
| Total | $ 191,239 | $ 856 | $ (11) | $ 192,084 |

The amortized cost, gross unrealized gains and losses, and fair value of investments in fixed maturity securities are as follows as of December 31, 2023:

| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|---|---|---|---|---|
| U.S. Treasury | $ 26,070 | $ 44 | $ — | $ 26,114 |
| Corporate bonds | 188,219 | 399 | (222) | 188,396 |
| Total | $ 214,289 | $ 443 | $ (222) | $ 214,510 |

The following table provides the maturities of our fixed maturity available-for-sale securities:

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| Less than one year | $ 145,519 | $ 125,414 |
| One to five years | 46,565 | 89,096 |
| | $ 192,084 | $ 214,510 |

The Company has evaluated the unrealized losses on the fixed maturity securities and determined that they are not attributable to credit risk factors. For fixed maturity securities, losses in fair value are viewed as temporary if the fixed maturity security can be held to maturity and it is reasonable to assume that the issuer will be able to service the debt, both as to principal and interest.

At September 30, 2024 and December 31, 2023, the Company had 12 and 25 available-for-sale investment debt securities in an unrealized loss position without an allowance for credit losses, respectively. Unrealized losses on corporate debt securities have not been recognized into income because the issuers' bonds are of high credit quality (rated BBB+ or higher) and the decline in fair value is largely due to market conditions and or changes in interest rates. Management does not intend to sell and it is likely that management will not be required to sell the securities prior to the anticipated recovery of their amortized cost basis. The issuers continue to make timely payments on the bonds. The fair value is expected to recover as the bonds approach maturity.

As of September 30, 2024 and December 31, 2023, accrued interest receivable on available-for-sale investment debt securities totaling $1,349 and $1,570, respectively, is excluded from the estimate of credit losses and is included in prepaid expenses and other current assets.

The following is a rollforward of the components of the Company's contingent consideration liability (See Note 9 – Commitments and contingencies):

| | Gadeta | Holdback Shares | Milestone | Total |
|---|---|---|---|---|
| Balance as of April 11, 2024 | $ 372 | 2,588 | 7,134 | 10,094 |
| Changes in fair value | 6 | (1,509) | 392 | (1,111) |
| Balance as of September 30, 2024 | $ 378 | 1,079 | 7,526 | 8,983 |

The following table includes quantitative information about the significant unobservable inputs for the components of the Company's contingent consideration liability as of the April 11, 2024 acquisition date and September 30, 2024:

| | | April 11, 2024 | | September 30, 2024 |
|---|---|---|---|---|
| Gadeta Earnout: | | | | |
| Probability adjusted value of payment | $ | 1,060 | | 1,060 |
| Discount rate | | 12.6% | | 12.6% |
| Discount period (years) | | 8.8 | | 8.3 |
| | | | | |
| Holdback Shares | | | | |
| Closing stock price on valuation date | $ | 4.05 | | 1.71 |
| Discount for lack of marketability | $ | (0.79) | | (0.35) |
| | | | | |
| Clade Milestone: | | | | |
| Probability adjusted value of payments | $ | 9,000 | | 9,000 |
| Discount rate | | 10.6% | | 10.2% |
| Discount period (years) | | 2.3 | | 1.8 |

## Note 5—Property and equipment, net

The following is a summary of property and equipment, net:

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| Lab equipment | $ 32,379 | $ 29,597 |
| Leasehold improvements | 61,516 | 60,862 |
| Construction in progress | — | 124 |
| Computer software and equipment | 2,919 | 2,899 |
| Furniture and fixtures | 1,210 | 1,061 |
| Total | 98,024 | 94,543 |
| Less: Accumulated depreciation | (32,740) | (22,838) |
| Property and equipment, net | $ 65,284 | $ 71,705 |

Depreciation expense was $3,297 and $3,350 for the three months ended September 30, 2024 and 2023, respectively. The Company recognized $4,002 in impairment on property and equipment, net during the nine months ended September 30, 2023. See Note 16, "Impairment of long-lived assets".

Depreciation expense was $9,986 and $9,492 for the nine months ended September 30, 2024 and 2023, respectively.

## Note 6—Accrued expenses and other liabilities

The following is a summary of accrued expenses:

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| Payroll and bonuses | $ 6,218 | $ 6,496 |
| Accrued clinical trial related costs | 1,322 | 470 |
| Professional and legal fees | 2,061 | 1,642 |
| Operating lease liability, current | 3,759 | 1,513 |
| Other | 84 | 28 |
| Total accrued expenses and other liabilities | $ 13,444 | $ 10,149 |

## Note 7—Long-term debt

On September 14, 2020, the Company entered into a $10,000 Term Loan Agreement (as amended, the "Loan Agreement") with Hercules Capital, Inc. ("Hercules"). Pursuant to the terms of the Loan Agreement, the Company borrowed $10,000 (the "Tranche 1 Advance") from the lenders at closing. The Company granted Hercules a lien on substantially all of the Company's assets, excluding intellectual property.

On May 1, 2023, the Company prepaid the Loan Agreement in full. The total amount paid to Hercules in connection with the prepayment was $10,617, which included all outstanding principal, accrued and unpaid interest and end of term and prepayment charges ("the Payoff Amount"). The Payoff Amount included a prepayment charge of $100 (equal to 1.0% of the outstanding principal), and an end of term fee of $395, which is being recognized as interest expense and accreted over the term of the Loan Agreement using the effective interest method. Upon receipt by Hercules of the Payoff Amount on May 1, 2023, all obligations, covenants, debts and liabilities of the Company under the Loan Agreement were satisfied and discharged in full, and the Loan Agreement was terminated.

The Company issued to Hercules warrants to purchase up to an aggregate of 16,112 shares of common stock. The warrants are exercisable for a period of ten years from the date of the issuance of each warrant at a per share exercise price equal to $13.96, subject to certain adjustments as specified in the warrants. The fair value of the warrants at issuance was $46. The Company accounted for the warrants as equity, and the fair value is recorded in additional paid-in capital. The warrant value is also recorded as a debt discount and classified as a contra-liability on the consolidated balance sheet and amortized to interest expense.

Interest expense attributable to the Loan Agreement is as follows:

| | For the Nine Months Ended September 30, 2024 | For the Nine Months Ended September 30, 2023 |
|---|---|---|
| Interest expense | $ — | $ 540 |
| Amortization of debt issuance costs, including end of term fee accretion | — | — |
| | $ — | $ 540 |

## Note 8 – Bristol-Myers Squibb Collaboration

On January 7, 2022, the Company entered into the Collaboration Agreement with Bristol-Myers Squibb to collaborate on the research, development and commercialization of iNK and iT cell programs for hematologic malignancies and solid tumors ("Collaboration Program," and each product candidate a "Development Candidate"). The Collaboration Agreement is within the scope of ASC 808, Collaborative Arrangements as both parties are active participants in the arrangement and are exposed to significant risks and rewards. While this arrangement is in the scope of ASC 808, the Company analogizes to ASC 606 for the accounting for the Collaboration Agreement, including for the delivery of goods and services (i.e., units of account). Revenue recognized by analogizing to ASC 606 is recorded as collaboration revenue in the statements of operations.

Pursuant to the Collaboration Agreement, the Company and Bristol-Myers Squibb will initially collaborate on two Collaboration Programs focused on acute myeloid leukemia ("AML") and multiple myeloma ("MM"), and Bristol-Myers Squibb has the option to add up to two additional Collaboration Programs for an additional fee. The Company is responsible for generating Development Candidates for each Collaboration Program, and Bristol-Myers Squibb has the option to elect to exclusively license the Development Candidates for pre-clinical development, clinical development, and commercialization on a worldwide basis ("License Option"). Following Bristol-Myers Squibb's exercise of the License Option, the Company will be responsible for performing IND-enabling studies, supporting Bristol-Myers Squibb's preparation and submission of an IND, and manufacturing of clinical supplies until completion of a proof-of-concept clinical trial. Bristol-Myers Squibb will be responsible for all regulatory, clinical, manufacturing (after the proof-of-concept clinical trial) and commercialization activities for such Development Candidates worldwide. The Company has the option to co-promote Development Candidates generated from certain specified Collaboration Programs.

Under the terms of the Collaboration Agreement, Bristol-Myers Squibb made a non-refundable, upfront cash payment of $100,000 and will pay an exercise fee upon the exercise of the License Option ("Licensed Program" and product candidates developed under a Licensed Program, "Licensed Products"). For each Licensed Program, Bristol-Myers Squibb will pay up to $235,000 in milestone payments upon the first achievement of certain development and regulatory milestones and will pay up to $500,000 per Licensed Product in net sales-based milestone payments. Bristol-Myers Squibb will also pay the Company tiered royalties per Licensed Product as a percentage of net sales in the high-single digits to low-teens, subject to reduction for biosimilar competition, compulsory licensing, and certain third-party license costs. If the Company exercises its co-promote option, such royalty percentage will be increased to low-teens to high-teens in respect of the sales of the co-promoted Licensed Products in the United States. The royalty term shall terminate on a Licensed Product-by-Licensed Product and country-by-country basis on the latest of (i) the 12-year anniversary of the first commercial sale of such Licensed Product in such country, (ii) the expiration of any regulatory exclusivity period that covers such Licensed Product in such country, and (iii) the expiration of the last-to-expire licensed patent of the Company or a jointly owned patent that covers such the Licensed Product in such country. After expiration of the applicable royalty term for a Licensed Product in a country, all licenses granted by the Company to Bristol-Myers Squibb for such Licensed Product in such country will be fully paid-up, royalty-free, perpetual, and irrevocable.

In connection with the Collaboration Agreement, Bristol-Myers Squibb purchased 2,160,760 shares of the Company's common stock at a price per share of $23.14, for an aggregate purchase price of $50,000. In determining the fair value of the common stock issued to Bristol-Myers Squibb, the Company considered the closing price of the common stock on the date of the transaction and included a lack of marketability discount because the shares are subject to certain restrictions. The Company determined the common stock purchase represented a premium of $7.82 per share, or $23,187 in the aggregate ("Equity Premium"), and the remaining $26,813 was recorded as issuance of common stock in stockholders' equity.

The Company identified the following commitments under the arrangement: (i) research and development services ("R&D Services") under each of the two initial Collaboration Programs and (ii) Bristol-Myers Squibb's License Option to elect to exclusively license the Development Candidates for each of the two initial Collaboration Programs. The Company determined that these four commitments represent distinct performance obligations for purposes of recognizing revenue and will recognize revenue as the Company fulfills each performance obligation.

The Company determined that the upfront payment and Equity Premium constitute the transaction price at the inception of the Collaboration Agreement. The future potential development and regulatory milestone payments were fully constrained at contract inception as the risk of significant revenue reversal related to these amounts has not yet been resolved. The achievement of the future potential milestones is not within the Company's control and is subject to certain research and development success and therefore carries significant uncertainty. The Company will reevaluate the likelihood of achieving these milestones at the end of each reporting period and adjust the transaction price in the period the risk is resolved. In addition, the Company will recognize any consideration related to sales-based milestones and royalties when the subsequent sales occur.

The total transaction price of $123,187 was allocated to the performance obligations based on their estimated standalone selling price on January 7, 2022. The stand-alone selling price of the research and development services was estimated using the expected cost-plus margin approach, and the stand-alone selling price of the License Options was based on a discounted cash flow approach and considered several factors including, but not limited to, discount rate, development timeline, regulatory risks, estimated market demand, and future revenue potential using an adjusted market approach. The allocated transaction price is recognized as revenue in one of two ways:

- Research and development services: The Company recognizes the portion of the transaction price allocated to each of the research and development performance obligations as the research and development services are provided, using an inputs method, in proportion to costs incurred to date for each research development target as compared to total costs incurred and expected to be incurred in the future to satisfy the underlying obligation related to each research and development target. The transfer of control occurs over this period and, in management's judgment, is the best measure of progress towards satisfying the performance obligation.
- License option rights: The transaction price allocated to the license options rights, which are considered material rights to license and commercialize the underlying research and development target, are deferred until the period that Bristol-Myers Squibb elects to exercise or elects to not exercise its option or when the option to exercise expires.

The following table summarizes the allocation of the total transaction price to the identified performance obligations under the arrangement, and the amount of the transaction price unsatisfied as of September 30, 2024:

| Performance obligations: | Transaction price | Cumulative collaboration revenue recognized | Deferred collaboration revenue |
|---|---|---|---|
| Option rights | $ 109,164 | $ - | $ 109,164 |
| Research and development services | 14,023 | (9,850) | 4,173 |
| Total | 123,187 | (9,850) | 113,337 |
| Less current portion of deferred revenue | - | - | (3,569) |
| Total long-term deferred revenue | $ 123,187 | $ (9,850) | $ 109,768 |

The following table summarizes the allocation of the total transaction price to the identified performance obligations under the arrangement, and the amount of the transaction price unsatisfied as of December 31, 2023:

| Performance obligations: | Transaction price | Cumulative collaboration revenue recognized | Deferred collaboration revenue |
|---|---|---|---|
| Option rights | $ 109,164 | $ - | $ 109,164 |
| Research and development services | 14,023 | (7,434) | 6,589 |
| Total | 123,187 | (7,434) | 115,753 |
| Less current portion of deferred revenue | - | - | (4,372) |
| Total long-term deferred revenue | $ 123,187 | $ (7,434) | $ 111,381 |

## Note 9—Commitments and contingencies

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of its business activities. The Company accrues a liability for such matters when future expenditures are probable and such expenditures can be reasonably estimated.

Distributed Bio Master Service Agreement

On July 24, 2019, the Company entered into a Master Service Agreement with Distributed Bio, Inc ("DBio"), whereby DBio will screen for protein binders that bind to specific therapeutic targets (the "Master Service Agreement"). The Company pays for such services according to a payment schedule, and if the Company brings the protein binders into the clinic for further development, DBio will receive milestone payments of up to $16,100 in total for each product as the products move through the clinical development and regulatory approval processes. No milestone payments were due since the inception of the agreement.

The Company had $0 within accounts payable as of September 30, 2024 and $106 as of December 31, 2023, in its consolidated balance sheets related to the Master Service Agreement.

iCELL Inc. Sublicense Agreement

In March 2020, the Company entered into a Sublicense Agreement with iCELL Inc ("iCELL") whereby iCELL granted the Company a license of certain patents and technology. The Company will pay iCELL royalties in the low single digits on net sales of the licensed product. In addition to the earned royalties, the Company will pay sales milestones, not to exceed $70,000, for the sales of the licensed product. iCELL is also eligible to receive payments of up to $4,250 in development and regulatory approval milestone payments. No milestones or royalties were due in 2024 or 2023.

Clade Therapeutics

In connection with the acquisition of Clade Therapeutics (Note – 3), the Company is subject to a contingent milestone payment to the shareholders of Clade. The milestone payment is $10,000 and is payable in cash, shares of Century, or a combination thereof, at the discretion of Century.

A total of 793,687 shares ("Holdback Shares") representing approximately 10% of the aggregate consideration, were held back at the closing of the acquisition as recourse to satisfy certain indemnification obligations of the Clade shareholders under the Merger Agreement should they arise and, subject to any forfeiture of Holdback Shares as a result of indemnification claims made prior to the 18-month anniversary of the Closing, will be issued pursuant to the terms of the Merger Agreement following the 18-month anniversary of the Closing.

In connection with the acquisition of Clade, the Company also assumed an earn-out obligation ("Gadeta Milestone") that is contingent on a clinical development milestone of a product that incorporates Gadeta intellectual property between the acquisition date and December 31, 2032. The total payment to the shareholders of Gadeta is upon the occurrence of such an event is $20,000.

