

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

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

Date of Report (date of earliest event reported): **October 1, 2013**

**BioTime, Inc.**

(Exact name of registrant as specified in its charter)

**California**

(State or other jurisdiction of  
incorporation)

**1-12830**

(Commission File Number)

**94-3127919**

(IRS Employer Identification No.)

**1301 Harbor Bay Parkway  
Alameda, California 94502**

(Address of principal executive offices)

**(510) 521-3390**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

*Any statements that are not historical fact (including, but not limited to statements that contain words such as “may,” “will,” “believes,” “plans,” “intends,” “anticipates,” “expects,” “estimates”) should also be considered to be forward-looking statements. Additional factors that could cause actual results to differ materially from the results anticipated in these forward-looking statements are contained in BioTime’s periodic reports filed with the SEC under the heading “Risk Factors” and other filings that BioTime may make with the Securities and Exchange Commission. 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 disclaims any intent or obligation to update these forward-looking statements.*

## Section 2 - Financial Information

### Item 2.01 Completion of Acquisition or Disposition of Assets

On October 1, 2013 (the “Closing Date”), the contribution of assets to our subsidiary Asterias Biotherapeutics, Inc. (formerly BioTime Acquisition Corporation) (“Asterias”) pursuant to an Asset Contribution Agreement, dated January 4, 2013 (the “Asset Contribution Agreement”), among us, Asterias, and Geron Corporation (“Geron”), was consummated.

#### *Assets Acquired by Asterias and Securities Issued by Asterias*

Pursuant to the Asset Contribution Agreement, on the Closing Date we contributed the following assets to Asterias in exchange for 21,773,340 shares of Asterias Series B common stock and warrants to purchase an additional 3,150,000 shares of Asterias Series B common stock:

- 8,902,077 BioTime common shares, valued for purposes of the Asset Contribution Agreement at \$30,000,000 based upon the aggregate volume weighted-average per share closing price of our common shares as listed on the NYSE MKT for the twenty (20) consecutive trading days immediately preceding January 4, 2013;
- warrants to subscribe for and purchase 8,000,000 additional BioTime common shares (the “BioTime Warrants”) exercisable for a period of five years at an exercise price of \$5.00 per share, subject to pro rata adjustment for certain stock splits, reverse stock splits, stock dividends, recapitalizations and other transactions;
- forgiveness of a loan in the amount of \$5,000,000;
- 10% of the issued and outstanding shares of common stock of our subsidiary OrthoCyte Corporation as of January 4, 2013, the date of the Asset Contribution Agreement;
- 6% of the issued and outstanding ordinary shares of our subsidiary Cell Cure Neurosciences, Ltd. as of January 4, 2013, the date of the Asset Contribution Agreement; and
- a quantity of certain human embryonic stem cell lines produced under “good manufacturing practices,” a non-exclusive, world-wide, royalty-free license to use those stem cell lines and certain patents pertaining to stem cell differentiation technology for any and all purposes.

Pursuant to the Asset Contribution Agreement, on the Closing Date, Geron contributed to Asterias, the following assets in exchange for 6,537,779 shares of Asterias Series A common stock:

- intellectual property and proprietary technology, including certain patents and know-how related to human embryonic stem cells;
- certain biological materials and reagents;
- certain laboratory equipment;
- certain contracts;
- Geron’s Phase 1 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 I/II clinical trial of autologous immunotherapy in patients with acute myelogenous leukemia (together, the “Clinical Trials”); and
- certain regulatory filings, including the investigational new drug applications filed with the United States Food and Drug Administration for the Clinical Trials.

The patent portfolio that Asterias acquired from Geron through the Asset Contribution Agreement includes over 400 patents and patent applications owned or licensed to Geron relating to human embryonic stem (“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  $\beta$  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.

#### *Royalty and Sublicense Agreements*

Concurrently with the closing under the Asset Contribution Agreement, Asterias and Geron entered into a Royalty Agreement pursuant to which Asterias will pay to Geron royalties on the sale of products that are developed and commercialized, if any, in reliance upon Geron patents contributed to Asterias.

Geron has sublicensed to Asterias, on an exclusive, world-wide, basis, certain patents for the purpose of using telomerase as an antigen in the development of certain immunological therapy products (the “Sublicense”). Asterias will pay Geron licensing fees for the use of the sublicensed patents and a royalty on sales of products developed and commercialized in reliance upon the sublicensed patents, and Asterias will indemnify Geron, Geron’s licensor, and certain other parties from certain liabilities.

#### *Assumption of Certain Liabilities*

Asterias has assumed all obligations and liabilities in connection with the assets contributed by Geron, to the extent such obligations and liabilities arise after the Closing Date of the Asset Contribution Agreement, including certain obligations and liabilities for the Clinical Trials. Asterias 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 Asterias will assume all liabilities arising after the closing under the Asset Contribution Agreement with respect to the ViaCyte Appeal.

#### *\$5,000,000 Cash Contribution by Private Investor*

Also on the Closing Date, a private investor contributed \$5 million in cash to Asterias for 2,136,000 shares of Asterias Series B common stock and warrants to purchase 350,000 additional shares of Asterias Series B common stock pursuant to a Stock and Warrant Purchase Agreement with Asterias.

#### *Ownership of Asterias Common Stock; Distribution of Asterias Series A Common Stock and BioTime Warrants*

As a result of the consummation of the transactions described above, we now own approximately 71.6% of the outstanding Asterias common stock, Geron owns approximately 21.4% of the outstanding Asterias common stock, and the private investor owns approximately 7.0%, of the outstanding Asterias common stock.

The warrants to purchase shares of Asterias Series B common stock that we and the private investor received (together, the “Asterias Warrants”) will enable us to increase our collective ownership in Asterias by approximately 2.2%, which would reduce Geron’s ownership in Asterias to approximately 19.2%.

The Asterias Warrants have an exercise price of \$5.00 per share and a term of three years. The exercise price per share and number of shares that may be purchased upon the exercise of the Asterias Warrants are subject to adjustment in the event of any stock split, reverse stock split, stock dividend, reclassification of shares and certain other transactions pertaining to Asterias common stock.

Subject to applicable law, Geron is obligated under the Asset Contribution Agreement to distribute as promptly as practicable the 6,537,779 shares of Asterias Series A common stock that Geron received on the Closing Date to Geron’s stockholders, on a pro rata basis, other than with respect to fractional shares and with respect to stockholders residing in certain to-be-determined excluded jurisdictions, who will instead receive cash on a pro rata basis. Asterias is obligated to distribute to the holders of its Series A common stock on a pro rata basis the 8,000,000 BioTime Warrants as soon as practicable following that distribution by Geron. The BioTime Warrants have an initial exercise price of \$5.00 per share and will expire in five years.

The exercise price per share and number of shares that may be purchased upon the exercise of the BioTime Warrants are subject to adjustment in the event of any stock split, reverse stock split, stock dividend, reclassification of shares and certain other transactions pertaining to BioTime common shares.

Asterias plans to arrange for the quotation of prices for the Asterias Series A common stock on the OTC Bulletin Board. We have filed an application to list the BioTime Warrants on the NYSE MKT where our common shares are traded.

The foregoing description of the Asset Contribution Agreement is qualified in its entirety by reference to the Asset Contribution Agreement, which was filed as Exhibit 2.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on January 8, 2013, which Exhibit is incorporated herein by reference. The foregoing descriptions of the BioTime Warrants is qualified in its entirety by reference to the copy of the Warrant Agreement, dated as of October 1, 2013, by BioTime and American Stock Transfer & Trust Company, LLC for the benefit of Asterias.

