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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, 2026

OR

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

For the transition period from _____ to _____

Commission File Number: 001-40498

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, 12th 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 Capital Market

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 5, 2026 the registrant had 181,597,002 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 early preclinical and clinical nature of our business and our ability to successfully advance our current and future product candidates, through development activities, nonclinical 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;
- the novelty of our approach to immuno-oncology and autoimmune treatments, utilizing induced pluripotent stem cell (“iPSC”) derived immune cells and islet cells, and the challenges we will face due to the novel nature of such technology;
- the success of competing therapies that are or may become available;
- the initiation, progress, success, cost, and timing of our development activities, nonclinical studies and clinical trials;
- the timing of investigational new drug (“IND”) applications and the likelihood of, and our ability to obtain and maintain, regulatory clearance of IND applications for our product candidates;
- the timing, scope and likelihood of regulatory filings and approvals, including final regulatory approval of our product candidates;
- 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 and autoimmune therapies and its potential impact on public perception of our company and product candidates;
- our ability to successfully commercialize our product candidates and develop sales and marketing capabilities, if our product candidates are approved;
- the size and growth of the potential markets for our product candidates and our ability to serve those markets;
- regulatory developments and approval pathways in the United States and foreign countries for our product candidates;
- the potential scope and value of our intellectual property and proprietary rights;
- our ability, and the ability of our licensors, to obtain, maintain, defend, and enforce intellectual property and proprietary rights protecting our product candidates, and our ability to develop and commercialize our product candidates without infringing, misappropriating, or otherwise violating the intellectual property or proprietary rights of third parties;
- our ability to recruit and retain key members of management and other clinical and scientific personnel;
- the volatility of capital markets and other macroeconomic factors, including due to inflationary pressures, banking instability, global health crises, geopolitical tensions or the outbreak of hostilities or war;
- developments relating to our competitors and our industry; and
- other risks and uncertainties, including those described or incorporated by reference under the caption “Risk Factors” in this Quarterly Report on Form 10-Q.

We have based these forward-looking statements largely on our current expectations, estimates, forecasts, and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, and financial needs. In light of the significant uncertainties in these forward-looking statements, you should not rely upon forward-looking statements as predictions of future events. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Quarterly Report on Form 10-Q, we cannot guarantee that the future results, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur at all. You should refer to the section titled “Risk Factors” set forth in Part II, Item 1A of this Quarterly Report on Form 10-Q, the section titled “Risk Factors” set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025 and the section titled “Risk Factors” set forth in Part II, Item 1A of our subsequent Quarterly Reports on Form 10-Q for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements.

Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. Except as required by law, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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

PART I—FINANCIAL INFORMATION

Item 1. Unaudited Consolidated Financial Statements.

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

	September 30, 2026 (unaudited)	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 45,016	$ 61,853
Short-term investments	72,185	55,261
Prepaid expenses and other current assets	5,512	3,655
Total current assets	122,713	120,769
Property and equipment, net	32,832	50,026
Operating lease right-of-use assets	13,394	16,139
Restricted cash	2,359	2,359
Long-term investments	56,924	—
Intangible assets	34,200	34,200
Security deposits and non-current assets	204	211
Total assets	**$ 262,626**	**$ 223,704**
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 2,983	$ 4,773
Accrued expenses and other liabilities	11,062	11,676
Contingent consideration liability, short-term	—	3,757
Deposit liability	—	20
Total current liabilities	**14,045**	**20,226**
Operating lease liability, long term	33,647	40,241
Other long-term liabilities	666	—
Deferred tax liability	4,301	4,301
Total liabilities	**52,659**	**64,768**
Common stock, $0.0001 par value, 450,000,000 shares authorized at September 30, 2026 and 300,000,000 shares authorized at December 31, 2025; 181,243,059 and 87,519,096 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	18	9
Additional paid-in capital	1,082,652	950,814
Accumulated deficit	(871,565)	(791,917)
Accumulated other comprehensive (loss) income	(1,138)	30
Total stockholders' equity	**209,967**	**158,936**
Total liabilities and stockholders' equity	**$ 262,626**	**$ 223,704**

See accompanying notes to the consolidated financial statements.

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

	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Collaboration revenue	$ —	$ —	$ —	$ 109,164
Operating expenses				
Research and development	18,060	22,526	54,760	75,972
General and administrative	7,146	6,835	19,512	23,047
Loss on lease component termination	—	—	11,145	—
Impairment of long-lived assets	—	6,763	—	6,763
Total operating expenses	25,206	36,124	85,417	105,782
Income (loss) from operations	(25,206)	(36,124)	(85,417)	3,382
Interest income	1,753	1,605	5,754	6,037
Other income	—	97	15	172
Total other income	1,753	1,702	5,769	6,209
Net income (loss)	**$ (23,453)**	**$ (34,422)**	**$ (79,648)**	**$ 9,591**
Net income (loss) per common share, basic	(0.11)	(0.40)	(0.39)	0.11
Net income (loss) per common share, diluted	(0.11)	(0.40)	(0.39)	0.11
Weighted average common shares outstanding, basic	206,438,860	86,464,066	201,944,356	86,312,863
Weighted average common shares outstanding, diluted	206,438,860	86,464,066	201,944,356	86,390,294
Other comprehensive income (loss)				
Net income (loss)	$ (23,453)	$ (34,422)	$ (79,648)	$ 9,591
Unrealized loss on investments	(444)	(19)	(1,168)	(260)
Comprehensive income (loss)	$ (23,897)	$ (34,441)	$ (80,816)	$ 9,331

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	Accumulated	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Capital	Deficit	Income (Loss)	Equity
Balance, December 31, 2025	**87,519,096**	**$ 9**	**$ 950,814**	**$ (791,917)**	**$ 30**	**$ 158,936**
Issuance of common stock upon the exercise of stock options and 2021 ESPP	202,326	—	202	—	—	**202**
Vesting of restricted stock units	350,326	—	—	—	—	**—**
Issuance of common stock, warrants and pre-funded warrants, net of issuance costs of $8,588	92,030,595	9	126,412	—	—	**126,421**
Unrealized loss on investments	—	—	—	—	(615)	**(615)**
Stock-based compensation	—	—	1,445	—	—	**1,445**
Net loss	—	—	—	(21,645)	—	**(21,645)**
Balance, March 31, 2026	**180,102,343**	**$ 18**	**$ 1,078,873**	**$ (813,562)**	**$ (585)**	**$ 264,744**
Issuance of common stock upon the exercise of stock options and 2021 ESPP	207,761	—	347	—	—	**347**
Vesting of restricted stock units	237,352	—	—	—	—	**—**
Additional issuance costs related to the issuance of common stock, warrants and pre-funded warrants	—	—	(37)	—		**(37)**
Unrealized loss on investments	—	—	—	—	(109)	**(109)**
Stock-based compensation	—	—	1,950	—	—	**1,950**
Net loss	—	—	—	(34,550)	—	**(34,550)**
Balance, June 30, 2026	**180,547,456**	**$ 18**	**$ 1,081,133**	**$ (848,112)**	**$ (694)**	**$ 232,345**
Issuance of common stock upon the exercise of stock options and 2021 ESPP	72,514	—	76	—	—	**76**
Vesting of restricted stock units	623,089	—	—	—	—	**—**
Unrealized loss on investments	—	—	—	—	(444)	**(444)**
Stock-based compensation	—	—	1,443	—	—	**1,443**
Net loss	—	—	—	(23,453)	—	**(23,453)**
Balance, September 30, 2026	**181,243,059**	**$ 18**	**$ 1,082,652**	**$ (871,565)**	**$ (1,138)**	**$ 209,967**

	Common Stock		Additional Paid-in	Accumulated	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Capital	Deficit	Income (Loss)	Deficit
Balance, December 31, 2024	**85,836,429**	**$ 9**	**$ 943,366**	**$ (782,337)**	**$ 324**	**$ 161,362**
Issuance of common stock upon exercise of stock options and 2021 ESPP	116,488	—	120	—	—	**120**
Vesting of restricted stock	24,734	—	—	—	—	**—**
Vesting of early exercise stock options	11,321	—	84	—	—	**84**
Vesting of restricted stock units	157,077		(94)	—	—	**(94)**
Unrealized loss on investments	—	—	—	—	(19)	**(19)**
Foreign currency translation	—	—	—	—	—	**—**
Stock-based compensation	—	—	2,426	—	—	**2,426**
Net income	—	—	—	76,560	—	**76,560**
Balance, March 31, 2025	**86,146,049**	**$ 9**	**$ 945,902**	**$ (705,777)**	**$ 305**	**$ 240,439**
Vesting of restricted stock units	176,022	—	—	—	—	**—**
Unrealized loss on investments	—	—	—	—	(222)	**(222)**
Stock-based compensation	—	—	2,222	—	—	**2,222**
Net loss	—	—	—	(32,541)	—	**(32,541)**
Balance, June 30, 2025	**86,322,071**	**$ 9**	**$ 948,124**	**$ (738,318)**	**$ 83**	**$ 209,898**
Issuance of common stock upon the exercise of stock options and 2021 ESPP	105,773	—	—	—	—	—
Vesting of restricted stock units	99,923	—	—	—	—	—
Unrealized loss on investments	—	—	—	—	(19)	(19)
Stock-based compensation	—	—	891	—	—	891
Net loss	—	—	—	(34,422)	—	(34,422)
Balance, September 30, 2025	**86,527,767**	**$ 9**	**$ 949,015**	**$ (772,740)**	**$ 64**	**$ 176,348**

See accompanying notes to the consolidated financial statements.