## Note 10—Leases

The Company has commitments under operating leases for certain facilities used in its operations. The Company maintains security deposits on certain leases in the amounts of $410 and $1,260 within security deposits and non-current assets in its consolidated balance sheets at September 30, 2024 and December 31, 2023, respectively. The Company's leases have initial lease terms ranging from 5 to 16 years. Certain lease agreements contain provisions for future rent increases.

The following table reflects the components of lease expense:

| | For the Three Months Ended September 30, 2024 | For the Three Months Ended September 30, 2023 | For the Nine Months Ended September 30, 2024 | For the Nine Months Ended September 30, 2023 |
|---|---|---|---|---|
| Operating lease expense: | | | | |
| Fixed lease cost | $ 1,647 | $ 1,443 | $ 5,037 | $ 4,458 |
| Variable lease cost | 673 | 474 | 1,910 | 995 |
| Short term lease expense | — | 5 | — | 901 |
| Total operating lease expense | $ 2,320 | $ 1,922 | $ 6,947 | $ 6,354 |

The following table reflects supplemental balance sheet information related to leases:

| | Location in Balance Sheet | As of September 30, 2024 | As of December 31, 2023 |
|---|---|---|---|
| Operating lease right-of-use asset, net | Operating lease right-of-use assets | $ 28,828 | $ 20,376 |
| Operating lease liability, current | Accrued expenses and other liabilities | $ 3,759 | $ 1,513 |
| Operating lease liability, long-term | Operating lease liability, long-term | 50,837 | 46,658 |
| Total operating lease liability | | $ 54,596 | $ 48,171 |

The following table reflects supplement lease term and discount rate information related to leases:

| | As of September 30, 2024 | As of December 31, 2023 |
|---|---|---|
| Weighted-average remaining lease terms - operating leases | 7.7 Years | 7.6 years |
| Weighted-average discount rate - operating leases | 10.4 % | 9.9 % |

The following table reflects supplemental cash flow information related to leases as of the periods indicated:

| | For the Nine Months Ended September 30, 2024 | For the Nine Months Ended September 30, 2023 |
|---|---|---|
| Operating cash flows from operating leases | $ (2,599) | $ (31) |
| Right-of-use assets obtained in exchange for lease obligations: | $ — | $ — |

The following table reflects future minimum lease payments under noncancelable leases as of September 30, 2024:

| | Operating Leases |
|---|---|
| 2024 | $ 2,397 |
| 2025 | 9,766 |
| 2026 | 9,327 |
| 2027 | 9,573 |
| 2028 | 9,826 |
| Thereafter | 46,114 |
| Total lease payments | 87,003 |
| Less: Imputed interest | (28,263) |
| Less: Tenant incentive receivable | (4,144) |
| Total | $ 54,596 |

## Note 11—Income taxes

During the three and nine months ended September 30, 2024, the Company recorded an immaterial tax benefit (provision), related to its income tax obligations of its Canadian operations.

During the three and nine months ended September 30, 2023, the Company recorded tax expense of $592 and $2,750, respectively, due primarily to revenue recognition for tax purposes from the Company's Research Collaboration and License Agreement entered into with Bristol-Myers Squibb Company in 2022, combined with statutory limitations on deductions for research and development expenses, net operating losses, and research credits.

## Note 12—Basic and diluted net loss per common share

The Company's potentially dilutive securities, which include RSUs ("Restricted Stock Units"), restricted stock, warrants, early exercised stock options and stock options to purchase shares of the Company's common stock, have been excluded from the computation of dilutive net loss per share as the effect would be antidilutive. Therefore, the weighted-average number of shares of common stock outstanding used to calculate both basic and diluted net loss per share is the same. The Company excluded the following potential shares of common stock presented based on amounts outstanding at each stated period end, from the computation of diluted net loss per share for the nine months ended September 30, 2024 and 2023 because including them would have had an anti-dilutive effect.

| | Nine Months Ended September 30, 2024 | Nine Months Ended September 30, 2023 |
|---|---|---|
| Stock options to purchase common stock | 5,357,942 | 8,290,588 |
| Early exercised stock options subject to future vesting | 30,042 | 227,499 |
| Restricted stock awards subject to future vesting | 24,685 | 49,465 |
| Unvested restricted stock units | 4,113,289 | 2,263,195 |
| Warrants | 32,009 | 32,009 |
| Total | 9,557,967 | 10,862,756 |

## Note 13—Stock-based compensation

On June 17, 2021, the Company adopted the Century Therapeutics, Inc. 2021 Equity Incentive Plan (the "2021 Incentive Plan") which superseded the 2018 Incentive Plan and from that date forward all issuances of incentive awards will be governed by the 2021 Incentive Plan.

The 2021 Incentive Plan provides for the Company to sell or issue common stock or restricted common stock, RSUs, or to grant incentive stock options or nonqualified stock options for the purchase of common stock, to employees, members of the Board of Directors, and consultants of the Company under terms and provisions established by the Board of Directors. Under the terms of the 2021 Incentive Plan, options may be granted at an exercise price not less than fair market value.

Upon adoption of the 2021 Incentive Plan, the Company was authorized to issue 5,481,735 shares of Common Stock under the 2021 Incentive Plan (which represents 5,640,711 shares of Common Stock initially available for grant under the 2021 Incentive Plan less 158,976 shares of Common Stock reserved for issuance upon the exercise of previously granted stock options that remain outstanding under the 2018 Incentive Plan). The number of shares of common stock initially reserved for issuance under the 2021 Incentive Plan shall be increased, upon approval by the Board of Directors, on January 1, 2022 and each January 1 thereafter, in an amount equal to the least of (i) five percent (5%) of the outstanding common stock on the immediately preceding December 31, or (ii) such number of common stock determined by the Board of Directors no later than the immediately preceding December 31. For 2023, the 2021 Incentive Plan reserved shares were increased under clause (i) by 2,954,788 shares, effective as of January 1, 2023. For 2024, the 2021 Incentive Plan reserved shares were increased under clause (i) by 3,025,220 shares, effective as of January 1, 2024. As of September 30, 2024, there were 4,059,523 shares available for issuance under the 2021 Incentive Plan.

The Company's stock-based awards are subject to service-based vesting conditions. Compensation expense related to awards to employees and directors with service-based vesting conditions is recognized on a straight-line basis based on the grant date fair value over the associated service period of the award, which is generally the vesting term. Stock awards granted typically vest over a four-year period but may be granted with different vesting terms. The Company may also issue awards with performance-based vesting conditions. For performance-based awards, the Company would reassess at each reporting date whether achievement of the performance condition is probable and accrue compensation expense if and when the achievement of the performance condition is probable. During the quarter ended June 30, 2023, the Company issued performance-based RSUs that represent a contingent right to receive one share of the Company's common stock. The RSUs shall vest 50% on November 1, 2023, with the remaining 50% vesting upon the earlier of: (i) November 1, 2024; and (ii) satisfaction of certain performance criteria. The Company is currently recording expense for these RSUs on the straight-line basis.

The Company recognizes the costs of the stock-based payments as the employees vest in the awards.

As of September 30, 2024, the Company had reserved shares of common stock for issuance as follows:

| | Shares |
|---|---|
| Options and RSUs issued and outstanding | 9,471,231 |
| Shares available for future stock option and RSU grants | 4,059,523 |
| Shares available for employee stock purchase plan | 845,312 |
| **Total** | 14,376,066 |

The shares of Common Stock available under the 2021 Incentive Plan as of September 30, 2024 are as follows:

| | Shares |
|---|---|
| **Balance December 31, 2023** | 3,128,244 |
| Shares reserved for issuance | 3,025,220 |
| Options granted | (2,215,363) |
| RSU's granted | (659,020) |
| Options and RSUs forfeited / cancelled | 780,442 |
| **Balance September 30, 2024** | 4,059,523 |

*Stock Options*

The following table summarizes stock option activity for the nine-month period ended September 30, 2024:

| | Shares | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term (years) | Aggregate Intrinsic Value (in thousands) |
|---|---|---|---|---|
| Outstanding January 1, 2024 | 3,938,006 | $ 7.11 | 5.66 | $ 2,923 |
| Granted | 2,215,363 | 4.36 | — | — |
| Exercised | (282,187) | 1.27 | — | — |
| Forfeited | (509,795) | 6.50 | — | — |
| Cancelled | (3,445) | 4.99 | — | — |
| **Outstanding, September 30, 2024** | 5,357,942 | $ 5.65 | 4.32 | $ 739 |
| **Exercisable at September 30, 2024** | 5,345,193 | $ 7.03 | 5.65 | $ 680 |

The weighted average grant date fair value of awards for options granted during the nine months ended September 30, 2024 was $3.07. As of September 30, 2024, there was $15,495 of total unrecognized compensation expense related to unvested stock options with time-based vesting terms, which is expected to be recognized over a weighted average period of 2.65 years. The aggregate intrinsic value of options vested and exercisable as of September 30, 2024 and 2023 is calculated based on the difference between the exercise price and the fair value of our common stock. The intrinsic value of options exercised in 2024 and 2023 was $917 and $1,862, respectively.

The Company estimates the fair value of its option awards to employees and directors using Black-Scholes, which requires inputs and subjective assumptions, including (i) the expected stock price volatility, (ii) the calculation of the expected term of the award, (iii) the risk-free interest rate and (iv) expected dividends. Due to the lack of substantial company-specific historical and implied volatility data of its common stock, the Company has based its estimate of expected volatility on the historical volatility of a group of similar public companies. Starting in June of 2023 the Company had sufficient historical information regarding stock trading history, and started to use the Company's own stock volatility. The Company has never paid dividends and does not expect to in the foreseeable future. The expected term of the options granted to employees is derived from the "simplified" method as described in Staff Accounting Bulletin 107 relating to stock-based compensation. The risk-free interest rates for periods within expected term of the option are based on the U.S. Treasury securities with a maturity date commensurate with the expected term of the associated award. The Company will account for actual forfeitures as they occur.

The weighted-average assumptions used to calculate the fair value of stock options granted are as follows:

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| Expected dividend rate | — | — |
| Expected option term (years) | 6.00 | 6.04 |
| Expected volatility | 78.33 % | 77.87 % |
| Risk-free interest rate | 4.29 % | 3.68 % |

Stock-based compensation expense recorded under ASC 718 related to stock options granted and common stock issued under the 2021 Employee Stock Purchase Plan (the "ESPP") were allocated to research and development and general and administrative expense as follows:

| | Three Months Ended September 30, 2024 | Three Months Ended September 30, 2023 | Nine Months Ended September 30, 2024 | Nine Months Ended September 30, 2023 |
|---|---|---|---|---|
| Research and development | $ 2,130 | $ 2,220 | $ 6,044 | $ 6,504 |
| General and administrative | 1,188 | 1,758 | 3,984 | 4,556 |
| Total stock-based compensation | $ 3,318 | $ 3,978 | $ 10,028 | $ 11,060 |

Stock-based compensation expense by award type included within the condensed consolidated statements of operations is as follows:

| | Three Months Ended September 30, 2024 | Three Months Ended September 30, 2023 | Nine Months Ended September 30, 2024 | Nine Months Ended September 30, 2023 |
|---|---|---|---|---|
| Stock options | $ 2,151 | 2,243 | 6,510 | $ 7,919 |
| Restricted stock units | 1,072 | 1,629 | 3,219 | 2,774 |
| Restricted stock awards | 45 | 45 | 135 | 183 |
| Employee stock purchase plan | 50 | 61 | 164 | 184 |
| Total stock-based compensation | $ 3,318 | $ 3,978 | $ 10,028 | $ 11,060 |

*Restricted Stock Units*

The following table summarizes RSU activity for the nine months ended September 30, 2024:

| | Shares | Weighted Average Grant Date Fair Value |
|---|---|---|
| Total Unvested December 31, 2023 | 3,721,471 | $ 2.69 |
| Granted | 659,020 | 4.39 |
| Forfeited | (267,202) | 3.74 |
| Total Unvested September 30, 2024 | 4,113,289 | $ 2.93 |

As of September 30, 2024, there was $5,085 of total unrecognized compensation expense related to the unvested restricted stock with time-based vesting terms, which is expected to be recognized over a weighted average period of 2.54 years.

*Restricted Stock Awards*

The following table summarizes restricted stock activity as of September 30, 2024 and December 31, 2023:

| | Shares | Weighted Average Grant Date Fair Value |
|---|---|---|
| Total Unvested December 31, 2023 | 49,416 | $ 7.27 |
| Granted | — | — |
| Forfeited | — | — |
| Vested | (24,731) | 7.27 |
| Total Unvested September 30, 2024 | 24,685 | $ 7.27 |

As of September 30, 2024, there was $311 of total unrecognized compensation expense related to the unvested restricted stock with time-based vesting terms, which is expected to be recognized over a weighted average period of 0.47 years. All restricted stock vests over a four-year period.

*Early-Exercise of Unvested Equity Awards*

Certain equity award holders early exercised unvested equity awards. The cash received upon early exercise of options of $209 and $906 was recorded as a deposit liability on the Company's balance sheet as of September 30, 2024 and September 30, 2023, respectively.

*Employee Stock Purchase Plan*

The ESPP was adopted by the Board of Directors in May 2021. A total of 564,071 shares of common stock were initially reserved for issuance under this plan, which shall be increased, upon approval by the Board of Directors, on January 1, 2022 and each January 1 thereafter, to the lesser of (i) one percent (1%) of the outstanding shares of common stock on the last day of the immediately preceding fiscal year, or (ii) an amount determined by the Board of Directors no later than the last day of the immediately preceding fiscal year. For 2022, the ESPP reserved shares were increased under clause (i) by 550,055 shares, effective as of January 1, 2022. For 2023 and 2024, the board waived the annual increase to the shares reserved under the ESPP. As of September 30, 2024, there were 845,312 shares available for issuance, under the ESPP.

## Note 14—Related party transactions

*License Agreements and Collaborative Agreements with Shareholder*

The Company owns licenses and other contracts with FUJIFILM Cellular Dynamics, Inc. ("FCDI"). FCDI is a shareholder of the Company. The acquired licenses and other contracts with FCDI are as follows:

*FCDI Agreements*

The Company owns a non-exclusive license agreement with FCDI. The license provides the Company with certain patents and know-how related to the reprogramming of human somatic cells to induce pluripotent stem cells ("iPSCs") ("Reprogramming License Agreement"). Under this agreement, the Company is required to make certain developmental and regulatory milestone payments as well as royalty payments upon commercialization. Royalties are in the low single digits on the sale of all licensed products.

The Company also owns an exclusive license agreement with FCDI ("Differentiation Licenses Agreement"). The Differentiation Licenses Agreement provides the Company with patents and know-how related to human iPSC exclusively manufactured by FCDI.

In October 2019, the Company entered into the Master Collaboration Agreement with FCDI ("Collaboration Agreement"), whereby FCDI provides certain services to the Company to develop and manufacture iPSCs and immune cells derived therefrom. FCDI provides services in accordance with the approved research plan and related research budget. The initial research plan covered the period from October 2019 through March 31, 2022. In July, 2022 the Company amended the Collaboration Agreement to extend the term through September 30, 2025, and in September 2023, the Company amended the Collaboration Agreement in connection with the Autoimmune License (as defined below).

In March 2021, the Company entered into a Manufacturing Agreement with FCDI ("Manufacturing Agreement"), pursuant to which FCDI will provide certain agreed upon technology transfer, process development, analytical testing and cGMP manufacturing services to the Company.

The Company expects that FCDI will continue to manufacture CNTY-101 for the ELiPSE clinical Trial, and the Company will manufacture CNTY-101 for the CALiPSO clinical Trial.

