

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): April 11, 2023**

**Century Therapeutics, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**001-40498**

(Commission File Number)

**84-2040295**

(I.R.S. Employer  
Identification No.)

**3675 Market Street**

**Philadelphia, Pennsylvania**

(Address of principal executive offices)

**19104**

(Zip Code)

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

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<b>Title of Each Class</b>	<b>Trading Symbol</b>	<b>Name of Exchange on Which Registered</b>
<b>Common Stock, par value \$0.0001 per share</b>	<b>IPSC</b>	<b>Nasdaq Global Select Market</b>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

**Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.**

*Departure of President and Chief Executive Officer; Appointment of Interim President and Chief Executive Officer*

Pursuant to notice provided on April 11, 2023, Osvaldo Flores, Ph.D. stepped down as the President and Chief Executive Officer of Century Therapeutics, Inc. (the “Company”) and as a member of the Board of Directors of the Company (the “Board”) effective April 11, 2023. In connection with Dr. Flores’ resignation from the Board, the Board reduced its size to seven members. There was no disagreement between Dr. Flores and the Company on any matter related to the Company’s operations, policies or practices that led to Dr. Flores’ resignation from the Board.

The Company intends to enter into a separation agreement with Dr. Flores as soon as practicable, with such separation agreement to be filed as an exhibit to an amendment to this Current Report on Form 8-K.

On April 11, 2023, the Board appointed Gregory Russotti as Interim President and Chief Executive Officer. Dr. Russotti was previously the Company’s Chief Technology Officer and is party to an Executive Employment Agreement with the Company, dated as of May 26, 2021 (the “Employment Agreement”), which agreement is filed as Exhibit 10. 37 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2022.

In connection with Dr. Russotti’s appointment, the Company and Dr. Russotti entered into a Side Letter to Executive Employment Agreement, dated as of April 12, 2023 (the “Side Letter”). Pursuant to the terms of the Side Letter, the term of Dr. Russotti’s service as Interim President and Chief Executive Officer will continue until the Company successfully hires a new President and Chief Executive Officer, provided however, the Company may terminate Dr. Russotti as Interim President and Chief Executive Officer and restore Dr. Russotti to his position as Chief Technology Officer of the Company at any time upon (i) hiring of a new President and Chief Executive Officer, or (ii) otherwise upon ten days’ written notice to Dr. Russotti (the “Term”).

Pursuant to the Side Letter, Dr. Russotti’s annual base salary has been raised to \$614,092.50 (the “Base Salary”). Dr. Russotti’s target cash bonus percentage will be calculated as a sum of the following under terms of the Side Letter: (i) 40% of Dr. Russotti’s base salary in effect as of immediately prior to April 11, 2023, multiplied by a fraction the numerator of which is the number of days in such calendar year that are not part of the Term and the denominator of which is 365, and (ii) 55% of the Base Salary applicable during the Term multiplied by a fraction the numerator of which is the number of days during the Term and the denominator of which is 365. In addition, on April 11, 2023, the Board granted Dr. Russotti a one-time stock option grant to purchase 318,750 shares of the Company’s common stock, par value \$0.0001 per share, with an exercise price of \$3.16 per share (the “Option”). The Option will vest 25% on the one-year anniversary of the grant date, with the remaining 75% vesting in 36 equal monthly installments, in each case subject to Dr. Russotti’s continued employment with the Company and subject to the terms of the Company’s 2021 Equity Incentive Plan.

Except as contemplated by the Side Letter, all other terms of the Employment Agreement remain unmodified and in full force and effect. The description of the Side Letter does not purport to be complete and is qualified in its entirety by reference to the Side Letter, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Dr. Russotti’s biography can be found in the Company’s proxy statement filed with the Securities and Exchange Commission (“SEC”) on April 21, 2022, which is incorporated herein by reference. There are no family relationships between Dr. Russotti and the Company’s existing directors and officers. In addition, Dr. Russotti is not a party to any transaction, or series of transactions, required to be disclosed pursuant to Item 404(a) of Regulation S-K.

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### *Appointment of Chief Financial Officer*

On April 11, 2023, the Board promoted Michael Diem to Chief Financial Officer. Dr. Diem was previously the Company's Chief Business Officer and is party to an Executive Employment Agreement with the Company, dated as of May 26, 2021, filed as Exhibit 10.33 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022. All terms of the Dr. Diem's employment agreement remain unmodified and in full force and effect. The Board has not yet made any determination with respect to Dr. Diem's compensation related to the promotion. The Company will file an amendment to this Current Report on Form 8-K with respect to any material change in Dr. Diem's compensation.

Dr. Diem's biography can be found in the Company's proxy statement filed with the SEC on April 21, 2022, which is incorporated herein by reference. There are no family relationships between Dr. Diem and the Company's existing directors and officers. In addition, Dr. Diem is not a party to any transaction, or series of transactions, required to be disclosed pursuant to Item 404(a) of Regulation S-K.

### **Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

#### **Exhibit**

<b>Number</b>	<b>Description</b>
<a href="#">10.1</a>	<a href="#">Side Letter to Executive Employment Agreement, between Century Therapeutics, Inc. and Gregory Russotti, Ph.D. dated as of April 12, 2023.</a>
104	Cover Page Interactive Data File (embedded with the inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**CENTURY THERAPEUTICS, INC.**

By: /s/ Gregory Russotti, Ph.D.

Name: Gregory Russotti, Ph.D.

Title: Interim President and Chief Executive Officer

Date: April 17, 2023

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## SIDE LETTER TO EXECUTIVE EMPLOYMENT AGREEMENT

This Side Letter to Executive Employment Agreement (this “**Side Letter**”) is entered into as of April 12, 2023, by and between CENTURY THERAPEUTICS, INC., a Delaware corporation (the “**Company**”) and Gregory Russotti (“**Executive**,” and together with the Company, the “**Parties**”).