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

	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Cash flows from operating activities		
Net income (loss)	$ (79,648)	$ 9,591
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	7,804	9,551
Non-cash operating lease expense (benefit)	936	1,485
Stock-based compensation	4,838	5,540
Impairment of long-lived assets	—	6,763
Accretion of investments	(430)	(2,008)
Change in fair value of contingent liabilities	(3,757)	385
Gain on reduction in lease liability due to lease termination	—	(1,395)
Loss on lease component termination	11,145	—
Change in operating assets and liabilities:		
Prepaid expenses and other assets	(1,668)	1,021
Operating lease liability	(2,922)	(3,579)
Deferred revenue	—	(109,164)
Accounts payable	(1,793)	(595)
Accrued expenses and other liabilities	(1,809)	(5,394)
Security deposit	(20)	—
Net cash used in operating activities	**(67,324)**	**(87,799)**
Cash flows from investing activities		
Acquisition of property and equipment	(1,813)	(987)
Sale of property and equipment	59	—
Acquisition of fixed maturity securities, available for sale	(157,970)	(35,575)
Sale of fixed maturity securities, available for sale	82,402	121,702
Net cash provided (used in) by investing activities	**(77,322)**	**85,140**
Cash flows from financing activities		
Proceeds from issuance of common stock and ESPP	625	120
Proceeds from PIPE, net of issuance costs	126,385	—
Net cash provided by financing activities	**127,010**	**120**
Net decrease in cash, cash equivalents, and restricted cash	**(17,636)**	**(2,539)**
Cash, cash equivalents and restricted cash, beginning of period	65,011	61,213
Cash, cash equivalents and restricted cash, end of period	**$ 47,375**	**$ 58,674**
Supplemental disclosure of cash and non-cash operating activities:		
Recognition of ROU asset and lease liability at lease commencement	5,245	—
Remeasurement of lease liability modification	(8,396)	(7,850)
Remeasurement of right-of-use asset modification	(7,054)	(6,455)

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 Type 1 diabetes and other autoimmune diseases. Since inception, the Company has devoted substantially all of its time and efforts to performing research and development activities, building infrastructure and raising capital. The Company is incorporated in the state of Delaware.

Principles of Consolidation

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

Liquidity

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

Since inception, the Company has incurred negative cash flows from operations and net losses in most periods. During the three and nine months ended September 30, 2026, the Company recognized a net loss of $23,453 and $79,648, respectively, and the Company used $67,324 of cash in operating activities during the nine months ended September 30, 2026. Cash and cash equivalents and investments were $174,125 at September 30, 2026. Management expects to incur additional losses in the future to fund its operations and conduct product research and nonclinical and clinical development and recognizes the need to raise additional capital to fully implement its business plan. The Company believes it has adequate cash and financial resources to operate for at least the next 12 months from the date of issuance of these consolidated financial statements.

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

Basis of presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and with the interim period reporting requirements of Form 10-Q and Article 10 of Regulation S-X. The consolidated balance sheet as of September 30, 2026, and the consolidated statements of operations and comprehensive income (loss) for the three and nine months ended September 30, 2026 and 2025, the consolidated statements of changes in stockholders' equity for the three and nine months ended September 30, 2026 and 2025, and the consolidated statements of cash flows for the nine months ended September 30, 2026 and 2025, 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, 2026 or for any other subsequent interim

period. The consolidated balance sheet as of December 31, 2025 has been derived from the Company's audited consolidated financial statements.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are primarily made in relation to the valuations supporting stock compensation, the estimation of the incremental borrowing rate for operating leases, and intangible assets acquired in business combinations. 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, 2026 and December 31, 2025, 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 original maturities of three months or less to be cash equivalents.

Restricted cash

As of September 30, 2026 and December 31, 2025, the Company had $2,359 and $3,158, respectively, in cash on deposit to secure certain lease commitments. Restricted cash is recorded separately in the Company's consolidated balance sheets.

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

	September 30, 2026	December 31, 2025
Cash and cash equivalents	$ 45,016	$ 61,853
Restricted cash	2,359	2,359
Restricted cash included in prepaid and other current assets	—	799
Cash, cash equivalents, and restricted cash	$ 47,375	$ 65,011

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 income (loss). The cost of securities sold is based on the specified identification method. Investment income is recognized as earned and discounts or premiums arising from the purchase of debt securities are recognized in investment income using the interest method over the remaining term of the security. Securities with an original maturity date greater than three months that mature within one year of the balance sheet date are classified as short-term, while investments with a maturity date greater than one year are classified as long-term.

Property and equipment, net

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

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

Research and development expenses

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

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

Stock-based compensation

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

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

Warrants

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.

Foreign currency translation

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

Basic and diluted net income (loss) per common share

Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding, including any pre-funded warrants to purchase shares of common stock that may be outstanding during the period. The Company computes diluted net income (loss) per common share by dividing the net income (loss) 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.

Acquisition-Related Contingent Consideration

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

Business Combinations

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

When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets. The Company utilizes commonly accepted valuation techniques, such as the income approach in establishing the fair value of intangible assets.

Intangible Assets

Indefinite-lived intangibles are carried at the initially recorded fair value less any recognized impairment. Indefinite-lived intangibles are tested at least annually for impairment. Impairment assessments are conducted more frequently if certain conditions exist, including a change in the competitive landscape, any internal decisions to pursue new or different technology strategies, or a significant change in the marketplace, including changes in the size of the market for the Company's products. In performing the impairment test, the Company estimates the fair value of the indefinite-lived intangible asset and compares it to the carrying value. If the carrying value exceeds the estimated fair value, the Company records an impairment loss for the difference. For the nine months ended September 30, 2026 and September 30, 2025, there were no impairment charges on the Company's indefinite-lived intangible assets.

Recent accounting pronouncements

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40) ("ASU 2024-03"). The ASU includes enhanced disclosure requirements, which mandate transparency in financial statements by requiring detailed disclosures of specific expenses like inventory purchases, employee compensation, depreciation, and intangible asset amortization. In January 2025, the FASB issued ASU 2025-01, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40) An Amendment of the FASB ASC, Clarifying the Effective Date, which clarifies that public business entities are required to adopt the ASU 2024-03 guidance in annual reporting periods beginning after December 15, 2026 and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of adopting this pronouncement on the Company's consolidated financial statements and disclosures.

Note 3—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, 2026 by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents	$ 37,443	—	—	37,443
U.S. Treasury	—	20,527	—	20,527
Corporate bonds	—	108,582	—	108,582
Total	$ 37,443	$ 129,109	$ —	$ 166,552

The following table sets forth the Company's assets and liabilities that were measured at fair value as of December 31, 2025, by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 58,030	—	—	$ 58,030
U.S. Treasury	—	4,606	—	4,606
Corporate bonds	—	50,655	—	50,655
Total	$ 58,030	$ 55,261	$ —	$ 113,291
Liabilities:				
Contingent consideration	—	—	3,757	3,757
Total	$ —	$ —	$ 3,757	$ 3,757

There were no transfers between levels during the period ended September 30, 2026. 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, 2026:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury	$ 20,670	—	(143)	20,527
Corporate bonds	109,524	1	(943)	108,582
Total	$ 130,194	$ 1	$ (1,086)	$ 129,109

The amortized cost, gross unrealized gains and losses, and fair value of investments in fixed maturity securities are as follows as of December 31, 2025:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury	$ 4,604	$ 2	$ —	$ 4,606
Corporate bonds	50,578	83	(6)	50,655
Total	$ 55,182	$ 85	$ (6)	$ 55,261

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

	September 30, 2026	December 31, 2025
Less than one year	$ 72,185	$ 55,261
One to five years	56,924	—
Total	$ 129,109	$ 55,261

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, 2026 and December 31, 2025, the Company had 142 and 17 available-for-sale investment debt securities in an unrealized loss position without an allowance for credit losses, respectively. Unrealized losses on corporate debt securities have not been recognized into income because the issuers' bonds are of high credit quality (rated BBB+ or higher) and the decline in fair value is largely due to market conditions and or changes in interest rates. Management does not intend to sell and it is likely that management will not be required to sell the securities prior to the anticipated recovery of their amortized cost basis. The issuers continue to make timely payments on the bonds. The fair value is expected to recover as the bonds approach maturity.

