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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2017

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **1-12830**

BioTime, Inc.

(Exact name of registrant as specified in its charter)

California	**94-3127919**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

1010 Atlantic Avenue, Suite 102
Alameda, California 94501
(Address of principal executive offices)

(510) 521-3390
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐		Accelerated filer	☒
Non-accelerated filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☐
			Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 126,865,646 common shares, no par value, as of November 1, 2017.

PART 1--FINANCIAL INFORMATION

Statements made in this Report that are not historical facts may constitute forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those discussed. Such risks and uncertainties include but are not limited to those discussed in this Report under Item 1 of the Notes to Condensed Consolidated Interim Financial Statements, and under Risk Factors in this Report. Words such as "expects," "may," "will," "anticipates," "intends," "plans," "believes," "seeks," "estimates," and similar expressions identify forward-looking statements.

References to "we" means BioTime, Inc. and its subsidiaries unless the context otherwise indicates.

The description or discussion, in this Form 10-Q, of any contract or agreement is a summary only and is qualified in all respects by reference to the full text of the applicable contract or agreement.

Deconsolidation of OncoCyte Corporation Effective February 17, 2017

Effective February 17, 2017 BioTime deconsolidated OncoCyte Corporation's ("OncoCyte") financial statements and results of operations from those of BioTime under applicable generally accepted accounting principles due to the decrease in BioTime's percentage ownership in OncoCyte below 50% as a result of OncoCyte issuing 625,000 shares of its common stock pursuant to warrant exercises by certain OncoCyte shareholders. Prior to that date, OncoCyte was a majority-owned and consolidated subsidiary of BioTime. Since February 17, 2017, BioTime has accounted for OncoCyte using the equity method of accounting, electing the fair value option, with all subsequent changes in fair value included in BioTime's condensed consolidated statements of operations in other income and expenses, net.

BioTime's condensed consolidated balance sheet at December 31, 2016, as reported, includes OncoCyte's assets and liabilities, after intercompany eliminations. However, OncoCyte's assets and liabilities are not included in BioTime's unaudited condensed consolidated balance sheet at September 30, 2017 due to the deconsolidation of OncoCyte on February 17, 2017. The fair value of OncoCyte shares owned by BioTime is shown on BioTime's condensed consolidated balance sheet as of September 30, 2017.

OncoCyte's results are not included in BioTime's condensed consolidated statements of operations for the three months ended September 30, 2017. BioTime's unaudited condensed consolidated statements of operations for the nine months ended September 30, 2017 include OncoCyte's results for the period from January 1, 2017 through February 16, 2017, the day immediately preceding the deconsolidation. For the three and nine months ended September 30, 2016, BioTime's unaudited condensed consolidated results include OncoCyte's results for the full period presented.

For further discussion, see Notes to the Condensed Consolidated Interim Financial Statements and *Management's Discussion and Analysis of Financial Condition and Results of Operations* included elsewhere in this report.

Deconsolidation of Asterias Biotherapeutics, Inc. Effective May 13, 2016

Effective May 13, 2016, BioTime deconsolidated Asterias Biotherapeutics, Inc. ("Asterias") financial statements and results of operations from those of BioTime under applicable generally accepted accounting principles due to the decrease in BioTime's percentage ownership in Asterias from 57.1% to 48.7% as a result of a sale of common stock by Asterias in a public offering. Prior to that date, Asterias was a majority-owned and consolidated subsidiary of BioTime. Since May 13, 2016, BioTime has accounted for Asterias using the equity method of accounting, electing the fair value option, with all subsequent changes in fair value included in BioTime's condensed consolidated statements of operations in other income and expenses, net. Asterias' assets and liabilities are not included in BioTime's audited condensed consolidated balance sheet at December 31, 2016 due to the deconsolidation. The fair value of Asterias shares owned by BioTime is shown on BioTime's condensed consolidated balance sheet as of September 30, 2017 and December 31, 2016. BioTime's unaudited condensed consolidated statements of operations for the nine months ended September 30, 2016 include Asterias' results for the period through May 12, 2016, the day immediately preceding the deconsolidation. Asterias' results are not included in BioTime's condensed consolidated statements of operations for the three months ended September 30, 2016 and the three and nine months ended September 30, 2017.

For further discussion see Notes to the Condensed Consolidated Interim Financial Statements and *Management's Discussion and Analysis of Financial Condition and Results of Operations* included elsewhere in this report.

Item 1. Financial Statements

BIOTIME, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	September 30, 2017 (Unaudited) (Notes 1 and 3)	December 31, 2016 (Notes 1 and 3)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 16,662	$ 22,088
Available for sale securities	1,511	627
Grants and other accounts receivable	1,420	646
Receivable from affiliates, net (Note 9)	2,278	511
Prepaid expenses and other current assets	1,354	1,777
Total current assets	23,225	25,649
Property, plant and equipment, net	5,423	5,529
Deposits and other long-term assets	1,005	1,149
Equity method investment in OncoCyte, at fair value (Note 4)	110,790	-
Equity method investment in Asterias, at fair value (Note 5)	73,942	100,039
Intangible assets, net	7,482	10,206
TOTAL ASSETS	$ 221,867	$ 142,572
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 5,360	$ 7,144
Capital lease liability, current portion	-	202
Promissory notes, current portion	126	99
Related party convertible debt, net of discount	13	833
Deferred revenues, current portion	513	572
Total current liabilities	6,012	8,850
LONG-TERM LIABILITIES		
Deferred revenues, net of current portion	77	308
Deferred rent liabilities, net of current portion	91	50
Lease liability	1,257	1,386
Capital lease liability, net of current and other liabilities	-	310
Related party convertible debt, net of discount	-	1,032
Promissory notes, net of current portion	44	120
Deferred tax liability	4,845	-
Other long-term liabilities	554	8
TOTAL LIABILITIES	12,880	12,064
Commitments and contingencies (Note 13)		
SHAREHOLDERS' EQUITY		
Preferred shares, no par value, authorized 2,000 shares; none issued and outstanding as of September 30, 2017 and December 31, 2016	-	-
Common shares, no par value, 150,000 shares authorized; 115,804 shares issued and outstanding as of September 30, 2017, and 103,396 shares issued and 102,776 shares outstanding as of December 31, 2016	342,508	317,878
Accumulated other comprehensive income (loss)	141	(738)
Accumulated deficit	(144,363)	(196,321)
Treasury stock at cost: no shares as of September 30, 2017; 620 shares as of December 31, 2016	-	(2,891)
BioTime, Inc. shareholders' equity	198,286	117,928
Noncontrolling interest	10,701	12,580
Total shareholders' equity	208,987	130,508
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 221,867	$ 142,572

See accompanying notes to the condensed consolidated interim financial statements.

BIOTIME, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
REVENUES:				
Grant income	$ 1,225	$ 1,109	$ 1,236	$ 3,346
Royalties from product sales and license fees	86	177	277	463
Subscription and advertisement revenues	376	69	940	700
Sale of research products	1	144	6	331
Total revenues	1,688	1,499	2,459	4,840
Cost of sales	(52)	(58)	(114)	(378)
Gross Profit	1,636	1,441	2,345	4,462
OPERATING EXPENSES:				
Research and development	(6,562)	(6,422)	(19,327)	(29,093)
General and administrative	(4,587)	(4,574)	(14,111)	(23,083)
Total operating expenses	(11,149)	(10,996)	(33,438)	(52,176)
Gain on sale of assets	-	-	1,754	-
Loss from operations	(9,513)	(9,555)	(29,339)	(47,714)
OTHER INCOME/(EXPENSES):				
Interest expense, net	(10)	(167)	(729)	(513)
Gain on equity method investment in OncoCyte at fair value	34,485	-	39,620	-
Gain (loss) on equity method investment in Asterias at fair value	(3,262)	40,015	(26,097)	26,532
Gain on deconsolidation of OncoCyte	-	-	71,697	-
Gain on deconsolidation of Asterias	-	-	-	49,048
Loss on extinguishment of related party convertible debt	(2,799)	-	(2,799)	-
BioTime's share of losses in equity method investment in Ascendance Biotechnology, Inc.	-	(855)	-	(1,189)
Other income (expenses), net	(143)	(173)	1,202	197
Total other income, net	28,271	38,820	82,894	74,075
INCOME BEFORE INCOME TAXES	18,758	29,265	53,555	26,361
Deferred income tax expense	(4,772)	-	(4,772)	-
NET INCOME	13,986	29,265	48,783	26,361
Net loss attributable to noncontrolling interests	335	1,934	3,175	12,286
NET INCOME ATTRIBUTABLE TO BIOTIME, INC.	$ 14,321	$ 31,199	$ 51,958	$ 38,647
NET INCOME PER COMMON SHARE ATTRIBUTABLE TO BIOTIME, INC.:				
BASIC	$ 0.12	$ 0.30	$ 0.47	$ 0.40
DILUTED	$ 0.12	$ 0.30	$ 0.47	$ 0.39
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING:				
BASIC	115,288	102,711	110,989	95,484
DILUTED	115,298	103,613	111,124	99,073

See accompanying notes to the condensed consolidated interim financial statements.

BIOTIME, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(IN THOUSANDS)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
NET INCOME	$ 13,986	$ 29,265	$ 48,783	$ 26,361
Other comprehensive income (loss), net of tax:				
Change in foreign currency translation	(349)	(307)	56	(334)
Available for sale investments:				
Unrealized gain (loss) on available-for-sale securities, net of taxes	219	121	822	(119)
COMPREHENSIVE INCOME	13,856	29,079	49,661	25,908
Less: Comprehensive loss attributable to noncontrolling interest	335	1,934	3,175	12,286
COMPREHENSIVE INCOME ATTRIBUTABLE TO BIOTIME, INC. COMMON SHAREHOLDERS	$ 14,191	$ 31,013	$ 52,836	$ 38,194

See accompanying notes to the condensed consolidated interim financial statements.

BIOTIME, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	Nine Months Ended September 30,	
	2017	**2016**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income attributable to BioTime, Inc.	$ 51,958	$ 38,647
Net loss allocable to noncontrolling interests	(3,175)	(12,286)
Adjustments to reconcile net income attributable to BioTime, Inc. to net cash used in operating activities:		
Gain on deconsolidation of Asterias	-	(49,048)
Gain on deconsolidation of OncoCyte	(71,697)	-
Unrealized (gain) loss on equity method investment in Asterias at fair value	26,097	(26,532)
Unrealized gain on equity method investment in OncoCyte at fair value	(39,620)	-
Deferred income tax expense	4,772	-
Depreciation expense, including amortization of leasehold improvements	670	996
Amortization of intangible assets	1,766	2,935
Amortization of deferred license fees	(166)	1,191
Stock-based compensation	2,903	6,303
Subsidiary shareholder expense for subsidiary warrants	531	3,125
Amortization of discount on related party convertible debt	640	264
BioTime's share of losses in equity method investment in Ascendance	-	1,189
Foreign currency remeasurement (gain) or loss and other	(1,511)	802
Gain on sale of assets	(1,754)	-
Loss on extinguishment of related party convertible debt	2,799	-
Changes in operating assets and liabilities:		
Grants and other accounts receivable, net	(905)	(955)
Deferred revenue and other liabilities	(279)	509
Receivables from affiliates, net of payables	760	-
Prepaid expenses and other current assets	93	(1,013)
Accounts payable and accrued liabilities	1,276	399
Net cash used in operating activities	(24,842)	(33,474)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Deconsolidation of cash and cash equivalents of OncoCyte	(8,898)	-
Deconsolidation of cash and cash equivalents of Asterias	-	(8,376)
Purchase of equipment and other assets	(930)	(1,860)
Payments on construction in progress	-	(278)
Proceeds from sales of assets and other	186	34
Cash used in investing activities	(9,642)	(10,480)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of common shares	20,125	20,125
Fees paid on sale of common shares	(1,623)	(1,515)
Proceeds from sale of common shares of subsidiary	9,968	-
Proceeds from exercises of stock options	29	2,015
Reimbursement from landlord on construction in progress	198	451
Shares retired to pay for employees' taxes	(38)	-
Repayment of capital lease obligation	(31)	(104)
Proceeds from sale of common shares and warrants of subsidiary	-	10,721
Fees paid on sale of common shares and warrants of subsidiary	-	(904)
Proceeds from issuance of related party convertible debt	384	1,150
Net cash provided by financing activities	29,012	31,939
Effect of exchange rate changes on cash and cash equivalents	46	237
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,426)	(11,778)
CASH AND CASH EQUIVALENTS:		
At beginning of the period	22,088	42,229
At end of the period	$ 16,662	$ 30,451

See accompanying notes to the condensed consolidated interim financial statements.

1. Organization and Business Overview

General – BioTime is a late-stage, clinical biotechnology company focused on developing and commercializing products addressing degenerative diseases. Its clinical programs are targeting three primary sectors: aesthetics, ophthalmology and cell/drug delivery. BioTime's clinical programs are based on two platform technologies: pluripotent cells that are capable of becoming any of the cell types in the human body, and a proprietary three dimensional cell and drug delivery matrix technology. The foundation of BioTime's cell delivery platform is its *HyStem*® 3-D cell and drug delivery matrix technology.

BioTime also has significant equity holdings in two publicly traded companies, Asterias Biotherapeutics, Inc. ("Asterias") and OncoCyte Corporation ("OncoCyte"), which BioTime founded and, until recently, were majority-owned and consolidated subsidiaries. Asterias (NYSE American: AST) is presently focused on advancing three clinical-stage programs that have the potential to address areas of very high unmet medical needs in the fields of neurology (spinal cord injury) and oncology (Acute Myeloid Leukemia and lung cancer). OncoCyte (NYSE American: OCX) is developing confirmatory diagnostic tests for lung cancer, breast cancer, and bladder cancer utilizing novel liquid biopsy technology.

Beginning on February 17, 2017, BioTime deconsolidated OncoCyte's financial statements and results of operations from BioTime (the "OncoCyte Deconsolidation") (see Notes 3 and 4).

Beginning on May 13, 2016, BioTime also deconsolidated Asterias' financial statements and results of operations from BioTime (the "Asterias Deconsolidation") (see Notes 3 and 5).

BioTime also seeks to leverage its substantial intellectual property portfolio by advancing early-stage programs. On January 6, 2017, BioTime formed AgeX Therapeutics, Inc. ("AgeX") to continue development of early-stage programs. AgeX will focus on the development of regenerative medicine technologies targeting the diseases of aging and metabolic disorders. Its initial programs will focus on utilizing brown adipose tissue ("brown fat") targeting diabetes and obesity, regenerative vascular progenitors for cardiovascular repair and our *PureStem*® technology with new discoveries in telomerase manipulation to create induced tissue regeneration ("iTR"). AgeX may pursue other early-stage programs. As further discussed in Note 10, on August 17, 2017, AgeX completed an asset acquisition and stock sale pursuant to which it received certain assets from BioTime for use in its research and development programs and raised $10.0 million in cash to finance its operations. As of August 17, 2017, BioTime owned approximately 85% of the issued and outstanding shares of AgeX common stock (see Notes 2 and 10).

2. Basis of Presentation, Liquidity and Summary of Significant Accounting Policies

The unaudited condensed consolidated interim financial statements presented herein, and discussed below, have been prepared in accordance with generally accepted accounting principles in the U.S. ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities Exchange Commission. In accordance with those rules and regulations certain information and footnote disclosures normally included in comprehensive consolidated financial statements have been condensed or omitted pursuant to such rules and regulations. The condensed consolidated balance sheet as of December 31, 2016 was derived from the audited consolidated financial statements at that date, but does not include all the information and footnotes required by GAAP. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in BioTime's Annual Report on Form 10-K for the year ended December 31, 2016.

The accompanying interim condensed consolidated interim financial statements, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of BioTime's financial condition and results of operations. The condensed consolidated results of operations are not necessarily indicative of the results to be expected for any other interim period or for the entire year.

Principles of consolidation – BioTime's consolidated financial statements present the operating results of all of its wholly-owned and majority-owned subsidiaries that it consolidates as required under GAAP. All material intercompany accounts and transactions have been eliminated in consolidation. BioTime consolidated ReCyte Therapeutics, Inc. ("ReCyte"), OrthoCyte Corporation ("OrthoCyte"), ES Cell International, Pte Ltd ("ESI"), Cell Cure Neurosciences, Ltd ("Cell Cure"), BioTime Asia, Limited ("BioTime Asia"), LifeMap Sciences, Inc. ("LifeMap Sciences") LifeMap Sciences, Ltd., LifeMap Solutions, Inc. ("LifeMap Solutions") and AgeX Therapeutics, Inc. ("AgeX"), as BioTime has the ability to control their operating and financial decisions and policies through its ownership or representation on the board of directors, and the noncontrolling interest is reflected as a separate element of shareholders' equity on BioTime's condensed consolidated balance sheets.

Although beginning on February 17, 2017 and May 13, 2016, respectively, OncoCyte and Asterias financial statements and results are no longer a part of BioTime's consolidated financial statements and results, the market value of OncoCyte and Asterias common stock, as of those respective dates, held by BioTime is reflected on BioTime's consolidated balance sheets and the subsequent changes in the market value of those shares will be reflected in BioTime's consolidated balance sheets and consolidated statements of operations, allowing BioTime shareholders to evaluate the value of the respective OncoCyte and Asterias' portion of BioTime's business.

As of December 31, 2016, OncoCyte's assets, liabilities and net assets are included in the consolidated balance sheet of BioTime, after intercompany eliminations.

OncoCyte's results of operations, comprehensive income or loss, and cash flows for the period from January 1, 2017 through February 16, 2017 are included in BioTime's condensed consolidated statements of operations, condensed consolidated statements of comprehensive income or loss and condensed consolidated statements of cash flows for the nine months ended September 30, 2017, after intercompany eliminations (see Notes 3 and 4). OncoCyte's results are not included in BioTime's unaudited condensed consolidated statements of operations and condensed consolidated statements of comprehensive income or loss for the three months ended September 30, 2017.

OncoCyte's results of operations, comprehensive income or loss and cash flows for the three and nine months ended September 30, 2016 are included in BioTime's condensed consolidated statements of operations, condensed consolidated statements of comprehensive income or loss and condensed consolidated statements of cash flows, after intercompany eliminations (see Notes 3 and 4).

Asterias' results of operations, comprehensive income or loss, and cash flows for the period from January 1, 2016 through May 12, 2016 are included in BioTime's condensed consolidated statements of operations, condensed consolidated statements of comprehensive income or loss and condensed consolidated statements of cash flows for the nine months ended September 30, 2016. Asterias' results are not included in BioTime's condensed consolidated statements of operations and condensed consolidated statements of comprehensive income or loss for the three months ended September 30, 2016.

Liquidity – Since inception, BioTime has incurred significant operating losses and has funded its operations primarily through the issuance of equity securities, payments from research grants, royalties from product sales and sales of research products and services. At September 30, 2017, BioTime had an accumulated deficit of $144.4 million, working capital of $17.2 million and shareholders' equity of $209.0 million. BioTime has evaluated its projected cash flows and believes that its $18.2 million of cash, cash equivalents and available for sale securities as of September 30, 2017, and the net proceeds of approximately $26.7 million raised in an underwritten public offering on October 17, 2017 (see Note 14) provide sufficient cash, cash equivalents and liquidity to carry out BioTime's current operations through at least twelve months from the issuance date of the condensed consolidated interim financial statements included herein. BioTime also holds shares of Asterias and OncoCyte common stock with a combined value of $184.7 million at September 30, 2017. Although BioTime has no present plans to liquidate its holdings of Asterias or OncoCyte shares, if BioTime needs near term working capital or liquidity to supplement its cash and cash equivalents for its operations, BioTime may sell some, or all, of its Asterias or OncoCyte shares, as necessary.

BioTime's projected cash flows are subject to various risks and uncertainties and the unavailability or inadequacy of financing to meet future capital needs could force BioTime to modify, curtail, delay, or suspend some or all aspects of its planned operations. For example, clinical trials of BioTime's *OpRegen*® cell therapy treatment of age related macular degeneration will be funded in part with funds from grants and not from cash on hand. If the *OpRegen*® program were to lose its grant funding or BioTime becomes unable to continue to provide working capital to fund the *OpRegen*® clinical trial, BioTime may be required to delay, postpone, or cancel the clinical trial or limit the number of clinical trial sites, unless it is able to obtain adequate financing from another source that could be used for its clinical trial. BioTime's determination as to when it will seek new financing and the amount of financing that it will need will be based on BioTime's evaluation of the progress it makes in its research and development programs, any changes to the scope and focus of those programs, and projection of future costs, revenues, and rates of expenditure. BioTime cannot assure that adequate financing will be available on favorable terms, if at all. Sales of additional equity securities by BioTime or its subsidiaries could result in the dilution of the interests of present shareholders.

On August 8, 2017, the Israel Innovation Authority (the "IIA") approved a grant for 2017 of up to 7.2 million Israeli New Shekels (approximately $2.0 million) for the development of *OpRegen*®. As of September 30, 2017, BioTime recorded a $1.2 million grant receivable from the IIA related to this grant.

On September 18, 2017, BioTime was awarded a grant of up to $1.56 million from the Small Business Innovation Research (SBIR) program of the National Institutes of Health (NIH). The SBIR grant provides funding to further develop BioTime’s innovative, next generation vision restoration program for advanced retinal diseases and injuries. The SBIR grant funds will be made available by NIH for payment to BioTime as allowable expenses are incurred by BioTime. As of September 30, 2017, no amounts were recorded in the consolidated financial statements.

As further discussed in Note 10, on August 17, 2017, AgeX completed an asset acquisition and stock sale pursuant to which it received certain assets from BioTime for use in its research and development programs and raised $10.0 million in cash primarily from new investors to finance its operations. However, BioTime cannot assure that adequate financing will be available to AgeX in the future to fund the AgeX programs.

Equity method accounting for Asterias and OncoCyte, at fair value – BioTime uses the equity method of accounting when it has the ability to exercise significant influence, but not control, as determined in accordance with GAAP, over the operating and financial policies of a company. For equity method investments which BioTime has elected to measure at fair value, unrealized gains and losses are reported in the consolidated statements of operations in other income and expenses, net.

As further discussed in Notes 4 and 5, BioTime has elected to account for its Asterias and OncoCyte shares at fair value using the equity method of accounting because beginning on May 13, 2016 and February 17, 2017, the respective dates on which BioTime deconsolidated Asterias and OncoCyte, BioTime has not had control of Asterias and OncoCyte, as defined by GAAP since the applicable deconsolidation dates, but BioTime continues to exercise significant influence over Asterias and OncoCyte. Under the fair value method, the value of the shares of common stock BioTime holds in Asterias and OncoCyte is marked to market using the closing prices of Asterias and OncoCyte common stock on the NYSE American multiplied by the number of shares of Asterias and OncoCyte held by BioTime, with changes in the fair value of the Asterias and OncoCyte shares included in other income and expenses, net, in the condensed consolidated statements of operations. The Asterias and OncoCyte shares are considered level 1 assets as defined by ASC 820, *Fair Value Measurements and Disclosures*.

Foreign currency transaction gains and losses – For transactions denominated in other than the functional currency of BioTime or its subsidiaries, BioTime recognizes transaction gains and losses in the consolidated statements of operations and classifies the gain or loss based on the nature of the item that generated it. The majority of BioTime's foreign currency transaction gains and losses are generated by Cell Cure's intercompany debt due to BioTime (see Note 9), which are U.S. dollar-denominated, while Cell Cure's functional currency is the Israeli New Shekel. Accordingly, foreign currency remeasurement gains and losses related to this debt are included in other income and expenses, net.

Basic and diluted net income (loss) per share attributable to common shareholders – Basic earnings per share is calculated by dividing net income or loss attributable to BioTime common shareholders by the weighted average number of common shares outstanding, net of unvested restricted stock or restricted stock units, subject to repurchase by BioTime, if any, during the period. Diluted earnings per share is calculated by dividing the net income or loss attributable to BioTime common shareholders by the weighted average number of common shares outstanding, adjusted for the effects of potentially dilutive common shares issuable under outstanding stock options and warrants, using the treasury-stock method, convertible preferred stock, if any, using the if-converted method, and treasury stock held by subsidiaries, if any.

