

BIOTIME INC
Form PRE 14A
March 05, 2013

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

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed By a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

BioTime, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the Appropriate Box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Dear BioTime, Inc. Shareholder:

As you may know, on January 4, 2013, BioTime, Inc., and our newly formed subsidiary BioTime Acquisition Corporation (“BAC”), entered into an Asset Contribution Agreement with Geron Corporation (“Geron”), pursuant to which, among other things, BAC is to acquire from Geron intellectual property, including patents and patent applications, stem cell lines, and other assets related to Geron’s discontinued human embryonic stem cell program (the “Asset Contribution Transaction”). We believe that the Asset Contribution Transaction will be a good strategic fit and presents a unique opportunity to enhance and expand the intellectual property estate of the BioTime family of companies and position us for future growth in the regenerative medicine field.

On January 4, 2013, we also entered into a Stock and Warrant Purchase Agreement pursuant to which a private investor has agreed to provide us with \$5,000,000 of financing in two installments. We have already received the initial \$2,000,000 installment, and we are to receive the additional \$3,000,000 installment at the closing of the Asset Contribution Transaction, subject to certain conditions. We refer to that additional \$3,000,000 of financing as the “BioTime Financing.” With this financing and an additional direct cash investment in BAC of \$5,000,000 from the same private investor, assuming the completion of those transactions, BAC will have an initial cash contribution of \$10,000,000.

As part of an exchange for shares of BAC common stock, we will issue 8,902,077 BioTime common shares and warrants to purchase an additional 8,000,000 BioTime common shares to BAC in the Asset Contribution Transaction. We will also issue 810,000 BioTime common shares and warrants to purchase an additional 389,998 BioTime common shares to the private investor in the BioTime Financing. We may also issue up to an additional 2,561,387 BioTime common shares (1) to reimburse Geron for certain expenses up to \$750,000 in value, and/or (2) to replace the \$5,000,000 direct cash investment in BAC from the same private investor in the unexpected event that BAC does not receive that cash investment, and/or (3) if we determine to contribute additional common shares rather than cash to BAC.

The maximum number of our common shares that will be issuable as a result of the consummation of the Asset Contribution Transaction and BioTime Financing is 20,663,462 common shares. Because the common shares that we will issue, and that will be issuable upon exercise of the warrants that we will issue, to BAC and the private investor in the Asset Contribution Transaction and the BioTime Financing would in the aggregate exceed 20% of our outstanding common shares, we are required by the rules of the NYSE MKT, the stock exchange on which our common shares are listed, to obtain approval of our shareholders to issue the shares and warrants in the Asset Contribution Transaction and the BioTime Financing.

The common shares that we will issue, and that will be issuable upon exercise of the warrants that we will issue, in the Asset Contribution Transaction and the BioTime Financing, when added to the number of common shares that we presently have outstanding or that are reserved for issuance upon exercise of outstanding warrants, stock options granted or available for grant under our stock option plans and certain other share issuance commitments, will exceed the number of common shares that we are authorized to issue under our Articles of Incorporation. As a result, our Articles of Incorporation must be amended by increasing our authorized capital stock to accommodate shares we need for the Asset Contribution Transaction and the BioTime Financing, and to provide a sufficient number of additional authorized shares to accommodate our future needs for the growth and financing of our business.

Our Board of Directors has called a special meeting of our shareholders to be held at [] on [], 2013 at [] to ask our shareholders to approve (1) the issuance of common shares and warrants in the Asset Contribution Transaction and BioTime Financing, and (2) an amendment to our Articles of Incorporation to provide sufficient authorized capital for those transactions and our potential future needs. Information about this special meeting, the share and warrant

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issuances, the amendment to our Articles of Incorporation, the Asset Contribution Transaction and the BioTime Financing is contained in the Proxy Statement that accompanies this letter. We urge you to read the Proxy Statement carefully and to submit your completed and signed proxy card in time to assure that your BioTime common shares are represented and voted at the special meeting.

Your vote is very important to us. Whether or not you plan to attend the special meeting of shareholders, please submit your proxy as soon as possible to make sure your shares are represented at the special meeting.

Our Board of Directors unanimously recommends that you vote FOR the proposal to approve the issuances of our shares and warrants in the Asset Contribution Transaction and the BioTime Financing, FOR the proposal to amend our Articles of Incorporation to increase our authorized capital stock, and FOR a proposal to adjourn the special meeting to solicit additional votes of our shareholders under certain circumstances if there are not sufficient votes at the special meeting to approve the foregoing proposals.

Michael D. West
Chief Executive Officer

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD [], 2013

NOTICE IS HEREBY GIVEN that the Special Meeting of Shareholders (“Special Meeting”) of BioTime, Inc., a California corporation (“BioTime,” “we,” “us,” or “our”) will be held on [], 2013 at []. Our Special Meeting will be held at [] for the following purposes:

1. To approve the issuance of up to 20,663,462 BioTime common shares, no par value, (“Common Shares”) pursuant to an Asset Contribution Agreement with our subsidiary BioTime Acquisition Corporation (“BAC”) and Geron Corporation (“Asset Contribution Transaction”) and a \$3,000,000 financing transaction with a private investor (the “BioTime Financing”) as follows:

- 8,902,077 Common Shares to BAC in the Asset Contribution Transaction;
- warrants to purchase an additional 8,000,000 Common Shares to BAC in the Asset Contribution Transaction and the issuance of the Common Shares underlying those warrants upon valid exercise of such warrants;
- up to an additional 2,561,387 common shares to Geron as reimbursement for certain expenses up to \$750,000 in value, and/or to BAC to replace a \$5,000,000 cash investment in BAC by a private investor in the unexpected event that BAC does not receive such cash investment, and/or if we decide to contribute additional Common Shares rather than cash to BAC, in the Asset Contribution Transaction;
- 810,000 Common Shares to a private investor in the BioTime Financing; and
- warrants to purchase 389,998 Common Shares to the private investor in the BioTime Financing, and the issuance of the Common Shares underlying those warrants upon valid exercise of such warrants.

We refer to this proposal as the “Share Issuance Proposal.”

2. To approve an amendment to our Articles of Incorporation to increase the number of authorized Common Shares that we may issue from 75,000,000 shares to 125,000,000 shares, and the number of authorized BioTime preferred shares, no par value (“Preferred Shares”) that we may issue from 1,000,000 shares to 2,000,000 shares (the “Articles Amendment Proposal”).

3. To approve the adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the Special Meeting to approve the Share Issuance Proposal and the Articles Amendment Proposal (the “Adjournment Proposal”).

For more information about the Asset Contribution Transaction, the BioTime Financing and the proposals, please review the accompanying Proxy Statement.

Our Board of Directors, after careful consideration, unanimously approved the Asset Contribution Transaction, the BioTime Financing, the Share Issuance Proposal and Articles Amendment Proposal. Our Board of Directors unanimously recommends that you vote “FOR” the Share Issuance Proposal, the Articles Amendment Proposal and the Adjournment Proposal.

Under the terms of the Asset Contribution Agreement and a stock and warrant purchase agreement relating to the BioTime Financing, neither the Asset Contribution Transaction nor the BioTime Financing can be completed unless both of the Share Issuance Proposal and the Articles Amendment Proposal are approved. Accordingly, each of the Share Issuance Proposal and the Articles Amendment Proposal is cross-conditioned upon the approval of the other, and neither of those proposals will be deemed approved unless both are approved.

Whether or not you plan to attend the Special Meeting in person, please take the time to submit a proxy by following the instructions on your proxy card as soon as possible so that your shares can be represented and voted at the Special Meeting. If your Common Shares are held in an account at a broker, dealer, commercial bank, trust company or other nominee, you should instruct your broker, dealer, commercial bank, trust company or other nominee how to vote in accordance with the voting instruction form furnished by them.

By Order of the Board of Directors,

Judith Segall
Vice President and Secretary

Alameda, California
[], 2013

YOUR VOTE IS IMPORTANT

PLEASE, COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY PROMPTLY SO THAT YOUR VOTE MAY BE RECORDED AT THE SPECIAL MEETING IF YOU DO NOT ATTEND IN PERSON.

PROXY STATEMENT

SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON [] 2013

SUMMARY VOTING INSTRUCTIONS

Ensure that your Common Shares can be voted at the Special Meeting by submitting your proxy or contacting your broker, dealer, commercial bank, trust company or other nominee.

If your Common Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee: check the voting instruction card forwarded by your broker, dealer, commercial bank, trust company or other nominee to see which voting options are available or contact them in order to obtain directions as to how to ensure that your Common Shares are voted at the Special Meeting.

If your Common Shares are registered in your name: submit your proxy as soon as possible by telephone, via the Internet or by signing, dating and returning the enclosed proxy card in the enclosed postage-prepaid envelope, so that your Common Shares can be voted at the Special Meeting.

Instructions regarding telephone and Internet voting are included on the proxy card.

If you sign, date and mail your proxy card without indicating how you wish to vote on the Share Issuance Proposal, Articles Amendment Proposal or Adjournment Proposal, you will be treated as having voted for each proposal for which you did not indicate how you wish to vote.

The Board of Directors has fixed the close of business on [], 2013 as the record date for determining shareholders entitled to receive notice of and to vote at the Special Meeting or any postponement or adjournment (the "Record Date"). As of the Record Date, there were [] Common Shares issued and outstanding.

This Proxy Statement is dated [], 2013 and is first being mailed to shareholders on or about [], 2013.

If you have any questions, require assistance with voting your proxy card, or need additional copies of proxy material, please call our Chief Financial Officer, Peter Garcia at the phone numbers listed below.

BioTime, Inc.
Attention: Chief Financial Officer
1301 Harbor Bay Parkway
Alameda, California 94502
pgarcia@biotimemail.com
(510) 521-3390 ext. 367

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QUESTIONS AND ANSWERS ABOUT THE ASSET CONTRIBUTION TRANSACTION
AND THE SPECIAL MEETING

Why am I receiving this Proxy Statement?

You are receiving this Proxy Statement to solicit your approval of the following proposals described in the Notice of Special Meeting and explained in more detail in this Proxy Statement:

- the Share Issuance Proposal;
- the Articles Amendment Proposal; and
- the Adjournment Proposal.

Who is entitled to vote at the Special Meeting?

Only shareholders of record at the close of business on [], 2013, the Record Date, are entitled to notice of and to vote at the Special Meeting. On the Record Date, there were [] Common Shares issued and outstanding, which constitutes the only class of BioTime voting securities outstanding.

How many votes do my shares represent?

Each BioTime Common Share is entitled to one vote on all matters that may be acted upon at the Special Meeting.

Will I be voting separately on the Asset Contribution Transaction and the BioTime Financing?

You will not have the opportunity to vote separately on the Asset Contribution Transaction or the BioTime Financing. However, the consummation of each of the Asset Contribution Transaction and the BioTime Financing is conditioned upon the approval of both the Share Issuance Proposal and the Articles Amendment Proposal.

How does our Board of Directors recommend that our shareholders vote?

The members of our Board of Directors unanimously recommend that you vote “FOR” the Share Issuance Proposal, the Articles Amendment Proposal, and the Adjournment Proposal.

What are my choices when voting?

For each proposal, you may vote “FOR” the proposal, vote “AGAINST” the proposal, or “ABSTAIN” from voting on the proposal. Properly executed proxy cards in the accompanying form that are received at or before the Special Meeting will be voted in accordance with the directions noted on the proxy cards.

What vote is required to adopt each proposal?

Approval of the Share Issuance Proposal requires the affirmative vote of the majority of the votes cast at the Special Meeting and where a quorum of our issued and outstanding Common Shares entitled to vote is present.

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Approval of the Articles Amendment Proposal requires the affirmative vote of the holders of a majority of our issued and outstanding Common Shares.

Approval of the Adjournment Proposal requires the affirmative vote of a majority of the votes cast at the Special Meeting regardless of whether a quorum is present.

While the approval thresholds are different for the Share Issuance Proposal and the Articles Amendment Proposal, those proposals are cross-conditioned upon the approval of each other, and neither of those proposals will be deemed approved unless both are approved.

What is a “quorum?”

For purposes of the Special Meeting, a “quorum” is a majority of our issued and outstanding Common Shares entitled to vote and represented in person or by proxy at the Special Meeting. Common Shares that are voted “FOR,” “AGAINST” or “ABSTAIN” on a matter and shares subject to a broker non-vote will be counted as present for the purpose of determining the presence or absence of a quorum for purposes of voting on the proposals. The effect of abstentions and broker non-votes on the proposals is discussed below.

What if I abstain from voting on a proposal?

If you check the “abstain” box in the proxy card or if you attend the Special Meeting without submitting a proxy and you abstain from voting on a matter (either of which will constitute an abstention), your shares will not be deemed to have voted on that matter in determining whether the matter has received an affirmative vote sufficient for approval but your shares will be considered present at the Special Meeting for purposes of determining a quorum. Because the approval of the Share Issuance Proposal and the Adjournment Proposal only require the approval of the majority of votes cast at the Special Meeting, an abstention on the Share Issuance Proposal or the Adjournment Proposal will not be counted for purposes of determining whether these proposals have received sufficient votes for approval and will have no effect on their outcome. Because the vote to approve the Articles Amendment Proposal requires the affirmative vote of a majority of our outstanding Common Shares, an abstention on that proposal has the effect of a vote against that proposal.

What if I do not specify how I want my shares voted?

Shareholders of Record. If you are a shareholder of record and you sign and return a proxy card that does not specify how you want your shares voted on a matter, your shares will be voted “FOR:” (1) approval of the Share Issuance Proposal; (2) approval of the Articles Amendment Proposal; and (3) approval of the Adjournment Proposal.

Beneficial Owners. If you are a beneficial owner and you do not provide your broker or other nominee with voting instructions, the broker or other nominee will determine if it has the discretionary authority to vote on the particular matter. Under the rules of the various national and regional securities exchanges, brokers and other nominees holding your shares may vote on certain routine matters such as the Adjournment Proposal, but cannot vote in other matters such as the Share Issuance Proposal and the Articles Amendment Proposal. If you hold your shares in street name and you do not instruct your broker or other nominee how to vote on the Share Issuance Proposal and the Articles Amendment Proposal, in which brokers and nominees are not permitted to vote without your instructions, no votes will be cast on your behalf in those proposals. This is generally referred to as a “broker non-vote.”

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Because the approval of the Share Issuance Proposal only requires the approval of the majority of votes cast at the Special Meeting, a broker non-vote on the Share Issuance Proposal will not be counted for purposes of determining whether this proposal has received sufficient votes for approval and will have no effect on its outcome. Because the vote to approve the Articles Amendment Proposal requires the affirmative vote of a majority of our outstanding Common Shares, a broker non-vote on that proposal has the effect of a vote against that proposal. Because the approval of the Adjournment Proposal only requires the approval of the majority of votes cast at the Special Meeting and is a routine matter which your broker or nominee is permitted to vote without your instructions, the effect of your failure to instruct your broker or other nominee how to vote on this proposal will depend upon whether and how your broker or other nominee elects to vote your Common Shares on this proposal; if your Broker abstains from voting on the Adjournment Proposal, there would be no effect on the outcome of this proposal; if your Broker votes “FOR” or “AGAINST” the Adjournment Proposal, the effect on this proposal would be the same as if you had instructed your broker or other nominee to vote the same way.

What happens if either the Share Issuance Proposal or the Articles Amendment Proposal is not approved?

The approval of both the Share Issuance Proposal and the Articles Amendment Proposal is required for us to consummate the Asset Contribution Transaction and the BioTime Financing. Each of these proposals is cross-conditioned on the approval of the other. Accordingly, neither of these proposals will be deemed approved unless both are approved. Further, unless both of these proposals are approved, we will be unable to consummate either the Asset Contribution Transaction or the BioTime Financing and we will, under most circumstances, be required to pay to Geron a \$1,800,000 termination fee upon termination of the Asset Contribution Agreement. See “SHARE ISSUANCE PROPOSAL - The Asset Contribution Agreement - Termination - Termination Fee.”

Will I receive anything if the Share Issuance Proposal and Articles Amendment Proposal are approved and the Asset Contribution Transaction and BioTime Financing are consummated?

You will not receive any consideration as a result of the consummation of the Asset Contribution Transaction or the BioTime Financing. Our subsidiary, BAC will acquire certain assets relating to Geron’s discontinued human embryonic stem cell programs and a cash investment from the private investor upon the consummation of the Asset Contribution Transaction and the BioTime Financing. Immediately following the consummation of the Asset Contribution Agreement and the BioTime Financing, we will own approximately 71.6% of the outstanding BAC common stock.

Do I have dissenters’ rights?

There are no dissenters’ rights available to shareholders in connection with the Asset Contribution Transaction or the BioTime Financing.

Can I change my vote after I submit my proxy card?

You may revoke your proxy at any time before it is voted. If you wish to revoke your proxy you must do one of the following things:

- deliver to the Secretary of BioTime a written revocation;
- deliver to the Secretary of BioTime a signed proxy bearing a date subsequent to the date of the proxy being revoked; or

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- attend the Special Meeting and vote in person.

How many copies of the Proxy Materials will be delivered to households where two or more shareholders reside?

As permitted by the Securities Exchange Act of 1934, as amended (the “Exchange Act”), only one copy of this Proxy Statement is being delivered to shareholders residing at the same address, unless shareholders have notified us of their desire to receive multiple copies of the Proxy Statement. This is known as householding. If any shareholder at such an address wishes to discontinue householding and receive a separate copy of the Proxy Statement, they should notify their broker, bank or other nominee. Shareholders sharing an address to which a single copy of the Proxy Statement was delivered can also request prompt delivery of a separate copy of the Proxy Statement by contacting us at BioTime, Inc., Attn: Peter Garcia, Chief Financial Officer, 1301 Harbor Bay Parkway, Alameda, California 94502, pgarcia@biotimemail.com or (510) 521-3390, ext. 367.

We will promptly deliver, upon oral or written request, a separate copy of this Proxy Statement to any shareholder residing at an address to which only one copy was mailed. Requests for additional copies for this Proxy Statement should be directed to our Chief Financial Officer, Peter Garcia, using the contact information specified above.

Can I still attend and vote at the Special Meeting if I submit a proxy?

You may attend the Special Meeting and vote in person whether or not you have previously submitted a proxy. If you previously gave a proxy, your attendance at the Special Meeting will not revoke your proxy unless you also vote in person at the Special Meeting.

If you are a shareholder of record, you may vote your shares at the Special Meeting by completing a ballot at the Special Meeting. However, if you are a “street name” holder, you may vote your shares in person only if you obtain a signed proxy from your broker or nominee giving you the right to vote the shares.

Even if you currently plan to attend the Special Meeting, we recommend that you also submit your proxy first so that your vote will be counted if you later decide not to attend the Special Meeting.

Who is soliciting my proxy and who will bear the cost of soliciting proxies for use at the Special Meeting?

This proxy solicitation is being made by us on behalf of our Board of Directors. We will bear all of the costs of the solicitation of proxies for use at the Special Meeting. In addition to the use of the mails, proxies may be solicited by a personal interview, telephone and telegram by our directors, officers and employees, who will undertake such activities without additional compensation. Banks, brokerage houses and other institutions, nominees, or fiduciaries will be requested to forward the proxy materials to the beneficial owners of the common shares held of record by such persons and entities and will be reimbursed for their reasonable expense incurred in connection with forwarding such material.

When and where is the Special Meeting?

The Special Meeting will be held on [], 2013 at []. Our Special Meeting will be held at [].

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How can I attend and vote at the Special Meeting?

If you wish to attend the Special Meeting, you will need to bring to it your proxy card, driver's license, or other identification. If you wish to attend the Special Meeting and your shares are held in an account at a broker, dealer commercial bank, trust company or other nominee (i.e., in "street name"), you will need to bring a copy of your voting instruction card or your most recent brokerage account statement reflecting your share ownership as of the Record Date.

Where can I find more information?

You can find more information about BioTime in the periodic reports and other information we file with the U.S. Securities and Exchange Commission ("SEC"). The information is available at the SEC's public reference facilities and at the website maintained by the SEC at www.sec.gov. For a more detailed description of the additional information available, please read the section entitled "WHERE SHAREHOLDERS CAN FIND MORE INFORMATION."

Who can help answer my other questions?

If you have more questions about the Asset Contribution Transaction and BioTime Financing or any of the proposals, need assistance in submitting your proxy or voting your shares, or need additional copies of the Proxy Statement or the enclosed proxy card, you should contact our Chief Financial Officer, Peter Garcia, by mail at 1301 Harbor Bay Parkway, Alameda, California 94502, by email at pgarcia@biotimemail.com or by telephone at (510) 521-3390, ext. 367.

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SUMMARY

This Summary highlights selected information contained in this Proxy Statement, and does not contain all of the information that may be important to you. Each section of this Summary is qualified in its entirety by reference to the full discussions of the related matters in the body of this Proxy Statement, and you are encouraged to carefully read this Proxy Statement, including the Annex, in its entirety. Additional important information is also contained in the documents incorporated by reference in to this Proxy Statement - see "WHERE SHAREHOLDERS CAN FIND MORE INFORMATION." Unless stated otherwise, all references in this Proxy Statement to "BioTime," "we," "us," or "our," are to BioTime, Inc., all references to "BAC" are to BioTime Acquisition Corporation, all references to "Geron" are to Geron Corporation, all references to the "Asset Contribution Agreement" are to the Asset Contribution Agreement dated as of January 4, 2013 by and among us, BAC and Geron, a copy of which is attached as Annex A to this Proxy Statement and is incorporated herein by reference, and all references to "the Proposals" refers to the Share Issuance Proposal, the Articles Amendment Proposal and the Adjournment Proposal, collectively.

Share Issuance Proposal

Description of Proposal (page 23)

We are soliciting your approval of the issuance of up to 20,663,462 Common Shares pursuant to the Asset Contribution Transaction and the BioTime Financing as follows:

- 8,902,077 Common Shares to BAC in the Asset Contribution Transaction;
- warrants to purchase an additional 8,000,000 Common Shares to BAC in the Asset Contribution Transaction and the issuance of the Common Shares underlying those warrants upon valid exercise of such warrants;
- up to an additional 2,561,387 common shares to Geron as reimbursement for certain expenses up to \$750,000 in value, and/or to BAC to replace a \$5,000,000 cash investment in BAC by a private investor in the unexpected event that BAC does not receive such cash investment, and/or if we decide to contribute additional Common Shares rather than cash to BAC, in the Asset Contribution Transaction;
- 810,000 Common Shares to the private investor in the BioTime Financing; and
- warrants to purchase 389,998 Common Shares to the Investor in the BioTime Financing, and the issuance of the Common Shares underlying those warrants upon valid exercise of such warrants.

Assuming the issuance of the maximum 20,663,462 Common Shares that may be issued pursuant to the Asset Contribution Transaction and the BioTime Financing, and based upon the capitalization of BioTime as of January 31, 2013, without regard to shares reserved for issuance upon exercise of outstanding options and warrants to purchase our Common Shares as of that date, upon the consummation of the Asset Contribution Transaction and the BioTime Financing, the aggregate percentage ownership of our outstanding Common Shares held by our shareholders would be reduced from 100% to approximately 72.4%. For further information regarding the potential dilution resulting from the Asset Contribution Transaction and the BioTime Financing, please see the dilution table in "SHARE ISSUANCE PROPOSAL - Dilutive Effect of Issuances of BioTime Securities in the Asset Contribution Transaction and the BioTime Financing."