On October 1, 2013, we issued a press release in connection with the consummation of the contributions discussed in Item 2.01. The full text of the press release is attached hereto as Exhibit 99.1.

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

<u>Exhibit Number</u>	<u>Description</u>
2.1	Asset Contribution Agreement, dated January 4, 2013, by and among BioTime, Inc., BioTime Acquisition Corporation, and Geron Corporation (incorporated by reference to Exhibit 2.1 to BioTime, Inc.'s Current Report on Form 8-K filed January 8, 2013) (Schedules to the Asset Contribution Agreement have been omitted. BioTime, Inc. agrees to furnish supplementally a copy of the omitted schedules to the Commission upon request)
4.1	Warrant Agreement, dated as of October 1, 2013, by BioTime, Inc. and American Stock Transfer & Trust Company, LLC for the benefit of Asterias Biotherapeutics, Inc.
4.2	Form of Warrant (included in Exhibit 4.1)
99.1	Press release dated October 1, 2013

**SIGNATURES**

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

**BIOTIME, INC.**

Date: October 1, 2013

By: /s/ Robert W. Peabody  
Sr. Vice President, Chief Operating  
Officer, and Chief Financial Officer

## EXHIBIT INDEX

### Exhibit Number

### Description

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Warrant Agreement

Dated as of October 1, 2013

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WARRANT AGREEMENT, (this "Agreement") dated as of October 1, 2013, by BioTime, Inc., a California corporation (the "Company") and American Stock Transfer & Trust Company, LLC ("Warrant Agent") for the benefit of each registered holder of a Warrant described herein (a "Holder").

Section 1. Issuance of Warrants.

1.1 Number of Warrants; Expiration Date. The Company is issuing common share purchase warrants, as hereinafter described (the "Warrants"), to purchase up to an aggregate of 8,000,000 of its common shares, no par value (the "Common Stock"), to Asterias Biotherapeutics, Inc. (formerly BioTime Acquisition Corporation), a Delaware corporation ("Asterias") as the original Holder pursuant to that certain Asset Contribution Agreement, dated January 4, 2013, among the Company, Asterias, and Geron Corporation ("Geron"). Subject to the terms of this Agreement, a Holder of any of such Warrant (including any Warrants into which a Warrant may be divided) shall have the right, which may be exercised, in whole or in part, at any time on or after the date hereof and prior to 5:00 p.m., New York Time on October 1, 2018 (the "Expiration Date"), to purchase from the Company, at the Warrant Price (as defined herein) then in effect, the number of fully paid and nonassessable common shares, no par value, of the Company ("Warrant Shares") determined as provided in this Agreement and specified in such Warrant. The Warrants may not be exercised or transferred after the Expiration Date. So long as the Warrants are listed for trading on any national securities exchange, the Company will not extend the Expiration Date without first giving such securities exchange notice of such extension within the time required by such exchange, but in no event less than twenty (20) days prior notice.

1.2 Form of Warrant. The text of the Warrants and of the Purchase Form shall be substantially as set forth in Exhibit A attached hereto. The price per Warrant Share and the number of Warrant Shares issuable upon exercise of each Warrant are subject to adjustment upon the occurrence of certain events, all as hereinafter provided. The Warrants shall be executed on behalf of the Company by its Chief Executive Officer, President, or an Executive or Senior Vice President, under its corporate seal reproduced thereon attested by its Chief Financial Officer, or Secretary or any Assistant Secretary. The signature of any such officers on the Warrants may be manual or facsimile, provided, however, that the signature of any such officers must be manual at any time during which there is no Warrant Agent.

1.3 Signatures; Date of Warrants. Warrants bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any one of them shall have ceased to hold such offices prior to the delivery of such Warrants or did not hold such offices on the date of this Agreement. So long as the Warrant Agent (or a successor designated by the Company) is serving in such capacity, Warrants shall be dated as of the date of countersignature by the Warrant Agent upon division, exchange, substitution or transfer. If there is no Warrant Agent, Warrants shall be dated as of the date of execution thereof by the Company either upon initial issuance or upon division, exchange, substitution or transfer.

1.4 Countersignature of Warrants. So long as the Warrant Agent or a successor shall be serving as Warrant Agent, the Warrants shall be countersigned by the Warrant Agent (or any successor serving in such capacity) and shall not be valid for any purpose unless so countersigned. Warrants may be countersigned, however, by the Warrant Agent (or by its successor) and may be delivered by the Warrant Agent, notwithstanding that the persons whose manual or facsimile signatures appear thereon as proper officers of the Company shall have ceased to be such officers at the time of such countersignature, issuance or delivery. The Warrant Agent shall, upon written instructions of the President, Chief Executive Officer, an Executive or Senior Vice President, or the Chief Financial Officer of the Company, countersign, issue and deliver the Warrants and shall countersign and deliver Warrants as otherwise provided in this Agreement.



## Section 2. Exercise of Warrants; Payment.

2.1 Exercise of Warrants. A Warrant may be exercised upon surrender of the certificate or certificates evidencing the Warrant to be exercised, together with the form of election to purchase on the reverse thereof (the "Purchase Form") duly completed and signed, which signature shall be guaranteed by a financial institution that is a participant in a recognized signature guarantee program if the Warrant Shares are to be issued in the name of a person or entity other than the Holder, to the principal office of the Warrant Agent, and upon payment of the Warrant Price (as defined and determined in accordance with the provisions of Section 3 and Section 6) to the Warrant Agent for the account of the Company, for the number of Warrant Shares in respect of which such Warrants are then exercised. Payment of the aggregate Warrant Price shall be made by bank wire transfer to the account of the Company or bank cashier's check or by personal check, provided, however, that in the case of payment by personal check no Warrant Shares shall be issued until funds are received. So long as the Common Stock is publicly traded, a Holder of a Warrant may not exercise the Warrant on any day on which the closing price of the Common Stock for such day is lower than the Warrant Price. The closing price of the Common Stock 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 shares of Common Stock are listed or admitted to trading or, if not so listed or admitted to trading, the last sale price of the Common Stock on the OTC Bulletin Board, or any comparable system. The closing price of the Common Stock for any day that is not a trading day shall be the closing price of the Common Stock for the most recent trading day.

2.2 Issuance of Warrant Shares. Subject to Section 4 and Section 5, upon the surrender of the Warrant and payment of the Warrant Price as aforesaid, the Warrant Agent shall promptly, and in any event within three (3) business days, cause to be issued and delivered to or upon the written order of the Holder and in such name or names as the Holder may designate, a certificate or certificates for the number of full Warrant Shares so purchased upon the exercise of such Warrant, which Warrant Shares shall be fully paid and nonassessable, together with cash, as provided in Section 8, in respect of any fractional Warrant Shares otherwise issuable upon such exercise. Such Warrant Share certificate or certificates shall be deemed to have been issued and any person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares as of the date of the surrender of such Warrants and payment of the Warrant Price, as aforesaid. If the Company's transfer agent is participating in The Depository Trust Company ("DTC") Fast Automated Securities Transfer Program, upon the request of the Holder, the Warrant Agent shall, in lieu of delivering a certificate or certificates for Warrant Shares issuable upon exercise of a Warrant, credit the aggregate number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit/Withdrawal At Custodian system (a "DWAC Transfer"). The rights of purchase represented by any Warrant shall be exercisable, at the election of the Holder thereof, either in full or from time to time in part. In the event that a certificate evidencing a Warrant is exercised in respect of less than all of the Warrant Shares purchasable on such exercise at any time prior to the date of expiration of such Warrant, a new certificate evidencing the unexercised portion of such Warrant will be issued, and the Warrant Agent shall countersign and deliver the required new Warrant certificate or certificates pursuant to the provisions of this Section 2.2 and Section 1.4. The Company, whenever required by the Warrant Agent, will supply the Warrant Agent with Warrant certificates duly executed on behalf of the Company for such purpose.