The primary components of the weighted average number of potentially dilutive common shares used to compute diluted net income per common share for the three months ended September 30, 2017 were approximately 10,000 outstanding stock options and restricted stock units. The primary components of the weighted average number of potentially dilutive common shares used to compute diluted net income per common share for the nine months ended September 30, 2017 were approximately 109,000 shares of treasury stock (see Note 10), and approximately 26,000 outstanding stock options and restricted stock units. The primary components of weighted average shares of potentially dilutive common shares used to compute diluted net income per common share for the three months ended September 30, 2016 were approximately 620,000 shares of treasury stock (see Note 10), and approximately 282,000 restricted stock units and outstanding stock options. For the nine months ended September 30, 2016, potentially dilutive shares were approximately 3.4 million shares of treasury stock and approximately 154,000 restricted stock units and outstanding stock options (see Note 11).

The following common share equivalents were excluded from the computation of diluted net income per common share for the periods presented because including them would have been antidilutive (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Stock options	7,915	5,652	7,871	5,652
Warrants	9,395	9,395	9,395	9,395

Reclassifications – Gain on sale of assets of $1.8 million generated during the three and six months ended June 30, 2017 and included in other income and expenses, net, on the consolidated statements of operations has been reclassified to be included in loss from operations in the consolidated statements of operations for the nine months ended September 30, 2017 to properly reflect the nature of the gain. This reclassification had no impact on the net income or loss, no impact on consolidated cash flows and consolidated balance sheets for any period presented.

For the nine months ended September 30, 2016 BioTime regrouped certain amounts in the operating section of the condensed consolidated statements of cash flows to conform to the presentation for the nine months ended September 30, 2017.

Recently Issued Accounting Pronouncements – The recently issued accounting pronouncements discussed below should be read in conjunction with the other recently issued accounting pronouncements as applicable and disclosed in BioTime's Annual Report on Form 10-K for the year ended December 31, 2016, and Quarterly Report on Form 10-Q for the first and second quarters of 2017.

In July 2017, the FASB issued ASU 2017-11, *Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480) and Derivatives and Hedging (Topic 815)*, in two parts. Part I of this ASU 2017-11 addresses the complexity of accounting for certain financial instruments with down round features. Down round features are features of certain equity-linked instruments (or embedded features) that result in the strike price being reduced on the basis of the pricing of future equity offerings. Current accounting guidance creates cost and complexity for entities that issue financial instruments (such as warrants and convertible instruments) with down round features that require fair value measurement of the entire instrument or conversion option, with changes in fair value of that instrument recognized in earnings of the entity. Part II is related to nonpublic entities and is not applicable to BioTime.

Under Part I of the new guidance in ASU 2017-11, when determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity’s own stock. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity-classified financial instruments, the amendments require entities that present earnings per share (EPS) in accordance with Topic 260 to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic EPS.

The amendments in Part I of ASU 2017-11 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted. Since BioTime currently has no financial instruments with down round features, BioTime does not expect any impact to its consolidated financial statements upon adoption.

In May 2017, the FASB issued ASU 2017-09, *Compensation – Stock Compensation (Topic 718) – Scope of Modification Accounting*, to clarify existing guidance and reduce diversity in practice about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. ASU 2017-09 requires modification accounting to a share-based award unless all of the following are met: (1) the fair value of the modified award is the same as the fair value of the original award immediately before the original award is modified, (2) the vesting conditions of the modified award are the same as the vesting conditions of the original award immediately before the original award is modified, and (3) the classification of the modified award, as equity or liability instrument, is the same as the classification of the original award immediately before the original award is modified. ASU 2017-09 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. BioTime applies the three-step test to all modifications, if any, or as they occur, and if all the conditions are not met, applies modification accounting. BioTime believes the adoption of ASU 2017-09 will not have a material impact on its consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes nearly all existing revenue recognition guidance under GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgments and estimates may be required in the revenue recognition process than are required under existing GAAP. The revised revenue standard is effective for public entities for annual periods beginning after December 15, 2017, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients; or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures).

BioTime is currently evaluating the impact of this standard on its operations, consolidated financial statements and footnote disclosures and is finalizing the overall assessment of the impact of the standard to BioTime. Preliminarily, BioTime intends to apply the modified retrospective method of adoption on its adoption date of January 1, 2018, and it anticipates expanded disclosures on revenues in order to comply with the new standard.

3. Deconsolidation of OncoCyte and Asterias

On February 17, 2017, OncoCyte issued 625,000 shares of OncoCyte common stock to certain investors who exercised their OncoCyte warrants. The warrants had been issued as part of OncoCyte's financing that was completed on August 29, 2016. As a result of the issuance of the 625,000 shares of OncoCyte common stock, beginning on February 17, 2017, BioTime owned less than 50% of the OncoCyte outstanding common stock and experienced a loss of control of the OncoCyte subsidiary. Under GAAP, loss of control of a subsidiary is deemed to have occurred when, among other things, a parent company owns less than a majority of the outstanding common stock of the subsidiary, lacks a controlling financial interest in the subsidiary, and is unable to unilaterally control the subsidiary through other means such as having the ability or being able to obtain the ability to elect a majority of the subsidiary's Board of Directors. BioTime determined that all of those loss of control factors were present with respect to OncoCyte on February 17, 2017. Accordingly, BioTime deconsolidated OncoCyte's financial statements and results of operations from BioTime, effective February 17, 2017, in accordance with ASC, 810-10-40-4(c), *Consolidation*, referred to as the "OncoCyte Deconsolidation".

Beginning on February 17, 2017, BioTime is accounting for its retained noncontrolling investment in OncoCyte under the equity method of accounting and has elected the fair value option under ASC 825-10, *Financial Instruments* (see Note 4).

In connection with the OncoCyte Deconsolidation and in accordance with ASC 810-10-40-5, BioTime recorded a gain on deconsolidation of $71.7 million which is included in other income and expenses, net, in the condensed consolidated statements of operations (see Note 12) for the nine months ended September 30, 2017.

As previously reported, BioTime deconsolidated Asterias' financial statements and results of operations from BioTime effective May 13, 2016.

4. Equity Method Accounting for Common Stock of OncoCyte, at fair value

BioTime elected to account for its 14.7 million shares of OncoCyte common stock at fair value using the equity method of accounting beginning on February 17, 2017, the date of the OncoCyte Deconsolidation. The OncoCyte shares had a fair value of $110.8 million as of September 30, 2017 and a fair value of $71.2 million as of February 17, 2017, based on the closing prices of OncoCyte common stock on the NYSE American of $7.55 per share and $4.85 per share on those respective dates. For the three months ended September 30, 2017, BioTime recorded an unrealized gain of $34.5 million on the OncoCyte shares due to the increase in OncoCyte's stock price from June 30, 2017 to September 30, 2017 based on the closing prices of OncoCyte common stock on the NYSE American of $5.20 per share and $7.55 per share on those respective dates. For the nine months ended September 30, 2017, BioTime recorded an unrealized gain of $39.6 million on the OncoCyte shares due to the increase in OncoCyte's stock price from February 17, 2017 to September 30, 2017, based on the closing prices of OncoCyte common stock on the NYSE American of $4.85 per share and $7.55 per share on those respective dates.

The unaudited condensed results of operations for the three and nine months ended September 30, 2017 and 2016 and for the period January 1, 2017 to February 16, 2017 are summarized below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,		For the Period January 1, 2017 to February 16, 2017
	2017	2016	2017	2016	
Condensed Statements of Operations (unaudited) [1]*:*					
Research and development expense	$ 1,836	$ 1,363	$ 5,667	$ 4,246	$ 798
General and administrative expense	4,289	1,063	7,447	3,145	377
Sales and marketing expense	710	156	1,843	655	213
Loss from operations	(6,835)	(2,582)	(14,957)	(8,046)	(1,388)
Net loss	$ (6,906)	$ (2,595)	$ (15,415)	$ (8,065)	$ (1,392)

[1] The condensed unaudited statements of operations information included in the table above for the period January 1, 2017 through February 16, 2017, and for the three and nine months ended September 30, 2016, reflects OncoCyte results of operations included in BioTime's condensed consolidated statements of operations for the three and nine months ended September 30, 2017 and 2016, as applicable, respectively, after intercompany eliminations. The information for OncoCyte for the period from February 17, 2017 through September 30, 2017 is not included in BioTime's condensed consolidated statements of operations for the three and nine months ended September 30, 2017, due to the OncoCyte Deconsolidation on February 17, 2017.

5. Equity Method Accounting for Common Stock of Asterias, at fair value

BioTime elected to account for its 21.7 million shares of Asterias common stock at fair value using the equity method of accounting beginning on May 13, 2016, the date of the Asterias Deconsolidation. The Asterias shares had a fair value of $73.9 million as of September 30, 2017 and a fair value of $100 million as of December 31, 2016, based on the closing prices of Asterias common stock on the NYSE American of $3.40 per share and $4.60 per share on those respective dates. For the three months ended September 30, 2017, BioTime recorded an unrealized loss of $3.3 million on the Asterias shares due to the decrease in Asterias' stock price from June 30, 2017 to September 30, 2017, based on the closing prices of Asterias common stock on the NYSE American of $3.55 per share and $3.40 per share on those respective dates. For the nine months ended September 30, 2017, BioTime recorded an unrealized loss of $26.1 million on the Asterias shares due to the decrease in Asterias' stock price from December 31, 2016 to September 30, 2017, based on the closing prices of Asterias common stock on the NYSE American of $4.60 per share and $3.40 per share on those respective dates.

The unaudited condensed results of operations for the three and nine months ended September 30, 2017 and 2016 and for the period from January 1, 2016 through May 12, 2016 are summarized below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,		For the Period January 1, 2016 to May 12, 2016
	2017	2016	2017	2016	
Condensed Statements of Operations (unaudited) [(1)]:					
Total revenue	$ 1,688	$ 2,076	$ 4,014	$ 5,202	$ 2,354
Gross profit	1,607	2,017	3,863	5,084	2,301
Loss from operations	(7,063)	(7,425)	(24,703)	(25,591)	(13,944)
Net loss	$ (6,809)	$ (10,648)	$ (21,824)	$ (26,144)	$ (13,113)

(1) The condensed unaudited statement of operations information included in the table above reflects Asterias' results of operations for the three and nine months ended September 30, 2017 and 2016. The periods shown are provided for comparative purposes only, and the condensed results of operations of Asterias shown for the three and nine months ended September 30, 2017 were not included in BioTime's condensed consolidated statements of operations. The unaudited results of operations of Asterias for the period January 1, 2016 through May 12, 2016 only are included in the unaudited condensed consolidated results of BioTime for the nine months ended September 30, 2016 due to the Asterias Deconsolidation on May 13, 2016.

6. Property, plant and equipment, net

At September 30, 2017 and December 31, 2016, property, plant and equipment was comprised of the following (in thousands):

	September 30, 2017 (unaudited)[(1)]	December 31, 2016
Equipment, furniture and fixtures	$ 4,085	$ 4,718
Leasehold improvements	4,207	3,791
Accumulated depreciation and amortization	(2,869)	(2,980)
Property, plant and equipment, net	$ 5,423	$ 5,529

(1) Reflects the effect of the OncoCyte Deconsolidation.

Depreciation expense, including amortization of leasehold improvements, amounted to $670,000 and $996,000 for the nine months ended September 30, 2017 and 2016, respectively.

7. Intangible assets, net

At September 30, 2017 and December 31, 2016, intangible assets, primarily consisting of acquired patents, and accumulated amortization were as follows (in thousands):

	September 30, 2017 (unaudited)[1]	December 31, 2016
Intangible assets	$ 23,294	$ 25,703
Accumulated amortization	(15,812)	(15,497)
Intangible assets, net	$ 7,482	$ 10,206

[1] Reflects the effect of the OncoCyte Deconsolidation.

BioTime recognized $1.8 million and $2.9 million in amortization expense of intangible assets, included in research and development expenses, during the nine months ended September 30, 2017 and 2016, respectively.

8. Accounts Payable and Accrued Liabilities

At September 30, 2017 and December 31, 2016, accounts payable and accrued liabilities consisted of the following (in thousands):

	September 30, 2017 (unaudited)[1]	December 31, 2016
Accounts payable	$ 508	$ 1,593
Accrued expenses	2,775	3,212
Accrued compensation	1,782	1,904
Other current liabilities	295	435
Total	$ 5,360	$ 7,144

[1] Reflects the effect of the OncoCyte Deconsolidation.

9. Related Party Transactions

Related Party Convertible Debt

Cell Cure issued certain convertible promissory notes (the "Convertible Notes") to Cell Cure shareholders other than BioTime. The functional currency of Cell Cure is the Israeli New Shekel however the Convertible Notes are payable in United States dollars. Consequently, at each balance sheet date, Cell Cure remeasures the Convertible Notes issued to BioTime and other Cell Cure shareholders using the current exchange rate at that date pursuant to ASC 830, *Foreign Currency Matters*. These foreign currency remeasurement gains and losses are included in other income and expense, net. The Convertible Notes bear a stated interest rate of 3% per annum. The total outstanding principal balance of the Convertible Notes, with accrued interest, were due and payable on various maturity dates in July 2017 and September 2017, and in February 2019 through August 2019. The outstanding principal balance of the Convertible Notes with accrued interest was convertible into Cell Cure ordinary shares at a fixed conversion price of $20.00 per share, at the election of the holder, at any time prior to maturity. Any conversion of the Convertible Notes was required to be settled with Cell Cure ordinary shares and not with cash. The conversion feature of the Convertible Notes issued was not accounted for as an embedded derivative under the provisions of ASC 815, *Derivatives and Hedging* since it was not a freestanding financial instrument and the underlying Cell Cure ordinary shares are not readily convertible into cash. Accordingly, the Convertible Notes were accounted for under ASC 470-20, *Debt with Conversion and Other Options* (ASC 470-20). Under ASC 470-20, BioTime determined that a beneficial conversion feature ("BCF") was present on the issuance dates of the Convertible Notes. A conversion feature is beneficial if, on the issuance dates, the effective conversion price is less than the fair value of the issuer's capital stock. Since the effective conversion price of $20.00 per share is less than the estimated range of fair values from $28.00 per share to $40.00 per share of Cell Cure ordinary shares on the dates the Convertible Notes were issued, a beneficial conversion feature, equal to the intrinsic value ranging from $8 per share to $20 per share, was present. In accordance with ASC 470-20-30-8, if the intrinsic value of the BCF is greater than the proceeds allocated to the convertible instrument, the amount of the discount assigned to the BCF is limited to the amount of the proceeds allocated to the convertible instrument. The BCF was recorded as an addition to equity with a corresponding debt discount on the Convertible Notes' issuance date. This debt discount was amortized to interest expense using the effective interest method over the term of the debt, generally three years, representing an approximate effective annual interest rate between 11% and 23%. As of December 31, 2016, the carrying value of the Convertible Notes was $1,865,000, comprised of principal and accrued interest of $2,544,000, net of unamortized debt discount of $679,000.

On July 10, 2017, BioTime purchased all of the outstanding Cell Cure Convertible Notes and Cell Cure ordinary shares held by Hadasit Bio-Holdings Ltd. ("HBL"), a Cell Cure shareholder that owned 21.2% of the issued and outstanding Cell Cure ordinary shares (see Note 10) and substantially all of the Cell Cure Convertible Notes issued by Cell Cure to shareholders other than BioTime. BioTime issued 1,220,207 common shares valued at $3.8 million to purchase the Cell Cure ordinary shares and 2,776,662 common shares valued at $8.6 million to purchase the Cell Cure Convertible Notes held by HBL. The value of the BioTime common stock issued was determined based on the closing price of BioTime common shares on the NYSE American on July 10, 2017, or $3.09 per share.

The purchase of the Cell Cure Convertible Notes from HBL was accounted for as an extinguishment of a convertible debt with a beneficial conversion feature under ASC 470-50-40, *Debt – Modifications and Extinguishments*. This guidance requires an entity to recognize the difference between the reacquisition price and the net carrying value of the extinguished debt, including any unamortized discount relating to the BCF, as a gain or loss on extinguishment in the statement of operations. The entity must also calculate the intrinsic value, if any, of the conversion option of the debt and charge this amount to equity and allocate the remainder of the reacquisition price to the extinguishment of the debt and record a gain or loss on debt extinguishment by comparing the reacquisition price allocated to the debt with the net carrying value amount of the debt.

In connection with the purchase of all of the outstanding Cell Cure Convertible Notes from HBL and in accordance with ASC 470-50-40, BioTime recorded a charge to equity of $3.1 million representing the intrinsic value of the conversion option of the Cell Cure Convertible Notes, and a $2.8 million noncash loss on debt extinguishment included in other income and expenses, net, during the three and nine months ended September 30, 2017.

Shared Facilities and Service Agreements with Affiliates

The receivables from affiliates shown on the condensed consolidated balance sheet as of September 30, 2017 primarily represents amounts owed to BioTime from OncoCyte under a Shared Facilities and Service Agreement (the "Shared Facilities Agreement"). Under the terms of the Shared Facilities Agreement, BioTime allows OncoCyte to use BioTime's premises and equipment located at Alameda, California for the sole purpose of conducting business. BioTime also provides accounting, billing, bookkeeping, payroll, treasury, payment of accounts payable, and other similar administrative services to OncoCyte. BioTime may also provide the services of attorneys, accountants, and other professionals who may also provide professional services to BioTime and its other subsidiaries. BioTime also has provided OncoCyte with the services of laboratory and research personnel, including BioTime employees and contractors, for the performance of research and development work for OncoCyte at the premises.

BioTime charges OncoCyte a "Use Fee" for services provided and usage of BioTime facilities, equipment, and supplies. For each billing period, BioTime prorates and allocates to OncoCyte costs incurred, including costs for services of BioTime employees and use of equipment, insurance, leased space, professional services, software licenses, supplies and utilities. The allocation of costs depends on key cost drivers, including actual documented use, square footage of facilities used, time spent, costs incurred by BioTime for OncoCyte, or upon proportionate usage by BioTime and OncoCyte, as reasonably estimated by BioTime. BioTime, at its discretion, has the right to charge OncoCyte a 5% markup on such allocated costs although BioTime elected not to charge this markup from the inception of the Shared Facilities Agreement through December 31, 2015. For allocated costs incurred beginning on January 1, 2016, BioTime is charging the 5% markup. The allocated cost of BioTime employees and contractors who provide services is based upon records maintained of the number of hours of such personnel devoted to the performance of services.

The Use Fee is determined and invoiced to OncoCyte on a quarterly basis for each calendar quarter of each calendar year. If the Shared Facilities Agreement terminates prior to the last day of a billing period, the Use Fee will be determined for the number of days in the billing period elapsed prior to the termination of the Shared Facilities Agreement. Each invoice will be payable in full by OncoCyte within 30 days after receipt. Any invoice, or portion thereof, not paid in full when due will bear interest at the rate of 15% per annum until paid, unless the failure to make a payment is due to any inaction or delay in making a payment by BioTime employees from OncoCyte funds available for such purpose, rather than from the unavailability of sufficient funds legally available for payment or from an act, omission, or delay by any employee or agent of OncoCyte. Through September 30, 2017, BioTime has not charged OncoCyte any interest.

In addition to the Use Fees, OncoCyte will reimburse BioTime for any out of pocket costs incurred by BioTime for the purchase of office supplies, laboratory supplies, and other goods and materials and services for the account or use of OncoCyte, provided that invoices documenting such costs are delivered to OncoCyte with each invoice for the Use Fee. BioTime will have no obligation to purchase or acquire any office supplies or other goods and materials or any services for OncoCyte, and if any such supplies, goods, materials or services are obtained for OncoCyte, BioTime may arrange for the suppliers to invoice OncoCyte directly.

The Shared Facilities Agreement will remain in effect, unless either party gives the other party written notice stating that the Shared Facilities Agreement will terminate on December 31 of that year, or unless the agreement is otherwise terminated under another provision of the agreement.

As of September 30, 2017, BioTime has a $2.1 million receivable from OncoCyte included in receivable from affiliates, net, on account of Use Fees incurred by OncoCyte under the Shared Facilities Agreement. Since these amounts are due and payable within 30 days of being invoiced, the receivable is classified as a current asset. The remaining $0.3 million receivable from affiliate is due from Ascendance Biotechnology, Inc. ("Ascendance"), an equity method investee of BioTime, net of allowance for doubtful accounts, for similar shared services performed by BioTime for Ascendance. BioTime has a similar Shared Facilities Agreement with Asterias and, as of September 30, 2017, there was a net payable to Asterias of $0.1 million. As of December 31, 2016, BioTime had a receivable from Asterias of approximately $0.3 million.

BioTime accounts for receivables from affiliates, net of payables to affiliates, if any, for similar shared services and other transactions BioTime's consolidated subsidiaries may enter into with nonconsolidated affiliates. BioTime and the affiliates record those receivables and payables on a net basis since BioTime and the affiliate have a legal right of offset of the receivable and the payable, intend to offset those receivables and payables, and settle the balances net by having the party that owes the other party pay the net balance owed.

Other related party transactions

In connection with the capitalization of AgeX as discussed in Note 10, Alfred D. Kingsley, the Chairman of BioTime’s Board of Directors, purchased 200,000 shares of AgeX common stock. The AgeX shares were sold at a price of $2.00 per share pursuant to a series of Stock Purchase Agreements of like tenor.

Mr. Kingsley acquired an additional 421,500 AgeX shares valued at $2.00 per share from BioTime in exchange for 300,000 BioTime common shares owned by Mr. Kingsley valued at $2.81 per share. In connection with its purchase of AgeX shares, BioTime sold 300,000 BioTime common shares to an unaffiliated and existing BioTime investor also for $2.81 per share. The BioTime common shares received from Mr. Kingsley were immediately retired as authorized but unissued shares.

BioTime currently pays $5,050 per month for the use of approximately 900 square feet of office space in New York City, which is made available to BioTime on a month-by-month basis by one of its directors at an amount that approximates his cost.

10. Shareholders' Equity

Preferred Shares

BioTime is authorized to issue 2,000,000 preferred shares. The preferred shares may be issued in one or more series as the board of directors may determine by resolution. The board of directors is authorized to fix the number of shares of any series of preferred shares and to determine or alter the rights, preferences, privileges, and restrictions granted to or imposed on the preferred shares as a class, or upon any wholly unissued series of any preferred shares. The board of directors may, by resolution, increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series of preferred shares subsequent to the issuance of shares of that series. There are no preferred shares issued and outstanding.

Common Shares

BioTime is authorized to issue 150,000,000 common shares with no par value.

As of September 30, 2017, BioTime had 115,804,040 issued and outstanding common shares and no outstanding treasury stock. As of December 31, 2016, BioTime had 103,396,245 issued and 102,776,539 outstanding common shares. This difference of 619,706 shares between issued and outstanding common shares, as of December 31, 2016, was attributed to the BioTime shares held by OncoCyte which were accounted for as treasury stock on the condensed consolidated balance sheet while OncoCyte was a consolidated subsidiary. Beginning on February 17, 2017, and in connection with the OncoCyte Deconsolidation, those treasury shares are considered to be issued and outstanding BioTime common shares.

During February 2017, BioTime sold 7,453,704 common shares in an underwritten public offering. The offering price to the public was $2.70 per share and net proceeds to BioTime were approximately $18.5 million, after deducting underwriting discounts, commissions and expenses related to the financing.

On April 6, 2017, BioTime, entered into a Controlled Equity Offering℠ Sales Agreement (the "Sales Agreement") with Cantor Fitzgerald & Co., as sales agent ("Cantor Fitzgerald"), pursuant to which BioTime may offer and sell, from time to time, through Cantor Fitzgerald, shares of BioTime common stock, no par value per share, having an aggregate offering price of up to $25,000,000. BioTime is not obligated to sell any shares under the Sales Agreement. Subject to the terms and conditions of the Sales Agreement, Cantor Fitzgerald will use commercially reasonable efforts, consistent with its normal trading and sales practices, applicable state and federal law, rules and regulations, and the rules of the NYSE American, to sell the shares from time to time based upon BioTime's instructions, including any price, time or size limits specified by BioTime. Under the Sales Agreement, Cantor Fitzgerald may sell the shares by any method deemed to be an "at-the-market" offering as defined in Rule 415(a)(4) under the Securities Act of 1933, as amended, or by any other method permitted by law, including in privately negotiated transactions. Cantor Fitzgerald's obligations to sell the shares under the Sales Agreement are subject to satisfaction of certain conditions, including the effectiveness of BioTime's Registration Statement on Form S-3 (File No. 333-217182) (the "Registration Statement"), filed with the Securities and Exchange Commission which became effective on May 5, 2017.

