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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, 2023

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, 2023 the registrant had 59,834,968 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 treatment of cancer, utilizing iPSC-derived natural killer cells, or iNK cells, and iPSC-derived T cells, or iT cells, and the challenges we will face due to the novel nature of such technology;
- the success of competing therapies that are or become available;
- our reliance on the maintenance of our collaborative relationship with FUJIFILM Cellular Dynamics Inc., or 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 future clinical trials;
- the timing of future investigational new drug, or IND, applications and the likelihood of, and our ability to obtain and maintain, regulatory clearance of such 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, or Bristol-Myers Squibb, in connection with the furtherance of our collaboration programs;
- 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 immuno-oncology therapies for treating cancer 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 the COVID-19 pandemic, or any other pandemic or global health crises may impact our business, including development activities, preclinical studies, clinical trials, supply chain and labor force;
- developments relating to our competitors and our industry; and
- other risks and uncertainties, including those described under the caption “Risk factors” in our Annual Report on Form 10-K for the year ended December 31, 2022.

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 I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022 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, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	September 30, 2023 (unaudited)	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ 55,307	$ 84,265
Short-term investments	114,198	231,233
Escrow deposits, current	—	220
Prepaid expenses and other current assets	4,198	4,003
Total current assets	173,703	319,721
Property and equipment, net	81,993	82,785
Operating lease right-of-use assets	24,551	28,945
Restricted cash	1,979	1,979
Long-term investments	114,762	51,854
Security deposits and non-current assets	563	1,260
Total assets	**$ 397,551**	**$ 486,544**
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 5,927	$ 5,454
Accrued expenses and other liabilities	9,932	9,841
Deposit liability	705	866
Long-term debt, current	—	6,502
Deferred revenue, current	3,871	7,154
Total current liabilities	**20,435**	**29,817**
Operating lease liability, long term	45,535	38,698
Deposit liability, non-current	201	718
Deferred revenue, non-current	112,150	110,834
Long-term debt, net	—	3,739
Total liabilities	**178,321**	**183,806**
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, $ 0.0001 par value, 10,000,000 shares authorized and 0 shares issued and outstanding at September 30, 2023 and December 31, 2022	—	—
Common stock, $0.0001 par value, 125,236,190 shares authorized; 59,514,533 and 58,473,660 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	6	6
Additional paid-in capital	836,901	824,292
Accumulated deficit	(616,373)	(519,098)
Accumulated other comprehensive loss	(1,304)	(2,462)
Total stockholders' equity	**219,230**	**302,738**
Total liabilities and stockholders' equity	**$ 397,551**	**$ 486,544**

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, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Collaboration revenue	$ 148	$ 2,224	$ 1,967	$ 4,678
Operating expenses				
Research and development	22,788	25,898	70,414	71,588
General and administrative	8,986	8,064	26,117	23,615
In-process research and development	4,000	-	4,000	10,000
Impairment of long-lived assets	-	-	4,220	—
Total operating expenses	35,774	33,962	104,751	105,203
Loss from operations	(35,626)	(31,738)	(102,784)	(100,525)
Interest expense	—	(373)	(540)	(1,017)
Interest income	3,486	1,411	9,167	2,370
Other income, net	12	(24)	(368)	(19)
Total other income (expense)	3,498	1,014	8,259	1,334
Loss before provision for income taxes	(32,128)	(30,724)	(94,525)	(99,191)
Provision for income taxes	(592)	(25)	(2,750)	(59)
Net loss	**$ (32,720)**	**$ (30,749)**	**$ (97,275)**	**$ (99,250)**
Net loss per common share Basic and Diluted	(0.55)	(0.53)	(1.65)	(1.72)
Weighted average common shares outstanding Basic and Diluted	59,448,229	57,973,541	59,087,374	57,573,406
Other comprehensive loss				
Net loss	$ (32,720)	$ (30,749)	$ (97,275)	$ (99,250)
Unrealized gain (loss) on investments	(95)	(165)	1,157	(2,931)
Foreign currency translation	(2)	(5)	(1)	(23)
Comprehensive loss	$ (32,817)	$ (30,919)	$ (96,119)	$ (102,204)

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, 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 short-term 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 restricted stock	—	—	—	—	—	**—**
Vesting of early exercise stock options	83,645	—	209	—	—	**209**
Unrealized gain on short-term 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 and 2021 ESPP	131,074	—	299	—	—	**299**
Vesting of early exercise stock options	74,512	—	199	—	—	**199**
Unrealized gain on short-term 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**

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2021	**55,005,523**	**$ 5**	**$ 785,049**	**$ (388,166)**	**$ (650)**	**$ 396,238**
Issuance of stock to collaboration partner	2,160,760	1	26,812	—	—	**26,813**
Issuance of common stock upon the exercise of stock options	85,396	—	65	—	—	**65**
Vesting of restricted stock	161,159	—	—	—	—	**—**
Vesting of early exercise stock options	173,192	—	673	—	—	**673**
Stock based compensation	—	—	2,380	—	—	**2,380**
Unrealized loss on investments	—	—	—	—	(1,986)	**(1,986)**
Foreign currency translation	—	—	—	—	(6)	**(6)**
Net loss	—	—	—	(37,513)	—	**(37,513)**
Balance, March 31, 2022	**57,586,030**	**$ 6**	**$ 814,979**	**$ (425,679)**	**$ (2,642)**	**$ 386,664**
Issuance of stock to collaboration partner	31,381	—	47	—	—	**47**
Vesting of restricted stock	136,425	—	—	—	—	**—**
Vesting of early exercise stock options	104,085	—	250	—	—	**250**
Stock based compensation	—	—	2,771	—	—	**2,771**
Unrealized loss on investments	—	—	—	—	(780)	**(780)**
Foreign currency translation	—	—	—	—	(12)	**(12)**
Net loss	—	—	—	(30,988)	—	**(30,988)**
Balance, June 30, 2022	**57,857,921**	**$ 6**	**$ 818,047**	**$ (456,667)**	**$ (3,434)**	**$ 357,952**
Issuance of common stock upon the exercise of stock options	86,224	—	138	—	—	**138**
Vesting of restricted stock	136,425	—	—	—	—	**—**
Vesting of early exercise stock options	104,085	—	248	—	—	**248**
Stock based compensation	—	—	2,786	—	—	**2,786**
Unrealized loss on investments	—	—	—	—	(165)	**(165)**
Foreign currency translation	—	—	—	—	(5)	**(5)**
Net loss	—	—	—	(30,749)	—	**(30,749)**
Balance, September 30, 2022	**58,184,655**	**$ 6**	**$ 821,219**	**$ (487,416)**	**$ (3,604)**	**$ 330,205**

See accompanying notes to the consolidated financial statements.

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

	Nine Months Ended September 30, 2023 (unaudited)	Nine Months Ended September 30, 2022 (unaudited)
Cash flows from operating activities		
Net loss	$ (97,275)	$ (99,250)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	9,492	5,602
Amortization of deferred financing cost	94	230
Non-cash operating lease expense	(2,000)	1,086
Stock based compensation	11,060	7,937
Impairment	4,220	—
Change in operating assets and liabilities:		
Escrow deposit	220	376
Prepaid expenses and other assets	408	(395)
Operating lease liability	11,447	3,194
Deferred revenue	(1,967)	118,509
Accounts payable	526	(3,155)
Accrued expenses and other liabilities	1,657	2,825
Net cash (used in) provided by operating activities	**(62,118)**	**36,959**
Cash flows from investing activities		
Acquisition of property and equipment	(12,756)	(24,336)
Acquisition of fixed maturity securities, available for sale	(199,342)	(203,663)
Sale of fixed maturity securities, available for sale	254,627	219,144
Net cash provided by (used in) investing activities	**42,529**	**(8,855)**
Cash flows from financing activities		
Proceeds from issuance of common stock and ESPP	872	250
Payments on long term debt	(10,241)	—
Proceeds from issuance of shares to collaboration partner	—	26,813
Net cash (used in) provided by financing activities	**(9,369)**	**27,063**
Net (decrease) increase in cash, cash equivalents, and restricted cash	**(28,958)**	**55,167**
Cash, cash equivalents and restricted cash, beginning of period	86,244	58,162
Cash, cash equivalents and restricted cash, end of period	**$ 57,286**	**$ 113,329**
Supplemental disclosure of cash and non-cash operating activities:		
Cash paid for interest	**$ 586**	**$ 778**
Cash paid for income tax	**$ 911**	**$ —**
Release of escrow deposit	**$ 0**	**$ 520**
Supplemental disclosure of non-cash investing and financing activities:		
Purchase of property and equipment, accrued and unpaid	**$ 54**	**$ 1,238**

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 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.

Century Therapeutics Canada ULC ("Century Canada") is the Company's wholly owned subsidiary performing research and development activities in Canada.

Principles of Consolidation

The consolidated financial statements include the consolidated financial position and consolidated results of operations of the Company and Century Canada. 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. During the three and nine months ended September 30, 2023, the Company incurred a net loss of $32,720 and $97,275, respectively. During the nine months ended September 30, 2023, the Company used $62,118 of cash in operations. Cash and cash equivalents and investments were $284,267 at September 30, 2023. 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.