2.3 Payment of Funds to Company. Checks representing payment of the Warrant Price shall be delivered to the Company by the Warrant Agent. If so requested by the Company, the Warrant Agent shall delay issuance of Warrant Shares until the Company confirms collection of any check or checks received by the Company. Funds received by the Warrant Agent by wire transfer shall be paid to the Company by wire transfer to such account of the Company as the Company may from time to time designate in writing.

2.4 Records; Accounts. The Warrant Agent shall maintain a record of the date, amount of each payment of the Warrant Price received upon the exercise of Warrants, and the name and address of the Holder by whom or on whose behalf such payment was made.

Section 3. Warrant Price. Subject to any adjustments required by Section 6, the price per share at which Warrant Shares shall be purchasable upon exercise of a Warrant (as to any particular Warrant, the "Warrant Price") shall be Five Dollars (\$5.00) per share.

Section 4. Payment of Taxes. The Company will pay all documentary stamp taxes, if any, attributable to the initial issuance of Warrant Shares upon the exercise of Warrants; provided, however, that the Company shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the issue or delivery of any Warrant or certificates for Warrant Shares in a name other than that of the registered Holder of such Warrants or Warrant Shares.

Section 5. Transferability of Warrants and Warrant Shares; Restrictions on Exercise and Transfer.

5.1 Registration. Each Warrant shall be numbered and shall be registered on the books of the Company (the "Warrant Register") as issued. The Company and the Warrant Agent shall be entitled to treat the Holder of any Warrant as the owner in fact thereof for all purposes and shall not be bound to recognize any equitable or other claim or interest in such Warrant on the part of any other person, and shall not be liable for any registration of transfer of any Warrant which is registered or to be registered in the name of a fiduciary or the nominee of a fiduciary upon the instruction of such fiduciary, unless made with the actual knowledge that a fiduciary or nominee is committing a breach of trust in requesting such registration of transfer, or with such knowledge of such facts that its participation therein amounts to bad faith. Each Warrant shall initially be registered in the name of the person or entity to whom it is originally issued.

5.2 Transfer. Subject to Section 5.3, the Warrants shall be transferable only on the Warrant Register upon delivery of the Warrant certificate duly endorsed by the Holder or by his duly authorized attorney or representative (accompanied by proper evidence of succession, assignment or authority to transfer, as applicable), which endorsement shall be guaranteed by a financial institution that is a participant in a recognized signature guarantee program. In all cases of transfer by an attorney, the original power of attorney, duly approved, or a copy thereof, duly certified, shall be deposited and remain with the Warrant Agent. In case of transfer by executors, administrators, guardians or other legal representatives, duly authenticated evidence of their authority shall be produced, and may be required to be deposited and remain with the Warrant Agent in its discretion. Upon any registration of transfer, the Warrant Agent shall countersign and deliver a new Warrant or Warrants to the persons entitled thereto.

5.3 Restrictions on Exercise and Transfer of Warrants and Warrant Shares. The Warrants may not be exercised, and the Warrants and any Warrant Shares issued upon the exercise of the Warrants may not be sold, pledged, hypothecated, transferred or assigned, in whole or in part, unless a registration statement under the Securities Act of 1933, as amended (the “Securities Act”), and under any applicable state securities laws, is effective therefor or, an exemption from such registration is then available.

(a) At any time during which a registration statement under the Securities Act and under any applicable state securities laws is not in effect, as a condition precedent to the registration of transfer and issuance of any certificates representing Warrants upon transfer, or issuance of any Warrant Shares upon exercise of the Warrant, the Company, the Warrant Agent, and any transfer agent of any Warrant Shares to be issued upon exercise of the Warrant, shall be entitled to obtain (i) an opinion of counsel, reasonably acceptable to the Warrant Agent, the Company, and to the transfer agent, stating that such exercise, sale, pledge, hypothecation, transfer or assignment will not violate the Securities Act, the rules and regulations of the United States Securities and Exchange Commission promulgated thereunder or any applicable state securities laws, and (ii) a letter or other instrument from the Holder containing such covenants, representations or warranties by such Holder as reasonably deemed necessary by the Company, the Warrant Agent, and the transfer agent to effect compliance by the Company with the requirements of the Securities Act and any other applicable federal and/or state securities laws.

(b) Any exercise, sale, pledge, hypothecation, transfer, or assignment of a Warrant or Warrant Shares in violation of the foregoing restrictions shall be deemed null and void and of no binding effect.

(c) The Company, the Warrant Agent, and the transfer agent and registrar of the Warrant Shares will refuse to register the transfer of any Warrant and Warrant Shares not made pursuant to registration under the Securities Act and applicable state securities laws, or pursuant to an available exemption from registration under the Securities Act and applicable state securities laws.

Section 6. Adjustment of Warrant Price and Number of Warrant Shares. The number and kind of securities purchasable upon the exercise of each Warrant and the Warrant Price shall be subject to adjustment from time to time upon the happening of certain events, as hereinafter defined.

6.1 Adjustments. The number of Warrant Shares purchasable upon the exercise of each Warrant and the Warrant Price shall be subject to adjustment as follows:

(a) If the Company shall: (i) pay a dividend in shares of Common Stock or make a distribution in shares of Common Stock; (ii) subdivide its outstanding shares of Common Stock; (iii) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock; or (iv) reclassify or change (including a change to the right to receive, or a change into, as the case may be (other than with respect to a merger or consolidation pursuant to the exercise of appraisal rights), shares of stock, other securities, property, cash or any combination thereof) its Common Stock (including any such reclassification or change in connection with a consolidation or merger in which the Company is the surviving corporation), the number of Warrant Shares purchasable upon exercise of each Warrant immediately prior thereto shall be adjusted so that the Holder of each Warrant shall be entitled to receive the kind and number of Warrant Shares or other securities of the Company or other property which the Holder would have owned or have been entitled to receive after the happening of any of the events described above, had such Warrant been exercised immediately prior to the happening of such event or any record date with respect thereto. An adjustment made pursuant to this paragraph (a) shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

(b) If the Company shall issue rights, options or warrants to all holders of its outstanding Common Stock, without any charge to such holders, entitling them to subscribe for or purchase shares of Common Stock at a price per share which is lower at the record date mentioned below than the then current market price per share of Common Stock (as defined in paragraph (d) below), the number of Warrant Shares thereafter purchasable upon the exercise of each Warrant shall be determined by multiplying the number of Warrant Shares theretofore purchasable upon exercise of each Warrant by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights, options or warrants plus the number of additional shares of Common Stock offered for subscription or purchase in connection with such rights, options or warrants, and of which the denominator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights, options or warrants plus the number of shares which the aggregate exercise price for the total number of shares of Common Stock issuable upon exercise of such rights, options or warrants would purchase at the current market price per share of Common Stock (as determined pursuant to paragraph (d) below) at such record date. Such adjustment shall be made whenever such rights, options or warrants are issued, and shall become effective immediately after the record date for the determination of shareholders entitled to receive such rights, options or warrants.