As of September 30, 2026 and December 31, 2025, accrued interest receivable on available-for-sale investment debt securities totaling $1,202 and $393, respectively, is excluded from the estimate of credit losses and is included in prepaid expenses and other current assets.

The following is a rollforward of the components of the Company's contingent consideration liability. See Note 7, "*Commitments and contingencies*."

	Milestone
Balance as of December 31, 2025	$ 3,757
Changes in fair value	(3,757)
Balance as of September 30, 2026	$ -

	Gadeta	Holdback Shares	Milestone	Total
Balance as of December 31, 2024	$ 413	$ 625	$ 7,700	$ 8,738
Changes in fair value	-	(254)	638	384
Balance as of September 30, 2025	$ 413	$ 371	$ 8,338	$ 9,122

The change in fair value is recorded as general and administrative expense. As of June 30, 2026, the clinical development milestone was not achieved and the earn-out period expired. As a result, the contingent consideration liability was derecognized. The following table includes quantitative information about the significant unobservable inputs for the components of the Company's contingent consideration liability as of December 31, 2025:

	December 31, 2025
Milestone:	
Probability adjusted value of payments	$ 4,000
Discount rate	11.2%
Discount period (years)	0.5

Note 4—Property and equipment, net

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

	September 30, 2026	December 31, 2025
Lab equipment	$ 26,097	$ 32,695
Leasehold improvements	47,212	61,647
Construction in progress	898	105
Computer software and equipment	2,454	2,958
Furniture and fixtures	1,372	1,221
Total	78,033	98,626
Less: Accumulated depreciation	(45,201)	(48,600)
Property and equipment, net	$ 32,832	$ 50,026

Depreciation expense was $2,185 and $7,804 for the three and nine months ended September 30, 2026, respectively, and $3,129 and $9,551 for the three and nine months ended September 30, 2025, respectively. In connection with the partial lease termination in June 2026, as disclosed in Note 8, the Company disposed of certain leasehold improvements, furniture, fixtures, and equipment associated with the facility for nominal consideration. The disposed assets had a gross carrying value of approximately $22,146 and related accumulated depreciation of approximately $11,001 as of the disposal date, which resulted in a loss on lease component termination of $11,145 within the consolidated statements of operations and comprehensive income (loss) during the nine months ended September 30, 2026.

Note 5—Accrued expenses and other liabilities

The following is a summary of accrued expenses:

	September 30, 2026	December 31, 2025
Payroll and bonuses	$ 4,344	$ 4,632
Accrued clinical trial related costs	1,011	2,125
Professional and legal fees	1,862	1,595
Operating lease liability, current	3,845	3,324
Total accrued expenses and other liabilities	$ 11,062	$ 11,676

Note 6—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 iPSC-natural killer cells (“iNK”) and induced T cell (“iT” cell) programs for hematologic malignancies and solid tumors (the “BMS Collaboration Agreement”). The BMS Collaboration Agreement was within the scope of ASC 808, Collaborative Arrangements, as both parties were active participants in the arrangement and are exposed to significant risks and rewards. While this arrangement was in the scope of ASC 808, the Company analogizes to ASC 606 for the accounting for the BMS 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.

Following an internal corporate portfolio prioritization process, Bristol-Myers Squibb notified the Company on December 12, 2024 that it would be terminating the BMS Collaboration Agreement in its entirety without

cause. The termination was effective on March 12, 2025. As a result of the notice of termination, the Company concluded that the research and development services being provided to Bristol-Myers Squibb were substantially complete as of December 31, 2024, and accordingly, the remaining transaction price allocated to that performance obligation was recorded in the fourth quarter of 2024. The remaining transaction price related to the license option rights, which represented a material right of $109,164 was recognized in the first quarter of 2025 when the option right expired upon the termination of the BMS Collaboration Agreement. There will be no future collaboration revenues recognized under the BMS Collaboration Agreement.

Note 7—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.

FCDI Agreements

The Company has a non-exclusive license agreement with FujiFilm Cellular Dynamics, Inc. (“FCDI”). The license provides the Company with certain patents and know-how related to the reprogramming of human somatic cells to iPSCs (the “Reprogramming License Agreement”). Under the Reprogramming License 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 has an exclusive license agreement with FCDI (the “Differentiation License Agreement”). The Differentiation License 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 (the “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 FCDI Collaboration Agreement to extend the term through September 30, 2025, and in September 2023, the Company amended the FCDI 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 provides certain agreed upon technology transfer, process development, analytical testing and Current Good Manufacturing Practice (“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 (the “FCDI Agreements”) pursuant to the Company’s Research Collaboration and License Agreement with Bristol-Myers Squibb. Pursuant to the Letter Agreement, and in consideration for amending the FCDI Agreements, the Company paid to FCDI an upfront payment of $10,000 and will pay FCDI (i) a percentage of any milestone payments received by the Company under the FCDI Collaboration Agreement in respect of achievement of development or regulatory milestones specific to Japan, and (ii) a percentage of all royalties received by the Company under the FCDI Collaboration Agreement in respect of sales of products in Japan.

In September 2023, the Company and FCDI entered into a worldwide license agreement whereby FCDI will grant non-exclusive licenses to the Company for certain patent rights and know-how related to cell differentiation and reprogramming for the development and commercialization of iPSC-derived therapies for the treatment of inflammatory and autoimmune diseases (the “Autoimmune License”). In addition, the

Company and FCDI entered into an amendment to each of the Reprogramming License Agreement and the Differentiation License Agreement to expand the licenses related to the development and commercialization of iPSC-derived cancer immunotherapeutic to also include inflammatory and autoimmune diseases. Under the terms of these agreements, FCDI will be eligible to receive certain development and regulatory milestone payments as well as low single-digit royalties related to products developed in connection with such agreements.

During the three and nine months ended September 30, 2026, the Company did not make any cash payments nor incur research and development expenses related to the FCDI agreements.

During the three and nine months ended September 30, 2025, the Company made payments of $9 and $1,924 and incurred research and development expenses of $981 and $5,152, respectively, recorded within research and development expenses in its consolidated statements of operations and comprehensive income (loss).

Distributed Bio Master Service Agreement

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

During the three and nine months ended September 30, 2026, the Company did not make any cash payments nor incur research and development expenses related to the Master Service Agreement. The Company incurred $0 and $6 during the three and nine months ended September 30, 2025, respectively.

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 for 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 as of September 30, 2026 or December 31, 2025.

Clade Therapeutics

In connection with the acquisition of Clade in 2024, the Company was subject to a contingent milestone payment to the shareholders of Clade. As the clinical milestone was not achieved as of the milestone date, the Company derecognized the contingent liability in the second quarter of 2026 which resulted in a gain within general and administrative expense on the consolidated statements of operations and comprehensive income (loss) of $3,757 for the nine months ended September 30, 2026.

Catalent Dusseldorf GmbH

On December 12, 2022, Clade entered into a non-exclusive license agreement with Catalent Dusseldorf GmbH (“Catalent”), which was subsequently amended in March 2026, pursuant to which Catalent granted Clade a worldwide, non-exclusive, non-transferrable, royalty-bearing license under all rights owned or controlled by Catalent to one of its GMP-grade iPSC cell lines derived from human cord blood CD34+ cells, to develop, have developed, make, have made, use, have used, sell, offer for sale, have sold, distribute, have distributed, import, have imported and otherwise exploit or have exploited cell therapy products. The license (as amended, the “Catalent License”), permits the genetic modification of the licensed cell line and the development and commercialization of resulting cell therapy products for any indication. The Company has a right to use the Catalent License as a result of the Company’s acquisition of Clade.

Under the Catalent License, the Company may grant sublicenses to third parties to develop, manufacture and commercialize resulting products, but the Company may not sublicense the original cell line itself. Catalent retains ownership of the original cell line, and the Company owns the modified cells and resulting products that the Company makes from the original cell line, subject to certain restrictions and limited rights granted back to Catalent.

In consideration for the rights granted, Clade paid Catalent an upfront fee. The Company is also required to pay certain product-by-product milestone payments upon the achievement of certain development and regulatory milestones up to an aggregate of $16,200 or $12,150 depending on the product. The Company additionally agreed to pay royalties equal to a low single digit percentage of net sales of each product during a defined royalty term, after which royalty term the license automatically becomes fully paid-up, perpetual, irrevocable and royalty-free. The Company also agreed to pay annual minimum fees during a defined period, with milestone payments and royalties paid in a calendar year creditable against the annual minimum fees payable for the same calendar year.

