

MEDISTEM INC.  
Form DEFM14A  
February 11, 2014  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

(AMENDMENT NO. )

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

**MEDISTEM INC.**

**(Name of Registrant as Specified in its Charter)**

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(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)(I) 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:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

**Table of Contents****Proxy statement/prospectus*****MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT***

Dear Shareholder:

As previously announced, on December 19, 2013, Medistem Inc. entered into a merger agreement with Intrexon Corporation, under which a wholly owned subsidiary of Intrexon will merge with Medistem, with Medistem continuing as the surviving corporation. Medistem will continue as a wholly owned subsidiary of Intrexon. We refer to this transaction as the merger. If the merger is consummated, Medistem will no longer be a publicly held corporation.

The merger requires the approval of holders of a majority of the outstanding shares of Medistem common stock, and we are asking you to vote to adopt and approve the merger agreement and, thereby, to approve the transactions contemplated by the merger agreement, including the merger. If the merger agreement is approved by Medistem shareholders and the merger is completed, you will be entitled to receive for each share of Medistem common stock that you hold (other than shares with respect to which dissenter's rights are properly exercised or shares owned by Intrexon, any of its subsidiaries or Medistem) consideration equal to \$1.35, payable as (i) \$0.27 in cash, without interest and subject to applicable withholding tax, and (ii) \$1.08 worth of shares of Intrexon common stock, based on the volume-weighted average price of Intrexon common stock, as reported on the New York Stock Exchange, for the 20 trading days immediately preceding the last trading day prior to the date of the closing of the merger, in each case subject to calculation and adjustment as described in this proxy statement/prospectus. In no event, however, will the total consideration paid to Medistem shareholders exceed \$26.0 million in the aggregate.

The following table sets forth the closing sale prices per share of Intrexon common stock and Medistem common stock as of December 19, 2013, the last trading day prior to the public announcement of the proposed merger, and as of February 10, 2014, the most recent practicable trading day prior to the date of this proxy statement/prospectus.

	Intrexon Common Stock	Medistem Common Stock
December 19, 2013	\$ 20.12	\$ 0.86
February 10, 2014	\$ 29.33	\$ 1.10

Medistem common stock is listed on the OTC Markets Group's OTCQB marketplace under the symbol MEDS. Intrexon common stock is listed on the New York Stock Exchange under the symbol XON. The market prices of shares of Medistem common stock and Intrexon common stock are subject to fluctuation. As a result, you are urged to obtain current market quotations.

Your vote is very important. The record date for determining the shareholders entitled to receive notice of, and to vote at, the special meeting is January 31, 2014. We cannot complete the merger unless Medistem shareholders holding a majority of the outstanding shares of Medistem common stock as of the close of business on the record date vote in favor of the adoption and approval of the merger agreement at the special meeting. Whether or not you expect to attend the Medistem special meeting in person, if you are the record holder of shares, please vote your shares as promptly as possible by (a) accessing the Internet website specified on your proxy card, (b) calling the toll-free number specified on your proxy card or (c) signing and returning all proxy cards that you receive in the postage-paid envelope provided, so that your shares may be represented and voted at the Medistem special meeting. If your shares are registered in the name of a broker, bank or other holder of record, please follow the voting instructions you receive from the holder of record to vote your shares. If your shares are registered in the name of a broker, bank or other holder of record and you plan to attend the special meeting in person, please bring to the special meeting a letter, account statement or other evidence of your beneficial ownership as of the record date. **A failure to vote your shares, or to provide instructions to your broker, bank or nominee as to how to vote your shares, is the equivalent of a vote against the merger.**

In addition, at the special meeting you also will be asked to approve the adjournment of the special meeting under certain circumstances and to approve, on a non-binding, advisory basis, the compensation payable to Medistem's named executive officers that is based on or otherwise relates to the merger.