(c) If the Company shall distribute to all holders of its shares of Common Stock (including any distribution made in connection with a merger in which the Company is the surviving corporation) evidences of its indebtedness or assets (excluding cash, dividends or distributions payable out of consolidated earnings or earned surplus and dividends or distributions referred to in paragraph (a) above) or rights, options or warrants, or convertible or exchangeable securities containing the right to subscribe for or purchase shares of Common Stock (excluding those referred to in paragraph (b) above), then in each case the number of Warrant Shares thereafter purchasable upon the exercise of each Warrant shall be determined by multiplying the number of Warrant Shares theretofore purchasable upon the exercise of each Warrant by a fraction, of which the numerator shall be the then current market price per share of Common Stock (as determined pursuant to paragraph (d) below) on the date of such distribution, and of which the denominator shall be the then current market price per share of Common Stock, less the then fair value (as reasonably determined by the Board of Directors of the Company, whose determination shall be conclusive) 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 Common Stock. Such adjustment shall be made whenever any such distribution is made, and shall become effective on the date of distribution retroactive to the record date for the determination of shareholders entitled to receive such distribution.

(d) For the purpose of any computation under paragraphs (b) and (c) of this Section 6.1, the current market price per share of Common Stock at any date shall be the volume weighted average of the daily closing prices for the 20 consecutive trading days ending one trading day prior to the date of such computation. The closing price for each 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 shares of Common Stock are listed or admitted to trading or, if not so listed or admitted to trading, the last sale price of the Common Stock on the OTC Bulletin Board, or any comparable system. If the current market price of the Common Stock cannot be so determined, the Board of Directors of the Company shall reasonably determine the current market price on the basis of such quotations as are available.

(e) No adjustment in the number of Warrant Shares purchasable hereunder shall be required unless such adjustment would require an increase or decrease of at least one percent (1%) in the number of Warrant Shares purchasable upon the exercise of each Warrant; provided, however, that any adjustments which by reason of this paragraph (e) are not required to be made shall be carried forward and taken into account in the determination of any subsequent adjustment. All calculations shall be made with respect to the number of Warrant Shares purchasable hereunder, to the nearest tenth of a share and with respect to the Warrant Price payable hereunder, to the nearest whole cent.

(f) Whenever the number of Warrant Shares purchasable upon the exercise of each Warrant is adjusted, as herein provided, the Warrant Price payable upon exercise of each Warrant shall be adjusted by multiplying such Warrant Price immediately prior to such adjustment by a fraction, of which the numerator shall be the number of Warrant Shares purchasable upon the exercise of each Warrant immediately prior to such adjustment, and of which the denominator shall be the number of Warrant Shares purchasable immediately thereafter.

(g) No adjustment in the number of Warrant Shares purchasable upon the exercise of each Warrant need be made under paragraphs (b) and (c) if the Company issues or distributes to each Holder of Warrants the rights options, warrants, or convertible or exchangeable securities, or evidences of indebtedness or assets referred to in those paragraphs which each Holder of Warrants would have been entitled to receive had the Warrants been exercised prior to the happening of such event or the record date with respect thereto. No adjustment need be made for a change in the par value of the Warrant Shares.

(h) For the purpose of this Section 6, the term "Common Stock" shall mean (i) the class of stock designated as the common shares or common stock of the Company at the date of this Agreement, or (ii) any other class of stock resulting from successive changes or reclassifications of such shares consisting solely of changes in par value, or from par value to no par value, or from no par value to par value. In the event that at any time, as a result of an adjustment made pursuant to paragraph (a) above, the Holders shall become entitled to purchase any securities of the Company other than shares of Common Stock, thereafter the number of such other shares so purchasable upon exercise of each Warrant, and the Warrant Price of such shares, shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Warrant Shares contained in paragraphs (a) through (i), inclusive, and the provisions of Section 6.3 and Section 8, with respect to the Warrant Shares, shall apply on like terms to any such other securities.

(i) Upon the expiration of any rights, options, warrants or conversion or exchange privileges that result in an adjustment pursuant to this Section 6.1, if any thereof shall not have been exercised, the Warrant Price and the number of Warrant Shares purchasable upon the exercise of each Warrant shall, upon such expiration, 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 (i) the only shares of Common Stock so issued were the shares of Common Stock, if any, actually issued or sold upon the exercise of such rights, options, warrants or conversion or exchange rights and (ii) such shares of Common Stock, if any, were issued or sold for the consideration actually received by the Company upon such exercise plus the aggregate consideration, if any, actually received by the Company for the issuance, sale or grant of all such rights, options, warrants or conversion or exchange rights whether or not exercised.

6.2 Notice of Adjustment. Whenever the number of Warrant Shares purchasable upon the exercise of each Warrant or the Warrant Price of such Warrant Shares is adjusted, as herein provided, the Company or the Warrant Agent, shall promptly mail by first class, postage prepaid, to each Holder notice of such adjustment or adjustments. Such notice shall set forth the number of Warrant Shares purchasable upon the exercise of each Warrant and the Warrant Price of such Warrant Shares after such adjustment, setting forth a brief statement of the facts requiring such adjustment and setting forth the computation by which such adjustment was made.

6.3 No Adjustment for Dividends. Except as provided in Section 6.1, no adjustment in respect of any dividends shall be made during the term of a Warrant or upon the exercise of a Warrant.

6.4 Preservation of Purchase Rights Upon Merger, Consolidation, etc. In case of any consolidation of the Company with or merger of the Company into another corporation or in case of any sale, transfer or lease to another corporation of all or substantially all the assets of the Company, the Company or such successor or purchasing corporation, as the case may be, shall execute an agreement that each Holder shall have the right thereafter, upon such Holder's election, either (i) upon payment of the Warrant Price in effect immediately prior to such action, to purchase upon exercise of each Warrant the kind and amount of shares and other securities and property (including cash) which the Holder would have owned or have been entitled to receive after the happening of such consolidation, merger, sale, transfer or lease had such Warrant been exercised immediately prior to such action (such shares and other securities and property (including cash) being referred to as the "Sale Consideration") or (ii) to receive, in cancellation of such Warrant (and in lieu of paying the Warrant price and exercising such Warrant), the Sale Consideration less a portion thereof having a fair market value (as reasonably determined by the Company) equal to the Warrant Price (it being understood that, if the Sale Consideration consists of more than one type of shares, other securities or property, the amount of each type of shares, other securities or property to be received shall be reduced proportionately); 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 Warrant or upon the exercise of a Warrant. The Company shall mail by first class mail, postage prepaid, to each Holder, notice of the execution of any such agreement. Such agreement shall provide for adjustments, which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 6. The provisions of this paragraph shall similarly apply to successive consolidations, mergers, sales, transfers or leases. The Warrant Agent shall be under no duty or responsibility to determine the correctness of any provisions contained in any such agreement relating to the kind or amount of shares of stock or other securities or property receivable upon exercise of Warrants or with respect to the method employed and provided therein for any adjustments and shall be entitled to rely upon the provisions contained in any such agreement.

6.5 Statement on Warrants. Irrespective of any adjustments in the Warrant Price or the number or kind of shares purchasable upon the exercise of the Warrants, Warrants issued before or after such adjustment may continue to express the same price and number and kind of shares as are stated in the Warrants initially issuable pursuant to this Agreement.

Section 7. Reservation of Warrant Shares; Purchase and Cancellation of Warrants.