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Recommendation of our Board of Directors (page 24)

The members of our Board of Directors unanimously recommend that you vote FOR the Share Issuance Proposal.

Vote required (page 23)

Approval of the Share Issuance Proposal requires the affirmative vote of the majority of the votes cast at the Special Meeting, where a quorum of our issued and outstanding Common Shares entitled to vote is present.

Reasons for the Asset Contribution Transaction and the BioTime Financing (page 24)

We believe that the Asset Contribution Transaction will be a good strategic fit and presents a unique opportunity to enhance and expand the intellectual property estate of the BioTime family of companies and to position us for future growth in the regenerative medicine field. On January 4, 2013, our Board of Directors unanimously determined that the terms of the Asset Contribution Agreement and the transactions contemplated thereby were advisable and in the best interests of BioTime and our shareholders. In evaluating the Asset Contribution Transaction and the BioTime Financing, the Board of Directors considered the following potentially positive factors (which are not intended to be exhaustive and are not in any relative order of importance):

- the acquisition by BAC of a significant intellectual property estate consisting of Geron's human embryonic stem ("hES") cell patent portfolio of over 400 patents and patent applications that will be transferred or sublicensed to BAC;
- the complementary nature of BioTime's and Geron's assets in the hES cell field, giving BAC multiple potential opportunities to advance products derived from hES cells;
- the potential to leverage the combined technology expertise of BioTime and BAC to provide enhanced research and development activities; and
- synergies associated with BioTime's and Geron's stem cell assets, merging foundational technologies and allowing BAC to build upon the pluripotent stem cell technology platform.

The Board of Directors also considered certain other positive and negative factors described below in "SHARE ISSUANCE PROPOSAL - Reasons for the Asset Contribution Transaction and the BioTime Financing."

Contributions (page 27)

Pursuant to the Asset Contribution Agreement, Geron and BioTime will make the following contributions to our subsidiary BAC, and BAC will assume the following obligations and enter into the following transactions:

Geron Contribution to BAC

Geron will contribute to BAC its hES cell assets, including:

- certain patents and patent applications, and all active prosecution cases related thereto (the "Contributed Patents"), trade secrets, know-how and certain other intellectual property rights, and all of Geron's goodwill with respect to the technology of Geron directly related to the research, development and commercialization of certain products and know-how related to hES cells;

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- certain biological materials and reagents (including master and working cell banks, original and seed banks, and research, pilot and GMP grade lots and finished product);
 - certain laboratory equipment;
 - certain contracts;
 - certain books, records, lab notebooks, clinical trial documentation, files and data;
- Geron’s Phase I clinical trial of oligodendrocyte progenitor (OPC-1) cells in patients with acute spinal cord injury, and Geron’s autologous cellular immunotherapy program, including the Phase II clinical trial of autologous immunotherapy in patients with acute myelogenous leukemia;
- certain regulatory filings, including the investigational new drug applications filed with the United States Food and Drug Administration for the clinical trials of GRNOPC1 for spinal cord injury, including a Phase I Safety Study of GRNOPC1 In Patients with Neurologically Complete, Subacute, Spinal Cord Injury, Protocol No. CP35A007, and Long Term Follow Up of Subjects Who Received GRNOPC1, Protocol No. CP35A008, and the clinical trial of VAC1 for acute myelogenous leukemia, including: A Phase I/II Study of Active Immunotherapy with GRNVAC1, Autologous Mature Dendritic Cells Transfected with mRNA Encoding Human Telomerase Reverse Transcriptase (hTERT), in Patients with Acute Myelogenous Leukemia (AML) in Complete Remission (Protocol No. CP06-151 (collectively, the “Clinical Trials”); and
 - certain abandoned or inactive patents and abandoned or inactive patent applications.

We refer to the assets contributed by Geron to BAC, collectively, as the “Contributed Geron Assets.”

In addition, pursuant to a Telomerase Exclusive Sublicense Agreement (the “Telomerase Exclusive Sublicense Agreement”) to be entered into between BAC and Geron, Geron will grant to BAC a sublicense, on an exclusive, world-wide, royalty bearing basis, of certain patents for the purpose of using telomerase as an antigen in the development of certain immunological therapy products.

Pursuant to a Royalty Agreement (the “Royalty Agreement”) to be entered into between BAC and Geron, BAC will be required to pay Geron a 4% royalty on net sales (as defined in the Royalty Agreement), by BAC or any affiliate or sales agent of BAC, of any products that are developed and commercialized in reliance upon the patents contributed by Geron to BAC. In the case of sales of such products by a person other than BAC or an affiliate or sales agent of BAC, BAC will be required to pay Geron 50% of all royalties and cash payments received by BAC or such affiliate of BAC in respect of a product sale.

BioTime Contribution to BAC

We will contribute the following assets to BAC:

- 8,902,077 Common Shares (the “Contribution Shares”);
- warrants to subscribe for and purchase 8,000,000 additional Common Shares exercisable for a period of five years at an exercise price of \$5.00 per share (the “Contribution Warrants”);

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- \$5,000,000 in cash, which we refer to as “our Cash Contribution,” \$3,000,000 of which we expect to be provided through the BioTime Financing, as described below;
- 10% of the shares of common stock of our subsidiary OrthoCyte Corporation (“OrthoCyte”) issued and outstanding as of January 4, 2013 (the “Contributed OrthoCyte Shares”);
- 6% of the ordinary shares of our subsidiary Cell Cure Neurosciences, Ltd. (“Cell Cure”) issued and outstanding as of January 4, 2013 (the “Contributed Cell Cure Shares”); and
- sufficient ampules of cryopreserved cells of each of five hES cell lines produced by our subsidiary ES Cell International Pte Ltd. under “good manufacturing practices” to generate master cell banks (the “BioTime Stem Cell Lines”), together with a non-exclusive, world-wide, royalty-free license to use the BioTime Stem Cell Lines and certain patents pertaining to stem cell differentiation technology for any and all uses pursuant to a license agreement between BioTime and BAC (the “ESI License”).

We refer to the assets contributed by us to BAC, collectively, as the “Contributed BioTime Assets.”

In lieu of making all or a portion of our Cash Contribution we are permitted to contribute to BAC an equivalent value in additional Common Shares valued at the Average Price as described in “SHARE ISSUANCE PROPOSAL - Summary of Transactions - Contributions - BioTime Contribution.” Further, in the event that all or a portion of the Investor Contribution described below is not made, we are required to contribute to BAC the equivalent value of any such deficiency in cash or additional Common Shares, or a combination of cash and additional Common Shares. We refer to any Common Shares we may issue as described in the two immediately preceding sentences as “Substituted Shares.”

BAC Assumption

BAC will assume all obligations and liabilities of Geron and its affiliates relating to:

- the Contributed Geron Assets and attributable to periods, events or circumstances after the closing under the Asset Contribution Agreement;
- obligations of Geron and its affiliates to be performed following the closing under the Asset Contribution Agreement under contracts included in the Contributed Geron Assets;
- the ViaCyte Contested Matters other than expenses incurred by Geron relating to the ViaCyte Contested Matters prior to the closing under the Asset Contribution Agreement (see page 34); and
- the Clinical Trials.

We refer to the obligations of Geron and its affiliates assumed by BAC, collectively, as the “Assumed Geron Liabilities.”

Investor Contribution to BAC

A private investor, Romulus Films Ltd (the “Investor”), has entered into a Stock and Warrant Purchase Agreement with BAC (the “BAC Stock and Warrant Purchase Agreement”) pursuant to which the Investor has agreed to contribute \$5,000,000 in cash to BAC, which we refer to as the “Investor Contribution.” The same Investor has agreed to provide us \$5,000,000, of which we have received \$2,000,000 and the balance of \$3,000,000 in the BioTime Financing

discussed below. As noted above, in the event that all or a portion of the Investor Contribution is not made, we are required to contribute to BAC the equivalent value of any such deficiency in cash or Substituted Shares, or a combination of cash and Substituted Shares. In the event that we contribute to BAC Substituted Shares to make up any such deficiency in the Investor Contribution, we would be entitled to receive the BAC Series B Shares and warrants to purchase BAC Series B Shares that would have otherwise been issuable by BAC to the Investor as described below.

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Ownership of BAC following the Asset Contribution Transaction

At the closing of the Asset Contribution Transaction and BioTime Financing BAC will issue to Geron, BioTime and the Investor the following BAC securities:

- To Geron:

6,537,779 shares of BAC Series A Common Stock (“BAC Series A Shares”);

- To BioTime:

21,773,340 shares of BAC Series B Common Stock (“BAC Series B Shares”), and

Warrants to purchase 3,150,000 shares of BAC Series B Shares at an exercise price of \$5.00 per share and a term of three years commencing on the date of the closing under the Asset Contribution Agreement (“BAC Warrants”); and

- To the Investor:

2,136,000 shares of BAC Series B Common Stock (the “Investor BAC Shares”), and

warrants to purchase 350,000 additional BAC Series B Shares exercisable for a period of three years following the closing of the BAC Stock and Warrant Purchase Agreement at an exercise price of \$5.00 per share (the “Investor BAC Warrants”).

Following the closing under the Asset Contribution Agreement, subject to certain limitations and exceptions, Geron has agreed to distribute the BAC Series A Shares to its stockholders on a pro rata basis (the “BAC Series A Distribution”).

Following the BAC Series A Distribution to the Geron stockholders, BAC will distribute the Contribution Warrants to the holders of the BAC Series A Shares on a pro rata basis (the “Contribution Warrants Distribution”). As a result of the Contribution Warrants Distribution, BAC will not derive any future economic value from the Contribution Warrants and, instead, the value of the Contribution Warrants will benefit the holders of BAC Series A Shares who receive those Contribution Warrants.

Following the consummation of the Asset Contribution Transaction and BioTime Financing, and the BAC Series A Distribution, we will own, including the BAC Series B Shares that we presently own, approximately 71.6% of the outstanding BAC common stock, the Geron stockholders will own approximately 21.4% of the outstanding BAC common stock, and the Investor, will own approximately 7.0%, of the outstanding BAC common stock. If we and the Investor exercise all of the BAC Warrants and Investor BAC Warrants, BioTime and the Investor’s collective ownership in BAC would increase by approximately 2.2%, and the Geron stockholders’ ownership in BAC would be reduced to approximately 19.2%.

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Expense Reimbursement (page 48)

If the closing under the Asset Contribution Agreement occurs, we are required to pay to Geron, as partial reimbursement of fees and expenses incurred by Geron's advisors, \$750,000, either in cash or, at our election, by issuing to Geron additional Common Shares ("Expense Reimbursement Shares"), or a combination of cash and Common Shares. Any Expense Reimbursement Shares would be valued based on the volume-weighted average per share closing price of our Common Shares for the twenty consecutive trading days immediately prior to the closing under the Asset Contribution Agreement.

Interests of Certain Persons (page 32)

In considering the recommendation of our Board of Directors, you should be aware that certain of our and BAC's directors and officers will have interests in the Asset Contribution Transaction in addition to interests they might have as shareholders of BioTime. For more information, see "SHARE ISSUANCE PROPOSAL - Summary of Transactions - Interests of Certain Persons."

Terms of Securities (page 57)

For a summary of the terms of the securities to be issued by BioTime and BAC, please see "TERMS OF SECURITIES."

Additional Obligations of BioTime and BAC in connection with Asset Contribution Transaction and BioTime Financing and certain other considerations

Registration of BioTime and BAC Securities; Listing; Qualifications (page 40)

We are required to register the Contribution Warrants and underlying Common Shares and any Expense Reimbursement Shares, and BAC is required to register the BAC Series A Shares, with the SEC under the Securities Act of 1933, as amended (the "Securities Act"). BioTime is required to use its reasonable best efforts to list the shares and warrants that we are required to register, and BAC is required to use its reasonable best efforts to list the shares and warrants that it is required to register, on the NYSE MKT or Nasdaq and any other exchange on which our or BAC's respective securities are then listed, and, subject to certain limitations, to qualify or register (or obtain an exemption from such registration or qualification) those shares and warrants that will be issued under the securities laws and blue sky laws of each jurisdiction in which they will be sold or distributed.

The Investor also has certain registration rights with respect to the Investor BAC Shares, Investor BAC Warrants and underlying BAC shares pursuant to a registration rights agreement.

Distributions Indemnity; Insurance Obligations (page 41)

We and BAC have agreed to indemnify Geron and certain of its affiliates from any losses relating to certain claims that could arise as a result of any untrue statement or alleged untrue statement of material fact in, or omission or alleged omission to state any material fact required in order to make the statements not misleading from, the BioTime and BAC registration statements and prospectuses relating to the BAC Series A Distribution, the Contribution Warrants Distribution and/or other distributions of securities by BAC to the holders of BAC Series A Shares. These indemnification obligations would apply to any claims relating to the BAC Series A Distribution, the Contribution Warrants Distribution, and/or other distributions of securities by BAC to the holders of BAC Series A Shares within one year following the closing under the Asset Contribution Agreement, provided that the claims arise on or before the fifth anniversary of the date on which all of the Contribution Warrants have either expired or been exercised, cancelled or sold. We refer to such indemnification obligations as the "Distributions Indemnity."

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We are required under the Asset Contribution Agreement to use reasonable best efforts to procure at our cost and expense a prospective liability insurance policy (the “Insurance Policy”), on terms reasonably acceptable to Geron, to provide \$10,000,000 in coverage for our indemnification obligations under the Distributions Indemnity. Obtaining the Insurance Policy is a condition to Geron’s obligation to consummate the Asset Contribution Transaction. We can provide no assurances that we will be able to obtain the Insurance Policy. Because it is a condition to Geron’s obligations under the Asset Contribution Transaction, if we do not obtain the Insurance Policy neither the Asset Contribution Transaction nor the BioTime Financing will be consummated unless Geron were to waive this condition. See “RISK FACTORS” above for more information.

Separate from the Distributions Indemnity, BioTime and BAC have agreed to indemnify Geron, and Geron has agreed to indemnify BioTime and BAC, from and against certain other expenses, losses, and liabilities arising from inaccuracies or breaches of the indemnifying party’s representations and warranties in, and covenant breaches under, the Asset Contribution Agreement. The maximum damages recoverable from us and BAC by Geron (or by us and BAC from Geron) for indemnifiable losses is \$2,000,000 in the aggregate, except with respect to certain matters identified in “SHARE ISSUANCE PROPOSAL - The Asset Contribution Agreement - Indemnification - Limitations on Indemnification.”

In addition, from and after the closing under the Asset Contribution Agreement, BAC has agreed to indemnify Geron for liabilities relating to the Assumed Geron Liabilities. Geron has agreed to indemnify us and BAC from liabilities related to the Contributed Geron Assets other than the Assumed Geron Liabilities.

Termination Fee (page 46)

We will be required to pay Geron a termination fee of \$1,800,000 if the Asset Contribution Agreement is terminated for any of the following reasons:

- our Board of Directors has withdrawn its recommendation to our shareholders to approve the Share Issuance Proposal and/or the Articles Amendment Proposal;
- any of the parties to the Support Agreements with Geron (as described below under “Support Agreements and Indemnification Agreements”) has materially breached his Support Agreement; or
- our shareholders have failed to approve both the Share Issuance Proposal and the Articles Amendment Proposal after a final vote at the Special Meeting.

Support Agreements and Indemnification Agreements

Three of our directors and certain of their affiliates have entered into Support Agreements under which they have agreed to vote all of their Common Shares in favor of both the Share Issuance Proposal and the Articles Amendment Proposal and against certain other actions of BioTime that might materially delay or prevent the consummation of the Asset Contribution Agreement. As of January 31, 2013, the shares subject to these Support Agreements represent in the aggregate approximately 33.4% of our outstanding Common Shares, but this number may fluctuate because the Common Shares subject to the Support Agreements may be transferred by those shareholders.

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We have entered into Indemnification Agreements with two of our directors and their affiliates who entered into the Support Agreements, under which we will indemnify each of them from any liabilities and related expenses arising from the performance of their obligations under their respective Support Agreements, excluding liabilities or expenses arising from a breach of their Support Agreements.

BioTime Financing

In order to fund our Cash Contribution in the Asset Contribution Transaction, we have entered into a stock and warrant purchase agreement with the Investor (the “BioTime Stock and Warrant Purchase Agreement”) pursuant to which the Investor has agreed to provide to us \$5,000,000 in cash in two installments in exchange for the issuance of Common Shares and warrants to purchase additional Common Shares. We have already received the initial \$2,000,000 installment and issued to the Investor 540,000 Common Shares and warrants to purchase 259,999 Common Shares (the “First Tranche Warrants”). We expect to receive the additional \$3,000,000 installment for which we will issue to the Investor 810,000 Common Shares (the “Investor BioTime Shares”) and warrants to purchase 389,998 additional Common Shares (the “Investor BioTime Warrants”) at the closing of the Asset Contribution Transaction. We refer to the \$3,000,000 of financing that we will receive from the Investor at the closing of the Asset Contribution Transaction as the “BioTime Financing.” Prior to the closing of the Asset Contribution Transaction, we may lend to BAC some or all of the \$2,000,000 that we already received from the Investor. Amounts loaned by us to BAC, up to \$5,000,000 in the aggregate, will be credited towards our Cash Contribution upon the closing under the Asset Contribution Agreement, upon the cancellation of such indebtedness.

Special Risks Relating to Asset Contribution Transaction

We have identified a number of potential risks relating to the Asset Contribution Transaction. Please read the Section entitled “RISK FACTORS” below for more information.

Management of BAC

Thomas Okarma, P.hD., M.D. serves as President and Chief Executive Officer of BAC. Dr. Okarma, Michael West, Ph.D. who serves as our President and Chief Executive Officer, Alfred Kingsley who serves as chairman of our Board of Directors, and Andrew von Eschenbach who serves as a member of our Board of Directors, are the members of the Board of Directors of BAC. BAC will engage addition management personnel, but it will initially rely on us to provide certain management services and administrative services pursuant to a shared facilities agreement that we contemplate entering into with BAC prior to closing under the Asset Contribution Transaction.

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Articles Amendment Proposal

Description of Proposal (page 53)

We are soliciting your approval of an amendment to our Articles of Incorporation, which we refer to as the “Articles Amendment,” to increase the total number of authorized shares of capital stock that we may issue from 76,000,000 to 127,000,000, of which 125,000,000 shares shall be classified as Common Shares and 2,000,000 shares shall be classified as Preferred Shares.

Recommendation of our Board of Directors

The members of our Board of Directors unanimously recommend that you vote FOR the Articles Amendment Proposal.

Vote Required (page 53)

Approval of the Articles Amendment Proposal requires the affirmative vote of the holders of a majority of our issued and outstanding Common Shares.

Reasons for Amendment to Articles of Incorporation (page 54)

Our Articles of Incorporation currently authorize us to issue 75,000,000 Common Shares. As of January 31, 2013, 54,289,713 Common Shares were issued and outstanding, an additional 816,612 Common Shares have been reserved for issuance upon exercise of outstanding warrants, an additional 3,681,301 Common Shares have been reserved for issuance upon exercise of outstanding stock options, and an additional 3,745,000 Common Shares have been reserved for future option grants and restricted stock awards under our 2012 Equity Incentive Plan (the “2012 Plan”). This leaves us with only 12,467,374 authorized but unissued Common Shares available for issuance. However, in connection with the Asset Contribution Transaction and the BioTime Financing, we will be obligated to issue 9,712,077 Common Shares and to reserve for issuance an additional 8,389,998 Common Shares for the Contribution Warrants and the Investor BioTime Warrants.

In addition, we may issue up to an additional 2,561,387 Common Shares in the aggregate to BAC as “Substituted Shares” if the BioTime Financing or the Investor financing of BAC does not close and/or if we issue Expense Reimbursement Shares to Geron as payment of our expense reimbursement obligations under the Asset Contribution Agreement.

Since we have only 12,467,374 authorized and unissued Common Shares available, but will need to issue at least 9,712,077 Common Shares, and to reserve an additional 8,389,998 Common Shares for issuance upon exercise of warrants, for the Asset Contribution Transaction and the BioTime Financing, we need to amend our Articles of Incorporation to increase the number of authorized Common Shares. In addition, our Board of Directors believes that it is in our best interests that we increase the number of authorized Common Shares and Preferred Shares by an amount that would provide us with the flexibility to issue additional Common Shares and Preferred Shares as the need may arise in the future.

The availability of additional shares of our stock will enhance our flexibility in connection with possible future actions, such as: corporate mergers; acquisitions of businesses, property or securities; stock dividends; financings; employee stock options and restricted stock; and other corporate purposes. Our Board of Directors will decide whether, when, and on what terms the issuance of Common Shares or Preferred Shares may be appropriate in connection with any of the foregoing purposes, without the expense and delay of another special shareholders’

meeting.

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Adjournment Proposal

We are also soliciting your approval of the adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the Special Meeting to approve the Share Issuance Proposal and the Articles Amendment Proposal. Approval of this proposal requires the affirmative vote of a majority of the votes cast at the Special Meeting regardless of whether a quorum is present. The members of our Board of Directors unanimously recommend that you vote FOR this proposal.

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CAUTIONARY STATEMENT CONCERNING FORWARD LOOKING INFORMATION

This Proxy Statement and the documents to which we refer you in this Proxy Statement contain forward looking statements that involve numerous risks and uncertainties. Any statements that are not historical fact (including, but not limited to statements that contain words such as “may,” “will,” “could,” “would,” “believes,” “plans,” “anticipates,” “expect,” “estimates,” “intends,” “seeks,” “predicts,” “potential”) should also be considered to be forward-looking statements. Statements in this Proxy Statement regarding BioTime or BAC’s plans, expectations or timing relating to the Asset Contribution Transaction and the BioTime Financing are forward-looking statements and these statements involve risks and uncertainties, including, without limitation, the ability of the parties to close such transaction in a timely manner or at all, the possibility that conditions to closing of such transaction, including the approval of BioTime’s shareholders, and the effectiveness of registration statements to be filed by BioTime and BAC with the SEC, may not be satisfied, as well as risks inherent in the development and/or commercialization of potential products, uncertainty in the results of clinical trials or regulatory approvals, need and ability to obtain future capital, and maintenance of intellectual property rights. Additional factors that could cause actual results to differ materially from the results anticipated in these forward-looking statements are contained herein under “RISK FACTORS” or in BioTime’s periodic reports filed with the SEC under the heading “Risk Factors” and other filings that BioTime or BAC may make with the SEC. Undue reliance should not be placed on these forward-looking statements which speak only as of the date they are made, and the facts and assumptions underlying these statements may change. Except as required by law, BioTime and BAC each disclaims any intent or obligation to update these forward-looking statements.