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 investment 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, and CNTY-107 for Nectin-4+ solid tumors. 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.

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 ("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, 2023, the consolidated statements of operations and comprehensive loss, and consolidated statements of changes in stockholders' equity for the three and nine months ended September 30, 2023 and 2022, and the consolidated statements of cash flows for the nine months ended September 30, 2023 and 2022 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, 2023 or for any other subsequent interim period. The consolidated balance sheet at December 31, 2022 has been derived from the Company's audited consolidated financial statements.

Certain prior year information has been reclassified to conform to the fiscal year 2023 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 US 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 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, 2023 and December 31, 2022, 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, 2023 and December 31, 2022, the Company had $1,979 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, 2023	December 31, 2022
Cash and cash equivalents	$ 55,307	$ 84,265
Restricted cash	1,979	1,979
Cash, cash equivalents, and restricted cash	$ 57,286	$ 86,244

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 income (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. Due to the lack of a public market for the Company's common stock prior to its initial public offering ("IPO") and lack of company-specific historical and implied volatility data, the Company based its computation of expected volatility on the historical volatility of a representative group of public companies with similar characteristics to the Company, including stage of product development and life science industry focus. 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.

Warrants

The Company has issued warrants that have been recognized as equity, and the fair value is recorded into additional paid-in capital in the accompanying consolidated balance sheets. Warrants are accounted for in accordance with applicable accounting guidance provided in ASC Topic 815, Derivatives and Hedging—Contracts in Entity's Own Equity, as either derivative liabilities or as equity instruments depending on the specific terms of the warrant agreement. The Company's warrants issued are in connection with its long-term debt and in connection with services provided by consultants, and are equity classified on the accompanying consolidated balance sheets. Equity classified warrants are accounted for at fair value on the issuance date, using Black Scholes, with no changes in fair value recognized after the issuance date.

Foreign currency translation

The reporting currency of the Company is the U.S. dollar. The functional currency of Century Canada is the Canadian dollar. Assets and liabilities of Century Canada 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 shares

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, 2023 and 2022.

Early exercised options

The Company allowed certain of its employees and its consultants to exercise options granted under the 2018 Stock Option and Grant Plan (the "2018 Incentive Plan") (Note 16) prior to vesting and prior to its IPO. The shares related to early exercised stock options are subject to the Company's repurchase right upon termination of employment or services at the lesser of the original purchase price or fair market value at the

time of repurchase. In order to vest, the holders are required to provide continued service to the Company. The early exercise by an employee or consultant of a stock option is not considered to be a substantive exercise for accounting purposes, and therefore, the payment received by the employer for the exercise price is recognized as a liability. For accounting purposes, unvested early exercised shares are not considered issued and outstanding and therefore not reflected as issued and outstanding in the accompanying consolidated balance sheets or the consolidated statements of changes in stockholders' equity (deficit) until the awards vest. The deposits received are initially recorded in deposit liability. The liabilities are reclassified to common stock and additional paid-in-capital as the repurchase right lapses. At September 30, 2023 and December 31, 2022, there were $906 and $1,584, respectively, recorded in deposit liability related to shares held by employees and nonemployees that were subject to repurchase.

All shares that were early exercised by the executives of the Company are considered legally issued, however, for accounting purposes, only vested shares are considered issued. Below is a reconciliation of shares issued and outstanding:

	September 30, 2023	December 31, 2022
Total shares legally outstanding	59,791,497	59,137,491
Less: unvested early exercised shares	(227,450)	(470,800)
Less: unvested restricted stock awards (Note 16)	(49,465)	(193,031)
Total shares issued and outstanding	59,514,582	58,473,660

Income taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. The Company recognizes deferred tax assets to the extent that the Company believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes. The Company records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Company recognizes interest and penalties related to unrecognized tax benefits on the income tax expense line in the accompanying consolidated statement of operations and comprehensive loss. As of September 30, 2023 and December 31, 2022, no accrued interest or penalties are included on the related tax liability line in the consolidated balance sheet.

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, ("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.

Recent accounting pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses: Measurement of Credit Losses of Financial Instruments (ASC 326). The guidance is effective for the Company beginning January 1, 2023 and it changes how entities account for credit losses on the financial assets and other instruments that are not measured at fair value through net income, including available-for-sale debt securities. The adoption of ASC 326 did not have a material impact on the consolidated financial statements.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment annually, or whenever events or circumstances indicate that the carrying amount of an asset may not be fully recoverable. The Company assesses the recoverability of these assets by comparing the carrying amount of such assets or asset group to the future undiscounted cash flows it expects the assets or asset group to generate. The Company recognizes an impairment loss if the sum of the expected long-term discounted cash flows that the long-lived asset is expected to generate is less than the carrying amount of the long-lived asset being evaluated. The Company analyzed its long-lived assets for impairment and recorded a $4,220 impairment charge related to property and equipment and its right-of-use assets in its condensed consolidated statements of operations for the nine months ended September 30, 2023.

Note 3—Reduction in force

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. 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 nine months ended September 30, 2023. There were no remaining outstanding liabilities related to the reduction in force at September 30, 2023.

Note 4—Asset purchase by Century Therapeutics Canada ULC

On June 9, 2020, Century Canada and the Company entered into an agreement with Empirica Therapeutics, Inc. (“Empirica”), a company focused on the development of adoptive immunotherapies against aggressive and treatment-resistant forms of cancers, including glioblastoma and brain metastasis. Under the terms of the Empirica Agreement, the Company acquired an IPR&D asset. Cash of $4,519 was paid at closing and transaction expenses totaled $203. The Company also deposited $1,506 in escrow (the “Escrow Deposit”). Release of the Escrow Deposit is subject to the terms of a promissory note, which provides for the funds to be released in equal annual installments over a three-year period related to continuing services by certain Empirica shareholders. In July 2021, the first annual installment of $523 was released from the Escrow Deposit. In June 2022, the second annual installment of $517 was released from the Escrow Deposit. In February 2023, the third installment of $494 was released from Escrow Deposit. As of September 30, 2023 and December 31, 2022, accrued compensation expense on the promissory note was $0 and $220, which is presented within escrow deposits on the consolidated balance sheets.

Note 5—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, 2023 by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 42,911	—	—	$ 42,911
U.S. Treasury	31,256	—	—	31,256
Corporate bonds		199,245	—	199,245
Total	$ 74,167	$ 199,245	$ —	$ 273,412

The following table sets forth the Company's assets that were measured at fair value as of December 31, 2022, by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 77,736	—	—	$ 77,736
U.S. Treasury	86,475	—	—	86,475
Corporate bonds	—	196,603	—	196,603
Total	$ 164,211	$ 196,603	$ —	$ 360,814

There were no transfers between levels during the period ended September 30, 2023. 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, 2023:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury	$ 31,319	$ —	$ (63)	$ 31,256
Corporate bonds	200,406	8	(1,169)	199,245
Total	$ 231,725	$ 8	$ (1,232)	$ 230,501

The amortized cost, gross unrealized gains and losses, and fair value of investments in fixed maturity securities are as follows as of December 31, 2022:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury	$ 87,798	$ —	$ (1,323)	$ 86,475
Corporate bonds	197,668	2	(1,067)	196,603
Total	$ 285,466	$ 2	$ (2,390)	$ 283,078

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

	September 30, 2023	December 31, 2022
Less than one year	$ 114,759	$ 231,224
One to five years	115,742	51,854
	$ 230,501	$ 283,078

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, 2023 and December 31, 2022, the Company had 71 and 42 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 bond approach maturity.

As of September 30, 2023 and December 31, 2022, accrued interest receivable on available-for-sale investment debt securities totaling $1,541 and $0, respectively, is excluded from the estimate of credit losses and is included in prepaid expenses and other current assets.

Note 6—Prepaid expenses and other current assets

The following is a summary of prepaid expenses and other current assets:

	September 30, 2023	December 31, 2022
Research and development	$ 46	$ 110
Insurance	1,489	1,454
Software licenses and other	872	1,417
Reimbursement receivable	123	780
Warranties	126	242
Accrued interest receivable	1,542	—
Total prepaid expenses and other current assets	$ 4,198	$ 4,003

Note 7—Property and equipment, net

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

	September 30, 2023	December 31, 2022
Lab equipment	$ 29,303	$ 28,811
Leasehold improvements	68,299	48,951
Construction in progress	567	13,998
Computer software and equipment	3,597	3,132
Furniture and fixtures	1,393	1,548
Total	103,159	96,440
Less: Accumulated depreciation	(21,166)	(13,655)
Property and equipment, net	$ 81,993	$ 82,785

Depreciation expense was $3,350 and $2,774 for the three months ended September 30, 2023 and 2022, respectively. The Company recognized $4,002 in impairment on property and equipment, net during the nine months ended September 30, 2023. See footnote 18, "Impairment of Long-Lived Assets".

Depreciation expense was $9,492 and $5,602 for the nine months ended September 30, 2023 and 2022, respectively.