In January 2022, the Company and FCDI entered into a letter agreement (the “Letter Agreement”), which amended the Reprogramming License Agreement, Differentiation License Agreement and Manufacturing Agreement (the “FCDI Agreements”) pursuant to the Company’s Research Collaboration and License Agreement with Bristol-Myers Squibb. Pursuant to the Letter Agreement, and in consideration for amending the FCDI Agreements, the Company paid to FCDI an upfront payment of $10,000 and will pay FCDI (i) a percentage of any milestone payments received by the Company under the FCDI Collaboration Agreement in respect of achievement of development or regulatory milestones specific to Japan, and (ii) a percentage of all royalties received by the Company under the FCDI Collaboration Agreement in respect of sales of products in Japan.

In September 2023 the Company and FCDI entered into a worldwide license agreement whereby FCDI will grant non-exclusive licenses to the Company for certain patent rights and know-how related to cell differentiation and reprogramming for the development and commercialization of iPSC-derived therapies for the treatment of inflammatory and autoimmune diseases (the “Autoimmune License”). In addition, the Company and FCDI entered into an amendment to each of the Reprogramming License and the Differentiation License to expand the licenses related to the development and commercialization of iPSC-derived cancer immunotherapeutic to also include inflammatory and autoimmune diseases. Under the terms of these agreements, FCDI will be eligible to receive certain development and regulatory milestone payments as well as low single-digit royalties related to products developed in connection with such agreements.

During the three and nine months ended September 30, 2024, the Company made payments of $3,727 and $6,558 and incurred research and development expenses of $981 and $5,152, and recorded within research and development expenses in its consolidated statements of operations and comprehensive loss, respectively.

During the three and nine months ended September 30, 2023, the amounts paid to FCDI were immaterial.

*Bayer Option Agreement*

Bayer Health, LLC (“Bayer”) has the right of first refusal to acquire certain products researched and developed by the Company. Subject to certain exceptions, Bayer’s right of first refusal is exercisable with respect to up to four products and may only exercise these option rights in a non-sequential and alternating manner, and such rights are subject to additional limitations.

## Note 15 – Common Stock

At-The-Market

The Company has a Sales Agreement (“Sales Agreement”), with Cowen and Company, LLC, or (“Cowen”) to provide for the offering, issuance and sale of up to an aggregate amount of $150,000 of common stock from time to time in “at-the-market” offerings (the “ATM Program”) pursuant to its shelf registration statement on Form S-3 (File No. 333-265975) and subject to the limitations thereof. During the nine months ended September 30, 2024, the Company sold 4,084,502 shares pursuant to the ATM Program for net proceeds of $17,829, after deducting commissions of $551.

Private Placement Offering

In April, 2024, the Company entered into a securities purchase agreement (the “Securities Purchase Agreement”) with certain institutional accredited investors (the “Investors”), pursuant to which the Company agreed to issue and sell to the Investors in a private placement an aggregate of 15,873,011 shares of the Company’s common stock (the “Private Placement Shares”), at a price of $3.78 per share (the “Private Placement”).

The Private Placement closed on April 15, 2024. The Company received aggregate net proceeds from the Private Placement of approximately $56,593, after deducting placement agent fees and offering expenses. The Company intends to use the net proceeds from the private placement to support the expansion of CNTY-101 in autoimmune indications and for working capital and general corporate purposes.

## Note 16 – Impairment of long-lived assets

In the second quarter of 2023, the Company made the strategic decision to consolidate two of its existing leased lab facilities in Philadelphia. The company concluded it would exit one of the leases early and as a result the Company completed an impairment analysis of its right of use asset related to this lease along with the related property and equipment at this facility. The Company reviewed its long-lived assets for impairment following Financial Accounting Standards Board's Accounting Standards Codification (ASC) 360 for Property, Plant, and Equipment. The Company evaluated its long-lived assets for recoverability due to changes in circumstances that indicated that the carrying amounts may not be recoverable.

The Company reviewed its property and equipment related assets for impairment by comparing the carrying values of the assets with their estimated future undiscounted cash flows. Impairment charge was calculated as the difference between asset carrying values and fair value as discounted cash flows, indicative fair market quotes received which are considered level three fair value estimates.

The Company analyzed its right-of used assets for impairment based on fair values calculated as discounted cash flows estimated to be received from the lease assets where applicable. The difference between fair value and carrying value of the right of use asset was recognized as an impairment in June 2023 of $4,220.

## Note 17—Reduction in force

In January 2023, the Company's Board of Directors approved, and management implemented, a new portfolio prioritization and capital allocation strategy. The resulting changes included pausing investments in CNTY-103 for glioblastoma as well as a discovery program in hematologic malignancies. The Company has shifted focus to CNTY-101 and will accelerate key programs, including one follow-on candidate for lymphoma, CNTY-102, CNTY-107 for Nectin-4+ solid tumors, and CNTY-101 in moderate to severe Systemic Lupus Eythematosus ("SLE"), lupus nephritis ("LN"), diffuse cutaneous systemic sclerosis ("dcSSc"), and idiopathic inflammatory myopathy ("IMM"). In addition, the Company continues its partnered programs with Bristol Myers Squibb. The restructuring plan resulted in a reduction in the Company's workforce of approximately 25%. In connection with the restructuring plan, lab operations in Seattle and Hamilton, Ontario were closed and research activities were consolidated in Philadelphia.

During the nine months ended September 30, 2023, the Company incurred $2,032 of cash-based expenses related to employee severances, benefits and related costs. Of these amounts, $292 related to general and administrative expense, while $1,740 related to R&D expense. In addition, the Company recorded non-cash stock-based compensation charge of $581 related to modification of equity awards for employees impacted by the restructuring during the year ended December 31, 2023. Of these amounts, $171 related to G&A expense, while $410 related to R&D expense. There were no remaining outstanding liabilities related to the reduction in force at September 30, 2024 and no related expenses incurred during the three and nine months ended September 30, 2024.

## Note 18—Subsequent Events

The Company has evaluated subsequent events through the filing of this Quarterly Report on Form 10-Q, and determined that there have been no events that have occurred that would require adjustments to our disclosures in the consolidated financial statements.

**Item 2. Management's discussion and analysis of financial condition and results of operations**

*The following discussion and analysis should be read in conjunction with our financial statements and accompanying notes included in this Quarterly Report on Form 10-Q and the financial statements and accompanying notes thereto for the fiscal year ended December 31, 2023 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, which are contained in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 14, 2024 (the "Annual Report"). This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Such forward-looking statements, which represent our intent, belief, or current expectations, involve risks and uncertainties and other factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. In some cases you can identify forward-looking statements by terms such as "may," "will," "expect," "anticipate," "estimate," "intend," "plan," "predict," "potential," "believe," "should" and similar expressions. Factors that could cause or contribute to differences in results include, but are not limited to, those set forth under "Risk Factors" in our Annual Report. Except as required by law, we undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this report or to reflect actual outcomes.*

**Overview**

We are an innovative biotechnology company harnessing the power of adult stem cells to develop curative cell therapy products for cancer and autoimmune diseases that we believe will allow us to overcome the limitations of first-generation cell therapies. We have created a comprehensive, genetically engineered allogeneic cell therapy platform that includes:

- Industry-leading induced pluripotent stem cells ("iPSCs") and differentiated know-how to generate immune effector cells from iPSCs ("iPSC-derived cells");
- Clustered regularly interspaced short palindromic repeats ("CRISPR") mediated precision gene editing that allows us to incorporate multiple transgenes and remove target genes intended to optimize cell product performance;
- Sophisticated protein engineering capabilities to develop proprietary next generation chimeric antigen receptors ("CARs");
- Our proprietary Allo-Evasion$^{TM}$ technology intended to prevent rejection of our cell products by the host immune system; and
- Cutting edge manufacturing capabilities intended to minimize product development and supply risk.

We are leveraging our expertise in cellular reprogramming, genetic engineering, and manufacturing to develop therapies with the potential to overcome many of the challenges inherent to cell therapy and provide a significant advantage over existing cell therapy technologies. We believe that these vertically integrated capabilities will allow us to further expand our existing pipeline and develop therapeutics from iPSC-derived natural killer cells ("iNK cells") and iPSC-derived T cells ("iT cells") that may provide enhanced clinical outcomes compared to available therapeutic options. We believe our commitment to developing off-the-shelf cell therapies will expand patient access and provide an unparalleled opportunity to advance the course of treatment. Our vision is to become a premier fully integrated biotechnology company by developing and ultimately commercializing off-the-shelf allogeneic cell therapies that dramatically and positively transform the lives of patients suffering from life-threatening cancers, as well as autoimmune diseases. To achieve our vision, we have assembled a world-class team with decades of collective experience in cell therapy and drug development, manufacturing, and commercialization.

Our operations to date have been limited to organizing and staffing our company, business planning, raising capital, conducting discovery and research activities, filing patent applications, identifying potential product candidates, conducting our ELiPSE-1 clinical trial, initiating our CALiPSO-1 clinical trial, undertaking preclinical studies, in-licensing intellectual property, and acquiring and integrating Clade Therapeutics. All of our programs are currently in the development stage, and we do not have any products approved for sale. Since our inception, we have incurred net losses each year. We had an accumulated deficit of $746.3 million as of September 30, 2024. Substantially all of our losses have resulted from expenses incurred in connection with our research and development programs, the acquisition of in-process research and development and from general and administrative costs associated with our operations.

To date, we have funded our operations from the issuance and sale of our equity securities and the receipt of payments from Bristol-Myers Squibb, in connection with our collaborations as described below, and have not generated any revenues. Since our inception, through September 30, 2024, we have raised approximately $666 million in net proceeds from sales of our equity securities. As of September 30, 2024, we had cash and cash equivalents of $52.6 million and investments of $192.1 million.

In August 2022, the U.S. Food and Drug Administration ("FDA") notified us that our ELiPSE-1 clinical trial may proceed to assess CNTY-101 in patients with relapsed or refractory CD19 positive B-cell malignancies. The Phase 1 trial, ELiPSE-1, is ongoing in patients with relapsed or refractory CD19-positive B-cell malignancies. In December 2023, we announced preliminary clinical data from seven participants treated at the two lowest dose levels in the trial. In June 2024, we presented encouraging interim efficacy and safety data for 12 safety evaluable and 10 efficacy evaluable participants. We have evaluated dose escalation of CNTY-101 at schedule A (single dose per cycle) up to Dose Level 4 (3 billion cells) and schedule B (3 doses per cycle) up to Dose Level 3 (1 billion cells). As of the data snapshot October 15, 2024, eight additional participants have been treated with CNTY-101 for a total of 20 participants evaluable for safety and 19 for preliminary efficacy.

In December 2023, we were notified by the FDA that the Phase 1 CALiPSO-1 clinical trial may proceed to assess CNTY-101 in participants with moderate to severe systemic lupus erythematosus (SLE) who have failed at least two standard immunosuppressive therapies. We amended the clinical protocol in June 2024 to include a new indication-specific cohort of Lupus Nephritis (LN) patients. To further expand evaluation of CNTY-101 in autoimmune diseases, in September 2024, we amended the protocol to include two additional new indication-specific cohorts of diffuse cutaneous Systemic Sclerosis (dcSSc) and idiopathic inflammatory myositis (IIM) patients. We have activated multiple clinical sites in the United States, and expect to activate additional sites in the coming months, with ability to enroll patients across indications. To further facilitate enrollment, we plan to expand trial sites to select European countries.

In January 2023, we announced a strategic internal portfolio prioritization (the "January 2023 Strategic Reprioritization") through which, among other discovery efforts, CNTY-103, a CAR-iNK product targeting CD133 and a discovery program for hematological malignancies, were de-prioritized, allowing us to further prioritize our CNTY-102 and CNTY-107 product candidates, which we believe have a higher probability of technical success and greater market potential. As a result of the operational restructuring, lab operations in Seattle, Washington and Hamilton, Ontario, were closed and research activities have been consolidated in Philadelphia, Pennsylvania.

In the second quarter of 2024, we announced plans to expand clinical development for CNTY-101 into additional autoimmune disease indications. To support these increased research and development activities in autoimmune diseases, in April 2024 we completed a private placement offering of our common stock to certain institutional investors and received $60 million in gross proceeds before deducting placement agent fees and other offering related expenses. Concurrently, we announced pipeline and platform enhancements through the acquisition of Clade Therapeutics, Inc. ("Clade"), a privately held biotechnology company focused on discovering and delivering engineerable, off-the-shelf, scalable, and consistent stem cell-based medicines, with a focus on iPSC-derived αβ T cells. The acquisition brings us novel technology enhancing our efforts on Allo-Evasion™ and a newly expanded pipeline incorporating three additional preclinical-stage programs from Clade's αβ iT platform spanning across cancer and autoimmune diseases. We will share what we believe to

be the first presentation of iPSC-derived CD4+ and CD8+ CAR T cells that demonstrate function comparable to primary αβ CAR-T cells at the 2024 American Society of Hematology Annual Meeting.

Following the integration of Clade Therapeutics, we are conducting a strategic review of the pre-clinical pipeline to leverage the unique capabilities and technologies at Century towards high-value and differentiated programs. We expect to conclude and communicate the results of this review in the first quarter of 2025. As part of this review, in October, we implemented changes to the organization structure including elimination of overlapping technical and research capabilities to enhance ongoing efficiencies and alignment with the Company's key programs. With these changes, we have extended expected cash runway into the second half of 2026.

Based on our current business plans, we believe our cash, cash equivalents and investments as of the date of this quarterly report will be sufficient for us to fund our operating expenses and capital expenditures requirements into the second half of 2026. 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. We anticipate that our expenses and operating losses will increase substantially over the foreseeable future. The expected increase in expenses will be driven in large part by our ongoing activities, if and as we:

- continue to advance our iPSC cell therapy platforms;
- progress clinical development of CNTY-101 and continue preclinical development of our other product candidates;
- seek to discover and develop additional product candidates;
- expand and validate our own clinical-scale current good manufacturing practices ("cGMP"), facilities;
- seek regulatory approvals for any of our product candidates that successfully complete clinical trials;
- maintain, expand, protect, and enforce our intellectual property portfolio;
- continue to incur costs associated with operating as a public company;
- acquire or in-license other product candidates and technologies;
- incur additional costs associated with operating as a public company, which will require us to add operational, financial and management information systems and personnel, including personnel to support our drug development and any future commercialization efforts; and
- increase our employee headcount and related expenses to support these activities.

We are also investing in building our capabilities in key areas of manufacturing sciences and operations, including development of our iPSC cell therapy platforms, product characterization, and process analytics from the time product candidates are in early research phases. Our investments also include scaled research solutions, scaled infrastructure, and novel technologies intended to improve efficiency, characterization, and scalability of manufacturing.

We anticipate that we will need to raise additional financing in the future to fund our operations, including funding for preclinical studies, clinical trials, and the commercialization of any approved product candidates. We intend to use the proceeds from such financings to, among other uses, fund research and development of our product candidates and development programs, including our pre-clinical and clinical development of CNTY-101, CNTY-102, CNTY-107, and CNTY-108, CNTY-308, CNTY-361, as well as CNTY-104 and CNTY-106 in collaboration with Bristol-Myers Squibb. Until such time, if ever, as we can generate significant product revenue, we expect to finance our operations with our existing cash and cash equivalents, investments, any future equity or debt financings; upfront, and, milestone, and royalty payments, if any, received under current and future licenses or collaborations. We may not be able to raise additional capital on terms acceptable to us

or at all. If we are unable to raise additional capital when desired, our business, results of operations, and financial condition would be adversely affected. Because of the numerous risks and uncertainties associated with product development, we are unable to predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability.