BioTime will pay Cantor Fitzgerald a commission of 3.0% of the aggregate gross proceeds from each sale of shares, reimburse legal fees and disbursements and provide Cantor Fitzgerald with customary indemnification and contribution rights. The Sales Agreement may be terminated by Cantor Fitzgerald or BioTime at any time upon notice to the other party, or by Cantor Fitzgerald at any time in certain circumstances, including the occurrence of a material and adverse change in BioTime's business or financial condition that makes it impractical or inadvisable to market the shares or to enforce contracts for the sale of the shares.

As further disclosed in Note 14, on October 17, 2017, BioTime completed a public offering of 11,057,693 common shares at a price of $2.60 per share, including the underwriters' full exercise of their over-allotment option to purchase additional shares. The public offering generated net proceeds to BioTime of approximately $26.7 million, after deducting underwriting discounts and commissions and other estimated offering expenses payable by BioTime.

Transactions with Noncontrolling Interests of Cell Cure

BioTime accounts for a change in ownership interests in its subsidiaries that does not result in a change of control of the subsidiary by BioTime under the provisions of ASC 810-10-45-23, *Consolidation – Other Presentation Matters*, which prescribes the accounting for changes in ownership interest that do not result in a change in control of the subsidiary, as defined by GAAP, before and after the transaction. Under this guidance, changes in a controlling shareholder's ownership interest that do not result in a change of control, as defined by GAAP, in the subsidiary are accounted for as equity transactions. Thus, if the controlling shareholder retains control, no gain or loss is recognized in the statement of operations of the controlling shareholder. Similarly, the controlling shareholder will not record any additional acquisition adjustments to reflect its subsequent purchases of additional shares in the subsidiary if there is no change of control. Only a proportional and immediate transfer of carrying value between the controlling and the noncontrolling shareholders occurs based on the respective ownership percentages.

On July 10, 2017, BioTime purchased all of the outstanding Cell Cure Convertible Notes and Cell Cure ordinary shares held by HBL, a Cell Cure shareholder that owned 21.2% of the issued and outstanding Cell Cure ordinary shares and substantially all of the Cell Cure Convertible Notes issued by Cell Cure shareholders other than BioTime (see Note 9). On the same date, BioTime also purchased all of the Cell Cure ordinary shares owned by Teva Pharmaceutical Industries, Ltd. ("Teva"), a former Cell Cure shareholder that owned 16.1% of the issued and outstanding Cell Cure ordinary shares. BioTime issued 2,147,880 common shares valued at $6.6 million based on the closing price of BioTime common shares on the NYSE American to acquire the Cell Cure ordinary shares from HBL and Teva. Prior to the consummation of the transactions with HBL and Teva, BioTime held 62.5% of the issued and outstanding Cell Cure ordinary shares and upon the consummation of the transactions BioTime held 99.8%. In connection with the purchase of the Cell Cure ordinary shares on July 10, 2017, BioTime recorded a $6.6 million charge to equity representing the value of the BioTime common shares on the date of issuance to HBL and Teva, and a $6.6 million proportional equity transfer, at carrying value, from BioTime to Cell Cure recorded in consolidated shareholders' equity representing the purchase of the noncontrolling interests in Cell Cure from HBL and Teva in accordance with ASC 810-10-45-23.

On July 10, 2017, as an inducement to HBL to sell their Cell Cure ordinary shares to BioTime, Cell Cure issued 24,566 warrants to HBL (the "HBL Warrants") to purchase Cell Cure ordinary shares at an exercise price of $40.5359 per warrant share, payable in U.S. dollars, the same Cell Cure price per ordinary share paid by BioTime to each of HBL and Teva for the purchase of their Cell Cure ordinary shares as discussed above. No warrants were issued to Teva. The HBL Warrants are immediately exercisable and expire on the earliest of the lapse of 5 years from the issuance date or immediately prior to the closing of a Corporate Transaction or an initial public offering, as defined in the HBL Warrant Agreements. Since the exercise price is U.S. dollar-denominated and settlement is not expected to occur in the next twelve months, Cell Cure classified the HBL Warrant as a long-term liability in accordance with ASC 815, *Derivatives and Hedging*. ASC 815 requires freestanding financial instruments, such as warrants, with exercise prices denominated in currencies other than the functional currency of the issuer to be accounted for as liabilities at fair value, with all subsequent changes in fair value after the issuance date to be recorded in the statements of operations. For the three and nine months ended September 30, 2017, Cell Cure recorded a noncash expense of $531,000 included in general and administrative expenses. As of September 30, 2017, the HBL Warrants, valued at $531,000 were included in other long-term liabilities on the consolidated balance sheet.

See Note 9 for the accounting of the purchase of the Cell Cure Convertible Notes from HBL.

Transactions with Noncontrolling Interests of AgeX Therapeutics, Inc.

In January 2017, AgeX Therapeutics, Inc. was formed by BioTime, which at the time had no operations, assets or liabilities. AgeX was formed to develop BioTime technology relating to cell immortality and regenerative biology by developing products for the treatment of aging and age-related diseases. Initial product development plans include: pluripotent stem cell-derived brown adipocytes (AGEX-BAT1); vascular progenitors (AGEX-VASC1); and induced Tissue Regeneration (iTR). Initial planned indications for these products are type II diabetes, cardiac ischemia, and cancer, respectively.

On August 17, 2017, AgeX received its initial assets and cash from BioTime and certain outside investors. BioTime contributed certain assets and cash to AgeX in exchange for 28,800,000 shares of AgeX common stock pursuant to an Asset Contribution and Separation Agreement (the "Asset Contribution Agreement"). BioTime and AgeX also entered into a License Agreement pursuant to which BioTime licensed or sublicensed to AgeX, and AgeX granted to BioTime an option to license back, certain patent rights. Concurrently with the acquisition of assets from BioTime under the Asset Contribution Agreement, AgeX sold 4,950,000 shares of its common stock for $10.0 million in cash primarily to outside investors, which included the Chairman of BioTime's Board of Directors (see Note 9). At the close of the financing, BioTime owned approximately 85% of the issued and outstanding shares of AgeX common stock.

The AgeX shares were offered and sold without registration under the Securities Act of 1933, as amended (the "Securities Act") in reliance on exemptions from registration under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D and Regulation S thereunder. AgeX has agreed to use commercially reasonable efforts to register the shares of AgeX common stock issued to the AgeX investors for sale under the Securities Act.

Asset Contribution Agreement

Assets Contributed:

Pursuant to the Asset Contribution Agreement, BioTime contributed to AgeX the following assets:

- Intellectual property and proprietary technology, including certain patents and patent applications and know-how that comprised BioTime's "iTR" and adipose brown fat tissue technology;
- Approximately 95% of the outstanding shares of ReCyte Therapeutics, Inc. ("ReCyte") common stock, which constituted all of the shares BioTime held prior to the contribution;
- Approximately 82% of the outstanding shares of LifeMap Sciences, Inc. ("LifeMap Sciences") common stock, which constituted all of the shares BioTime held prior to the contribution;
- Approximately 44% of the outstanding shares of Ascendance Biotechnology, Inc., ("Ascendance") which constituted all of the shares BioTime held prior to the contribution.
- $100,000 in cash; and
- Certain other assets and contracts related to the AgeX research and development programs.

Assumption of Liabilities:

AgeX will assume all third-party obligations and liabilities related to the assets contributed and contracts assigned to AgeX or the operation of the AgeX related business.

Other Matters:

The Asset Contribution Agreement also sets forth other terms that govern certain aspects of BioTime's ongoing relationship with AgeX if in the future BioTime determines to distribute its AgeX shares to BioTime shareholders.

License Agreement

Concurrently with the contribution of assets to AgeX under the Asset Contribution Agreement, BioTime and AgeX entered into a License Agreement pursuant to which BioTime has licensed to AgeX, with rights to sublicense, certain intellectual property, including patents and patent applications and know-how for use in the development, manufacture and commercialization of products or services for the prevention, treatment, amelioration, diagnosis or monitoring of all human and non-human animal diseases and conditions except for the field of medical products, devices and services for the reserved BioTime fields of orthopedic, ophthalmic and medical aesthetic uses. In addition, BioTime retained an option right to license, on terms to be negotiated, iTR patents in research, development, manufacturing and commercialization of treatments in the reserved BioTime fields. The licensed patents and know-how relate generally to (a) BioTime's *PureStem*® human embryonic progenitor cell lines, and (b) telomere length and DNA quality control analysis in pluripotent stem cells.

The BioTime patent rights licensed to AgeX are exclusive and worldwide except for existing third-party licenses, and for medical products, devices, and services related to tendon. AgeX additionally received an option to license certain BioTime retained patent rights outside of orthopedic indications unless a license grant would compete with a BioTime program or products in the retained BioTime field.

The Asset Contribution Agreement transactions were completed between entities under common control and the assets contributed by BioTime to AgeX were transferred at historical carrying values with no gain or loss recognized in accordance with ASC 810-10-45-23. As a result, pursuant to the new cash investment made by the outside noncontrolling interests in AgeX, this transaction resulted in a $8.2 million proportional equity transfer, at carrying value, from noncontrolling interests in AgeX to BioTime recorded in consolidated shareholders' equity as of September 30, 2017.

Transactions with Noncontrolling Interests of LifeMap Sciences Inc. and LifeMap Solutions Inc.

On June 6, 2017, BioTime increased its ownership in LifeMap Sciences from 78% to 82% and obtained a direct 100% ownership interest in LifeMap Solutions, of which 78% was previously indirectly owned by BioTime through LifeMap Sciences, for settlement and cancellation of certain intercompany debt owed by LifeMap Sciences. This transaction resulted in a $3.1 million equity transfer, at carrying value, between BioTime, LifeMap Sciences and LifeMap Solutions recorded in shareholders' equity as of June 30, 2017, in accordance with the guidance under ASC 810-10-45-23.

11. Stock Option Plans

BioTime adopted the 2012 Equity Incentive Plan, as amended (the "2012 Plan"), under which a maximum of 16,000,000 BioTime common shares are available for the grant of stock options, restricted stock, restricted stock units and stock appreciation rights.

A summary of BioTime's 2012 Plan activity and related information follows (in thousands, except per share amounts):

	Shares Available for Grant	Number of Options Outstanding	Number of RSUs Outstanding	Weighted Average Exercise Price of Options
December 31, 2016	2,894	6,958	100	$ 3.60
Increase to the 2012 Plan option pool	6,000	-	-	-
Options granted	(1,762)	1,762	-	3.11
Options exercised	-	(9)	-	2.66
Restricted stock units vested	-	-	(31)	-
Options forfeited/cancelled	426	(606)	-	3.99
September 30, 2017 (1)	7,558	8,105	69	$ 3.47
Options exercisable at September 30, 2017		4,072		$ 3.71

(1) On October 13, 2017, BioTime's Board of Directors (the "Board") determined to temporarily set a limit on shares available for grants of share-based awards pursuant to the 2012 Plan. While that limit remains in place, BioTime will not grant share-based awards for more than a total of approximately 2.5 million of the common shares remaining available for awards under the 2012 Plan.

Stock-Based Compensation Expense

The fair value of each option award is estimated on the date of grant using a Black-Scholes option pricing model applying the weighted-average assumptions in the following table:

	Nine Months Ended September 30,	
	2017	**2016**
Expected life (in years)	5.47	4.97
Risk-free interest rates	1.78%	1.43%
Volatility	59.04%	60.77%
Dividend yield	-%	-%

Operating expenses include stock-based compensation expense as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Research and development	$ 326	$ 237	$ 822	$ 2,022
General and administrative	647	473	2,081	4,281
Total stock-based compensation expense	$ 973	$ 710	$ 2,903	$ 6,303

12. Income Taxes

The provision for income taxes for interim periods is determined using an estimated annual effective tax rate as prescribed by ASC 740-270, *Income Taxes, Interim Reporting*. The effective tax rate may be subject to fluctuations during the year as new information is obtained, which may affect the assumptions used to estimate the annual effective tax rate, including factors such as valuation allowances and changes in valuation allowances against deferred tax assets, the recognition or de-recognition of tax benefits related to uncertain tax positions, if any, and changes in or the interpretation of tax laws in jurisdictions where BioTime conducts business. ASC 740-270 also states that if an entity is unable to reliably estimate a part of its ordinary income or loss, the income tax provision or benefit applicable to the item that cannot be estimated shall be reported in the interim period in which the item is reported.

For items that BioTime cannot reliably estimate on an annual basis (principally unrealized gains or losses generated on its Asterias and OncoCyte shares due to the changes in the respective stock prices of Asterias and OncoCyte), BioTime uses the actual year to date effective tax rate rather than an estimated annual effective tax rate to determine the tax effect of that item, including the use of all available net operating losses and other credits or deferred tax assets.

In connection with the deconsolidation of Asterias and OncoCyte (see Note 3), although neither deconsolidation was a taxable transaction to BioTime and did not create a current income tax payment obligation to BioTime, the market value of the respective shares BioTime holds creates a deferred tax liability to BioTime based on the closing price of the security, less the tax basis of the security BioTime has in such shares. The deferred tax liability generated by the Asterias and OncoCyte shares that BioTime holds as of September 30, 2017, is a source of future taxable income to BioTime, as prescribed by ASC 740-10-30-17, that will more likely than not result in the realization of its deferred tax assets to the extent of those deferred tax liabilities. This deferred tax liability is determined based on the closing price of those securities as of September 30, 2017. Due to the inherent unpredictability of future prices of these securities, BioTime cannot reliably estimate or project those deferred tax liabilities on an annual basis. Therefore, the deferred tax liability pertaining to Asterias and OncoCyte shares, determined based on the actual closing price on the interim period end date being reported on, and the related impacts to the valuation allowance and deferred tax asset changes, are recorded in the interim period in which they occur.

A valuation allowance is provided when it is more likely than not that some portion of the deferred tax assets will not be realized.

For federal income tax purposes, as a result of the deconsolidation of Asterias and OncoCyte as discussed in Note 3 and the deferred tax liabilities generated from the Asterias and OncoCyte share market values from their respective deconsolidation dates, including the changes to those deferred tax liabilities due to changes in the Asterias and OncoCyte stock price through September 30, 2017, BioTime's deferred tax liabilities exceeded its deferred tax assets by $4.8 million as of September 30, 2017. Accordingly, as of September 30, 2017, for federal income tax purposes, BioTime released its entire valuation allowance and recognized a federal deferred income tax expense of $4.8 million during the three and nine months ended September 30, 2017. For state income tax purposes, BioTime has a full valuation allowance on its state deferred tax assets as of September 30, 2017 and December 31, 2016 and, accordingly, no state tax provision or benefit was recorded for any period presented.

BioTime established a full valuation allowance as of December 31, 2016 and 2015 due to the uncertainty of realizing future tax benefits from its net operating loss carryforwards and other deferred tax assets. Accordingly, BioTime did not record any provision or benefit for income taxes for the three and nine months ended September 30, 2016.

13. Commitments and Contingencies

Alameda Lease

On December 10, 2015, BioTime entered into a lease for approximately 30,795 square feet of rentable space in two buildings located in an office park in Alameda, California (the "New Alameda Lease"). The term of the New Alameda Lease is seven years and BioTime has an option to renew the term for an additional five years. BioTime moved into the facility and the term of the New Alameda Lease commenced effective February 1, 2016.

Base rent under the New Alameda Lease commenced on February 1, 2016 at $64,670 per month, and will increase by approximately 3% annually on every February 1 thereafter during the lease term. The lease payments allocated to the landlord liability are amortized as debt service on that liability over the lease term.

Litigation – General

BioTime will be subject to various claims and contingencies in the ordinary course of its business, including those related to litigation, business transactions, employee-related matters, and others. When BioTime is aware of a claim or potential claim, it assesses the likelihood of any loss or exposure. If it is probable that a loss will result and the amount of the loss can be reasonably estimated, BioTime will record a liability for the loss. If the loss is not probable or the amount of the loss cannot be reasonably estimated, BioTime discloses the claim if the likelihood of a potential loss is reasonably possible and the amount involved could be material. BioTime is not aware of any claims likely to have a material adverse effect on its financial condition or results of operations.

Employment Contracts

BioTime has entered into employment agreements with certain executive officers. Under the provisions of the agreements, BioTime may be required to incur severance obligations for matters relating to changes in control, as defined in the agreements, and involuntary terminations.

Indemnification

In the normal course of business, BioTime may provide indemnifications of varying scope under BioTime's agreements with other companies or consultants, typically BioTime's clinical research organizations, investigators, clinical sites, suppliers and others. Pursuant to these agreements, BioTime will generally agree to indemnify, hold harmless, and reimburse the indemnified parties for losses and expenses suffered or incurred by the indemnified parties arising from claims of third parties in connection with the use or testing of BioTime's products and services. Indemnification provisions could also cover third party infringement claims with respect to patent rights, copyrights, or other intellectual property pertaining to BioTime products and services. The term of these indemnification agreements will generally continue in effect after the termination or expiration of the particular research, development, services, or license agreement to which they relate. The potential future payments BioTime could be required to make under these indemnification agreements will generally not be subject to any specified maximum amount. Historically, BioTime has not been subject to any claims or demands for indemnification. BioTime also maintains various liability insurance policies that limit BioTime's financial exposure. As a result, BioTime believes the fair value of these indemnification agreements is minimal. Accordingly, BioTime has not recorded any liabilities for these agreements as of September 30, 2017 and December 31, 2016.

Second Amended and Restated License Agreement

On June 15, 2017, Cell Cure entered into a Second Amended and Restated License Agreement (the "License Agreement") with Hadasit Medical Research Services and Development Ltd. ("Hadasit"), the commercial arm and a wholly-owned subsidiary of Hadassah Medical Organization. Pursuant to the License Agreement, Hadasit granted Cell Cure an exclusive, worldwide, royalty bearing license (with the right to grant sublicenses) in its intellectual property portfolio of materials and technology related to human stem cell derived photoreceptor cells and retinal pigment epithelial cells (the "Licensed IP"), to use, commercialize and exploit any part thereof, in any manner whatsoever in the fields of the development and exploitation of (i) human stem cell derived photoreceptor cells, solely for use in cell therapy for the diagnosis, amelioration, prevention and treatment of eye disorders, and (ii) human stem cell derived retinal pigment epithelial cells, solely for use in cell therapy for the diagnosis, amelioration, prevention and treatment of eye disorders.

As consideration for the Licensed IP, Cell Cure will pay a small one-time lump sum payment, a royalty in the mid single digits of net sales from sales of Licensed IP by any invoicing entity, and a royalty of between 15 and 25 percent of sublicensing receipts. In addition, Cell Cure will pay Hadasit an annual minimal non-refundable royalty, which will become due and payable the first January 1 following the completion of services to Cell Cure by a research laboratory.

Cell Cure agreed to pay Hadasit non-refundable milestone payments upon the recruitment of the first patient for the first Phase IIB clinical trial, upon the enrollment of the first patient in the first Phase III clinical trials, upon delivery of the report for the first Phase III clinical trials, upon the receipt of an NDA or marketing approval in the European Union, whichever is the first to occur, and upon the first commercial sale in the United States or European Union, whichever is the first to occur. Such milestones, in the aggregate, may be up to $3.5 million. As of September 30, 2017, Cell Cure had not accrued any milestone payments under the License Agreement.

The License Agreement terminates upon the expiration of Cell Cure's obligation to pay royalties for all licensed products, unless earlier terminated. In addition, the License Agreement may be terminated by (i) Hadasit if, among other reasons, Cell Cure fails to continue the clinical development of the Licensed IP or fails to take actions to commercialize or sell the Licensed IP over any consecutive 12 month period, and (ii) by either party for (a) a material breach which remains uncured following a cure period, or (b) the granting of a winding-up order in respect of the other party, or upon an order being granted against the other party for the appointment of a receiver or a liquidator in respect of a substantial portion of such other party's assets. The License Agreement also contains mutual confidentiality obligations of Cell Cure and Hadasit, and indemnification obligations of Cell Cure.

14. Subsequent Events

On October 17, 2017, BioTime completed a public offering of 11,057,693 common shares at a price of $2.60 per share, including the underwriters' full exercise of their over-allotment option to purchase additional shares. The public offering generated net proceeds to BioTime of approximately $26.7 million, after deducting underwriting discounts and commissions and other estimated offering expenses payable by BioTime.

BioTime's existing significant shareholder, Broadwood Partners, L.P., purchased 2,692,307 common shares in the offering at the public offering price of $2.60 per share. Broadwood Partners, L.P. is affiliated with Neal Bradsher, a member of BioTime's Board and President of Broadwood Capital, Inc., the general partner of Broadwood Partners, L.P.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The matters addressed in this Item 2 that are not historical information constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, including statements about any of the following: any projections of earnings, revenue, gross profit, cash, effective tax rate, use of net operating losses, or any other financial items; the plans, strategies and objectives of management for future operations or prospects for achieving such plans; and any statements of assumptions underlying any of the foregoing. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects," "seeks," "estimates," and similar expressions are intended to identify forward-looking statements. While BioTime may elect to update forward-looking statements in the future, it specifically disclaims any obligation to do so, even if the BioTime's estimates change, and readers should not rely on those forward-looking statements as representing BioTime's views as of any date subsequent to the date of the filing of this Quarterly Report on Form 10-Q for the three-months ended September 20, 2017 (the "Quarterly Report"). Although we believe that the expectations reflected in these forward-looking statements are reasonable, such statements are inherently subject to risks and BioTime can give no assurances that its expectations will prove to be correct. Actual results could differ materially from those described in this Quarterly Report because of numerous factors, many of which are beyond the control of BioTime. A number of important factors could cause BioTime's results to differ materially from those indicated by such forward-looking statements, including those detailed under the heading "Risk Factors" included in this Quarterly Report.

The following discussion should be read in conjunction with BioTime interim condensed consolidated interim financial statements and the related notes provided under "Item 1- Financial Statements" above.

Company and Business Overview

We are a late-stage, clinical biotechnology company focused on developing and commercializing products addressing degenerative diseases. Our current clinical programs are targeting three primary sectors: aesthetics, ophthalmology and cell/drug delivery. Our clinical programs are based on two platform technologies: pluripotent cells that are capable of becoming any of the cell types in the human body, and a proprietary three-dimensional cell and drug delivery matrix technology. The foundation of our cell delivery platform is our *HyStem*® cell and drug delivery matrix technology. *Renevia*®, a cell delivery product, met its primary endpoint in a European Union pivotal clinical trial for the treatment of facial lipoatrophy in HIV patients earlier this year. Submission for approval of *Renevia*® is expected later this year, with an anticipated commercial launch in 2018. *OpRegen*®, a retinal pigment epithelium transplant therapy, is in a Phase I/IIa multicenter clinical trial for the treatment of dry age-related macular degeneration. Age-related macular degeneration ("AMD") is the leading cause of blindness in people over the age of 60, and dry-AMD accounts for approximately 90% of all AMD.

We also have significant equity holdings in two publicly traded companies, Asterias Biotherapeutics, Inc., (“Asterias”), and OncoCyte Corporation (“OncoCyte”), which we founded and which, until recently, were our majority-owned consolidated subsidiaries. Asterias (NYSE American: AST) is presently focused on advancing three clinical-stage programs that have the potential to address areas of very high unmet medical needs in the fields of neurology (spinal cord injury) and oncology (Acute Myeloid Leukemia and lung cancer). OncoCyte (NYSE American: OCX) is developing confirmatory diagnostic tests for lung cancer, breast cancer, and bladder cancer utilizing novel liquid biopsy technology. Beginning on May 13, 2016 and February 17, 2017, we deconsolidated the financial statements and results of operations of Asterias and OncoCyte, respectively, from BioTime. As of September 30, 2017, we owned 14,674,244 shares of OncoCyte common stock with a value of approximately $110.8 million and 21,747,569 shares of Asterias common stock with a value of approximately $73.9 million.