7.1 Reservation of Warrant Shares. There have been reserved, and the Company shall at all times keep reserved, out of its authorized Common Stock, the number of shares of Common Stock sufficient to provide for the exercise of the rights of purchase represented by the outstanding Warrants and any additional Warrants issuable hereunder. The Company will keep a copy of this Agreement on file with the transfer agent for the Common Stock and with every subsequent transfer agent for any shares of the Company's capital stock issuable upon the exercise of the rights of purchase represented by the Warrants. The warrant agent, if appointed, will be irrevocably authorized to requisition from time to time from such transfer agent the stock certificates required to honor outstanding Warrants upon exercise thereof in accordance with the terms of this Agreement. The Company will supply such transfer agent with duly executed stock certificates for such purposes and will provide or otherwise make available any cash which may be payable as provided in Section 8. The Company will furnish such transfer agent a copy of all notices of adjustments and certificates related thereto, transmitted to each Holder pursuant to Section 6.2.

7.2 Purchase of Warrants by the Company. The Company shall have the right, except as limited by law, other agreements or herein, with the consent of the Holder, to purchase or otherwise acquire Warrants at such times, in such manner and for such consideration as it may deem appropriate.

7.3 Cancellation of Warrants. In the event the Company shall purchase or otherwise acquire a Warrant, such Warrant shall thereupon be cancelled and retired. Subject to Section 2.2, the Warrant Agent (or the Company if there is no Warrant Agent) shall cancel any Warrant exchanged, substituted, transferred or exercised in whole or in part.

Section 8. Fractional Interests. The Company shall not be required to issue fractional Warrants upon the transfer or any Warrant, or fractional Warrant Shares upon the exercise of Warrants. If more than one Warrant shall be presented for exercise in full at the same time by the same Holder, the number of full Warrant Shares which shall be issuable upon the exercise thereof shall be computed on the basis of the aggregate number of Warrant Shares purchasable on exercise of the Warrants so presented. If any fraction of a Warrant Share would, except for the provisions of this Section 8, be issuable on the exercise of any Warrant (or specified portion thereof), the Company shall pay an amount in cash equal to the volume weighted average of the daily closing sale prices (determined in accordance with paragraph 6.1(d)) per share of Common Stock for the 20 consecutive trading days ending one trading day prior to the date the Warrant is presented for exercise, multiplied by such fraction.

Section 9. Exchange of Warrant Certificates. Each Warrant certificate may be exchanged, at the option of the Holder thereof, for another Warrant certificate or Warrant certificates in different denominations (but not for any fractional Warrant or any denomination that would, but for Section 8, result in the issuance of a fractional share upon exercise) entitling the Holder or Holders thereof to purchase a like aggregate number of Warrant Shares as the certificate or certificates surrendered then entitle the Holder to purchase. Any Holder desiring to exchange a Warrant certificate or certificates shall make such request in writing delivered to the Warrant Agent at its principal office and shall surrender, properly endorsed, the certificate or certificates to be so exchanged. Thereupon, the Warrant Agent shall execute and deliver to the person entitled thereto a new Warrant certificate or certificates, as the case may be, as so requested, in such name or names as such Holder shall designate.

Section 10. Mutilated or Missing Warrants. In case any of the certificates evidencing the Warrants shall be mutilated, lost, stolen or destroyed, the Company shall issue and deliver and the Warrant Agent shall countersign and deliver in exchange and substitution for and upon cancellation of the mutilated Warrant certificate, or in lieu of and substitution for the Warrant certificate lost, stolen or destroyed, a new Warrant certificate of like tenor, but only upon receipt of evidence reasonably satisfactory to the Company and the Warrant Agent of such loss, theft or destruction of such Warrant, and an indemnity or bond, if requested, also reasonably satisfactory to them. An applicant for such a substitute Warrant certificate shall also comply with such other reasonable regulations and pay such other reasonable charges as the Company or the Warrant Agent may prescribe.

Section 11. No Rights as Shareholders; Notices to Holders. Nothing contained in this Agreement nor in any of the Warrants shall be construed as conferring upon the Holder or such Holder's transferee, in such Holder's or such transferee's capacity as a Warrant Holder, the right to vote or receive dividends, or consent or receive notice as shareholders in respect of any meeting of shareholders for the election of directors of the Company or any other matter, or any rights whatsoever as shareholders of the Company. If, however, at any time prior to the expiration of the Warrants and prior to their exercise, any of the following events shall occur:

(a) the Company shall declare any dividend payable in any securities upon its shares of Common Stock or make any distribution (other than a regular cash dividend, as such dividend may be increased from time to time) to the holders of its shares of Common Stock; or

(b) the Company shall offer to the holders of its shares of Common Stock on a pro rata basis any cash, additional shares of Common Stock or other securities of the Company or any right to subscribe for or purchase any thereof; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation, merger, sale, transfer or lease of all or substantially all of its property, assets, and business as an entirety) shall be proposed,

then in any one or more of said events the Company shall (i) give notice in writing of such event as provided in Section 15 and (ii) if the Warrants have been registered pursuant to the Securities Act, cause notice of such event to be published once in The Wall Street Journal (national edition), such giving of notice and publication to be completed 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 shareholders entitled to such dividend, distribution, or subscription rights or for the determination of shareholders entitled to vote on such proposed dissolution, liquidation or winding up or the date of expiration of such offer. Such notice shall specify such record date or the date of closing the transfer books or the date of expiration, as the case may be. Failure to publish, mail or receive such notice or any defect therein or in the publication or mailing thereof shall not affect the validity of any action in connection with such dividend, distribution or subscription rights, or such proposed dissolution, liquidation or winding up, or such offer.



Section 12. Appointment of Warrant Agent. The Company may remove the Warrant Agent at any time and appoint a successor Warrant Agent. In the event that the Warrant Agent shall resign or the Company shall elect to remove the Warrant Agent and replace it with a successor Warrant Agent, the Company may designate a successor Warrant Agent. At such time as the Company appoints a successor Warrant Agent, the successor Warrant Agent shall agree in writing to be bound by this Warrant Agreement, subject to such amendments as the Company, Geron (to the extent the approval of such amendment by Geron is required under Section 22) and the Holders may approve. In the event that a successor Warrant Agent is appointed or this Warrant Agreement is amended or modified in any material respect, the Company shall promptly notify the Holders and Geron of such amendment or appointment and the place designated for transfer, exchange and exercise of the Warrants. If no successor Warrant Agent is appointed, all powers and duties of the Warrant Agent shall be performed by the Company, and any documents or funds otherwise deliverable to the Warrant Agent shall instead be delivered to the Company at its principal office.

Section 13. Liability of Warrant Agent.

13.1 Limitation on Liability. The Warrant Agent shall not, by issuing and delivering warrant certificates evidencing Warrants, or receiving or holding funds for the benefit of the Company, or by any other act under this Agreement, be deemed to make any representations as to the validity or value or authorization of the Warrants represented thereby or the Common Stock issued upon the exercise of Warrants, or whether the Common Stock issued upon the exercise of Warrants is fully paid and nonassessable. The Warrant Agent shall not be: (i) liable for any statement of fact made or contained in this Agreement or in any prospectus or in any documents prepared by the Company in connection with the offer of Warrants or the offer of Common Stock through the exercise of Warrants; (ii) liable for any action taken, suffered, or omitted by it in reliance upon any Warrant certificate or other document or instrument believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties; (iii) responsible for any failure on the part of the Company to comply with any of its covenants and obligations contained in this Agreement; or (iv) liable for any act or omission in connection with the performance of its duties, obligations, covenants and agreements under this Agreement, except for the Warrant Agent's own gross negligence, willful breach or misconduct.