## RECITALS

**WHEREAS**, Executive and the Company entered into that certain Executive Employment Agreement, dated May 26, 2021 (the “**Employment Agreement**”);

**WHEREAS**, the Company desires to obtain from Executive, and Executive desires to provide to the Company, services as Interim Chief Executive Officer of the Company (the “**Interim CEO Services**”) commencing as of April 11, 2023 (the “**Effective Date**”);

**WHEREAS**, the Parties desire (i) to temporarily alter certain provisions of the Employment Agreement for the period between the Effective Date and the date Executive’s Interim CEO Services terminate in accordance with the terms of this Side Letter (the “**Interim CEO Services End Date**,” and such period, the “**Term**”), and (ii) to address other matters related to Executive’s provision of the Interim CEO Services; and,

**WHEREAS**, notwithstanding anything in this Side Letter to the contrary, in the event Executive does not actually become Interim Chief Executive Officer of the Company, this Side Letter shall be null and void *ab initio*.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Construction.**

Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Employment Agreement.

2. **Temporary Amendments and Other Provisions Related to Interim CEO Services.**

(a) During the Term, Executive’s Base Salary shall be payable at an annual rate of \$614,092.50.

(b) During the Term, Executive will serve as the Interim Chief Executive Officer of the Company and will report directly to the Board. In addition to performing the duties and responsibilities associated with that position, from time to time the Company may assign to Executive other duties and responsibilities reasonable and consistent with such position.

(c) For any calendar year occurring within the Term, Executive’s Target Bonus will be calculated as follows: the sum of (i) 40% of the Base Salary in effect as of immediately prior to the Effective Date multiplied by a fraction the numerator of which is the number of days in such calendar year that are not part of the Term and the denominator of which is 365, and (ii) 55% of the Base Salary applicable during the Term multiplied by a fraction the numerator of which is the number of days during the Term and the denominator of which is 365. All other provisions of the Employment Agreement related to Executive’s annual bonus shall remain unmodified by this Side Letter.

(d) As soon as practicable after the Effective Date, the Company will recommend to the Board that Executive receive a one-time grant of stock options to purchase 318,750 shares of the Company’s common stock (as such term is defined in the Equity Documents). The Executive’s eligibility for and other rights with respect to the Options will be governed by the 2021 Equity Incentive Plan and the associated equity grant agreement required to be entered into by Executive and the Company (the “**Equity Documents**”). To the extent this Agreement conflicts with the Equity Documents, the Equity Documents shall control.

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(e) With respect to Section 9(a) and 12(e) of the Employment Agreement:

(i) If Executive's employment by the Company ceases due to a termination by the Company without Cause or a resignation by Executive for Good Reason during the Term, then the monthly severance payments contemplated by Section 9(a)(iii) of the Employment Agreement will be calculated as follows: one-twelfth of the total Base Salary paid to Executive in the twelve-month period immediately preceding the date of termination.

(ii) The Parties acknowledge and agree that (i) the Company's restoration upon expiration of the Term of Executive to the title, responsibilities, authority, duties, Base Salary, Target Bonus, and/or other terms and conditions of employment in effect as of immediately prior to the Effective Date shall not constitute Good Reason for purposes of the Employment Agreement, and (ii) during the Term, Section 12(e)(i) of the Employment Agreement will have no effect and no changes to Executives title, responsibilities, authority or duties during the Term shall constitute Good Reason for purposes of the Employment Agreement.

3. **Duration of Interim CEO Services.** The Parties anticipate that the Term will continue until the Company successfully hires a new Chief Executive Officer (the "New CEO"), which effort is currently expected to continue for approximately six (6) months following the Effective Date. Nevertheless, (i) the Company may terminate the Interim CEO Services and the Term and restore Executive to his position as Chief Technology Officer of the Company at any time upon (x) hiring of a New CEO, or (y) otherwise upon ten (10) calendar days prior written notice to Executive, and (ii) in any event, the terms of Sections 2 and 8 of the Employment Agreement shall remain in effect during the Term.

4. **Full Force and Effect.** Except as specifically modified herein, all other terms and conditions of the Employment Agreement shall remain in full force and effect and are hereby ratified, and confirmed.

5. **Choice of Law; Exclusive Venue.** THIS SIDE LETTER, AND ALL ISSUES AND QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS SIDE LETTER, WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE. THE PARTIES AGREE THAT ALL DISPUTES, LEGAL ACTIONS, SUITS AND PROCEEDINGS ARISING OUT OF OR RELATING TO THIS SIDE LETTER WILL BE GOVERNED BY AND RESOLVED IN ACCORDANCE WITH THE TERMS OF SECTION 20 OF THE EMPLOYMENT AGREEMENT.

6. **Counterparts.** This Side Letter may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures on this Side Letter may be conveyed by facsimile or other electronic transmission and shall be binding upon the parties so transmitting their signatures. Counterparts with original signatures shall be provided to the other parties following the applicable facsimile or other electronic transmission; provided, that failure to provide the original counterpart shall have no effect on the validity or the binding nature of this Side Letter.

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IN WITNESS WHEREOF, the Parties have executed this Side Letter effective on the date and year indicated below.

**CENTURY THERAPEUTICS, INC.**

By: /s/ Joseph Jimenez  
Name: Joseph Jimenez  
Title: Chairman of the Board of Directors  
Date: April 12, 2023

**EXECUTIVE**

**GREGORY RUSSOTTI, PH. D.**

By: /s/ Gregory Russotti, Ph.D.  
Name: Gregory Russotti, Ph.D.  
Date: April 12, 2023

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