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RISK FACTORS

In addition to the Risk Factors described in our Form 10-K for the period ended December 31, 2011 filed with the SEC and our Form 10-Q for the period ended September 30, 2012, we will be subject to additional risks associated with the Asset Contribution Transaction and BioTime Financing. In addition to the other information contained or incorporated by reference into this Proxy Statement, you should carefully consider the following additional risk factors in deciding how to vote on the proposals.

The issuance of our Common Shares in the Asset Contribution Transaction and BioTime Financing, and upon the exercise of the Contribution Warrants and the Investor BioTime Warrants, will have a significant dilutive effect on our existing shareholders' voting power, earnings per share and shareholders' equity.

If the Asset Contribution Transaction and BioTime Financing are consummated, we will issue up to 20,663,462 Common Shares in the Asset Contribution Transaction and the BioTime Financing.

These issuances will cause a significant reduction in the relative percentage interest of current BioTime shareholders in BioTime's earnings or loss, voting power, liquidation value and book and market value. Assuming the issuance of the maximum 20,663,462 Common Shares that may be issued pursuant to the Asset Contribution Transaction and the BioTime Financing, and based upon the capitalization of BioTime as of January 31, 2013, without regard to the shares reserved for issuance upon exercise of outstanding options and warrants to purchase our Common Shares as of that date, upon the consummation of the Asset Contribution Transaction and the BioTime Financing, the aggregate percentage ownership of our outstanding Common Shares held by our shareholders would be reduced from 100% to approximately 72.4%. Please see the dilution table in "SUMMARY - Share Issuance Proposal - Dilutive Effect of Issuances of BioTime Securities in the Asset Contribution Transaction and the BioTime Financing" below for more information concerning the dilutive effect of the Asset Contribution Transaction and the BioTime Financing on the percentage ownership of existing BioTime shareholders.

The market price of our Common Shares could be impacted by the issuances of our securities in the Asset Contribution Transaction and the BioTime Financing.

Under the Asset Contribution Agreement, we have agreed to issue to BAC 8,902,077 Contribution Shares and we may also issue in the aggregate up to an additional 2,561,387 Common Shares in Substituted Shares and/or Expense Reimbursement Shares. We have also agreed to issue to the Investor 810,000 Common Shares in the BioTime Financing. BAC and the Investor may sell the Common Shares that they will receive from us at any time, subject to applicable holding periods. Those sales may take place from time to time on the NYSE MKT and may create downward pressure on the trading price of our Common Shares.

We have also agreed to issue the Contribution Warrants to BAC under the Asset Contribution Agreement. Holders of the Contribution Warrants may purchase 8,000,000 Common Shares. BAC is obligated to distribute the Contribution Warrants to the future holders of the BAC Series A Shares. The holders of the Investor BioTime Warrants may purchase 389,998 Common Shares. The Contribution Warrants will be exercisable for a period of five years and the Investor BioTime Warrants will be exercisable for a period of three years, in each case, at an exercise price of \$5.00 per share, subject to adjustment for certain stock splits, reverse stock splits, stock dividends, recapitalizations and other transactions. During the period that the Contribution Warrants and the Investor BioTime Warrants are outstanding, the actual or potential exercise of those warrants and sale of the underlying Common Shares may create downward pressure on the trading price of our Common Shares.

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We may not realize all of the anticipated benefits of the Asset Contribution Transaction.

Our ability to realize the anticipated benefits of the Asset Contribution Transaction depends upon numerous factors, including:

- BAC's ability to attract and retain skilled personnel and key relationships;
- whether BAC is successful in developing products and technologies that are useful in medicine;
- whether BAC can raise sufficient capital to pay operating expenses and develop and commercialize pharmaceutical products;
 - the impact of competing products on any products BAC may develop;
- BAC's ability to enter into and maintain successful strategic alliances for any of its therapeutic product candidates;
 - difficulties and expenses relating to manufacture on a commercial scale of any products that BAC develops;
- the disposition of the ViaCyte Contested Matters (see "SHARE ISSUANCE PROPOSAL -The Asset Contribution Agreement - Assumption of Geron Liabilities - Substitution of BAC for Geron as party in ViaCyte Appeal");
- BAC's ability to obtain FDA and other regulatory approvals for any pharmaceutical products that it develops;
 - the success or failure of clinical trials for any product candidates that BAC develops;
 - government bans, restrictions, and religious and ethical concerns on the use of hES cells;
 - BAC's ability to obtain and enforce patents and protect its trade secrets; and
- limitations on price and sale of BAC products imposed by governmental and private third party payers for health care costs.

The product development work that BAC will do will be costly, time consuming and uncertain as to its results. BAC will attempt to develop new medical products and technologies. Many of the experimental products and technologies that BAC will acquire from Geron have not been applied in human medicine and have only been used in laboratory studies in vitro or in animals and two have been used only in early stage clinical trials involving a small number of patients. These new products and technologies might not prove to be safe and efficacious in human medical applications.

We cannot assure you that we will realize any or all of the benefits that we anticipate from the Asset Contribution Transaction. For more information concerning the risks our Board of Directors considered, see "SHARE ISSUANCE PROPOSAL - Reasons for the Asset Contribution Transaction and the BioTime Financing."

We could be liable to indemnify Geron for the Distribution Indemnity, and must also bear the cost of the Insurance Policy for the benefit of Geron.

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We and BAC have agreed to provide Geron with the Distribution Indemnity pursuant to which we will indemnify Geron and certain of its affiliates from certain losses and liabilities, including any losses relating to certain claims that could arise caused by any untrue statement or alleged untrue statement of material fact in, or omission or alleged omission to state any material fact required in order to make the statements not misleading from, the BioTime and BAC registration statements and prospectuses relating to the BAC Series A Distribution, the Contribution Warrants Distribution and/or other distributions of securities by BAC to the holders of BAC Series A Shares. Our directors and officers liability insurance policy would not cover any such claims made against Geron. We have agreed to obtain, at our cost, an additional Insurance Policy to provide \$10,000,000 of coverage for the Distribution Indemnity to cover our inability, and BAC's inability, to pay any Distribution Indemnity claims. The cost of obtaining and maintaining the Insurance Policy in place for the duration of the Distribution Indemnity could be significant, and the insurance would be for the benefit of Geron and its affiliates.

The proposed acquisition of Geron's stem cell related assets by BAC, and BAC becoming a public company, will result in an increase in our operating expenses and losses on a consolidated basis.

BAC will use the stem cell assets that it will acquire from Geron for the research and development of products for regenerative medicine. BAC's research and development efforts will involve substantial expense, including but not limited to hiring additional research and management personnel, and the rent of a new office and research facility, that will add to our losses on a consolidated basis for the near future.

BAC will become a public company in connection with the completion of the Asset Contribution Transaction and the BAC Series A Distribution. As a public company, BAC will incur costs associated with audits of its financial statements, filing annual, quarterly, and other periodic reports with the SEC, holding annual shareholder meetings, listing its common shares for trading, and public relations and investor relations. These costs will be in addition to those incurred by BioTime for similar purposes.

Accordingly, our future financial results will be materially different from those shown in our historical financial statements incorporated by reference in this Proxy Statement.

Completing the Asset Contribution Transaction and the BioTime Financing may divert our management's attention away from ongoing operations and could adversely affect ongoing operations and business relationships.

Completing the Asset Contribution Transaction and the BioTime Financing will require a significant amount of time and attention from our management. Moreover, following the closing of the Asset Contribution Agreement, our management will be required to provide management attention to BAC. The diversion of our management's attention away from BioTime's ongoing operations could adversely affect our ongoing operations and business relationships.

BAC will assume Geron's appeal of two adverse patent rulings, and if the appeal is not successful, BAC may not realize value from the Geron patent applications at issue in the appeal and might be precluded from developing therapies to treat certain diseases, such as diabetes.

At the closing of the Asset Contribution Transaction, BAC will be substituted for Geron as a party in interest in an appeal filed by Geron in the United States District Court for the Northern District of California, appealing two adverse rulings in favor of ViaCyte, Inc. (formerly Novocell Inc.) by the United States Patent and Trademark Office's Board of Patent Appeals and Interferences. These rulings related to interference proceedings involving patent filings relating to definitive endoderm cells. Geron had requested that the Board of Patent Appeals and Interferences declare this interference after ViaCyte was granted patent claims that conflicted with subject matter Geron filed in a patent application having an earlier priority date. Those Geron patent applications are among the patent assets that Geron will contribute to BAC. BAC will assume all liabilities relating to the ViaCyte Contested Matters other than expenses

incurred by Geron relating to the ViaCyte Contested Matters prior to the closing under the Asset Contribution Agreement. Appeals of this nature may involve costly and time-consuming legal proceedings and if BAC is not successful in the appeal, these rulings may prevent or limit development of BAC product candidates in certain fields such as diabetes treatment and BAC may be unable to realize value from the patent applications at issue in the appeal.

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We may be unable to complete the Asset Contribution Transaction, and failure to complete the Asset Contribution Transaction could adversely affect the market price of our Common Shares, our reputation and our ability to obtain financing and, under certain circumstances, may result in our being required to pay a \$1,800,000 termination fee to Geron.

We may be unable to complete the Asset Contribution Transaction if the conditions to closing of the Asset Contribution Transaction specified in the Asset Contribution Agreement are not satisfied, including if we do not obtain shareholder approval for the Share Issuance Proposal and the Articles Amendment Proposal. For a description of the conditions to closing of the Asset Contribution Transaction, see “SHARE ISSUANCE PROPOSAL - The Asset Contribution Agreement - Conditions to Closing.”

The price at which our Common Shares trade on the NYSE MKT, and the daily trading volume, increased significantly after we announced the signing of the Asset Contribution Agreement. If the Asset Contribution Transaction does not close, as a result of our shareholders failing to approve the Share Issuance Proposal and the Articles Amendment Proposal, or for any other reason, the trading price of our Common Shares could be immediately adversely affected.

Failure to complete the Asset Contribution Transaction may harm our reputation and we may be viewed as a less attractive investment by investors.

Failure of our shareholders to approve the Share Issuance Proposal and the Articles Amendment Proposal, a withdrawal of the Board of Directors’ recommendation in favor of those proposals, or a material breach of a Support Agreement, will, under most circumstances, result in our being required to pay a \$1,800,000 termination fee upon termination of the Asset Contribution Agreement. For more information, see “SHARE ISSUANCE PROPOSAL - Termination - Termination Fee.”

The increase in our authorized capital stock proposed in the Articles Amendment Proposal could have anti-takeover effects.

Although we have no intent or plan to employ the additional unissued authorized shares as an anti-takeover device, the proposed increase in our authorized capital stock could be construed as having anti-takeover effects. For more information, see “ARTICLES AMENDMENT PROPOSAL - Possible Anti-Takeover Effects.”

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SHARE ISSUANCE PROPOSAL

Description of Proposal

This proposal seeks your approval for us to issue in the aggregate up to 20,663,462 Common Shares pursuant to the Asset Contribution Transaction and the BioTime Financing as follows:

- 8,902,077 Common Shares to BAC in the Asset Contribution Transaction;
- warrants to purchase an additional 8,000,000 Common Shares to BAC in the Asset Contribution Transaction and the issuance of the Common Shares underlying those warrants upon valid exercise of such warrants;
- up to an additional 2,561,387 common shares to Geron as reimbursement for certain expenses up to \$750,000 in value, and/or to BAC to replace a \$5,000,000 cash investment in BAC by a the Investor in the unexpected event that BAC does not receive such cash investment, and/or if we decide to contribute additional Common Shares rather than cash to BAC, in the Asset Contribution Transaction;
- 810,000 Common Shares to the Investor in the BioTime Financing; and
- warrants to purchase 389,998 Common Shares to the Investor in the BioTime Financing, and the issuance of the Common Shares underlying those warrants upon valid exercise of such warrants.

Assuming the issuance of the maximum 20,663,462 Common Shares that may be issued pursuant to the Asset Contribution Transaction and the BioTime Financing, and based upon the capitalization of BioTime as of January 31, 2013, without regard to shares reserved for issuance upon exercise of outstanding options and warrants to purchase our Common Shares as of that date, upon the consummation of the Asset Contribution Transaction and the BioTime Financing, the aggregate percentage ownership of our outstanding Common Shares held by our shareholders would be reduced from 100% to approximately 72.4%. For further information regarding the potential dilution resulting from the Asset Contribution Transaction and the BioTime Financing, please see the dilution table in “SHARE ISSUANCE PROPOSAL - Dilutive Effect of Issuances of BioTime Securities in the Asset Contribution Transaction and the BioTime Financing”.

Vote Required; Effect of Abstentions and Broker Non-Votes

We are not required under California Law or our Articles of Incorporation or Bylaws to obtain shareholder approval to effect the Asset Contribution Transaction or the BioTime Financing. However, our Common Shares are traded on the NYSE MKT and we are therefore subject to the rules of the NYSE MKT. Section 712 of the NYSE MKT Company Guide requires shareholder approval where a transaction, such as the Asset Contribution Transaction and the BioTime Financing, could result in an increase in our outstanding Common Shares by 20% or more. Approval of this proposal requires the affirmative vote of the majority of the votes cast at the Special Meeting and where a quorum of our issued and outstanding Common Shares entitled to vote is present.

If you check the “abstain” box for this Proposal on the proxy card, if you attend the Special Meeting without submitting a proxy and you abstain from voting on this Proposal, or if your shares are subject to a broker non-vote on this Proposal, your shares will be counted for purposes of determining the presence or absence of a quorum but will not be counted for purposes of determining whether this Proposal has received an affirmative vote sufficient for approval.

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Recommendation of Our Board of Directors

The members of our Board of Directors unanimously recommend that you vote FOR the approval of the Share Issuance Proposal.

Reasons for the Asset Contribution Transaction and the BioTime Financing

On January 4, 2013, our Board of Directors unanimously determined that the terms of the Asset Contribution Agreement and the transactions contemplated thereby were in the best interests of BioTime and our shareholders. Accordingly, our Board of Directors, after careful consideration, unanimously approved the Asset Contribution Agreement and the BioTime Financing, and unanimously approved the Share Issuance Proposal and the Articles Amendment Proposal. In evaluating the Asset Contribution Transaction and the BioTime Financing, our Board of Directors consulted with and received information from management and our legal advisors, and considered the following potentially positive factors (which are not intended to be exhaustive and are not in any relative order of importance):

- the acquisition by BAC of a significant intellectual property estate consisting of Geron's hES cell patent portfolio of over 400 patents and patent applications that will be transferred or sublicensed to BAC;
- the complementary nature of BioTime's and Geron's assets in the hES cell field, giving BAC multiple potential opportunities to advance products derived from hES cells;
- the potential to leverage the combined technology expertise of BioTime and BAC to provide enhanced research and development activities;
- synergies associated with BioTime's and Geron's stem cell assets, merging foundational technologies and allowing BAC to build upon the pluripotent stem cell technology platform;
- the potential expansion of a clinical product pipeline through BAC's acquisition of OPC-1 cells previously in a Phase I clinical trial of hES cell-derived oligodendrocytes in patients with acute spinal cord injury, and a Phase II trial treating cancer with a dendritic cell therapeutic vaccine targeting telomerase;
- the investments from the Investor, including the initial \$2,000,000 investment on January 14, 2013, the BioTime Financing and the Investor Contribution, which will provide initial funding for BAC in connection with the Asset Contribution Transaction and BioTime Financing, and the fact that, together with the Contribution Shares, BAC is expected to have sufficient financial resources to fund its operations for at least 12 months following the closing under the Asset Contribution Agreement;
- an immediate broad stockholder base for BAC resulting from the BAC Series A Distribution to Geron stockholders, and potential additional financing through the Contribution Warrants following the Contribution Warrants Distribution;
- the combined experience and leadership of BioTime and BAC executives, which includes Michael West, BioTime's Chief Executive Officer and a founder of Geron, and Dr. Thomas Okarma, the former chief executive officer of Geron;

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- the opportunity for BioTime’s stockholders to benefit from a larger, more diversified company;
- the investment in BioTime by the Investor, through the BioTime Financing;
- historical information concerning BioTime’s business and Geron’s stem cell assets;
- management’s view of the former stem cell assets of Geron, based on management’s due diligence;
- current financial market conditions and historical market prices, sales prices, volatility and trading information with respect to Common Shares;
- management’s view as to the potential for BioTime’s competitors to enter into strategic relationships with Geron or to acquire Geron’s stem cell assets, and the potential negative impact on BioTime from a competitor’s obtaining Geron’s stem cell assets;
- our Board of Directors’ assessment of alternatives to the Asset Contribution Transaction, including acquiring or in-licensing other stem cell assets and possible acquisition and merger candidates;
- the determination that the Asset Contribution Transaction represented a good strategic fit and presented a unique opportunity to enhance and expand the intellectual property estate of the BioTime family of companies and position us for future growth in the regenerative medicine field;
- certain terms of the Asset Contribution Agreement, including the right of our Board of Directors to change or withdraw its recommendation, subject to certain restrictions described in “SHARE ISSUANCE PROPOSAL - The Asset Contribution Agreement - Pre-Closing Covenants - Change of Recommendation by Our Board of Directors,” and to respond to an unsolicited proposal for a transaction that could reasonably be expected to materially delay or prevent the consummation of the Asset Contribution Transaction, consistent with our Board of Directors’ fiduciary duties as described in “SHARE ISSUANCE PROPOSAL - The Asset Contribution Agreement - Pre-Closing Covenants - Restrictions on Solicitations;”
 - the likelihood of completing the Asset Contribution Transaction prior to September 30, 2013; and
 - the potentially positive impact of the Asset Contribution Transaction on the trading price of Common Shares.

Our Board of Directors also identified and considered a variety of potentially negative factors in its deliberations concerning the Asset Contribution Transaction, including, but not limited to:

- the risks that the potential benefits sought in the Asset Contribution Transaction might not be fully realized;
- the inherent difficulties in successfully deploying Geron’s stem cell assets to develop therapeutic products;
- the potential need for additional funding of BAC, and the potential financial liabilities associated with BAC’s acquisition of the Contributed Geron Assets;

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- the possibility that the Asset Contribution Transaction might not be completed, and the potential adverse effect of any such failure to complete the transaction on BioTime’s reputation and ability to obtain financing in the future;
- the fact that BioTime will only own less than 100% of BAC following the closing of the Asset Contribution Transaction;
 - the cost of completing the transaction;
 - certain terms of the Asset Contribution Agreement, including:
 - the provisions that require us to indemnify Geron and require us to purchase the Insurance Policy;
 - the provisions imposing restrictions on BioTime’s ability to pursue a transaction which would either materially delay or prevent the consummation of the Asset Contribution Transaction, subject to our Board of Directors’ fiduciary duties; and
 - BioTime’s obligation to pay a \$1,800,000 termination fee in certain circumstances, including if the Asset Contribution Agreement is terminated following a failure of our shareholders to approve both the Share Issuance Proposal and the Articles Amendment Proposal at the Special Meeting;
- the significant dilution to BioTime’s existing shareholders due to the issuance of Common Shares and of warrants to purchase Common Shares in connection with the Asset Contribution Transaction and the BioTime Financing;
- the potential cost associated with the ViaCyte Contested Matters and the potential adverse effect on BAC’s development activities in the event the ViaCyte Appeal is not successful; and
 - other risks described under “RISK FACTORS” above.

Our Board of Directors considered the potentially positive and negative factors summarized above, and our Board of Directors concluded that, overall, the potentially positive factors outweighed the potentially negative factors. The foregoing discussion of the factors considered by our Board of Directors is not intended to be exhaustive, but rather includes the principal factors considered by our Board of Directors. Our Board of Directors reached the unanimous decision to approve the Asset Contribution Transaction, the BioTime Financing, the Share Issuance Proposal and the Articles Amendment, as advisable and in the best interests of BioTime and its shareholders, in light of the factors described above and any other factors that any other member of our Board of Directors felt were appropriate. In considering the factors described above, individual members of our Board of Directors may have given different weight to different factors and individual members may have considered different factors. In view of the variety of the factors and the quality and amount of information considered, our Board of Directors did not find it practicable to and did not attempt to quantify, rank or otherwise assign relative weights to the factors considered in reaching its determination. Our Board of Directors based its determination on the totality of the information presented to and considered by it.

Summary of Transactions

The following summary of the Asset Contribution Transaction and BioTime Financing may not contain all of the information that is important to you and is qualified in its entirety by reference to the full text of the Asset Contribution Agreement and the other agreements described herein. Please read the full text of each of the agreements referenced below.

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Contributions

Pursuant to the Asset Contribution Agreement, Geron and BioTime will make the following contributions to our subsidiary BAC:

Geron Contribution

Geron will contribute to BAC its hES cell assets, including:

- the Contributed Patents, trade secrets, know-how and certain other intellectual property rights, and all of Geron's goodwill with respect to the technology of Geron directly related to the research, development and commercialization of certain products and know-how related to hES cells;
- certain biological materials and reagents (including master and working cell banks, original and seed banks, and research, pilot and GMP grade lots and finished product);
 - certain laboratory equipment;
 - certain contracts;
 - certain books, records, lab notebooks, clinical trial documentation, files and data;
- Geron's Phase I clinical trial of oligodendrocyte progenitor (OPC-1) cells in patients with acute spinal cord injury, and Geron's autologous cellular immunotherapy program, including the Phase II clinical trial of autologous immunotherapy in patients with acute myelogenous leukemia;
- certain regulatory filings, including the investigational new drug applications filed with the United States Food and Drug Administration for the Clinical Trials; and
 - certain abandoned or inactive patents and abandoned or inactive patent applications.

We refer to the assets contributed by Geron, collectively, as the "Contributed Geron Assets."

The patent portfolio that BAC will acquire from Geron through the Asset Contribution Agreement includes over 400 patents and patent applications owned or licensed to Geron relating to hES cell-based product opportunities. This portfolio consists primarily of patents and patent applications owned by Geron, but also includes patent families licensed to Geron by third parties.

The patent portfolio includes patents and patent applications covering a number of cell types that can be made from hES cells, including hepatocytes (liver cells), cardiomyocytes (heart muscle cells), neural cells (nerve cells, including dopaminergic neurons and oligodendrocytes), chondrocytes (cartilage cells), pancreatic islet β cells, osteoblasts (bone cells), hematopoietic cells (blood-forming cells) and dendritic cells. The patent portfolio also includes technologies for growing hES cells without the need for cell feeder layers, and novel synthetic growth surfaces.

In addition, pursuant to the Telomerase Exclusive Sublicense Agreement, Geron will grant to BAC a sublicense, on an exclusive, world-wide, basis, of certain patents for the purpose of using telomerase as an antigen in the development of certain immunological therapy products. In exchange, BAC will pay Geron an upfront \$65,000 license fee, an annual license maintenance fee of \$10,000 for the use of the sublicensed patents and a 1% royalty on net sales of products developed and commercialized in reliance upon the sublicensed patents, and BAC will agree to indemnify

Geron, Geron's licensor, and certain other parties from certain liabilities.

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Pursuant to a Royalty Agreement to be entered into between BAC and Geron, BAC will be required to pay Geron a 4% royalty on net sales (as defined in the Royalty Agreement), by BAC or any affiliate or sales agent of BAC, of any products that are developed and commercialized in reliance upon the patents contributed by Geron to BAC. In the case of sales of such products by a person other than BAC, or an affiliate or sales agent of BAC, BAC will be required to pay Geron 50% of all royalties and cash payments received by BAC or such affiliate of BAC in respect of such product sale.