Note 8—Accrued expenses and other liabilities

The following is a summary of accrued expenses:

	September 30, 2023	December 31, 2022
Payroll and bonuses	$ 5,566	$ 7,062
Interest	—	117
Accrued clinical trial related costs	260	314
Professional and legal fees	1,198	1,637
Income tax payable	851	—
Operating lease liability, current	2,040	475
Other	17	236
Total accrued expenses and other liabilities	$ 9,932	$ 9,841

Note 9—Long-term debt

The following is a summary of the Company's indebtedness:

	September 30, 2023	December 31, 2022
Principal	$ —	$ 10,000
Plus: End of term fee	—	395
Less: Debt discount attributable to warrants, net of accretion	—	(8)
Less: Unamortized deferred financing cost and end of term fee, net of accretion	—	(146)
Long-term debt, net	$ —	$ 10,241

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 Loan Agreement had a four-year term and an interest-only period of up to 30 months. Amounts borrowed under the Loan Agreement accrue interest at a floating rate per annum (based on a year of 360 days) equal to (i) the sum of (a) the greater of 6.30% plus (b) the prime rate as reported in *The Wall Street Journal* on the last business day of the month that immediately precedes the month in which the interest will accrue or (ii) 9.55%. The interest rate as of May 1, 2023 was 14.3%.

The Company incurred $410 in deferred financing costs pursuant to the Loan Agreement.

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 Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Interest expense	$ —	$ 296	$ 540	$ 787
Amortization of debt issuance costs, including end of term fee accretion	—	77	—	230
	$ —	$ 373	$ 540	$ 1,017

Included in accrued expenses in the accompanying consolidated balance sheets as of September 30, 2023 and December 31, 2022 was $0 and $117 of accrued interest, respectively.

Note 10 – 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 Century 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 twelve (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 $23,200 in the aggregate ("Equity Premium"), and the remaining $26,800 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, 2023:

Performance obligations:	Transaction price	Cumulative collaboration revenue recognized	Deferred collaboration revenue
Option rights	$ 109,164	$ -	$ 109,164
Research and development services	14,023	(7,166)	6,857
Total	123,187	(7,166)	116,021
Less current portion of deferred revenue	-	-	(3,871)
Total long-term deferred revenue	$ 123,187	$ (7,166)	$ 112,150

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, 2022:

Performance obligations:	Transaction price	Cumulative collaboration revenue recognized	Deferred collaboration revenue
Option rights	$ 109,045	$ -	$ 109,045
Research and development services	14,142	(5,199)	8,943
Total	123,187	(5,199)	117,988
Less current portion of deferred revenue	-	-	(7,154)
Total long-term deferred revenue	$ 123,187	$ (5,199)	$ 110,834

As a direct result of the execution of the Collaboration Agreement, the Company incurred $10,000 in fees to amend the FCDI agreement to gain access to the territory rights of Japan. This is recorded as in-process research and development expenses in the consolidated statement of operations and comprehensive loss for the nine months ended September 30, 2022.

Note 11—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 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, 2023 and $110 as of December 31, 2022, 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 2023 or 2022.

Note 12—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 $416 and $1,260 within security deposits in its consolidated balance sheets at September 30, 2023 and December 31, 2022, 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, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Operating lease expense:				
Fixed lease cost	$ 1,443	$ 1,795	$ 4,458	$ 3,298
Variable lease cost	474	303	995	840
Short term lease expense	5	602	901	1,971
Total operating lease expense	$ 1,922	$ 2,700	$ 6,354	$ 6,109

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

	Location in Balance Sheet	As of September 30, 2023	As of December 31, 2022
Operating lease right-of-use asset, net	Operating lease right-of-use assets	$ 24,551	$ 28,945
Operating lease liability, current	Accrued expenses and other liabilities	$ 2,040	$ 475
Operating lease liability, long-term	Operating lease liability, long-term	45,535	38,698
Total operating lease liability		$ 47,575	$ 39,173

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

	As of September 30, 2023	As of December 31, 2022
Weighted-average remaining lease terms - operating leases	7.8 years	9.4 years
Weighted-average discount rate - operating leases	9.8 %	9.0 %

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

	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 11,447	$ 3,560
Right-of-use assets obtained in exchange for lease obligations:	$ —	$ 18,740

The following table reflects future minimum lease payments under noncancelable leases as of September 30, 2023:

	Operating Leases
2023	$ 1,594
2024	8,044
2025	8,553
2026	8,047
2027	8,225
Thereafter	51,043
Total lease payments	85,506
Less: Imputed interest	(29,324)
Less: Tenant incentive receivable	(8,607)
Total	$ 47,575

During the three and nine months ended September 30, 2023, the Company recognized $0 and $218, respectively in impairment on right-of-use assets. See footnote 18, “Impairment of Long-Lived Assets”.

Note 13—Income taxes

During the nine months ended September 30, 2023, the Company recorded income tax expense of $2,750, which includes a tax provision of $106 related to its income tax obligations of its operating company in Canada. The Company is projecting taxable income for tax year 2023, due primarily to revenue recognition for tax purposes from the Company's Research Collaboration and Collaboration Agreement entered into with Bristol-Myers Squibb Company in 2022.

The Company’s tax provision and the resulting effective tax rate for interim periods is determined based upon its estimated annual effective tax rate (“AETR”), adjusted for the effect of discrete items arising in that quarter. The impact of such inclusions could result in a higher or lower effective tax rate during a particular quarter, based upon the mix and timing of actual earnings or losses versus annual projections. In each quarter, the Company updates its estimate of the annual effective tax rate, and if the estimated annual tax rate changes, a cumulative adjustment is made in that quarter.

The Company has evaluated the positive and negative evidence bearing upon its ability to realize its deferred tax assets, which primarily consist of net operating loss carryforwards. While the Company anticipates utilizing a portion of its existing net operating loss carryforwards during tax year 2023, the Company has considered its history of cumulative net losses in the U.S., estimated future taxable income and prudent and feasible tax planning strategies and has concluded that it is more likely than not that the Company will not realize the benefits of its U.S. deferred tax assets. As a result, as of September 30, 2023, the Company has recorded a full valuation allowance against its net deferred tax assets in the U.S.

Note 14—Basic and diluted net loss per common share

Basic and diluted net loss per common share is calculated as follows:

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Numerator				
Net loss	$ (32,720)	$ (30,749)	$ (97,275)	$ (99,250)
Denominator				
Weighted-average common shares for basic and diluted net loss per share	59,448,229	57,973,541	59,087,374	57,573,406
Basic and diluted net loss per common share	$ (0.55)	$ (0.53)	$ (1.65)	$ (1.72)

The Company's potentially dilutive securities, which include 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, 2023 and 2022 because including them would have had an anti-dilutive effect.

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Stock options to purchase common stock	8,290,588	7,724,059
Early exercised stock options subject to future vesting	227,499	565,224
Restricted stock award subject to future vesting	49,465	247,780
Unvested restricted stock units	2,263,195	—
Warrants	32,009	32,009
Total	10,862,756	8,569,072

Note 15—Defined contribution plan

The Company has a 401(k) Employee Savings Plan ("401(k) Plan") that is available to all employees of the Company. The Company has elected a Safe-Harbor provision for the 401(k) Plan in which participants are always fully vested in their employer contributions. The Company matches 100% of the first 3% of participating employee contributions and 50% of the next 2% of participating employee contributions. Contributions are made in cash. Contributions were approximately $514 and $249 for the three months ended September 30, 2023 and 2022, respectively, and $1,127 and $644 for the nine months ended September 30, 2023 and 2022, respectively. Such contribution expense has been recognized in the consolidated statement of operations for each period.

Note 16—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, restricted stock units ("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 2022, the 2021 Incentive Plan reserved shares were increased under clause (i) by 2,750,276 shares, effective as of January 1, 2022. For 2023, the 2021 Incentive Plan reserved shares were increased under clause (i) by 2,954,788 shares, effective as of January 1, 2023. As of September 30, 2023, there were 4,965,447 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, 2023, the Company had reserved shares of common stock for issuance as follows:

	Shares
Options and RSUs issued and outstanding	10,553,783
Shares available for future stock option and RSU grants	4,965,447
Shares available for employee stock purchase plan	1,014,018
Total	16,533,248

The shares of Common Stock available under the 2021 Incentive Plan as of September 30, 2023 are as follows

	Shares
Balance, December 31, 2022	5,786,358
Shares reserved for issuance	2,954,788
Options granted	(4,610,961)
RSU's granted	(2,438,500)
Options and RSUs forfeited / cancelled	3,273,762
Balance September 30, 2023	4,965,447

Stock Options

The following table summarizes stock option activity for the nine month period ended September 30, 2023:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding January 1, 2023	7,489,678	$ 7.77	7.84	$ 8,991
Granted	4,603,561	4.35	—	—
Exercised	(601,588)	1.00	—	—
Forfeited	(3,098,457)	7.01	—	—
Cancelled	(102,606)	12.94	—	—
Outstanding, September 30, 2023	8,290,588	$ 6.57	7.02	$ 1,307
Exercisable at September 30, 2023	3,721,875	$ 6.74	5.40	$ 92

The weighted average grant date fair value of awards for options granted during the nine months ended September 30, 2023 was $3.04. As of September 30, 2023, there was $19,084 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 2.73 years.