**The Medistem board of directors has unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair to, and in the best interests of, Medistem and its shareholders; adopted the merger agreement and approved the transactions contemplated thereby, including the merger; and unanimously recommends that you vote FOR the adoption and approval of the merger agreement,**

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**FOR the approval, on a non-binding, advisory basis, of the compensation payable to Medistem's named executive officers that is based on or otherwise relates to the merger and FOR the adjournment of the special meeting, if necessary to solicit additional proxies.**

The obligations of Intrexon and Medistem to complete the merger are subject to the satisfaction or waiver of several conditions set forth in the merger agreement. More information about Intrexon, Medistem, the merger agreement and the transactions contemplated thereby, including the merger, is contained in this proxy statement/prospectus.

*For a discussion of risk factors that you should consider in evaluating the transaction, see the section entitled Risk Factors beginning on page 24 of this proxy statement/prospectus.*

We urge you to read the attached proxy statement/prospectus carefully and in its entirety.

Sincerely,

Alan J. Lewis, Ph.D.

*Chief Executive Officer*

Medistem Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement/prospectus or determined that this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

This proxy statement/prospectus is dated February 11, 2014, and is first being mailed to Medistem shareholders on or about February 12, 2014.

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**Notice of special meeting of shareholders**

**to be held on March 4, 2014**

Dear Shareholder:

You are cordially invited to attend a special meeting of shareholders of Medistem Inc. ( Medistem ), which will be held on March 4, 2014, at 9:00 a.m., local time, at the offices of Jones Day, 12265 El Camino Real, Suite 300, San Diego, California 92130. Shareholders of record who owned Medistem common stock at the close of business on January 31, 2014, are entitled to vote at the special meeting. At the special meeting we will ask you to consider and vote upon:

a proposal to adopt and approve the Agreement and Plan of Merger, dated as of December 19, 2013, as amended by the First Amendment to the Agreement and Plan of Merger, by and among Medistem, Intrexon Corporation, and XON Cells, Inc., which is referred to herein as the merger agreement, pursuant to which Medistem will merge with and into XON Cells, Inc., a wholly owned subsidiary of Intrexon, as more fully described in the accompanying proxy statement/prospectus. A copy of the merger agreement is attached as Annex A to the accompanying proxy statement/prospectus;

a proposal to approve, on a non-binding, advisory basis, the compensation payable to Medistem s named executive officers that is based on or otherwise relates to the merger; and

a proposal to adjourn the Medistem special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement, if there are not sufficient votes at the time of such adjournment to adopt and approve the merger agreement proposal.

At the special meeting, Medistem may also conduct any other business properly brought before the special meeting and any adjournment or postponement thereof.

**The Medistem board of directors has unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair to, and in the best interests of, Medistem and its shareholders; adopted the merger agreement and approved the transactions contemplated thereby, including the merger; and unanimously recommends that you vote FOR the adoption and approval of the merger agreement, FOR the approval, on a non-binding, advisory basis, of the compensation payable to Medistem s named executive officers that is based on or otherwise relates to the merger and FOR the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies.**

To assure your representation at the special meeting, you are urged to submit your proxy as promptly as possible. Registered shareholders may vote by Internet, by telephone or by completing, signing, dating and returning the enclosed proxy card as promptly as possible in the enclosed postage prepaid envelope. Your shares will be voted in accordance with your instructions. You may attend the special meeting and vote in person even if you have previously returned your proxy card or voted by Internet or telephone.

A list of Medistem shareholders of record entitled to vote at the Medistem special meeting will be available during regular business hours at Medistem s executive offices and principal place of business at 9255 Towne Centre Drive, #450, San Diego, CA 92121 for inspection by shareholders of record of Medistem for any purpose germane to the special meeting. The list will also be available at the special meeting.

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If your shares are registered in the name of a broker, bank or other holder of record, please follow the voting instructions you receive from the holder of record to vote your shares. If your shares are registered in the name of a broker, bank or other holder of record and you plan to attend the special meeting in person, please bring a letter, account statement or other evidence of your beneficial ownership as of the record date to the special meeting.

Medistem shareholders who do not vote in favor of the merger proposal and follow certain procedural steps will be entitled to dissenters' rights under Chapter 92A.300-500, inclusive, of the Nevada Revised Statutes ( NRS ), provided they take the steps required to perfect their rights under Chapter 92A.300-500, inclusive, of the NRS. For more information regarding dissenters' rights, see the section entitled Dissenters' Rights.