***License and collaboration agreements***

***Bristol-Myers Squibb***

On January 7, 2022, we entered into the Research, Collaboration and License Agreement, with Bristol-Myers Squibb (the "Collaboration Agreement"), to collaborate on the research, development and commercialization of iNK and iT cell programs for hematologic malignancies and solid tumors (the "Collaboration Program"), and each product candidate (each, a "Development Candidate"). We and Bristol-Myers Squibb will initially collaborate on two Collaboration Programs focused on acute myeloid leukemia, and multiple myeloma, and Bristol-Myers Squibb has the option to add up to two additional Collaboration Programs for an additional fee. We are responsible for generating Development Candidates for each Collaboration Program, and Bristol-Myers Squibb has the option to elect to exclusively license the Development Candidates for pre-clinical development, clinical development and commercialization on a worldwide basis. Following Bristol-Myers Squibb's exercise of the License Option, we will be responsible for performing IND-enabling studies, supporting Bristol-Myers Squibb's preparation and submission of an IND, and manufacturing of clinical supplies until completion of a proof of concept clinical trial. Bristol-Myers Squibb will be responsible for all regulatory, clinical, manufacturing (after the proof of concept clinical trial) and commercialization activities for such Development Candidates worldwide. We have the option to co-promote Development Candidates generated from certain specified Collaboration Programs.

Under the terms of the Collaboration Agreement, Bristol-Myers Squibb made a non-refundable, upfront cash payment of $100 million and will pay an exercise fee upon the exercise of the License Option, and product candidates developed under a Licensed Program (the "Licensed Products"). For each Licensed Program, Bristol-Myers Squibb will pay up to $235 million in milestone payments upon the first achievement of certain development and regulatory milestones and will pay up to $500 million per Licensed Product in net sales-based milestone payments. Bristol-Myers Squibb will also pay us tiered royalties per Licensed Product as a percentage of net sales in the high-single digits to low-teens, subject to certain adjustments.

In connection with the Collaboration Agreement, Bristol-Myers Squibb purchased 2,160,760 shares of our common stock at a price per share of $23.14 for an aggregate purchase price of $50 million. We determined the common stock purchase represented a premium of $7.82 per share, or $23.2 million in the aggregate, and the remaining $26.8 million was recorded as issuance of common stock in stockholders' equity.

We identified the following commitments under the arrangement: (i) research and development services under each of the two initial Collaboration Programs and (ii) License Option to elect to exclusively license the Development Candidates for each of the two initial Collaboration Programs. We determined that these four commitments represent distinct performance obligations for purposes of recognizing revenue and will recognize revenue as we fulfill each performance obligation.

***Fujifilm Cellular Dynamics, Inc. (FCDI)***

On September 18, 2018, we entered into a license agreement (the "Differentiation License"), with FCDI. The Differentiation License, as amended, provides us with an exclusive license under certain patents and know-how related to human iPSC consisting of cells that are or are modifications of NK cells, T cells, dendritic cells and macrophages derived from human iPSC. In consideration for the Differentiation License, FCDI received 2,980,803 shares of common stock in connection with the January 2023 Strategic Reprioritization.

Also on September 18, 2018, we entered into the non-exclusive license, (the "Reprogramming License"), with FCDI. The Reprogramming License, as amended, provides us with a non-exclusive license under certain patents and know-how related to the reprogramming of human somatic cells to iPSCs and provide us access

to iPSC lines for clinical use. Under the Reprogramming License, we are required to make certain developmental and regulatory milestone payments as well as royalty payments upon commercialization in the low single digits. In connection with the Reprogramming License, we entered into a collaboration agreement (the" FCDI Collaboration Agreement"), with FCDI pursuant to which we agreed to fund research and development work at FCDI pursuant to a research plan.

On October 21, 2019, we entered into the FCDI Collaboration Agreement with FCDI, whereby FCDI provides certain services to us to develop and manufacture iPSCs and immune cells derived therefrom. Under the terms of the FCDI Collaboration Agreement, as amended, FCDI will provide services in accordance with the approved research plan and related research budget. The initial research plan covers the period from the date of execution of the FCDI Collaboration Agreement through March 31, 2022. On July 29, 2022, we amended the FCDI Collaboration Agreement to extend the term through September 30, 2025.

On January 7, 2022, we and FCDI entered into a letter agreement, which amends each of the FCDI agreements as further discussed in Note 14 to our consolidated financial statements. Pursuant to the Letter Agreement, and in consideration for amending the FCDI Agreements, we agreed to pay to FCDI (i) an upfront payment of $10 million, (ii) a percentage of any milestone payments received by us under the Collaboration Agreement, in respect of achievement of development or regulatory milestones specific to Japan, and (iii) a percentage of all royalties received by us under the Collaboration Agreement in respect of sales of products in Japan.

On September 22, 2023, we and FCDI entered into a worldwide license agreement whereby FCDI will grant non-exclusive licenses to us for certain patent rights and know-how related to cell differentiation and reprogramming for the development and commercialization of iPSC-derived therapies for the treatment of inflammatory and autoimmune diseases (the "Autoimmune License"). Under the terms of the Autoimmune License, FCDI will be eligible to receive certain development and regulatory milestone payments as well as low single-digit royalties related to products developed in connection with the Autoimmune License. In addition, on September 22, 2023, we and FCDI amended the Reprogramming License, Differentiation License and the Collaboration Agreement to expand our existing license related to the development and commercialization of iPSC-derived cancer immunotherapeutic to also include inflammatory and autoimmune diseases.

During the three and nine months ended September 30, 2024, we made payments of $3.7 million and $6.6 million and incurred research and development expenses of $1.0 million and $6.3 million recorded within general and administrative expenses in its consolidated statements of operations and comprehensive loss.

During the three and nine months ended September 30, 2023, the amounts paid to FCDI were immaterial

From inception of the FCDI Collaboration Agreement through September 30, 2024, we incurred $42.6 million of expenses under the FCDI Collaboration Agreement.

***Components of operating results***

***Collaboration revenue***

We have not generated any revenue from product sales and do not expect to generate any revenue from the sale of products for the foreseeable future. Our revenues to date have been generated through our collaboration, option and license agreement with Bristol-Myers Squibb. We recognize revenue over the expected performance period under this agreement. We expect that our revenue for the next several years will be derived primarily from this agreement and any additional collaborations that we may enter into in the future. To date, we have not received any royalties under any of our existing collaboration agreements.

***Operating expenses***

*Research and development*

To date, research and development expenses have related primarily to discovery and development of our iPSC cell therapy platform technology and product candidates and acquired in-process research and development. Research and development expenses are recognized as incurred and payments made prior to the receipt of goods or services to be used in research and development are recorded as prepaid expenses until the goods or services are received.

Research and development expenses consist of personnel-related costs, including salaries, and benefits, stock compensation expense, external research and development expenses incurred under arrangements with third parties, laboratory supplies, costs to acquire and license technologies facility and other allocated expenses, including rent, depreciation, and allocated overhead costs, and other research and development expenses.

We deploy our employee and infrastructure resources across multiple research and development programs for developing our iPSC cell therapy platforms, identifying and developing product candidates, and establishing manufacturing capabilities. Due to the number of ongoing projects and our ability to use resources across several projects, the vast majority of our research and development costs are not recorded on a program-specific basis. These include costs for personnel, laboratory, and other indirect facility and operating costs.

Research and development activities account for a significant portion of our operating expenses. We anticipate that our research and development expenses will increase for the foreseeable future as we expand our research and development efforts including expanding the capabilities of our iPSC cell therapy platforms, identifying product candidates, progressing preclinical studies and clinical trials, including for our first clinical product candidate CNTY-101, seeking regulatory approval of our product candidates, and incurring costs to acquire and license technologies aligned with our goal of translating iPSCs to therapies. A change in the outcome of any of these variables could mean a significant change in the costs and timing associated with the development of our product candidates.

*General and administrative*

General and administrative expenses consist of personnel-related costs, including salaries, benefits, and non-cash stock-based compensation, for our employees in executive, legal, finance, human resources, information technology, and other administrative functions, legal fees, consulting fees, recruiting costs, and facility costs not otherwise included in research and development expenses. Legal fees include those related to corporate and patent matters.

***Interest expense***

Interest expense relates to interest incurred on the September 14, 2020 $10.0 million Term Loan Agreement (the “Loan Agreement”) we entered into with Hercules Capital, Inc., as well as amortization of the related deferred financing cost. The loan was repaid in full in May 2023. See Note 7 to our consolidated financial statements for additional information.

***Interest income***

Interest income consists of interest earned on our cash, cash equivalents and investment balances.

***Income taxes***

We have incurred losses and recorded a full valuation allowance on all of our net deferred tax assets. For the nine months ended September 30, 2024, the Company recorded no income tax benefits for the net operating losses incurred or for the research and development tax credits generated in the U.S. due to its uncertainty of realizing a benefit from those items. The tax provision recorded during the 2023 interim period primarily consisted of current federal and state tax expense resulting from revenue recognition for tax purposes from the Company's Research Collaboration and License Agreement entered into with Bristol-Myers Squibb Company in 2022, combined with statutory limitations on deductions for research and development expenses, net operating losses, and research credits.

**Results of operations**

*Comparison of the three months ended September 30, 2024 and 2023.*

The following table summarizes our results of operations for the periods presented:

| | Three Months Ended September 30, 2024 | Three Months Ended September 30, 2023 | Change |
|---|---|---|---|
| | (in thousands) | | |
| Collaboration revenue | $ 791 | $ 148 | $ 643 |
| Operating expenses: | | | |
| Research and development | 27,228 | 22,788 | 4,440 |
| General and administrative | 8,352 | 8,986 | (634) |
| In-process research and development asset | — | 4,000 | (4,000) |
| Total operating expenses | 35,580 | 35,774 | (194) |
| Loss from operations | (34,789) | (35,626) | 837 |
| Other income (expense): | | | |
| Interest expense | — | — | — |
| Interest income | 3,305 | 3,486 | (181) |
| Other income, net | 250 | 12 | 238 |
| Total other income (expense) | 3,555 | 3,498 | 57 |
| Loss before provision for income taxes | (31,234) | (32,128) | 894 |
| Provision for income taxes | 8 | (592) | 600 |
| Net loss | $ (31,226) | $ (32,720) | $ 1,494 |

***Collaboration revenue***

During the three months ended September 30, 2024 and 2023, we recognized revenue of $0.8 million and $0.1 million under our collaboration agreement with Bristol-Myers Squibb, respectively. Revenue recognized under the collaboration agreement fluctuates based on the amount and timing of expenses incurred under the agreement.

***Research and development expenses***

The following table summarizes the components of our research and development expenses for the periods presented:

| | Three Months Ended September 30, 2024 | Three Months Ended September 30, 2023 | Change |
|---|---|---|---|
| | (in thousands) | | |
| Personnel and related costs | $ 11,056 | $ 10,237 | $ 819 |
| Facility and other allocated costs | 5,502 | 6,361 | (859) |
| Research and laboratory | 7,098 | 5,471 | 1,627 |
| Collaboration | 2,602 | — | 2,602 |
| Consulting | 560 | 302 | 258 |
| Other | 410 | 417 | (7) |
| Total research and development expense | $ 27,228 | $ 22,788 | $ 4,440 |

Research and development expenses were $27.2 million and $22.8 million for the three months ended September 30, 2024 and 2023, respectively. The increase of $4.4 million was primarily due to:

- an increase in personnel-related expenses of $0.8 million, including an increase in salary and benefit expense of $0.6 million, and an increase in stock compensation expense of $0.2 million. This is primarily the result of the acquisition of Clade.
- an increase of $2.6 million in research and laboratory due to progression of ELiPSE-1 trial and start-up costs of CALiPSO-1 trial.
- An increase of $1.6 million in collaboration due to manufacturing our CNTY-101 product candidate performed under our collaboration with FCDI.

***General and administrative expenses***

General and administrative expenses were $8.4 million for the three months ended September 30, 2024 and $9.0 million for three months ended September 30, 2023. The decrease is primarily due to a gain recognized on contingent consideration liabilities.

***Interest income***

Interest income was $3.3 million and $3.5 million for the three months ended September 30, 2024 and 2023, respectively, which related to interest earned on our cash, cash equivalents, and investment balances.

**Results of operations**

*Comparison of the nine months ended September 30, 2024 and 2023.*

The following table summarizes our results of operations for the periods presented:

| | Nine Months Ended September 30, 2024 | Nine Months Ended September 30, 2023 | Change |
|---|---|---|---|
| | | (in thousands) | |
| Collaboration revenue | $ 2,416 | $ 1,967 | $ 449 |
| Operating expenses: | | | |
| Research and development | 77,869 | 70,414 | 7,455 |
| General and administrative | 25,400 | 26,117 | (717) |
| In-process research and development | — | 4,000 | (4,000) |
| Impairment of long-lived assets | — | 4,220 | (4,220) |
| Total operating expenses | 103,269 | 104,751 | (1,482) |
| Loss from operations | (100,853) | (102,784) | 1,931 |
| Other income (expense): | | | |
| Interest expense | — | (540) | 540 |
| Interest income | 10,126 | 9,167 | 959 |
| Other income, net | 248 | (368) | 616 |
| Total other income (expense) | 10,374 | 8,259 | 2,115 |
| Loss before provision for income taxes | (90,479) | (94,525) | 4,046 |
| Provision for income taxes | (14) | (2,750) | 2,736 |
| Net loss | $ (90,493) | $ (97,275) | $ 6,782 |

***Collaboration revenue***

During the nine months ended September 30, 2024 and 2023, we recognized revenue of $2.4 million and $2.0 million under our collaboration agreement with Bristol-Myers Squibb, respectively. Revenue recognized under the collaboration agreement fluctuates based on the amount and timing of expenses incurred under the agreement.

***Research and development expenses***

The following table summarizes the components of our research and development expenses for the periods presented:

| | Nine Months Ended September 30, 2024 | Nine Months Ended September 30, 2023 | Change |
|---|---|---|---|
| | | (in thousands) | |
| Personnel and related costs | $ 31,757 | $ 32,526 | $ (769) |
| Facility and other allocated costs | 16,738 | 18,587 | (1,849) |
| Research and laboratory | 22,221 | 17,267 | 4,954 |
| Collaboration | 4,429 | 254 | 4,175 |
| Consulting | 1,472 | 964 | 508 |
| Other | 1,252 | 816 | 436 |
| Total research and development expense | $ 77,869 | $ 70,414 | $ 7,455 |

Research and development expenses were $77.9 million and $70.4 million for the nine months ended September 30, 2024 and 2023, respectively. The increase of $7.5 million was primarily due to:

- an increase of $4.9 million in research and laboratory due to progression of ELiPSE-1 trial and start-up costs of CALiPSO-1 trial.

- a decrease in personnel-related expenses of $0.8 million, including a decrease in salary and benefit expense of $0.3 million, and a decrease in stock compensation expense of $0.5 million.
- a decrease of $1.9 million of facility and other allocated costs, which consists of a decrease in rent of $1.1 million, and a decrease of facility services of $1.2 million. This was offset by an increase in depreciation of $0.5 million.
- An increase in collaboration of $4.2 million due to manufacturing our CNTY-101 product candidate performed under our collaboration with FCDI.

***General and administrative expense***

General and administrative expenses were $25.4 million for the nine months ended September 30, 2024 and $26.1 million for nine months ended September 30, 2023. The decrease is primarily due to a gain recognized on contingent consideration liabilities.

***Interest expense***

Interest expense was $0.0 million and $0.5 million for the nine months ended September 30, 2024 and 2023, respectively, which related to our Loan Agreement with Hercules. On May 1, 2023, we repaid the loan in its entirety and thus expect our interest expenses to decrease accordingly in subsequent periods.

***Interest income***

Interest income was $10.1 million and $9.2 million for the nine months ended September 30, 2024 and 2023, respectively, which related to interest earned on our cash, cash equivalents, and investment balances. The increase in our interest income was due to higher interest rates earned on average balances of cash, cash equivalents and investments.