BioTime Contribution

We will contribute the following assets to BAC:

- 8,902,077 Contribution Shares;
- the Contribution Warrants, which will be exercisable for 8,000,000 Common Shares in the aggregate for a period of five years at an exercise price of \$5.00 per share;
- our \$5,000,000 Cash Contribution, a portion of which is intended to be provided to BioTime through the BioTime Financing;
 - the Contributed OrthoCyte Shares;
 - the Contributed Cell Cure Shares; and
 - the BioTime Stem Cell Lines and the ESI License.

We refer to the Contributed OrthoCyte Shares, the Contributed Cell Cure Shares, the BioTime Stem Cell Lines and the ESI License, collectively as the “BioTime Stem Cell Assets” and, together with the other assets to be contributed by us to BAC, the “Contributed BioTime Assets.”

For purposes of the Asset Contribution Agreement, the Contribution Shares are valued at \$30,000,000 based upon the aggregate volume weighted-average per share closing price of Common Shares on the NYSE MKT for the twenty (20) consecutive trading days immediately preceding January 4, 2013, or \$3.37 (the “Average Price”).

The number of Common Shares and Contribution Warrants to be issued to BAC is subject to pro rata adjustment for any share dividends, stock splits, reverse stock splits, combinations, recapitalizations and exchange or readjustment of BioTime shares, consolidation of BioTime shares, reclassifications or other similar transactions concerning BioTime shares occurring after January 4, 2013 and prior to the closing of the Asset Contribution Transaction.

In lieu of making all or a portion of our Cash Contribution we are permitted to contribute to BAC an equivalent value in Substituted Shares. In the unexpected event that all or a portion of the Investor Contribution is not made, we are required to contribute to BAC the equivalent value of any such deficiency in cash or Substituted Shares, or a combination of cash and Substituted Shares. Any Substituted Shares will be valued at the Average Price. We currently anticipate that we would issue no more than 2,373,887 Common Shares as Substituted Shares.

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BAC Assumption

BAC will assume all obligations and liabilities of Geron and its affiliates relating to:

- the Contributed Geron Assets and attributable to periods, events or circumstances after the closing under the Asset Contribution Agreement;
- obligations of Geron and its affiliates to be performed following the closing under the Asset Contribution Agreement under contracts included in the Contributed Geron Assets;
- the ViaCyte Contested Matters other than expenses incurred by Geron relating to the ViaCyte Contested Matters prior to the closing under the Asset Contribution Agreement (see page 34); and
 - the Clinical Trials.

Investor Contribution

Pursuant to the BAC Stock and Warrant Purchase Agreement, the Investor has agreed to contribute \$5,000,000 in cash to BAC as the Investor Contribution in exchange for the Investor BAC Shares, consisting of 2,136,000 BAC Series B Shares, and the Investor BAC Warrants consisting of warrants to purchase 350,000 BAC Series B Shares.

Ownership of BAC following the Asset Contribution Transaction and the Investor Contribution

At the closing of the Asset Contribution Transaction, BAC will issue to Geron, BioTime and the Investor the following BAC securities:

- To Geron:
6,537,779 BAC Series A Shares;
- To BioTime:
21,773,340 BAC Series B Shares, and
the BAC Warrants to purchase an additional 3,150,000 BAC Series B Shares; and
- To the Investor:
2,136,000 BAC Series B Shares, and
the Investor BAC Warrants to purchase 350,000 additional BAC Series B Shares.

For a summary of the terms of the securities to be issued by BAC, please see “TERMS OF SECURITIES.”

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In the event that the Investor fails to contribute all or a portion of the \$5,000,000 Investor Contribution to BAC, BioTime is required make an additional contribution of equivalent value of any such deficiency to BAC, as described above in “Investor Contribution” and will receive all or the applicable portion of the BAC Series B Common Stock and BAC Warrants that would have otherwise constituted Investor BAC Shares and Investor BAC Warrants, respectively.

Following the closing under the Asset Contribution Agreement, subject to certain limitations and exceptions, Geron will distribute the BAC Series A Shares to its stockholders on a pro rata basis, which distribution we refer to as the “BAC Series A Distribution.” For more information, see “SHARE ISSUANCE PROPOSAL - The Asset Contribution Agreement - BAC Series A Distribution” below.

Following the BAC Series A Distribution, BAC will distribute the Contribution Warrants to the holders of the BAC Series A Shares pro rata. As a result of the Contribution Warrant Distribution, BAC will not derive any future economic value from the Contribution Warrants and, instead, the value of the Contribution Warrants will benefit the holders of BAC Series A Shares who receive those Contribution Warrants. For more information, see “SHARE ISSUANCE PROPOSAL - The Asset Contribution Agreement - BAC Contribution Warrants Distribution.”

Following the consummation of the Asset Contribution Transaction and BioTime Financing, and the BAC Series A Distribution, assuming the Investor Contribution is made in full, we will own, including the shares of BAC Series B Common Stock that we presently own, approximately 71.6% of the outstanding BAC common stock, the Geron stockholders will own approximately 21.4% of the outstanding BAC common stock and the Investor, will own approximately 7.0% of the outstanding BAC common stock. In the event that no Investor Contribution is made, we would own, in addition to the 71.6% of the outstanding BAC common stock, an additional 7.0% of the outstanding BAC common stock that would have otherwise been issued to the Investor. If we and the Investor exercise all of the shares of BAC Series B Common Stock underlying the BAC Warrants and the Investor BAC Warrants, BioTime and the Investor’s collective ownership in BAC would increase by approximately 2.2%, and the Geron stockholders’ ownership in BAC would be reduced to approximately 19.2%.

Expense Reimbursement

If the closing under the Asset Contribution Agreement occurs, we are required to pay to Geron, as partial reimbursement of fees and expenses incurred by Geron’s advisors, \$750,000, either in cash or, at our election, by issuing to Geron Expense Reimbursement Shares, or a combination of cash and Expense Reimbursement Shares. Any Expense Reimbursement Shares would be valued based on the volume-weighted average per share closing price on the NYSE MKT for the twenty consecutive trading days immediately prior to the closing under the Asset Contribution Agreement. We currently anticipate that we would issue no more than 187,500 Common Shares as Expense Reimbursement Shares.

Dilutive Effect of Issuances of BioTime Securities in the Asset Contribution Transaction and the BioTime Financing

The table below summarizes the issuances of our securities in the Asset Contribution Transaction and the BioTime Financing.

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BioTime Securities Issuable in Asset Contribution Transaction and BioTime Financing	Number of Common Shares
Asset Contribution Transaction	
Contribution Shares(1)	8,902,077
Contribution Warrants(2)	8,000,000(3)
Maximum number of Substituted Shares and/or Expense Reimbursement Shares(4)	2,561,387
BioTime Financing	
Investor BioTime Shares	810,000
Investor BioTime Warrants	389,998(5)
Total:	20,663,462

(1) To be issued to BAC in the Asset Contribution Transaction.

(2) To be issued to BAC in the Asset Contribution Transaction and, subject to certain limitations, subsequently distributed to the holders of BAC Series A Shares in the Contribution Warrant Distribution.

(3) Reflects the number of Common Shares issuable upon exercise of the Contribution Warrants.

(4) Any issuance of Substituted Shares and/or Expense Reimbursement Shares is at our election in lieu of cash payment obligations, and some or all of the Substituted Shares and Expense Reimbursement Shares may not be issued.

(5) Reflects the number of Common Shares issuable upon exercise of the Investor BioTime Warrants.

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The table below illustrates the dilutive effect of the issuances of our securities in the Asset Contribution Transaction and the BioTime Financing on the percentage ownership of Common Shares held by existing BioTime shareholders based on the capitalization of BioTime as of January 31, 2013.

	Number of outstanding Common Shares(1)	% of outstanding Common Shares held by existing BioTime shareholders
Prior to Asset Contribution and BioTime Financing	54,289,713	100%
Minimum dilutive effect of Asset Contribution Transaction and BioTime Financing(2)(3)(4)	64,001,790	84.8%
Dilutive effect of Asset Contribution Transaction and BioTime Financing assuming issuance of maximum number of Substituted Shares and Expense Reimbursement Shares, prior to exercise of Contribution Warrants and Investor BioTime Warrants(2)(4)(5)	66,563,177	81.6%
Maximum dilutive effect of Asset Contribution Transaction and BioTime Financing(2)(5)(6)	74,953,175	72.4%

(1) Based on 54,289,713 Common Shares outstanding as of January 31, 2013, without regard to Common Shares issuable upon exercise of outstanding options and warrants (including the First Tranche Warrants) to purchase shares of our Common Stock. As of January 31, 2013, there were outstanding warrants to purchase up to 816,612 Common Shares (including of the Common Shares underlying the First Tranche Warrants) and outstanding options to purchase 3,681,301 Common Shares.

(2) Reflects issuance of Contribution Shares and Investor BioTime Shares.

(3) Assumes no Substituted Shares or Expense Reimbursement Shares will be issued.

(4) Assumes no Contribution Warrants or Investor BioTime Warrants will be exercised.

(5) Assumes the maximum 2,561,387 Common Shares will be issued as Substituted Shares and/or Expense Reimbursement Shares, in the aggregate. Any issuance of Substituted Shares and/or Expense Reimbursement Shares is at our election in lieu of cash obligations, and some or all of the Substituted Shares and Expense Reimbursement Shares may not be issued.

(6) Assumes issuance of all of the Common Shares issuable upon exercise of the Contribution Warrants and the Investor BioTime Warrants.

Interests of Certain Persons

In considering the recommendation of our Board of Directors, you should be aware that certain of our and BAC's directors and officers will have interests in the Asset Contribution Transaction in addition to interests they might have as shareholders of BioTime. Dr. Michael West, our President and Chief Executive Officer, beneficially owns 400 shares of Geron common stock, Robert W. Peabody, our Senior Vice-President and Chief Operating Officer, beneficially owns 1,000 shares of Geron common stock, and Dr. Thomas Okarma, the President and Chief Executive Officer of BAC, owns 354,762 shares of Geron common stock, vested options to purchase an additional 1,505,000 shares of Geron common stock with exercise prices ranging from \$3.90 to \$9.30 per share of Geron common stock and unvested, restricted performance based share awards for 337,000 shares of Geron common stock. In the event that the Asset Contribution Transaction is consummated, each of those persons would be entitled to receive BAC Series A Shares in the BAC Series A Distribution as a result of their ownership of Geron common stock subject to performance triggers which must be met before July 2013. Each of those persons would also be entitled to receive Contribution Warrants in the Contribution Warrants Distribution if they continue to hold BAC Series A Shares at the time of such distribution. Mr. Okarma entered into a Transition and Separation Agreement with Geron in February 2011 pursuant to which Geron is obligated to pay Mr. Okarma, in the aggregate, \$401,250 in quarterly installments throughout the term of the agreement and ending in July 2013 in exchange for transition consulting services.

We have also entered into Indemnification Agreements with two of our directors, Messrs. Bradsher and Kingsley, in connection with the Support Agreements delivered to Geron by those directors (see "SHARE ISSUANCE PROPOSAL - Support Agreements and Indemnification Agreements").

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Management of BAC

Thomas Okarma, P.hD., M.D. serves as President and Chief Executive Officer of BAC. Dr. Okarma served as President, Chief Executive Officer and a member of the board of directors of Geron from July 1999 until February 2011. Dr. Okarma, Michael West, Ph.D. who serves as our President and Chief Executive Officer, Alfred Kingsley who serves as chairman of our Board of Directors, and Andrew von Eschenbach who serves as a member of our Board of Directors, are the members of the Board of Directors of BAC. BAC plans to appoint additional directors and to engage additional management personnel, but it will initially rely on us to provide certain management services and administrative services pursuant to a shared facilities agreement that we contemplate entering into with BAC prior to closing under the Asset Contribution Transaction.

The Asset Contribution Agreement

The following is a summary of the material provisions of the Asset Contribution Agreement and is qualified in its entirety by reference to the complete text of the Asset Contribution Agreement, which is attached as Annex A to this Proxy Statement. This summary does not purport to be complete and may not contain all of the information about the Asset Contribution Agreement that is important to you. We urge you to read the Asset Contribution Agreement carefully and in its entirety because it, and not this Proxy Statement, is the legal document that governs the Asset Contribution Transaction.

Explanatory Note Regarding the Asset Contribution Agreement

The Asset Contribution Agreement has been provided solely to inform investors of its terms. The representations, warranties and covenants contained in the Asset Contribution Agreement were made only for purposes of such agreement and as of specific dates, were made solely for the benefit of the parties to the Asset Contribution Agreement and may be intended not as statements of fact, but rather as a way of allocating the risk among the parties if those statements prove to be inaccurate. In addition, such representations, warranties and covenants may have been qualified by certain confidential disclosure schedules prepared by the parties to the Asset Contribution Agreement, and not reflected in the text of the Asset Contribution Agreement, and may apply standards of materiality in a way that is different from what may be viewed as material by shareholders of, or other investors in, BioTime. Schedules to the Asset Contribution Agreement have been omitted. We agree to furnish supplementally a copy of any omitted schedule to the SEC upon request. Investors are not third-party beneficiaries under the Asset Contribution Agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of BioTime, BAC or Geron, or any of their respective subsidiaries or affiliates.

Contribution of Assets by Geron and BioTime

For a description of the assets contributed by Geron to BAC, see "SHARE ISSUANCE PROPOSAL - Summary of Transactions - Contributions - Geron Contribution." For a description of the assets contributed by BioTime to BAC, see "SHARE ISSUANCE PROPOSAL - Summary of Transactions - Contributions - BioTime Contribution." The Investor Contribution is to be made pursuant to a separate Stock and Warrant Purchase Agreement with BAC, which we refer to as the "BAC Stock and Warrant Purchase Agreement," and is described in "SHARE ISSUANCE PROPOSAL - Summary of Transactions - Investor Contribution."

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Issuance of BAC Securities

For a description of the issuances of BAC securities to Geron, BioTime and the Investor, see “SHARE ISSUANCE PROPOSAL - Summary of Transactions - Ownership of BAC following the Asset Contribution Transaction and the Investor Contribution.”

Royalty Payments on Products

For a description of royalties payable by BAC to Geron pursuant to a Royalty Agreement required under the Asset Contribution Agreement to be entered into at the closing under the Asset Contribution Agreement, see “SHARE ISSUANCE PROPOSAL - Summary of Transactions - Contribution - Geron Contribution.”

Exclusive Telomerase Sublicense Agreement

For a description of the Exclusive Telomerase Sublicense Agreement required under the Asset Contribution Agreement to be entered into at the closing under the Asset Contribution Agreement, see “SHARE ISSUANCE PROPOSAL - Summary of Transactions - Contribution - Geron Contribution.”

BioSurplus Equipment

Under the Asset Contribution Agreement BAC purchased certain equipment for a purchase price of \$104,013 in cash on January 7, 2013.

Assumption of Geron Liabilities; Substitution of BAC for Geron as party in ViaCyte Appeal

At the closing under the Asset Contribution Agreement, BAC will assume the obligations and liabilities of Geron and its affiliates as described above under “BAC Assumption” in connection with the Contributed Geron Assets. In connection therewith, BAC will assume certain obligations and liabilities to provide follow-up procedures with patients who participated in Geron’s clinical trial of its OPC-1 stem cell product to treat spinal cord injury, and a clinical trial of an immunological therapy to treat acute myelogenous leukemia.

Upon the closing under the Asset Contribution Agreement, BAC will be substituted for Geron as a party in an appeal by Geron of two rulings in favor of ViaCyte, Inc. by the United States Patent and Trademark Office’s Board of Patent Appeals and Interferences, filed by Geron in the United States District Court for the Northern District of California on September 13, 2012 (the “ViaCyte Appeal”), and BAC will assume all liabilities arising from the ViaCyte Appeal and certain other patent interference proceedings (the “ViaCyte Contested Matters”) other than expenses incurred by Geron relating to the ViaCyte Contested Matters prior to the closing under the Asset Contribution Agreement.

Contribution Expenses; Taxes

BAC will bear and pay, and reimburse Geron and its affiliates for, any reasonable fees and expenses relating to the assignment of the Contributed Patents, and taxes that may become payable in connection with the contribution of assets by Geron to BAC.

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Representations and Warranties

Representations and Warranties of BioTime and BAC

The Asset Contribution Agreement contains a number of representations and warranties made by us and BAC, on the one hand, and Geron, on the other hand, that are subject, in some cases, to specified exceptions and qualifications. The representations and warranties relate to, among other things:

- corporate existence and good standing;
- governmental authorizations necessary to complete the Asset Contribution Transaction;
 - title to contributed assets;
- due authorization, execution, delivery and validity of the Asset Contribution Agreement; and
- absence of any conflict with organizational documents, laws or agreements.

The Asset Contribution Agreement contains a number of representations and warranties made by us and BAC that are subject, in some cases, to specified exceptions and qualifications. These representations and warranties relate to, among other things:

- the due organization, existence and good standing of BioTime, BAC, OrthoCyte and Cell Cure;
- our corporate power and authority to execute and deliver, to perform our obligations under and to consummate the Asset Contribution Transaction, and the enforceability of the Asset Contribution Agreement against us, and BAC's corporate power and authority to execute and deliver, to perform its obligations under and to consummate the Asset Contribution Transaction, and the enforceability of the Asset Contribution Agreement against BAC;
- absence of any violation of our or BAC's organizational documents, laws, regulations, or agreements as a result of the consummation or performance by us or BAC of the transactions contemplated by the Asset Contribution Agreement;
 - our and BAC's organizational documents;
 - litigation and proceedings;
 - orders of any governmental entity;
- the capital structure of BioTime, BAC, OrthoCyte, and Cell Cure;
- our filings with the SEC and the accuracy of information in those filings, including our financial statements;
 - our internal controls and procedures;
- the accuracy of the information and statements in the BioTime Registration Statement and any related prospectus (the "BioTime Prospectus") and the BAC Registration Statement and any related prospectus (the "BAC Prospectus" and together with the BioTime Prospectus, the "Prospectuses"), and in this Proxy Statement;

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- the compliance of the BioTime Registration Statement, the BioTime Prospectus, the BAC Registration Statement, the BAC Prospectus and this Proxy Statement with applicable federal securities laws and regulations;
 - title to the assets contributed to BAC by BioTime;
 - prior activities of BAC; and
- absence of a certain changes that would, or would be reasonably expected to, have a BioTime Material Adverse Effect.

Certain of the representations and warranties of BioTime and BAC are qualified as to “materiality,” “BioTime Material Adverse Effect,” or the actual knowledge of certain BioTime and BAC executives.

For purposes of the Asset Contribution Agreement, a “BioTime Material Adverse Effect” means any change that does, or would be reasonably expected to, have a material adverse effect on: (1) the Contributed BioTime Assets, taken as a whole; or (2) the ability of us and BAC to timely consummate the transactions contemplated by the Asset Contribution Agreement or to perform any of our or BAC’s respective obligations under the Asset Contribution Agreement. However, with respect to the Contributed BioTime Assets, none of the following will be deemed to constitute, or will be taken into account in, determining whether there has been or would be, a BioTime Material Adverse Effect: (a) any adverse effect resulting from or arising out of the announcement or pendency of the Asset Contribution Agreement or the transactions contemplated thereby (b) any adverse effect resulting from or arising out of general economic conditions that does not disproportionately affect us, taken as a whole relative to the other entities in the industries in which we compete; (c) any adverse effect resulting from or arising out of general conditions in the industries in which we operate that do not disproportionately affect us, taken as a whole relative to the other entities in the industries in which we compete; (d) any adverse effect resulting from or arising out of any natural disaster or any acts of terrorism, sabotage, military action or war or any escalation or worsening thereof; or (e) any adverse effect resulting from or arising out of any changes in any legal requirement or U.S. generally accepted accounting principles.

Representations and Warranties of Geron

The Asset Contribution Agreement contains a number of representations and warranties made by Geron that are subject, in some cases, to specified exceptions and qualifications. These representations and warranties relate to, among other things:

- the due organization, existence and good standing of Geron;
- Geron’s corporate power and authority to execute and deliver, to perform its obligations under and to consummate the transactions contemplated by the Asset Contribution Agreement, and the enforceability of the Asset Contribution Agreement against Geron;
- absence of any violation of Geron’s organizational documents, laws, regulations, or agreements as a result of the consummation or performance by Geron of the transactions contemplated by the Asset Contribution Agreement;
 - Geron’s organizational documents;
 - litigation and proceedings;

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- orders of any governmental entity;
- title to the assets contributed by Geron to BAC;
- the intellectual property contributed by Geron to BAC;
- compliance with the Food and Drug Cosmetic Act and U.S. Food and Drug Administration policies;
- validity and enforceability of, breach or default under, or termination rights under, contracts contributed by Geron to BAC;
 - environmental matters;
 - taxes; and
- the accuracy of the information and statements supplied by Geron for inclusion in the BioTime or BAC registration statement or BioTime or BAC prospectus, or this Proxy Statement.

Certain of Geron's representations and warranties are qualified as to "materiality," "Geron Material Adverse Effect," or the actual knowledge of specified executives employed by Geron.

For purposes of the Asset Contribution Agreement, a "Geron Material Adverse Effect" means any change that does, or would be reasonably expected to, have a material adverse effect on: (1) the Contributed Geron Assets, taken as a whole; or (2) the ability of Geron to perform any of its obligations under the Asset Contribution Agreement. However, with respect to the Contributed Geron Assets, none of the following will be deemed to constitute, or taken into account in determining, whether there has been or would be, a Geron Material Adverse Effect: (i) any adverse effect resulting from or arising out of the announcement or pendency of the Asset Contribution Agreement or the transactions contemplated thereby; (ii) any adverse effect resulting from or arising out of general economic conditions that does not disproportionately affect Geron, taken as a whole relative to the other entities in the industries in which Geron competes; (iii) any adverse effect resulting from or arising out of general conditions in the industries in which Geron operates that do not disproportionately affect Geron, taken as a whole relative to the other entities in the industries in which Geron competes; (iv) any adverse effect resulting from or arising out of any natural disaster or any acts of terrorism, sabotage, military action or war or any escalation or worsening thereof; (v) any adverse effect resulting from or arising out of any changes in any legal requirement or U.S. generally accepted accounting principles; or (vi) any adverse effect resulting from or arising out of actions taken by (or any inactions of) the Wisconsin Alumni Research Foundation (including with respect to the delivery to Geron of any termination notice under any existing license with Geron or otherwise).

Survival of Representations and Warranties

The representations and warranties of the parties to the Asset Contribution Agreement will expire upon the first anniversary of the closing under the Asset Contribution Agreement subject to exceptions for certain specified representations which will expire on the third anniversary of the closing under the Asset Contribution Agreement).

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Pre-Closing Covenants

Access and Investigation

Prior to closing under the Asset Contribution Agreement, subject to certain limitations, Geron is required to provide us with reasonable access to certain of Geron's books and records pertaining to the assets contributed by Geron to BAC.