We also seek to leverage our substantial intellectual property portfolio by advancing early-stage programs. In January 2017, we formed AgeX Therapeutics, Inc. (“AgeX”) to continue development of early-stage programs. In August 2017 AgeX completed an asset acquisition and stock sale pursuant to which it received certain assets from us for use in its research and development programs and raised $10.0 million in cash to finance its operations. AgeX will focus on the development of regenerative medicine technologies targeting the diseases of aging and metabolic disorders. Its initial programs are focusing on utilizing brown adipose tissue (“brown fat”) targeting diabetes and obesity, regenerative vascular progenitors for cardiovascular repair and our *PureStem*® technology with new discoveries in telomerase manipulation to create induced tissue regeneration (iTR). We now own approximately 85% of the issued and outstanding shares of AgeX common stock.

Critical Accounting Policies

This Management's Discussion and Analysis of Financial Condition and Results of Operations discusses and analyzes data in our unaudited Condensed Consolidated Interim Financial Statements, which we have prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. Management bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Senior management has discussed the development, selection and disclosure of these estimates with the Audit Committee of our Board of Directors. Actual conditions may differ from our assumptions and actual results may differ from our estimates.

An accounting policy is deemed critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, if different estimates reasonably could have been used, or if changes in the estimate that are reasonably likely to occur could materially impact the financial statements. Management believes that there have been no significant changes during the nine months ended September 30, 2017 to the items that we disclosed as our critical accounting policies and estimates in Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2016, except as follows:

Equity method of accounting for OncoCyte, at fair value – We use the equity method of accounting when we have the ability to exercise significant influence, but not control as defined under GAAP, over the operating and financial policies of a company in which we hold equity securities. Under the equity method of accounting for OncoCyte, which we have elected to measure at fair value, unrealized gains and losses are reported in the consolidated statements of operations as a non-operating gain or loss from equity securities held included in other income and expenses, net.

As further discussed in Notes 3 and 4 to our condensed consolidated interim financial statements included elsewhere in this report, beginning on February 17, 2017, we owned less than 50% of the outstanding shares of OncoCyte common stock and no longer had a controlling financial interest in OncoCyte. Although we no longer have control of OncoCyte, as defined by GAAP, we continue to exercise significant influence over OncoCyte and have accounted for OncoCyte using the equity method of accounting, electing the fair value method. Under the fair value method, the OncoCyte shares are marked to market using the closing price of its common stock on the NYSE American multiplied by the number of shares we hold, with changes in the fair value of the shares included in other income and expenses, net, in our consolidated statements of operations. The OncoCyte shares are considered a level 1 asset as defined by ASC 820.

Results of Operations

BioTime deconsolidated Asterias and OncoCyte financial statements and results of operations from BioTime's consolidated financial statements and results of operations beginning on May 13, 2016 and February 17, 2017, respectively, as further discussed below.

Primary components of OncoCyte's assets and liabilities included in BioTime at December 31, 2016

At December 31, 2016, the primary components of OncoCyte's assets and liabilities included in our condensed consolidated balance sheet, after intercompany eliminations, were as follows: OncoCyte's current assets were cash and cash equivalents of $10.2 million and prepaid expenses and other current assets of $0.3 million; the primary components of noncurrent assets of OncoCyte were intangible assets of $1 million and property, plant and equipment of $0.7 million; the primary components of OncoCyte's liabilities were accounts payable and accrued liabilities of $1.2 million and a capital lease liability of $0.5 million.

Comparison of Three and Nine Months Ended September 30, 2017 and 2016 (in thousands)

Revenues

The amounts in the tables below show BioTime's consolidated revenues for the periods presented (in thousands).

	Three Months Ended September 30, (unaudited)		$ Increase/ (Decrease)	% Increase/ Decrease
	2017	2016		
Total revenues	$ 1,688	$ 1,499	$ 189	+13%

	Nine Months Ended September 30, (unaudited)		$ Increase/ (Decrease)	% Increase/ Decrease
	2017	2016		
Total revenues	$ 2,459	$ 4,840	$ (2,381)	-49%

BioTime total revenues for the three months ended September 30, 2017 were $1.7 million, an increase of $0.2 million from the comparative period in 2016. The increase was primarily due to a $0.1 million increase in grant revenue received by Cell Cure and a $0.3 million increase in subscription and advertising revenues received by LifeMap Sciences, offset by $0.2 million in decreases in royalties and sales of research products and services. The Cell Cure grant revenue for the three months ended September 30, 2017 includes $1.2 million of a 7.2 million Israeli New Shekels (approximately $2.0 million) grant approved by the Israel Innovation Authority (the "IIA") for the development of *OpRegen®*.

BioTime total revenues decreased by approximately $2.4 million for the nine months ended September 30, 2017 as compared to the same period in the prior year, primarily related to the deconsolidation of Asterias, which contributed to $2.2 million in revenues during the prior year periods principally from grant income when Asterias revenues were consolidated and included in BioTime revenues.

Operating Expenses

The amounts in the tables below are BioTime's consolidated operating expenses for the periods presented (in thousands).

	Three Months Ended September 30, (unaudited)		$ Increase/ (Decrease)	% Increase/ Decrease
	2017	2016		
Research and development expenses	$ 6,562	$ 6,422	$ 140	2%
General and administrative expenses	4,587	4,574	13	-%

	Nine Months Ended September 30, (unaudited)		$ Increase/ (Decrease)	% Increase/ (Decrease)
	2017	2016		
Research and development expenses	$ 19,327	$ 29,093	$ (9,766)	-34%
General and administrative expenses	14,111	23,083	(8,972)	-39%

Research and development expenses

The following tables show the amount of our total research and development expenses allocated to our primary research and development projects, by respective entity conducting the research and development, during the three and nine months ended September 30, 2017 and 2016 (in thousands).

		Three Months Ended September 30, (unaudited)			
		Amount[1]		Percent of Total	
Company	**Program**	**2017**	**2016**	**2017**	**2016**
BioTime and subsidiaries other than AgeX[2]	*OpRegen*® and *Renevia*® and other *HyStem*® products and *PureStem*® progenitor cell lines for orthopedic applications	$ 5,030	$ 3,067	76.7%	47.8%
AgeX Therapeutics including ReCyte [3]	*PureStem*® progenitor cell lines, brown adipose fat, iTR technology, and pre-clinical cardiovascular therapy research and development	1,072	721	16.3%	11.2%
LifeMap Sciences, Inc. [4]	Biomedical, gene, disease, and stem cell databases and tools	460	367	7.0%	5.7%
LifeMap Solutions, Inc.[5]	Mobile health software application	-	956	-%	14.9%
Asterias [6]	Pluripotent cell therapy for neurology (spinal cord injury) and oncology (acute myeloid leukemia and lung cancer)	-	-	-%	-%
OncoCyte [7]	Cancer diagnostics	-	1,311	-%	20.4%
Total research and development expenses		$ 6,562	$ 6,422	100.0%	100.0%

		Nine Months Ended September 30, (unaudited)			
		Amount[1]		Percent of Total	
Company	**Program**	**2017**	**2016**	**2017**	**2016**
BioTime and subsidiaries other than AgeX[2]	*OpRegen*® and *Renevia*® and other *HyStem*® products and *PureStem*® progenitor cell lines for orthopedic applications	$ 14,025	$ 9,570	72.6%	32.9%
AgeX Therapeutics including ReCyte [3]	*PureStem*® progenitor cell lines, brown adipose fat, iTR technology, and pre-clinical cardiovascular therapy research and development	2,873	2,249	14.9%	7.7%
LifeMap Sciences, Inc. [4]	Biomedical, gene, disease, and stem cell databases and tools	1,145	1,252	5.9%	4.3%
LifeMap Solutions, Inc. [5]	Mobile health software application	486	2,997	2.5%	10.3%
Asterias [6]	Pluripotent cell therapy for neurology (spinal cord injury) and oncology (acute myeloid leukemia and lung cancer)	-	8,684	-%	29.9%
OncoCyte [7]	Cancer diagnostics	798	4,341	4.1%	14.9%
Total research and development expenses		$ 19,327	$ 29,093	100.0%	100.0%

[1]Amount includes research and development expenses incurred directly by BioTime or the named subsidiary and certain general research and development expenses, such as lab supplies, lab expenses, rent allocated, and insurance allocated to research and development expenses, incurred directly by BioTime on behalf of the subsidiary and allocated to the subsidiary.

(2) BioTime includes Cell Cure, ES Cell International Pte. Ltd. ("ESI") and OrthoCyte Corporation ("OrthoCyte").

(3) Although AgeX was capitalized during August 2017 by the contribution of assets from BioTime and cash from outside investors, for comparative purposes in the tables above, for the three and nine months ended September 30, 2017 and September 30, 2016, AgeX related research and development expenses that were previously included in BioTime have been reclassified to AgeX for all periods presented. See Note 10 to our condensed consolidated interim financial statements included elsewhere in this Report.

(4) LifeMap Sciences, Inc. is a subsidiary of AgeX.

(5) Since July 2017, LifeMap Solutions has ceased conducting its mobile health software application business and is not expected to incur any further research and development expenses.

(6) For the nine months ended September 30, 2016, includes the period from January 1, 2016 through May 12, 2016, the date prior to the Asterias Deconsolidation.

(7) For the nine months ended September 30, 2017, includes the period from January 1, 2017 through February 16, 2017, the date prior to the OncoCyte Deconsolidation.

The increases of $2.0 million and $4.5 million in BioTime related research and development expenses for the three and nine months ended September 30, 2017, from the respective periods in 2016, are mainly attributable to clinical trials and other work for the development of BioTime's lead products, *OpRegen*® for age related macular degeneration, and *Renevia*® for adipose fat transplant for facial aesthetics.

General and administrative expenses

The following tables show the amount of general and administrative expenses of BioTime and named subsidiaries during the three and nine months ended September 30, 2017 and 2016 (in thousands):

	Three Months Ended September 30, (unaudited)			
	Amount(1)		Percent	
Company	**2017**	**2016**	**2017**	**2016**
BioTime and subsidiaries other than AgeX (2)	$ 3,844	$ 2,178	83.8%	47.6%
AgeX Therapeutics including ReCyte (3)	636	379	13.9%	8.3%
LifeMap Sciences, Inc. (4)	95	363	2.1%	7.9%
LifeMap Solutions, Inc. (5)	12	484	.2%	10.6%
Asterias (6)	-	-	-%	-%
OncoCyte (7)	-	1,170	-%	25.6%
Total general and administrative expenses	$ 4,587	$ 4,574	100.0%	100.0%

	Nine Months Ended September 30, (unaudited)			
	Amount(1)		Percent	
Company	**2017**	**2016**	**2017**	**2016**
BioTime and subsidiaries other than AgeX (2)	$ 9,996	$ 7,146	70.8%	31.0%
AgeX Therapeutics including ReCyte (3)	2,212	1,399	15.7%	6.1%
LifeMap Sciences, Inc. (4)	465	1,365	3.3%	5.9%
LifeMap Solutions, Inc. (5)	848	1,355	6.0%	5.9%
Asterias (6)	-	7,561	-%	32.7%
OncoCyte (7)	590	4,257	4.2%	18.4%
Total general and administrative expenses	$ 14,111	$ 23,083	100.0%	100.0%

(1) Amount includes general and administrative expenses incurred directly by the named subsidiary and allocations from BioTime for certain general overhead expenses to the subsidiary.

(2) BioTime includes Cell Cure, ESI, and OrthoCyte.

(3) Although AgeX was capitalized during August 2017 by the contribution of assets from BioTime and cash from outside investors, for comparative purposes in the tables above, for the three and nine months ended September 30, 2017 and September 30, 2016, AgeX related general and administrative expenses that were previously included in BioTime have been reclassified to AgeX for all periods presented. See Note 10 to our consolidated interim financial statements included elsewhere in this Report.

(4) LifeMap Sciences, Inc. is a subsidiary of AgeX.

(5) Since July 2017, LifeMap Solutions has ceased conducting its mobile health software application business and is not expected to incur any further general and administrative expenses.

(6) For the nine months ended September 30, 2016, includes the period from January 1, 2016 through May 12, 2016, the date prior to the Asterias Deconsolidation.

(7) For the nine months ended September 30, 2017, includes the period from January 1, 2017 through February 16, 2017, the date prior to the OncoCyte Deconsolidation.

The increases of $1.7 million and $2.9 million in BioTime general and administrative expenses for the three and nine months ended September 30, 2017 as compared to the same periods in 2016 are primarily due to increases in compensation and related expenses resulting from the hire of additional key personnel, increased rent expense under the lease for our current office and laboratory facilities, which commenced in February 2016, a noncash expense recorded in July 2017 for the issuance of a warrant to a noncontrolling interest in Cell Cure and increases in investor relations and other consulting expenses.

General and administrative expenses include employee and director compensation allocated to general and administrative expenses, consulting fees other than those paid for science-related consulting, facilities and equipment rent and maintenance related expenses, insurance costs allocated to general and administrative expenses, stock exchange-related costs, depreciation expense, marketing costs, legal and accounting costs, and other miscellaneous expenses which are allocated to general and administrative expense.

Gain on sale of assets – Loss from operations for the nine months ended September 30, 2017 includes a $1.8 million gain we recognized on sale of certain assets by LifeMap Solutions. BioTime has determined not to provide further funding to LifeMap Solutions for its operations.

Other income and expenses, net

Other income/(expenses), net – The following table shows the amount of other income and expenses, net, during the three and nine months ended September 30, 2017 and 2016 (in thousands):

	Three Months Ended September 30, (unaudited)		Nine Months Ended September 30, (unaudited)	
	2017	2016	2017	2016
Other income/(expenses), net				
Interest expense, net	$ (10)	$ (167)	$ (729)	$ (513)
Gain on equity method investment in OncoCyte at fair value	34,485	-	39,620	-
Gain (loss) on equity method investment in Asterias at fair value	(3,262)	40,015	(26,097)	26,532
Gain on deconsolidation of OncoCyte	-	-	71,697	-
Gain on deconsolidation of Asterias	-	-	-	49,048
Loss on extinguishment of related party convertible debt	(2,799)	-	(2,799)	-
BioTime's share of losses in equity method investment in Ascendance	-	(855)	-	(1,189)
Other income (expenses), net	(143)	(173)	1,202	197
Total other income/(expense), net	$ 28,271	$ 38,820	82,894	74,075

Unrealized gain or loss on OncoCyte shares – We own 14.7 million shares of common stock of OncoCyte. We elected to account for our shares in OncoCyte at fair value using the equity method of accounting beginning on February 17, 2017, the date of the OncoCyte Deconsolidation. Our OncoCyte shares had a fair value of $110.8 million as of September 30, 2017 and a fair value of $71.2 million as of February 17, 2017, based on the closing prices of OncoCyte common stock on the NYSE American of $7.55 per share and $4.85 per share on those respective dates. For the three months ended September 30, 2017, we recorded an unrealized gain of $34.5 million on our OncoCyte shares due to the increase in OncoCyte's stock price from June 30, 2017 to September 30, 2017 based on the closing prices of OncoCyte common stock on the NYSE American of $5.20 per share and $7.55 per share on those respective dates. For the nine months ended September 30, 2017, we recorded an unrealized gain of $39.6 million on the OncoCyte shares due to the increase in OncoCyte's stock price from February 17, 2017 to September 30, 2017, based on the closing prices of OncoCyte common stock on the NYSE American of $4.85 per share and $7.55 per share on those respective dates.

Unrealized gain or loss on Asterias shares – We own 21.7 million shares of common stock of Asterias. We elected to account for our shares in Asterias at fair value using the equity method of accounting beginning on May 13, 2016, the date of the Asterias Deconsolidation. Our Asterias shares had a fair value of $73.9 million as of September 30, 2017, and a fair value of $100.0 million as of December 31, 2016, based on the closing prices of Asterias common stock on the NYSE American of $3.40 per share and $4.60 per share on those respective dates. For the three months ended September 30, 2017, we recorded an unrealized loss of $3.3 million on our Asterias shares due to the decrease in Asterias' stock price from June 30, 2017 to September 30, 2017, based on the closing prices of Asterias common stock on the NYSE American of $3.55 per share and $3.40 per share on those respective dates. For the nine months ended September 30, 2017, we recorded an unrealized loss of $26.1 million on the Asterias shares due to the decrease in Asterias' stock price from December 31, 2016 to September 30, 2017, based on the closing prices of Asterias common stock on the NYSE American of $4.60 per share and $3.40 per share on those respective dates.

Unrealized gain on deconsolidation of OncoCyte – During the nine months ended September 30, we recorded an unrealized gain of $71.7 million in connection with the OncoCyte Deconsolidation on February 17, 2017.

We expect our other income and expenses, net, to continue to fluctuate each reporting period based on the changes in the market prices of our Asterias and OncoCyte shares, which could significantly impact our net income or loss reported in our consolidated statements of operations for each period.

Loss on extinguishment of related party convertible debt – We recognized a $2.8 million noncash loss on extinguishment of related party convertible in connection with the purchase of all of the outstanding Cell Cure Convertible Notes from HBL on July 10, 2017.

BioTime's share of losses in equity method investment in Ascendance and other income/(expense), net – BioTime's share of losses in equity method investment in Ascendance for the three and nine month periods ended September 30, 2016 were $0.9 million and $1.2 million, respectively. Other income and expenses, net, in 2017 and 2016 consist primarily of net foreign currency transaction gains and losses recognized by Cell Cure and ESI. Foreign currency transaction gains and losses for the three and nine months ended September 30, 2017 and 2016 are principally related to the remeasurement of the US dollar denominated convertible notes payable by Cell Cure to BioTime and other Cell Cure shareholders.

Income Taxes

The deconsolidation of Asterias and OncoCyte financial statements from BioTime were not taxable transactions and did not create a current income tax payment obligation. The market value of the Asterias and OncoCyte shares we hold creates a deferred tax liability to us based on the closing market price of the shares, less our tax basis in the shares. The deferred tax liability generated by the Asterias and OncoCyte shares that we hold is a source of taxable income to us that will more likely than not result in the realization of our deferred tax assets to the extent of those deferred tax liabilities. Because the deferred tax liabilities are determined based on the closing prices of those shares and, due to the inherent unpredictability of future prices of those shares, we cannot reliably estimate or project those deferred tax liabilities on an annual basis. Therefore, the deferred tax liabilities pertaining to Asterias and OncoCyte shares, measured as of the period end being reported on, and the related impacts to the valuation allowance changes and deferred tax assets, are recorded in the interim period in which they occur.

A valuation allowance is provided when it is more likely than not that some portion of our deferred tax assets will not be realized.

For federal income tax purposes, as a result of the deconsolidation of Asterias and OncoCyte discussed in Note 3 to our consolidated financial statements included elsewhere in this report, and the deferred tax liabilities generated from the Asterias and OncoCyte share market values from their respective deconsolidation dates, including the changes to those deferred tax liabilities due to changes in the Asterias and OncoCyte stock price through September 30, 2017, our deferred tax liabilities exceeded our deferred tax assets by $4.8 million as of September 30, 2017. Accordingly, as of September 30, 2017, for federal income tax purposes, we released our entire valuation allowance and recognized a federal deferred income tax expense of $4.8 million during the three and nine months ended September 30, 2017. For state income tax purposes, we have a full valuation allowance on our state deferred tax assets as of September 30, 2017, and December 31, 2016 and, accordingly, we did not record any state tax provision or benefit for all periods presented.

We had established a full valuation allowance as of December 31, 2016 and 2015 due to the uncertainty of realizing future tax benefits from our net operating loss carryforwards and other deferred tax assets. Accordingly, we did not record any provision or benefit for income taxes for the nine months ended September 30, 2016.

We expect that deferred income tax expense or benefit we record each reporting period, if any, will vary depending on the change in the closing stock prices of Asterias and OncoCyte from period to period and the related changes in those deferred tax liabilities and our deferred tax assets and other credits, including changes in the valuation allowance, for each period.

Liquidity and Capital Resources

At September 30, 2017, we had $18.2 million of cash, cash equivalents, and available for sale securities on hand. Our cash on hand at September 30, 2017 included $9.2 million held by AgeX. We received approximately $26.7 million of additional cash during October 2017 from an underwritten public offering of our common shares. See Note 14 to Notes to Interim Condensed Consolidated Financial Statements.

We also hold shares of Asterias and OncoCyte common stock which had a combined market value of $184.7 million at September 30, 2017. Although we have no present plans to liquidate our holdings of Asterias or OncoCyte shares, if we need near term working capital or liquidity to supplement our cash and cash equivalents for our operations, we may sell some or all of our Asterias or OncoCyte shares, as necessary. The market value shown may not represent the amount that could be realized in a sale of Asterias or OncoCyte shares due to various market and regulatory factors, including trading volume or market depth factors and volume and manner of sale restrictions under Federal securities laws, prevailing market conditions and prices at the time of any sale, and subsequent sales of securities by the subsidiaries.

On August 8, 2017, the IIA approved a grant for 2017 of up to 7.2 million Israeli New Shekels (approximately $2.0 million) for the development of *OpRegen*® of which we recorded a $1.2 million grant receivable as of September 30, 2017.

On September 18, 2017, we were awarded a grant of up to $1.56 million from the Small Business Innovation Research (SBIR) program of the National Institutes of Health (NIH). The SBIR grant provides funding to further develop our innovative, next generation vision restoration program for advanced retinal diseases and injuries other than age related macular degeneration. The SBIR grant funds will become available for payment by the NIH as allowable expenses are incurred by us. As of September 30, 2017, we had not yet received any portion of the grant funds.

Since inception, we have incurred significant operating losses and have funded our operations primarily through the issuance of equity securities, payments from research grants, data base subscription revenues, royalties from product sales and sales of research products and services. At September 30, 2017, we had an accumulated deficit of approximately $144.4 million, working capital of $17.2 million and shareholders' equity of $209.0 million. We have evaluated our projected cash flows and believe that our $18.2 million of cash, cash equivalents and available for sale securities as of September 30, 2017, and the net proceeds of approximately $26.7 million raised in the underwritten public offering during October 2017, provide sufficient cash, cash equivalents and liquidity to carry out our current operations through at least twelve months from the issuance date of the consolidated financial statements included elsewhere in this Report.

Our projected cash flows are subject to various risks and uncertainties, and the unavailability or inadequacy of financing to meet future capital needs could force us to modify, curtail, delay, or suspend some or all aspects of our planned operations. Our determination as to when we will seek new financing and the amount of financing that we will need will be based on our evaluation of the progress we make in our research and development programs, any changes to the scope and focus of those programs, and projection of future costs, revenues, and rates of expenditure. For example, clinical trials being conducted for our *OpRegen*® program will be funded in part with funds from grants and not from cash on hand. If we were to lose our grant funding or we are unable to continue to provide working capital to the *OpRegen*® program, we may be required to delay, postpone, or cancel our clinical trials or limit the number of clinical trial sites, unless we are able to obtain adequate financing from another source that could be used for our clinical trials. We cannot assure that adequate financing will be available on favorable terms, if at all. Sales of additional equity securities by us or our subsidiaries and affiliates could result in the dilution of the interests of present shareholders.

Cash flows used in operating activities

During the nine months ended September 30, 2017, our total research and development expenses were $19.3 million and our general and administrative expenses were $14.1 million. Net income attributable to BioTime for the nine months ended September 30, 2017 amounted to $52.0 million. Net cash used in operating activities during this period amounted to $24.8 million, which includes approximately $1.2 million of cash used by OncoCyte for the period from January 1, 2017 through February 16, 2017, the period during which OncoCyte's results were consolidated with BioTime. The difference between the net income attributable to us and net cash used in operating activities during the nine months ended September 30, 2017 was primarily attributable to the following noncash items: $71.7 million gain recorded on the OncoCyte Deconsolidation, $39.6 million unrealized gain on the OncoCyte shares we own due to an increase in the OncoCyte stock price since the OncoCyte Deconsolidation, $26.1 million unrealized loss on the Asterias shares we own due to a decline in the Asterias stock price, $4.8 million of deferred income tax expense, $3.2 million loss attributable to non-controlling shareholders, stock-based compensation expense of $2.9 million, $2.8 million loss on the extinguishment of Cell Cure convertible debt, $2.4 million of depreciation and amortization expenses, $1.8 million of gain on the sale of LifeMap Solutions assets, and $1.5 million of foreign currency remeasurement gains and other items. Changes in working capital impacted our cash used in operations by $0.9 million as a net source of cash.