13.2 Consultation With Counsel. The Warrant Agent may consult with legal counsel (who may be legal counsel for the Company) at the Company's expense, and the opinion of such counsel shall be full and complete authorization and protection to the Warrant Agent as to any action taken or omitted by it in good faith and in accordance with such opinion. The Warrant Agent may execute any of the powers, and may perform the duties required of it, under this Agreement by or through attorneys, agents, receivers, or employees, and shall be entitled to advice of counsel concerning all matters of agency and its duty under this Agreement.

13.3 Reliance Upon Statements of Company Officers. Whenever in the performance of its duties under this Agreement, the Warrant Agent shall deem it necessary or desirable that any fact or matter be proven or established by the Company prior to taking or suffering any action under this Agreement, such fact or matter (unless other evidence in respect of such fact or matter is otherwise specifically prescribed by this Agreement) may be deemed to be conclusively proved and established by a statement signed by the Chief Executive Officer, the President, any Vice President, the Chief Financial Officer, or the Secretary of the Company and delivered to the Warrant Agent, and such statement shall be warrant to the Warrant Agent for any action taken or suffered in good faith by the Warrant Agent under the provisions of this Agreement in reliance upon such statement, provided, that in its discretion, the Warrant Agent may, in lieu of such statement, accept other evidence of such fact or matter, or may require such further or additional evidence as may seem reasonable to the Warrant Agent.

Section 14. Indemnification. The Company agrees to indemnify and hold harmless the Warrant Agent from and against any and all losses, expenses, and liabilities, including judgments, costs and reasonable attorneys fees, arising out of any act or omission of the Warrant Agent in the execution or performance of its duties, obligations, covenants and agreements under this Agreement, except for the Warrant Agent's own gross negligence, willful breach or misconduct.

14.1 Compensation for Services. The Company agrees to pay the Warrant Agent a fee of for all services rendered by the Warrant Agent under this Agreement in accordance with the Warrant Agent's fee schedule, and to reimburse the Warrant Agent for all reasonable out-of-pocket expenses incurred in performing its duties under this Agreement.

Section 15. Notices; Principal Office. Any notice pursuant to this Agreement by the Company or by any Holder to the Warrant Agent, or by the Warrant Agent or by any Holder to the Company, shall be in writing and shall be delivered in person, or mailed first class, postage prepaid, or sent by air delivery service (a) to the Company, at its office, Attention: Chief Financial Officer, or (b) to the Warrant Agent, at its offices as designated at the time the Warrant Agent is appointed. The address of the principal office of the Company is 1301 Harbor Bay Parkway, Suite 100, Alameda, California 94502. Any notice given pursuant to this Agreement by the Company or the Warrant Agent to a Holder shall be in writing and shall be mailed first class, postage prepaid, or otherwise delivered, to such Holder at the Holder's address on the books of the Company or the Warrant Agent, as the case may be. Each party hereto and any Holder may from time to time change the address to which notices to it are to be delivered or mailed hereunder by notice to the other party.

Section 16. Successors. Except as expressly provided herein to the contrary, all the covenants and provisions of this Agreement by or for the benefit of the Company, the Warrant Agent, and the Holders shall bind and inure to the benefit of their respective successors and permitted assigns hereunder.

Section 17. Legends. The Warrants shall bear an appropriate legend, conspicuously disclosing the restrictions on exercise, and the Warrants and Warrant Shares shall bear an appropriate legend, conspicuously disclosing the restrictions on transfer under Section 5.3 if the same are not registered for sale under the Securities Act or are transferred in a transaction exempt from registration under the Securities Act entitling the transferee to receive securities that are not deemed to be "restricted securities" as such term is defined in Rule 144 under the Securities Act. The Company agrees that upon the sale of the Warrants and Warrant Shares pursuant to a registration statement or an exemption from registration entitling the transferee to receive securities that are not deemed to be "restricted securities," or at such time as registration under the Securities Act shall no longer be required, upon the presentation of the certificates containing such a legend to the transfer agent or Warrant Agent it will remove such legend; provided, that unless the request for removal of the legend is in connection with a sale registered under the Securities Act, the Holder shall have provided an opinion of counsel, reasonably acceptable to the Company and the transfer agent or Warrant Agent, as applicable, to the effect that such legend may be removed in compliance with the Securities Act.

Section 18. Applicable Law. This Agreement and each Warrant issued hereunder shall be governed by and construed in accordance with the laws of the State of California, without giving effect to principles of conflict of laws.

Section 19. Benefits of this Agreement. This Agreement shall be for the sole and exclusive benefit of the Company, the Warrant Agent and the Holders of the Warrants. Nothing in this Agreement shall be construed to give to any person or corporation other than the Company, the Warrant Agent and the Holders any legal or equitable right, remedy or claim under this Agreement.

Section 20. Counterparts. This Agreement may be executed in any number of counterparts (including by separate counterpart signature pages) and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 21. Captions. The captions of the Sections and subsections of this Agreement have been inserted for convenience only and shall have no substantive effect.

Section 22. Amendments. Subject to Section 12, this Agreement, each Warrant and any provision hereof or thereof may be amended, supplemented or modified only by an instrument in writing (which may be executed in one or more substantially concurrent counterparts) signed by the Company and the Warrant Agent and with the affirmative vote or written consent of Holders of a majority of the Warrants then outstanding; provided, however, that such vote or consent of the Holders shall not be required for any amendment, supplement or modification that reduces the Warrant Price or extends the Expiration Date; provided, further, however, that the written consent of each Holder affected thereby shall be required for any amendment, supplement or modification pursuant to which: (a) the Warrant Price would be increased or the number of Warrant Shares issuable upon exercise of any Warrant would be decreased (in each case, other than pursuant to adjustments in accordance with Section 6.1); (b) the time period during which the Warrants are exercisable would be shortened; or (c) the provisions set forth in Section 6.1 would be changed in such a way as to adversely affect such Holder. In determining whether the Holders of the required number of outstanding Warrants have approved any amendment, supplement or modification to this Agreement, Warrants owned by the Company or its controlled Affiliates, if any, shall be disregarded and deemed not to be outstanding. Notwithstanding anything herein to the contrary, the prior written consent of Geron shall be required for any amendment, supplement or modification of this Agreement, any Warrant, or any provision hereof or thereof that: (i) extends or would have the effect of extending the Expiration Date; or (ii) adversely affects the rights of Geron under this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, all as of the day and year first above written.

**BIOTIME, INC.**

By: /s/ Michael D. West  
Michael D. West,  
Chief Executive Officer

Attest:

By: /s/ Judith Segall  
Judith Segall, Secretary

**AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC**

By: /s/ Michael A. Nespoli  
Title: Executive Director, Relationship Management

**EXHIBIT A**

VOID AFTER 5:00 P.M. NEW YORK TIME, OCTOBER 1, 2018

Certificate No. \_\_\_\_\_

Warrant to Purchase

[Insert number of Shares]

Shares of Common Stock

**BIOTIME, INC.  
COMMON STOCK PURCHASE WARRANTS**

This certifies that, for value received, \_\_\_\_\_ or registered assigns (the "Holder"), is entitled to purchase from BioTime, Inc. a California corporation (the "Company"), at a purchase price per share of Five Dollars (\$5.00) (the "Warrant Price"), the number of its Common Shares, no par value per share (the "Common Stock"), shown above. The number of shares purchasable upon exercise of the Common Stock Purchase Warrants (the "Warrants") and the Warrant Price are subject to adjustment from time to time as set forth in the Warrant Agreement referred to below. Outstanding Warrants not exercised prior to 5:00 p.m., New York time, on October 1, 2018 shall thereafter be void.