**Liquidity, capital resources, and capital requirements**

***Sources of liquidity***

To date, we have funded our operations from the issuance and sale of our equity securities, debt financing and collaboration revenues. Since our inception, we have raised approximately $666 million in net proceeds from the sales of our equity securities. As of September 30, 2024, we had cash, and cash equivalents of $52.6 million and investments of $192.1 million. Based on our research and development plans, we believe our existing cash, cash equivalents and investments, will be sufficient to fund our operating expenses and capital expenditures requirements into the second half of 2026. Since our inception, we have incurred significant operating losses. We have not yet commercialized any products and we do not expect to generate revenue from sales of any product candidates for a number of years, if ever. We had an accumulated deficit of $746.2 million as of September 30, 2024.

In July 2022, we entered into a Sales Agreement, with Cowen and Company, LLC (“Cowen”), under which we may offer and sell, from time to time in our sole discretion, shares of our common stock, having an aggregate offering price of up to $150 million through Cowen as sales agent. In February of 2024, 4,084,502 shares of common stock were issued and sold pursuant to the Sales Agreement at a weighted-average price of $4.50 per share, resulting in approximately $18.4 million in gross proceeds.

In April 2024, we entered into a securities purchase agreement (the “Securities Purchase Agreement”) with certain institutional accredited investors (the “Investors”), pursuant to which we agreed to issue and sell to the Investors in a private placement an aggregate of 15,873,011 shares of common stock (the “Private Placement Shares”), at a price of $3.78 per share (the “Private Placement”). We received aggregate gross proceeds from the Private Placement of approximately $60 million, before deducting placement agent fees and offering expenses.

***Future funding requirements***

We expect to incur additional losses in the foreseeable future as we conduct and expand our research and development efforts, including conducting preclinical studies and clinical trials, developing new product candidates, establishing internal and external manufacturing capabilities, and funding our operations generally. We anticipate that we will need to raise additional financing in the future to fund our operations, including the commercialization of any approved product candidates. We are subject to the risks typically related to the development of new products, and we may encounter unforeseen expenses, difficulties, complications, delays, and other unknown factors that may adversely affect our business.

Our future capital requirements will depend on many factors, including:

- the scope, timing, progress, costs, and results of discovery, preclinical development, and clinical trials for our current and future product candidates;
- the number of clinical trials required for regulatory approval of our current and future product candidates;
- the costs, timing, and outcome of regulatory review of any of our current and future product candidates;
- the cost of manufacturing clinical and commercial supplies of our current and future product candidates;
- the costs and timing of future commercialization activities, including manufacturing, marketing, sales, and distribution, for any of our product candidates for which we receive marketing approval;
- the costs and timing of preparing, filing, and prosecuting patent applications, obtaining, maintaining, protecting, and enforcing our intellectual property rights, and defending any intellectual property-related claims, including any claims by third parties that we are infringing upon, misappropriating, or violating their intellectual property rights;
- our ability to maintain existing, and establish new, strategic collaborations, licensing, or other arrangements and the financial terms of any such agreements, including the timing and amount of any future milestone, royalty, or other payments due under any such agreement;
- the revenue, if any, received from commercial sales of our product candidates for which we receive marketing approval;
- expenses to attract, hire and retain, skilled personnel;
- costs of operating as a public company;
- our ability to establish a commercially viable pricing structure and obtain approval for coverage and adequate reimbursement from third-party and government payors;
- the effect of competing technological and market developments; and
- the extent to which we acquire or invest in businesses, products, and technologies.

Until and unless we can generate substantial product revenue, we expect to finance our cash needs through the proceeds from a combination of equity offerings and debt financings, and potentially through additional license and development agreements or strategic partnerships or collaborations with third parties. Financing may not be available in sufficient amounts or on reasonable terms. In addition, market volatility resulting from the effects of pandemics, inflationary pressures, disruptions of financial institutions, political unrest and hostilities, war or other factors could adversely impact our ability to access capital as and when needed. We have no commitments for any additional financing and will likely be required to raise such financing through the sale of additional securities, which, in the case of equity securities, may occur at prices lower than the offering price of our common stock. If we sell equity or equity-linked securities, our current stockholders, may

be diluted, and the terms may include liquidation or other preferences that are senior to or otherwise adversely affect the rights of our stockholders. Moreover, if we issue debt, we may need to dedicate a substantial portion of our operating cash flow to paying principal and interest on such debt and we may need to comply with operating restrictions, such as limitations on incurring additional debt, which could impair our ability to acquire, sell or license intellectual property rights which could impede our ability to conduct our business.

***Cash flows***

The following table summarizes our cash flows for the periods indicated:

| | Nine Months Ended September 30, 2024 | Nine months ended September 30, 2023 |
|---|---|---|
| | (in thousands) | |
| Net cash (used in) provided by: | | |
| Operating activities | $ (85,912) | $ (62,118) |
| Investing activities | 16,876 | 42,529 |
| Financing activities | 75,165 | (9,369) |
| Net (decrease) increase in cash, cash equivalents, and restricted cash | $ 6,129 | $ (28,958) |

*Operating activities*

Net cash used in operating activities was $85.9 million and $62.1 million for the nine months ended September 30, 2024 and 2023, respectively. Net cash used in operating activities during the nine months ended September 30, 2024 consisted primarily of our net loss of $90.5 million and a decrease of $11.1 million in our net operating assets and liabilities, partially offset by non-cash charges of $15.7 million. The non-cash charges of $14.7 million consisted primarily of $10.0 million for depreciation expense, non-cash operating lease benefit of $0.4 million, a decrease in lease liability due to lease termination, and stock-based compensation expense of $10.0 million, partially offset by amortization of marketable securities of $3.8 million and gain on contingent consideration liability of $1.1 million. The change in operating assets and liabilities was primarily due to a $3.1 million increase in prepaid expenses and other assets, a $4.1 million decrease in operating lease liability, a $2.4 million decrease in deferred revenue, and a $1.8 million decrease in accounts payable.

Net cash used in operating activities was $62.1 million for the nine months ended September 30, 2023, which consisted primarily of our net loss of $97.3 million, partially offset by and an increase of $12.3 million in our net operating assets and liabilities and non-cash charges of $22.9 million. The non-cash charges of $22.9 million consisted of $9.5 million for depreciation expense, stock-based compensation expense of $11.1 million, and impairment of $4.2 million. The change in operating assets and liabilities was primarily due to the receipt of $11.7 million of tenant reimbursement, and a $1.7million increase in accrued expenses and other liabilities, partially offset by a $2.0 million increase in deferred revenue.

*Investing activities*

Net cash provided by investing activities was 16.9 million and $42.5 million for the nine months ended September 30, 2024 and 2023, respectively. Cash provided by investing activities for the nine months ended September 30, 2024 consisted primarily of the sale of fixed maturity securities, available for sale of $128.6 million, which was partially offset by purchases of fixed maturity securities of $102.1 million, and the acquisition of Clade of $9.6 million.

Cash provided by investing activities was $42.5 million for the nine months ended September 30, 2023 and consisted primarily of the sale of fixed maturity securities, available for sale of $254.6 million, which was partially offset by purchases of fixed maturity securities of $199.3 million and acquisition of property and equipment of $12.8 million.

*Financing activities*

Net cash provided by (used in) financing activities was $75.2 million and ($9.4) million for the nine months ended September 30, 2024 and 2023, respectively. Cash provided by financing activities consisted of $17.8 million from proceeds from our at-the-market capital raise, $56.6 million from proceeds from our PIPE financing, and $0.7 million from issuance of our common stock from equity incentive plans pursuant to the exercise of employee stock options.

Net cash used in financing activities was $9.4 million for the nine months ended September 30, 2023. Cash provided by financing activities consisted of $10.2 million for payments on long term debt and offset by $0.9 million from issuance of our common stock from equity incentive plans pursuant to the exercise of employee stock options.

**Contractual obligations and commitments**

The following table summarizes our significant contractual obligations and commitments as of September 30, 2024:

| | Payments Due by Period | | | | |
|---|---|---|---|---|---|
| | 1 Year | 1 to 3 Years | 3 to 5 Years | More than 5 Years | Total |
| | | | | | (in thousands) |
| Operating leases | $ 9,703 | $ 18,947 | $ 19,782 | $ 38,571 | $ 87,003 |

Payment obligations under our license, collaboration, and acquisition and merger agreements as of September 30, 2024 are contingent upon future events such as our achievement of pre-specified development, regulatory, and commercial milestones, or royalties on net product sales. As of September 30, 2024, the timing and likelihood of achieving the milestones and success payments and generating future product sales are uncertain and therefore, any related payments are not included in the table above. We also enter into agreements in the normal course of business for sponsored research, preclinical studies, contract manufacturing, and other services and products for operating purposes, which are generally cancelable upon written notice. These obligations and commitments are not included in the table above. See Note 9 “Commitments and contingencies” for additional information.

We have commitments under operating leases for certain facilities used in our operations.

**JOBS Act accounting election**

As a company with less than $1.235 billion in revenue during our last fiscal year, we qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). An emerging growth company may take advantage of specified reduced reporting requirements that are otherwise generally applicable to public companies. As such, we may take advantage of reduced disclosure and other requirements otherwise generally applicable to public companies, including:

- not being required to have our registered independent public accounting firm attest to management’s assessment of our internal control over financial reporting;
- presenting reduced disclosure about our executive compensation arrangements;
- an exemption from compliance with any requirement that the Public Company Accounting Oversight Board may adopt regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements;
- not being required to hold non-binding advisory votes on executive compensation or golden parachute arrangements; and,
- extended transition periods for complying with new or revised accounting standards.

The JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period to enable us to comply with new or revised accounting standards and, therefore, we will adopt new or revised accounting standards at the time private companies adopt the new or revised accounting standard and will do so until such time that we either (i) irrevocably elect to "opt out" of such extended transition period or (ii) no longer qualify as an emerging growth company.

We will remain an emerging growth company until the earliest of (i) December 31, 2026, (ii) the last day of the fiscal year in which we have total annual gross revenue of at least $1.235 billion, (iii) the last day of the fiscal year in which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock held by non-affiliates exceeded $700.0 million as of the last business day of the second fiscal quarter of such year or (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

We are also a "smaller reporting company," meaning that the market value of our stock held by non-affiliates is less than $700.0 million and our annual revenue is less than $100.0 million during the most recently completed fiscal year. We may continue to be a smaller reporting company if either (i) the market value of our stock held by non-affiliates is less than $250.0 million or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700.0 million as of the last business day of the second fiscal quarter of such year. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

**Critical accounting policies and significant judgments and estimates**

Refer to Note 2, Summary of Significant Accounting Policies, included in Part I, Item 1 of this Quarterly Report on Form 10-Q for a discussion of our critical accounting policies.

During the nine months ended September 30, 2024, there were no material changes to our critical accounting policies from those described in our audited financial statements for the year ended December 31, 2023 included in our Annual Report on Form 10-K filed with the SEC on March 14, 2024, except as noted above.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate sensitivities. We do not currently have any material exposure to foreign currency fluctuations and do not engage in any hedging activities as part of our normal course of business.

***Interest rate risk***

We had cash, cash equivalents, and restricted cash of $52.6 million as of September 30, 2024, which consisted of bank deposits and money market funds. We also had investments of $192.1 million as of September 30, 2024. Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of U.S. interest rates. However, because of the low risk profile of the instruments in our portfolio, a change in market interest rates would not have a material impact on our financial condition and/or results of operations.

***Banking Instability***

Future disruptions of financial institutions where we bank or have credit arrangements, or disruptions of the financial services industry in general, could adversely affect our ability to access our cash and cash equivalents.

***Effects of Inflation***

Inflation generally affects us by increasing our cost of labor and laboratory consumables. We believe that inflation has not had a material effect on our financial statements.

**Item 4. Controls and Procedures.**

***Disclosure Controls and Procedures***

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosures controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of September 30, 2024. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of March 31, 2024, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were effective at a reasonable assurance level.

***Changes in Internal Control over Financial Reporting***

Management determined that, as of September 30, 2024, there were no changes in our internal control over financial reporting that occurred during the nine months then ended that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. Our management believes that there are currently no claims or actions pending against us, the ultimate disposition of which would have a material adverse effect on our results of operations, financial condition or cash flows.

### Item 1A. Risk Factors

Other than what is set forth below, there have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024.

### Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

**Recent Sales of Unregistered Securities**

There were no unregistered sales of equity securities during the period covered by this report.

**Repurchase of Shares of Company Equity Securities**

None.

### Item 3. Defaults Upon Senior Securities.

None.

### Item 4. Mine Safety Disclosures.

Not applicable.

### Item 5. Other Information.

Rule 10b-1 Trading Plans

During the quarter ended September 30, 2024, none of our directors or officers (as defined in Rule 16a-1 under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as those terms are defined in Item 408 of Regulation S-K).

**Item 6. Exhibits.**

| Exhibit Number | |
|---|---|
| 10.1● | Executive Employment Agreement, dated September 20, 2024, by and between the Company and Morgan Conn |
| 10.2● | Executive Employment Agreement, dated September 13, 2024, by and between the Company and Chad Cowan |
| 10.3● | Form of Performance-Based Restricted Stock Unit Grant Notice and Award Agreement, under the Company's 2021 Equity Incentive Plan |
| 31.1 | Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1* | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2* | Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101.INS | Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document) |
| 101.SCH | Inline XBRL Taxonomy Extension Schema |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase |
| 104 | The cover page from Century Therapeutics, Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, formatted in Inline XBRL and contained in Exhibit 101 |

* This certification is being furnished solely to accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing of the registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

● Indicates management contract or compensatory plan.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

Century Therapeutics, Inc.

Date: November 5, 2024

By: /s/ Brent Pfeiffenberger, PharmD, MBA
Brent Pfeiffenberger, PharmD, MBA
Chief Executive Officer
(Principal Executive Officer)

Date: November 5, 2024

By: /s/ Morgan Conn, PhD
Morgan Conn
Chief Financial Officer
(Principal Financial Officer)

**EXHIBIT 10.1**

# EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the "**Agreement**"), dated **September 20th, 2024**, is made and entered into by and between CENTURY THERAPEUTICS, INC., a Delaware corporation (the "**Company**") and **Morgan Conn** ("**Executive**"), and will become effective on **October 14, 2024** (the "**Effective Date**").

## Introduction

WHEREAS, the Company desires to employ Executive on the terms and conditions set forth herein; and

WHEREAS, Executive desires to be employed by the Company on such terms and conditions.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. **Position**. Executive will serve as the **Chief Financial Officer** of the Company and will report directly to the Chief Executive Officer of the Company. In addition to performing the duties and responsibilities associated with that position, from time to time the Company may assign to Executive other duties and responsibilities reasonable and consistent with such position. Executive agrees to devote his full business time and best efforts to the performance of their duties and to the furtherance of the Company's interests. Executive also agrees that during their employment with the Company, he will not engage in any other employment, consulting or business services without the written consent of the Company; provided, however, that without such consent, Executive may engage in charitable or public service, so long as such activities do not interfere with the performance of his duties and obligations to the Company.

2. **Term**. Executive's employment pursuant to this Agreement will commence on the Effective Date and will continue until terminated in accordance with Section 9 hereof.

3. **Place of Performance**. Executive will perform services hereunder at the principal headquarter offices of the Company in Philadelphia, PA; provided, however, that Executive may be required to travel from time to time for business purposes.

4. **Salary**. This is a full-time exempt position. The Company will pay Executive a salary at an annual rate of **$470,000** (as may be adjusted from time to time, the "**Base Salary**"), payable in accordance with the Company's standard payroll schedule and subject to applicable deductions and withholdings. The Base Salary shall be reviewed on an annual basis by the Compensation

Committee of the Board (the "**Committee**") and may be adjusted from time to time by the Committee.