Cash flows used in investing activities

During the nine months ended September 30, 2017, we used $9.6 million of cash for investing activities. The primary components of this use of cash were $8.9 million resulting from the deconsolidation of OncoCyte's cash and cash equivalents balance, and $0.9 million used to purchase property, plant and equipment.

Cash flows generated by financing activities

During the nine months ended September 30, 2017, we generated $29.0 million in cash from financing activities. The primary components of the sources of cash from financing activities were $18.5 million in net proceeds from the sale of 7,453,704 common shares in an underwritten public offering, after deducting underwriting discounts, commissions and expenses related to the financing, $10.0 million in net proceeds received by AgeX from the sale of shares of its common stock to new investors, $0.4 million in related party convertible loans obtained by Cell Cure from shareholders other than BioTime, and a $0.2 million reimbursement from our landlord on tenant improvements.

Off-Balance Sheet Arrangements

As of September 30, 2017 and December 31, 2016, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes in our qualitative and quantitative market risk since the disclosures in our Annual Report on Form 10-K for the year ended December 31, 2016, except as follows:

Equity Method Accounting for Asterias and OncoCyte shares at fair value

We account for our Asterias and OncoCyte shares using the equity method of accounting fair value option. The value of those shares is subject to changes in the stock prices. Asterias and OncoCyte common stock trade on the NYSE American under the ticker symbols "AST" and "OCX", respectively. As of September 30, 2017, the 52-week high/low closing stock price per share range for Asterias was $2.85 to $5.65, and for OncoCyte was $3.60 to $7.70.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

It is management's responsibility to establish and maintain adequate internal control over all financial reporting pursuant to Rule 13a-15 under the Securities Exchange Act of 1934 ("Exchange Act"). Our management, including our principal executive officers and our principal financial officer, have reviewed and evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Following this review and evaluation, management collectively determined that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms; and (ii) is accumulated and communicated to management, including our chief executive officer and our chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we and our subsidiaries may be involved in routine litigation incidental to the conduct of our business. We are not presently a party to any pending litigation. Cell Cure was a party to two pending opposition proceedings in the European Patent Office (EPO) involving EP Patent Numbers 2147094 (issued 08-Oct-2014) and 2554661 (issued 19-Nov-2014), both entitled, "Stem Cell-Derived Retinal Pigment Epithelial Cells". The Oral Proceedings took place on March 16, 2017 and March 17, 2017, respectively. Both patents were upheld by the EPO. The decisions were both appealed and the detailed grounds for appeal were due on September 9, 2017 and September 11, 2017, respectively, however, both appeals were withdrawn prior to those dates and the patents will be issued as amended in the opposition proceedings. Both patents relate to our *OpRegen*® product and provide protection until April 2028. There are additional patent applications pending that if issued will provide further protection for *OpRegen*®.

Item 1A. Risk Factors

This Quarterly Report on Form 10-Q contains forward-looking information based on our current expectations. Because our actual results may differ materially from any forward-looking statements made by or on behalf of us, this section includes a discussion of important factors that could affect our actual future results, including our proposed operations, business prospects and financial condition. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. You should carefully consider these risk factors, together with all of the other information included in this Quarterly Report on Form 10-Q as well as our other publicly available filings with the U.S. Securities and Exchange Commission ("SEC").

We have marked with an asterisk (*) those risks described below that reflect substantive changes from, or additions to, the risks described in our Annual Report on Form 10-K for the year ended December 31, 2016.

Risks Related to Our Business Operations

We have incurred operating losses since inception and we do not know if we will attain profitability.*

Our operating losses for the nine months ended September 30, 2017 and for the fiscal years ended December 31, 2016 and 2015, were $29.3 million, $59 million and $65.8 million, respectively, and we had an accumulated deficit of $144.4 million as of September 30, 2017. We primarily finance our operations through the sale of equity securities, research grants, royalties on product sales by our licensees, and subscription fees and advertising revenue from database products. Ultimately, our ability to generate sufficient operating revenue to earn a profit depends upon our and our subsidiaries' success in developing and marketing or licensing products and technology.

We will spend a substantial amount of our capital on research and development but we might not succeed in developing products and technologies that are useful in medicine.*

We are attempting to develop new medical products and technology. None of our experimental products and technologies has received regulatory approval for commercialization and have only been used in laboratory studies in vitro or in animals. These new products and technologies might not prove to be safe and efficacious in the human medical applications for which they are being developed. The experimentation we are doing is costly, time consuming, and uncertain as to its results. We incurred research and development expenses amounting to $19.3 million during the nine months ended September 30, 2017, and $36.1 million and $42.6 million during the fiscal years ended December 31, 2016 and 2015, respectively. If we are successful in developing a new technology or products, refinement of the new technology or product and definition of the practical applications and limitations of the technology or product may take years and require the expenditure of large sums of money. Future clinical trials of new therapeutic products, particularly those products that are regulated as drugs or devices, will be very expensive and will take years to complete. We may not have the financial resources to fund clinical trials on our own and we may have to enter into licensing or collaborative arrangements with other companies. Any such arrangements may be dilutive to our ownership or economic interest in the products we develop, and we might have to accept royalty payments on the sale of products rather than receiving the gross revenues from product sales. In addition, we may discontinue one or more of the research or product development programs. Other programs slated for development including those we consolidate in a new subsidiary, AgeX Therapeutics, Inc., may be delayed or discontinued should adequate funding on acceptable terms not be available.

The amount and pace of research and development work that we and our subsidiaries can do or sponsor, and our ability to commence and complete clinical trials required to obtain regulatory approval to market our therapeutic and medical device products, depends upon the amount of money we have.*

At September 30, 2017, we had $18.2 million of cash, cash equivalents and available for sale securities on hand, including $9.2 million held by AgeX. During October 2017 BioTime raised an additional $26.7 million upon the completion of an underwritten public offering of its common shares. Although BioTime and its subsidiaries combined have raised a total of approximately $55.2 million of net proceeds through the sale of equity securities so far this year, there can be no assurance that we or our subsidiaries will be able to raise additional funds on favorable terms or at all, or that any funds raised will be sufficient to permit us or our subsidiaries to develop and market our products and technology. Unless we and our subsidiaries are able to generate sufficient revenue or raise additional funds when needed, it is likely that we will be unable to continue our planned activities, even if we make progress in our research and development projects. We may have to postpone or limit the pace of our research and development work and planned clinical trials of our product candidates unless our cash resources increase through a growth in revenues or additional equity investment or borrowing.

Sales of the products we may develop will be adversely impacted by the availability of competing products.

Sales of *Hextend*® have already been adversely impacted by the availability of other products that are commonly used in surgery and trauma care and sell at low prices. Ocata, which was recently acquired by a subsidiary of Astellas Pharma, Inc. for $379 million, is conducting clinical trials of a pluripotent stem cell product designed to treat AMD. If the Ocata product is proven to be safe and effective, it may reach the market ahead of *OpRegen*®. Moreover, Ocata was recently issued a patent pertaining to the manufacture of RPE products that could adversely impact the rights of Cell Cure to manufacture *OpRegen*®. Physicians and hospitals may be reluctant to try a new product due to the high degree of risk associated with the application of new technologies and products in the field of human medicine. There also is a risk that our competitors may succeed at developing safer or more effective products that could render our products and technologies obsolete or noncompetitive.

We will need to issue additional equity or debt securities in order to raise additional capital needed to pay our operating expenses.

We and our subsidiaries and affiliates, including Asterias and OncoCyte, expect to continue to incur substantial research and product development expenses, and will need to raise additional capital to pay operating expenses until we are able to generate sufficient revenues from product sales, royalties and license fees. Our ability, and the ability of Asterias and OncoCyte, to raise additional equity or debt capital will depend, not only on progress made in developing new products and technologies, but also on access to capital and conditions in the capital markets. There is no assurance that we, Asterias and OncoCyte will be able to raise capital at times and in amounts needed to finance product development, clinical trials, and general operations. Even if capital is available, it may not be available on terms that we or our shareholders would consider favorable. Sales of additional equity securities by us or our subsidiaries could result in the dilution of the interests of present shareholders.

Any cell-based products that receive regulatory approval may be difficult and expensive to manufacture on a commercial scale.

Pluripotent stem derived therapeutic cells have only been produced on a small scale and not in quantities and at levels of purity and viability that will be needed for wide scale commercialization. If we are successful in developing products that consist of pluripotent cells or other cells or products derived from pluripotent stem or other cells, we will need to develop processes and technology for the commercial production of those products. Pluripotent stem cell or other cell based products are likely to be more expensive to manufacture on a commercial scale than most other drugs on the market today. The high cost of manufacturing a product will require that we charge our customers a high price for the product in order to cover our costs and earn a profit. If the price of our products is too high, hospitals and physicians may be reluctant to purchase our products. We may not be able to sell our products in sufficient volumes to recover our costs or to earn a profit.

We may be subject, directly or indirectly, to federal and state healthcare fraud and abuse laws, false claims laws, and health information privacy and security laws. If we are unable to comply, or has not fully complied, with such laws, it could face substantial penalties.*

If we obtain FDA approval for any of our product candidates or technologies and begin commercializing those products or technologies in the United States, our operations may be subject to various federal and state fraud and abuse laws, including, without limitation, the federal Anti-Kickback Statute, the federal False Claims Act, and physician sunshine laws and regulations. These laws may impact, among other things, our proposed sales, marketing, and education programs. In addition, we may be subject to patient privacy regulation by both the federal government and the states in which we conduct our business. The laws that may affect our ability to operate include:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, to induce, or in return for, the purchase or recommendation of an item or service reimbursable under a federal healthcare program, such as the Medicare and Medicaid programs;

- federal civil and criminal false claims laws and civil monetary penalty laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment from Medicare, Medicaid, or other third-party payors that are false or fraudulent;

- the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), which created new federal criminal statutes that prohibit executing a scheme to defraud any healthcare benefit program and making false statements relating to healthcare matters;

- HIPAA, as amended by the Health Information Technology and Clinical Health Act, ("HITECH") and our implementing regulations, which imposes certain requirements relating to the privacy, security, and transmission of individually identifiable health information;

- The Physician Payments Sunshine Act requires manufacturers of drugs, devices, biologics, and medical supplies to report annually to the U.S. Department of Health and Human Services information related to payments and other transfers of value to physicians, other healthcare providers, and teaching hospitals, and ownership and investment interests held by physicians and other healthcare providers and their immediate family members and applicable group purchasing organizations; and

- state law equivalents of each of the above federal laws, such as anti-kickback and false claims laws that may apply to items or services reimbursed by any third-party payors, including commercial insurers, state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures, and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. In addition, recent health care reform legislation has strengthened these laws.

If our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply, we may be subject to penalties, including civil and criminal penalties, damages, fines, exclusion from participation in government health care programs, such as Medicare and Medicaid, imprisonment, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

Failure in our information technology and storage systems could significantly disrupt the operation of our business.*

Our ability to execute our business plan and maintain operations depends on the continued and uninterrupted performance of our information technology ("IT") systems. IT systems are vulnerable to risks and damages from a variety of sources, including telecommunications or network failures, malicious human acts and natural disasters. Moreover, despite network security and back-up measures, some of our and our vendors' servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Despite precautionary measures to prevent unanticipated problems that could affect our IT systems, sustained or repeated system failures that interrupt our ability to generate and maintain data could adversely affect our ability to operate our business.

The commercial success of any of our current or future product candidates will depend upon the degree of market acceptance by physicians, patients, third-party payors, and others in the medical community.*

Even with the approvals from the FDA and comparable foreign regulatory authorities, the commercial success of our products will depend in part on the health care providers, patients, and third-party payors accepting our product candidates as medically useful, cost-effective, and safe. Any product that we bring to the market may not gain market acceptance by physicians, patients, third-party payors and other health care providers. The degree of market acceptance of any of our products will depend on a number of factors, including without limitation:

- the efficacy of the product as demonstrated in clinical studies and potential advantages over competing treatments;
- the prevalence and severity of the disease and any side effects;
- the clinical indications for which approval is granted, including any limitations or warnings contained in a product's approved labeling;
- the convenience and ease of administration;
- the cost of treatment, particular as additive to existing treatments;
- the willingness of the patients and physicians to accept and use these therapies;
- the marketing, sales and distribution support for the products;
- the publicity concerning our products or competing products and treatments; and
- the pricing and availability of third-party insurance coverage and reimbursement.

Even if a product displays a favorable efficacy and safety profile upon approval, market acceptance of the product remains uncertain. Efforts to educate the medical community and third-party payors on the benefits of the products may require significant investment and resources and may never be successful. If our products fail to achieve an adequate level of acceptance by physicians, patients, third-party payors, and other health care providers, we will not be able to generate sufficient revenue to become or remain profitable.

If the market opportunities for our product candidates are smaller than we believe they are, we may not meet our revenue expectations and, even assuming approval of a product candidate, our business may suffer.*

Our projections of both the number of potential users in the markets we are attempting to address are based on our beliefs and estimates. You should bear in mind the following:

- Our estimates have been derived from a variety of sources, including publications and scientific literature estimating the total number of patients, currently approved or used therapies, or market research as well as certain assumptions regarding the potential size of the market assuming broad regulatory approval or potential usage by physicians beyond the approved label, any of which may prove to be incorrect.
- The scope of approval and potential use may be significantly narrower and the number of patients may turn out to be lower than expected.
- Competitive agents or approaches may be approved or come into use by the relevant medical provider and the potentially addressable patient population for each of our product candidates may be limited or may not be amenable to treatment with our product candidates, and new patients may become increasingly difficult to identify or gain access to, any which could adversely affect our results of operations and our business.

We rely and expect to continue to rely on third parties to manufacture our clinical product supplies, and if those third parties fail to obtain approval of government regulators, fail to provide us with sufficient quantities of drug product, or fail to do so at acceptable quality levels or prices our product candidates could be stopped, delayed, or made less profitable.*

We do not currently have nor do we plan to acquire the infrastructure or capability internally to manufacture our clinical supplies and our technology platform, and we lack the resources and the capability to manufacture, whether on a clinical or commercial scale. With respect to our reliance on outside vendors:

- These vendors also source raw materials in order to implement our technology solutions and manufacture our clinical supplies of our product candidates and we plan to continue relying on third parties to manufacture our product candidates on a commercial scale, if approved.

- Facilities used by our contract manufacturers to manufacture our product candidates must be approved by the FDA pursuant to inspections that will be conducted after we submit our marketing applications to the FDA.

- We do not control the manufacturing process of, and are completely dependent on, our contract manufacturing partners for compliance with the regulatory requirements, known as cGMPs, for manufacture of our product candidates.

- If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or others, they will not be able to secure and/or maintain regulatory approval for their manufacturing facilities.

- We have limited or no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our product candidates or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain or maintain regulatory approval for or market our product candidates, if approved.

We do not yet have sufficient information to reliably estimate the cost of the commercial manufacturing of our product candidates, and the actual cost to manufacture our product candidates could materially and adversely affect the commercial viability of our product candidates. As a result, we may never be able to develop a commercially viable product.*

In addition, our reliance on third-party manufacturers exposes us to the following additional risks:

- We may be unable to identify manufacturers on acceptable terms or at all.

- Our third-party manufacturers might be unable to timely formulate and manufacture our product or produce the quantity and quality required to meet our clinical and commercial needs, if any.

- Contract manufacturers may not be able to execute our manufacturing procedures appropriately.

- Our future contract manufacturers may not perform as agreed or may not remain in the contract manufacturing business for the time required to supply our clinical trials or to successfully produce, store and distribute our products.

- Manufacturers are subject to ongoing periodic unannounced inspection by the FDA and corresponding state agencies to ensure strict compliance with cGMP and other government regulations and corresponding foreign standards. We do not have control over third-party manufacturers' compliance with these regulations and standards.

- We may not own, or may have to share, the intellectual property rights to any improvements made by our third-party manufacturers in the manufacturing process for our product candidates.

- We may not be able to obtain enabling licenses of third-parties intellectual property rights.

- Our third-party manufacturers could breach or terminate their agreement with us.

Each of these risks could delay our clinical trials, the approval, if any of our product candidates by the FDA or the commercialization of our product candidates or result in higher costs or deprive us of potential product revenue. In addition, we rely on third parties to perform release testing on our product candidates prior to delivery to patients. If these tests are not appropriately conducted and test data are not reliable, patients could be put at risk of serious harm and could result in product liability suits.

The manufacture of medical products is complex and requires significant expertise and capital investment, including the development of advanced manufacturing techniques and process controls. Additionally, our manufacturers may experience manufacturing difficulties due to resource constraints or as a result of labor disputes or unstable political environments. If our manufacturers were to encounter any of these difficulties, or otherwise fail to comply with their contractual obligations, our ability to provide our product candidates to patients in clinical trials would be jeopardized. Any delay or interruption in the supply of clinical trial supplies could delay the completion of clinical trials, increase the costs associated with maintaining clinical trial programs and, depending upon the period of delay, require us to commence new clinical trials at additional expense or terminate clinical trials completely.

Clinical studies are costly, time consuming and inherently risky, and we may fail to demonstrate safety and efficacy to the satisfaction of applicable regulatory authorities.*

Clinical development is expensive, time consuming and involves significant risk. We cannot guarantee that any clinical studies will be conducted as planned or completed on schedule, if at all. A failure of one or more clinical studies can occur at any stage of development. Events that may prevent successful or timely completion of clinical development include but are not limited to:

- inability to generate satisfactory preclinical, toxicology, or other in vivo or in vitro data or diagnostics to support the initiation or continuation of clinical studies necessary for product approval;
- delays in reaching agreement on acceptable terms with CROs and clinical study sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and clinical study sites;
- delays in obtaining required Institutional Review Board ("IRB"), approval at each clinical study site;
- failure to permit the conduct of a study by regulatory authorities, after review of an investigational new drug ("IND"), or equivalent foreign application or amendment;
- delays in recruiting qualified patients in our clinical studies;
- failure by clinical sites or our CROs or other third parties to adhere to clinical study requirements or report complete findings;
- failure to perform the clinical studies in accordance with the FDA's good clinical practices requirements, or applicable foreign regulatory guidelines;
- patients dropping out of our clinical studies;
- occurrence of adverse events associated with our product candidates;
- ability to use clinical trial results from foreign jurisdictions in support of U.S. regulatory approval;
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols;
- the cost of clinical studies of our product candidates;
- negative or inconclusive results from our clinical trials which may result in our deciding, or regulators requiring us, to conduct additional clinical studies or abandon development programs in other ongoing or planned indications for a product candidate; and
- delays in reaching agreement on acceptable terms with third-party manufacturers and the time for manufacture of sufficient quantities of our product candidates for use in clinical studies.

Any inability to successfully complete clinical development and obtain regulatory approval could result in additional costs to us or impair our ability to generate revenue. Clinical study delays could also shorten any periods during which our products have patent protection and may allow competitors to develop and bring products to market before we do and may harm our business and results of operations.

We face potential product liability, and, if successful claims are brought against us, we may incur substantial liability and costs. If the use or misuse of our product candidates harm patients, or is perceived to harm patients even when such harm is unrelated to our product candidates, our regulatory approvals could be revoked or otherwise negatively impacted and we could be subject to costly and damaging product liability claims.*

The use or misuse of our product candidates in clinical trials and the sale of any products for which we obtain marketing approval exposes us to the risk of product liability claims. Product liability claims might be brought against us by consumers, healthcare providers, pharmaceutical companies or others selling or otherwise coming into contact with our products. There is a risk that our product candidates may induce adverse events. If we cannot successfully defend against product liability claims, we could incur substantial liability and costs. In addition, regardless of merit or eventual outcome, product liability claims may result in:

- impairment of our business reputation;
- initiation of investigations by regulators;
- withdrawal of clinical trial participants;
- costs due to related litigation;
- distraction of management's attention from our primary business;

- substantial monetary awards to patients or other claimants;
- the inability to commercialize our product candidates;
- product recalls, withdrawals or labeling, marketing or promotional restrictions; and
- decreased demand for our product candidates, if approved for commercial sale.

We believe our current product liability insurance coverage is appropriate in light of our clinical programs; however, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. If and when we obtain marketing approval for product candidates, we intend to increase our insurance coverage to include the sale of commercial products; however, we may be unable to obtain product liability insurance on commercially reasonable terms or in adequate amounts. On occasion, large judgments have been awarded in class action lawsuits based on drugs or medical treatments that had unanticipated adverse effects. A successful product liability claim or series of claims brought against us could cause our stock price to decline and, if judgments exceed our insurance coverage, could adversely affect our results of operations and business.

Intellectual property we may develop using grants received from the federal government are subject to rights maintained by the government.*

Research and development we perform that is funded by grants from the federal government, and any intellectual property that we create using those grants, is subject to the rights maintained by the federal government.

We will have certain obligations and may incur liabilities arising from clinical trials, and we do not yet know the scope of any resulting expenses that might arise.

We face the risk of incurring liabilities to clinical trial patients if they incur any injuries as a result of their participation in the clinical trials. We will also be obligated to obtain information and prepare reports about the health of the clinical trial patients. We are not aware of any claims by patients alleging injuries suffered as a result of any of our clinical trials, but if any claims are made and if liability can be established, the amount of any liability that we or our subsidiaries may incur, could exceed any insurance coverage that we or our subsidiaries may obtain, and the amount of the liability could be material to our financial condition.

Our business could be adversely affected if we lose the services of the key personnel upon whom we depend.

We believe that our continued success depends to a significant extent upon our efforts and ability to retain highly qualified personnel, including our Co-Chief Executive Officers, Dr. Michael West and Adi Mohanty. All of our officers and other employees are at-will employees, and therefore may terminate employment with us at any time with no advance notice. The loss of the services of Dr. West, Mr. Mohanty or other members of senior management of BioTime or of our subsidiaries could have a material adverse effect on us. Further, the replacement of any of such individuals likely would involve significant time and costs and may significantly delay or prevent the achievement of our business and clinical objectives and would harm our business.

If we make strategic acquisitions, we will incur a variety of costs and might never realize the anticipated benefits.

If appropriate opportunities become available, we might attempt to acquire approved products, additional drug candidates, technologies, or businesses that we believe are a strategic fit with our business. If we pursue any transaction of that sort, the process of negotiating the acquisition and integrating an acquired product, drug candidate, technology, or business might result in operating difficulties and expenditures and might require significant management attention that would otherwise be available for ongoing development of our business, whether or not any such transaction is ever consummated. Moreover, we might never realize the anticipated benefits of any acquisition. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities, or impairment expenses related to goodwill, and impairment or amortization expenses related to other intangible assets, which could harm our financial condition.

Failure of our internal control over financial reporting could harm our business and financial results.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Our growth and entry into new products, technologies and markets will place significant additional pressure on our system of internal control over financial reporting. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report our financial results accurately and timely or to detect and prevent fraud. Operating our business through subsidiaries, some of which are located in foreign countries, also adds to the complexity of our internal control over financial reporting and adds to the risk of a system failure, an undetected improper use or expenditure of funds or other resources by a subsidiary, or a failure to properly report a transaction or financial results of a subsidiary. We allocate certain expenses among BioTime itself and one or more of our subsidiaries, which creates a risk that the allocations we make may not accurately reflect the benefit of an expenditure or use of financial or other resources by BioTime as the parent company and the subsidiaries among which the allocations are made. An inaccurate allocation may impact our consolidated financial results, particularly in the case of subsidiaries that we do not wholly own since our financial statements include adjustments to reflect the minority ownership interests in our subsidiaries held by others.

Government-imposed bans or restrictions and religious, moral, and ethical concerns about the use of hES cells could prevent us from developing and successfully marketing stem cell products.

Government-imposed bans or restrictions on the use of embryos or hES cells in research and development in the United States and abroad could generally constrain stem cell research, thereby limiting the market and demand for our products. During March 2009, President Obama lifted certain restrictions on federal funding of research involving the use of hES cells, and in accordance with President Obama's Executive Order, the National Institutes of Health (NIH) has adopted new guidelines for determining the eligibility of hES cell lines for use in federally funded research. The central focus of the proposed guidelines is to assure that hES cells used in federally funded research were derived from human embryos that were created for reproductive purposes, were no longer needed for this purpose, and were voluntarily donated for research purposes with the informed written consent of the donors. The hES cells that were derived from embryos created for research purposes rather than reproductive purposes, and other hES cells that were not derived in compliance with the guidelines, are not eligible for use in federally funded research. California law requires that stem cell research be conducted under the oversight of a stem cell review oversight committee (SCRO). Many kinds of stem cell research, including the derivation of new hES cell lines, may only be conducted in California with the prior written approval of the SCRO. A SCRO could prohibit or impose restrictions on the research that we plan to do. The use of hES cells may give rise to religious, moral, and ethical issues. These considerations could lead to more restrictive government regulations or could generally constrain stem cell research, thereby limiting the market and demand for our products.