**Your vote is very important. Adoption and approval of the merger agreement requires the affirmative vote of holders of a majority of the shares of Medistem common stock issued and outstanding as of the close of business on the record date. A failure to vote your shares, or to provide instructions to your broker, bank or nominee as to how to vote your shares, is the equivalent of a vote against the merger. Please vote using one of the methods above to ensure that your vote will be counted. Your proxy may be revoked at any time before the vote at the special meeting by following the procedures outlined in this proxy statement/prospectus.**

By Order of the Board of Directors,

Alan J. Lewis, Ph.D.

*Chief Executive Officer*

Medistem Inc.

San Diego, California

February 11, 2014

## **Additional information**

This proxy statement/prospectus incorporates important business and financial information about Medistem from other documents filed with the U.S. Securities and Exchange Commission, referred to as the SEC, that are not included in or delivered with this proxy statement/prospectus. For a listing of documents incorporated by reference into this proxy statement/prospectus, please see the section entitled Where You Can Find More Information. This information is available to you without charge upon your request. This information is available for you to review at the SEC's public reference room located at 100 F Street, N.E., Room 1580, Washington, DC 20549, and through the SEC's website at [www.sec.gov](http://www.sec.gov). You can also obtain the documents incorporated by reference into this proxy statement/prospectus by requesting them in writing or by telephone from Medistem at the following address and telephone number:

### **Medistem Inc.**

9255 Towne Centre Drive, #450, San Diego, CA 92121 (858) 352-7071 Attn: Investor Relations

Investors may also consult Medistem's and Intrexon's websites for more information concerning Medistem, Intrexon and the merger described in this proxy statement/prospectus. Medistem's website is [www.medisteminc.com](http://www.medisteminc.com) and Intrexon's website is [www.dna.com](http://www.dna.com). Information included on these websites is not incorporated by reference into this proxy statement/prospectus.

**If you would like to request documents, please do so by February 25, 2014, in order to receive them before the special meeting.**

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## **About this document**

This document, which forms part of a Registration Statement on Form S-4 filed by Intrexon with the SEC, constitutes a prospectus of Intrexon under Section 5 of the Securities Act of 1933, as amended, which is referred to herein as the Securities Act, with respect to the shares of Intrexon common stock to be issued to Medistem shareholders pursuant to the merger agreement. This document also constitutes a proxy statement of Medistem under Section 14(a) of the Securities Exchange Act of 1934, as amended, which is referred to herein as the Exchange Act, with respect to the Medistem special meeting at which Medistem shareholders will be asked to vote upon, among other things, the proposal to adopt and approve the merger agreement.

You should rely only on the information contained or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. You should not assume that the information contained in, or incorporated by reference into, this proxy statement/prospectus is accurate as of any date other than the date of this proxy statement/prospectus or the date of the SEC filing incorporated by reference herein, as applicable. Neither the mailing of this proxy statement/prospectus to Medistem shareholders nor the issuance by Intrexon of common stock in connection with the merger will create any implication to the contrary.

**This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this proxy statement/prospectus regarding Intrexon has been provided by Intrexon and information contained in this proxy statement/prospectus regarding Medistem has been provided by Medistem.**

All references in this proxy statement/prospectus to: Medistem refer to Medistem Inc., a Nevada corporation, and its subsidiaries; Intrexon refer to Intrexon Corporation, a Virginia corporation, and its subsidiaries; Merger Sub refer to XON Cells, Inc., a Nevada corporation and a wholly owned subsidiary of Intrexon formed solely for the purpose of effecting the merger as described in this proxy statement/prospectus; and the combined company refer to Intrexon and each of its subsidiaries, including Medistem, immediately following completion of the transactions contemplated by the merger agreement.

All references in this proxy statement/prospectus to the merger agreement refer to the Agreement and Plan of Merger, dated as of December 19, 2013, by and among Intrexon, Merger Sub and Medistem, a copy of which is included as Annex A to this proxy statement/prospectus, as it may be amended from time to time, and all references to the merger refer to the merger of Merger Sub with and into Medistem, with Medistem continuing as the surviving corporation.

