April 16, 2020

Dear Shareholders,

I hope everyone is doing their part to remain safe and healthy. I wanted to take this opportunity to provide some details of how Lineage has adjusted to the COVID-19 situation and provide some updates on our business. Although certain areas of our business have been affected, much of our original plan is continuing on pre-pandemic timelines. I appreciate the rapid actions taken by our staff and management, which enabled us to adjust to a fluid situation with minimal disruption.

As research professionals, we understood the gravity of the situation early and were proactive to protect the health and safety of our employees, while ensuring as much continuity as we could for our global operations. Most notably:

- More than half of our staff is located at our cGMP manufacturing subsidiary in Israel and to date, our team there has been permitted to continue working in shifts to introduce production enhancements to our OpRegen® and OPC1 programs. We expect this work will greatly enhance the partnership appeal of OpRegen and the deployment of OPC1 into a late-stage clinical trial, as well as providing ease of use advantages for surgeons and establishing commercial features to enable broad patient access.

- Within our R&D and corporate offices in Alameda and Carlsbad, California, we implemented a work-from-home policy in mid-March and placed restrictions on travel and in-person meetings. It is important to note that despite these restrictions, key functions such as business development, quality assurance, finance, legal, and regulatory activities are largely electronic in nature and those operations have not been noticeably affected.

- We have maintained close communication with Cancer Research UK, the entity managing the VAC2 clinical trial. Although the VAC2 trial is not being conducted by Lineage, VAC is an important component of our cell therapy pipeline and we have been monitoring the impact of external COVID-19 restrictions on data collection and timelines related to recently treated and future patients.

We also have evaluated the projected impact on our financial position and have concluded that we are well prepared to continue to navigate through a prolonged virus-related disruption, should one occur. Throughout 2019, a significant component of driving efficiency was to institute a culture of focused and responsible spending. We implemented broad-reaching cost-savings initiatives, which we plan to continue throughout 2020, while remaining careful not to impair our clinical programs. We are extremely focused on moving our clinical programs forward in the most efficient way possible, avoiding cumbersome administration and non-core investments wherever possible. Meanwhile, we expect our cash and marketable securities and the $24.6M note receivable due from Juvenescence in late August will provide working capital well into next year. We also expect we will have opportunities to obtain grants and/or enter into licensing arrangements during this period.

An area which we, and most companies like us, have felt an impact is in clinical trial enrollment. Although data collection moves our business forward, our overall business is human health, so protecting the well-being of our study participants and site staff is of the utmost importance. For this reason, we fully support decisions made by our study investigators, their teams, and the recommendations of the American Academy of Ophthalmology. As a result, the majority of the OpRegen clinical sites have reduced or ceased new patient screening and follow-up visits, which creates delays to enrollment and ultimately, to data collection. However, not all OpRegen clinical sites are restricted from seeing patients so we are not at a stand-still. Yesterday, an Orbit patient had his 4.5 month visit and vision assessments, as normally scheduled. Meanwhile, at the restricted sites, we are using this time as an opportunity to identify potential patients from their medical records and pre-screen them via phone. Our goal is to collect as much information as safely as possible and simultaneously establish a backlog of trial candidates. Overall, we expect that enrollment of the last 4 patients in the Orbit portion of the study should be completed soon after site schedules have normalized.

It also is important to keep in mind that dry age-related macular degeneration (dry AMD) is a slow and progressive disease, so even if there is a long period of restriction, we eventually will be able to collect data from patients enrolled prior to those restrictions and observe any changes to their area of geographic atrophy (GA). For a patient who is scheduled to have 7 or 8 assessments over a 12-month period, the direction and durability of any benefit or reductions we observe in the growth of GA are far more informative than any single BCVA assessment.

In regard to upcoming data announcements, we were notified last week that the Association for Research in Vision and Ophthalmology (ARVO) Annual Meeting has switched to an online virtual format, which will occur later than the originally scheduled in-person conference. The online presentations are now expected to be available from mid-May to mid-June. As previously shared, it is our intent to present data from the OpRegen clinical trial at the ARVO Meeting and continue to guide shareholders to this conference, with plans to provide our specific presentation date when available. We believe the large audience which is associated with the ARVO Meeting is worth waiting an additional 2-6 weeks to provide an OpRegen update. At the meeting, we intend to provide an update on anatomical data, reading speed, and other information which will contribute to the overall data package for treatment of dry AMD with our OpRegen retinal pigment epithelium (RPE) cell replacement therapy.

Similarly, we learned recently that patient enrollment in the clinical study of VAC2 would be affected by enrollment restrictions. However, just prior to these restrictions, two additional patients were enrolled and both patients received all six scheduled doses of VAC2. These patients will now be followed for safety, immunogenicity, and clinical response as part of the standard study protocol. As we shared previously, we are planning to make a decision whether or not to exercise our option to acquire the data generated in the VAC2 trial and having these two additional patients enrolled will help us maintain this decision timeline.

Overall, although no one is immune to the impact of the COVID-19 pandemic, it also is true that none of us are affected equally. For Lineage, many of our 2020 objectives are related to ongoing manufacturing activity rather than enrollment milestones, our lead program addresses a slow, progressive disease which does not require us to capture every assessment, and lastly, some of our clinical sites have remained operational. I believe this puts us in a comparatively advantageous situation among our peers and we intend to capitalize on any advantage which is available to us, such as laying plans for a rapid completion of the OpRegen trial to minimize the impact of delays and improve the investment appeal of our company.

Since my arrival at Lineage, I have strived to outperform our peer group with respect to shareholder communication and will continue to provide updates promptly and as the situation allows. The entire Lineage team has been working diligently to achieve our corporate objectives and will continue to do so in the face of any challenge. As always, we appreciate your dedicated support of our important work.

Sincerely,
Brian M. Culley, CEO
Lineage Cell Therapeutics, Inc.
San Diego, CA

Forward-Looking Statements

Lineage cautions you that all statements, other than statements of historical facts, contained in this CEO Letter, are forward-looking statements. Forward-looking statements, in some cases, can be identified by terms such as "believe," "may," "will," "estimate," "continue," "anticipate," "design," "intend," "expect," "could," "plan," "potential," "predict," "seek," "should," "would," "contemplate," project," "target," "tend to," or the negative version of these words and similar expressions. Such statements include, but are not limited to, statements relating to Lineage's cost-savings initiatives, manufacturing plans, enrollment activities, data presentations, clinical trial advancement, and partnership evaluations, as well as the impact of the COVID-19 pandemic on the company. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Lineage's actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by the forward-looking statements in this CEO Letter, including risks and uncertainties inherent in Lineage's business and other risks in Lineage's

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