The Company estimates the fair value of its option awards to employees and directors using Black-Scholes. 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. 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 the 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, 2022	December 31, 2022
Expected dividend rate	—	—
Expected option term (years)	6.04	6.09
Expected volatility	78.51 %	69.73 %
Risk-free interest rate	3.65 %	1.08 %

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:

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Research and development	$ 6,504	$ 3,728
General and administrative	4,556	4,209
Total stock-based compensation	$ 11,060	$ 7,937

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

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Stock options	$ 7,919	$ 7,202
Restricted stock units	2,774	—
Restricted stock awards	183	735
Employee stock purchase plan	184	—
Total stock-based compensation	$ 11,060	$ 7,937

Restricted Stock Units

The following table summarizes RSU activity for the nine months ended September 30, 2023:

	Shares	Weighted Average Grant Date Fair Value
Total Unvested December 31, 2022	—	$ —
Granted	2,438,500	3.61
Forfeited	(175,305)	4.01
Total Unvested September 30, 2023	2,263,195	$ 3.58

As of September 30, 2023, there was $5,891 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 1.70 years.

Restricted Stock Award

The following table summarizes restricted stock activity as of September 30, 2023 and December 31, 2022:

	Shares	Weighted Average Grant Date Fair Value
Total Unvested December 31, 2022	193,031	$ 8.41
Granted	—	—
Forfeited	(47,689)	—
Vested	(95,877)	2.50
Total Unvested September 30, 2023	49,465	$ 7.27

As of September 30, 2023, 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 1.48 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 $906 was recorded as a deposit liability on the Company's balance sheet as of September 30, 2023.

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, the board waived the annual increase to the shares reserved under the ESPP. As of September 30, 2023, there were 1,014,018 shares available for issuance, under the ESPP.

Note 17—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 Century. 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.

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 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 will pay 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 immunotherapeutics 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. The Company recorded an upfront payment in the amount of $4,000 which is included as In-process research and development in the consolidated statements of operations and comprehensive loss for the three and nine months ended September 30, 2023.

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

During the three and nine months ended September 30, 2022, the Company made payments of $866 and $6,717 and incurred research and development expenses of $280 and $4,117, and legal fees of $21 and $112, recorded within general and administrative expenses in its consolidated statements of operations and comprehensive loss. As of September 30, 2022, there was $721 in accrued expenses related to this agreement on the consolidated balance sheets.

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 18—Impairment on 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 19—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, 2022 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 on March 16, 2023, or 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 Securities Exchange Act of 1934, as amended (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 developing transformative allogeneic cell therapies to create products for the treatment of both solid tumor and hematological malignancies with significant unmet medical need. We have created a comprehensive allogeneic cell therapy platform that includes industry-leading induced pluripotent stem cells, or iPSCs, differentiation know-how to generate immune effector cells from iPSCs, or iPSC-derived cells, clustered regularly interspaced short palindromic repeats, or 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, or CARs, our proprietary Allo-EvasionTM 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 believe that these vertically integrated capabilities will allow us to further expand our existing pipeline and develop therapeutics from iPSC-derived natural killer cells, or iNK cells, or iNK, and iPSC-derived T cells, or iT cells, or iT, that may provide enhanced clinical outcomes compared to available therapeutic options. 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. To achieve our vision, we have assembled a world-class team whose members collectively have decades of 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, undertaking preclinical studies and in-licensing intellectual property. 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 $616.4 million as of September 30, 2023. 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.

In June 2021, we completed our initial public offering, or IPO, in which we issued and sold 12,132,500 shares of our common stock, at a public offering price of $20.00 per share. We received net proceeds of $221.4 million after deducting underwriting discounts, commissions, and other offering costs of $21.2 million in the aggregate. 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, we have raised approximately $591 million in net proceeds from sales of our equity securities. As of September 30, 2023, we had cash and cash equivalents of $55.3 million and investments of $229.0 million.

In August 2022, the 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 intended to assess the safety, tolerability, pharmacokinetics and preliminary efficacy of CNTY-101 in patients with relapsed or refractory CD19-positive B-cell malignancies. We initiated our phase 1 trial and in February 2023, we began dosing patients in ELiPSE-1, evaluating CNTY-101. In November, 2023, we announced preliminary clinical data from a case study of a patient participating in the ELiPSE-1 clinical trial. The patient, who received four prior lines of therapy, completed four 28-day cycles of CNTY-101 at the 100 million cell does level (Dose Level 1), the first two of which were administered following lymphodepletion while the most recent two were administered without lymphodepletion. CNTY-101 was well tolerated, with no measurable functional pre-existing or induced anti-drug-antibodies observed. Pharmacokinetic measurements demonstrated that CNTY-101 cells were detected after each infusion with comparable kinetics, with a limited duration in circulation. The patient achieved a complete response that is ongoing as of five months following their first CNTY-101 infusion.

In January 2023, we announced a strategic internal portfolio prioritization through which, among other discovery efforts, CNTY-103, a CAR-iNK product targeting CD133 and a discovery program for hematological malignancies, was 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 and Hamilton, Ontario, have been closed and research activities have been consolidated in Philadelphia.

Based on our current business plans and the January 2023 strategic reprioritization, we believe, our cash, cash equivalents and investments as of September 30, 2023, will be sufficient for us to fund our operating expenses and capital expenditures requirements into 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, or 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;
- acquire or in-license other product candidates and technologies; and
- increase our employee headcount and related expenses to support these activities.

We are also investing early 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, and CNTY-107, 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, and upfront and milestone and royalties payments, if any, received under 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.

The COVID-19 pandemic may cyclically continue to adversely affect our business, financial condition and results of operations. Although the Department of Health and Human Services announced that the federal public health emergency for COVID-19 ended on May 11, 2023 in the United States, we expect the trends that emerged as a result of the pandemic may continue to result in disruptions to the global economy, as well as businesses and capital markets around the world. We previously experienced modest delays in our discovery and development activities as a result of the COVID-19 pandemic, primarily due to temporary and partial shutdowns at certain of our CROs and academic institutions that have since resumed operations, and due to governmental responses to the pandemic. The extent to which the ongoing effects of the pandemic may affect our preclinical studies, clinical trials, business, financial condition, and results of operations will depend on future developments, which are uncertain and cannot be predicted at this time.

License and collaboration agreements

Bristol-Myers Squibb

On January 7, 2022, we entered into the Research, Collaboration and License Agreement, with Bristol-Myers Squibb, or the Collaboration Agreement, to collaborate on the research, development and commercialization of iNK and iT cell programs for hematologic malignancies and solid tumors, or the Collaboration Program, and each product candidate, a Development Candidate. We and Bristol-Myers Squibb will initially collaborate on two Collaboration Programs focused on acute myeloid leukemia, or AML, and multiple myeloma, or MM, 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, or the License Option. 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, or the Licensed Program, 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, or 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 Reorganization.

Also on September 18, 2018, we entered into the non-exclusive license, or 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, or 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 June 30, 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, or the Letter Agreement, which amends each of the FCDI agreements as further discussed in Note 10 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, or 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. In connection with the entry into the Autoimmune License and the amendments to the Reprogramming License and Differentiation License, the Company recorded an upfront payment in the amount of $4 million which is included as In-process research and development in the consolidated statements of operations and comprehensive loss for the three and nine months ended September 30, 2023.

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

During the three and nine months ended September 30, 2022, we made payments of $0.8 million and $6.7 million and incurred research and development expenses of $0.3 million and $4.1 million and legal fees of $0 and $0.1 million, recorded within general and administrative expenses in its consolidated statements of operations and comprehensive loss.

From inception of the FCDI Collaboration Agreement through September 30, 2023, we incurred $36.3 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.

In-process research and development

As a direct result of the execution of the Collaboration Agreement with Bristol-Myers Squibb, we incurred $10 million in fees to amend the FCDI agreement to gain access to the territory rights of Japan. See Note 10 to our consolidated financial statements. We incurred $4 million in fees to FCDI in 2023.

Interest expense

Interest expense relates to interest incurred on the Loan Agreement we entered into with Hercules Capital, Inc., or Hercules, in 2020, as well as amortization of the related deferred financing cost. See Note 9 to our consolidated financial statements.

Interest income, net

Interest income, net 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 three months ended September 30, 2023, we recorded $0.6 million in provisions for income taxes in the accompanying consolidated financial statements. The main drivers of the tax provision during the quarter ended September 30, 2023 are taxable revenue related to the Collaboration Agreement with Bristol-Myers Squibb and the limitation of deductions for research and development under Section 174 of the Internal Revenue Code.