Although Nevada law generally refers to the term stockholders and Virginia law generally refers to the term shareholders to specify holders of the capital stock of a corporation, for convenience such holders are referred to in this proxy statement/prospectus as shareholders in accordance with the Virginia law terminology.



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Annex A	Agreement and Plan of Merger by and among Intrexon Corporation, XON Cells, Inc. and Medistem Inc. dated as of December 19, 2013, as amended by the First Amendment to the Agreement and Plan of Merger
Annex B	Chapter 92A.300-500 of the Nevada Revised Statutes
Annex C	Text of Griffin Securities, Inc. Opinion, dated December 18, 2013
Annex D	Form of Voting Agreement
Annex E	Form of Proxy Card of Medistem Inc.

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## **Questions and answers about the special meeting**

**Q: Why am I receiving this proxy statement/prospectus?**

A: Intrexon and Medistem have agreed to the acquisition of Medistem by Intrexon under the terms of the merger agreement that is described in this proxy statement/prospectus. A copy of the merger agreement is attached to this proxy statement/prospectus as Annex A. You are receiving this proxy statement/prospectus because you have been identified as a shareholder of Medistem as of the close of business on the record date for the special meeting, which is January 31, 2014. This document serves as both a proxy statement of Medistem, used to solicit proxies for the special meeting of Medistem shareholders, and as a prospectus of Intrexon, used to offer shares of Intrexon common stock to Medistem shareholders in exchange for shares of Medistem common stock pursuant to the terms of the merger agreement. This document contains important information about the merger, the shares of Intrexon common stock to be issued pursuant to the merger and the special meeting of Medistem shareholders, and you should read it carefully.

**Q: What am I being asked to vote on?**

A: In order to complete the merger, Medistem shareholders must vote in favor of a proposal to adopt and approve the merger agreement, which is referred to herein as the merger proposal, and all other conditions to the merger must be satisfied or waived. Medistem will hold a special meeting to obtain this approval, which is referred to herein as the special meeting. The enclosed proxy materials allow you to vote your shares without attending the special meeting.

In addition, you are being asked to vote on a proposal to approve, on a non-binding, advisory basis, the compensation payable to Medistem's named executive officers that is based on or otherwise relates to the merger, which is referred to herein as the merger-related compensation payments proposal.

You are also being asked to vote on a proposal to adjourn the Medistem special meeting, if necessary or appropriate, to solicit additional proxies in favor of the merger proposal if there are not sufficient votes at the time of such adjournment to adopt and approve the merger proposal.

**Your vote is important. We encourage you to vote as soon as possible.**

**Q: What consideration will I receive in connection with the merger?**

A: At the effective time of the merger, each share of Medistem common stock issued and outstanding immediately prior to the effective time of the merger (other than shares with respect to which dissenter's rights are properly exercised or shares owned by Intrexon, any of its subsidiaries or Medistem) will be converted into the right to receive \$1.35, payable as (i) \$0.27 in cash without interest and subject to applicable withholding tax, which is referred to herein as the cash consideration and (ii) \$1.08 worth of shares of Intrexon common stock, determined as the number of shares represented by \$1.08 divided by the volume-weighted average price of Intrexon common stock, as reported on the New York Stock Exchange, which is referred to herein as the NYSE, for the 20 trading days immediately preceding the last trading day prior to the date of the closing of the merger, which price is referred to

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herein as the Intrexon stock value, and which consideration paid in shares of Intrexon common stock is referred to herein as the stock consideration, in each case subject to adjustment as described below under the question Why is the merger consideration subject to adjustment? The cash consideration together with the stock consideration is referred to herein as the merger consideration. In no event, however, will the total merger consideration paid to Medistem shareholders exceed \$26.0 million in the aggregate.