Subject to restriction specified in the Warrant Agreement, Warrants may be exercised in whole or in part by presentation of this Warrant Certificate with the Purchase Form on the reverse side hereof duly executed, and simultaneous payment of the Warrant Price (or as otherwise set forth in Section 6.4 of the Warrant Agreement) at the principal office of the Warrant Agent (or the Company, at the principal office of the Company, if there is no Warrant Agent). Payment of the Warrant Price shall be made by bank wire transfer to the account of the Company or by bank cashier's check or personal check as provided in Section 2.1 of the Warrant Agreement. As provided in the Warrant Agreement, the Warrant Price and the number or kind of shares which may be purchased upon the exercise of the Warrant evidenced by this Warrant Certificate are, upon the happening of certain events, subject to modification and adjustment.

This Warrant Certificate is issued under and in accordance with a Warrant Agreement dated as of October 1, 2013, and is subject to the terms and provisions contained in the Warrant Agreement, to all of which the Holder of this Warrant Certificate by acceptance of this Warrant Certificate consents. A copy of the Warrant Agreement may be obtained by the Holder hereof upon written request to the Company.

Upon any partial exercise of the Warrant evidenced by this Warrant Certificate, there shall be issued to the Holder hereof a new Warrant Certificate in respect of the shares of Common Stock as to which the Warrant evidenced by this Warrant Certificate shall not have been exercised. This Warrant Certificate may be exchanged at the office of the Warrant Agent (or at the principal office of the Company if there is no Warrant Agent) by surrender of this Warrant Certificate properly endorsed either separately or in combination with one or more other Warrant Certificates for one or more new Warrant Certificates evidencing the right of the Holder thereof to purchase the aggregate number of shares as were purchasable on exercise of the Warrants evidenced by the Warrant Certificate or Certificates exchanged. No fractional shares will be issued upon the exercise of any Warrant, but the Company will pay the cash value thereof determined as provided in the Warrant Agreement. This Warrant Certificate is transferable at the office of the Warrant Agent (or at the principal officer of the Company if there is no Warrant Agent) in the manner and subject to the limitations set forth in the Warrant Agreement.

The Holder hereof may be treated by the Company, the Warrant Agent and all other persons dealing with this Warrant Certificate as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented hereby, or to the transfer hereof on the books of the Company, any notice to the contrary notwithstanding, and until such transfer on such books, the Warrant Agent and the Company may treat the Holder hereof as the owner for all purposes.

Neither the Warrant nor this Warrant Certificate (prior to the exercise of such Warrant) entitles any Holder to any of the rights of a shareholder of the Company in such capacity as a Warrant Holder.

This Warrant Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Warrant Agent (or the Company if there is no Warrant Agent).

DATED:

(Seal)

Attest:

BIOTIME, INC.

By:

Title:

[COUNTERSIGNED:  
WARRANT AGENT

By:

Authorized Signature]

**PURCHASE FORM**

(To be executed upon exercise of Warrant)

To BioTime, Inc.:

The undersigned hereby irrevocably elects to exercise the right of purchase represented by the enclosed Warrant Certificate for, and to purchase thereunder, \_\_\_\_\_ shares of Common Stock, as provided for therein, and tenders herewith payment of the Warrant Price in full in the form of a bank wire transfer to the account of the Company or by bank cashier's check or personal check in the amount of \$\_\_\_\_\_.

Please issue a certificate or certificates for such shares of Common Stock in the name of, and pay any cash for any fractional share to:

\_\_\_\_\_  
(Please Print Name)

\_\_\_\_\_  
(Please Print Address)

\_\_\_\_\_  
(Social Security Number or  
Other Taxpayer Identification Number)

\_\_\_\_\_  
(Signature)

NOTE: The above signature should correspond exactly with the name on the face of this Warrant Certificate or with the name of the assignee appearing in the assignment form below.

And, if said number of shares shall not be all the shares purchasable under the within Warrant Certificate, a new Warrant Certificate is to be issued in the name of said undersigned for the balance remaining of the share purchasable thereunder less any fraction of a share paid in cash.

**ASSIGNMENT**

(To be executed only upon assignment of Warrant Certificate)

For value received, \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_ the within Warrant Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney, to transfer said Warrant Certificate on the books of the within-named Company, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

NOTE: The above signature should correspond exactly with the name on the face of this Warrant Certificate.



## Asterias Biotherapeutics, Inc., a Subsidiary of BioTime, Inc., Acquires Geron's Embryonic Stem Cell Assets

MENLO PARK, Calif. & ALAMEDA, Calif.--(BUSINESS WIRE)--October 1, 2013--Asterias Biotherapeutics, Inc. and BioTime, Inc. (NYSE MKT: BTX) jointly announced today the closing of the transactions under the Asset Contribution Agreement (the "Agreement") with Geron Corporation, previously announced on January 7, 2013, pursuant to which Asterias Biotherapeutics acquired Geron's human embryonic stem (hES) cell assets, as well as rights to use certain human embryonic stem cell lines, minority stakes in two of BioTime's subsidiaries and stock from BioTime.

### Assets Contributed to Asterias by Geron

Under the terms of the Agreement, Geron has contributed to Asterias its stem cell intellectual property, multiple lots of OPC1 drug product (hES cell-derived oligodendrocytes) used in the world's first human clinical trial of hES-derived cells in subacute spinal cord injury, multiple lots of hESC manufacturing cell banks - the starting material to manufacture additional lots of OPC1 drug product and to produce dendritic cells for cancer immunotherapy, chondrocytes for cartilage and disc repair, and cardiomyocytes for heart disease. Geron has also contributed all of the clinical and regulatory documents pertaining to the OPC1 and VAC1 (autologous dendritic cells) clinical trials, as well as a series of stem-cell-related out-licenses. Asterias has entered into an exclusive sublicense with Geron for using telomerase as an antigen for the VAC1 and VAC2 (hES-derived dendritic cells) product candidates.

### Assets Contributed to Asterias by BioTime

BioTime has previously loaned Asterias \$5 million in cash, which indebtedness was cancelled as part of the closing of the transaction. Under the terms of the Agreement, BioTime contributed to Asterias 8,902,077 BioTime common shares, rights to use certain clinical grade hES cell lines, a sublicense to use certain patents for stem cell differentiation and minority stakes in two of BioTime's subsidiaries, Orthocyte Corporation and Cell Cure Neurosciences Ltd. In addition, BioTime has contributed to Asterias 5-year warrants to purchase 5,000,000 common shares of BioTime at an exercise price of \$5.00 per share ("BioTime Warrants") which will be distributed by Asterias on a *pro rata* basis to holders of its Series A common stock, as further described below.

The assets contributed under the Agreement provide Asterias with four cell lines, each with animal proof of concept, from which multiple therapeutic product candidates may be selected for development indications as summarized below.

- Neurology – An initial Phase 1 safety study in spinal cord injury has been completed with follow-on opportunities in larger indications in Multiple Sclerosis and stroke.
  - Oncology – A Phase 2/3 ready cancer vaccine (VAC1) with an opportunity to continue the development of a second approach using dendritic cells derived from hESCs (VAC2).
  - Orthopedics – Opportunity to continue the development of hESC derived chondrocytes to regenerate articular cartilage to address osteoarthritis.
  - Cardiovascular – Opportunity to continue the development of hESC-derived cardiomyocytes for heart failure and myocardial infarction.
-

## Consideration to Geron and BioTime from Asterias; Distributions by Geron and Asterias

Under the terms of the Agreement, Geron has received from Asterias 6,537,779 shares of Asterias Series A common stock. Subject to applicable law, Geron will distribute these shares on a *pro rata* basis to Geron stockholders as promptly as practicable, other than with respect to fractional shares and with respect to stockholders residing in certain to-be-determined excluded jurisdictions, who will instead receive cash on a *pro rata* basis. As promptly as practicable following the distribution of the Asterias Series A common stock by Geron to its stockholders, Asterias will distribute the BioTime Warrants on a *pro rata* basis to the holders of Asterias Series A common stock.