Results of operations

Comparison of the three months ended September 30, 2023 and 2022

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

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Change
	(in thousands)		
Collaboration revenue	$ 148	$ 2,224	$ (2,076)
Operating expenses:			
Research and development	22,788	25,898	(3,110)
General and administrative	8,986	8,064	922
In-process research and development	4,000	—	4,000
Total operating expenses	35,774	33,962	(2,188)
Loss from operations	(35,626)	(31,738)	(3,888)
Other income (expense):			
Interest expense	—	(373)	373
Interest income	3,486	1,411	2,075
Other income, net	12	(24)	36
Total other income (expense)	3,498	1,014	2,484
Provision for income taxes	(592)	(25)	(567)
Net loss	$ (32,720)	$ (30,749)	$ (1,971)

Collaboration revenue

During the three months ended September 30, 2023 and 2022, we recognized revenue of $0.1 and $2.2 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, 2023	Three Months Ended September 30, 2022	Change
		(in thousands)	
Personnel and related costs	$ 10,237	$ 11,205	$ (968)
Facility and other allocated costs	6,361	5,272	1,089
Research and laboratory	5,471	8,236	(2,765)
Collaborations	—	388	(388)
Consulting	302	503	(201)
Other	417	294	123
Total research and development expense	$ 22,788	$ 25,898	$ (3,110)

Research and development expenses were $22.8 million and $25.9 million for the three months ended September 30, 2023 and 2022, respectively. The decrease of $3.1 million was primarily due to:

- a decrease in personnel-related expenses of $1.0 million, including a decrease in salary and benefit expense of $2.0 million. These expenses were offset by an increase in stock based compensation of $0.8 million.
- an increase of $1.0 million of facility and other allocated costs, including an increase of depreciation expense of $0.6 million, and an increase in facilities services of $0.4 million.
- a decrease of $2.8 million in research and laboratory due to our 2023 reorganization and reprioritization of early-stage programs and discovery platforms as well as a decline in sponsored research activities.

General and administrative expenses

General and administrative expenses were $9.0 million for the three months ended September 30, 2023 and $8.1 million for three months ended September 30, 2022. The increase is due to an increase in stock based compensation and recruiting fees.

In-process research and development

In-process research and development expenses were $4.0 million for the three months ended September 30, 2023. This was a result of entering 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 treatment of inflammatory and autoimmune diseases.

Interest expense

Interest expense was $0.0 million and $0.4 million for the three months ended September 30, 2023 and 2022, 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 $3.5 million and $1.4 million for the three months ended September 30, 2023 and 2022, 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.

Comparison of the nine months ended September 30, 2023 and 2022

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

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change
		(in thousands)	
Collaboration revenue	$ 1,967	$ 4,678	$ (2,711)
Operating expenses:			
Research and development	70,414	71,588	(1,174)
General and administrative	26,117	23,615	2,502
In-process research and development asset	4,000	10,000	(6,000)
Impairment of long-lived assets	4,220	—	4,220
Total operating expenses	104,751	105,203	(452)
Loss from operations	(102,784)	(100,525)	(2,259)
Other income (expense):			
Interest expense	(540)	(1,017)	477
Interest income	9,167	2,370	6,797
Other income, net	(368)	(19)	(349)
Total other income (expense)	8,259	1,334	6,925
Loss before provision for income taxes	(94,525)	(99,191)	4,666
Provision for income taxes	(2,750)	(59)	(2,691)
Net loss	$ (97,275)	$ (99,250)	$ 1,975

Collaboration revenue

During the nine months ended September 30, 2023 and 2022, we recognized revenue of $2.0 and $4.7 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, 2023	Nine Months Ended September 30, 2022	Change
		(in thousands)	
Personnel and related costs	$ 32,526	$ 31,842	$ 684
Facility and other allocated costs	18,587	11,170	7,417
Research and laboratory	17,267	20,341	(3,074)
Collaborations	254	5,343	(5,089)
Consulting	964	2,239	(1,275)
Other	816	653	163
Total research and development expense	$ 70,414	$ 71,588	$ (1,174)

Research and development expenses were $70.4 million and $71.6 million for the nine months ended September 30, 2023 and 2022, respectively. The decrease of $1.2 million was primarily due to:

- a decrease of $5.1 million related to our collaboration with FCDI. The decline was due to in process development work being completed in 2022 as the scope of work with FCDI has narrowed down to primarily manufacturing CNTY-101 clinical supply for us.

- A decrease in research and laboratory costs of $3.1 million due to our 2023 reorganization and reprioritization of early stage programs and discovery platforms as well as a decline in sponsored research activities.
- A decrease in consulting of $1.3 million which was primarily due to reliance reduction on consultants year over year.
- these decreases were offset by an increase of $7.4 million of facility and other allocated costs, including an increase in depreciation expense of $3.9 million, an increase of rent of $1.4 million and an increase of facility services and supplies of $2.1 million as a result of an expansion of our geographic footprint for office and lab space;

General and administrative expenses

General and administrative expenses were $26.1 million for the nine months ended September 30, 2023 and $23.6 million for nine months ended September 30, 2022. The increase of $2.5 million was primarily due to one-time charges associated with the reduction in force in the first quarter of 2023.

In-process research and development

In-process research and development expenses were $4.0 million for the nine months ended September 30, 2023. This was a result of entering 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 treatment of inflammatory and autoimmune diseases. In-process research and development expenses were $10.0 million for the nine months ended September 30, 2022.

Interest expense

Interest expense was $0.5 million and $1.0 million for the nine months ended September 30, 2023 and 2022, 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 $9.2 million and $2.4 million for the nine months ended September 30, 2023 and 2022, 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 $591 million in net proceeds from the sales of our equity securities. As of September 30, 2023, we had cash, and cash equivalents of $55.3 million and investments of $229.0 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 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 $616.4 million as of September 30, 2023.

In July 2022, we entered into a Sales Agreement, or the Sales Agreement, with Cowen and Company, LLC, or 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. No sales have been made under the Sales Agreement since its inception.

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;
- 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 the COVID-19 pandemic, 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, 2023	Nine months ended September 30, 2022	Change
Net cash (used in) provided by:			
Operating activities	$ (62,118)	$ 36,959	$ (99,077)
Investing activities	42,529	(8,855)	51,384
Financing activities	(9,369)	27,063	(36,432)
Net increase in cash, cash equivalents, and restricted cash	$ (28,958)	$ 55,167	$ (84,125)

Operating activities

Net cash (used in) provided by operating activities was ($62.1) million and $37.0 million for the nine months ended September 30, 2023 and 2022, respectively. Net cash (used in) operating activities during the nine months ended September 30, 2023 consisted primarily of our net loss of $97.3 million. The non-cash charges of $22.9 million consisted primarily of $9.5 million for depreciation expense, non-cash stock-based compensation expense of $11.1 million, and impairment of $4.2 million. Changes in operating lease liability, net were primarily driven by the receipt of $11.7 million of tenant reimbursement.

Net cash provided by operating activities during the nine months ended September 30, 2022 consisted primarily of our deferred revenue of $118.5 million from our collaboration agreement with Bristol-Myers Squibb, and non-cash charges of $14.8 million. The non-cash charges of $14.8 million consisted primarily of $5.6 million for depreciation expense, non-cash stock-based compensation expense of $7.9 million, and non-cash operating lease expense of $1.1 million. The increase was partially offset by our net loss of $99.3 million and net cash outflows from decreases in our accounts payable of $3.2 million.

Investing activities

Net cash provided by (used in) investing activities was $42.5 million and ($8.9) million for the nine months ended September 30, 2023 and 2022, respectively. Cash provided by investing activities for the nine months ended September 30, 2023 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.

Cash used in investing activities was $8.9 for the nine months ended September 30, 2022 consisted primarily of purchases of property and equipment of $24.3 million, partially offset by the net sale of fixed maturity securities of $15.5 million.

Financing activities

Net cash (used in) provided by financing activities was ($9.4) million and $27.1 million for the nine months ended September 30, 2023 and 2022, respectively. Cash used in 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.

Net cash provided by financing activities was $27.1 million for the nine months ended September 30, 2022. Cash provided by financing activities consisted primarily of net proceeds of $26.8 million from Bristol-Myers Squibb for the purchase of our common stock, and cash of $0.3 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, 2023:

	Payments Due by Period				
	1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years	Total
					(in thousands)
Operating leases	$ 7,616	$ 16,595	$ 16,541	$ 44,754	$ 85,506

(1) Reflects minimum interest payable under the Loan Agreement. Payment herein subject to variable rate debt have been estimated.

Other than as disclosed in the table above, the payment obligations under our license, collaboration, and acquisition agreements as of September 30, 2023 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, 2023, 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 have commitments under operating leases for certain facilities used in our operations.

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 11 to our unaudited consolidated financial statements for additional information.

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, or 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 Securities Exchange Act of 1934, as amended, or 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, 2023, there were no material changes to our critical accounting policies from those described in our audited financial statements for the year ended December 31, 2022 included in the our Annual Report on Form 10-K filed with the SEC on March 16, 2023, except as noted below.

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 $57.3 million as of September 30, 2023, which consisted of bank deposits and money market funds. We also had investments of $229.0 million as of September 30, 2023. 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, 2023. 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 September 30, 2023, 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, 2023, there were no changes in our internal control over financial reporting that occurred during the three 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

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, 2022.

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

Use of Proceeds

On June 22, 2021, we completed our IPO. Our registration statement on Form S-1 (File No. 333- 256648) relating to the IPO was declared effective by the SEC on June 17, 2021. We issued an aggregate of 12,132,500 shares of our common stock at a price of $20.00 per share for aggregate net cash proceeds of $221.4 million, after deducting approximately $17.0 million in underwriting discounts and commissions and approximately $4.0 million in other offering costs. None of the expenses associated with the IPO were paid to directors, officers, persons owning 10% or more of any class of equity securities, or to their associates, or to our affiliates.