Medistem shareholders will not receive any fractional shares of Intrexon common stock in the merger. Instead, any shareholder who would otherwise be entitled to a fractional share of Intrexon common stock will be entitled to receive an amount in cash (rounded down to the nearest whole cent), without interest, equal to the product of such fraction multiplied by the volume-weighted average price of Intrexon common stock, as reported on NYSE, for the 20 trading days immediately preceding the last trading day prior to the date of the closing of the merger, which is referred to herein as the Intrexon stock value.

**Q: Will the merger consideration I receive in the merger increase if the results of operations of Intrexon improve or if the market price of Intrexon common stock increases?**

A: No. The merger consideration payable for each share of Medistem common stock at closing is fixed at (i) \$0.27 in cash without interest and subject to applicable withholding tax, which is referred to herein as the cash consideration and (ii) \$1.08 worth of shares of Intrexon common stock, determined as the number of shares represented by \$1.08 divided by the volume-weighted average price of Intrexon common stock, as reported on the NYSE, for the 20 trading days immediately preceding the last trading day prior to the date of the closing of the merger. The payment received at closing will not change regardless of the results of operations of Intrexon or the price of publicly traded common stock of Intrexon.

**Q: How will the merger affect Medistem options to purchase common stock, restricted stock units, warrants and convertible promissory notes?**

A: In connection with the merger, each outstanding Medistem stock option, restricted stock unit and warrant will vest fully and may be exercised for a period of at least 15 days prior to the consummation of the merger. Any stock option or warrant that is not exercised and remains outstanding at the consummation of the merger will be converted into the right to receive cash and Intrexon common stock. As of the effective time of the merger, each outstanding Medistem stock option shall be canceled in exchange for the right to receive a combination of cash and shares of Intrexon common stock as described below, (i) \$1.35 minus the exercise price of such stock option divided by (ii) \$1.35 (the Net Option Share Amount), which shall be paid in (A) a cash amount equal to the product of the Net Option Share Amount multiplied by \$0.27 and (B) the number of whole and fractional shares of Intrexon common stock equal to the quotient of (1) the product of the Net Option Share Amount multiplied by \$1.08, divided by (2) the Intrexon stock value. If the exercise price per share of any such stock option is equal to or greater than \$1.35, such stock option shall be canceled without any payment or other consideration being made in respect thereof.

As of the effective time of the merger, each outstanding warrant to purchase Medistem common stock shall be canceled in exchange for the right to receive a combination of cash and shares of Intrexon common stock as described below, (i) \$1.35 minus the exercise price of

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such warrant divided by (ii) \$1.35 (the Net Warrant Share Amount ), which shall be paid in (A) a cash amount equal to the product of the Net Warrant Share Amount multiplied by \$0.27 and (B) the number of whole and fractional shares of Intrexon common stock equal to the quotient of (1) the product of the Net Warrant Share Amount multiplied by \$1.08, divided by (2) the Intrexon stock value. If the exercise price per share of any such warrant is equal to or greater than \$1.35, such warrant shall be canceled without any payment or other consideration being made in respect thereof.

As of the effective time of the merger, each outstanding promissory note convertible into Medistem common stock shall be canceled in exchange for the right to receive a combination of cash and shares of Intrexon common stock as described below, the total number of shares of Medistem common stock to which such promissory note was convertible immediately prior to the effective time of the merger (the Net Note Share Amount ), which shall be paid in (i) a cash amount equal to the product of the Net Note Share Amount multiplied by \$0.27 and (ii) the number of whole and fractional shares of Intrexon common stock equal to the quotient of (A) the product of the Net Note Share Amount multiplied by \$1.08, divided by (B) the Intrexon stock value. If the conversion price per share of any such promissory note is equal to or greater than \$1.35, the outstanding principal balance of such promissory note, together with all accrued but unpaid interest thereon, shall instead be paid in full.

Notwithstanding the foregoing, the aggregate number of shares of Intrexon common stock issued or issuable in the merger may not exceed 19.9% of the number of shares of Intrexon common stock outstanding immediately prior to the effective time of the merger.