The agreement remains in effect until terminated and may be terminated by the Company for convenience upon prior written notice or by either party for material breach, subject to specified cure periods. Certain provisions, including payment obligations, indemnification obligations and confidentiality obligations, survive termination. During both the three and nine months ended September 30, 2026, the Company made payments of $450 and incurred $450 in research and development expenses. During the three and nine months ended September 30, 2025, no expenses were incurred nor payments made related to the Catalent License.

Memorial Sloan-Kettering

In connection with the acquisition of Clade in 2024, the Company acquired rights under an Exclusive License Agreement entered into in August 2023 with Memorial Sloan-Kettering Cancer Center, Memorial Hospital for Cancer and Allied Diseases, and Sloan-Kettering Institute for Cancer Research (collectively “MSK”) (the “MSK Agreement”), under which MSK granted Clade a sublicensable, fee-paying and royalty-bearing license to commercially develop or exploit the licensed patent rights and licensed know-how (as defined in the MSK Agreement) related to MSK technology. The Company is required to pay certain product-by-product milestone payments to MSK upon the achievement of certain development and regulatory milestones up to an aggregate of $86,500 or $43,250 depending on the product. The Company also agreed to pay MSK royalties on a licensed product-by-licensed product and country-by-country basis equal to a low single digit percentage of net sales of each product during a defined royalty term, subject to a guaranteed minimum royalty payment per year, after which royalty term the license automatically becomes fully paid-up, perpetual, irrevocable and royalty-free.

During both the three and nine months ended September 30, 2026, the Company did not make any payments related to the MSK Agreement. At September 30, 2026, $250 was included in Accounts payable on the balance sheet, and the Company incurred $250 in research and development expenses during both the three and nine months ended September 30, 2026. During the three and nine months ended September 30, 2025, no expenses were incurred nor payments made related to the MSK Agreement.

Lease Guaranty

In connection with the surrender of a leased floor within the Company’s Philadelphia, Pennsylvania headquarters as described in Note 8, the Company executed a guaranty (the “Lease Guaranty”) in favor of the landlord of the payment obligations of the replacement tenant, an unrelated third party, related to a new direct lease between the landlord and that tenant for the floor. The Lease Guaranty covers the replacement tenant's base rent and its pro rata share of operating expenses for the floor, together with the landlord's enforcement costs. The Lease Guaranty runs through March 2034, concurrent with the replacement tenant's payment obligations.

The maximum potential future undiscounted payments the Company may be obligated to make under the Lease Guaranty, including base rent and property operating costs, are approximately $14,949, which is not reduced by any amounts that may be recovered under the recourse provisions described below. Guaranteed base rent payments begin December 1, 2026 following the replacement tenant's rent abatement period. The Company would be required to perform under the Lease Guaranty only upon nonpayment by the replacement tenant of its obligations. Based on the Company's assessment of the replacement tenant's financial condition, the Company considers the likelihood of being required to perform under the guarantee to be remote.

At inception, the Company recognized a liability of $666 for the estimated fair value of the Lease Guaranty, which is included in other long-term liabilities. The estimated fair value was based on a low probability of expected performance on the guarantee, discounted over the term of the guarantee period. No contingent loss has been accrued because a loss under the guaranty is not considered probable. The Company will reduce the liability on a systematic and rational basis as it is released from risk over the term of the guaranty.
The replacement tenant has provided the Company an indemnification agreement under which it agrees to reimburse the Company for amounts the Company pays under the Lease Guaranty. The Company will recognize any recovery under the indemnification agreement as an asset only when a loss under the Lease Guaranty is incurred and recovery is probable and reasonably estimable. To date, no such asset has been recognized.

Note 8—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 $95 and $211 within security deposits and non-current assets in its consolidated balance sheets at September 30, 2026 and December 31, 2025, respectively.

In June 2026, the Company executed a Third Amendment to its lease for office and laboratory space for its headquarters in Philadelphia, Pennsylvania. Under the Third Amendment, effective June 15, 2026, the Company (i) surrendered and terminated its lease of the 11th floor (31,734 rentable square feet), (ii) paid the landlord a termination fee of $451, and (iii) continued to lease the 12th and 13th floors under a revised base rent through March 2034. The Company accounted for the surrender of the 11th floor as partial lease termination and the changes to the 12th and 13th floors as a modification that was not a separate contract, remeasuring the related lease liabilities using discount rates determined at the effective date and adjusting the corresponding right-of-use assets. Pursuant to the lease modification rules, any consideration paid or to be paid in connection with the partial lease termination was allocated to the remaining lease components.

The Company also sold equipment and leasehold improvements to the replacement tenant that signed a separate lease agreement with the landlord for nominal consideration, which resulted in a loss on lease component termination of $11,145 during the second quarter of 2026.

In September 2025, the Company executed a series of lease modifications with the same landlord that resulted in the early termination of its leases in Seattle, WA ("Seattle") and Boston, MA ("Boston"). Concurrently, the Company entered into a new lease agreement in Watertown, MA ("Watertown"), set to begin upon the termination of the Boston lease. The Seattle lease was terminated on December 31, 2025, while the Boston lease was terminated on January 27, 2026, aligning with the commencement date of the Watertown lease. As a result of these lease modifications, the Company recorded a reduction of its right-of-use assets of $6,455 and lease liabilities totaling $7,850, which resulted in the recognition of a gain of $1,395 in the third quarter of 2025 related to the Seattle lease which had previously been impaired.

The Watertown lease commenced on January 27, 2026 and the Company recognized $5,245 of right-of-use asset and lease liability, upon the commencement of the lease.

The Company's leases have initial lease terms ranging from 5 to 16 years. Certain lease agreements contain provisions for future rent increases. Variable lease costs generally include common area maintenance and real estate taxes.

Following the reduction in force that occurred in July 2025, the Company evaluated the right-of-use asset for impairment as a result of this change in strategy and recorded an impairment charge of $6,763 during the third quarter of 2025.

The following table reflects the components of lease expense:

	For the Three Months Ended September 30, 2026	For the Three Months Ended September 30, 2025	For the Nine Months Ended September 30, 2026	For the Nine Months Ended September 30, 2025
Operating lease expense:				
Fixed lease cost	$ 1,167	$ 2,599	$ 4,381	$ 6,079
Variable lease cost	701	697	2,667	2,086
Gain on lease modification	—	(1,395)	—	(1,395)
Total operating lease expense	$ 1,868	$ 1,901	$ 7,048	$ 6,770

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

	Location in Balance Sheet	As of September 30, 2026	As of December 31, 2025
Operating lease right-of-use asset, net	Operating lease right-of-use assets	$ 13,394	$ 16,139
Operating lease liability, current	Accrued expenses and other liabilities	3,845	3,324
Operating lease liability, long-term	Operating lease liability, long-term	33,647	40,241
Total operating lease liability		$ 37,492	$ 43,565

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

	As of September 30, 2026	As of December 31, 2025
Weighted-average remaining lease terms - operating leases	7.2 years	7.0 years
Weighted-average discount rate - operating leases	10.7 %	10.2 %

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

	For the Nine Months Ended September 30, 2026	For the Nine Months Ended September 30, 2025
Operating cash flows from operating leases	$ (2,922)	$ (3,579)

The following table reflects future minimum lease payments under noncancelable leases as of September 30, 2026:

	Operating Leases
2026	$ 2,087
2027	7,392
2028	7,586
2029	7,786
2030	7,991
Thereafter	20,812
Total lease payments	53,654
Less: Imputed interest	(16,162)
Total	$ 37,492

Note 9—Income taxes

During the nine months ended September 30, 2026 and 2025, the Company recorded no income tax benefits for the net operating losses incurred or for the research and development tax credits generated in the U.S. due to its uncertainty of realizing a benefit from those items.

The 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 utilized 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, 2026, the Company has recorded a full valuation allowance against its net deferred tax assets, exclusive of its deferred tax liability on in-process research and development ("IPR&D") in the U.S.

Note 10—Basic and diluted net income (loss) per common share

The Company's potentially dilutive securities, which include Restricted Stock Units ("RSUs"), restricted stock, warrants, and stock options to purchase shares of the Company's common stock, have been included in the computation of dilutive net income (loss) per share as applicable. 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 income (loss) per share for the three and nine months ended September 30, 2026 and 2025 because including them would have an anti-dilutive effect.

	Three and Nine Months Ended	
	September 30, 2026	September 30, 2025
Stock options to purchase common stock	10,741,030	9,399,774
Unvested restricted stock units	6,194,219	6,627,998
Warrants	58,727,657	32,009
Total	75,662,906	16,059,781

Note 11—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. During the three and nine months ended September 30, 2026, the Company made $353 and $728, respectively, in contributions under the 401(k) Plan. During the three and nine months ended September 30, 2025, the Company made $283 and $912, respectively, in contributions under the 401(k) Plan. Contribution expense has been recognized in the consolidated statements of operations for each period.