The sale and issuance of 12,132,500 shares in the IPO closed on June 22, 2021. J.P. Morgan, BofA Securities, SVB Leerink and Piper Sandler acted as joint book-running managers for the IPO.

There has been no material change in the planned use of proceeds from the IPO from that described in the prospectus filed with the SEC pursuant to Rule 424(b)(4) under the Securities Act on June 21, 2021.

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.

None.

Item 6. Exhibits.

Exhibit Number	
10.1†	Second Amendment to License Agreement (Reprogramming), by and between the Company and FUJIFILM Cellular Dynamics Inc., dated September 22, 2023
10.2	Amendment No. 5 to Master Collaboration Agreement, by and between the Company and FUJIFILM Cellular Dynamics Inc., dated September 22, 2023
10.3	Second Amendment to License Agreement (Differentiation), by and between the Company and FUJIFILM Cellular Dynamics Inc., dated September 22, 2023.
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, 2023, 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.

† Certain identified information in the exhibit has been omitted because it is the type of information that (1) the Company customarily and actually treats as private and confidential, and (ii) is not material.

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 9, 2023

By: /s/ Gregory Russotti, Ph.D.
Gregory Russotti, Ph.D.
Interim President and Chief Executive Officer
(Principal Executive Officer)

Date: November 9, 2023

By: /s/ Michael Diem, M.D.
Michael Diem, M.D.
Chief Financial Officer
(Principal Financial Officer)

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and the registrant customarily and actually treats as private and confidential.

Reprogramming
Execution Version

SECOND AMENDMENT
TO
LICENSE AGREEMENT

This Second Amendment to License Agreement (the "**Second Amendment**") is made and effective as of September 22, 2023 (the "**Second Amendment Effective Date**") between Century Therapeutics, Inc. (f/k/a Century Therapeutics, LLC), a Delaware corporation ("**Century**") having a principal place of business at 3675 Market Street, Philadelphia, PA 19104 USA, and FUJIFILM Cellular Dynamics Inc., a Wisconsin corporation ("**CDI**") having an address at 525 Science Drive, Madison, WI 53711 USA, and amends the License Agreement by and between Century (as assignee of Century Therapeutics, Inc. ("**Century Inc.**")) and CDI dated September 18, 2018 (as amended, the "**License Agreement**"). All capitalized terms used but not otherwise defined herein shall have the meaning set forth in the License Agreement.

RECITALS

WHEREAS, on September 18, 2018, Century Inc. and CDI entered into the License Agreement;

WHEREAS, pursuant to the License Agreement CDI granted Century Inc. a non-exclusive license under the Licensed Patent Rights to Exploit the Licensed Products in the Field in the Territory;

WHEREAS, Century Inc. assigned all of its rights and obligations under the License Agreement to Century;

WHEREAS, certain terms of the License Agreement were modified as set forth in that certain Letter Agreement Regarding WARF/CDI License Agreement and CDI/Century Sublicense Agreement dated as of July 2, 2019, by and among CDI, Century and Wisconsin Alumni Research Foundation ("**WARF Side Letter**");

WHEREAS, certain terms of the License Agreement were modified as set forth in that certain First Amendment to the License Agreement dated as of March 23, 2021, by and between CDI and Century ("**First Amendment**") and, with respect to the BMS Collaboration Agreement (as defined in such letter agreement), as set forth in a certain letter agreement effective as of January 7, 2022 between Century and CDI (the "**BMS Collaboration Letter Agreement**");

WHEREAS, pursuant to, and in accordance with, Section 10.6 of the License Agreement, Century and CDI desire that the License Agreement, as modified by the WARF Side Letter, be amended as set forth herein.

THEREFORE, in consideration of the mutual covenants and conditions set forth in this Second Amendment, it is agreed as follows:

1. Amendment Fee.

In consideration of this amendment, Century agrees to pay CDI a nonrefundable license fee of [***] within [***] days of the Second Amendment Effective Date. Such payment is not subject to any future performance by either Party under the License Agreement.

2. Amendments to the License Agreement.

2.1 Section 1.16 of the License Agreement shall be amended and restated as follows:

"**Development Plan**" has the meaning set forth in Section 3.3 of the Exclusive Differentiation License Agreement.

2.2 Section 1.18 of the License Agreement formerly including the definition of "Differentiation License Agreement" shall be amended and restated as follows:

"The definition of "Differentiation License Agreement" is hereby intentionally omitted and the references to "Differentiation License Agreement" in Section 2.8(c) and Section 3.4 are hereby amended to "Exclusive Differentiation License Agreement."

2.3 Section 1.24 of the License Agreement shall be amended and restated as follows:

"**Field**" means (i) the Cancer Field and (ii) the Immunology Field.

2.4 Section 1.36 of the License Agreement shall be amended and restated as follows:

"**Licensed Product**" means (i) Cancer Products and (ii) Immunology Products.

2.5 Section 1.51 of the License Agreement shall be amended and restated as follows:

"**Territory**" means (i) with respect to the Cancer Field, worldwide, excluding Japan and any country(ies) eliminated from the Territory pursuant to Section 9.6; and (ii) with respect to the Immunology Field, worldwide, excluding any country(ies) eliminated from the Territory pursuant to Section 9.6.

2.6 After giving effect to the amendments contemplated in Sections 2.1, 2.2, 2.3, 2.4 and 2.5 above, Article 1 of the License Agreement shall be amended to add the following definitions, in appropriate alphabetical and numerical order, and the section numbers of Article 1 of the License Agreement and all cross references thereto in the License Agreement are hereby updated to reflect the addition of such defined terms:

"**Cancer Field**" means any cancer immunotherapeutic use in humans.

"**Cancer Products**" means cancer immunotherapy products (for the treatment of cancer in humans) consisting of cells that are or are modifications of T cells, NK cells, dendritic cells, macrophages, and monocytes derived from human iPSC (including TiPSC). For the sake of clarity, such "modifications" exclude materials or substances extracted, isolated from, or secreted by, such modified or unmodified cells.

"**Exclusive Differentiation License Agreement**" means a certain agreement entered into between the Parties on Effective Date under which CDI grants an exclusive license to Century under certain patent rights and know-how related to human iPSC-derived T cells, NK cells, dendritic cells, macrophages and monocytes under the terms and conditions set forth therein and as may be amended.

"**Immunology Field**" means any immunotherapeutic use for immune-mediated inflammatory diseases, including autoimmune diseases, in humans, other than cancer immunotherapeutic use.

"**Immunology Products**" means immunotherapy products (for the treatment of immune-mediated inflammatory diseases, including autoimmune diseases, other than cancer in humans) consisting of cells that are or are modifications of T cells, NK cells, dendritic cells, macrophages, and monocytes derived from human iPSC (including TiPSC). For the sake of clarity, such "modifications" exclude materials or substances extracted, isolated from, or secreted by, such modified or unmodified cells.

"**Non-Exclusive Differentiation License Agreement**" means a certain agreement entered into between the Parties on September 22, 2023 under which CDI grants a non-exclusive license to Century under certain patent rights and know-how related to human iPSC-derived T cells, NK cells, dendritic cells, macrophages and monocytes under the terms and conditions set forth therein and as may be amended.

2.7 Section 2.2 of the License Agreement shall be amended and restated as follows:

"2.2. License Grants to CDI. Subject to the terms and conditions of this Agreement, Century (on behalf of itself and its Affiliates) hereby grants to, and will require its Sublicensee(s) to grant, to CDI the following licenses and options:

(a) a world-wide, non-exclusive, royalty-free, irrevocable, paid-up license, with the right to grant sublicenses, to WARF, the University of Wisconsin, the WiCell Research Institute and the Morgridge Institute for Research, to make, have made, use and otherwise practice Developments for Non-Commercial Research Purposes in organizations associated with either WARF or the University of Wisconsin;

(b) a non-exclusive, non-transferable (except in accordance with Section 10.3), fully paid-up, sublicensable (with the ability to sublicense through multiple tiers) license (i) to make, have made, use and otherwise practice Developments made by Century or its Affiliates or Sublicensees in the Cancer Field outside the Territory or within the Territory in connection with Abandoned Indication and (ii) to practice Developments to manufacture the Licensed Products in the Field worldwide; and

(c) a fully paid-up, non-exclusive, non-transferable (except in accordance with Section 10,3), sublicensable (with limitation as set forth in Section 2.3(d)) worldwide license under the Century Licensed Technology to make, have made, use, and have used, research and develop iPSC(s) (including TiPSC(s)), Reprogrammed iPS Cells or Reprogrammed iPS Cell Derivative Materials), whether inside or outside of the Field, and

(d) an option to obtain a non-exclusive, non-transferable (except in accordance with Section 10.3), sublicensable (with the ability to sublicense through multiple tiers) license, under Intellectual Property Rights that are owned or controlled by a Third Party and licensed to Century or its Affiliate to Exploit the Licensed Products in the Cancer Field outside the Territory or within the Territory in connection with the Abandoned Indication, *provided*, however, in the event Century or its Affiliates or Subcontractors are required to pay royalty for its sublicense to CDI and its Sublicensees the Parties will agree on an equitable apportionment of any royalty between the Parties to reflect the fair value attributable to the use of such Intellectual Property Rights for the Exploitation of the Licensed Products in each Party's territory."