If we are unable to obtain and enforce patents and to protect our trade secrets, others could use our technology to compete with us, which could limit opportunities for us to generate revenues by licensing our technology and selling products.

Our success will depend in part on our ability to obtain and enforce patents and maintain trade secrets in the United States and in other countries. If we are unsuccessful at obtaining and enforcing patents, our competitors could use our technology and create products that compete with our products, without paying license fees or royalties to us. The preparation, filing, and prosecution of patent applications can be costly and time consuming. Our limited financial resources may not permit us to pursue patent protection of all of our technology and products in all key markets. Even if we are able to obtain issued patents covering our technology or products, we may have to incur substantial legal fees and other expenses to enforce our patent rights to protect our technology and products from infringing uses. We may not have the financial resources to finance the litigation required to preserve our patent and trade secret rights. Litigation, interferences, oppositions, inter partes reviews or other proceedings are, have been and may in the future be necessary in some instances to determine the validity and scope of certain of our proprietary rights, and in other instances to determine the validity, scope or non-infringement of certain patent rights claimed by third parties to be pertinent to the manufacture, use or sale of our products. This means that patents owned or licensed by us may be lost if the outcome of a proceeding is unfavorable to us.

There is no certainty that our pending or future patent applications will result in the issuance of patents.

Our success depends in part on our ability to obtain and defend patent and other intellectual property rights that are important to the commercialization of our products and product candidates. The degree of patent protection that will be afforded to our products and processes in the U.S. and in other important markets remains uncertain and is dependent upon the scope of protection decided upon by the patent offices, courts, administrative bodies and lawmakers in these countries. We can provide no assurance that we will successfully obtain or preserve patent protection for the technologies incorporated into our products and processes, or that the protection obtained will be of sufficient breadth and degree to protect our commercial interests in all countries where we conduct business. If we cannot prevent others from exploiting our inventions, we will not derive the benefit from them that we currently expect. Furthermore, we can provide no assurance that our products will not infringe patents or other intellectual property rights held by third parties.

In Europe, there is uncertainty about the eligibility of hES cell subject matter for patent protection. The European Patent Convention prohibits the granting of European patents for inventions that concern "uses of human embryos for industrial or commercial purposes." A recent decision at the Court of Justice of the European Union interpreted parthenogenetically produced hES cells as patentable subject matter. Consequently, the European Patent Office now recognizes that human pluripotent cells (including human ES cells) can be created without a destructive use of human embryos as of June 5, 2003, and patent applications relating to hES cell subject matter with a filing and priority date after this date are no longer automatically excluded from patentability under Article 53 (a) EPC and Rule 28(c) EPC.

There is no certainty that we will be able to obtain licenses to intellectual property rights owned by third-parties.*

There are no assurances that any of our intellectual property rights will guarantee protection or market exclusivity for our products and product candidates. In such cases, we may need to obtain enabling licenses from third parties to protect our products and product candidates, try to secure market exclusivity or avoid infringing on the intellectual property rights of third parties. If we are unable to fully protect our product candidates or achieve market exclusivity for our products and product candidates, our financial success will be dependent, in part, on our ability to protect and enforce our intellectual property rights, to operate without infringing upon the proprietary rights of others, or, when necessary, our ability to obtain enabling licenses.

If we fail to meet our obligations under license agreements, we may lose our rights to key technologies on which our business depends.

Our business depends on several critical technologies that are based in part on technology licensed from third parties. Those third-party license agreements impose obligations on us, including payment obligations and obligations to pursue development of commercial products under the licensed patents or technology. If a licensor believes that we have failed to meet our obligations under a license agreement, the licensor could seek to limit or terminate our license rights, which could lead to costly and time-consuming litigation and, potentially, a loss of the licensed rights. During the period of any such litigation, our ability to carry out the development and commercialization of potential products, and our ability to raise any capital that we might then need, could be significantly and negatively affected. If our license rights were restricted or ultimately lost, we would not be able to continue to use the licensed technology in our business.

If we fail to comply with the extensive legal and regulatory requirements affecting the health care industry, we could face increased costs, penalties and a loss of business.

Our activities, and the activities of our subsidiaries, affiliates, collaborators, distributors and other third-party providers, are subject to extensive government regulation and oversight both in the U.S. and in foreign jurisdictions. The FDA and comparable agencies in other jurisdictions directly regulate many of our most critical business activities, including the conduct of preclinical and clinical studies, product manufacturing, advertising and promotion, product distribution, adverse event reporting and product risk management. Our interactions in the U.S. or abroad with physicians and other health care providers that prescribe or purchase our products are also subject to government regulation designed to prevent fraud and abuse in the sale and use of the products and place greater restrictions on the marketing practices of health care companies. Health care companies such as ours are facing heightened scrutiny of their relationships with health care providers from anti-corruption enforcement officials. In addition, health care companies such as ours have been the target of lawsuits and investigations alleging violations of government regulation, including claims asserting submission of incorrect pricing information, impermissible off-label promotion of pharmaceutical products, payments intended to influence the referral of health care business, submission of false claims for government reimbursement, antitrust violations or violations related to environmental matters. Risks relating to compliance with laws and regulations may be heightened as we continue to operate globally.

Regulations governing the health care industry are subject to change, with possibly retroactive effect, including:

- new laws, regulations or judicial decisions, or new interpretations of existing laws, regulations or decisions, related to health care availability, pricing or marketing practices, compliance with wage and hour laws and other employment practices, method of delivery, payment for health care products and services, compliance with health information and data privacy and security laws and regulations, tracking and reporting payments and other transfers of value made to physicians and teaching hospitals, extensive anti-bribery and anti-corruption prohibitions, product serialization and labeling requirements and used product take-back requirements;

- changes in the FDA and foreign regulatory approval processes that may delay or prevent the approval of new products and result in lost market opportunity;

- requirements that provide for increased transparency of clinical trial results and quality data, such as the EMA's clinical transparency policy, which could impact our ability to protect trade secrets and competitively-sensitive information contained in approval applications or could be misinterpreted leading to reputational damage, misperception or legal action which could harm our business; and

- changes in FDA and foreign regulations that may require additional safety monitoring, labeling changes, restrictions on product distribution or use, or other measures after the introduction of our products to market, which could increase our costs of doing business, adversely affect the future permitted uses of approved products, or otherwise adversely affect the market for our products.

Violations of governmental regulation may be punishable by criminal and civil sanctions against us, including fines and civil monetary penalties and exclusion from participation in government programs, including Medicare and Medicaid, as well as against executives overseeing our business. In addition to penalties for violation of laws and regulations, we could be required to repay amounts we received from government payors, or pay additional rebates and interest if we are found to have miscalculated the pricing information we have submitted to the government. We cannot ensure that our compliance controls, policies and procedures will in every instance protect us from acts committed by our employees, collaborators, partners or third-party providers that would violate the laws or regulations of the jurisdictions in which we operate. Whether or not we have complied with the law, an investigation into alleged unlawful conduct could increase our expenses, damage our reputation, divert management time and attention and adversely affect our business.

Risks Related to our Dependence on Third Parties

Asterias could lose its CIRM grant if Asterias fails to meet the clinical trial milestones that are a condition to CIRM's obligation to provide funding.

Asterias depends on its grant from CIRM as a source of financing for the costs of conducting its Phase I/IIa clinical trial and process development of AST-OPC1. Under the terms of the CIRM grant, Asterias must meet certain efficacy and progress milestones pertaining to the clinical trial. If Asterias fails to meet any of the milestones within the specified time frame, CIRM may discontinue providing grant funds to Asterias, which could force Asterias to postpone, delay, or discontinue the clinical trial and development work for the product.

We may become dependent on possible future collaborations to develop and commercialize many of our product candidates and to provide the regulatory compliance, sales, marketing and distribution capabilities required for the success of our business.

We may enter into various kinds of collaborative research and development and product marketing agreements to develop and commercialize our products. The expected future milestone payments and cost reimbursements from collaboration agreements could provide an important source of financing for our research and development programs, thereby facilitating the application of our technology to the development and commercialization of our products, but there are risks associated with entering into collaboration arrangements.

There is a risk that we could become dependent upon one or more collaborative arrangements. A collaborative arrangement upon which we might depend might be terminated by our collaboration partner or a partner might determine not to actively pursue the development or commercialization of our products. A collaboration partner also may not be precluded from independently pursuing competing products and drug delivery approaches or technologies.

There is a risk that a collaboration partner might fail to perform its obligations under the collaborative arrangements or may be slow in performing its obligations. In addition, a collaboration partner may experience financial difficulties at any time that could prevent it from having available funds to contribute to the collaboration. If a collaboration partner fails to conduct its product development, commercialization, regulatory compliance, sales and marketing or distribution activities successfully and in a timely manner, or if it terminates or materially modifies its agreements with us, the development and commercialization of one or more product candidates could be delayed, curtailed or terminated because we may not have sufficient financial resources or capabilities to continue such development and commercialization on our own.

We expect to rely on marketing partners or contract sales companies.

Even if we are able to develop our products and obtain necessary regulatory approvals, we may choose to partner on one or more products for marketing, selling or distributing our products. If we do not partner for commercial services, we and our subsidiaries will be dependent on our ability to build our own marketing and distribution capability for our new products, which would require the investment of significant financial and management resources, or we will need to find collaborative marketing partners or sales representatives, or wholesale distributors for the commercial sale of our products.

If we market products through arrangements with third parties, we may pay sales commissions to sales representatives or we may sell or consign products to distributors at wholesale prices. As a result, our gross profit from product sales may be lower than it would be if we were to sell our products directly to end users at retail prices through our own sales force. There can be no assurance we will be able to negotiate distribution or sales agreements with third parties on favorable terms to justify our investment in our products or achieve sufficient revenues to support our operations.

Risks Related to Our Common Shares

Ownership our common shares will entail certain risks associated with the volatility of prices for our common shares and the fact that we do not pay dividends on our common shares.

Our net income or loss will be impacted by changes in the market value of Asterias and OncoCyte common stock.

Because we use the equity method of accounting for the common stock of Asterias and OncoCyte that we hold at fair value, we will recognize gain or loss to the extent that the market value of Asterias and OncoCyte common stock changes from calendar quarter to calendar quarter, regardless of whether we sell any of those shares.

Because we are engaged in the development of pharmaceutical and stem cell therapy products and cancer diagnostic tests, the price of our common shares may rise and fall rapidly.

The market price of our common shares, like that of the shares of many biotechnology companies, has been highly volatile. The price of our common shares may rise rapidly in response to certain events, such as the commencement of clinical trials of an experimental new therapy or diagnostic test, even though the outcome of those trials and the likelihood of ultimate FDA approval of a therapeutic product remain uncertain. Similarly, prices of our common shares may fall rapidly in response to certain events such as unfavorable results of clinical trials or a delay or failure to obtain FDA approval. Additionally, the failure of our earnings to meet analysts' expectations could result in a significant rapid decline in the market price of our common shares. Moreover, the stock markets in general have experienced substantial volatility that has often been unrelated to the operating performance of individual companies. These broad market fluctuations may also adversely affect the trading price of our common shares.

Current economic and stock market conditions may adversely affect the price of our common shares.

The stock market has been experiencing extreme price and volume fluctuations which have affected the market price of the equity securities without regard to the operating performance of the issuing companies. Broad market fluctuations, as well as general economic and political conditions, may adversely affect the market price of our common shares.

Because we do not pay dividends, our common shares may not be a suitable investment for anyone who needs to earn dividend income.

We do not pay cash dividends on our common shares. For the foreseeable future, we anticipate that any earnings generated in our business will be used to finance the growth of our business and will not be paid out as dividends to holders of our common shares. This means that our common shares may not be a suitable investment for anyone who needs to earn income from their investments.

Insiders continue to have substantial control over our company, which could limit your ability to influence the outcome of key transactions, including a change of control.*

Our directors, executive officers and each of our shareholders who own greater than 5% of our outstanding common stock and their affiliates, in the aggregate, owned approximately 31% of the outstanding shares of our common stock as of September 30, 2017. Our existing shareholder, Broadwood Partners, L.P., which is affiliated with Neal Bradsher, a member of our Board of Directors, purchased 2,692,307 shares of our common stock in the October 2017 public offering at the public offering price of $2.60 per share. As a result, following the offering, the aggregate ownership of our directors, executive officers and each of our shareholders who own greater than 5% of our outstanding common stock and their affiliates increased to approximately 30.6%. As a result, these shareholders, if acting together, will be able to influence or control matters requiring approval by our shareholders, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentration of ownership may have the effect of delaying, preventing or deterring a change of control of our company, could deter certain public investors from purchasing our common stock and might ultimately affect the market price of our common stock.

Securities analysts may not initiate coverage or continue to cover our common shares and this may have a negative impact on the market price of our common shares.

The trading market for our common shares will depend, in part, on the research and reports that securities analysts publish about our business and our common shares. We do not have any control over these analysts. There is no guarantee that securities analysts will cover our common shares. If securities analysts do not cover our common shares, the lack of research coverage may adversely affect the market price of those shares. If securities analysts do cover our common shares, they could issue reports or recommendations that are unfavorable to the price of our common shares, and they could downgrade a previously favorable report or recommendation, and in either case our share prices could decline as a result of the report. If one or more of these analysts does not initiate coverage, ceases to cover our common shares or fails to publish regular reports on our business, we could lose visibility in the financial markets, which could cause our share prices or trading volume to decline.

Investors in our common shares may experience dilution of their ownership interests because of the future issuance of additional common shares and preferred shares by us and our subsidiaries

In the future, we may issue our authorized but previously unissued equity securities, resulting in the dilution of the ownership interests of our present shareholders. We are currently authorized to issue an aggregate of 152,000,000 shares of capital stock consisting of 150,000,000 common shares and 2,000,000 "blank check" preferred shares. As September 30, 2017, there were 115,804,040 common shares outstanding.

The operation of some of our subsidiaries has been financed in part through the sale of capital stock in those subsidiaries to private investors. Sales of additional subsidiary shares could reduce our ownership interest in the subsidiaries, and correspondingly dilute our shareholder's ownership interests in our consolidated enterprise. Our subsidiaries also have their own stock option plans and the exercise of subsidiary stock options or the sale of restricted stock under those plans would also reduce our ownership interest in the subsidiaries, with a resulting dilutive effect on the ownership interest of our shareholders in our consolidated enterprise.

We may seek to raise additional capital from time to time in the future, including pursuant to our Controlled Equity Offering^{SM} Sales Agreement with Cantor Fitzgerald & Co., provided that no common stock may be issued prior to the expiration of the 90-day lock-up period following the October 2017 public offering. We and our subsidiaries may issue additional common shares or other securities that are convertible into or exercisable for common shares in order to raise additional capital, or in connection with hiring or retaining employees or consultants, or in connection with future acquisitions of licenses to technology or rights to acquire products, or in connection with future business acquisitions, or for other business purposes. The future issuance of any such additional common shares or other securities may create downward pressure on the trading price of our common shares.

We may also issue preferred shares having rights, preferences, and privileges senior to the rights of our common shares with respect to dividends, rights to share in distributions of our assets if we liquidate our company, or voting rights. Any preferred shares may also be convertible into common shares on terms that would be dilutive to holders of common shares. Our subsidiaries may also issue their own preferred shares with a similar dilutive impact on our ownership of the subsidiaries.

The market price of our common shares could be impacted by prices at which we sell shares in our subsidiaries.

The operation of some our subsidiaries has been financed in part through the sale of capital stock in those subsidiaries, and our subsidiaries may sell shares of their capital stock in the future for financing purposes. The prices at which our subsidiaries may sell shares of their capital stock could impact the value of our company as a whole and could impact the price at which our common shares trade in the market. A sale of capital stock of one of our subsidiaries at a price that the market perceives as low could adversely impact the market price of our common shares. Even if our subsidiaries sell their capital stock at prices that reflect arm's length negotiation with investors, there is no assurance that those prices will reflect a true fair market value or that the ascribed value of the subsidiaries based on those share prices will be fully reflected in the market value of our common shares.

The implementation of a new FASB accounting standard could increase the risk that our future consolidated financial statements could be qualified by going concern uncertainty.

FASB ASU No. 2014-15, "Presentation of Financial Statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern," which defines management's responsibility to assess an entity's ability to continue as a going concern, and to provide related footnote disclosures, was effective for us for the year ended December 31, 2016, and all annual and interim periods thereafter. In connection with preparing consolidated financial statements for each annual and interim reporting period, ASU No. 2014-15 requires that an entity's management evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued (or within one year after the date that the consolidated financial statements are available to be issued when applicable). As a result of the implementation of ASU No. 2014-15, we will be required to have more cash, cash equivalents, and liquid investments on hand on the date we issue or file our consolidated financial statements than had been the case during prior years in order to avoid a going concern qualification in our auditor's report and in the footnotes to our consolidated financial statements. If our consolidated financial statements were to become subject to a going concern qualification or uncertainty or if we are unable to alleviate substantial doubt as part of our going concern assessment, or both, the market price of our common stock could decline.

Asterias and OncoCyte will also be impacted by ASU No. 2014-15 in much the same manner as us. If the financial statements of Asterias, or OncoCyte, or both, were to become subject to a going concern qualification or uncertainty, the market price of their common stock could decline, resulting in a loss or decline in value of the Asterias shares we own, the OncoCyte shares we own, or both, as equity method investments at fair value.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Default Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Numbers	Description
3.1	Restated Articles of Incorporation (1)
3.2	Amended and Restated By-Laws (2)
10.1	Asset Contribution and Separation Agreement, dated August 17, 2017, between BioTime, Inc. and AgeX Therapeutics, Inc. *#
10.2	License Agreement, dated August 17, 2017, between BioTime, Inc. and AgeX Therapeutics, Inc. *#
10.3	Option to Purchase Shares of AgeX Therapeutics, Inc., dated August 4, 2017, granted by BioTime, Inc. to Alfred D. Kingsley *
10.4	AgeX Therapeutics, Inc. 2017 Equity Incentive Plan (3)
10.5	Form of AgeX Therapeutics, Inc. Stock Option Agreement (4)
31	Rule 13a-14(a)/15d-14(a) Certification*
32	Section 1350 Certification*
101	Interactive Data Files
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase*
101.DEF	XBRL Taxonomy Extension Definition Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase*

(1) Incorporated by reference to Exhibit 3.1 to BioTime's Current Report on Form 8-K/A filed with the Securities and Exchange Commission on August 14, 2017.

(2) Incorporated by reference to Exhibit 3.1 to BioTime's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 11, 2017.

(3) Incorporated by reference to Exhibit 10.1 to BioTime’s Current Report on Form 8-K filed with the Securities and Exchange Commission on October 16, 2017.

(4) Incorporated by reference to Exhibit 10.2 to BioTime’s Current Report on Form 8-K filed with the Securities and Exchange Commission on October 16, 2017.

Confidential treatment has been requested for certain provisions omitted from this Exhibit pursuant to Rule 406 promulgated under the Securities Act. The omitted information has been filed separately with the SEC.

* Filed herewith

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, thereunto duly authorized.

BIOTIME, INC.

Date: November 9, 2017

/s/ Michael D. West
Michael D. West, Ph.D.
Co-Chief Executive Officer

Date: November 9, 2017

/s/ Aditya Mohanty
Aditya Mohanty
Co-Chief Executive Officer

Date: November 9, 2017

/s/ Russell L. Skibsted
Russell L. Skibsted
Chief Financial Officer

Exhibit 10.1

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

ASSET CONTRIBUTION AND SEPARATION AGREEMENT

by and between

BIOTIME, INC.

and

AGEX THERAPEUTICS, INC.

Dated as of August 17, 2017

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

TABLE OF CONTENTS

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ASSET CONTRIBUTION AND SEPARATION AGREEMENT

THIS ASSET CONTRIBUTION AND SEPARATION AGREEMENT (this "Agreement") is entered into as of August 17, 2017, by and among: BioTime, Inc., a California corporation ("BioTime"), and AgeX Therapeutics, Inc., a Delaware corporation ("AgeX"). Certain capitalized terms used in this Agreement are defined in Exhibit A.

BACKGROUND

WHEREAS, BioTime, acting through its direct and indirect subsidiaries and affiliates, currently conducts the BioTime Business and the AgeX Business;

WHEREAS, the Board of Directors of BioTime (the "BioTime Board") has determined that it is appropriate, desirable and in the best interests of BioTime and its shareholders to organize and separately finance a new subsidiary, AgeX Therapeutics, Inc., to continue to pursue certain BioTime research and development programs that have not yet advanced to the point of clinical development;

WHEREAS, in order to organize AgeX, the Board has determined that it is appropriate, desirable and in the best interests of BioTime and its shareholders for (i) BioTime to effect the Contribution by contributing to AgeX the Contributed BioTime Assets in exchange for shares of AgeX Common Stock to be issued by AgeX to BioTime, (ii) BioTime or certain BioTime subsidiaries to license certain IP Rights to AgeX, (iii) AgeX or certain AgeX subsidiaries to grant BioTime options to license certain IP Rights from AgeX; and (iv) BioTime and AgeX to enter into certain other agreements;

WHEREAS, concurrent with the Contribution, AgeX shall complete the Financing through which AgeX shall issue and sell AgeX Common Stock to Third Party investors for cash to fund AgeX operations;

WHEREAS, (i) the Board has (x) determined that the Distribution and the other transactions contemplated by this Agreement and the Ancillary Agreements (as defined below) have a valid business purpose, are in furtherance of and consistent with its business strategy and are in the best interests of BioTime and its shareholders and (y) approved this Agreement and each of the Ancillary Agreements and (ii) the board of directors of AgeX has approved this Agreement and each of the Ancillary Agreements (to the extent AgeX is a party thereto);

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions and certain other agreements relating to the relationship of BioTime and AgeX and their respective subsidiaries following the Contribution and Financing; and

WHEREAS, at some point in the future, following the Financing, BioTime may decide to effect the Distribution, and it is the intention of the Parties that the Contribution and the Distribution, taken together, would qualify as a transaction that is tax-free for U.S. federal income tax purposes under Section 355 and Section 368(a)(1)(D) of the Code;

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements, provisions and covenants contained in this Agreement, the Parties hereby agree as follows:

AGREEMENT

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

ARTICLE 1
THE CONTRIBUTION AND ASSUMPTION OF LIABILITIES

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

(a) Patents and Patent Applications: All of the patents and patent applications identified on Schedule 1.1(a), and all active prosecution cases related thereto (the patents and patent applications referred to in this Section 1.1(a), and all active prosecution cases related thereto, being referred to in this Agreement as the "BioTime Contributed Patents");

(b) Other Intellectual Property: All of the trade secrets, know-how and other IP Rights (other than patent rights, which are addressed in Section 1.1(a)) identified on Schedule 1.1(b) (the BioTime Contributed Patents, together with the IP Rights referred to in this Section 1.1(b), being referred to in this Agreement as the "BioTime Contributed IP");

(c) Biological Materials: All of the biological materials identified on Schedule 1.1(c) (the biological materials referred to in this Section 1.1(c) being referred to in this Agreement as the "BioTime Contributed Biological Materials"); provided, however, that BioTime shall not be obligated to contribute, transfer and convey any BioTime Contributed Biological Materials that are lost or destroyed (without any intentional action by BioTime) following the date hereof;

(d) Equipment: All of the equipment identified on Schedule 1.1(d) (it being understood that equipment owned by a Third Party and leased to BioTime shall not constitute a BioTime Contributed Asset);

(e) Inventory: All of the finished goods, works in process, raw materials and supplies identified on Schedule 1.1(e) to the extent in BioTime's possession on the Closing Date;

(f) Contracts: All rights of BioTime under the contracts identified on Schedule 1.1(f) (the "BioTime Contributed Contracts");

(g) Files and Records: Copies of all books and records (including accounting records, vendor files, customer lists, accounts receivable and payable records) related to the BioTime Contributed Assets, and all lab note books, files and data identified on Schedule 1.1(g); provided, however, that BioTime shall be entitled to retain, subject to the confidentiality obligations contained herein, copies of such items following the Closing;

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(h) Regulatory Filings: All of the Regulatory Filings of BioTime identified on Schedule 1.1(h);

(i) Government Authorizations. To the extent permitted by law, all licenses, Government Authorizations, approvals and authorizations of BioTime by any Governmental Body that are identified on Schedule 1.1(i);

(j) Prepaid Expenses: All prepaid expenses, credits, advance payments, security, deposits, charges, sums and fees related to the Contributed BioTime Assets;

(k) Warranties: All of BioTime's warranties, indemnities and all similar rights against third parties to the extent related to the Contributed BioTime Assets;

(l) LifeMap Discovery: All of BioTime's right, title, and interest in and to the software database product that the Company markets as LifeMap Discovery, including all source code, documentation, data, copyrights, and trademarks;

(m) 24,000,000 shares of common stock, no par value, of ReCyte Therapeutics, Inc., a California corporation ("ReCyte"), 14,071,428 shares of common stock, no par value, of LifeMap Sciences, Inc., a California corporation ("LifeMap"), and 11,400,000 shares of common stock, no par value, of Ascendance Biotechnology, Inc., a Delaware corporation ("Ascendance");

(n) $0.50 per AgeX share paid by investors who elect to receive the Share Exchange Option from BioTime as provided in Section 5.2; and

(o) Goodwill: All goodwill associated with any of the Contributed BioTime Assets.