Note 12—Stock-based compensation

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

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

Upon adoption of the 2021 Incentive Plan, the Company was authorized to issue 5,481,735 shares of Common Stock under the 2021 Incentive Plan (which represents 5,640,711 shares of Common Stock initially available for grant under the 2021 Incentive Plan less 158,976 shares of Common Stock reserved for issuance upon the exercise of previously granted stock options that remain outstanding under the 2018 Incentive Plan). The number of shares of common stock initially reserved for issuance under the 2021 Incentive Plan shall be increased, upon approval by the Board of Directors, on January 1, 2022 and each January 1 thereafter, in an amount equal to the least of (i) five percent (5%) of the outstanding common stock on the immediately preceding December 31, or (ii) such number of common stock determined by the Board of Directors no later than the immediately preceding December 31. For 2026, the 2021 Incentive Plan reserved shares were increased under clause (i) by 4,375,955 shares, effective as of January 1, 2026. As of September 30, 2026, there were 4,376,830 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.

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

As of September 30, 2026, the Company had reserved shares of common stock for issuance as follows:

	Shares
Options and RSUs issued and outstanding	16,935,249
Shares available for future stock option and RSU grants	4,376,830
Shares available for employee stock purchase plan	528,322
Total	21,840,401

The shares of Common Stock available under the 2021 Incentive Plan as of September 30, 2026 are as follows:

	Shares
Balance December 31, 2025	4,175,446
Shares reserved for issuance	4,375,955
Options granted	(3,867,741)
RSUs granted	(2,264,543)
Options and RSUs forfeited / cancelled	1,957,713
Balance September 30, 2026	4,376,830

Stock Options

The following table summarizes stock option activity for the nine month period ended September 30, 2026:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding January 1, 2026	9,105,976	$ 4.30	5.75	$ 649
Granted	3,867,741	1.94	—	—
Exercised	(371,415)	1.49	—	88
Forfeited	(145,137)	2.32	—	37
Cancelled	(1,716,135)	8.63	—	4
Outstanding, September 30, 2026	10,741,030	$ 5.19	7.52	$ 1,995
Exercisable at September 30, 2026	5,301,322	$ 5.16	5.97	$ 991

The weighted average grant date fair value of awards for options granted during the nine months ended September 30, 2026 was $1.27. As of September 30, 2026, there was $5,950 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 2.86 years. The aggregate intrinsic value of options vested and exercisable as of September 30, 2026 and 2025 is calculated based on the difference between the exercise price and the fair value of our common stock. The intrinsic value of options exercised in 2026 and 2025 was $88 and $37, respectively.

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

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

	September 30, 2026	December 31, 2025
Expected dividend rate	—	—
Expected option term (years)	6.00	6.03
Expected volatility	82.72 %	79.28 %
Risk-free interest rate	3.65 %	3.96 %

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

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Research and development	$ 772	$ 562	$ 2,432	$ 3,636
General and administrative	671	329	2,406	1,903
Total stock-based compensation	$ 1,443	$ 891	$ 4,838	$ 5,539

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

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Stock options	$ 715	675	2,612	$ 4,175
Restricted stock units	686	207	2,160	1,246
Restricted stock awards	—	—	—	40
Employee stock purchase plan	42	9	66	78
Total stock-based compensation	$ 1,443	891	4,838	$ 5,539

Restricted Stock Units

The following table summarizes RSU activity for the nine months ended September 30, 2026:

	Shares	Weighted Average Grant Date Fair Value
Total Unvested December 31, 2025	5,645,957	$ 0.85
Granted	2,264,543	1.89
Forfeited	(96,441)	1.57
Vested	(1,619,840)	1.09
Total Unvested September 30, 2026	6,194,219	$ 1.15

As of September 30, 2026, there was $5,742 of total unrecognized compensation expense related to the unvested restricted stock units with time-based vesting terms, which is expected to be recognized over a weighted average period of 2.74 years.

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, 2024, 2025 and 2026, the board waived the annual increase to the shares reserved under the ESPP. As of September 30, 2026, there were 528,322 shares available for issuance, under the ESPP.

Note 13—Common Stock

At-The-Market

The Company has a Sales Agreement (the "Sales Agreement"), with Cowen and Company, LLC, ("Cowen") to provide for the offering, issuance and sale of up to an aggregate amount of $150,000 of common stock from time to time in "at-the-market" offerings (the "ATM Program"). Shares of common stock pursuant to the ATM Program were previously made pursuant to the Company's shelf registration statement on Form S-3 (File No. 333-265975) (the "Prior Shelf"). Upon the expiration of the Prior Shelf, the Company filed a new shelf registration statement on Form S-3 (File No. 333-288616) (the "New Shelf"), which became effective in January 2026. The Company filed a prospectus supplement to the New Shelf for the ATM Program in March 2026. During the nine months ended September 30, 2026, and 2025, the Company did not have any sales in the ATM Program.

Private Placement Offering

On January 7, 2026, the Company entered into a securities purchase agreement with certain institutional accredited investors (the "2026 Investors"), pursuant to which the Company issued and sold to the 2026 Investors in a private placement (the "2026 Private Placement") (i) 92,030,595 shares of its common stock and accompanying warrants to purchase an aggregate of 58,695,648 shares of common stock (or pre-funded warrants in lieu thereof) and (ii) in lieu of common stock, to certain investors, pre-funded warrants to purchase an aggregate of up to 25,360,704 shares of its common stock and accompanying warrants to purchase 12,680,352 shares of common stock (or pre-funded warrants in lieu thereof), at an exercise price of $0.0001 per pre-funded warrant. The combined offering price of each share of common stock and accompanying common stock warrant was $1.15. The combined offering price of each pre-funded warrant and accompanying common stock warrant was $1.1499. The pre-funded warrants are exercisable immediately. Each common stock warrant has an exercise price per share of $2.60. The common stock warrants are exercisable from the date of issuance and will expire 30 days following the public announcement of initial Phase 1 clinical data for CNTY-813 or, if earlier, on the third anniversary of closing.

The 2026 Private Placement closed on January 9, 2026. The net proceeds received by the Company were approximately $126,400. The Company intends to use the net proceeds from the 2026 Private Placement to fund development of its lead product candidate, CNTY-813, and for working capital and other general corporate purposes.

The Company determined that each of the pre-funded warrants and common stock warrants are freestanding financial instruments that are legally detachable and separately exercisable from the common stock and from each other.

The Company evaluated both instruments under ASC 480, *Distinguishing Liabilities from Equity*, and concluded that neither represents an ASC 480 liability. Neither instrument (i) embodies an unconditional obligation to redeem by transferring assets, (ii) embodies an obligation to repurchase the Company's shares by transferring assets, or (iii) embodies an obligation settleable in a variable number of shares with a monetary value based predominantly on a fixed amount, variations in something other than the fair value of the Company's shares, or variations inversely related to the Company's share price.

The Company further evaluated whether the instruments meet the definition of a derivative under ASC 815. Both instruments meet the definition of a derivative; however, the Company concluded that they qualify for the scope exception in ASC 815-10-15-74(a) for contracts that are both indexed to the Company's own stock and classified in stockholders' equity. Under the two-step indexation framework in ASC 815-40-15, neither the exercise contingencies nor the settlement provisions preclude indexation. Under the equity classification guidance in ASC 815-40-25, both instruments meet all applicable conditions, including that settlement is in the Company's shares, the Company has sufficient authorized and unissued shares, and settlement is within the Company's control.

Accordingly, both the pre-funded warrants and common stock warrants were classified as a component of permanent stockholders' equity within additional paid-in capital.

Note 14—Segment Reporting

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 ("CODM") in making decisions on how to allocate resources and assess performance. The Company views its operations and manages the business as one operating segment. The Company's CODM is its Chief Executive Officer. The CODM uses research and development expenses, general and administrative expenses, and net loss as measures of profit or loss to assess performance and allocate resources, all of which are presented on the face of the financial statements. The CODM also uses a further breakdown of research and development expenses to assess performance and allocate resources as presented below:

	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Collaboration revenue	$ —	$ —	$ —	$ 109,164
Less cost and expense:				
Research and development				
Personnel and related costs	$ 6,653	$ 8,344	$ 18,001	$ 28,043
Facility and other allocated costs	3,110	6,194	10,167	17,041
Research and laboratory	7,574	7,315	24,497	27,285
Other research and development	723	673	2,095	3,603
General and administrative	7,146	6,835	19,512	23,047
Impairment of long-lived assets	—	6,763	—	6,763
Loss on lease component termination	—	—	11,145	—
Other segment income	(1,753)	(1,702)	(5,769)	(6,209)
Net income (loss)	$ (23,453)	$ (34,422)	$ (79,648)	$ 9,591

Other segment income includes interest income and other income (expense).