5. **Annual Bonus.** For each calendar year ending during his employment, Executive will have the opportunity to earn an annual bonus with a target amount of **40%** of the Base Salary in effect at the end of the applicable year (the "Target Bonus"). The actual bonus payable to Executive, if any, with respect to any year may be more or less than the Target Bonus and will be determined by the Committee, in its sole discretion, based on the achievement of corporate and/or personal objectives established by the Committee. Except as otherwise provided herein or determined by the Committee, payment of any otherwise earned bonus will be conditioned on Executive's continued service through the date that annual bonuses are paid to the Company's executive officers generally with respect to the applicable year. For the calendar year ending December 31, 2024, the Executive will be eligible to earn an annual bonus, pro-rated based on the Executive's first date of employment.

6. **Sign-on Bonus**. The Company will advance to Executive a one-time sign-on bonus in the amount of **$100,000**, less payroll deductions and all required withholdings ("**Sign-On Bonus**"). This Sign-On Bonus will be advanced to Executive on the first practicable payroll date after the Effective Date. Executive will earn the Sign-On Bonus upon the one-year anniversary of the Effective Date. In the event Executive resigns without Good Reason from Executive's employment with the Company or is terminated by the Company for Cause before the first anniversary of the Effective Date, Executive agrees to pay back the gross amount of the Sign-On Bonus, pro-rated based on the length of Executive's employment with the Company, within thirty (30) days of the cessation of Executive's employment with the Company. For the avoidance of doubt, for purposes of this Section, termination of the Executive's employment with the Company due to Executive's death or Disability shall not be a termination by the Company for Cause. Executive hereby authorizes the Company to recover any amounts to be repaid by Executive through offset of any distributions, expense reimbursements or other amounts due to Executive, to the extent allowed by law and will enter into a repayment plan with the Company if necessary.

7. **Equity Incentives**. As soon as practicable after the Effective Date, the Company will recommend to the Board that Executive receive a one-time grant of stock options to purchase **360,890** shares of the Company's common stock (as such term is defined in the Equity Documents) (the "**Options**"). If the Options are granted, the shares subject to the foregoing Options will vest over a 4-year period from the date of such grant, with the first 25% vesting on the first anniversary of the Effective Date and the remaining shares vesting in equal monthly installments over the three years thereafter, subject to Executive's continued employment with the Company on each applicable vesting date. The exercise price for each share of common stock subject to the foregoing Options will be equal to the fair market value (closing price) per share of the common stock on the Effective Date. In addition, Executive will also receive **60,148** restricted stock units ("**RSUs**"), subject to the terms and conditions of the Equity Documents. The foregoing RSUs will vest over a 4-year period from the date of such grant, with the first 25% vesting on the first anniversary of the Effective Date and the remaining shares vesting in equal quarterly installments over the three years thereafter, subject to Executive's continued employment with the Company on each applicable vesting date. The Executive's eligibility for and other rights with respect to the

Options and RSUs will be governed by the 2021 Equity Incentive Plan and the associated equity grant agreements required to be entered into by Executive and the Company (the "**Equity Documents**"). To the extent this Agreement conflicts with the Equity Documents, the Equity Documents shall control.

8. **Benefits; Business Expenses**.

(a) Executive shall be entitled to participate in Company benefit plans that are generally available to other employees of the Company of similar rank and tenure, in accordance with and subject to the terms and conditions of such plans, as in effect from time to time.

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

9. **Termination**.

(a) Executive's employment hereunder shall terminate on the earliest of: (i) on the date set forth in a written notice to Executive from the Board that Executive's employment with the Company has been or will be terminated, (ii) on the date not less than 30 days following written notice from Executive to the Company that Executive is resigning from the Company, (iii) on the date of Executive's death, or (iv) on the date set forth in a written notice to Executive from the Board that Executive's employment is terminated on account of Executive's Disability, as determined by the Board. Notwithstanding the foregoing, in the event that Executive gives notice of termination to the Company, the Company may unilaterally accelerate the date of termination and such acceleration shall not constitute a termination by the Company for purposes of this Agreement.

(b) Upon cessation of Executive's employment for any reason, unless otherwise consented to in writing by the Board, Executive will resign immediately from any and all officer, director and other positions Executive then holds with the Company and its affiliates and agrees to execute such documents as may be requested by the Company to confirm that resignation.

(c) Upon any cessation of the Executive's employment with the Company, Executive will be entitled only to such compensation and benefits as described in Section 10 below.

(d) Executive agrees that, following any cessation of their employment and subject to reimbursement of his reasonable expenses, he will cooperate with the Company and its counsel with respect to any matter (including litigation, investigations, or governmental proceedings) in which Executive was in any way involved during his employment with the Company. Executive agrees to render such cooperation in a timely manner on reasonable notice from the Company,

provided the Company exercises reasonable efforts to limit and schedule the need for Executive's cooperation so as not to materially interfere with his other professional obligations.

(e) Executive agrees that, upon any cessation of his employment, he will deliver to the Company (and will not retain in his possession or control, or deliver to anyone else) all property and equipment of the Company, including without limitation (i) all keys, books, records, computer hardware, software, cellphones, access cards, credit cards and identification, and (ii) all other Company materials (including copies thereof), including without limitation any records, data, notes, reports, proposals, lists or correspondence.

10. **Rights Upon Termination**.

(a) **Termination without Cause or Resignation for Good Reason**. If Executive's employment by the Company ceases due to a termination by the Company without Cause (as defined below) or a resignation by Executive for Good Reason (as defined below):

(i) the Company shall pay to Executive all accrued and unpaid Base Salary through the date of such cessation of employment at the time such Base Salary would otherwise be paid according to the Company's usual payroll practices;

(ii) to the extent then unpaid, the Company shall pay to Executive the annual bonus (if any) earned with respect to the fiscal year ended immediately prior to the cessation of Executive's employment;

(iii) the Company shall make monthly severance payments equal to one-twelfth of Executive's Base Salary as in effect immediately prior to such cessation of employment (or, if such cessation is due to the Good Reason described in clause (ii) of that definition, the Base Salary in effect immediately prior to such material diminution) for a period equal to the Severance Period;

(iv) if Executive validly elects to receive continuation coverage under the Company's group health plan (if any) pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**"), the Company shall reimburse Executive the applicable premium otherwise payable for COBRA continuation coverage for himself and his eligible dependents for the Severance Period, to the extent such premium exceeds the monthly amount charged to active similarly-situated employees of the Company for the same coverage; and

(v) to the extent such cessation of employment occurs within three (3) months prior to or twelve (12) months following a Change in Control (as defined below), (x) the Company shall pay to Executive an amount equal to the Target Bonus for the year in which the termination of employment is effective, and (y) all outstanding equity awards that are subject to vesting solely based on the passage of time and Executive's continued employment shall become vested upon the later of the date of Executive's cessation of employment and the Change in Control.

Except as otherwise provided in this Section 10(a), all compensation and benefits will cease at the time of Executive's cessation of employment and the Company will have no further liability or obligation by reason of such cessation of employment. The payments and benefits described in

this Section 10(a) are in lieu of, and not in addition to, any other severance arrangement maintained by the Company. Notwithstanding any provision of this Agreement, the payments and benefits described in Section 10(a)(ii) - 10(a)(v) are conditioned on Executive's execution and delivery to the Company and the expiration of all applicable statutory revocation periods, by the 60th day following the effective date of Executive's cessation of employment, of a general release of claims against the Company and its affiliates (which shall have customary exclusions relating to Executive's equity in the Company, any claims that Executive may have relating to accrued vested benefits under the Company's benefit plans, subject to the terms and conditions of such plans, and any claims for indemnification in Executive's role as an officer and director of the Company) in a form and manner satisfactory to the Company (the "**Release**") and on Executive's continued compliance with the provisions of the Restrictive Covenant Agreement (defined below).

Subject to Section 11 below (to the extent applicable) and provided the Release requirement described above has been timely satisfied: (x) the payment described in Section 10(a)(ii) will be paid on the later of the sixty-fifth (65th) day following Executive's cessation of employment (the "**Settlement Date**") and the date such annual bonus would have otherwise been paid, absent Executive's cessation of employment; (y) the payments described in Section 10(a)(iii) and 10(a)(iv) will commence to be paid on the Settlement Date, provided that the initial payment will include any payments that, but for the above-described timing rule, would have otherwise been paid since the date of Executive's cessation of employment; and (z) the payment of an amount equal to the Target Bonus described in Section 10(a)(v) will be paid on the later of the Settlement Date or the tenth (10th) day following the Change in Control.

(b) **Other Terminations**. If Executive's employment with the Company ceases for any reason other than as described in Section 10(a) above (including but not limited to (i) termination by the Company for Cause, (ii) resignation by Executive without Good Reason, (iii) termination as a result of Executive's Disability, or (iv) Executive's death), then the Company's obligation to Executive will be limited solely to the payment of accrued and unpaid Base Salary through the date of such cessation of employment; provided, however, that in the event of Executive's termination of employment with the Company due to Executive's death or Disability, then to the extent then unpaid, and provided Executive was employed for the entirety of the fiscal year immediately prior to Executive's termination, the Company shall pay to Executive the annual bonus (if any) earned with respect to the fiscal year ended immediately prior to the cessation of Executive's employment. All compensation and benefits will cease at the time of such cessation of employment and, except as otherwise provided by COBRA, the Company will have no further liability or obligation by reason of such termination. The foregoing will not be construed to limit Executive's right to payment or reimbursement for claims incurred prior to the date of such termination under any insurance contract funding an employee benefit plan, policy or arrangement of the Company in accordance with the terms of such insurance contract.

11. **Section 409A**.

(a) The parties intend for this Agreement to comply with or be exempt from Section 409A of the Code, and all provisions of this Agreement will be interpreted and applied accordingly.

Nonetheless, the Company does not guaranty the tax treatment of any compensation payable to Executive.

(b) Notwithstanding anything to the contrary in this Agreement, no portion of the benefits or payments to be made under Section 10(a) above will be payable until Executive has a "separation from service" from the Company within the meaning of Section 409A of the Code. In addition, to the extent compliance with the requirements of Treas. Reg. § 1.409A-3(i)(2) (or any successor provision) is necessary to avoid the application of an additional tax under Section 409A of the Code to payments due to Executive upon or following his "separation from service," then notwithstanding any other provision of this Agreement (or any otherwise applicable plan, policy, agreement or arrangement), any such payments that are otherwise due within six months following Executive's "separation from service" (taking into account the preceding sentence of this paragraph) will be deferred without interest and paid to Executive in a lump sum immediately following that six month period. This paragraph should not be construed to prevent the application of Treas. Reg. § 1.409A-1(b)(9)(iii) (or any successor provision) to amounts payable hereunder. For purposes of the application of Section 409A of the Code, each payment in a series of payments will be deemed a separate payment.

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

12. **Section 280G**. Notwithstanding any contrary provision of this Agreement (or any plan, policy, agreement or other arrangement covering Executive), if any payment, right or benefit paid, provided or due to Executive, whether pursuant to this Agreement or otherwise (each, a "Payment," and collectively, the "Total Payments"), would subject Executive to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments will be reduced to the minimum extent necessary to avoid the imposition of the Excise Tax, but only if (i) the amount of such Total Payments, as so reduced, is greater than or equal to (ii) the amount of such Total Payments without reduction (in each case, determined on an after-tax basis). Any reduction of the Total Payments required by this paragraph will be implemented by determining the Parachute Ratio (as defined below) for each Payment and then by reducing the Payments in order, beginning with the Payment with the highest Parachute Ratio. For Payments with the same Parachute Ratio, later Payments will be reduced before earlier Payments. For Payments with the same Parachute Ratio and the same time of payment, each Payment will be reduced proportionately. For purposes of this paragraph, "Parachute Ratio" means a fraction, (x) the numerator of which is the value of the applicable Payment, as calculated for purposes of Section

280G of the Code, and (y) the denominator of which is the economic value of the applicable Payment.

13. **Certain Definitions**. For purposes of this Agreement:

(a) "**Cause**" means (i) conduct by Executive constituting a material act of misconduct in connection with the performance of Executive's duties, including, without limitation, a material misappropriation of funds or property of the Company or any of its subsidiaries or affiliates; (ii) the commission by Executive of any felony or a misdemeanor involving moral turpitude, deceit, dishonesty or fraud, or any conduct by Executive that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries and affiliates; (iii) continued material non-performance by Executive of his duties hereunder (other than by reason of Executive's physical or mental illness, incapacity or disability) which has continued for more than 10 days following written notice of such non-performance from the Board; (iv) a material breach by Executive of the Restrictive Covenant Agreement (defined below), any other agreement with the Company or its affiliates, or of any duty owed to the Company or its affiliates, which breach is not cured (if curable) within 10 days after the delivery of written notice thereof; (v) a material violation by Executive of the Company's written employment policies, including policies prohibiting sexual harassment, which violation is not cured (if curable) within 10 days after the delivery of written notice thereof; (vi) alcohol abuse or use of controlled substances (other than prescription drugs taken in accordance with a physician's prescription); or (vii) failure to cooperate with a *bona fide* internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation. For avoidance of doubt, a termination of Executive's employment due to his Disability will not constitute a termination without Cause.

(b) "**Change in Control**" shall mean the occurrence of a "change in control event" with respect to the Company, within the meaning of Treas. Reg. § 1.409A-3(i)(5)(i).

(c) "**Code**" means the Internal Revenue Code of 1986, as amended.

(d) "**Disability**" means a condition entitling Executive to benefits under the Company's long term disability plan, policy or arrangement; provided, however, that if no such plan, policy or arrangement is then maintained by the Company and applicable to Executive, "**Disability**" will mean Executive's inability to perform his duties under this Agreement due to a mental or physical condition (other than alcohol or substance abuse) that can be expected to result in death or that can be expected to last (or has already lasted) for a continuous period of 90 days or more, or for 120 days in any 180 consecutive-day period. Termination as a result of a Disability will not be construed as a termination by the Company "without Cause."

(e) "**Good Reason**" means: (i) a material diminution in Executive's title, responsibilities, authority or duties; (ii) a material diminution in Executive's Base Salary, except for across-the-board salary reductions similarly affecting all or substantially all C-level executives

of the Company; (iii) a change of more than 50 miles in the geographic location at which Executive provide services to the Company; or (iv) the material breach of this Agreement by the Company; provided, however, that no such event will constitute Good Reason unless (x) Executive provides the Company with written objection to such event within 60 days after the initial occurrence thereof, (y) such event is not reversed or corrected by the Company within 30 days of its receipt of such written objection, and (z) Executive separates from service within 60 days following the expiration of that cure period.

(f) "**Severance Period**" means nine (9) months. Notwithstanding the foregoing, with respect to a cessation of employment due to a termination by the Company without Cause or resignation by Executive for Good Reason that occurs (in either case) within three (3) months prior to a Change in Control or twelve (12) months following a Change in Control, "Severance Period" shall mean twelve (12) months.

14. **Company Policies**. Executive will comply with all policies of the Company in effect from time to time, including (without limitation) policies regarding ethics, personal conduct, stock ownership, securities trading, clawback and hedging and pledging of securities.

15. **Indemnification**. In addition to any rights to indemnification to which Executive may be entitled under the Company's governing documents, the Company shall obtain and maintain an appropriate level of Directors and Officers Liability insurance coverage for Executive's benefit on the same terms as applicable to other directors and C-level executives of the Company.

16. **Restrictive Covenant Agreement**. On the same date this Agreement is executed, Executive will execute the Employee Confidentiality, Assignment and Restrictive Covenant Agreement attached hereto as Exhibit A (the "**Restrictive Covenant Agreement**").