### **Q: What happens if the merger is not completed?**

A: If the merger proposal is not approved by Medistem's shareholders or if the merger is not completed for any other reason, you will not receive any payment for your shares of Medistem common stock in connection with the merger. Instead, Medistem will remain an independent public company and its common stock will continue to be listed and traded on the OTC Markets Group's OTCQB marketplace as long as it continues to meet the requirements for such listing and trading. If the merger agreement is terminated in certain circumstances, Medistem would be required to pay Intrexon a termination fee of either \$750,000 or \$1.0 million and would be required to repay the outstanding principal balance on the loans made to Medistem by Intrexon pursuant to two promissory notes in the aggregate amount of \$700,000 in connection with the proposed merger. In other circumstances, if the merger agreement is terminated, Intrexon would be required to pay Medistem a termination fee of \$150,000. See the section entitled "The Merger Agreement - Termination Fees."

### **Q: When and where will the meeting be held?**

A: The Medistem special meeting will be held at 9:00 a.m., local time, on March 4, 2014, at the offices of Jones Day, 12265 El Camino Real, Suite 300, San Diego, California 92130.

### **Q: What do I need to do now?**

A: Carefully read and consider the information contained in and incorporated by reference into this proxy statement/prospectus, including its annexes. After you carefully read this proxy

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statement/prospectus, follow the voting instructions below. In order to assure that your shares are voted, please submit your proxy as instructed on your proxy or voting instruction card even if you currently plan to attend the special meeting in person.

**Q: How do I vote?**

A: You may vote For, Against or Abstain on any proposal. Votes will be counted by the inspector of elections appointed for the special meeting. The procedures for voting are as follows:

*Voting by Proxy*

Registered shareholders may vote by mail, by telephone or by Internet:

To vote by mail, please complete, sign, date and mail your proxy card in the postage prepaid envelope provided. Proxies should be mailed sufficiently in advance to ensure receipt prior to the special meeting.

To vote by telephone, call toll-free 1-800-690-6903 from any touch-tone telephone and follow the instructions. Have your proxy card available when you call. If you vote by phone, you do not need to mail your proxy card. Telephone voting is available until 11:59 p.m., Eastern Time, on March 3, 2014.

You can vote on the Internet at [www.proxyvote.com](http://www.proxyvote.com). Have your proxy card in hand when going online and follow the online instructions. If you vote by the Internet, you do not need to mail your proxy card. Internet voting is available up until 11:59 p.m., Eastern Time, on March 3, 2014.

If your shares are held of record in the name of a bank, broker or other nominee you should follow the separate instructions that the nominee provides to you. Although most banks and brokers now offer telephone and Internet voting, availability and specific processes will depend on their voting arrangements.

If the special meeting is postponed or adjourned for any reason, at any subsequent reconvening of the special meeting all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the special meeting, except for any proxies that have at that time effectively been revoked or withdrawn, even if the proxies had been effectively voted on the same or any other matter at a previous meeting.

*Voting in Person at the Special Meeting*

If you are a registered holder and attend the special meeting and wish to vote in person, you may request a ballot when you arrive. If your shares are held of record in the name of your bank, broker or other nominee and you would like to vote in person at the special meeting, you must bring to the special meeting a letter, account statement or other evidence from the nominee indicating that you were the beneficial owner of the shares on the record date for the special meeting and a legal proxy from the nominee.

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**Q: How does the Medistem board of directors recommend that I vote?**

A: The Medistem board of directors reviewed and considered the terms and conditions of the merger agreement and the transactions contemplated thereby, including the merger, and, after careful consideration, has unanimously:

determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair to, and in the best interests of, Medistem and its shareholders;

adopted the merger agreement and approved the transactions contemplated thereby, including the merger; and

resolved to recommend the adoption and approval of the merger agreement to Medistem's shareholders.

The Medistem board of directors unanimously recommends that Medistem's shareholders vote **FOR** the merger proposal, **FOR** the approval, on a non-binding, advisory basis, of the merger-related compensation payments proposal and **FOR** the adjournment of the special meeting, if necessary to solicit additional proxies.

**Q: What vote is required to approve each proposal?**

A: The voting requirements to approve the proposals are as follows:

The approval of the merger proposal requires the affirmative vote of the shareholders of record as of the record date holding a majority of all outstanding shares of Medistem's common stock on that date.