(p) For all purposes under this Agreement, and for purposes of the Contribution, BioTime shall be deemed to be contributing, assigning, transferring or conveying those assets, rights and properties expressly identified as being contributed, transferred or conveyed by BioTime on Schedule 1.1(a), Schedule 1.1(b), Schedule 1.1(c), Schedule 1.1(d), Schedule 1.1(e), Schedule 1.1(f), Schedule 1.1(g), Schedule 1.1(h), and Schedule 1.1(i), , and good will associated there with and any other assets of BioTime that are used exclusively in the AgeX Business.

1.2 Issuance to BioTime of AgeX Shares. At the Closing, as consideration for the Contributed BioTime Assets, AgeX shall issue and deliver to BioTime 28,800,000 shares of AgeX Common Stock (the "AgeX Shares"), which shall constitute not less than 80% of shares of Common Stock to be issued and outstanding immediately following the Closing, including all shares of Common Stock issued and sold by AgeX in the Financing.

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1.3 Assumption of Liabilities.

(a) AgeX Liabilities. Simultaneously with the Closing, AgeX shall assume and be liable for, and shall pay, perform and discharge, when due, all of the following Liabilities, which shall be deemed "AgeX Liabilities": (i) Liabilities expressly identified on Schedule 1.3; (ii) Liabilities relating primarily to, arising primarily out of or resulting primarily from, the operation or conduct of the AgeX Business, as conducted at any time from July 1, 2017, at or after the Closing Date (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority) of any AgeX Group Member or BioTime Group Member); (iii) Liabilities relating primarily to, arising primarily out of or resulting primarily from the operation or conduct of any business or other activities conducted by any AgeX Group Member from July 1, 2017, at any time after the Closing Date (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority) of any AgeX Group Member), whether or not such business constitutes a part of the AgeX Business; (iv) Liabilities relating primarily to, arising primarily out of or resulting primarily from the ownership or use of the Contributed BioTime Assets, whether arising before, on, or after the Closing Date; (v) Liabilities allocated to or assumed by any AgeX Group Member pursuant to the Employment Matters Agreement, (vi) Liabilities allocated to or assumed by any AgeX Group Member pursuant to the Tax Matters Agreement; (vii) Liabilities arising under or resulting from BioTime Contributed Contracts, including but not limited to (A) payments due and owing under any BioTime Contributed Contract whether arising before, on or after the Closing Date, (B) any Liabilities or obligations arising out of any breach of or default by any BioTime Group Member under any provision of any BioTime Contributed Contract, including any liabilities or obligations attributable to any failure by any BioTime Group Member to perform thereunder or comply with the terms thereof; (viii) any and all Liabilities (including under applicable federal and state securities Laws) relating to, arising out of or resulting from (A) the Form 10 or the Information Statement contained therein, except to the extent specifically arising from information about any BioTime Group Member and not pertaining to our about any AgeX Group Member or the AgeX Business, and (B) any information disclosed, or the failure of AgeX to disclose any material information, to any purchaser of Common Stock in the Financing or the failure of AgeX to register the offer and sale of its Common Stock under the Securities Act or the securities laws of any state or other jurisdiction; (ix) Liabilities relating to or arising out of or resulting from any Proceeding, pending on or before, or brought or arising after, the Closing Date, related to (A) the AgeX Business or any other business or activities conducted by or any act or omission of any AgeX Group Member, (B) any BioTime Contributed Asset, or (C) any BioTime Contributed Contract; and (x) the AgeX Transaction Expenses.

(b) BioTime Retained Liabilities. Notwithstanding Section 1.3(a), the parties agree that AgeX Group Members are not assuming, and the AgeX Liabilities shall not include, any liabilities or obligations of whatever nature of any BioTime Group Member, whether in existence on or before or arising after the Closing Date, and whether known or unknown, absolute or contingent, liquidated or unliquidated, due or to become due and accrued or unaccrued, and whether claims with respect thereto are asserted before or after the Closing Date, other than those specifically identified as AgeX Liabilities in Section 1.3(a) above (collectively, the "Retained BioTime Liabilities"). For the avoidance of doubt (and notwithstanding the foregoing provisions of Section 1.3(b)), AgeX shall not assume the following Liabilities, which Liabilities shall be Retained BioTime Liabilities for all purposes hereunder: (i) Liabilities allocated to or assumed by any BioTime Group Member pursuant to the Employment Matters Agreement, (ii) Liabilities allocated to or assumed by any BioTime Group Member pursuant to the Tax Matters Agreement, and (iii) the BioTime Transaction Expenses.

(c) Assumption Agreements. At the Closing, AgeX shall assume the AgeX Liabilities that are, at the time of Closing, Liabilities of any BioTime Group Member rather than direct liabilities of any AgeX Group Member (the "Assumed BioTime Liabilities") by delivery of an assumption agreement to BioTime, substantially in the form of Exhibit B (each, an "Assumption Agreement").

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1.4 Consents; Assignments Not Effected at Closing.

(a) Prior to Closing, and, if applicable, prior to the Distribution, BioTime and AgeX shall use commercially reasonable efforts, and shall cooperate with each other, to obtain any Consent required for the transfer and assignment of all BioTime Contributed Assets, including all BioTime Contributed Contracts, to AgeX or one or more other AgeX Group Members, and to obtain any release, substitution or amendment required to novate any and all BioTime Contributed Contracts or to obtain in writing the unconditional release of all BioTime Group Members from such BioTime Contributed Contracts, and to permit AgeX or another AgeX Group Member to assume the Liabilities of BioTime or any other BioTime Group Member under the BioTime Contributed Contracts.

(b) Notwithstanding anything to the contrary in this Agreement, and subject to the provisions of this Section 1.4, to the extent that the sale, assignment, transfer, conveyance or delivery, or attempted sale, assignment, transfer, conveyance or delivery of any Contributed BioTime Asset to AgeX or to any other AgeX Group Member, including any BioTime Contributed Contract, would result in a violation of applicable Legal Requirements or would require the Consent of a Person (including any Governmental Body), who is not a Party to this Agreement or an Affiliate of a Party to this Agreement including any Consent required to release any BioTime Group Member from a BioTime Contributed Contract, and such Consent shall not have been obtained prior to the Closing, this Agreement shall not constitute a sale, assignment, transfer, conveyance or delivery, or an attempted sale, assignment, transfer, conveyance or delivery, of such Contributed BioTime Asset and assumption of such BioTime Contributed Contract; provided, however, that, subject to the satisfaction or waiver of the conditions contained in ARTICLE 2 and ARTICLE 3, the Closing shall occur notwithstanding the foregoing. For the avoidance of doubt, nothing in this Section 1.4 or otherwise in this Agreement shall be deemed to modify or waive the requirements set forth in Section 2.2(e) or Section 3.2(g) with respect to the Consents required to be delivered at or prior to Closing and listed on Schedule 2.2(e) or Schedule 3.2(g).

(c) If any Consent required for BioTime to transfer or assign any BioTime Contributed Asset to AgeX or another AgeX Group Member is not obtained on or before Closing, BioTime and AgeX shall use commercially reasonable efforts, and shall cooperate with each other, following the Closing to obtain such Consent. Once such Consent is obtained, BioTime shall sell, assign, transfer, convey and deliver to AgeX or another AgeX Group Member such BioTime Contributed Asset. BioTime shall hold such BioTime Contributed Asset for the use and benefit of the AgeX Group, and to the extent commercially reasonable and feasible and permitted by Applicable Law, BioTime shall provide AgeX (or such other Age X Group Members as AgeX may designate) with the use and possession of such BioTime Contributed Asset prior to the receipt of the Consent required for the transfer of the BioTime Contributed Asset to AgeX or another AgeX Group Member. The AgeX Group shall bear the risk of loss of such BioTime Contributed Asset, until such Consent is received and the transfer is completed, and any and all costs incurred by the BioTime Group in connection with the continued possession or ownership of such BioTime Contributed Asset prior to the date any such required Consent is obtained shall be borne and reimbursed, promptly upon request, to BioTime by AgeX. In the case of BioTime Contributed Patents or other BioTime Contributed IP, AgeX shall bear and reimburse BioTime, promptly upon request, for any and all costs and expenses related to the maintenance, prosecution, and enforcement of such patents or other IP Rights.

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(d) If any Consent required for BioTime to assign any BioTime Contributed Contract to AgeX and for AgeX to assume BioTime's obligations under any BioTime Contributed Contract or any Assumed BioTime Liability, or to obtain any release, substitution or amendment required to novate any and all BioTime Contributed Contract or Assumed BioTime Liability or to otherwise release of all BioTime Group Members from such BioTime Contributed Contract or Assumed BioTime Liability, is not obtained on or before Closing, BioTime and AgeX shall use commercially reasonable efforts, and shall cooperate with each other, following the Closing to obtain such Consent, release, substitution or amendment. Once such Consent, release, substitution or amendment is obtained, BioTime shall sell, assign, transfer, convey and deliver to AgeX, and AgeX shall assume such BioTime Contributed Contract or Assumed BioTime Liability. Any and all costs incurred by the BioTime Group in connection with the continued performance of obligations under any BioTime Contributed Contract or Assumed BioTime Liability prior to the date any such required Consent, release, substitution or amendment is obtained shall be borne and reimbursed to BioTime by AgeX promptly upon request.

(e) After the Closing Date, BioTime Group Members may receive mail, packages and other communications intended to be sent or properly belonging to AgeX Group Members, and AgeX Group Members may receive mail, packages and other communications intended to be sent or properly belonging to BioTime Group Members. Accordingly, at all times after the Closing Date, the BioTime Group Member or AgeX Group Member receiving any such mail, package and other communication shall be entitled to open the same and to the extent that it does not relate to the business of the receiving company, the receiving company shall promptly deliver such mail, package or other communication (or, in case the same also relates to the business of the receiving company, copies thereof) to such the company to which it relates. The provisions of this Section 1.4(e) are not intended to, and shall not, be deemed to constitute an authorization by any BioTime Group Member to permit any AgeX Group Member to accept service of process on its behalf or constitute any AgeX Group member an agent for service of process, or authorization by any AgeX Group Member to permit any BioTime Group Member to accept service of process on its behalf or constitute any BioTime Group member an agent for service of process.

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1.5 Disclaimer of Representations and Warranties.

(a) EACH OF BIOTIME (ON BEHALF OF ITSELF AND EACH MEMBER OF THE BIOTIME GROUP) AND AGEX (ON BEHALF OF ITSELF AND EACH MEMBER OF THE AGEX GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN ANY ANCILLARY AGREEMENT, NO PARTY TO THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT OR BY ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY, AND HEREBY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, AS TO (I) THE ASSETS, BUSINESSES OR LIABILITIES CONTRIBUTED, ASSIGNED, OR TRANSFERRED TO OR ASSUMED BY AGEX OR ANY AGEX GROUP MEMBER, (II) ANY CONSENTS OR GOVERNMENTAL APPROVALS, (III) THE VALUE OF ANY BIOTIME CONTRIBUTED ASSETS OR FREEDOM OF ANY BIOTIME CONTRIBUTED ASSETS FROM ANY SECURITY INTERESTS, (IV) NONINFRINGEMENT, VALIDITY OR ENFORCEABILITY OR ANY OTHER MATTER CONCERNING ANY IP RIGHTS, (V) THE ENFORCEABILITY, ABSENCE OF ANY DEFENSES, OR RIGHT OF SETOFF WITH RESPECT TO ANY BIOTIME CONTRIBUTED CONTRACT, OR (VI) THE LEGAL SUFFICIENCY OF ANY CONTRIBUTION, ASSIGNMENT, DOCUMENT, CERTIFICATE OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS, WHERE IS" BASIS AND THE TRANSFEREE SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (X) ANY CONVEYANCE, TRANSFER, OR ASSIGNMENT SHALL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD TITLE, FREE AND CLEAR OF ANY LIEN, SECURITY INTEREST, OR OTHER ENCUMBRANCE OR ADVERSE CLAIM, AND (Y) ANY NECESSARY CONSENTS OR GOVERNMENTAL APPROVALS ARE NOT OBTAINED OR THAT ANY LEGAL REQUIREMENTS, ORDERS, OR JUDGMENTS ARE NOT COMPLIED WITH.

(b) Each of BioTime (on behalf of itself and each BioTime Group Member) and AgeX (on behalf of itself and each AgeX Group Member) further understands and agrees that if the disclaimer of express or implied representations and warranties contained in this Section 1.5 is held unenforceable or is unavailable for any reason under the laws of any state, country, or other jurisdiction, and as a result both BioTime or any member of the BioTime Group, on the one hand, and AgeX or any member of the AgeX Group, on the other hand, are jointly or severally liable for any BioTime Retained Liability or any AgeX Liability, then, BioTime and AgeX intend that, notwithstanding any provision to the contrary under any law, the provisions of this Agreement and the Ancillary Agreements (including (i) the disclaimer of all representations and warranties, (ii) allocation of Liabilities among the BioTime Group and AgeX Group, and (iii) releases, indemnification and contribution on account of Liabilities) shall prevail for any and all purposes among the BioTime Group and AgeX Group.

(c) AgeX, for itself and each and every member of the AgeX Group, hereby waives compliance with the requirements and provisions of any "bulk-sale" or "bulk transfer" laws of any jurisdiction that may be applicable with respect to the transfer, sale, or assignment of any or all of the BioTime Contributed Assets to AgeX or any other AgeX Group Member.

1.6 BioTime Licensed IP; AgeX Licensed IP; Reservations of Rights.

(a) BioTime Licensed IP. In addition to the contribution of the Contributed BioTime Assets to AgeX, BioTime or certain BioTime subsidiaries shall, at the Closing, license to AgeX or such AgeX Group Members as AgeX may specify, the Licensed BioTime IP for the fields specified in the applicable License Agreements, on the terms and subject to the conditions set forth in the License Agreements.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

(b) AgeX Licensed IP. At the Closing, AgeX or certain AgeX Group Members shall license to BioTime or such BioTime Group Members as BioTime may specify the Licensed AgeX IP for the fields specified in the applicable License Agreements.

1.7 Closing.

(a) Subject to Section 1.4 and the satisfaction or waiver of the conditions set forth in ARTICLE 2 and ARTICLE 3, the closing of the Contribution, the license of the Licensed BioTime IP and Licensed AgeX IP, the issuance of the AgeX Shares by AgeX to BioTime, and the assumption of the Assumed BioTime Liabilities by AgeX, in each case pursuant to this Agreement (the "Closing"), shall take place on the second Business Day after the satisfaction or waiver of the last of the conditions set forth in Articles 2 and 3 to be satisfied (other than those conditions that by their nature are to be satisfied at Closing, or at such other time and place as may be agreed upon by BioTime and AgeX). The Closing may be accomplished by the exchange of signatures by overnight mail or by scanned and emailed signatures, as the parties may deem appropriate. For purposes of this Agreement, "Closing Date" shall mean the date on which the Closing actually takes place.

(b) At the Closing, AgeX shall issue the AgeX Shares in accordance with Section 1.2 either (i) by book entry of such shares or (ii) by a stock certificate, in the name of BioTime, at the election of BioTime.

ARTICLE 2
CONDITIONS PRECEDENT TO AGEX'S OBLIGATION TO CLOSE

AgeX's obligation to issue the AgeX Shares and assume the Assumed Liabilities and to take the other actions required to be taken by AgeX at the Closing are subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by AgeX, in whole or in part, in writing):

2.1 Performance of Obligations. The covenants and obligations that BioTime is required to comply with or to perform at or prior to the Closing pursuant to this Agreement shall have been complied with and performed in all material respects.

2.2 Closing Documents. AgeX shall have received the following documents, each of which shall be in full force and effect:

(a) the License Agreements, duly executed by BioTime or another BioTime Group Member as the licensor; pursuant to which BioTime or another BioTime Group Member will license the Licensed BioTime IP to AgeX or another AgeX Group Member designated by AgeX;

(b) each of the Ancillary Agreements, duly executed by BioTime;

(c) a certificate of BioTime's Secretary, dated as of the Closing Date certifying: (i) the incumbency of the officers of BioTime signing this Agreement, the Ancillary Agreements, and the other documents contemplated herein to be executed and delivered by BioTime; and (ii) the resolutions of the BioTime Board authorizing this Agreement and the Ancillary Agreements to which BioTime is a party and the transactions contemplated herein and therein;

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(d) such bills of sale, endorsements, assignments, stock transfer powers, stock certificates, and other documents as AgeX may, acting reasonably and in good faith, determine to be necessary or appropriate to assign, convey, transfer and deliver to AgeX title to the Contributed BioTime Assets (including notice of assignment to AgeX of the U.S. patents included in the BioTime Contributed Patents); and

(e) the Consents listed on Schedule 2.2(e) required to transfer or assign BioTime Contributed Assets, including BioTime Contributed Contracts to AgeX.

2.3 Contributed BioTime Assets. BioTime shall have contributed the Contributed BioTime Assets to AgeX.

2.4 No Litigation. No litigation or other Proceeding shall be pending or threatened in writing to enjoin, delay, prohibit or restrict the consummation of the Contribution.

2.5 No Orders. No Order issued by any Governmental Body of competent jurisdiction prohibiting the consummation of the Contribution shall be in effect.

ARTICLE 3
CONDITIONS PRECEDENT TO BIOTIME'S OBLIGATION TO CLOSE

BioTime's obligation to contribute the Contributed BioTime Assets and to take the other actions required to be taken by BioTime at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by BioTime, in whole or in part, in writing):

3.1 Performance of Obligations. The covenants and obligations that AgeX are required to comply with or to perform at or prior to the Closing pursuant to this Agreement shall have been complied with and performed in all material respects.

3.2 Documents. BioTime shall have received the following documents, each of which shall be in full force and effect:

(a) the Assumption Agreement between AgeX and BioTime, duly executed by AgeX;

(b) share certificates (or at BioTime's election, evidence of book entry) representing the AgeX Shares duly registered in the name of BioTime;

(c) the License Agreements, duly executed by AgeX or another AgeX Group Member as the licensor; pursuant to which AgeX or another AgeX Group Member will license the Licensed AgeX IP to BioTime or another BioTime Group Member designated by BioTime

(d) each of the Ancillary Agreements, duly executed by AgeX;

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(e) a certificate of AgeX's Secretary, dated as of the Closing Date certifying: (i) the incumbency of the officers of AgeX signing this Agreement, the Ancillary Agreements, and the other documents contemplated herein to be executed and delivered by AgeX and (ii) the resolutions of the board of directors of AgeX authorizing this Agreement and the Ancillary Agreements to which it is a party and the transactions contemplated herein and therein;

(f) such assignments, assumption agreements and other documents as BioTime may, acting reasonably and in good faith, determine to be necessary or appropriate to effect the assumption by AgeX of the Assumed BioTime Liabilities;

(g) the Consents listed on Schedule 3.2(g)) required to transfer or assign BioTime Contributed Assets, including BioTime Contributed Contracts to AgeX; and

3.3 No Litigation. No Proceeding shall be pending or threatened in writing seeking to enjoin, delay, prohibit or restrict the consummation of the Contribution.

3.4 No Orders. No Order issued by any Governmental Body of competent jurisdiction prohibiting the consummation of the Contribution shall be in effect.

3.5 Financing. AgeX shall have concurrently sold shares of its Common Stock to investors other than BioTime representing not more than [*] of the outstanding shares of AgeX Common Stock outstanding immediately after such sale and Closing, for not less than [*] (the "Financing"). The Financing may be consummated in one or more Closings.

ARTICLE 4
THE DISTRIBUTION

4.1 Stock Dividend to BioTime Shareholders; Distribution. Following the completion of the Contribution and Financing, BioTime may cause the Distribution Agent to issue pro rata to the Record Holders pursuant to the distribution ratio determined by the BioTime Board, all of the issued and outstanding shares of AgeX Common Stock held by BioTime (such issuance, the "Distribution") on the terms and conditions set forth in this Agreement. As of the date of this Agreement, the BioTime Board has not decided whether or not BioTime should effect the Distribution. On such date after the Closing as may be set by the BioTime Board (the "Distribution Date"), BioTime shall cause the Distribution Agent to make the Distribution, including by crediting the appropriate number of shares of AgeX Common Stock to book entry accounts for each Record Holder or designated transferee or transferees of such Record Holder. For Record Holders who own BioTime Common Stock through a broker or other nominee, their shares of AgeX Common Stock will be credited to their respective accounts by such broker or nominee. No action by any Record Holder (or such Record Holder's designated transferee or transferees) shall be necessary to receive the applicable number of shares of AgeX Common Stock (and, if applicable, cash in lieu of any fractional shares) such shareholder is entitled to in the Distribution.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

4.2 Fractional Shares. Record Holders who, after aggregating the number of shares of AgeX Common Stock (or fractions thereof) to which such shareholder is entitled to receive in the Distribution, would be entitled to receive a fraction of a share of AgeX Common Stock in the Distribution, will receive cash in lieu of a fractional share. Fractional shares of AgeX Common Stock will not be distributed in the Distribution nor credited to book-entry accounts. The Distribution Agent shall, as soon as practicable after the Distribution Date, (a) determine the number of whole shares and fractional shares of AgeX Common Stock allocable to each Record Holder, (b) aggregate all such fractional shares into whole shares and sell the whole shares obtained thereby in open market transactions at then prevailing trading prices on behalf of holders who would otherwise be entitled to fractional share interests, and (c) distribute to each such holder, or for the benefit of each such beneficial owner, such holder's or owner's ratable share of the net proceeds of such sale, based upon the average gross selling price per share of AgeX Common Stock after making appropriate deductions for any amount required to be withheld for United States federal income tax purposes. BioTime shall bear the cost of brokerage fees and transfer Taxes incurred in connection with these sales of fractional shares, which such sales shall occur as soon after the Distribution Date as practicable and as determined by the Distribution Agent. None of the BioTime Group Members, AgeX Group Members, or the Distribution Agent will guarantee any minimum sale price for the fractional shares of AgeX Common Stock. No BioTime Group Member or AgeX Group Member will pay any interest on the proceeds from the sale of fractional shares. The Distribution Agent will have the sole discretion to select the broker-dealers through which to sell the aggregated fractional shares and to determine when, how and at what price to sell such shares. Neither the Distribution Agent nor the selected broker-dealers will be Affiliates of BioTime or AgeX.

4.3 Adjustment to Number of AgeX Shares. Prior to the Distribution Date, AgeX shall amend its Certificate of Incorporation to effect a split up of the Common Stock, or shall issue to BioTime and its other stockholders Common Stock on a pro rata basis as a stock dividend, such that BioTime shall hold on the Distribution Date the number of shares of AgeX Common Stock as may be requested by BioTime after consultation with AgeX and the Distribution Agent in order to effect the Distribution.