Note 15—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, 2025 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, which are contained in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 12, 2026 (the "Annual Report"). This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Such forward-looking statements, which represent our intent, belief, or current expectations, involve risks and uncertainties and other factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. In some cases you can identify forward-looking statements by terms such as "may," "will," "expect," "anticipate," "estimate," "intend," "plan," "predict," "potential," "believe," "should" and similar expressions. Factors that could cause or contribute to differences in results include, but are not limited to, those set forth under "Risk Factors" in our Annual Report. Except as required by law, we undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this report or to reflect actual outcomes.

Overview

We are a biotechnology company harnessing the power of iPSC therapies to develop potentially curative cell therapy products for type 1 diabetes ("T1D") and other autoimmune diseases. Our islet replacement therapy and chimeric antigen receptor T-cell ("CAR-Ts") programs are allogeneic, meaning they are derived from healthy donors for use in any patient, rather than being sourced from an individual for their own specific use, as is the case with autologous CAR-Ts. As a result, we believe such "off-the-shelf" therapies have the potential to overcome the limitations of first-generation cell therapies by providing readily available treatments more quickly, reliably, at greater scale, and to a broader patient population. What we believe sets us apart from other allogeneic approaches is our focus on iPSCs, which possess the unique ability to self-renew indefinitely and differentiate into any cell type, enabling virtually unlimited genetic editing, consistent reproducibility, and scalable manufacturing. Core and complimentary to our iPSC platform and expertise is our comprehensive suite of proprietary genetic edits that underpin our engineered allogeneic cell therapy platform. This includes:

- Our proprietary Allo-Evasion™ technology, now in version 5.0, designed to prevent rejection of our cell products by the host immune system, enabling the potential for persistence and re-dosing of therapy;
- Industry-leading iPSCs and differentiation know-how to generate fully functional mature cells from iPSCs ("iPSC-derived cells");
- Precision gene editing that allows us to incorporate multiple transgenes and disrupt target genes intended to optimize cell product performance; and
- Cutting-edge GMP manufacturing footprint and capabilities intended to drive scale advantages and reduce cost of goods sold ("COGS"), while minimizing product development and supply risk in-house.

We are leveraging our expertise in cellular reprogramming, differentiation, genetic engineering, and manufacturing to develop therapies with the potential to provide enhanced clinical outcomes compared to existing cell therapy technologies and available therapeutic options. We are unique in the breadth of cell types we can generate from iPSCs, including iPSC-derived islet cells, iPSC-derived CD4+ and CD8+ ab T cells, ("ab iT cells"), and iPSC-natural killer cells ("iNK cells"), among other cell types. We believe this capability enables optimal matching of cell characteristics to disease indication, ensuring we target the right cell for the right indication and the right patient. Core to our unique approach is engineering a suite

of precise gene edits into each product that are designed to safely prevent rejection by the patient's own immune system to enable durable, potentially curative, effects.

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 diseases–focusing first on T1D and other autoimmune diseases. With our allogeneic, gene-edited cell therapy platform, we are uniquely positioned to address many diseases in innovative ways: particularly when disease is driven by patient cells that are lost and need replacing, such as in T1D, or have abnormal function and need to be removed, such as in B-cell mediated autoimmune diseases. To achieve our vision, our world-class team is applying its decades of collective experience in cell therapy and drug development, manufacturing, and commercialization.

CNTY-813 is our iPSC-derived islet replacement therapy for T1D and our lead pipeline program. CNTY-813 is engineered with Allo-Evasion™ 5.0. We continue to advance CNTY-813 through IND-enabling studies and expect to submit an IND for CNTY-813 in the fourth quarter of 2026. We anticipate initial clinical data in the second half of 2027, subject to completion of remaining IND-enabling studies and regulatory clearance. In June 2026, at the American Diabetes Association 86th Scientific Sessions, we presented nonclinical data showing that CNTY-813 islets rapidly restored normoglycemia in STZ-induced diabetic mice and that Allo-Evasion™ 5.0 protected CNTY-813 from rejection in a humanized mouse, amongst other findings. In August, following a successful pre-IND meeting with the FDA, we announced that we reached general alignment on the nonclinical data package, the proposed Phase 1 manufacturing process and the Phase 1/2 clinical trial design. In October 2026, we presented updated data showing that in a study lasting over eleven months, CNTY-813 maintained glycemic control in a diabetic mouse model until CNTY-813's graft removal. These new data further highlighted CNTY-813's anticipated readiness for clinical testing via demonstration of drug product consistency across five clinical-scale runs, glycemic control in a diabetic mouse model after extended drug product cold storage, and successful engraftment of CNTY-813 via the intended clinical route of administration.

We also continue to advance CNTY-308, a CD19-targeted CD4+/CD8+ ab CAR-iT cell therapy engineered with Allo-Evasion™ 5.0, being developed as a potential treatment for B-cell-mediated diseases. In previously presented nonclinical studies, CNTY-308 demonstrated functional comparability to primary CAR-T cells, including target-mediated proliferation, cytokine secretion, and long-term persistence. We expect CNTY-308 to enter the clinic in 2026.

In January 2026, we entered into a securities purchase agreement with the 2026 Investors in connection with the 2026 Private Placement.

Based on our current business plans, we believe our cash, cash equivalents and investments as of September 30, 2026 of $174.1 million will be sufficient for us to fund our operating expenses and capital expenditure requirements into the first quarter of 2029. 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 nonclinical and clinical development of our product candidates;
- seek to discover and develop additional product candidates;
- expand and validate our own clinical-scale 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;
- incur additional costs associated with operating as a public company, which will require us to add operational, financial and management information systems and personnel, including personnel to support our drug development and any future commercialization efforts; and
- increase our employee headcount and related expenses to support these activities.

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

We anticipate that we will need to raise additional financing in the future to fund our operations, including funding for nonclinical 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. Until such time, if ever, as we can generate significant product revenue, we expect to finance our operations with our existing cash, cash equivalents, and investments, any future equity or debt financings, and upfront and milestone and royalty 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.

License and collaboration agreements

Bristol-Myers Squibb

On January 7, 2022, we entered into the Collaboration Agreement with Bristol-Myers Squibb to collaborate on the research, development and commercialization of induced pluripotent stem cell derived, engineered natural killer cell and/or gamma delta T cell programs for hematologic malignancies, initially focused on acute myeloid leukemia, and multiple myeloma.

Under the terms of the Collaboration Agreement, Bristol-Myers Squibb made a non-refundable, upfront cash payment of $100.0 million and purchased 2,160,760 shares of our common stock at a price per share of $23.14, for an aggregate purchase price of $50.0 million.

Following an internal corporate portfolio prioritization process, Bristol-Myers Squibb notified the Company on December 12, 2024 that it would be terminating the Collaboration Agreement in its entirety without cause. The termination was effective as of March 12, 2025.

Fujifilm Cellular Dynamics, Inc.

On September 18, 2018, we entered into 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.

Also on September 18, 2018, we entered into 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 provides 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 the FCDI Collaboration Agreement with FCDI on October 21, 2019, pursuant to which we agreed to fund research and development work at FCDI pursuant to a research plan.

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

On January 7, 2022, we and FCDI entered into the Letter Agreement, which amends each of the FCDI Agreements. Pursuant to the Letter Agreement, and in consideration for amending the FCDI Agreements, we agreed to pay to FCDI (i) an upfront payment of $10.0 million, (ii) a percentage of any milestone payments received by us under the FCDI 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 FCDI Collaboration Agreement in respect of sales of products in Japan.

On September 22, 2023, we entered into the Autoimmune License with FCDI, 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. 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 FCDI Collaboration Agreement to expand our existing license related to the development and commercialization of iPSC-derived cancer immunotherapeutic to also include inflammatory and autoimmune diseases.

During the three and nine months ended September 30, 2026, we did not make any material payments nor incur material expenses related to the FCDI Agreements.

During the three and nine months ended September 30, 2025, we made payments of $0.1 million and $1.9 million and incurred research and development expenses of $0.1 million and $1.9 million.

iCELL Inc. and Distributed Bio, Inc.

We also have entered into a sublicense agreement with iCELL and a master services agreement with Distributed Bio, Inc. (“DBio”). See Note 7, “*Commitments and contingencies*” to our consolidated financial statements.

Catalent Dusseldorf GmbH

On December 12, 2022, Clade entered into a non-exclusive license agreement with Catalent, which was subsequently amended in March 2026, pursuant to which Catalent granted Clade a worldwide, non-exclusive, non-transferrable, royalty-bearing license under all rights owned or controlled by Catalent to one of its GMP-grade iPSC cell lines derived from human cord blood CD34+ cells, to develop, have developed, make, have made, use, have used, sell, offer for sale, have sold, distribute, have distributed, import, have imported and otherwise exploit or have exploited cell therapy products. The license (as amended, the “Catalent License”), permits the genetic modification of the licensed cell line and the development and commercialization of resulting cell therapy products for any indication. We have a right to use the Catalent License as a result of our acquisition of Clade.