Maintenance of Contributed Assets

We have agreed to preserve intact the BioTime Stem Cell Assets during the period prior to the closing under the Asset Contribution Agreement and, with certain exceptions, not to, without Geron's prior written consent:

- sell, pledge, mortgage, encumber, sell and leaseback, transfer, assign, convey, lease or license, or authorize any of the foregoing, with respect to any of the BioTime Stem Cell Assets; or
- amend our articles of incorporation or bylaws.

Subject to certain reasonableness limitations, Geron has agreed to preserve intact and maintain the Contributed Geron Assets in the state in which they were maintained as of January 4, 2013.

Geron has agreed (a) to maintain the ViaCyte Appeal, and not to discharge, settle, compromise use, release or waive any material claims relating to or impair Geron's rights continue, appeal, settle or compromise the ViaCyte Appeal, without our consent, (b) to reasonably consult with us to the extent permitted by ViaCyte with respect to any licenses being negotiated with respect to patents which are subject to the ViaCyte Contested Matters and (c) not to license any such patents without our consent. Our consent to the foregoing may not be unreasonably withheld, conditioned, or delayed.

Restrictions on Solicitation

Geron is not permitted to initiate, solicit or knowingly encourage inquiries, or engage in discussions or negotiations with third parties regarding any proposal to acquire more than an immaterial portion of the Contributed Geron Assets, or approve, adopt or enter into any agreement providing for, or negotiations in respect of, the acquisition of more than an immaterial portion of the Contributed Geron Assets, subject to Geron's ability to solicit and engage in certain change of control transactions other than a change of control transaction that would reasonably be expected to adversely affect, materially delay or prevent the consummation of the Asset Contribution Transaction.

We and BAC are not permitted to initiate, solicit, or knowingly encourage inquiries, or engage in discussions or negotiations with third parties regarding any proposal for a transaction that could reasonably be expected to materially delay or prevent the Asset Contribution Transaction, or approve or adopt any such proposal, or enter into any agreement providing for, or negotiations in respect of, any such proposal, subject to the fiduciary duties of our Board of Directors.

We may furnish information with respect to BioTime and its subsidiaries (including BAC) to a person making a bona fide, written unsolicited proposal for a transaction that could reasonably be expected to materially delay or prevent the Asset Contribution Transaction and engage in or participate in discussions or negotiations regarding such a proposal, but only if: (a) neither Biotime nor BAC has breached the non-solicitation provisions of the Asset Contribution Agreement and no representative of BioTime or BAC has taken any action that would constitute a breach of the non-solicitation provisions of the Asset Contribution Agreement if such action had been taken by BioTime or BAC; (b) our Board of Directors has determined in good faith after taking into account the advice of our outside legal

counsel that the failure to act on such a proposal would be materially inconsistent with our directors' fiduciary duties under applicable law; and (c) concurrently with or prior to furnishing any such information to, or entering into discussions or negotiations with, such person, we (i) give Geron written notice of our intention to furnish information to, or enter into discussions or negotiations with, such person, and (ii) we receive from such person an acceptable confidentiality agreement.

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Filings; Other Actions; Notifications

We, BAC and Geron have agreed to use our respective reasonable best efforts to timely take all actions necessary or appropriate for purposes of consummating and effecting the transactions contemplated by the Asset Contribution Agreement. In addition, we, BAC and Geron have agreed to promptly make and effect all registrations, filings and submissions required to be made or effected pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and other applicable legal requirements, with respect to the transactions contemplated under the Asset Contribution Agreement.

We, BAC and Geron have agreed, subject to certain exceptions, to:

- use reasonable best efforts to promptly take all actions, and do all things necessary to cause the conditions to the consummation of the transactions under the Asset Contribution Agreement to be satisfied as promptly as practicable and to consummate and make effective, in the most expeditious manner reasonably practicable, the transactions contemplated by the Asset Contribution Agreement;
- use reasonable best efforts to provide any information requested by any governmental authority in connection with the transactions under the Asset Contribution Agreement;
- use reasonable best efforts to contest and resist any actual or threatened administrative or judicial action, or any legal proceedings, instituted by a governmental authority or private party challenging any of the transactions under the Asset Contribution Agreement; and
- keep each other apprised of any request, inquiry, investigation, action or legal proceeding with respect to any transaction under the Asset Contribution Agreement, and keep each other informed as to the status of any of the foregoing and any communications with any government authority regarding the foregoing.

HSR Act

Currently, a filing under the HSR Act will not be required because BioTime, Geron and BAC do not meet certain size thresholds under the HSR Act. However, in the event that prior to the closing under the Asset Contribution Agreement the requisite size thresholds are exceeded, a filing would be required under the HSR Act.

Subject to certain limitations, in order to obtain any needed antitrust consent, approval or clearance from, and avoid any challenge or action by, the U.S. Federal Trade Commission or the U.S. Department of Justice that would prevent the consummation of the Asset Contribution Transaction, we and BAC may be required to (a) divest of, or enter into a voting trust, proxy arrangement, “hold separate” or similar arrangement or agreement with respect to, an immaterial asset or business or any immaterial portion of any asset or business of BioTime or BioTime’s affiliates (including BAC and the assets contributed by Geron to BAC), (b) cause an immaterial portion of BioTime’s or BAC’s intellectual property rights to be made available to other persons or (c) cause an immaterial contract or business relationship between BioTime or BAC or either of our or BAC’s affiliates and any other person to be terminated or modified. BioTime and BAC are not required to take the foregoing actions to the extent that they would, taken together, have an adverse impact in any material respect on the assets or business of BioTime, BAC or any of their affiliates or on the Contributed Geron Assets.

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Change of Recommendation by Our Board of Directors

Except as permitted by the terms of the Asset Contribution Agreement, we have agreed that our Board of Directors and any committees of our Board of Directors will not withdraw or modify in a manner adverse to Geron, or permit or publicly propose to withdraw or modify, the recommendation of our Board of Directors in favor of either of the Share Issuance Proposal or the Articles Amendment Proposal.

Our Board of Directors may withdraw its recommendation of those Proposals prior to our receiving shareholder approval of such Proposals, but only if: (a) a material event, material development or material change in circumstances that was not known to our Board of Directors on January 4, 2013 occurs or arises (an “Intervening Event”); (b) our Board of Directors determines in good faith, after having taken into account the advice of our outside legal counsel, that, in light of such Intervening Event, the failure to withdraw its recommendation in favor of those Proposals would be materially inconsistent with our directors’ fiduciary duties under applicable law; (c) no recommendation withdrawal has been made by our Board of Directors for four business days after receipt by Geron of a written notice from us confirming that we have determined that the failure to make such a recommendation withdrawal in light of such Intervening Event would be materially inconsistent with our directors’ fiduciary duties under applicable law; (d) during such four business day notice period, we engage (to the extent requested by Geron) in good faith negotiations with Geron to amend this Agreement in such a manner that failure to make a recommendation withdrawal as a result of such Intervening Event would no longer be materially inconsistent with our directors’ fiduciary duties under applicable law; and (e) at the time of making any recommendation withdrawal, our Board of Directors determined in good faith, after taking into account the advice of our outside legal counsel, that the failure to make a recommendation withdrawal would still be materially inconsistent with our directors’ fiduciary duties under applicable law in light of such Intervening Event (taking into account any changes to the terms of the Asset Contribution Agreement proposed by Geron as a result of negotiations described in clause (d) above or otherwise).

Under certain circumstances, Geron may terminate the Asset Contribution Agreement if our Board of Directors withdraws its recommendation, and we would be required to pay a \$1,800,000 termination fee to Geron. See “SHARE ISSUANCE PROPOSAL - The Asset Contribution Agreement - Termination - Termination Fee.”

Registration of BioTime and BAC Securities; Listing; Qualifications

BioTime is required to file with the SEC (and BioTime is required to use its reasonable best efforts to cause such filing to be made not later than March 20, 2013) a registration statement registering (a) the distribution of the Contribution Warrants by BAC to holders of the BAC Series A Shares distributed by Geron pursuant to the Asset Contribution Agreement, and (b) the issuance of the Common Shares issuable upon exercise of the Contribution Warrants, in each case, such that each of the Contribution Warrants and the Common Shares issuable thereunder constitute freely tradable securities upon issuance thereof (other than with respect to affiliates of BioTime) (the “BioTime Registration Statement”). BAC is required to file with the SEC (and BAC is required to use its reasonable best efforts to cause such filing to be made no later than March 20, 2013) a registration statement with respect to the distribution of the BAC Series A Shares pursuant to the Asset Contribution Agreement such that the BAC Series A Shares constitute freely tradable securities upon issuance thereof (other than with respect to affiliates of BAC) (the “BAC Registration Statement”). BioTime and BAC are required to use their reasonable best efforts to cause the BioTime Registration Statement and the BAC Registration Statement, respectively, to be declared effective by the SEC within 120 days after the date on which it is filed with the SEC. We are also required to register any Expense Reimbursement Shares that we issue to Geron in lieu of cash to satisfy our expense reimbursement obligations to Geron (see “SHARE ISSUANCE PROPOSAL - The Asset Contribution Agreement - Certain Miscellaneous Provisions - Expense Reimbursement”). The Asset Contribution Agreement prohibits us from effecting (but not from filing), and requires that we promptly withdraw, any registration statement of our securities (other than the BioTime Registration Statement or a registration statement made pursuant to Form S-8 or any successor form or pursuant to

“shelf take downs” under our Registration Statement No. 333-183557), from January 4, 2013 until the closing under the Asset Contribution Agreement, if the registration results in a delay to either the BioTime Registration Statement or the BAC Registration Statement being declared effective within the specified time period under the Asset Contribution Agreement.

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The Asset Contribution Agreement prohibits BAC from effecting any registration of its securities, or any offering pursuant to Regulation D of the Securities Act (other than with respect to the BAC Series B Shares and the warrants to purchase BAC Series B Shares to be issued to the Investor), from January 4, 2013 until the closing under the Asset Contribution Agreement.

With limited exceptions, to the extent required by applicable legal requirements, BioTime and BAC are required to use reasonable best efforts to register or qualify (or obtain an exemption from such registration or qualification) the securities underlying the BioTime Registration Statement and BAC Registration Statement, respectively, for offer and sale under the securities laws and blue sky laws of each of the jurisdictions in which such securities will be sold and/or distributed. We and BAC are not required to (a) qualify generally to do business in any jurisdiction where we or BAC is not then so qualified, (b) take any action that would subject us or BAC to general service of process in any such jurisdiction where it is not then so subject or (c) register or qualify securities in any state or foreign jurisdiction in which the stockholders of Geron hold less than 20,000 shares of Geron common stock in the aggregate (“Exempt Jurisdictions”) based upon information provided by Geron in a list.

Distributions Indemnity; Insurance Obligations

BioTime and BAC are obligated to jointly and severally indemnify Geron and its current and future affiliates and persons who control Geron within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, and each of their respective successors and assigns (together, “Geron Indemnitees”), from and against any and all losses, claims, damages and liabilities (including legal expenses and other expenses of investigation and defense), to the extent relating to (a) any third party claim or action, (b) any regulatory claim, inquiry, or investigation or other regulatory proceeding, (c) any derivative claim or action brought by or on behalf of the stockholders of Geron, or (d) any counter-claim or other action brought in connection with a claim or action brought by BioTime or BAC against any Geron Indemnitee, in each case, arising during the period beginning on the first effective date of the BioTime Registration Statement and/or the BAC Registration Statement and ending on the fifth anniversary of the earliest to occur of the date on which all of the Contribution Warrants have either expired or been exercised, cancelled or sold and relating to:

- the BAC Series A Distribution;
- the Contribution Warrants Distribution; or
- any distribution of securities by BAC to the holders of BAC Series A Shares within one year following the closing under the Asset Contribution Agreement.

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In each case, if caused by:

- any untrue statement or alleged untrue statement of material fact contained in (a) either the BioTime Registration Statement, the BioTime Prospectus, the BAC Registration Statement or the BAC Prospectus, any amendment thereof, or any other registration statement or prospectus filed by us or BAC pursuant to the Securities Act, or any amendment or supplement thereto; (b) any preliminary prospectus, “time of sale” prospectus or any amendment or supplement thereto; (c) any issuer free writing prospectus; (b) any information that we or BAC has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act; (d) any road show; and (e) any prospectus or amendment or supplement thereto; or
- any omission or alleged omission to state in any of the foregoing items a material fact required to be stated therein (in the case of statements in the BioTime Prospectus or the BAC Prospectus, in light of the circumstances under which they were made) or necessary to make the statements therein not misleading.

The foregoing indemnification obligations, which we refer to as the “Distributions Indemnity,” would not apply to the extent the damages are caused by information supplied by Geron for inclusion in the BioTime Registration Statement, the BioTime Prospectus, the BAC Registration Statement or the BAC Prospectus.

As a condition to closing the Asset Contribution Transaction, we are required to procure and maintain, at our cost and expense, a liability insurance policy, which we refer to as the “Insurance Policy,” on terms reasonably acceptable to Geron: (a) naming Geron as an additional insured under the policy; and (b) providing liability insurance coverage with respect to the Distributions Indemnity obligations, in an aggregate amount of \$10,000,000 and for the period beginning on the earliest effect date of the BioTime Registration Statement and/or the BAC Registration Statement, and ending on the fifth anniversary of that effective date.

WARF License

From and after January 4, 2013 and including the periods following the closing under the Asset Contribution Agreement, Geron is prohibited from transferring, assigning or sublicensing two license agreements between Geron and Wisconsin Alumni Research Foundation, or any rights thereunder, to any third party, by operation of law or otherwise, or exercising or asserting any rights under those license agreements against us or BAC other than with respect to the periods prior to the closing under the Asset Contribution Agreement. Geron is required to terminate those license agreements at our request concurrently with the execution by BAC of a license with Wisconsin Alumni Research Foundation, or, if earlier, upon (a) a change of control of Geron or (b) the closing under the Asset Contribution Agreement.

Conditions to Closing

Mutual Conditions

The respective obligations of each of BioTime, BAC and Geron to consummate the Asset Contribution Transaction are subject to the following conditions:

- our shareholders having duly approved both the Share Issuance Proposal and the Articles Amendment Proposal;
- the expiration or termination of any applicable waiting period under the HSR Act;

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- absence of any litigation or proceeding of any governmental authority pending or threatened in writing to enjoin, delay, prohibit or restrict the consummation of the transactions under the Asset Contribution Agreement;
- absence of orders issued by any governmental authority of competent jurisdiction prohibiting the consummation of the transactions under the Asset Contribution Agreement; and
- the effectiveness of both the BioTime Registration Statement and the BAC Registration Statement, and absence of any stop order suspending the effectiveness of either the BioTime Registration Statement or the BAC Registration Statement, or any proceeding for that purpose having been initiated or threatened in writing by the SEC.

Conditions to BioTime's and BAC's Obligations

The obligations of BioTime and BAC to complete the Asset Contribution Transaction are subject to the following additional conditions:

- the representations and warranties of Geron set forth in the Asset Contribution Agreement must be accurate in all respects as of the date of the closing under the Asset Contribution Agreement as if made on such date (except for representations and warranties which address matters as of a particular time, which must be accurate in all respects as of such particular time), except that any inaccuracies in such representations and warranties will be disregarded if the circumstances giving rise to such inaccuracies (considered collectively) do not constitute a Geron Material Adverse Effect;
- Geron must have complied with and performed in all material respects all covenants and obligations required to be performed by it prior to the closing under the Asset Contribution Agreement;
- Geron must have delivered to us a certificate, executed by an executive officer of Geron certifying the above conditions have been satisfied;
- Geron must have delivered to us and BAC certain other documents, executed by Geron, including (a) the Royalty Agreement, and the Telomerase Exclusive Sublicense Agreement, (b) a notice of assignment of U.S. patents included in the patents contributed by Geron, (c) bills of sale and other similar documents in connection with the transfer and delivery to BAC of good and valid title to the assets contributed by Geron to BAC, and (d) third party consents listed on a schedule to the Asset Contribution Agreement; and
- the absence of a Geron Material Adverse Effect.

Conditions to Geron's Obligations

Geron's obligation to complete the Asset Contribution Transaction is subject to the following additional conditions:

- each of the representations and warranties made by us and BAC must be accurate in all respects as of the date of the closing under the Asset Contribution Agreement as if made on such date (except for representations and warranties which address matters as of a particular time, which must be accurate in all respects as of such particular time), except that any inaccuracies in such representations and warranties will be disregarded if the circumstances giving rise to such inaccuracies (considered collectively) do not constitute a BioTime Material Adverse Effect;

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- we and BAC must have complied with and performed in all material respects all covenants and obligations required to be performed by us and BAC prior to the closing under the Asset Contribution Agreement;
- we must have delivered to Geron a certificate, executed by an executive officer of each of us and BAC certifying that the above conditions have been satisfied;
- Geron must have received (a) the Assumption Agreement and Royalty Agreement executed by BAC, (b) share certificates evidencing the BAC Series A Shares, and (c) assignment, assumption and other documents necessary or appropriate to effect the assumption by BAC of the Assumed Geron Liabilities;
 - the Insurance Policy must be in full force and effect; and
- we must have contributed to BAC the assets to be contributed by us to BAC under the Asset Contribution Agreement.

Post-Closing Covenants

Post-Closing Access

Subject to certain limitations, from the closing under the Asset Contribution Agreement until the first anniversary thereof, Geron is required to provide us with continued access to its books and records pertaining solely to the Contributed Geron Assets and the Assumed Geron Liabilities, and to provide us with access to readily available information concerning the Contributed Geron Assets and the Assumed Geron Liabilities as we may reasonably request, for the purpose of enabling BioTime and BAC to comply with legal requirements with respect to taxes.

BAC Series A Distribution

Subject to applicable legal requirements and certain other limitations, as soon as practicable following the closing under the Asset Contribution Agreement, Geron is required to make the BAC Series A Distribution. Geron will not be required to make the BAC Series A Distribution in any jurisdiction where it would be unlawful to do so (“Excluded Jurisdictions”) or in any Exempt Jurisdiction (as described in “Registration of BioTime and BAC Securities; Listing; Qualifications” above). Under certain circumstances, if BAC has registered or qualified the BAC Series A Shares in an Exempt Jurisdiction (a “Voluntary Jurisdiction”), Geron would be required to make the BAC Series A Distribution in the Voluntary Jurisdiction. No fractional BAC Series A Shares will be issued in the BAC Series A Distribution. In lieu of issuing fractional shares or issuing BAC Series A Shares in Exempt Jurisdictions (other than Voluntary Jurisdictions) or in Excluded Jurisdictions, Geron will aggregate and sell those BAC Series A shares and distribute the net cash proceeds from the sale ratably to Geron’s stockholders who would otherwise be entitled to receive fractional shares or who reside in the Exempt Jurisdictions (other than Voluntary Jurisdictions) and Excluded Jurisdictions.

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Post-Closing Obligations Relating to Registration Statements

The Asset Contribution Agreement imposes a number of post-closing obligations on BioTime, with respect to the Contribution Warrants and the underlying shares, and on BAC with respect to the BAC Series A Shares, including requirements relating to:

- keeping or making effective the BioTime Registration Statement, the BioTime Prospectus, the BAC Registration Statement and the BAC Prospectus and qualification or exemption of securities under securities laws and blue sky laws;
- supplementing or amending the BioTime Registration Statement, the BioTime Prospectus, the BAC Registration Statement or the BAC Prospectus;
 - compliance with applicable legal requirements; and
 - notice to Geron of certain matters.

BAC Contribution Warrants Distribution

To the extent permitted by applicable legal requirements, BAC is required to make the BAC Contribution Warrants Distribution as soon as practicable after Geron notifies BAC of the completion of the BAC Series A Distribution. We are required, as expeditiously as reasonably practicable, to use commercially reasonable efforts to cause the Contribution Warrants and the Common Shares issuable upon exercise of the Contribution Warrants to be listed on the NYSE MKT where our Common Shares are currently listed for trading.

ViaCyte Contested Matters

BAC will be substituted for Geron as a party in interest for the ViaCyte Contested Matters as promptly as practicable upon closing under the Asset Contribution Agreement.

Termination

Termination Events

The Asset Contribution Agreement may be terminated (regardless of whether shareholder approval has been obtained) by us or Geron if:

- the closing under the Asset Contribution Agreement has not taken place on or before September 30, 2013; however, the right to terminate will not be available to a party if the failure to close by such date is the result of that party's failure to comply with or perform its covenants and obligations under the Asset Contribution Agreement; or
- a court of competent jurisdiction or other governmental body has issued a final and non-appealable order, or has taken any action permanently restraining, enjoining or otherwise prohibiting any of the transactions contemplated by the Asset Contribution Agreement. However, the right to terminate will not be available to a party if such order or the taking of such other action is the result of that party's failure to comply with or perform its covenants and obligations under the Asset Contribution Agreement.

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The Asset Contribution Agreement may also be terminated by us or Geron if our shareholders fail to approve the Share Issuance Proposal and Articles Amendment Proposal after a final vote on those Proposals has been taken at the Special Meeting. However, the right to terminate will not be available to a party if the failure to obtain the vote is the result of a party's failure to comply with or perform its covenants and obligations under the Asset Contribution Agreement or, in our case, if such failure is attributable to a breach of any of the Support Agreements.

We may also terminate the Asset Contribution Agreement if:

- Geron's representations and warranties are inaccurate or become inaccurate, or if Geron breaches in any material respect any of its covenants under the Asset Contribution Agreement, but only if, the inaccuracy or breach would cause the closing conditions under the Asset Contribution Agreement concerning Geron's representations and warranties or performance of its obligations not to be satisfied and the inaccuracy or breach is not cured by Geron within 30 calendar days after receiving written notice from us of the inaccuracy or breach; or
- a Geron Material Adverse Effect has occurred and, if curable, is not cured within 30 calendar days after receipt of written notice from us of our intent to terminate the Asset Contribution Agreement based upon the occurrence of the Geron Material Adverse Effect.

Geron may also terminate the Asset Contribution Agreement if:

- our or BAC's representations and warranties are inaccurate or become inaccurate, or if we or BAC breaches in any material respect any of our or BAC's respective covenants under the Asset Contribution Agreement, but only if the inaccuracy or breach would cause the closing conditions under the Asset Contribution Agreement concerning our or BAC's representations and warranties or performance of our or BAC's obligations not to be satisfied and the inaccuracy or breach is not cured by us or BAC within 30 calendar days after receiving written notice from Geron of the inaccuracy or breach;
- our Board of Directors or any of its committees withdraws the recommendation in favor of the proposals, or if any of Messrs. Kingsley, Bradsher or West has materially breached his support agreement, unless in either case the required shareholder vote to approve both the Share Issuance Proposal and the Articles Amendment Proposal has been obtained prior to termination of the Asset Contribution Agreement; or
- a BioTime Material Adverse Effect has occurred and, if curable, is not cured within 30 calendar days after receipt of written notice from Geron of its intent to terminate the Asset Contribution Agreement based upon the occurrence of the BioTime Material Adverse Effect.