17. **No Conflicting Agreements**. Executive represents and warrants that he is not a party to or otherwise bound by any agreement or restriction that could conflict with, or be violated by, the performance of his duties to the Company or his obligations under this Agreement. Executive will not use or misappropriate any intellectual property, trade secrets or confidential information belonging to any third party.

18. **Taxes**. All compensation payable to Executive are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. Executive hereby acknowledges that the Company does not have a duty to design its compensation policies in a manner that minimizes Executive's tax liabilities, and Executive not make any claim against the Company or its board of directors related to tax liabilities arising from his compensation.

19. **Entire Agreement; Assignment; Amendment**.

(a) This Agreement, together with the Restrictive Covenant Agreement, constitute the final and entire agreement of the parties with respect to the matters covered hereby and replace

and supersede all prior agreements, discussions, negotiations, representations or understandings (whether written, oral or implied) relating to Executive's employment by the Company.

(b) The rights and obligations of Executive hereunder are personal and may not be assigned. The Company may assign this Agreement, and its rights and obligations hereunder, to any entity to which the Company transfers substantially all of its assets (or an affiliate thereof). Notwithstanding any other provision of this Agreement, any such assignment of this Agreement by the Company will not entitle Executive to severance benefits under Section 9(a) or otherwise, whether or not Executive accepts employment with the assignee.

(c) This Agreement may be amended or modified only by a written instrument signed by a duly authorized officer of the Company and Executive.

20. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Pennsylvania, without regard to its choice of law provisions.

21. **Arbitration**. In the event of any dispute under the provisions of this Agreement or otherwise regarding Executive's employment or compensation (other than a dispute in which the primary relief sought is an injunction or other equitable remedy, such as an action to enforce compliance with the Proprietary Information and Assignment Agreement), the parties shall be required to have the dispute, controversy or claim settled by arbitration in Philadelphia County, Commonwealth of Pennsylvania, in accordance with the National Rules for the Resolution of Employment Disputes then in effect of the American Arbitration Association ("**AAA**"), by one arbitrator mutually agreed upon by the parties (or, if no agreement can be reached within 30 days after names of potential arbitrators have been proposed by the AAA, then by one arbitrator having relevant experience who is chosen by the AAA). Any award or finding will be confidential. The arbitrator may not award attorneys' fees to either party unless a statute or contract at issue specifically authorizes such an award. Any award entered by the arbitrators will be final, binding and non-appealable and judgment may be entered thereon by either party in accordance with applicable law in any court of competent jurisdiction. This arbitration provision will be specifically enforceable. Each party will be responsible for its own expenses relating to the conduct of the arbitration (including reasonable attorneys' fees and expenses) and will share equally the fees of the arbitrator.

22. **Headings**. The headings of the sections of this Agreement are inserted for convenience only and shall not the meaning of this Agreement.

23. **Notices.** All notices, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered in person, by e-mail or fax, by United States mail, certified or registered with return receipt requested, or by a nationally recognized overnight courier service, or otherwise actually delivered: (a) if to Executive, at the most recent address contained in the Company's personnel files; (b) if to the Company, to the attention of its Legal Department at the address of its principal executive office; or (c) or at such other address as may have been furnished by such person in writing to the other party. Any such notice, demand or

communication shall be deemed given on the date given, if delivered in person, e-mailed or faxed, on the date received, if given by registered or certified mail, return receipt requested or by overnight delivery service, or three days after the date mailed, if otherwise given by first class mail, postage prepaid.

24. **Counterparts**. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

*[Signature Page Follows]*

This Agreement has been executed and delivered on the date first above written.

**CENTURY THERAPEUTICS, INC.**

By: /s/ Brent Pfeiffenberger

Name: Brent Pfeiffenberger
Title: Chief Executive Officer

**EXECUTIVE**

**By: /s/ Morgan Conn**
**Date: 9/20/2024**
**Name: Morgan Conn**

# EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the "**Agreement**"), dated September 13, 2024, is made and entered into by and between CENTURY THERAPEUTICS, INC., a Delaware corporation (the "**Company**") and Chad Cowan ("**Executive**"), and will become effective as of October, 1 2024 (the "**Effective Date**").

## Introduction

WHEREAS, the Company desires to employ Executive on the terms and conditions set forth herein; and

WHEREAS, Executive desires to be employed by the Company on such terms and conditions.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. **Position**. Executive will serve as the Chief Scientific Officer of the Company and will report directly to the Chief Executive Officer of the Company or his or her delegate. In addition to performing the duties and responsibilities associated with that position, from time to time the Company may assign to Executive other duties and responsibilities reasonable and consistent with such position. Executive agrees to devote his full business time and best efforts to the performance of his duties and to the furtherance of the Company's interests. Executive also agrees that during his employment with the Company, he will not engage in any other employment, consulting or business services without the written consent of the Company; provided, however, that without such consent, Executive may engage in (i) charitable or public service and (ii) the activities described on Schedule 1, so long as such activities do not interfere with the performance of his duties and obligations to the Company. For avoidance of doubt, Executive has informed the Company that he spends time on the unrelated business ventures set forth in Schedule 1 and that such activities do not conflict with the Company and, provided Executive devotes full-time to his role herein, the Company has no objection to such non-conflicting activities.

2. **Term**. Executive's employment pursuant to this Agreement will commence on the Effective Date and will continue until terminated in accordance with Section 8 hereof.

3. **Place of Performance**. Executive will perform services hereunder at the Company's Boston, MA site; provided that Executive will be expected to travel to the Company's headquarters in Philadelphia, PA at least three days per month; provided further, that Executive may be required to travel from time to time for business purposes.

4. **Salary**. This is a full-time exempt position. The Company will pay Executive a salary at an annual rate of $535,000 ("**Base Salary**"), payable in accordance with the Company's standard payroll schedule and subject to applicable deductions and withholdings. The Base Salary shall be

reviewed on an annual basis by the Compensation Committee of the Company's board of directors (the "**Board**" and such committee, the "**Committee**") and may be adjusted from time to time by the Committee, subject to Executive's rights pursuant to Section 9(a) below.

5. **Annual Bonus**. For each calendar year ending during his employment, Executive will have the opportunity to earn an annual bonus with a target amount of 40% of the Base Salary in effect at the end of the applicable year (the "Target Bonus"). The actual bonus payable to Executive, if any, with respect to any year may be more or less than the Target Bonus and will be determined by the Committee, in its sole discretion, based on the achievement of corporate and/or personal objectives established by the Committee. Except as otherwise provided herein or determined by the Committee, payment of any otherwise earned bonus will be conditioned on Executive's continued service through the date that annual bonuses are paid to the Company's executive officers generally with respect to the applicable year. For the calendar year ending December 31, 2024, Executive will be eligible to earn an annual bonus, pro-rated based on the Executive's first date of employment.

6. **Equity Incentives**.[1] As soon as practicable after the Effective Date, the Company will recommend to the Board that Executive receive a one-time grant of stock options to purchase **446,250** shares of the Company's common stock (as such term is defined in the Equity Documents) (the "**Options**"). If the Options are granted, the shares subject to the foregoing Options will vest over a 4-year period from the date of such grant, with the first 25% vesting on the first anniversary of the Effective Date and the remaining shares vesting in equal monthly installments over the three years thereafter, subject to Executive's continued employment with the Company on each applicable vesting date. The exercise price for each share of common stock subject to the foregoing Options will be equal to the fair market value (closing price) per share of the common stock on the Effective Date. In addition, Executive will also receive **74,376** restricted stock units ("**RSUs**"), subject to the terms and conditions of the Equity Documents. The foregoing RSUs will vest over a 4-year period from the date of such grant, with the first 25% vesting on the first anniversary of the Effective Date and the remaining shares vesting in equal quarterly installments over the three years thereafter, subject to Executive's continued employment with the Company on each applicable vesting date. The Executive's eligibility for and other rights with respect to the Options and RSUs will be governed by the 2021 Equity Incentive Plan and the associated equity grant agreements required to be entered into by Executive and the Company (the "**Equity Documents**"). To the extent this Agreement conflicts with the Equity Documents, the Equity Documents shall control.

7. **Benefits; Business Expenses**.

(a) Executive shall be entitled to participate in Company benefit plans that are generally available to other employees of the Company of similar rank and tenure, in accordance with and subject to the terms and conditions of such plans, as in effect from time to time.

(b) The Company will pay or reimburse Executive for all reasonable business expenses incurred or paid by Executive in the performance of his duties and responsibilities for

[1] **Note to Draft**: Number of shares subject to the time-based awards will be equal to approximately 0.7% of the Company's outstanding stock (split 75% options/25% RSUs).

the Company in accordance with the expense reimbursement policies of the Company, as may be amended from time to time.

8. **Termination.**

(a) Executive's employment hereunder shall terminate on the earliest of: (i) on the date set forth in a written notice to Executive from the Board that Executive's employment with the Company has been or will be terminated, (ii) on the date not less than 30 days following written notice from Executive to the Company that Executive is resigning from the Company, (iii) on the date of Executive's death, or (iv) on the date set forth in a written notice to Executive from the Board that Executive's employment is terminated on account of Executive's Disability, as determined by the Board. Notwithstanding the foregoing, in the event that Executive gives notice of termination to the Company, the Company may unilaterally accelerate the date of termination and such acceleration shall not constitute a termination by the Company for purposes of this Agreement.

(b) Upon cessation of Executive's employment for any reason, unless otherwise consented to in writing by the Board, Executive will resign immediately from any and all officer, director and other positions Executive then holds with the Company and its affiliates and agrees to execute such documents as may be requested by the Company to confirm that resignation.

(c) Upon any cessation of Executive's employment with the Company, Executive will be entitled only to such compensation and benefits as described in Section 9 below.

(d) Executive agrees that, following any cessation of his employment and subject to reimbursement of his reasonable expenses, he will cooperate with the Company and its counsel with respect to any matter (including litigation, investigations, or governmental proceedings) in which Executive was in any way involved during his employment with the Company. Executive agrees to render such cooperation in a timely manner on reasonable notice from the Company, provided the Company exercises reasonable efforts to limit and schedule the need for Executive's cooperation so as not to materially interfere with his other professional obligations.

(e) Executive agrees that, upon any cessation of his employment, he will deliver to the Company (and will not retain in his possession or control, or deliver to anyone else) all property and equipment of the Company, including without limitation (i) all keys, books, records, computer hardware, software, cellphones, access cards, credit cards and identification, and (ii) all other Company materials (including copies thereof), including without limitation any records, data, notes, reports, proposals, lists or correspondence.

9. **Rights Upon Termination.**

(a) **Termination without Cause or Resignation for Good Reason**. If Executive's employment by the Company ceases due to a termination by the Company without Cause (as defined below) or a resignation by Executive for Good Reason (as defined below):

(i) the Company shall pay to Executive all accrued and unpaid Base Salary

through the date of such cessation of employment at the time such Base Salary would otherwise be paid according to the Company's usual payroll practices;

(ii) to the extent then unpaid, the Company shall pay to Executive the annual bonus (if any) earned with respect to the fiscal year ended immediately prior to the cessation of Executive's employment;

(iii) the Company shall make monthly severance payments equal to one-twelfth of Executive's Base Salary as in effect immediately prior to such cessation of employment (or, if such cessation is due to the Good Reason described in clause (ii) of that definition, the Base Salary in effect immediately prior to such material diminution) for a period equal to the Severance Period;

(iv) if Executive validly elects to receive continuation coverage under the Company's group health plan (if any) pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**"), the Company shall reimburse Executive for the 2% COBRA administrative fee plus the applicable premium otherwise payable for COBRA continuation coverage for himself and his eligible dependents for the Severance Period, to the extent such premium exceeds the monthly amount charged to active similarly-situated employees of the Company for the same coverage; and

(v) to the extent such cessation of employment occurs within three (3) months prior to or twelve (12) months following a Change in Control (as defined below), (x) the Company shall pay to Executive an amount equal to the Target Bonus, and (y) all outstanding equity awards that are subject to vesting solely based on the passage of time and Executive's continued employment shall become vested upon the later of the date of Executive's cessation of employment and the Change in Control.

Except as otherwise provided in this Section 9(a), all compensation and benefits will cease at the time of Executive's cessation of employment and the Company will have no further liability or obligation by reason of such cessation of employment. The payments and benefits described in this Section 9(a) are in lieu of, and not in addition to, any other severance arrangement maintained by the Company. Notwithstanding any provision of this Agreement, the payments and benefits described in Section 9(a)(ii) - 9(a)(v) are conditioned on Executive's execution and delivery to the Company and the expiration of all applicable statutory revocation periods, by the 60th day following the effective date of Executive's cessation of employment, of a general release of claims against the Company and its affiliates (which shall have customary exclusions relating to Executive's equity in the Company, any claims that Executive may have relating to accrued vested benefits under the Company's benefit plans, subject to the terms and conditions of such plans, and any claims for indemnification in Executive's role as an officer and director of the Company) in a form and manner satisfactory to the Company (the "**Release**") and on Executive's continued compliance with the provisions of the Restrictive Covenant Agreement (defined below).

Subject to Section 10 below (to the extent applicable) and provided the Release requirement described above has been timely satisfied: (x) the payment described in Section 9(a)(ii) will be paid on the later of the sixty-fifth (65th) day following Executive's cessation of employment (the

"**Settlement Date**") and the date such annual bonus would have otherwise been paid, absent Executive's cessation of employment; (y) the payments described in Section 9(a)(iii) and 9(a)(iv) will commence to be paid on the Settlement Date, provided that the initial payment will include any payments that, but for the above-described timing rule, would have otherwise been paid since the date of Executive's cessation of employment; and (z) the payment of an amount equal to the Target Bonus described in Section 9(a)(v) will be paid on the later of the Settlement Date or the tenth (10th) day following the Change in Control.

(b) Other Terminations. If Executive's employment with the Company ceases for any reason other than as described in Section 9(a) above (including but not limited to (i) termination by the Company for Cause or (ii) resignation by Executive without Good Reason, or (iii) termination as a result of Executive's Disability, or (iv) Executive's death), then the Company's obligation to Executive will be limited solely to the payment of accrued and unpaid Base Salary through the date of such cessation of employment. All compensation and benefits will cease at the time of such cessation of employment and, except as otherwise provided by COBRA, the Company will have no further liability or obligation by reason of such termination. The foregoing will not be construed to limit Executive's right to payment or reimbursement for claims incurred prior to the date of such termination under any insurance contract funding an employee benefit plan, policy or arrangement of the Company in accordance with the terms of such insurance contract.

10. **Section 409A.**

(a) The parties intend for this Agreement to comply with or be exempt from Section 409A of the Code, and all provisions of this Agreement will be interpreted and applied accordingly. Nonetheless, the Company does not guaranty the tax treatment of any compensation payable to Executive.

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

(c) Notwithstanding anything in this Agreement to the contrary, to the extent an expense, reimbursement or in-kind benefit provided to Executive pursuant to this Agreement or otherwise constitutes a "deferral of compensation" within the meaning of Section 409A of the

Code: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, and (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

11. **Section 280G**. Notwithstanding any contrary provision of this Agreement (or any plan, policy, agreement or other arrangement covering Executive), if any payment, right or benefit paid, provided or due to Executive, whether pursuant to this Agreement or otherwise (each, a "Payment," and collectively, the "Total Payments"), would subject Executive to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments will be reduced to the minimum extent necessary to avoid the imposition of the Excise Tax, but only if (i) the amount of such Total Payments, as so reduced, is greater than or equal to (ii) the amount of such Total Payments without reduction (in each case, determined on an after-tax basis). Any reduction of the Total Payments required by this paragraph will be implemented by determining the Parachute Ratio (as defined below) for each Payment and then by reducing the Payments in order, beginning with the Payment with the highest Parachute Ratio. For Payments with the same Parachute Ratio, later Payments will be reduced before earlier Payments. For Payments with the same Parachute Ratio and the same time of payment, each Payment will be reduced proportionately. For purposes of this paragraph, "Parachute Ratio" means a fraction, (x) the numerator of which is the value of the applicable Payment, as calculated for purposes of Section 280G of the Code, and (y) the denominator of which is the economic value of the applicable Payment.