The approval, on a non-binding, advisory basis, of compensation payable to Medistem's named executive officers that is based on or otherwise relates to the merger requires that the votes cast in favor of this proposal exceed the votes cast against this proposal, provided a quorum is present.

The approval of the adjournment of the special meeting, to solicit additional proxies in favor of the merger proposal if there are not sufficient votes at the time of such adjournment to approve the merger proposal, requires the affirmative vote of the holders of a majority of the shares of Medistem common stock present, in person or by proxy, at the special meeting and entitled to vote thereon, if a quorum is not present. If a quorum is present, the approval of the adjournment of the special meeting, to solicit proxies in favor of the merger proposal if there are not sufficient votes at the time of such adjournment to approve the merger proposal, requires that the votes cast in favor of the adjournment proposal exceed the votes cast against the adjournment proposal.

**Q: How are the officers and directors of Medistem going to vote in the merger?**

A: In connection with entering into the merger agreement, each of the directors and executive officers of Medistem and their respective permitted transferees, as applicable, in their individual capacities, each of whom are referred to herein as a supporting shareholder, entered into a voting agreement pursuant to which the supporting shareholder agreed to, among other things, vote his shares of Medistem common stock (i) in favor of the merger



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proposal and (ii) against an acquisition proposal other than the merger, subject to any termination of the voting agreement in accordance with its terms. In addition, the supporting shareholders agreed not to directly or indirectly transfer their respective shares of Medistem common stock during the term of the voting agreement, subject to certain limited exceptions. The voting agreements may be terminated by the supporting shareholders if the Medistem board of directors has withdrawn or changed its recommendation in favor of a competing transaction. As of the record date, the supporting shareholders as a group owned and were entitled to vote 9,243,218 shares of Medistem common stock, or approximately 64% of the outstanding shares of Medistem common stock on that date.

### **Q: What constitutes a quorum?**

A: Shareholders who hold at least a majority of the issued and outstanding Medistem common stock as of the close of business on the record date and who are entitled to vote must be present or represented by proxy in order to constitute a quorum to conduct the special meeting.

### **Q: What will happen if I return my proxy card without indicating how to vote?**

A: If you sign and return your proxy card without indicating how to vote on any particular proposal, the Medistem common stock represented by your proxy will be voted in favor of that proposal.

### **Q: What will happen if I fail to vote or I abstain from voting?**

A: If you are a shareholder of record and do not vote by completing your proxy card, by telephone, through the Internet, or in person at the special meeting, your shares will not be voted. This will have the same effect as voting against the merger proposal but will have no effect on the outcome of the other two proposals. If your shares are held in street name by a bank, brokerage firm or other nominee, and you do not provide your bank, brokerage firm or other nominee with instructions as to how to vote your shares, your shares will not be voted at the special meeting. This will have the same effect as voting against the merger proposal but will have no effect on the outcome of the other two proposals.

### **Q: How many votes do I and others have?**

A: Each Medistem shareholder is entitled to one vote for each share of Medistem common stock owned as of the record date. As of the close of business on the record date, there were 14,454,288 issued and outstanding shares of Medistem common stock. As of the record date, the directors and executive officers and their affiliates as a group owned and were entitled to vote 9,243,218 shares of Medistem common stock, or approximately 64% of the outstanding shares of Medistem common stock on that date.

### **Q: If my shares are held in street name by my broker, bank or other nominee, will my broker, bank or nominee vote my shares for me?**

A: If you hold your shares through a broker, bank or other nominee, you must provide your broker, bank or nominee with instructions on how to vote your shares. Please follow the voting instructions provided by your broker, bank or nominee. Please note that you may not



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vote shares held in street name by returning a proxy card directly to Medistem or by voting in person at the special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee. Brokers, banks and other nominees who hold shares of Medistem common stock on behalf of their customers may not vote such shares or give a proxy to Medistem to vote those shares without specific instructions from their customers.