Termination Fee

We will be required to pay Geron a termination fee of \$1,800,000 if the Asset Contribution Agreement is terminated following (a) a withdrawal of our Board of Directors' recommendation to our shareholders to approve the Share Issuance Proposal and the Articles Amendment Proposal, (b) a material breach of a Support Agreement by any of Messrs. Bradsher, Kingsley or West, or (c) a failure of our shareholders to approve both the Share Issuance Proposal and the Articles Amendment Proposal at the Special Meeting .

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Indemnification

Indemnification by the Parties

From and after the closing under the Asset Contribution Agreement, in addition to the Distributions Indemnity, we and BAC have agreed to indemnify Geron, its current and future affiliates, any Control Persons (as defined below) of Geron, and each of their respective successors and assigns, and Geron has agreed to indemnify us, BAC, and our and BAC's respective current and future affiliates, Control Persons of each of us and BAC, and each of their respective successors and assigns, from and against any and all Damages (as defined below) arising from, any inaccuracy in or breach of any of the indemnifying party's representations and warranties, or any breach of any covenant by an indemnifying party, under the Asset Contribution Agreement.

In addition, subject to certain limitations, from and after the closing under the Asset Contribution Agreement, Geron has agreed to indemnify us and BAC from liabilities related to the assets, and from encumbrances upon the assets, contributed by Geron to BAC, other than the Assumed Geron Liabilities. BAC has also agreed to indemnify Geron for the Assumed Geron Liabilities of BAC.

"Damages" refers to any documented, out-of-pocket loss, damage, judgment award, fee (including any legal fee, expert fee, accounting fee or advisory fee) or expenses (regardless of whether or not the Damages relate to a third party claim), but excluding any special, indirect or consequential damages.

"Control Persons" with respect to us, BAC or Geron, refers to any person who controls a party within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act.

Limitations on Indemnification

The maximum damages that may be recovered by us and BAC, on the one hand, or Geron, on the other hand, for a loss under this indemnification related to representations and warranties, and covenants to be performed prior to the closing under the Asset Contribution Agreement (except with respect to the matters identified below) is \$2,000,000 (the "Indemnification Cap"), and recovery of damages is subject to a \$50,000 deductible (the "Deductible Amount").

The Indemnification Cap and Deductible Amount do not apply: (a) in the case of fraud; (b) in the case of covenants of a party that must be performed following the closing under the Asset Contribution Agreement; and, (c) (i) to Geron's indemnification obligations that arise from liabilities to the extent related to, and encumbrances upon, the Geron Contributed Assets, other than the Assumed Geron Liabilities, and (ii) to BAC's indemnification obligations that arise from the Assumed Liabilities.

Exclusive Remedy

Except with respect to the Distributions Indemnity or claims against an indemnitor for fraud, and subject to any injunction or equitable remedies, from and after the closing under the Asset Contribution Agreement the indemnification provisions are a party's exclusive remedy and cause of action against an indemnifying party with respect to any matter arising out of or in connection with the Asset Contribution Agreement.

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Inapplicability to Distributions Indemnity

The indemnification provisions, limitations on indemnification and exclusive remedy provisions described above under “Indemnification”) are not applicable to damages relating to the Distributions Indemnity.

Certain Miscellaneous Provisions

Expense Reimbursement

In the event that the closing under the Asset Contribution Agreement occurs, we are required to pay to Geron \$750,000, as partial reimbursement of fees and expenses of Geron’s advisors. We may choose to pay that expense reimbursement amount either in cash, by issuing to Geron Expense Reimbursement Shares, or in a combination of cash and Expense Reimbursement Shares valued at the aggregate volume weighted-average per share closing price, rounded to two decimal points, of Common Shares, as listed on the NYSE MKT for the twenty consecutive trading days immediately preceding the closing under the Asset Contribution Agreement. In addition, in the event that the closing under the Asset Contribution Agreement occurs later than July 4, 2013, we are required to reimburse Geron for the fees and costs (including reasonable attorneys’ fees), of prosecuting and maintaining patent applications and patents comprising the Contributed Patents and certain intellectual property rights and goodwill from such date until the closing under the Asset Contribution Agreement.

Governing Law

The Asset Contribution Agreement is governed by Delaware law except with respect to the laws of California that apply to powers and duties of our Board of Directors or other of our internal affairs.

BioTime Financing Agreements

The following is a summary of the material provisions of the BioTime Stock and Warrant Purchase Agreement and a related Warrant Agreement and Registration Rights Agreement (the “BioTime Financing Agreements”) between BioTime and the Investor, and is qualified in its entirety by reference to the complete text of the BioTime Financing Agreements, which will be filed with the SEC prior to the mailing of this Proxy Statement. This summary does not purport to be complete and may not contain all of the information about those agreements that is important to you. We urge you to read the BioTime Financing Agreements carefully and in their entirety because they, and not this Proxy Statement, are the legal documents that govern the BioTime Financing.

Explanatory Note Regarding BioTime Financing Agreements

The BioTime Financing Agreements have been provided solely to inform investors of their terms. The representations, warranties and covenants contained in the BioTime Financing Agreements were made only for purposes of the agreements and as of specific dates, were made solely for the benefit of the parties to the agreements and may be intended not as statements of fact, but rather as a way of allocating the risk among the parties if those statements prove to be inaccurate. In addition, the representations, warranties and covenants may have been qualified by certain disclosures not reflected in the text of the BioTime Financing Agreements, and may apply standards of materiality in a way that is different from what may be viewed as material by shareholders of, or other investors in, BioTime. Investors are not third-party beneficiaries under the BioTime Financing Agreements and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of BioTime, the Investor, or any of their respective subsidiaries or affiliates.

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BioTime Financing

In order to fund our Cash Contribution in the Asset Contribution Transaction, we have entered into the BioTime Stock and Warrant Purchase Agreement with the Investor pursuant to which the Investor has agreed to provide to us with \$5,000,000 in cash in two installments in exchange for the issuance of Common Shares and warrants to purchase additional Common Shares. We have already received the initial \$2,000,000 installment and issued to the Investor 540,000 Common Shares and warrants to purchase an additional 259,999 Common Shares. We will receive the additional \$3,000,000 installment for which we will issue to the Investor 810,000 Common Shares and warrants to purchase an additional 389,998 additional Common Shares at the closing of the Asset Contribution Transaction. We refer to the \$3,000,000 of financing that we will receive from the Investor at the closing of the Asset Contribution Transaction as the “BioTime Financing.”

Conditions to Closing

The closing of the BioTime Financing is conditioned upon:

- our representations and warranties being true and correct in all material respects;
- our having complied with all of our covenants under the BioTime Stock and Warrant Purchase Agreement;
- no Material Adverse Effect having occurred;
- no litigation or other proceedings enjoining, delaying, prohibiting or restricting, and no judgment, order or writ of any governmental authority prohibiting or restricting, the consummation of either or both of the sale of the Investor BioTime Shares and Investor BioTime Warrants;
- the Investor BioTime Shares, and the Common Shares issuable upon exercise of the Investor BioTime Warrants having been approved for listing on the NYSE MKT; and
 - the Asset Contribution Agreement having closed or closing concurrently with the BioTime Financing.

For purposes of the BioTime Stock and Warrant Purchase Agreement, “Material Adverse Effect” means any change that does, or would be reasonably expected to, have a material adverse effect on the business, operations, financial condition, or assets of BioTime on a consolidated basis, provided, however, that none of the following shall be deemed either alone or in combination to constitute, and none of the following shall be taken into account in determining whether there has been or would be, a Material Adverse Effect: (a) any adverse effect resulting from or arising out of the announcement, pendency, or consummation of the transactions contemplated by the BioTime Stock and Warrant Purchase Agreement or the Asset Contribution Transaction; (b) any adverse effect resulting from or arising out of general economic conditions; (c) any adverse effect resulting from or arising out of general conditions in the industries in which BioTime or Geron operates; (d) any adverse effect resulting from or arising out of any natural disaster or any acts of terrorism, sabotage, military action or war or any escalation or worsening thereof; and (e) any adverse effect resulting from or arising out of any changes in any law, statute, rule or regulation, or the judicial or administrative interpretation thereof, or any change in generally accepted accounting principles.

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Representations and Warranties

BioTime Representations and Warranties

The BioTime Stock and Warrant Purchase Agreement contains a number of representations and warranties made by us that are subject, in some cases to specified exceptions and qualifications. These representations and warranties relate to, among other things:

- our due organization, existence and good standing;
- our corporate power and authority to execute and deliver, and perform our obligations under the BioTime Financing Agreements, the Asset Contribution Agreement and the agreements entered into in connection with the Asset Contribution Transaction, and to consummate the transactions contemplated thereby, including the BioTime Financing and Asset Contribution Transaction;
 - enforceability of the BioTime Financing Agreements;
 - absence of any violation of our organizational documents and applicable laws and orders;
 - validity of the Common Shares and warrants to be issued by us to the Investor;
 - absence of litigation and proceedings;
- our filings with the SEC and the accuracy of information in those filings, including our financial statements;
 - absence of certain changes since December 31, 2011 except as specifically disclosed in SEC reports;
 - absence of notices from the NYSE MKT of non-compliance with listing or maintenance requirements; and
 - payment of taxes.

Certain of our representations and warranties are qualified as to “materiality” or “material adverse effect.”

Investor Representations and Warranties

The Investor BioTime Stock and Warrant Purchase Agreement contains a number of representations and warranties made by Investor that are subject, in some cases, to specified exceptions and qualifications contained in that agreement. These representations and warranties relate to, among other things:

- the Investor’s power and authority to execute and deliver, and to perform all obligations under, and the enforceability of, the Investor BioTime Stock and Warrant Purchase Agreement and the related registration rights agreement;
 - absence of any violation of the Investor’s organizational documents and applicable laws and orders;
 - the Investor’s due diligence;

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- restrictions on exercise and transfer relating to the Common Shares and warrants issued in the BioTime Financing being unregistered, and our having relied on the accuracy of statements by the Investor in determining the Investor's suitability to acquire such Common Shares and warrants;
 - the Investor's knowledge and experience in financial and business matters;
 - the Investor's investment intent;
 - absence of reliance on forward-looking statements; and
- absence of representations to the Investor by us or our representatives of any specific value, sale price or profit as a result of acquiring our Common Shares and warrants.

Resale Restrictions

The Investor has agreed not to sell, offer for sale or transfer any of the Investor BioTime Shares and Investor BioTime Warrants unless they have been registered under the Securities Act or there is an exemption from such registration and an opinion of counsel reasonably acceptable to us stating that the sale, offer or transfer will not violate any United States federal or state securities laws.

Registration Rights

We have entered into a Registration Rights Agreement with the Investor pursuant to which we have agreed to register under the Securities Act, at our expense, all of the Investor BioTime Shares and Common Shares underlying the warrants issued to the Investor under the BioTime Stock and Warrant Purchase Agreement. That agreement requires us to, among other things, prepare and file with the SEC a registration statement on Form S-3 (or if such form is no available, Form S-1) covering the resale of the Investor BioTime Shares and Common Shares underlying the Investor BioTime Warrants for an offering to be made on a continuous basis pursuant to Rule 415. We are required to use commercially reasonable efforts to cause the registration statement to be declared effective under the Securities Act as promptly as possible after the filing thereof. However, we may postpone registration if our Board, in its good faith judgment, determines that registration would materially interfere with any material financing, acquisition, reorganization or merger or other transaction involving BioTime that would require us to disclose any material nonpublic information which would reasonably be likely to be detrimental to us (a "Valid Business Reason") until the occurrence of the Valid Business Reason or until the Valid Business Reason no longer exists.

Governing Law

The BioTime Financing Agreements are governed by California law.

Timing of Closing

We anticipate that the BioTime Financing will occur concurrently with the closing under the Asset Contribution Agreement.

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Support Agreements and Indemnification Agreements

Neal C. Bradsher, together with an investment partnership managed by Mr. Bradsher as general partner, Alfred D. Kingsley, and an investment partnership and corporation managed and controlled by Mr. Kingsley, and Michael D. West, have entered into Support Agreements under which Messrs. Bradsher, Kingsley and West, and the affiliates of Messrs. Bradsher and Kingsley have agreed to vote all of their Common Shares in favor of both the Share Issuance Proposal and the Articles Amendment Proposal. In addition, these persons have agreed to vote against (a) any extraordinary corporate transaction, such as a merger, consolidation or other business combination, involving us or any of our affiliates, which is intended, or could reasonably be expected, to materially delay or prevent the consummation of the Asset Contribution Transaction; (b) any dissolution or liquidation of BioTime; and (c) any other action which is intended, or could reasonably be expected, to materially delay or prevent the consummation of the Asset Contribution Transaction. Mr. West is the President and Chief Executive Officer and a director of BioTime, and Messrs. Bradsher and Kingsley are each directors of BioTime. As of January 31, 2012, the shares subject to these Support Agreements represent in the aggregate approximately 33.4% of our outstanding Common Shares, but this number may fluctuate as the Support Agreements entered into by Messrs. Bradsher and Kingsley and their affiliates provide for certain rights to transfer shares covered by those Support Agreements.

We have entered into Indemnification Agreements with Messrs. Bradsher and Kingsley, and their affiliates who entered into the Support Agreements, under which we will indemnify each of them from any liabilities and related expenses arising from the performance of their agreements under their respective Support Agreements. Our indemnification obligation does not apply to any liabilities or expenses arising from a breach of their Support Agreements. The Indemnification Agreements were approved by our Board of Directors, and by our Audit Committee pursuant to our Related Persons Transaction Policy.

Other Information

Representatives of Rothstein Kass, our principal accountants for the current year and for the most recently completed fiscal year, (i) are expected to be present in person or by conference telephone at the Special Meeting; (ii) will have the opportunity to make a statement if they desire to do so; and (iii) are expected to be available to respond to appropriate questions.

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ARTICLES AMENDMENT PROPOSAL

Description of Proposal

This proposal, which we refer to as the Articles Amendment Proposal, seeks your approval of an amendment to our Articles of Incorporation, which we refer to as the Articles Amendment, to increase the number of authorized shares of capital stock that we may issue from 76,000,000 to 127,000,000, of which 125,000,000 shares shall be classified as Common Shares and 2,000,000 shares shall be classified as Preferred Shares. The operative provision of the proposed Articles Amendment would read as follows:

“Article THREE of the Articles of Incorporation of the corporation is amended to read as follows:

THREE: The corporation is authorized to issue two classes of shares, which shall be designated “Common Shares” and “Preferred Shares.” The number of Common Shares which the corporation is authorized to issue is 125,000,000, and the number of Preferred Shares which the corporation is authorized to issue is 2,000,000. The Preferred Shares may be issued in one or more series as the board of directors may by resolution designate. The board of directors is authorized to fix the number of shares of any series of Preferred Shares and to determine or alter the rights, preferences, privileges, and restrictions granted to or imposed upon the Preferred Shares as a class, or upon any wholly unissued series of Preferred Shares. The board of directors may, by resolution, increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series of Preferred Shares subsequent to the issue of shares of that series.”

Vote Required; Effect of Abstentions and Broker Non-Votes

For this proposal to be approved in accordance with the requirements of California law, the affirmative vote of the holders of no less than a majority of our outstanding shares entitled to vote is required. Shareholder approval of this proposal is required under the Asset Contribution Agreement in order for us to consummate the Asset Contribution Transaction and is a condition to the consummation of the BioTime Financing.

If you check the “abstain” box for this Proposal in the proxy card, if you attend the Special Meeting without submitting a proxy and you abstain from voting on this Proposal, or if your shares are subject to a broker non-vote on this Proposal, your shares will be counted for purposes of determining the presence or absence of a quorum but will not be counted for purposes of determining whether this Proposal has received an affirmative vote sufficient for approval. Because the vote to approve this Proposal requires the affirmative vote of a majority of our outstanding Common Shares, an abstention or broker non-vote on this Proposal has the effect of a vote against this Proposal.

Recommendation of Board of Directors

The members of our Board of Directors unanimously recommend that you vote FOR the approval of this Articles Amendment Proposal.

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Reasons for Amendment to Articles of Incorporation

Our Articles of Incorporation authorize us to issue 75,000,000 Common Shares. As of January 31, 2013, 54,289,713 Common Shares were issued and outstanding, an additional 816,612 Common Shares have been reserved for issuance upon exercise of outstanding warrants, an additional 3,681,301 Common Shares have been reserved for issuance upon exercise of outstanding stock options, and an additional 3,745,000 Common Shares have been reserved for future option grants and restricted stock awards under our 2012 Plan . This leaves us with only 12,467,374 authorized but unissued Common Shares available for issuance. However, in connection with the Asset Contribution Transaction and the BioTime Financing, we will be obligated to issue 9,712,077 Common Shares and to reserve for issuance an additional 8,389,998 Common Shares for the Contribution Warrants and the Investor BioTime Warrants. In addition, we may issue up to an additional 2,561,387 Common Shares to BAC in the aggregate as “Substituted Shares” if the BioTime Financing does not close or the Investor fails to make the full Investor Contribution to BAC and/or if we issue Expense Reimbursement Shares to Geron as payment of our expense reimbursement obligations under the Asset Contribution Agreement.

Since we have only 12,467,374 authorized but unissued Common Shares available for issuance, but we need to have a larger number of Common Shares available to consummate the Asset Contribution Transaction and the BioTime Financing, we will need to amend our Articles of Incorporation to increase the number of authorized Common Shares in order to consummate the Asset Contribution Transaction and the BioTime Financing. In addition, our Board of Directors believes that it is in our best interests that we increase the number of authorized Common Shares and Preferred Shares by an amount that would provide us with the flexibility to issue additional Common Shares and Preferred Shares as the need may arise in the future.

The availability of additional Common Shares and Preferred Shares will enhance our flexibility in connection with possible future actions, such as: corporate mergers; acquisitions of businesses, property or securities; stock dividends; financings; employee stock options and restricted stock; and other corporate purposes. Our Board of Directors will decide whether, when, and on what terms the issuance of Common Shares or Preferred Shares may be appropriate in connection with any of the foregoing purposes, without the expense and delay of another special shareholders meeting.

We have in effect a “shelf registration statement” under the Securities Act through which we sell Common Shares from time to time in “at the market” transactions through a broker-dealer to raise capital for our operations. An “at-the-market” equity offering as defined in Rule 415 promulgated under the Securities Act, includes sales made directly on or through the NYSE MKT or any other existing trading market for our Common Shares in the U.S. or to or through a market maker, at prices related to the prevailing market price, or in privately negotiated transactions or through block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction, or through one more of the foregoing transactions. During the twelve months ended December 31, 2012, we issued and sold approximately 314,386 Common Shares pursuant to this shelf registration statement. We may also issue Common Shares, warrants to purchase Common Shares, Preferred Shares, and other securities in negotiated transactions from time to time in the future, either under our shelf registration statement or in transactions exempt from registration under the Securities Act, to raise capital for our operations. The timing of such sales and the kind and amount of securities that we may sell will depend upon a number of factors, including but not limited to our capital needs and the prices and other terms on which the securities can be sold. We may also issue Common Shares, Preferred Shares, and warrants or other securities entitling investors to purchase Common Shares or Preferred Shares, in business or asset acquisition transactions if opportunities acceptable to us arise, subject to contractual restrictions, although we are not a party to any present agreement, plan or arrangement to do so as of the date of this Proxy Statement.

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Possible Anti-Takeover Effects

Although we have no current intent or plan to employ the additional unissued authorized shares as an anti-takeover device, the proposed increase in our authorized capital stock could be construed as having anti-takeover effects. The availability of a significant amount of authorized but unissued Common Shares and/or Preferred Shares could be used by our Board of Directors to make more difficult or discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or other means. Consequently, our Board of Directors could use these additional Common Shares and/or Preferred Shares to create voting or other impediments or to discourage persons seeking to gain control of us. Common Shares and Preferred Shares could be privately placed with purchasers favorable to our Board of Directors in opposing a change of control transaction. The existence of the additional authorized shares could have the effect of discouraging unsolicited takeover attempts. The issuance of new Common Shares and/or Preferred Shares also could be used to dilute the stock ownership of a person or entity seeking to obtain control of us should our Board of Directors consider the action of the entity or person not to be in the best interest of our shareholders.

Our Articles of Incorporation currently provide our Board of Directors with the authority to issue Preferred Shares and to determine the preferences, limitations and relative rights of Preferred Shares and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our shareholders. This authority of the Board of Directors will not be changed by the Articles Amendment, but the Articles Amendment will increase the total number of Preferred Shares that the Board of Directors may determine to issue. The Preferred Shares could be issued with voting, liquidation, dividend and other rights superior to the rights of our Common Shares. The potential issuance of Preferred Shares may delay or prevent a change in control of us, discourage bids for our outstanding Common Shares at a premium over the market price, and adversely affect the market price and the voting and other rights of the holders of our Common Shares.

Our Board of Directors is not aware of any attempt, or contemplated attempt, to acquire control of us, and this Proposal is not being presented with the intent that it be utilized as a type of anti-takeover device or to secure management's positions within BioTime.

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ADJOURNMENT PROPOSAL

Description of Proposal

We are soliciting your approval of the adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the Special Meeting to approve the Share Issuance Proposal and the Articles Amendment Proposal. We refer to this proposal as the “Adjournment Proposal.”

Vote Required; Effect of Abstentions and Broker Non-Votes

For this proposal to be approved in accordance with the requirements of California law, the affirmative vote of a majority of the votes cast at the Special Meeting, regardless of whether a quorum is present, is required.

If you check the “abstain” box for this Proposal in the proxy card, or if you attend the Special Meeting without submitting a proxy and you abstain from voting on this Proposal, your shares will be counted for purposes of determining the presence or absence of a quorum, but will not be counted for purposes of determining whether this Proposal has received sufficient votes for approval and will have no effect on its outcome. If you are a beneficial owner of Common Shares held in “street name” and you do not provide your broker or other nominee with voting instructions, your broker or other nominee will have discretion on how to vote your shares. If your broker or other nominee abstains from voting on this Proposal, there would be no effect on the outcome of this Proposal. If your broker votes “FOR” or “AGAINST” this Proposal, the effect on this Proposal would be the same as if you had instructed your broker or other nominee to vote the same way.

Recommendation of our Board of Directors

The members of our Board of Directors unanimously recommend that you vote FOR the approval of this Adjournment Proposal.

Reasons for Adjournment Proposal

In the event that our shareholders fail to approve the Share Issuance Proposal and Articles Amendment Proposal after a final vote at the Special Meeting, either party may terminate the Asset Contribution Agreement and we may be required to pay to Geron the \$1,800,000 termination fee (See SHARE ISSUANCE PROPOSAL - The Asset Contribution Agreement - Termination - Termination Fee). In the event that there are not sufficient votes to approve the Share Issuance Proposal and Articles Amendment Proposal at the Special Meeting, or if we do not have a sufficient number of shares present at the Special Meeting in person or by proxy to attain a quorum, the Adjournment Proposal would allow us to adjourn the Special Meeting to solicit additional shareholder votes in favor of those Proposals and to adjourn the Special Meeting to a later date to vote on the Share Issuance Proposal and Articles Amendment Proposal. Our Board of Directors believes that having this flexibility is in our best interest.