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(a) "**Cause**" with respect to the Company's termination of Executive means (i) conduct by Executive constituting a material act of misconduct in connection with the performance of Executive's duties, including, without limitation, a material misappropriation of funds or property of the Company or any of its subsidiaries or affiliates; (ii) the conviction of Executive of any felony or a misdemeanor involving moral turpitude, deceit, dishonesty or fraud, or any conduct by Executive that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries and affiliates; (iii) continued material non-performance by Executive of his duties hereunder (other than by reason of Executive's physical or mental illness, incapacity or disability) which has continued for more than 10 days following written notice of such non-performance from the Board; (iv) a material breach by Executive of the Restrictive Covenant Agreement (defined below), any other agreement with the Company or its affiliates, or of any duty owed to the Company or its affiliates, provided that Executive has first received written notice that Company intends to terminate Executive's employment hereunder for such breach, which breach is not cured (if curable) within 10 days after the delivery of written notice thereof; (v) a material violation by Executive of the Company's written employment policies, including policies prohibiting sexual harassment, which violation is not cured (if curable) within 10 days after the delivery of written notice thereof; (vi) alcohol abuse or use of controlled substances illegal in the relevant state (other than prescription drugs

taken in accordance with a physician's prescription) that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries and affiliates; or (vii) failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation. For avoidance of doubt, a termination of Executive's employment due to his Disability will not constitute a termination without Cause.

(b) "**Change in Control**" shall mean the occurrence of a "change in control event" with respect to the Company, within the meaning of Treas. Reg. § 1.409A-3(i)(5)(i).

(c) "**Code**" means the Internal Revenue Code of 1986, as amended.

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17. **Taxes**. All compensation payable to Executive are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. Executive hereby acknowledges that the Company does not have a duty to design its compensation policies in a manner that minimizes Executive's tax liabilities, and Executive not make any claim against the Company or its board of directors related to tax liabilities arising from his compensation.

18. **Entire Agreement; Assignment; Amendment**.

(a) This Agreement, together with the Restrictive Covenants Agreement and other agreements and documents referenced herein, constitute the final and entire agreement of the parties with respect to the matters covered hereby and replace and supersede all prior agreements, discussions, negotiations, representations or understandings (whether written, oral or implied) relating to Executive's employment by the Company.

(b) The rights and obligations of Executive hereunder are personal and may not be assigned. The Company may assign this Agreement, and its rights and obligations hereunder, to any entity to which the Company transfers substantially all of its assets (or an affiliate thereof). Notwithstanding any other provision of this Agreement, any such assignment of this Agreement by the Company will not entitle Executive to severance benefits under Section 9(a) or otherwise, whether or not Executive accepts employment with the assignee.

(c) This Agreement may be amended or modified only by a written instrument signed by a duly authorized officer of the Company and Executive.

19. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware, without regard to its choice of law provisions.

20. **Arbitration**. In the event of any dispute under the provisions of this Agreement or otherwise regarding Executive's employment or compensation (other than a dispute in which the primary relief sought is an injunction or other equitable remedy, such as an action to enforce compliance with the Proprietary Information and Assignment Agreement), the parties shall be required to have the dispute, controversy or claim settled by arbitration in Philadelphia County, Commonwealth of Pennsylvania, in accordance with the National Rules for the Resolution of

Employment Disputes then in effect of the American Arbitration Association ("**AAA**"), by one arbitrator mutually agreed upon by the parties (or, if no agreement can be reached within 30 days after names of potential arbitrators have been proposed by the AAA, then by one arbitrator having relevant experience who is chosen by the AAA). Any award or finding will be confidential. The arbitrator may not award attorneys' fees to either party unless a statute or contract at issue specifically authorizes such an award. Any award entered by the arbitrators will be final, binding and non-appealable and judgment may be entered thereon by either party in accordance with applicable law in any court of competent jurisdiction. This arbitration provision will be specifically enforceable. Each party will be responsible for its own expenses relating to the conduct of the arbitration (including reasonable attorneys' fees and expenses) and will share equally the fees of the arbitrator.

21. **Headings**. The headings of the sections of this Agreement are inserted for convenience only and shall not the meaning of this Agreement.

22. **Notices.** All notices, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered in person, by e-mail or fax, by United States mail, certified or registered with return receipt requested, or by a nationally recognized overnight courier service, or otherwise actually delivered: (a) if to Executive, at the most recent address contained in the Company's personnel files; (b) if to the Company, to the attention of its Legal Department at the address of its principal executive office; or (c) or at such other address as may have been furnished by such person in writing to the other party. Any such notice, demand or communication shall be deemed given on the date given, if delivered in person, e-mailed or faxed, on the date received, if given by registered or certified mail, return receipt requested or by overnight delivery service, or three days after the date mailed, if otherwise given by first class mail, postage prepaid.

23. **Counterparts**. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

*[Signature Page Follows]*

This Agreement has been executed and delivered on the date first above written.

**CENTURY THERAPEUTICS, INC.**

By: /s/ Brent Pfeiffenberger
Name: Brent Pfeiffenberger
Title: Chief Executive Officer

**EXECUTIVE**

**Chad Cowan**

By: /s/ Chad Cowan
Name: Chad Cowan

**Exhibit 10.3**

**CENTURY THERAPEUTICS, INC. 2021 EQUITY INCENTIVE PLAN**

**PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT NOTICE AND AWARD AGREEMENT**

Century Therapeutics, Inc., a Delaware corporation (the "Company"), pursuant to its 2021 Equity Incentive Plan (the "Plan"), hereby grants to the individual listed below ("Participant") the target number of restricted stock units set forth below (the "Restricted Stock Units"). The Restricted Stock Units described in this Restricted Stock Unit Grant Notice (the "Grant Notice") are subject to the terms and conditions set forth in the Award Agreement attached hereto as Exhibit A (the "Agreement") and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, capitalized terms used in this Grant Notice and the Agreement will have the meanings defined in the Plan.

| | |
|---|---|
| **Participant:** | [_____] |
| **Grant Date:** | [_____] |
| **Target Number of Restricted Stock Units:** | [_____] |
| **Vesting Schedule:** | As set forth on Schedule A |

By signing below, Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and this Grant Notice. This document may be executed, including by electronic means, in multiple counterparts, each of which will be deemed an original, and all of which together will be deemed a single instrument.

| **CENTURY THERAPEUTICS, INC.** | **PARTICIPANT** |
|---|---|
| Name: | Name: |
| Title: | |

**EXHIBIT A**
**TO PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT NOTICE**

**AWARD AGREEMENT**

1. Award of Restricted Stock Units. Effective as of the Grant Date set forth in the Grant Notice, the Company has granted to Participant the target number of Restricted Stock Units set forth in the Grant Notice, subject to the restrictions and on the terms and conditions set forth in the Grant Notice, the Plan and this Agreement. Each Restricted Stock Unit represents the right to receive one Share at the times and subject to the conditions set forth herein.

2. Vesting of Restricted Stock Units.

a. Subject to the continued service of Participant with the Company through the relevant vesting dates, the Restricted Stock Units will become vested in such amounts and at such times as set forth in the Grant Notice and Schedule A.

b. Solely for purposes of this Agreement, service with the Company will be deemed to include service with an Affiliate of the Company (for only so long as such entity remains an Affiliate of the Company).

c. Upon Participant's death during his or her continuous service with the Company, any Restricted Stock Units that are outstanding and unvested immediately prior to Participant's death will remain outstanding for ninety (90) days, during which time the Committee may, in its sole discretion, vest all or a portion of such Restricted Stock Units. If the Committee decides to vest any Restricted Stock Units under this Section 2.c it may condition such vesting on the execution by the Participant's estate and/or beneficiaries of a general release of claims against the Company and its affiliates, in such form as the Company may prescribe (a "Release"). Upon the ninetieth (90th) day following Participant's death, any portion of the unvested Restricted Stock Units that the Committee has not determined to vest in accordance with this Section 2.c will be forfeited.

d. Unless otherwise provided in the Grant Notice or in Participant's employment agreement, upon the cessation of Participant's service with the Company for any reason other than as described in Section 2.c above, any unvested Restricted Stock Units will be forfeited automatically.

3. Settlement.

a. Shares will be issued in respect of vested Restricted Stock Units within sixty (60) days following the applicable vesting date or event. For avoidance of doubt, this settlement timing is intended to comply with the "short-term deferral" exemption from Section 409A of the Code.

b. The Restricted Stock Units will not confer on Participant any rights as a stockholder of the Company until Shares are actually issued in settlement of such Restricted Stock Units.

c. Notwithstanding the foregoing, to the extent provided in Prop. Treas. Reg. § 1.409A-1(b)(4)(ii) or any successor provision, the Company may delay settlement of Restricted Stock Units if it reasonably determines that such settlement would violate federal securities laws or any other applicable law.

4. Non-Transferability of Restricted Stock Units. Restricted Stock Units may not be sold, pledged, assigned, hypothecated, gifted, transferred or disposed of in any manner, either voluntarily or involuntarily, other than by will or by the laws of descent and distribution.

5. Section 409A. The grant of Restricted Stock Units is intended to be exempt from Section 409A of the Code and should be interpreted accordingly. Nonetheless, the Company does not guarantee the tax treatment of the Restricted Stock Units.

6. No Continuation of Service. Neither the Plan nor this Agreement will confer upon Participant any right to continue in the employment or service of the Company or any of its Affiliates, or limit in any respect the right of the Company or its Affiliates to discharge Participant at any time, for any reason.

7. The Plan. Participant has received a copy of the Plan, has read the Plan and is familiar with its terms, and hereby accepts the Award subject to the terms and provisions of the Plan. Pursuant to the Plan, the Committee is authorized to interpret the Plan and to adopt rules and regulations not inconsistent with the Plan as it deems appropriate. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee with respect to questions arising under the Plan, the Grant Notice or this Agreement.

8. Company Policies. Participant agrees, in consideration for the grant of the Restricted Stock Units, to be subject to any policies of the Company and its Affiliates regarding clawbacks, securities trading, and hedging or pledging of securities that may be in effect from time to time, or as may otherwise be required by applicable law, regulation or exchange listing standard.

9. Entire Agreement. The Grant Notice and this Agreement, together with the Plan, represent the entire agreement between the parties with respect to the subject matter hereof and supersede any prior agreement, written or otherwise, relating to the subject matter hereof.

10. Amendment. This Agreement may only be amended by a writing signed by each of the parties hereto; provided that the Company may amend this Agreement without Participant's consent, if the amendment does not materially impair Participant's rights hereunder.

11. Governing Law. This Agreement will be construed in accordance with the laws of the State of Delaware, without regard to the application of the principles of conflicts of laws.

12. Headings. The headings in this Agreement are for convenience only. They form no part of the Agreement and will not affect its interpretation.

13. Tax Withholding. Participant acknowledges that the issuance of Shares hereunder will give rise to taxable income subject to required withholding. In accordance with Section 15 of the Plan, the obligations of the Company hereunder are conditioned on the Participant timely paying, or otherwise making arrangements satisfactory to the Company regarding the timely satisfaction of, such required withholding.

If the Company has not elected to settle such required withholding through the withholding of Shares and other arrangements acceptable to the Company have not been made, the Company may require that Participant sell Shares issuable hereunder to satisfy the required withholding. Accordingly, Participant hereby irrevocably authorizes the Company to (a) sell on Participant's behalf such number of Shares issuable hereunder as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the required withholding, and (b) to remit proceeds equal to the required withholding to the applicable tax authorities (or to retain proceeds equal to the required withholding, to the extent the Company has already deposited such amount with the applicable tax authorities). To the extent the proceeds of such sale exceed the required withholding, the excess proceeds will be paid to Participant. Participant acknowledges that he or she will be responsible for all broker's fees and other costs of such sale and that the Company is under no obligation to arrange for such sale at any particular price. Participant further agrees to execute such additional documents as may be reasonably necessary to facilitate such transactions.

14. Electronic Delivery of Documents. Participant authorizes the Company to deliver electronically any prospectuses or other documentation related to the Option and any other compensation or benefit plan or arrangement in effect from time to time (including, without limitation, reports, proxy statements or other documents that are required to be delivered to participants in such arrangements pursuant to federal or state laws, rules or regulations). For this purpose, electronic delivery will include, without limitation, delivery by means of e-mail or e-mail notification that such documentation is available on the Company's Intranet site. Upon written request, the Company will provide to Participant a paper copy of any document also delivered to Participant electronically. The authorization described in this paragraph may be revoked by Participant at any time by written notice to the Company.

**SCHEDULE A**

**Vesting Schedule**

The Restricted Stock Units subject to this Award shall vest as follows:

1. 50% of the Restricted Stock Units shall vest upon achievement of both (x) the Company's entrance into a business development collaboration with a minimum upfront payment of at least $50 million (the "BD Milestone") and (y) the Company's Stock Price equal or exceeding the Stock Price Target as of any date during the period beginning three months prior to and ending 12 months following achievement of the BD Milestone; provided that the Participant has remained in continuous service with the Company through the applicable vesting date and subject to certification by the Committee of achievement of the BD Milestone and achievement of the Stock Price Target.

2. 50% of the Restricted Stock Units shall vest upon achievement of both (x) clearance by the Food and Drug Administration of an investigational new drug application relating to ab T cells (the "IND Milestone") and (y) the Company's Stock Price equal or exceeding the Stock Price Target as of any date during the period beginning three months prior to and ending 12 months following achievement of the IND Milestone; provided that the Participant has remained in continuous service with the Company through the applicable vesting date and subject to certification by the Committee of achievement of the IND Milestone and achievement of the Stock Price Target.

For purposes hereof, the "Stock Price Target" shall equal $6.00 and the "Company's Stock Price" shall mean, as of any date, the volume weighted average price of the Company's common stock for the 15-day calendar period prior to such date. The Stock Price Target shall be subject to equitable adjustment as determined by the Committee in its sole discretion to take into account any stock split, reverse stock split or similar capitalization event affecting the Company's outstanding common stock.

Determination of whether the BD Milestone, IND Milestone and/or Stock Price Target have been achieved shall be made by the Committee in its sole discretion.

**Exhibit 31.1**

**CERTIFICATION**

I, Brent Pfeiffenberger, certify that:

1. I have reviewed this Quarterly Report of Century 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.

Date: November 5, 2024

/s/ Brent Pfeiffenberger, PharmD, MBA
Brent Pfeiffenberger, PharmD, MBA
Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATION**

I, Morgan Conn, certify that:

1. I have reviewed this Quarterly Report of Century 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.

Date: November 5, 2024

/s/ Morgan Conn
Morgan Conn
Chief Financial Officer
(Principal Financial Officer)

**Exhibit 32.1**

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

In connection with the Quarterly Report of Century Therapeutics, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to such officer's knowledge:

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

Date: November 5, 2024

/s/ Brent Pfeiffenberger, PharmD, MBA
Brent Pfeiffenberger, PharmD, MBA
Chief Executive Officer
(Principal Executive Officer)

**Exhibit 32.2**

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

In connection with the Quarterly Report of Century Therapeutics, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to such officer's knowledge:

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

Date: November 5, 2024

/s/ Morgan Conn
Morgan Conn
Chief Financial Officer
(Principal Financial Officer)