**Q: Am I entitled to dissenters' rights?**

A: Yes. Medistem shareholders who do not vote in favor of the merger proposal and follow certain procedural steps will be entitled to dissenters' rights under Chapter 92A.300-500 of the Nevada Revised Statutes, which is referred to herein as the NRS, provided they take the steps required to perfect their rights under chapter 92A.300-500 of the NRS. For more information regarding dissenters' rights, see the section entitled Dissenters' Rights. In addition, a copy of Chapter 92A.300-500 of the NRS is attached as Annex B to this proxy statement.

**Q: Can I change my vote after I have returned a proxy or voting instruction card?**

A: Yes. If you are a registered holder and give your proxy card to Medistem or vote by telephone or the Internet, you have the power to revoke your proxy or change your vote by taking any of the following actions before your proxy is voted at the special meeting:

voting again by telephone or Internet any time prior to 11:59 p.m., Eastern Time, on March 3, 2014;

notifying the Secretary of Medistem in writing no later than the beginning of the special meeting of your revocation;

delivering to the Secretary of Medistem no later than the beginning of the special meeting a revised signed proxy card bearing a later date; or

attending the special meeting and voting in person, which will automatically cancel any proxy previously given, or revoking your proxy in person, but your attendance alone will not revoke any proxy that you have previously given.

If your shares are held in street name by your broker, bank or other nominee, you should contact them to change your vote.

**Q: When do you expect the merger to be completed?**

A: Intrexon and Medistem expect to complete the merger during the first quarter of 2014 if the approval of the merger proposal is obtained, assuming the other conditions that are set forth in the merger agreement to the consummation of the merger are satisfied or waived. However, it is possible that the merger will not be consummated within that timeframe.

**Q: Do I need to do anything with my Medistem common stock certificates now?**

A: No. After the merger is completed, if you held certificates representing shares of Medistem common stock prior to the merger, Intrexon's exchange agent will send you a letter of



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transmittal and instructions for exchanging your shares of Medistem common stock for the merger consideration. Upon surrender of the certificates for cancellation along with the executed letter of transmittal and other required documents described in the instructions, you will receive the merger consideration. The shares of Intrexon common stock you receive in the merger will be issued in book-entry form. **DO NOT SEND ANY STOCK CERTIFICATES WITH YOUR PROXY.**

**Q: Do I need identification to attend the Medistem special meeting in person?**

A: Yes. Please bring proper identification, together with proof that you are a record owner of Medistem common stock. If your shares are held of record in the name of your bank, broker or other nominee and you would like to vote in person at the special meeting, you must bring to the special meeting a letter, account statement or other evidence from the nominee indicating that you were the beneficial owner of the shares on the record date for the special meeting.

**Q: Who can help answer my questions?**

A: If you have questions about the merger agreement, the merger or the merger proposal or the other matters to be voted on at the special meeting or desire additional copies of this proxy statement/prospectus or additional proxy cards, you should contact Medistem, 9255 Towne Centre Drive, #450, San Diego, CA 92121 (858) 352-7071 Attn: Investor Relations.

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## Summary

*This summary highlights selected information contained or incorporated by reference in this proxy statement/prospectus and may not contain all of the information that is important to you. This summary is not intended to be complete and reference is made to, and this summary is qualified in its entirety by, the more detailed information contained or incorporated by reference in this proxy statement/prospectus and the annexes attached to this proxy statement/prospectus. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions in the section entitled *Where You Can Find More Information*. Page references have been included parenthetically to direct you to a more complete description of the topics presented in this summary.*

### **The companies (see page 79)**

#### ***Intrexon Corporation***

Intrexon believes it is a leader in the field of synthetic biology, an emerging and rapidly evolving discipline that applies engineering principles to biological systems. Using its suite of proprietary and complementary technologies, Intrexon designs, builds and regulates gene programs, or sequences of DNA that control cellular function, and cellular systems, or activities that take place within a cell and the interaction of those systems in the greater cellular environment, to enable the development of new and improved products and manufacturing processes across a variety of end markets, including healthcare, food, energy and environmental sciences. Intrexon's synthetic biology capabilities include the ability to precisely control the amount, location and modification of biological molecules to control the function and output of living cells and optimize for desired results at an industrial scale.

Working with its collaborators, Intrexon see