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TERMS OF SECURITIES

BioTime Securities

Set forth below is a description of our Common Shares, Preferred Shares, the Contribution Warrants and the Investor BioTime Warrants. The following description of our capital stock is a summary and is subject to and qualified by the applicable provisions of our Articles of Incorporation, our bylaws, the warrant agreements governing the issuance of the Contribution Warrants and the Investor BioTime Warrants and the relevant provisions of the laws of the State of California. The particular terms of any offering of our securities will be described in a prospectus supplement relating to the offering.

BioTime Common Shares

Our Articles of Incorporation currently authorize the issuance of up to 75,000,000 Common Shares, of which 54,289,713, shares were issued and outstanding as of January 31, 2013, 816,612 Common Shares were reserved for issuance upon exercise of outstanding warrants, 3,681,301 Common Shares were reserved for issuance upon exercise of outstanding stock options, and an additional 3,745,000 were reserved for future option grants and restricted stock awards under the 2012 Plan.

Voting Rights

Each holder of record of Common Shares is entitled to one vote for each outstanding Common Share owned by him on every matter properly submitted to the shareholders for their vote.

Dividend Rights

Subject to the dividend rights of holders of any of the Preferred Shares that may be issued from time to time as determined by our Board of Directors, holders of Common Shares are entitled to any dividend declared by our Board of Directors out of funds legally available for that purpose.

Liquidation Right

Subject to the prior payment of the liquidation preference to holders of any Preferred Shares that may be issued from time to time as determined by our Board of Directors, holders of Common Shares are entitled to receive on a pro rata basis all of our remaining assets available for distribution to the holders of Common Shares in the event of the liquidation, dissolution, or winding up of our operations. Holders of Common Shares do not have any preemptive rights to become subscribers or purchasers of additional shares of any class of our capital stock.

BioTime Preferred Shares

We are currently authorized to issue 1,000,000 Preferred Shares. The Preferred Shares may be issued in one or more series as our Board of Directors may by resolution determine. Our Board of Directors is authorized to fix the number of shares of any series of Preferred Shares and to determine or alter the rights, references, privileges, and restrictions granted to or imposed on the Preferred Shares as a class, or upon any wholly unissued series of any Preferred Shares. The Board of Directors may, by resolution, increase or decrease (but not below the number of shares of the series then outstanding) the number of shares of any series of Preferred Shares subsequent to the issue of shares of that series.

As of the date of this Proxy Statement, no Preferred Shares were issued and outstanding.

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Contribution Warrants and Investor BioTime Warrants

Number of Common Shares underlying Contribution Warrants and Investor BioTime Warrants

We will issue 8,000,000 Contribution Warrants to BAC at the closing under the Asset Contribution Agreement and 389,998 Investor BioTime Warrants to the Investor at the closing of the BioTime Financing. Each Contribution Warrant and each Investor BioTime Warrant entitles the holder to purchase one Common Share.

Exercise Price

Each Contribution Warrant and each Investor BioTime Warrant has an exercise price of \$5.00 per share.

Exercise Period

Each Contribution Warrant is exercisable at any time following the closing under the Asset Contribution Agreement until the fifth anniversary of the closing under the Asset Contribution Agreement. Each Investor BioTime Warrant is exercisable at any time following the closing of the BioTime Financing until January 13, 2016.

Prohibition on below market exercise of Contribution Warrants

So long as our Common Shares are publicly traded, the Contribution Warrants may not be exercised on any day on which the closing price of our Common Shares for the day is lower than the exercise price. The closing price of the Common Shares for each trading day shall be the last reported sales price regular way or, in case no such reported sale takes place on such day, the average of the closing bid and asked prices regular way for such day, in each case on the principal national securities exchange on which the Common Shares are listed or admitted to trading or, if not so listed or admitted to trading, the last sale price of the Common Shares on the OTC Bulletin Board, or any comparable system. The closing price of the Common Shares for any day that is not a trading day shall be the closing price for the most recent trading day.

Adjustment of the Number of Shares and Exercise Price

The number of Common Shares issuable upon the exercise of the Contribution Warrants and the Investor BioTime Warrants, and exercise price per share, will be proportionally adjusted in the event of a stock split, stock dividend, combination or reclassification of our Common Shares or similar recapitalization.

The number of Common Shares issuable upon the exercise of the Contribution Warrants and the Investor BioTime Warrants, and exercise price per share will also be adjusted if we issue rights, options or warrants to all holders of our outstanding Common Shares, without any charge to those holders, entitling them to subscribe for or purchase Common Shares at a price per share which is lower at the record date than the then current market price per share of our Common Shares. In that case, the number of Common Shares thereafter purchasable upon the exercise of each Contribution Warrant and Investor BioTime Warrant will be determined by multiplying the number of shares otherwise issuable upon exercise of each such warrant by a fraction, the numerator of which will be the number of Common Shares outstanding on the date of issuance of such rights, options or warrants plus the number of additional Common Shares offered for subscription or purchase in connection with the rights, options or warrants issued without charge, and the denominator of which will be the number of Common Shares outstanding on the date of issuance of those rights, options or warrants plus the number of Common Shares which the aggregate exercise price for the total number of Common Shares issuable upon exercise of those rights, options or warrants would purchase at the current market price per share at the record date.

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If we distribute to all holders of our Common Shares (including any distribution made in connection with a merger in which we are the surviving corporation) evidences of our indebtedness or assets (excluding cash, dividends or distributions payable out of consolidated earnings or earned surplus or stock dividends) or rights, options or warrants, or convertible or exchangeable securities containing the right to subscribe for or purchase Common Shares (excluding those referred to in the preceding paragraph), then in each case the number of Common Shares purchasable upon the exercise of each Contribution Warrant and Investor BioTime Warrant shall be determined by multiplying the number of shares theretofore purchasable upon the exercise of each such warrant by a fraction, the numerator of which will be the then current market price per share on the date of such distribution, and the denominator of which will be the then current market price per share, less the then fair value (as reasonably determined by our Board of Directors) of the portion of the assets or evidences of indebtedness so distributed or of such subscription rights, options or warrants, or of such convertible or exchangeable securities applicable to one Common Share.

Whenever the number of Common Shares purchasable upon the exercise of the Contribution Warrants and the Investor BioTime Warrants is adjusted, the price payable upon exercise of such warrants will be adjusted by multiplying the exercise price immediately prior to the adjustment by a fraction, the numerator of which will be the number of shares purchasable upon the exercise of each such warrant immediately prior to the adjustment, and the denominator of which will be the number of shares purchasable immediately thereafter.

Upon the expiration of any rights, options, warrants or conversion or exchange privileges that result in an adjustment of the number of shares issuable upon the exercise of the Contribution Warrants and the Investor BioTime Warrants and the exercise price, the number of Common Shares purchasable upon the exercise of such warrants and the exercise price will be readjusted and shall thereafter be such as it would have been had it been originally adjusted (or had the original adjustment not been required, as the case may be) as if (A) the only Common Shares, if any, so issued were the shares actually issued or sold upon the exercise of the rights, options, warrants or conversion or exchange rights, and (B) those shares were issued or sold for the consideration actually received by us upon such exercise plus the aggregate consideration, if any, actually received by us for the issuance, sale or grant of all of those rights, options, warrants or conversion or exchange rights whether or not exercised.

Preservation of Purchase Rights Upon Merger, Consolidation, and Certain Other Transactions

The warrant agreements governing the Contribution Warrants and the Investor BioTime Warrants, respectively, provide that if we consolidate with or merge into another corporation, or if we sell, transfer or lease to another corporation all or substantially all our assets, we or our successor or the corporation that purchases us or our assets shall execute an agreement providing that each warrant holder shall have the right thereafter, upon such warrant holder's election, either (i) upon payment of the exercise price of the applicable warrant in effect immediately prior to the transaction, to purchase upon exercise of their warrants the "Sale Consideration," or (ii) to receive, in cancellation of their warrants (and in lieu of paying the exercise price and exercising their warrants), the Sale Consideration less a portion having a fair market value (as reasonably determined by us) equal to the exercise price; provided, however, that no adjustment in respect of dividends, interest or other income on or from such shares or other securities and property shall be made during the term of, or upon the exercise of, the warrant. The "Sale Consideration" means the kind and amount of shares and other securities and property (including cash) which the warrant holder would have owned or have been entitled to receive after the consolidation, merger, sale, transfer or lease had they exercised their warrants immediately prior to the transaction.

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No Rights as Shareholders

Neither the Contribution Warrants nor the Investor BioTime Warrants confer upon the warrant holders the right to receive dividends or to vote or consent or to receive notice as shareholders in respect of any meeting of shareholders for the election of directors or any other matter, or any other rights whatsoever as our shareholders.

Notices to Warrant Holders

Under the warrant agreements governing the Contribution Warrants and the Investor BioTime Warrants, respectively, we will give warrant holders notice of any of the following actions that we plan to take: (a) a declaration of any dividend payable in any securities upon our Common Shares, or any distribution to holders of Common Shares, other than a regular cash dividend, as such dividend may be increased from time to time, or a dividend payable in Common Shares; or (b) an offer to the holders of Common Shares on a pro rata basis any cash, additional Common Shares or other securities to be issued by us, or any right to subscribe for or purchase any of our securities; or (c) a dissolution, liquidation or winding up of our business other than in connection with a consolidation, merger, sale, transfer or lease of all or substantially all of our property, assets, and business as an entirety. We will give warrant holders the notice at least 10 days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividend, distribution, or subscription rights or for the determination of stockholders entitled to vote on such proposed dissolution, liquidation or winding up or the date of expiration of the offer. The notice shall specify the record date or the date of closing the transfer books or the date of expiration, as the case may be. Any failure on our part to publish or mail a notice, or any failure of a warrant holder to receive a notice, or any defect in a notice or in the publication or mailing of a notice shall not affect the validity of any action in connection with a dividend, distribution or subscription rights, or the proposed dissolution, liquidation or winding up, or offer.

Amendment of Contribution Warrants and Investor BioTime Warrants

The warrant agreements defining the terms of the Contribution Warrants and Investor BioTime Warrants, respectively, may be amended, supplemented or modified only by an instrument in writing signed by us, and solely with respect to the Contribution Warrants the Warrant Agent, and with the affirmative vote or written consent of holders of record of a majority of the Contribution Warrants or Investor BioTime Warrants, as applicable, then outstanding; except that such vote or consent shall not be required for any amendment, supplement or modification that reduces the exercise price or extends the expiration date of the Contribution Warrants or the Investor BioTime Warrants, as applicable. In determining whether the holders of the required number of outstanding Contribution Warrants or Investor BioTime Warrants, as applicable, have approved any amendment, supplement or modification to the Warrant Agreement, Contribution Warrants and Investor BioTime Warrants owned by us or any of our controlled affiliates, if any, shall be disregarded and deemed not to be outstanding. Solely with respect to the Contribution Warrants, the prior written consent of Geron shall also be required for any amendment, supplement or modification of the warrant agreement governing the Contribution Warrants that: (i) extends or would have the effect of extending the expiration date; or (ii) adversely affects the rights of Geron under that warrant agreement.

The forgoing descriptions of the Contribution Warrants and the Investor BioTime Warrants are only summaries and do not purport to be a complete description of all of the terms of those warrants, which are contained in warrant agreements that will be filed with the SEC prior to the mailing of this Proxy Statement.

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Other Warrants

As of January 31, 2013, there are warrants to purchase a total of 816,612 Common Shares issued and outstanding, which consists of the First Tranche Warrants to purchase 259,999 Common Shares and other warrants to purchase the 556,613 Common Shares. The First Tranche Warrants have the same terms as the Investor BioTime Warrants and that are governed by the same warrant agreement as the Investor BioTime Warrants. The other warrants issued and outstanding as of January 31, 2013 have exercise prices, and expiration dates shown in the following table, and other terms that differ from the Contribution Warrants and Investor BioTime Warrants.

Number of Warrants	Shares Issuable(1)	Exercise Price(1)	Expiration Date
50,000	50,000	\$ 10.00	April 24, 2014
300,000	300,000	\$ 10.00	May 2, 2014
206,613	206,613	\$ 10.00	May 2, 2014

- (1) The number of Common Shares and exercise price will be proportionally adjusted in the event of a stock split, stock dividend, combination, or similar recapitalization of the Common Shares.

BAC Securities

Set forth below is a description of BAC's capital stock and warrants. The following description of BAC's capital stock and warrants is a summary and is subject to and qualified by the applicable provisions of BAC's Certificate of Incorporation, its bylaws, the warrant agreements and the relevant provisions of the laws of the State of Delaware. The particular terms of any offering of BAC securities will be described in a prospectus supplement relating to the offering.

BAC Common Stock

BAC's Certificate of Incorporation currently authorize the issuance of up to 150,000,000 shares of BAC Common Stock comprised of 75,000,000 shares of BAC Series A Common Stock, par value \$0.0001 per share, and 75,000,000 shares of BAC Series B Common Stock, par value \$0.0001 per share.

There were no shares of BAC Series A Common Stock and 51,700 shares of BAC Series B Common Stock and issued and outstanding as of January 31, 2013, 50,000 of which are held by BioTime. BAC will issue 6,537,779 Series A Shares and 21,773,340 Series B Shares pursuant to the Asset Contribution Transaction, and 2,136,000 BAC Series B Shares and Warrants to purchase an additional 3,500,000 Series B Shares to the Investor in consideration of the Investor Contribution.

Voting Rights

Each holder of record of shares of BAC Series A Common Stock or BAC Series B Common Stock is entitled to one vote for each outstanding share of BAC Series A Common Stock or BAC Series B Common Stock owned on every matter properly submitted to the BAC shareholders for their vote. The BAC Series A Common Stock and BAC Series B Common Stock will vote together as a single class, without distinction as to series on all matters except as may otherwise be required by Delaware law.

Dividend Rights

Subject to the dividend rights of holders of any shares of the BAC Preferred Stock that may be issued from time to time, holders of BAC Series A Common Stock and holders of BAC Series B Common Stock are entitled to any dividend declared by BAC's Board of Directors out of funds legally available for that purpose.

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BAC may declare and pay dividends or other distributions on shares of BAC Series A Common Stock without paying a corresponding dividend or distribution on shares of BAC Series B Common Stock. This difference in dividend and distribution rights will allow BAC to make the Contribution Warrants Distribution to the holders of BAC Series A Common Stock.

BAC's Certificate of Incorporation provides that BAC may not pay a dividend or distribution to the holders of any class or series of capital stock (other than the Contribution Warrants Distribution) until after the completion of the BAC Series A Distribution and the Contribution Warrants Distribution.

Conversion of shares of BAC Series B Common Stock into shares of BAC Series A Common Stock

The shares of BAC Series B Common Stock may be converted into BAC Series A Common Stock, at BAC's election, at any time following the completion of the BAC Series A Distribution and the Contribution Warrants Distribution. Each share of BAC Series B Common Stock will be convertible into one share of BAC Series A Common Stock. BAC's Certificate of Incorporation provides that in the event of any such stock split, reverse stock split, stock dividend, reverse stock dividend, or similar transaction with respect to either the shares of BAC Series A Common Stock or BAC Series B Common Stock, BAC will undertake a corresponding stock split, reverse stock split, stock dividend, reverse stock dividend, or similar transaction with respect to the other series of BAC common stock as well so that the ratio of outstanding shares of the two series will remain the same.

If the date set for conversion of shares of BAC Series B Common Stock into Series A Common Stock will be subsequent to the Record Date for the payment of a dividend or other distribution on shares of BAC Series B Common Stock, but prior to the payment of the dividend or distribution, the holders of record of shares of BAC Series B Common Stock at the close of business on that Record Date will be entitled to receive the dividend or other distribution payable on or with respect to their shares of BAC Series B Common Stock on the date set for payment of that dividend or other distribution, notwithstanding the prior conversion of their shares of BAC Series B Common Stock into shares of BAC Series A Common Stock.

BAC will not be required to issue or deliver fractional shares upon the conversion of shares of BAC Series B Common Stock into shares of BAC Series A Common Stock. In determining the number of shares of BAC Series A Common Stock that BAC will issue upon conversion of shares of BAC Series B Common Stock, BAC may aggregate the BAC Series B Common Stock held by each holder and if the aggregate number of shares of BAC Series A Common Stock to be issued to any holder of shares of BAC Series B Common Stock includes a fraction, BAC will pay a cash adjustment in lieu of that fraction in an amount equal to the value of the fraction of a share of BAC Series A Common Stock.

Liquidation Rights

Subject to the prior payment of the liquidation preference to holders of any shares of BAC Preferred Stock that may be issued, holders of BAC Common Stock are entitled to receive on a pro rata basis, without a distinction between BAC Series A Common Stock and BAC Series B Common Stock, all of BAC's remaining assets available for distribution to the holders of BAC Common Stock in the event of the liquidation, dissolution, or winding up of BAC's operations.

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Preemptive Rights

Holders of BAC Common Stock, regardless of series, do not have any preemptive rights to become subscribers or purchasers of additional shares of any series of BAC common stock or of any other class or series of BAC capital stock.

BAC Preferred Stock

BAC's Certificate of Incorporation authorizes the issuance of up to 5,000,000 shares of BAC Preferred Stock, par value \$0.0001 per share ("BAC Preferred Stock"). BAC may issue BAC Preferred Stock in one or more series, at any time, with such powers, preferences, and rights, and qualifications, limitations and restrictions as BAC's Board of Directors may determine, all without further action of BAC's shareholders. BAC's Board of Directors may, by resolution, increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series of BAC Preferred Stock subsequent to the issue of shares of that series. Any series of BAC Preferred Stock which may be authorized by BAC's Board of Directors in the future may be senior to and have greater rights and preferences than the BAC Common Stock. There are no shares of BAC Preferred Stock presently outstanding and the Board of Directors of BAC has no present plan, arrangement or commitment to issue any BAC Preferred Stock.

Warrants issued by BAC in connection with Asset Contribution Transaction and BioTime Financing

BAC will issue in the aggregate warrants to purchase 3,500,000 BAC Series B Shares in the Asset Contribution Transaction, which includes both the BAC Warrants and the Investor BAC Warrants (collectively, the "Transactions Warrants"). Each Transactions Warrant will entitle the holder to purchase one share of BAC Series B Common Stock at a price of \$5.00 per share. The Transactions Warrants will expire on the third anniversary of the closing under the Asset Contribution Agreement.

Adjustment of the Number of Shares and Exercise Price

The number of shares of BAC Series B Common Stock issuable upon the exercise of the Transactions Warrants, and exercise price per share, will be proportionally adjusted in the event of a stock split, stock dividend, combination or reclassification of BAC Common Stock or similar recapitalization of the BAC Series B Common Stock.

The number of shares issuable upon the exercise of the Transactions Warrants, and exercise price per share will also be adjusted if BAC issues rights, options or warrants to all holders of BAC's outstanding Common Stock, without any charge to those holders, entitling them to subscribe for or purchase shares of BAC Common Stock at a price per share which is lower at the Record Date than the then current market price per share of BAC Common Stock. In that case, the number of shares of BAC Series B Common Stock thereafter purchasable upon the exercise of each Transactions Warrant will be determined by multiplying the number of shares otherwise issuable upon exercise of each Transactions Warrant by a fraction, the numerator of which will be the number of shares of BAC Common Stock outstanding on the date of issuance of such rights, options or warrants, plus the number of additional shares of BAC Common Stock offered for subscription or purchase in connection with the rights, options or warrants issued without charge, and the denominator of which will be the number of shares of BAC Common Stock outstanding on the date of issuance of those rights, options or warrants, plus the number of shares which the aggregate exercise price for the total number of shares of BAC Common Stock issuable upon exercise of those rights, options or warrants would purchase at the current market price per share of BAC Common Stock at the Record Date.

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If BAC distributes to all holders of its shares of BAC Common Stock (including any distribution made in connection with a merger in which BAC is the surviving corporation) evidences of BAC's indebtedness or assets (excluding cash, dividends or distributions payable out of consolidated earnings or earned surplus and stock dividends) or rights, options or warrants, or convertible or exchangeable securities containing the right to subscribe for or purchase shares of BAC Common Stock (excluding those referred to above), then in each case the number of shares of BAC Common Stock purchasable upon the exercise of each Transactions Warrant shall be determined by multiplying the number of shares theretofore purchasable upon the exercise of each Transactions Warrant by a fraction, the numerator of which will be the then current market price per share of BAC Common Stock on the date of such distribution, and the denominator of which will be the then current market price per share of BAC Common Stock, less the then fair value (as reasonably determined by BAC's Board of Directors) of the portion of the assets or evidences of indebtedness so distributed or of such subscription rights, options or warrants, or of such convertible or exchangeable securities applicable to one share of BAC Common Stock.

Whenever the number of BAC shares purchasable upon the exercise of each Transaction Warrant is adjusted, the price payable upon exercise of each BAC Warrant shall be adjusted by multiplying the exercise price immediately prior to the adjustment by a fraction, the numerator of which will be the number of shares purchasable upon the exercise of each Transactions Warrant immediately prior to the adjustment, and the denominator of which will be the number of shares purchasable immediately thereafter.

Upon the expiration of any rights, options, warrants or conversion or exchange privileges that result in an adjustment of the number of shares issuable upon the exercise of the Transactions Warrants and the exercise price, the number of shares purchasable upon the exercise of each Transactions Warrant and the exercise price of the Transactions Warrants shall be readjusted and shall thereafter be such as it would have been had it been originally adjusted (or had the original adjustment not been required, as the case may be) as if (A) the only shares of BAC Common Stock, if any, so issued were the shares of BAC Common Stock actually issued or sold upon the exercise of the rights, options, warrants or conversion or exchange rights, and (B) those shares of BAC Common Stock were issued or sold for the consideration actually received by BAC upon such exercise plus the aggregate consideration, if any, actually received by BAC for the issuance, sale or grant of all of those rights, options, warrants or conversion or exchange rights whether or not exercised.

Effect of Conversion of shares of BAC Series B Common Stock into shares of BAC Series A Common Stock

If the outstanding shares of BAC Series B Common Stock are converted into shares of BAC Series A Common Stock before a Transactions Warrant is exercised, the BAC Warrant holders will be entitled to receive upon exercise of their Transactions Warrants a number of shares of BAC Series A Common Stock into which the shares of BAC Series B Common Stock that otherwise would have been issued had they been issued immediately before the conversion of the shares of BAC Series B Common Stock into shares of BAC Series A Common Stock.

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Preservation of Purchase Rights Upon Merger, Consolidation, and Certain Other Transactions

The warrant agreements governing the Transactions Warrants provides that if BAC consolidates with or merge into another corporation, or if BAC sells, transfers or leases to another corporation all or substantially all of BAC's assets, BAC or its successor or the corporation that purchases BAC or BAC's assets shall execute an agreement providing that each Transactions Warrant holder shall have the right thereafter, either (i) upon payment of the exercise price of the Transactions Warrants in effect immediately prior to the transaction, to purchase upon exercise of their Transactions Warrant the "BAC Sale Consideration," or (ii) to receive, in cancellation of their Transactions Warrants (and in lieu of paying the exercise price and exercising their Transactions Warrants), the BAC Sale Consideration less a portion having a fair market value (as reasonably determined by BAC) equal to the exercise price; provided, however, that no adjustment in respect of dividends, interest or other income on or from such shares or other securities and property shall be made during the term of a Transactions Warrant or upon the exercise of a Transactions Warrant. The "BAC Sale Consideration" means the kind and amount of shares and other securities and property (including cash) which the Transactions Warrant holder would have owned or have been entitled to receive after the consolidation, merger, sale, transfer or lease had they exercised their Transactions Warrants immediately prior to the transaction.