Under the Catalent License, we may grant sublicenses to third parties to develop, manufacture and commercialize resulting products, but we may not sublicense the original cell line itself. Catalent retains ownership of the original cell line, and we own the modified cells and resulting products that we make from the original cell line, subject to certain restrictions and limited rights granted back to Catalent.

In consideration for the rights granted, Clade paid Catalent an upfront fee. We are also required to pay certain product-by-product milestone payments upon the achievement of certain development and regulatory milestones up to an aggregate of $16.2 million or $12.15 million depending on the product. We additionally agreed to pay royalties equal to a low single digit percentage of net sales of each product during a defined royalty term, after which royalty term the license automatically becomes fully paid-up, perpetual, irrevocable and royalty-free. We also agreed to pay annual minimum fees during a defined period, with milestone payments and royalties paid in a calendar year creditable against the annual minimum fees payable for the same calendar year.

The agreement remains in effect until terminated and may be terminated by us for convenience upon prior written notice or by either party for material breach, subject to specified cure periods. Certain provisions, including payment obligations, indemnification obligations and confidentiality obligations, survive termination. During both three and nine months ended September 30, 2026, the Company made payments of $450 and incurred $450 in research and development expenses. During the three and nine months ended September 30, 2025, no expenses were incurred nor payments made related to the Catalent License.

Memorial Sloan-Kettering

In connection with the acquisition of Clade in 2024, we acquired rights under an Exclusive License Agreement entered into in August 2023 with Memorial Sloan-Kettering Cancer Center, Memorial Hospital for Cancer and Allied Diseases and Sloan-Kettering Institute for Cancer Research (collectively “MSK”) (the “MSK Agreement”), under which MSK granted a sublicensable, fee-paying and royalty-bearing license to commercially develop or exploit the licensed patent rights defined in the MSK Agreement. We are required to pay certain product-by-product milestone payments to MSK upon the achievement of certain development and regulatory milestones up to an aggregate of $86.5 million or $43.3 million depending on the product. We also agreed to pay MSK royalties on a licensed product-by-licensed product and country-by-country basis equal to a low single digit percentage of net sales of each product during a defined royalty term, subject to a guaranteed minimum royalty payment per year, after which royalty term the license automatically becomes fully paid-up, perpetual, irrevocable and royalty-free.

During both the three and nine months ended September 30, 2026, the Company did not make any payments related to the MSK Agreement. At September 30, 2026, $250 was included in Accounts payable on the balance sheet, and the Company incurred $250 in research and development expenses during both the three and nine months ended September 30, 2026. During the three and nine months ended September 30, 2025, no expenses were incurred nor payments made related to the MSK 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 were generated through our collaboration, option and license agreement with Bristol-Myers Squibb, which was terminated in March 2025. We recognized revenue over the expected performance period under this agreement. We expect that our revenue for the next several years will be derived primarily from any collaborations that we may enter into in the future. To date, we have not received any royalties under any of our existing and former collaboration agreements.

Operating expenses

Research and development

To date, research and development expenses have related primarily to the 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 nonclinical studies and clinical trials, 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.

Loss on lease component termination

In June 2026, the Company exited a portion of its Philadelphia, Pennsylvania headquarters and recognized a loss of $11.1 million related to the disposal of property and equipment and leasehold improvements.
Impairment of long-lived assets

We review our amortizable long lived assets, consisting primarily of our lease related right of use assets and property and equipment, when impairment indicators are present by comparing the carrying values of the assets with their estimated future undiscounted cash flows. Should the carrying value of the long lived assets exceed the undiscounted cash flows, the Company calculates the fair value of the underlying long lived assets, utilizing a discounted cash flow approach, which is considered a level three fair value estimate.

We incurred no impairment expense during the three and nine months ended September 30, 2026, and $6.76 million during the three and nine months ended September 30, 2025.

Interest income

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

Income taxes

Due to historical losses, we maintain a full valuation allowance against the unrealizable portion of our deferred tax assets.

Results of operations

Comparison of the three months ended September 30, 2026 and 2025.

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

	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Change
		(in thousands)	
Collaboration revenue	$ —	$ —	$ —
Operating expenses:			
Research and development	18,060	22,526	(4,466)
General and administrative	7,146	6,835	311
Impairment of long-lived assets	—	6,763	(6,763)
Total operating expenses	25,206	36,124	(10,918)
Income (loss) from operations	(25,206)	(36,124)	10,918
Other income:			
Interest income	1,753	1,605	148
Other income, net	—	97	(97)
Total other income	1,753	1,702	51
Net loss	$ (23,453)	$ (34,422)	$ 10,969

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, 2026	Three Months Ended September 30, 2025	Change
		(in thousands)	
Personnel and related costs	$ 6,653	$ 8,344	$ (1,691)
Facility and other allocated costs	3,110	6,194	(3,084)
Research and laboratory	7,574	7,315	259
Other	723	673	50
Total research and development expense	$ 18,060	$ 22,526	$ (4,466)

Research and development expenses were $18.1 million and $22.5 million for the three months ended September 30, 2026 and 2025, respectively. The decrease of $4.4 million was primarily due to the following, partially offset by an increase in research and laboratory expenses of $0.3 million:

- a decrease in personnel and related costs of $1.7 million due to a reduction in research and development staff; and

- a decrease in facility and other allocated costs of $3.1 million primarily due to the portfolio prioritization.

General and administrative expenses

General and administrative expenses were $7.1 million and $6.8 million for the three months ended September 30, 2026 and 2025, respectively. This increase was primarily due to the gain on lease modification in the prior year.

Impairment of long-lived assets

Impairment of long-lived assets was $0 and $6.8 million for the three months ended September 30, 2026 and 2025, respectively. This decrease was due to an impairment charge taken on a portion of the Company's Philadelphia headquarters in the prior year.

Interest income

Interest income was $1.8 million and $1.6 million for the three months ended September 30, 2026 and 2025, respectively, which related to interest earned on our cash, cash equivalents, and investment balances.

Results of operations

Comparison of the nine months ended September 30, 2026 and 2025.

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

	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025	Change
		(in thousands)	
Collaboration revenue	$ —	$ 109,164	$ (109,164)
Operating expenses:			
Research and development	54,760	75,972	(21,212)
General and administrative	19,512	23,047	(3,535)
Loss on lease component termination	11,145	—	11,145
Impairment of long-lived assets	—	6,763	(6,763)
Total operating expenses	85,417	105,782	(20,365)
Income (loss) from operations	(85,417)	3,382	(88,799)
Other income:			
Interest income	5,754	6,037	(283)
Other income, net	15	172	(157)
Total other income	5,769	6,209	(440)
Net income (loss)	$ (79,648)	$ 9,591	$ (89,239)

Collaboration revenue

During the nine months ended September 30, 2026 and 2025, we recognized revenue of $0 and $109.2 million under the BMS Collaboration Agreement, respectively. See Note 6, "*Bristol-Myers Squibb Collaboration*" to our consolidated financial statements for additional information. The BMS Collaboration Agreement was terminated, effective as of March 12, 2025. As such, we recognized the remaining transaction price of $109.2 million as collaboration revenue during the nine months ended September 30, 2025. There will be no future collaboration revenues recognized under the BMS Collaboration 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, 2026	Nine Months Ended September 30, 2025	Change
		(in thousands)	
Personnel and related costs	$ 18,001	$ 28,043	$ (10,042)
Facility and other allocated costs	10,167	17,041	(6,874)
Research and laboratory	24,497	27,285	(2,788)
Other	2,095	3,603	(1,508)
Total research and development expense	$ 54,760	$ 75,972	$ (21,212)

Research and development expenses were $54.8 million and $76.0 million for the nine months ended September 30, 2026 and 2025, respectively. The decrease of $21.2 million was primarily due to:

- a decrease in personnel and related costs of $10.0 million due to a reduction in research and development staff announced in the prior year;
- a decrease in facility and other allocated costs of $6.9 million primarily due to the portfolio prioritization; and
- a decrease in research and laboratory expenses of $2.8 million primarily due to reduced spending on clinical trial related expenses for CNTY-101.

General and administrative expenses

General and administrative expenses were $19.5 million and $23.0 million for the nine months ended September 30, 2026 and 2025, respectively. This decrease was primarily due to a reduction in personnel, and remeasurement of the contingent consideration liability offset by an increase in facility and other allocated costs due to the portfolio prioritization.

Loss on lease component termination

The loss on the termination of the partial lease was $11.1 million and $0 for the nine months ended September 30, 2026 and 2025, respectively. This increase was due to the partial termination of the lease of the Company's Philadelphia, Pennsylvania headquarters.

Impairment of long-lived assets

Impairment of long-lived assets was $0 and $6.8 million for the nine months ended September 30, 2026 and 2025, respectively. This decrease was due to an impairment charge taken on a portion of the Company's Philadelphia headquarters in the prior year.