3. Notice. Pursuant to, and in accordance with Section 10.2 of the License Agreement, as of the Second Amendment Effective Date, each Party's contact information is as follows:

If to CDI:

FUJIFILM Cellular Dynamics, Inc.
465 Science Drive

Madison, WI 53711
Attention: Director, Intellectual Property
Email: fcdi-licensing@cellulardynamics.com

With a copy to:

FUJIFILM Cellular Dynamics, Inc.
465 Science Drive
Madison, WI 53711
Attention: General Counsel

and

Email: legaldepartment@fujifilm.com If to Century:

Century Therapeutics, Inc.

25 N. 38th Street, 11th Floor
Philadelphia, PA 19104
Attention: General Counsel
Email: legal@centurytx.com

4. Miscellaneous.

4.1 Effect of this Second Amendment. This Second Amendment amends the terms of the License Agreement, as previously amended, and is deemed incorporated into, and governed by all other terms of, the License Agreement. To the extent that the License Agreement is explicitly amended by this Second Amendment, the terms of this Second Amendment will control where the terms of the License Agreement are contrary to or conflict with the terms of this Second Amendment. All other terms and conditions of the License Agreement not explicitly amended by this Second Amendment shall remain in full force and effect. The License Agreement shall, together with the First Amendment and this Second Amendment, be read and construed as a single instrument.

4.2 WARF Side Letter. This Second Amendment does not, and is not intended to, amend, modify or supplement the terms of the WARF Side Letter, which remains in full force and effect. In the event of any conflict between the terms of the License Agreement, as amended by this Second Amendment, and the WARF Side Letter, the WARF Side Letter shall control.

4.3 Counterparts. This Second Amendment may be signed in any number of counterparts, including facsimile copies thereof or electronic scan copies thereof delivered by electronic mail, each of which shall be deemed an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this Second Amendment as of the Second Amendment Effective Date.

CENTURY THERAPEUTICS, INC.

By: /s/Greg Russotti
Name: Greg Russotti, Ph.D.
Title: Interim Chief Executive Officer

FUJIFILM CELLULAR DYNAMICS INC.

By: /s/Tomoyuki Hasegawa
Name: Tomoyuki Hasegawa
Title: President and Chief Executive Officer

[*Signature page to Second Amendment to License Agreement*]

AMENDMENT NO. 5
TO
MASTER COLLABORATION AGREEMENT

THIS AMENDMENT NO. 5 TO MASTER COLLABORATION AGREEMENT (this "**Amendment No. 5**") is made as of September 22, 2023 (the "**Amendment No. 5 Effective Date**") by and between **CENTURY THERAPEUTICS, INC.** (f/k/a Century Therapeutics, LLC) having a principal place of business at 3675 Market St., Philadelphia, PA 19104 USA ("**Century**") and **FUJIFILM Cellular Dynamics, Inc.**, having a place of business at 525 Science Drive, Madison WI 53711, USA ("**FCDI**"). Century and FCDI are each referred to as a "**Party**" and collectively referred to as the "**Parties**."

WHEREAS, Century and FCDI are parties to a certain Master Collaboration Agreement having a Signing Date of October 21,2019, as amended by Amendment No. 1 having an Amendment No. 1 Signing Date of June 24, 2020, Amendment No. 2 having an Amendment No. 2 Signing Date of March 23, 2021, Amendment No. 3 having an Amendment No. 3 Signing Date of March 29, 2021, Amendment No. 4 having an Amendment No. 4 Signing Date of July 29,2022, and by a letter agreement dated as of March 7, 2022 (the or this "**Agreement**");

WHEREAS, Century and FCDI entered into that certain agreement on September 22, 2023 under which FCDI grants a non-exclusive license to Century under certain patent rights and know-how related to human iPSC-derived T cells, NK cells, dendritic cells, macrophages and monocytes under the terms and conditions set forth therein and as may be amended (the "**Non-Exclusive Differentiation License Agreement**");

WHEREAS, Century and FCDI desire to amend the Agreement as set forth herein; and

THEREFORE, the Parties agree as follows:

Article 1. AMENDMENTS

1.1 **Amendment of Article 1**. Article 1 of the Agreement is hereby amended by inserting at the end of such article the following:

""**Exclusive Differentiation License Agreement**" means that certain License Agreement dated as of September 18, 2018 and pertaining to certain patent rights and know-how related to the manufacture of human iPSC (including TiPSC)-derived T cells, NK cells, dendritic cells, and macrophages by and between FCDI and Century Inc., as assigned to Century and as may be amended."

1.2 **Amendment of Section 1.11**. Section 1.11 of the Agreement shall be amended and restated as follows:

""**Differentiation License Agreement**" means, collectively or individually as applicable to the context in which such term is used, the Exclusive Differentiation License Agreement and/or the Non-Exclusive Differentiation License Agreement."

1.3 **Amendment of Section 6.2(b).** Section 6.2(b) of the Agreement shall be amended and restated as follows:

"(b) Notwithstanding anything to the contrary herein:

(i) except as expressly otherwise provided in **Section 6.2(c)** with respect to the Selected Cell Lines (as defined below in **Section 6.2(c)**), FCDI shall remain the sole and exclusive owner of all right, title and interest in and to any and all Deliverables that are Reprogrammed iPS Cells or pluripotent Reprogrammed iPS Cell Derivative Materials (including, for the avoidance of doubt, any pluripotent Century Engineered Cells) and Century's rights with respect to any such Deliverables shall be limited to the use thereof in accordance with and subject to the Reprogramming License Agreement and the Differentiation License Agreement;

(ii) FCDI shall remain the sole and exclusive owner of all right, title and interest in and to the Licensed Patent Rights and the Licensed Technology and its retained rights pursuant to the Differentiation License Agreement including those pertaining to or embodied or incorporated in any Deliverables as to which Century shall have solely the rights granted in the Reprogramming License Agreement and the Differentiation License Agreement;

(iii) FCDI shall remain the sole and exclusive owner of all right, title and interest in and to any and all products, materials, tools, Know-How, and intellectual property rights therein and Patent Rights and other similar rights (e.g., copyright registrations) with respect thereto, that are:

(A) made, conceived, reduced to practice or otherwise discovered firstly by its employees, consultants or other contractors, or agents outside of the course of the performance of the Services and without use of, reference to or incorporation of Century's Confidential Information,

(B) improvements, variations, modifications or enhancements of anything described in this sentence that are first made, conceived, reduced to practice or otherwise discovered by, or on behalf of, FCDI after the Effective Date in the course of FCDI's performance of the Services (other than as explicitly set forth in an SOW) and that do not use or incorporate any of Century's Confidential Information and that are useful for, and to be practiced in, the development, manufacture or commercialization of iPSCs (including TiPSC) (derived by any reprogramming method) or any one or more iPSC derived cell(s) other than solely iPSC (including TiPSC)-derived T cells, NK cells, dendritic cells, or macrophages; or

(C) third party intellectual property rights in licensed or otherwise acquired by FCDI independent of this Agreement ("**FCDI Technology**").

For the avoidance of doubt, FCDI shall remain the sole and exclusive owner of all right, title and interest in any and all products, materials, tools, Know-How, and any and all improvements, variations, modifications or enhancements of any of the foregoing, that are made, conceived, reduced to practice or otherwise discovered firstly by its employees, consultants or other contractors, or agents outside of the course of the performance of the Services (and accordingly are not funded in whole or in part by Century) and without use of, reference to or incorporation of Century's Confidential Information, and any and all intellectual property rights therein and Patent Rights and other similar rights (e.g., copyright registrations) with respect thereto. FCDI hereby grants, in addition to the rights thereto granted under the Reprogramming License Agreement and/or Differentiation License Agreement (i.e., to the extent a license under the FCDI Technology to do (I) and (II) below is not already granted thereunder), to Century a nonexclusive, perpetual, irrevocable, fully paid-up. royalty-free, sublicensable (through multiple tiers), worldwide license under all FCDI Technology described in **Section 6.2(b)(iii)(B)** pertaining to or embodied within the Deliverables, (I) to fully exploit any product or service based on, embodying, incorporating, or derived from the Deliverables that are owned by Century, and (II) to exercise any and all other present or future rights in the Deliverables for any and all purposes (excluding, for the avoidance of doubt, any rights under the Licensed Patent Rights, the Licensed Know-How or FCDI Technology as to which Century shall have solely the rights granted under the Reprogramming License Agreement and/or Differentiation License Agreement or otherwise expressly granted herein) or to fully Exploit the Licensed Products and any product or service described in either of the immediately preceding clauses (I) and (II) of this sentence."