Asterias will also pay to Geron royalties on the sale of products that are commercialized, if any, in reliance on Geron patents contributed or licensed to Asterias.

Asterias has issued to BioTime 21,773,340 shares of Asterias Series B common stock and 3-year warrants to purchase 3,150,000 additional shares of Asterias Series B common stock at an exercise price of \$5.00 per share.

## The Romulus Films, Ltd. Investment

In a related transaction, Asterias has obtained \$5 million in equity financing pursuant to a Stock and Warrant Purchase Agreement with Romulus Films, Ltd., in exchange for 2,136,000 shares of Asterias Series B common stock, plus warrants to purchase approximately 350,000 additional shares of Asterias Series B common shares at an exercise price of \$5.00 per share, with a three year term. Earlier this year, Romulus invested \$5 million in BioTime, which BioTime used to fund the loan to Asterias for its operations.

## Ownership of Asterias Terms of Asterias Series A and Series B Common Stock; Trading Markets

Upon the distributions of the Series A common stock to Geron's stockholders described above, BioTime will own approximately 71.6%, Geron stockholders will own approximately 21.4%, and Romulus will own approximately 7% of the outstanding Asterias common stock. BioTime and Romulus could increase their collective ownership in Asterias by approximately 2.2% if they choose to exercise all of their warrants, which would reduce the Geron stockholders' ownership in Asterias to approximately 19.2%.

The terms of the Asterias Series A and Series B common stock are identical, except that Asterias is entitled to make certain distributions or pay dividends on its Series A common stock without making a distribution or paying a dividend on its Series B common stock. The Series B common stock will be convertible into Series A common stock following the distribution of the BioTime Warrants described above.

Asterias expects that prices for the Asterias Series A common stock will be quoted on the OTC Bulletin Board following the distribution of the Asterias Series A common stock to Geron's stockholders. BioTime has applied to list the BioTime Warrants for trading on the NYSE MKT, where BioTime common shares are traded.

Kaye Scholer LLP and Thompson, Welch, Soroko & Gilbert LLP acted as legal counsel to Asterias and BioTime in connection with the transaction.

A registration statement on Form S-1 relating to the distribution of Asterias Series A common stock by Geron to its stockholders was previously filed by Asterias with the Securities and Exchange Commission ("SEC") and is effective. The registration statement is available at the SEC's web site at <http://www.sec.gov>.

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A registration statement on Form S-3 relating to the BioTime common shares contributed to Asterias and the BioTime Warrants to be distributed to the holders of Asterias Series A common stock was previously filed with the SEC and is effective. The registration statement is available at the SEC's web site at <http://www.sec.gov>.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any of the securities described above, nor shall there be any sale of any such securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction.

### About Asterias

Asterias Biotherapeutics is a subsidiary of BioTime, Inc., whose first acquisition was the stem cell assets of Geron Corporation, which was completed on October 1, 2013. That acquisition includes Geron's entire cell therapy intellectual property portfolio, existing contracts and license agreements related to their stem cell programs, INDs for OPC1 and VAC1 cell therapies, master cell banks of hESCs and therapeutic cells manufactured under cGMP, research cell banks, customized reagents and equipment, and banks of cGMP-manufactured OPC1 drug product used in Geron's Phase 1 trial in subacute spinal cord injury, the world's first human clinical trial of hESC-derived cells.

### About BioTime

BioTime is a biotechnology company engaged in research and product development in the field of regenerative medicine. Regenerative medicine refers to therapies based on stem cell technology that are designed to rebuild cell and tissue function lost due to degenerative disease or injury. BioTime's focus is on pluripotent stem cell technology based on human embryonic stem ("hES") cells and induced pluripotent stem ("iPS") cells. hES and iPS cells provide a means of manufacturing every cell type in the human body and therefore show considerable promise for the development of a number of new therapeutic products. BioTime's therapeutic and research products include a wide array of proprietary *PureStem*<sup>™</sup> progenitors, *HyStem*<sup>®</sup> hydrogels, culture media, and differentiation kits. BioTime is developing *Renovia*<sup>™</sup> (a *HyStem*<sup>®</sup> product) as a biocompatible, implantable hyaluronan and collagen-based matrix for cell delivery in human clinical applications. In addition, BioTime has developed *Hextend*<sup>®</sup>, a blood plasma volume expander for use in surgery, emergency trauma treatment and other applications. *Hextend*<sup>®</sup> is manufactured and distributed in the U.S. by Hospira, Inc. and in South Korea by CJ CheilJedang Corporation under exclusive licensing agreements.

BioTime is also developing stem cell and other products for research, therapeutic, and diagnostic use through its subsidiaries:

- OncoCyte Corporation is developing products and technologies to diagnose and treat cancer.
- ES Cell International Pte Ltd., a Singapore private limited company, develops hES products for research use.
- OrthoCyte Corporation is developing therapies to treat orthopedic disorders, diseases and injuries.
- ReCyte Therapeutics, Inc. is developing therapies to treat a variety of blood and lymphatic vascular disorders, as well as products for research using iPS and other cell reprogramming technology.
- Cell Cure Neurosciences Ltd. is an Israel-based biotechnology company focused on developing stem cell-based therapies for retinal and neurological degenerative diseases. Its lead product is *OpRegen*<sup>®</sup> for the treatment of macular degeneration.
- LifeMap Sciences, Inc. markets, sells and distributes *GeneCards*<sup>®</sup>, the leading human gene database, the leading human gene database, as part of an integrated database suite that also includes the *LifeMap Discovery*<sup>™</sup> database of embryonic development, stem cell research and regenerative medicine, and *MalaCards*, the human disease database. LifeMap Sciences also markets BioTime research products and *PanDaTox*, an innovative, recently developed, searchable database that can aid in the discovery of new antibiotics and biotechnologically beneficial products.
- Asterias Biotherapeutics, Inc. is a newly formed subsidiary whose first acquisition was the stem cell assets of Geron Corporation, including patents and other intellectual property, biological materials, reagents and equipment for the development of new therapeutic products for regenerative medicine.

To receive ongoing BioTime corporate communications, please click on the following link to join our email alert list:  
<http://news.biotimeinc.com>

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## Forward-Looking Statements

Statements pertaining to future financial and/or operating results, future growth in research, technology, clinical development, and potential opportunities for Asterias and for BioTime and its subsidiaries, along with other statements about the future expectations, beliefs, goals, plans, or prospects expressed by management constitute forward-looking statements. Any statements that are not historical fact (including, but not limited to statements that contain words such as "will," "believes," "plans," "anticipates," "expects," "estimates") should also be considered to be forward-looking statements. Forward-looking statements involve risks and uncertainties, including, without limitation, 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. Actual results may differ materially from the results anticipated in these forward-looking statements and as such should be evaluated together with the many uncertainties that affect the business of Asterias or BioTime and its subsidiaries, particularly those mentioned in the cautionary statements found in Asterias' and BioTime's Securities and Exchange Commission filings. Asterias and BioTime disclaim any intent or obligation to update these forward-looking statements.

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