Interest income

Interest income was $5.8 million and $6.0 million for the nine months ended September 30, 2026 and 2025, respectively, which related to interest earned on our cash, cash equivalents, and investment balances.

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 $792 million in net proceeds from the sales of our equity securities. As of September 30, 2026, we had cash and cash equivalents of $45.0 million and investments of $129.1 million. Based on our research and development plans, we believe our existing cash, cash equivalents, and investments will be sufficient to fund our operating expenses and capital expenditure requirements into the first quarter of 2029. 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 $871.6 million as of September 30, 2026.

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

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

In January 2026, we entered into a securities purchase agreement with the 2026 Investors, pursuant to which we issued and sold to the 2026 Investors in the 2026 Private Placement (i) 92,030,595 shares of its common stock and accompanying warrants to purchase an aggregate of 58,695,648 shares of common stock (or pre-funded warrants in lieu thereof) and (ii) in lieu of common stock, to certain investors, pre-funded warrants to purchase an aggregate of up to 25,360,704 shares of its common stock and accompanying warrants to purchase 12,680,352 shares of common stock (or pre-funded warrants in lieu thereof), at an exercise price of $0.0001 per pre-funded warrant. The combined offering price of each share of common stock and accompanying common stock warrant was $1.15. The combined offering price of each pre-funded warrant and accompanying common stock warrant was $1.1499. The pre-funded warrants are exercisable immediately. Each common stock warrant has an exercise price per share of $2.60. The common stock warrants are exercisable from the date of issuance and will expire 30 days following the public announcement of initial Phase 1 clinical data for CNTY-813 or, if earlier, on the third anniversary of closing. Aggregate gross proceeds were $135.0 million before deducting placement agent fees and offering expenses.

Future funding requirements

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

Until and unless we can generate substantial product revenue, we expect to finance our cash needs through the proceeds from a combination of equity offerings and debt financings, and potentially through additional license and development agreements or strategic partnerships or collaborations with third parties. Financing may not be available in sufficient amounts or on reasonable terms. In addition, market volatility resulting from the effects of pandemics, inflationary pressures, disruptions of financial institutions, political unrest and hostilities, war or other factors could adversely impact our ability to access capital as and when needed. We have no commitments for any additional financing and will likely be required to raise such financing through the sale of additional securities, which, in the case of equity securities, may occur at prices lower than the offering price of our common stock. If we sell equity or equity-linked securities, our current stockholders may be diluted, and the terms may include liquidation or other preferences that are senior to or otherwise adversely affect the rights of our stockholders. Moreover, if we issue debt, we may need to dedicate a substantial portion of our operating cash flow to paying principal and interest on such debt and we may need to comply with operating restrictions, such as limitations on incurring additional debt, which could impair our ability to acquire, sell or license intellectual property rights which could impede our ability to conduct our business.

Cash flows

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

	Nine months ended September 30, 2026	Nine months ended September 30, 2025
	(in thousands)	
Net cash (used in) provided by:		
Operating activities	$ (67,324)	$ (87,799)
Investing activities	(77,322)	85,140
Financing activities	127,010	120
Net decrease in cash, cash equivalents, and restricted cash	$ (17,636)	$ (2,539)

Operating activities

Net cash used in operating activities was $67.3 million and $87.8 million for the nine months ended September 30, 2026 and 2025, respectively. Net cash used in operating activities during the nine months ended September 30, 2026 consisted primarily of our net loss of $79.6 million and a decrease of $8.2 million in our net operating assets and liabilities, offset by non-cash charges of $20.5 million. The non-cash charges consisted primarily of the loss on the terminated lease component of $11.1 million, $7.8 million for depreciation expense, stock-based compensation expense of $4.8 million, and non-cash operating lease expense of $0.9 million, partially offset by the change in fair value of the contingent consideration of $3.8 million with the remaining change due to the accretion of investments. The change in operating assets and liabilities was primarily due to a $2.9 million decrease in the operating lease liability, a $1.8 million decrease in accrued expenses and other liabilities, and a $1.7 million increase in prepaid expenses.

Net cash used in operating activities during the nine months ended September 30, 2025 consisted primarily of our net income of $9.6 million and non-cash charges of $20.3 million, offset by a decrease of $120.5 million in our net operating assets and liabilities. The non-cash charges of $20.3 million consisted primarily of $9.6 million for depreciation expense, non-cash operating lease expense of $1.5 million, and stock-based compensation expense of $5.5 million, impairment of long-lived assets of $6.8 million, gain on reduction in lease liability due to lease termination of $1.4 million, and gain on contingent consideration liability of $0.4 million, partially offset by amortization of marketable securities of $2.0 million. The change in operating assets and liabilities was primarily due to a $3.6 million decrease in operating lease liability, a $109.2 million decrease in deferred revenue due to the termination of the Collaboration Agreement with Bristol-Myers Squibb, and a $5.4 million decrease in accrued expenses.

Investing activities

Net cash used in investing activities was $77.3 million for the nine months ended September 30, 2026 and net cash provided by investing activities was $85.1 million for the nine months ended September 30, 2025. Cash used in investing activities for the nine months ended September 30, 2026 consisted primarily of the purchase of fixed maturity securities for $158.0 million and the purchase of property and equipment of $1.8 million, which was partially offset by proceeds from the sale of fixed maturity securities of $82.4 million.

Cash provided by investing activities for the nine months ended September 30, 2025 consisted primarily of the sale of fixed maturity securities of $121.7 million, which was partially offset by purchases of fixed maturity securities of $35.6 million.

Financing activities

Net cash provided by financing activities was $127.0 million and $0.1 million for the nine months ended September 30, 2026 and 2025, respectively. Cash provided by financing activities consisted primarily of $126.4 million in proceeds from the 2026 Private Placement.

Net cash provided by financing activities for the nine months ended September 30, 2025 consisted of $0.1 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, 2026:

	Payments Due by Period				
	1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years	Total
					(in thousands)
Operating leases	$ 7,617	15,273	15,002	15,762	$ 53,654

Payment obligations under our license, collaboration, acquisition and merger agreements, and lease payment guaranty as of September 30, 2026 are contingent upon future events such as our achievement of pre-specified development, regulatory, and commercial milestones, royalties on net product sales, or the financial condition of an unrelated third party. As of September 30, 2026, the timing and likelihood of achieving the milestones and success payments and generating future product sales, or resuming payments on the terminated lease component, are uncertain and therefore, any related payments are not included in the table above. We also enter into agreements in the normal course of business for sponsored research, nonclinical 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 7, "*Commitments and contingencies*" for additional information.

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

JOBS Act accounting election

As a company with less than $1.235 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, 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 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 and Basis of Presentation*," 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, 2026, there were no material changes to our critical accounting policies from those described in our audited financial statements for the year ended December 31, 2025 included in our Annual Report on Form 10-K filed with the SEC on March 12, 2026, except as noted above.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

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

Interest rate risk

We had cash, cash equivalents, and restricted cash of $47.4 million as of September 30, 2026, which consisted of bank deposits and money market funds. We also had investments of $129.1 million as of September 30, 2026. 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 disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of September 30, 2026. 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, 2026, 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, 2026, 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, 2025.

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

Recent Sales of Unregistered Securities

There were no unregistered sales of equity securities during the three months ended September 30, 2026.

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.

(c) Insider Trading Arrangements

During the quarter ended September 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified or terminated a plan or other arrangement intended to satisfy the affirmative defense condition of Rule 10b5-1(c) trading arrangements under the Exchange Act.

Item 6. Exhibits.

Exhibit Number	
3.1	Certificate of Amendment of the Second Amended and Restated Certificate of Incorporation, as amended, of Century Therapeutics, Inc. (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K (File No. 001-40498) filed on June 12, 2026)
3.2	Second Amended and Restated Bylaws of Century Therapeutics, Inc. (incorporated by reference to Exhibit 3.2 of the Company's Annual Report on Form 10-K (File No. 001-40498) filed on March 16, 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 Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema
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, 2026, 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 (i) 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 12, 2026

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

Date: November 12, 2026

By: /s/ Douglas Carr, CPA
Douglas Carr, CPA
Senior Vice President, Finance
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION

I, Brent Pfeiffenberger, certify that:

1. I have reviewed this Quarterly Report of Century Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2026

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

Exhibit 31.2

CERTIFICATION

I, Douglas Carr, 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 12, 2026

/s/ Douglas Carr, CPA

Douglas Carr. CPA
Senior Vice President, Finance
(Principal Financial Officer and Principal Accounting 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, 2026, 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 12, 2026

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

Exhibit 32.2

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

In connection with the Quarterly Report of Century Therapeutics, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2026, 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 12, 2026

/s/ Douglas Carr, CPA
Douglas Carr, CPA
Senior Vice President, Finance
(Principal Financial Officer and Principal Accounting Officer)