Article 2. MISCELLANEOUS

2.1 **Notice.** Pursuant to, and in accordance with Section 10.5 of the Agreement, as of the Amendment No. 5 Effective Date, each Party's contact information is as follows:

If to CDI:

FUJIFILM Cellular Dynamics, Inc.
465 Science Drive

Madison, WI 53711
Attention: Director, Intellectual Property
Email: fcdi-licensing@cellulardynamics.com

With a copy to:

FUJIFILM Cellular Dynamics, Inc.
465 Science Drive
Madison, WI 53711
Attention: General Counsel

and

Email: legaldepartment@fujifdm.com

If to Century:

Century Therapeutics, Inc.
25 N. 38th Street, 11th Floor
Philadelphia, PA 19104
Attention: General Counsel
Email: legal@centurytx.com

2.2 **Capitalized Terms.** Capitalized terms used, but not otherwise defined herein, shall have the meanings assigned to them in the Agreement.

2.3 **No Other Amendments.** Except as expressly set forth in this Amendment No. 5, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

2.4 **Counterparts and Signatures.** This Amendment No. 5 may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument. Signatures to this Amendment No. 5 transmitted by facsimile transmission, by electronic mail in "portable document format" (".pdf') form, or by any other electronic means intended to preserve the originals graphic and pictorial appearance of a document, shall have the same effect as physical delivery of the paper document bearing the original signatures, and shall be deemed original signatures by both Parties.

[*remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 5 as of the Amendment No. 5 Effective Date.

FUJIFILM CELLULAR DYNAMICS, INC.	**CENTURY THERAPEUTICS, INC.**
By: /s/Tomoyuki Hasegawa	By: /s/Greg Russotti
Name: Tomoyuki Hasegawa	Name: Greg Russotti, Ph.D.
Title: President and Chief Executive Officer	Title: Interim Chief Executive Officer

SECOND AMENDMENT
TO
LICENSE AGREEMENT

This Second Amendment to License Agreement (the "**Second Amendment**") is made and effective as of September 22, 2023 (the "**Second Amendment Effective Date**") between Century Therapeutics, Inc. (f/k/a Century Therapeutics, LLC), a Delaware corporation ("**Century**") having a principal place of business at 3675 Market Street, Philadelphia, PA 19104 USA, and FUJIFILM Cellular Dynamics Inc., a Wisconsin corporation ("**CDI**") having an address at 525 Science Drive, Madison, WI 53711 USA, and amends the License Agreement by and between Century (as assignee of Century Therapeutics, Inc. ("**Century Inc.**")) and CDI dated September 18, 2018 (as amended, the "**License Agreement**"). All capitalized terms used but not otherwise defined herein shall have the meaning set forth in the License Agreement.

RECITALS

WHEREAS, on September 18, 2018, Century Inc. and CDI entered into the License Agreement;

WHEREAS, pursuant to the License Agreement CDI granted Century Inc. an exclusive license under the Licensed Patent Rights to Exploit the Licensed Products in the Field in the Territory;

WHEREAS, Century Inc. assigned all of its rights and obligations under the License Agreement to Century;

WHEREAS, certain terms of the License Agreement were modified as set forth in that certain First Amendment to the License Agreement dated as of March 23, 2021, by and between CDI and Century ("**First Amendment**") and, with respect to the BMS Collaboration Agreement (as defined in such letter agreement), as set forth in a certain letter agreement effective as of January 7, 2022 between Century and CDI (the "**BMS Collaboration Letter Agreement**");

WHEREAS, pursuant to, and in accordance with, Section 10.6 of the License Agreement, Century and CDI desire that the License Agreement be amended as set forth herein.

THEREFORE, in consideration of the mutual covenants and conditions set forth in this Second Amendment, it is agreed as follows:

1. Amendments to the License Agreement.

1.1. Section 1.34 of the License Agreement shall be amended and restated as follows:

"**Licensed Product**" means cancer immunotherapy products (for the treatment of cancer in humans) consisting of cells that are or are modifications of T cells, NK cells, dendritic cells, macrophages, and monocytes derived from human iPSC (including TiPSC). For the sake of clarity, such "modifications" exclude materials or substances extracted, isolated from, or secreted by, such modified or unmodified cells.

1.2. Section 1.19 of the License Agreement shall be amended and restated as follows:

"**Exploit**" or "**Exploitation**" means, with respect to a particular Licensed Product or CDI CDMO Product, as the case may be, to make, have made, use, have used, manufacture, have manufactured,

sell, have sold, offer for sale, have offered for sale, import, have imported, export and have exported, including to research, develop, commercialize or otherwise exploit such Licensed Product or CDI CDMO Product.

1.3. After giving effect to the amendments contemplated in Sections 1.1 and 1.2 above, Article 1 of the License Agreement shall be amended to add the following definitions, in appropriate alphabetical and numerical order, and the section numbers of Article 1 of the License Agreement and all cross references thereto in the License Agreement are hereby updated to reflect the addition of such defined terms:

"**CDI CDMO Customer**" means a Third Party who receives CDI CDMO Services and cells or other deliverables generated in the performance of CDI CDMO Services.

"**CDI CDMO Services**" means contract services provided by or on behalf of CDI to research, develop or manufacture CDI CDMO Products for any Third Party.

"**CDI CDMO Product**" means products for the treatment of diseases in humans, including products consisting of cells that are or are modifications of T cells, NK cells, dendritic cells, macrophages or monocytes. For the sake of clarity, such "modifications" exclude materials or substances extracted, isolated from, or secreted by, such modified or unmodified cells.

"Non-Exclusive Differentiation License Agreement" means a certain agreement entered into between the Parties on September 22, 2023 under which CDI grants a non-exclusive license to Century under certain patent rights and know-how related to human iPSC-derived T cells, NK cells, dendritic cells, macrophages and monocytes under the terms and conditions set forth therein and as may be amended.

1.4. Section 2.2(d) of the License Agreement shall be amended and restated as follows:

"(d) a fully paid-up, non-exclusive, non-transferable (except in accordance with Section 10.3), sublicensable (with the ability to sublicense through multiple tiers) worldwide license under the Century Licensed Technology and Century Manufacturing Technology for manufacturing and process development activities outside of the Field for any cell type."

1.5. Section 2.6(a) of the License Agreement shall be amended and restated as follows:

"(a) For the avoidance of doubt and notwithstanding anything to the contrary in this Agreement, CDI retains the right to use and practice the Licensed Technology (i) to Exploit the Licensed Products in the Field outside the Territory, (ii) to Exploit the Licensed Products outside the Field, (iii) to manufacture and have manufactured the Licensed Products in the Field anywhere in the world, and (iv) for CDI CDMO Services. For the avoidance of doubt and notwithstanding anything to the contrary in this Agreement, CDI also retains the right to license the Licensed Technology to CDI CDMO Customers for the Exploitation of CDI CDMO Products by CDI CDMO Customers with the right to sublicense (with the ability to sublicense through multiple tiers) such rights."

2. Notice. Pursuant to, and in accordance with Section 10.2 of the License Agreement, as of the Second Amendment Effective Date, each Party's contact information is as follows:

If to CDI:

FUJIFILM Cellular Dynamics, Inc.
465 Science Drive

Madison, WI 53711
Attention: Director, Intellectual Property
Email: fcdi-licensing@cellulardynamics.com

With a copy to:

FUJIFILM Cellular Dynamics, Inc.
465 Science Drive
Madison, WI 53711
Attention: General Counsel

and

Email: legaldepartment@fujifilm.com

If to Century:

Century Therapeutics, Inc.
25 N. 38th Street, 11th Floor
Philadelphia, PA 19104
Attention: General Counsel
Email: legal@centurytx.com

3. Miscellaneous.

3.1. Effect of this Second Amendment. This Second Amendment amends the terms of the License Agreement, as previously amended, and is deemed incorporated into, and governed by all other terms of, the License Agreement. To the extent that the License Agreement is explicitly amended by this Second Amendment, the terms of this Second Amendment will control where the terms of the License Agreement are contrary to or conflict with the terms of this Second Amendment. All other terms and conditions of the License Agreement not explicitly amended by this Second Amendment shall remain in full force and effect. The License Agreement shall, together with the First Amendment and this Second Amendment, be read and construed as a single instrument.

3.2. Counterparts. This Second Amendment may be signed in any number of counterparts, including facsimile copies thereof or electronic scan copies thereof delivered by electronic mail, each of which shall be deemed an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[*remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the Parties have executed this Second Amendment as of the Second Amendment Effective Date.

CENTURY THERAPEUTICS, INC.

By: /s/ Greg Russotti, Ph.D.
Name: Greg Russotti, Ph.D.
Title: Interim Chief Executive Officer

FUJIFILM CELLULAR DYNAMICS INC.

By: /s/ Tomoyuki Hasegawa
Name: Tomoyuki Hasegawa
Title: President and Chief Executive Officer

[*Signature page to Second Amendment to License Agreement*]

Exhibit 31.1

CERTIFICATION

I, Gregory Russotti, 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 9, 2023

/s/ Gregory Russotti, Ph.D.
Gregory Russotti, Ph.D.
Interim President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Michael Diem, 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 9, 2023

/s/ Michael Diem, M.D.
Michael Diem, M.D.
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, 2023, 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 9, 2023

/s/ Gregory Russotti, Ph.D.
Gregory Russotti, Ph.D.
Interim President and 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, 2023, 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 9, 2023

/s/ Michael Diem, M.D.
Michael Diem, M.D.
Chief Financial Officer
(Principal Financial Officer)