No Rights as BAC Shareholders

The Transactions Warrants do not confer upon the Transactions Warrant holders the right to vote or to receive dividends or to use or consent or to receive notice as BAC shareholders in respect of any meeting of BAC shareholders for the election of directors of BAC or any other matter, or any rights whatsoever as BAC shareholders.

Notices to Warrant Holders

Under the warrant agreement governing the Transactions Warrants, BAC is required to give Transactions Warrant holders advance notice of certain extraordinary actions that BAC plans to take.

The forgoing descriptions of the BAC Warrants and the Investor BAC Warrants are only summaries and do not purport to be complete descriptions of all of the terms of those warrants, which are contained in the applicable warrant agreements. The form of warrant agreement governing the BAC Warrants is contained in our Form 8-K filed on January 8, 2013 as an exhibit to the Asset Contribution Agreement and the warrant agreement covering the Investor BAC Warrants will be filed with the SEC prior to the mailing of the Proxy Statement.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of January 31, 2013, concerning beneficial ownership of Common Shares by each shareholder known by us to be the beneficial owner of 5% or more of our Common Shares. Information concerning certain beneficial owners of more than 5% of our Common Shares is based upon information disclosed by such owners in their reports on Schedule 13D or Schedule 13G.

Security Ownership of Certain Beneficial Owners

	Number of Shares	Percent of Total
Alfred D. Kingsley (1) Greenbelt Corp. Greenway Partners, L.P. 150 E. 57th Street New York, NY 10022	9,535,411	17.5%
Neal C. Bradsher (2) Broadwood Partners, L.P. Broadwood Capital, Inc. 724 Fifth Avenue, 9th Floor New York, NY 10019	8,740,128	16.1%
George Karfunkel 126 East 56th St. New York, NY 10022	4,997,217	9.2%

(1) Includes 1,682,505 Common Shares presently owned by Greenbelt Corp, 375,351 Common Shares owned by Greenway Partners, L.P., 7,290,055 shares owned solely by Alfred D. Kingsley, and 187,500 Common Shares that may be acquired by Mr. Kingsley upon the exercise of certain stock options. Excludes 12,500 Common Shares that may be acquired by Mr. Kingsley upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days. Mr. Kingsley controls Greenbelt Corp. and Greenway Partners, L.P. and may be deemed to beneficially own the shares that Greenbelt Corp. and Greenway Partners, L.P. own.

(2) Includes 8,622,220 Common Shares owned by Broadwood Partners, L.P., 42,908 Common Shares owned by Neal C. Bradsher, and 75,000 Common Shares that may be acquired upon the exercise of certain stock options. Excludes 5,000 Common Shares that may be acquired by Mr. Bradsher upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days. Broadwood Capital, Inc. is the general partner of Broadwood Partners, L.P., and Mr. Bradsher is the President of Broadwood Capital, Inc. Mr. Bradsher and Broadwood Capital, Inc. may be deemed to beneficially own the shares that Broadwood Partners, L.P. owns.

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Security Ownership of Management

The following table sets forth information as of January 31, 2013, concerning beneficial ownership of Common Shares by each member of the Board of Directors, certain executive officers, and all officers and directors as a group.

	Number of Shares	Percent of Total
Alfred D. Kingsley (1)	9,535,411	17.5%
Neal C. Bradsher (2)	8,740,128	16.1%
Michael D. West (3)	1,580,000	2.8%
Judith Segall	594,645	1.1%
Robert W. Peabody (4)	505,400	*
William P. Tew (5)	90,235	*
Arnold I. Burns (6)	90,000	*
Pedro Lichtinger (7)	81,250	*
Peter S. Garcia (8)	77,833	*
Andrew C. von Eschenbach (9)	35,000	*
All officers and directors as a group (10 persons) (10)	21,329,902	37.5%

* Less than 1%

(1)Includes 1,682,505 Common Shares presently owned by Greenbelt Corp, 375,351 Common Shares owned by Greenway Partners, L.P., 7,290,055 Common Shares owned solely by Alfred D. Kingsley, and 187,500 Common Shares that may be acquired by Mr. Kingsley upon the exercise of certain stock options. Excludes 12,500 Common Shares that may be acquired by Mr. Kingsley upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days. Mr. Kingsley controls Greenbelt Corp. and Greenway Partners, L.P. and may be deemed to beneficially own the Common Shares that Greenbelt Corp. and Greenway Partners, L.P. own.

(2)Includes 8,622,220 Common Shares owned by Broadwood Partners, L.P. 42,908 shares owned by Neal C. Bradsher, and 75,000 Common shares that may be acquired upon the exercise of certain stock options. Excludes 5,000 Common Shares that may be acquired by Mr. Bradsher upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days. Broadwood Capital, Inc. is the general partner of Broadwood Partners, L.P., and Mr. Bradsher is the President of Broadwood Capital, Inc. Mr. Bradsher and Broadwood Capital, Inc. may be deemed to beneficially own the shares that Broadwood Partners, L.P. owns.

(3)Includes 1,470,400 Common Shares that may be acquired upon the exercise of certain stock options that are presently exercisable.

- (4) Includes 500,000 Common Shares that may be acquired upon the exercise of certain stock options that are presently exercisable.
- (5) Includes 13,863 Common Shares that may be acquired upon the exercise of certain options and 29,247 Common Shares that may be acquired upon the exercise of certain warrants that are presently exercisable or that may become exercisable within 60 days. Excludes 14,987 Common Shares that may be acquired upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days.

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- (6) Includes 75,000 Common Shares that may be acquired upon the exercise of certain options that are presently exercisable or that may become exercisable within 60 days. Excludes 5,000 Common Shares that may be acquired upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days.
- (7) Includes 75,000 Common Shares that may be acquired upon the exercise of certain options that are presently exercisable or that may become exercisable within 60 days. Excludes 5,000 Common Shares that may be acquired upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days.
- (8) Includes 70,833 Common Shares that may be acquired upon the exercise of certain options that are presently exercisable or that may become exercisable within 60 days. Excludes 129,167 Common Shares that may be acquired upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days.
- (9) Includes 35,000 Common Shares that may be acquired upon the exercise of certain options that are presently exercisable or that may become exercisable within 60 days. Excludes 5,000 Common Shares that may be acquired upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days.
- (10) Includes 2,502,596 Common Shares that may be acquired upon the exercise of certain options and 29,247 Common Shares that may be acquired upon the exercise of certain warrants that are presently exercisable or that may become exercisable within 60 days. Excludes 176,654 Common Shares that may be acquired upon the exercise of certain options that are not presently exercisable and will not become exercisable within 60 days.

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WHERE SHAREHOLDERS CAN FIND MORE INFORMATION

BioTime files annual, quarterly, and current reports, proxy statements, and other information with the SEC. You may read and copy any of this information at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 or 202-942-8090 for further information on the public reference room. The SEC also maintains an Internet website that contains reports, proxy statements, and other information regarding issuers, including BioTime, who file electronically with the SEC. The address of that site is www.sec.gov. The information contained on the SEC's website is expressly not incorporated by reference into this Proxy Statement.

The SEC allows BioTime to disclose important information to you by referring you to other documents filed separately with the SEC. This information is considered to be a part of this Proxy Statement, except for any information that is superseded by information included directly in this Proxy Statement or incorporated by reference subsequent to the date of this Proxy Statement as described below.

This Proxy Statement incorporates by reference the following information from our annual report on Form 10-K for the fiscal year ended December 31, 2011, from our quarterly report on Form 10-Q for the fiscal quarter ended September 30, 2012 and from any future filings with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act after the date of this Proxy Statement and before the date of the Special Meeting (excluding any current reports on Form 8-K to the extent disclosure is furnished and not filed):

- financial statements;
- supplemental financial information;
- financial statements contained in the quarterly report on the Form 10-Q for the quarter ended September 30, 2012;
 - management's discussion and analysis of financial condition and results of operation;
 - changes in and disagreements with accountants on accounting and financial disclosure; and
 - quantitative and qualitative disclosures about market risk.

Our annual report on Form 10-K for the fiscal year ended December 31, 2011 and our quarterly report on Form 10-Q for the fiscal quarter ended September 30, 2012 have been previously filed with the SEC and contain important information about BioTime and its financial condition. Any information incorporated by reference to future filings as described above is considered to be a part of this Proxy Statement, effective as of the date of filing with the SEC. In the event of conflicting information in those documents, the information in the latest filed document should be considered correct.

You can obtain any of the other documents listed above from the SEC, through the SEC's web site at the address described above, or from BioTime by requesting them in writing by mail or email or by telephone from our Chief Financial Officer at 1301 Harbor Bay Parkway, Alameda, California 94502, pgarcia@biotimemail.com or (510) 521-3390, ext. 367.

This information is available from BioTime without charge. You can also find information about BioTime at our Internet website at www.biotimeinc.com. Information contained on that website does not constitute part of this Proxy Statement.

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If you would like to request documents, please do so by [], 2013 to receive them before the Special Meeting. If you request any documents from BioTime, we will mail them to you by first class mail, or another equally prompt means.

This document is a proxy statement of BioTime. BioTime has not authorized anyone to give any information or make any representation about the Asset Contribution Transaction, the BioTime Financing or BioTime or BAC that is different from, or in addition to, that contained in this Proxy Statement or in any of the materials that BioTime has incorporated by reference into this Proxy Statement. Therefore, if anyone does give you information of this sort, you should not rely on it. This Proxy Statement is dated [], 2013, and the information contained in this document speaks only as of such date unless the information specifically indicates that another date applies.

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SHAREHOLDER PROPOSALS AND NOMINATIONS

Shareholders who intend to present a proposal for action at an annual meeting of shareholders must notify our management of such intention by notice received at our principal executive offices not later than 120 calendar days before the one-year anniversary of our last annual meeting for such proposal to be included in our proxy statement for the next annual meeting of shareholders and form of proxy relating to such meeting. The deadline for shareholders to present a proposal for action at our 2013 annual meeting of shareholders, has expired, unless we change the date of our annual meeting of shareholders to a date later than July 25, 2013, in which case we will disclose the new deadline by which shareholder proposals must be received.

The Nominating and Corporate Governance Committee will also consider nominees proposed by shareholders, provided that they notify the Nominating and Corporate Governance Committee of the nomination in writing at least 120 days before the date of the next annual meeting of shareholders and they and the nominee provide the Nominating and Corporate Governance Committee with all information that the Nominating and Corporate Governance Committee may reasonably request regarding the nominee, no later than 90 days prior to the annual meeting of shareholders.

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ASSET CONTRIBUTION AGREEMENT

by and among:

BioTime, Inc.,
a California corporation,

BioTime Acquisition Corporation,
a Delaware corporation,

and

GERON CORPORATION,
a Delaware corporation

Dated as of January 4, 2013

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Annex A

ASSET CONTRIBUTION AGREEMENT

This Asset Contribution Agreement (this “Agreement”) is entered into as of January 4, 2013, by and among: BioTime, Inc., a California corporation (the “BioTime”); BioTime Acquisition Corporation, a Delaware corporation (“BAC”); and Geron Corporation, a Delaware corporation (“Geron”). Certain capitalized terms used in this Agreement are defined in Exhibit A.

Recitals

- A. Pursuant to this Agreement, Geron desires to contribute the Contributed Geron Assets to BAC in exchange for BAC’s issuance to Geron of the BAC Series A Shares and BAC’s assumption of the Assumed Geron Liabilities, and BioTime desires to contribute the Contributed BioTime Assets to BAC in exchange for BAC’s issuance to BioTime of the BAC Series B Shares and warrants to purchase the number of additional shares of BAC Series B Common Stock specified in this Agreement.
- B. BAC desires to provide for: (i) the contribution by Geron of the Contributed Geron Assets to BAC in exchange for BAC’s issuance to Geron of the BAC Series A Shares and BAC’s assumption of the Assumed Geron Liabilities; and (ii) the contribution by BioTime of the Contributed BioTime Assets to BAC in exchange for BAC’s issuance to BioTime of the BAC Series B Shares and warrants to purchase the number of additional shares of BAC Series B Common Stock specified in this Agreement.
- C. Following distribution by Geron of the BAC Series A Shares to stockholders of Geron as contemplated herein, BAC will distribute the BioTime Warrants to the holders of the BAC Series A Shares.
- D. Concurrently with the execution of this Agreement or within one Business Day thereafter, BAC is purchasing from Geron the equipment set forth on Schedule A (the “BioSurplus Equipment”) for \$104,013, and the BioSurplus Equipment shall not constitute Contributed Geron Assets under this Agreement.
- E. Concurrently with the execution of this Agreement, BAC is entering into a separate agreement with one or more investors (“Investor”), the form of which is attached hereto as Exhibit B (the “Investor Contribution Agreement”), pursuant to which concurrently with, and conditioned upon, the Closing, Investor shall contribute Five Million Dollars (\$5,000,000) in cash (the “Estimated Investor Cash”) to BAC in exchange for: (i) 2,136,000 shares of BAC Series B Common Stock (the “Investor BAC Shares”); and (ii) warrants to subscribe for and purchase 350,000 (the “Estimated Investor BAC Warrant Amount”) fully paid and nonassessable shares of BAC Series B Common Stock (or in the event all shares of BAC Series B Common Stock have been converted to BAC Series A Common Stock following the distribution of the BioTime Warrants as contemplated herein, BAC Series A Common Stock) during the period commencing on the Closing and ending on the three (3) year anniversary of the Closing, at the exercise price per BAC Series B Share of Five Dollars (\$5.00) (the “Investor BAC Warrants”). The numbers of Investor BAC Shares and Investor BAC Warrants are subject to pro rata downward adjustment in the event that the amount of cash actually contributed by the Investor (the “Investor Cash”) is less than the Estimated Investor Cash.

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F. Commencing on the date of this Agreement and prior to the Closing, it is contemplated that BioTime may lend up to Five Million Dollars (\$5,000,000) to BAC in exchange for one or more promissory notes (each, a “Note”) by BAC in favor of BioTime covering the aggregate amounts borrowed by BAC (with accrued interest, the “Loan Amount”), and it is contemplated that such Loan Amount shall be funded by an investment by Investor in BioTime (in addition to the Investor’s investment pursuant to the Investor Contribution Agreement), in exchange for the issuance to Investor of up to 1,350,000 newly issued shares of BioTime Common Stock (the “Investor BioTime Shares”) and warrants to subscribe for and purchase up to 650,000 fully paid and nonassessable shares of BioTime Common Stock (the “Investor BioTime Warrants”), a portion of which Investor BioTime Shares and Investor BioTime Warrants may be issued prior to the BioTime Stockholder Meeting.

G. Each of BioTime’s and Geron’s board of directors has approved such party’s entry into this Agreement and the other Transactional Agreements to which such party is a party, the contribution by such party of the Contributed Geron Assets or the Contributed BioTime Assets, as the case may be, and the other Transactions, on the terms set forth in this Agreement.

H. BAC’s board of directors has approved BAC’s entry into this Agreement and the other Transactional Agreements to which it is a party, the issuance by BAC to Geron of the BAC Series A Shares and the assumption of the Assumed Geron Liabilities in exchange for the contribution by Geron of the Contributed Geron Assets, the distribution of the BioTime Warrants to the holders of the BAC Series A Shares following distribution by Geron of the BAC Series A Shares to the stockholders of Geron as contemplated herein, the issuance by BAC to BioTime of the BAC Series B Shares and warrants to purchase the number of additional shares of BAC Series B Common Stock specified in this Agreement, and the other Transactions, on the terms set forth in this Agreement.

I. Immediately prior to the execution and delivery of this Agreement, in order to induce Geron to enter into this Agreement, certain stockholders of BioTime have executed voting and support agreements (each, a “Support Agreement”) in favor of the BioTime Voting Proposal and the Additional Voting Proposal.

J. Each of the parties intends that the contribution by Geron to BAC of the Contributed Geron Assets, the assumption by BAC of the Assumed Geron Liabilities and the contribution by BioTime to BAC of the Contributed BioTime Assets, qualify as a nontaxable transfer under Section 351 of the Internal Revenue Code of 1986, as amended.

Agreement

The parties to this Agreement, intending to be legally bound, agree as follows:

1. Contribution of Assets; Issuance of BAC Shares; Related Transactions.

1.1 Contribution of Geron Stem Cell Assets. Geron shall contribute, transfer and convey to BAC, at the Closing, all of the right, title and interest of Geron in the following tangible and intangible assets (the “Contributed Geron Assets”), on the terms (including Section 2.13) and subject to the conditions set forth in this Agreement:

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- (a) Patents and Patent Applications: All of the patents and patent applications identified on Schedule 1.1(a), and all active prosecutions cases related thereto (the patents and patent applications referred to in this Section 1.1(a), and all active prosecution cases related thereto, being referred to in this Agreement as the “Contributed Patents”).
- (b) Other Intellectual Property: All of the: (i) trade secrets, know-how and other IP Rights (other than patent rights, which are addressed in Section 1.1(a)) owned or controlled by Geron identified on Schedule 1.1(b), and (ii) all of Geron’s goodwill with respect to the Technology (the Contributed Patents, together with the IP Rights and goodwill referred to in this Section 1.1(b), being referred to in this Agreement as the “Contributed IP”).
- (c) Biological Materials: All of the biological materials (including master and working cell banks, original and seed banks, and research, pilot and GMP grade lots and finished product) identified on Schedule 1.1(c) (the biological materials referred to in this Section 1.1(c) being referred to in this Agreement as the “Contributed Biological Materials”); provided, however, that Geron shall not be obligated to contribute, transfer and convey any Contributed Biological Materials that are lost or destroyed (without any intentional action by Geron) following the date hereof.
- (d) Equipment: All of the Equipment identified on Schedule 1.1(d) (the Equipment referred to in this Section 1.1(d) being referred to in this Agreement as the “Contributed Equipment”) (it being understood that equipment owned by a third party and leased to Geron, as well as the BioSurplus Equipment, shall not constitute Contributed Equipment).
- (e) Raw Materials: All of the raw materials and supplies identified on Schedule 1.1(e) (the raw materials and supplies referred to in this Section 1.1(e) being referred to in this Agreement as the “Contributed Materials”); provided, however, that Geron shall not be obligated to contribute, transfer and convey any Contributed Materials that are lost or destroyed (without any intentional action by Geron).
- (f) Contracts: All rights of Geron under the Geron Contracts identified on Schedule 1.1(f) then in force and effect.
- (g) Files and Records: All books, records, lab note books, clinical trial documentation (including patient case forms), files and data identified on Schedule 1.1(g) (the “Contributed Records”); provided, however, that Geron shall be entitled to retain, subject to the terms of the Confidential Disclosure Agreement, and without right of transfer or assignment except in a Change of Control of Geron, copies of such Contributed Records following the Closing.
- (h) Regulatory Filings: Each of the Regulatory Filings of Geron identified on Schedule 1.1(h).

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(i) Abandoned Patents: All of the abandoned or inactive patents and abandoned or inactive patent applications identified on Schedule 1.1(i) (the “Abandoned Patents”).

Notwithstanding the foregoing, the parties agree that Geron is not contributing, transferring or conveying to BAC, and the Contributed Geron Assets shall not include, any assets, rights or properties other than those specifically set forth above in this Section 1.1 (such excluded assets being referred to collectively in this Agreement as the “Excluded Geron Assets”).

1.2 Contribution of BioTime Assets. BioTime shall contribute, transfer and convey, and issue to BAC, at the Closing, all of the right, title and interest of BioTime in the following tangible and intangible assets (the “Contributed BioTime Assets”), on the terms and subject to the conditions set forth in this Agreement:

(a) BioTime Shares. The number of shares of BioTime Common Stock equal to the sum of (i) the quotient obtained by dividing (A) Thirty Million Dollars (\$30,000,000) by (B) the Average Price and (ii) the Substituted BioTime Shares (if any) (such sum, the “BioTime Shares”); provided, however, that the number of BioTime Shares issued at Closing shall be equitably adjusted pro rata for any share dividends, stock splits, reverse stock splits, combinations, recapitalizations and exchange or readjustment of shares, consolidation of shares, reclassifications or other similar transactions occurring after the date hereof and prior to the Closing to reflect such change. The “Average Price” shall be equal to the aggregate volume weighted-average per share closing price, rounded to two decimal points, of shares of BioTime Common Stock as listed on the NYSE MKT for the twenty (20) consecutive trading days immediately preceding the date of this Agreement.

(b) BioTime Warrants. Warrants in substantially the form included in the BioTime Warrant Agreement attached hereto as Exhibit C (the “BioTime Warrant Agreement”) to subscribe for and purchase Eight Million (8,000,000) fully paid and nonassessable shares of BioTime Common Stock exercisable during the period commencing on the Closing and ending on the five (5) year anniversary of the Closing, at the exercise price per share of Five Dollars (\$5.00) (the “BioTime Warrants”); provided, however, that the number of shares of BioTime Common Stock that may be purchased upon exercise of the BioTime Warrants, and the per share exercise price of such BioTime Warrants, shall be equitably adjusted pro rata for any share dividends, stock splits, reverse stock splits, combinations, recapitalizations and exchange or readjustment of shares, consolidation of shares, reclassifications or other similar transactions occurring after the date hereof and prior to the Closing to reflect such change.

(c) BioTime Cash. Cash in the amount of Five Million Dollars (\$5,000,000) (the “Estimated BioTime Cash”), subject to reduction in the sole discretion of BioTime in accordance with Section 1.2(d) (the amount of cash actually contributed by BioTime, the “BioTime Cash”), provided that the Loan Amount, if any, shall be credited towards BioTime’s contribution of BioTime Cash, conditioned upon the cancellation of the Notes.

(d) Substituted BioTime Shares or Cash. Notwithstanding anything in this Agreement to the contrary, BioTime shall be entitled, in its sole discretion, to contribute to BAC on a dollar for dollar basis in lieu of the contribution of all or any portion of the Estimated BioTime Cash and/or the Estimated Investor Cash, at BioTime’s election, (i) cash or (ii) the number of additional shares of BioTime Common Stock equal to the quotient obtained by dividing (A) the Substitute BioTime Share Amount by (B) the Average Price (such quotient, the “Substituted BioTime Shares”). The “Substituted BioTime Share Amount” shall be equal to the sum of (1) the difference (if any) between the Estimated BioTime Cash and the BioTime Cash and (2) the difference (if any) between the Estimated Investor Cash and Investor Cash. For the avoidance of doubt, in the event that the Investor Cash is less than the Estimated Investor Cash, and/or the BioTime Cash is less than the Estimated BioTime Cash (after crediting the Loan Amount, if any, pursuant to Section 1.2(c)), BioTime is obligated to contribute Substituted BioTime Shares in lieu of any such deficiency.

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