4.4 Terms of the Distribution. BioTime, in its sole and absolute discretion, shall determine the Distribution Date, the Record Date, and all other terms of the Distribution, including the form, structure and terms of any transactions and/or offerings to effect the Distribution and the timing of and conditions to the consummation thereof. In addition, BioTime may at any time and from time to time until the completion of the Distribution, decide to abandon the Distribution or modify or change the terms of the Distribution, including by changing the Distribution Date and Record Date. Without limiting the foregoing, BioTime shall have the right not to complete the Distribution if, at any time prior to the Distribution Date, the BioTime Board shall have determined, in its sole discretion, that the Distribution is not in the best interests of BioTime or its shareholders, that a sale or other alternative is in the best interests of BioTime or its shareholders, or that it is not advisable at that time for AgeX Business to separate from BioTime.

4.5 Conditions to Distribution. Without limiting the scope of Section 4.4, the obligation of BioTime to consummate the Distribution is subject to the prior or simultaneous satisfaction, or, to the extent permitted by applicable Legal Requirements, waiver by BioTime, in its sole and absolute discretion, of the following conditions. No AgeX Group Member or any Third Party shall have any right or claim to require the consummation of the Distribution, which shall be effected at the sole discretion of BioTime. Any determination made by BioTime prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 4.5 shall be conclusive and binding on the Parties. The conditions are for the sole benefit of BioTime and shall not give rise to or create any duty on the part of BioTime or the BioTime Board to waive or not waive any such condition. Each Party will use its commercially reasonable efforts to keep the other Party apprised of its efforts with respect to, and the status of, each of the following conditions:

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(a) the determination by BioTime in its sole discretion that following the Distribution it will have no further liability or obligation whatsoever under any financing arrangements that any AgeX Group Member will be entering into in connection with the Distribution or the operation of its business;

(b) the SEC shall have declared effective the Form 10, of which the Information Statement forms a part, and no order terminating the registration of the Common Stock under the Exchange Act will be in effect, no Proceeding seeking to terminate such registration shall be pending before or threatened by the SEC, and the Information Statement (or the Notice of Internet Availability of the Information Statement if permitted as a means of delivery under applicable Legal Requirements) shall have been distributed to Registered Holders of BioTime Common Stock;

(c) the AgeX Common Stock shall have been approved and accepted for listing by the NYSE MKT or Nasdaq, subject to official notice of issuance, or if BioTime so determines the AgeX Common Stock shall have been approved for quotation on the OTC Bulletin Board;

(d) the receipt and continued validity of a private letter ruling from the United States Internal Revenue Service and the opinion of BioTime tax counsel, in form and substance acceptable to BioTime, substantially to the effect that, among other things, the Contribution and Distribution will, based upon and subject to the assumptions, representations and qualifications set forth therein, qualify as a tax-free transaction under Section 355 and Section 368(a)(1)(D) of the Code, and certain transactions related to the transfer of assets and liabilities to AgeX in connection with the Contribution or Distribution will not result in the recognition of any gain or loss to BioTime, AgeX or their respective shareholders;

(e) the receipt of such opinion as the BioTime Board may require confirming the solvency of each of BioTime and AgeX after the Distribution, in form and substance acceptable to the BioTime Board in its sole discretion;

(f) all permits, registrations and Consents required under the securities or blue sky laws of states or other political subdivisions of the United States or of foreign jurisdictions in connection with the Distribution shall have been received, or BioTime shall have received such confirmations as it may require that exemptions from such registrations or consents are available for the Distribution;

(g) no order, injunction, or decree issued by any Governmental Body of competent jurisdiction, or other legal restraint or prohibition preventing the consummation of the Distribution or any of the related transactions shall be pending, threatened, issued or in effect, and no other event outside the control of BioTime shall have occurred or failed to occur that prevents the consummation of all or any portion of the Distribution;

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(h) no Proceeding shall be pending or threatened seeking to restrain, prohibit or enjoin the Distribution, or challenging the legality of the Distribution, or alleging that the Distribution would violate any Legal Requirement or would create any Liability of BioTime or any members of the BioTime Board;

(i) the BioTime Board shall have declared the Distribution and approved all related transactions (and such declaration or approval shall not have been withdrawn);

(j) BioTime shall have elected the board of directors of AgeX, as described in the Information Statement, immediately prior to the Distribution;

(k) AgeX shall have entered into all of the Ancillary Agreements and the Ancillary Agreements shall be in full force and effect; and

(l) no events or developments shall have occurred or shall exist that, in the sole and absolute judgment of the BioTime Board, make it inadvisable to effect the Distribution or would result in the Distribution and related transactions not being in the best interest of BioTime or its shareholders.

4.6 Actions in Connection with the Distribution. Prior to the Distribution Date, AgeX shall take the following actions to facilitate the Distribution in compliance with applicable Legal Requirements.

(a) AgeX shall file with the SEC, at such time as BioTime may request, a Form 10 to register AgeX Common Stock under Section 12(b) or Section 12(g), as requested by BioTime, of the Exchange Act. AgeX shall file such amendments, supplements, and exhibits to its Form 10 as BioTime may reasonably request or the SEC may require and as may be necessary in order to cause the Form 10 to become and remain effective under the Exchange Act. BioTime shall, or at BioTime's election, AgeX shall, mail (or deliver by electronic means where not prohibited by applicable Legal Requirements) to the Record Holders of BioTime common shares, at such time on or prior to the Distribution Date as BioTime shall determine, the Information Statement (or a Notice of Internet Availability of such Information Statement if permitted as a means of delivery under applicable Legal Requirements), as well as any other information concerning AgeX, its business, operations and management, the Contribution, and such other matters as BioTime shall reasonably determine are necessary and as may be required by applicable Legal Requirements. Promptly after receiving a request from BioTime, AgeX shall prepare and, in accordance with applicable Legal Requirements, file with the SEC any such documentation that BioTime reasonably determines is necessary or desirable to effectuate the Distribution, and, subject to BioTime's rights under Section 4.5, BioTime and AgeX shall each use commercially reasonable efforts to obtain all necessary approvals from the SEC with respect thereto as soon as practicable.

(b) AgeX shall use commercially reasonable efforts in preparing, filing with the SEC and causing to become effective, on or as soon as reasonably practicable after the Distribution Date, a registration statement under the Securities Act as may be required in connection with the establishment of, or amendments to, any stock option or other employee benefit plans of AgeX.

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(c) AgeX shall use commercially reasonable efforts to prepare and have approved and made effective, an application for the original listing of the AgeX Common Stock on the NYSE MKT or Nasdaq, subject to official notice of distribution.

(d) Nothing in this Section 4.6 shall be deemed to shift or otherwise impose on BioTime liability for any portion of the Form 10 or Information Statement.

ARTICLE 5
THE FINANCING

5.1 Offer and Sale of Common Stock. AgeX shall use its commercially reasonable best efforts to raise gross proceeds of not less than [*] from the offer and sale of shares of its Common Stock to Persons who qualify as "accredited investors" as defined in Rule 501 under the Securities Act, in a transaction exempt from registration under the Securities Act pursuant to Rule 506 (and to the extent applicable, Regulation S) thereunder (the "Financing"). The total number of shares of Common Stock sold in the Financing shall not exceed [*] of the shares of Common Stock outstanding upon consummation of the Contribution and the Financing. Subject to BioTime's prior consent, AgeX may offer and sell shares of preferred stock convertible into Common Stock, provided that (i) such preferred stock shall, by its terms, automatically be converted into shares of Common Stock upon the Distribution, and (ii) the number of shares of Common Stock issuable upon conversion of the preferred stock issued in the Financing, plus any Common Stock issued and sold in the Financing, shall not exceed [*] of the shares of Common Stock outstanding upon consummation of the Contribution and the Financing as if such preferred stock had been converted into Common Stock on the Closing Date.

5.2 Share Exchange Option. In connection with the Financing, BioTime agrees to enter into an Option Agreement with each purchaser of AgeX securities in the Financing who elects to receive from BioTime an option entitling the purchaser to exchange shares of AgeX Common Stock purchased in the Financing for BioTime common shares at an exchange ratio and subject to the terms and conditions of the Option Agreement (the "Share Exchange Option"). Investors who elect to receive the Share Exchange Option shall pay $0.50 per share in addition to the purchase price of AgeX securities in the Financing. BioTime agrees that the additional $0.50 per share paid by investors for the Share Exchange Option may be collected directly from investors by AgeX and shall be part of the Contributed BioTime Assets.

ARTICLE 6
POST-CLOSING COVENANTS

6.1 Further Assurances.

(a) From and after the Closing, each Party shall cooperate with the other Party, and shall cause to be executed and delivered such documents as the other Party may reasonably request, for the purpose of perfecting, completing, or documenting the transactions contemplated by this Agreement.

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(b) After the Closing, if BioTime or any BioTime Group Member receives any payment, refund or other amount that is a Contributed BioTime Asset or otherwise belongs to any AgeX Group Member, BioTime shall promptly remit or shall cause to be remitted such amount to AgeX. Any payment, refund or other amount that relates to a BioTime Contributed Asset, including any BioTime Contributed Contract, with respect to a period on or after the Closing Date shall belong to AgeX unless such payment, refund, or other amount is expressly excluded from the BioTime Contributed Assets in a Schedule to this Agreement.

(c) After the Closing, if any AgeX Group Member receives any payment, refund or other amount that is properly due and owing to a BioTime Group Member, AgeX shall promptly remit or shall cause to be remitted such amount to BioTime Group Member. Any payment, refund or other amount that relates to a period prior to Closing shall belong to BioTime unless such payment, refund, or other amount is expressly listed as a BioTime Contributed Asset in a Schedule to this Agreement.

6.2 Post Closing Access. Each Party agrees to provide the assistance and access set forth in this Section 6.2, subject to Section 6.3.

(a) During the Access Period each Party shall provide the other Party the following information, access, and assistance:

(i) Access to Books and Records. Reasonable access to its properties, books and records, and personnel having knowledge of the content of such books and records, for purposes reasonably related to compliance with Legal Requirements.

(ii) Work Papers and Auditor Personnel. Except to the extent otherwise contemplated by the Ancillary Agreements and subject to Section 6.3, AgeX shall authorize and request its auditors to make reasonably available to BioTime's auditors both the personnel who performed or are performing the annual audits of AgeX's financial statements and work papers related to the annual audits (subject to the execution of any reasonable and customary access letters that AgeX's auditors may require in connection with the review of such work papers by BioTime's auditors), in all cases within a reasonable time prior to BioTime's auditors' opinion date, so that the BioTime's auditors are able to perform the procedures they reasonably consider necessary to take responsibility for the work of the AgeX's auditors as it relates to BioTime's auditors' report on BioTime's financial statements, all within sufficient time to enable BioTime to meet its timetable for the filing of its annual audited financial statements with the SEC. BioTime shall authorize and request its auditors to make reasonably available to AgeX's auditors personnel and work papers to the same extent as AgeX is obligated to make its auditor's personnel and work papers available to BioTime's auditors, to permit AgeX to timely file its annual audited financial statements with the SEC.

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(iii) Current, Quarterly and Annual Reports. At least three (3) Business Days prior to the earlier of public dissemination or filing with the SEC, each Party shall deliver to the other Party, a reasonably complete draft of any earnings news release, any filing with the SEC, including, but not limited to Current Reports on Form 8-K, Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K or any other annual report purporting to fulfill the requirements of 17 CFR 240-14c-3, and any amendments thereof, provided, further, that, to the extent AgeX's first proxy statement for an annual meeting of shareholders held after the fiscal year during which the Distribution occurs, or after the fiscal year during which BioTime ceases to consolidate the financial statements of AgeX with those of BioTime for financial reporting purposes, discusses BioTime compensation programs, AgeX shall substantially conform its proxy statement to BioTime's proxy statement (or to information that BioTime provides to AgeX under cover of a written communication stating that BioTime intends to include such information in BioTime's proxy statement) for such year. Each Party shall notify the other Party as soon as reasonably practicable after becoming aware of any material accounting differences between the financial statements to be included in such Party's Annual Report on Form 10-K and the pro-forma financial statements included, as applicable, in the Form 10 filed by AgeX for the Distribution or the Form 8-K to filed by BioTime on or about the time of the Distribution or the time after which BioTime ceases to consolidate the financial statements of AgeX with those of BioTime for financial reporting purposes. If any such differences are disclosed to any Party as provided in this paragraph, the Parties shall meet or otherwise confer as soon as reasonably practicable thereafter, and in any event prior to the filing of any Annual Report on Form 10-K, to resolve such differences and the effects thereof on the Parties' applicable Annual Reports on Form 10-K.

(iv) Other Information by BioTime Subject to compliance with the terms of the Ancillary Agreements, BioTime shall provide AgeX information that (A) primarily relates to AgeX or the AgeX Business, as the case may be, or (B) is necessary for AgeX to comply with the terms of, or otherwise perform under, any Ancillary Agreement to which BioTime and/or AgeX are parties. Such information shall be provided, as soon as reasonably practicable following the receipt of such request, at the expense of AgeX. BioTime shall be required to provide only such information in the possession or control of BioTime or any of BioTime Affiliates, and only to the extent such information is not already in the possession or control of AgeX. BioTime may provide appropriate copies of such information, except that originals shall be provided if AgeX has a reasonable need for such originals; provided that, to the extent any originals are delivered to AgeX pursuant to this Agreement or the Ancillary Agreements, AgeX shall, at its own expense, return them to BioTime within a reasonable time after the need to retain such originals has ceased. If BioTime, in its sole discretion, determines that any such access or the provision of any such information would violate any Legal Requirement or any Contract with a Third Party or could reasonably result in the waiver of any attorney-client privilege, rights under the work product doctrine or other applicable privilege, BioTime shall not be obligated to provide such information requested by AgeX.

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(v) Other Information by AgeX. Subject to compliance with the terms of the Ancillary Agreements, AgeX shall provide BioTime information that (A) primarily relates to BioTime or the BioTime Business, as the case may be, or (B) is necessary for BioTime to comply with the terms of, or otherwise perform under, any Ancillary Agreement to which AgeX and/or BioTime are parties. Such information shall be provided, as soon as reasonably practicable following the receipt of such request, at the expense of BioTime. AgeX shall be required to provide only such information in the possession or control of AgeX or any of AgeX Affiliates, and only to the extent such information is not already in the possession or control of BioTime. AgeX may provide appropriate copies of such information, except that originals shall be provided if BioTime has a reasonable need for such originals; provided that, to the extent any originals are delivered to BioTime pursuant to this Agreement or the Ancillary Agreements, BioTime shall, at its own expense, return them to AgeX within a reasonable time after the need to retain such originals has ceased. If AgeX, in its sole discretion, determines that any such access or the provision of any such information would violate any Legal Requirement or any Contract with a Third Party or could reasonably result in the waiver of any attorney-client privilege, rights under the work product doctrine or other applicable privilege, AgeX shall not be obligated to provide such information requested by BioTime.

(b) Other than in circumstances in which indemnification is sought pursuant to ARTICLE 8 (in which event the provisions of such ARTICLE 8 shall govern) or for matters related to provision of tax records (in which event the provisions of the Tax Matters Agreement shall govern) and subject to appropriate restrictions for Privileged Information or Confidential Information, at all times, each Party shall provide the other Party the following information, access, and assistance at all times:

(i) BioTime shall provide AgeX all information that (A) is reasonably required by AgeX to comply with reporting, disclosure, filing or other requirements imposed on AgeX (including under applicable securities Legal Requirements) by a Governmental Body having jurisdiction over AgeX, or (B) is for use in any Proceeding (other an a Proceeding in which any BioTime Group Member is an opposing party) or in order to satisfy audit, accounting, claims, regulatory, litigation, or other similar requirements, as applicable. BioTime shall be required to provide only such information in the possession or control of BioTime or any of BioTime Affiliates, and only to the extent such information is not already in the possession or control of AgeX. BioTime may provide appropriate copies of such information, except that originals shall be provided if AgeX has a reasonable need for such originals; provided that, to the extent any originals are delivered to AgeX pursuant to this Agreement or the Ancillary Agreements, AgeX shall, at its own expense, return them to BioTime within a reasonable time after the need to retain such originals has ceased. If BioTime, in its sole discretion, determines that any such access or the provision of any such information would violate any Legal Requirement or any Contract with a Third Party or could reasonably result in the waiver of any attorney-client privilege, rights under the work product doctrine or other applicable privilege, BioTime shall not be obligated to provide such information requested by AgeX.

(ii) AgeX shall provide BioTime all information that (A) is reasonably required by BioTime to comply with reporting, disclosure, filing or other requirements imposed on BioTime (including under applicable securities Legal Requirements) by a Governmental Entity having jurisdiction over BioTime, or (B) is for use in any Proceeding (other an a Proceeding in which any AgeX Group Member is an opposing party) or in order to satisfy audit, accounting, claims, regulatory, litigation, or other similar requirements, as applicable. AgeX shall be required to provide only such information in the possession or control of AgeX or any of AgeX Affiliates, and only to the extent such information is not already in the possession or control of BioTime. AgeX may provide appropriate copies of such information, except that originals shall be provided if BioTime has a reasonable need for such originals; provided that, to the extent any originals are delivered to BioTime pursuant to this Agreement or the Ancillary Agreements, BioTime shall, at its own expense, return them to AgeX within a reasonable time after the need to retain such originals has ceased. If AgeX, in its sole discretion, determines that any such access or the provision of any such information would violate any Legal Requirement or any Contract with a Third Party or could reasonably result in the waiver of any attorney-client privilege, rights under the work product doctrine or other applicable privilege, AgeX shall not be obligated to provide such information requested by BioTime.

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(c) Nothing in this Section 6.2 shall require any Party to violate any Contract with any Third Party regarding the confidentiality of confidential and proprietary information belonging or relating to that Third Party or its business; provided, however, that in the event that a Party is required to provide any such information, such Party shall use commercially reasonable efforts to seek to obtain such Third Party's written consent to the disclosure of such information.

(d) Each Party shall inform its officers, employees, agents, consultants, advisors, authorized accountants, counsel and other designated representatives who have or have access to the other Party's Confidential Information or other information provided pursuant to Section 6.2 of their obligation to hold such information confidential in accordance with the provisions of this Agreement.

(e) The Parties acknowledge that information provided under this Section 6.2 may constitute material, nonpublic information, and trading in the securities of a Party (or the securities of its Affiliates, subsidiaries or partners) while in possession of such material, nonpublic material information may constitute a violation of the United States federal securities Legal Requirements.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

6.3 Confidentiality.

(a) Confidential Information pertaining to the BioTime Business or any BioTime Group Member shall be deemed to belong to the BioTime Group. Confidential Information pertaining to the AgeX Business or any AgeX Group Member shall be deemed to belong to the AgeX Group. Confidential Information pertaining to the BioTime Business and the AgeX Business, or to a BioTime Group Member and an AgeX Group Member, shall be deemed to belong to both the BioTime Group and AgeX Group ("Jointly Owned Confidential Information"). Except as otherwise provided in the Ancillary Agreements or License Agreements, each Party shall hold, and shall cause its officers, employees, agents, consultants and advisors to hold, in strict confidence and not to disclose, release or use (including for any ongoing or future commercial purpose) Confidential Information belonging to the other Party, without the prior written consent of the Party to whom the Confidential Information belongs, which consent, in each case, may be withheld in such Party's sole and absolute discretion, except where disclosure is required by applicable Legal Requirements; provided that each Party may disclose, or may permit disclosure of, Confidential Information (i) to its respective auditors, attorneys, financial advisors, bankers and other consultants and advisors who have a need to know such information for auditing and other non-commercial purposes and are informed of the obligation to hold such information confidential, and in respect of whose failure to comply with such obligations the applicable Party will be responsible, (ii) if any Party or any of its Affiliates is required or compelled to disclose any such Confidential Information by judicial or administrative process or by other Legal Requirement or stock exchange rule or is advised by outside counsel in connection with a Proceeding brought by a Governmental Entity that it is advisable to do so, (iii) as required in connection with any Proceeding by one Party against any other Party, (iv) as necessary in order to permit a Party to prepare and disclose its financial statements in connection with any regulatory filings or tax returns, (v) as necessary for a Party to enforce its rights or perform its obligations under this Agreement or an Ancillary Agreement, (vi) to other Persons in connection with their evaluation of, and negotiating and consummating, a potential strategic transaction, to the extent reasonably necessary in connection therewith, provided an appropriate and customary confidentiality agreement has been entered into with the Person receiving such Confidential Information, and (vii) in the case of Jointly Owned Confidential Information, for any and all uses and purposes, subject to any agreement between the Parties that jointly own such Confidential Information, but in the absence of any such agreement, disclosure of Jointly Owned Confidential Information to a Third Party shall be subject to either obtaining the consent of the joint owner or obtaining a written agreement in customary form and scope from the Third Party to maintain the confidentiality of such Confidential Information. Notwithstanding the foregoing, in the event that any demand or request for disclosure of Confidential Information is made by a Third Party pursuant to clause (ii), (iii), or (v) of this Section, each Party, as applicable, shall promptly notify (to the extent permissible by law) the Party to whom the Confidential Information belongs of the existence of such request, demand or disclosure requirement and shall provide such affected Party a reasonable opportunity to seek an appropriate protective order or other remedy, which such Party will cooperate in obtaining to the extent reasonably practicable. In the event that such appropriate protective order or other remedy is not obtained, the Party which is subject to the disclosure requirement shall furnish only that portion of the Confidential Information that is required to be disclosed and shall take commercially reasonable steps to ensure that confidential treatment is accorded such Confidential Information. As used in this Agreement, Confidential Information includes the following information: know-how; experiments and experimental design; formulas; processes; product ideas; inventions (whether patentable or not); unpublished patent applications; trade secrets; improvements; copyrightable materials; schematics; non-clinical and clinical data; product and service pricing; personnel and compensation; customers; business opportunity; laboratory note books; laboratory analysis and reports; protocols and techniques; procedure and operating manuals; studies; contracts and agreements; records; systems and programs; computer source code; business, financial, and product development plans, forecasts, and strategies; financial information; income tax returns; communications to or from attorneys and attorney work product; communications to and from accountants and accountant work papers; communications to and from Government Bodies; information subject to a confidentiality or non-disclosure agreement benefiting a Third Party. "Confidential Information" shall not include any information which: (w) is in the public domain at the time of disclosure or which thereafter enters the public domain through no improper action or inaction by the receiving Party; (x) was in the possession of or known by the receiving Party prior to receipt from the disclosing Party as shown by the receiving Party's files and records in existence prior to the time of disclosure; (y) was disclosed to the receiving Party or any by a third party who did not receive the information from the disclosing Party under restriction prohibiting disclosure to the receiving Party; or (z) was independently developed by the receiving Party without the use of Confidential Information provided by the disclosing Party.

(b) Each Party acknowledges that it may have in its possession confidential or proprietary information of Third Parties that was received under confidentiality or non-disclosure agreements with such Third Party. Each Party shall comply, and shall cause its officers, employees, agents, consultants and advisors (or potential buyers) to comply, with all terms and conditions of any such Third Party agreements, with respect to any confidential and proprietary information of Third Parties to which it has had access.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

(c) Notwithstanding anything to the contrary set forth herein, (i) the Parties shall be deemed to have satisfied their obligations hereunder with respect to Confidential information if they exercise at least the same degree of care that applies to BioTime's confidential and proprietary information pursuant to policies in effect as of the Closing and (ii) confidentiality obligations provided for in any Contract between each Party and its employees shall remain in full force and effect. Notwithstanding anything to the contrary set forth herein, Confidential Information of any Party in the possession of and used by any other Party (the "Other Party") as of the Closing Date (other than Confidential Information included within IP Rights not licensed to such Other Party) may continue to be used by such Other Party in and only in the operation of the AgeX Business (if the Other Party is an AgeX Group Member) or the BioTime Business (if the Other Party is a BioTime Group Member); provided that such Confidential information may only be shared with additional officers, employees, agents, consultants and advisors of such Other Party on a need-to-know basis exclusively with regard to such permitted use; provided, further that such Confidential information may be used only so long as the Confidential information is maintained in confidence and not disclosed in violation of this Section 6.3.

(d) The Parties agree that irreparable damage may occur in the event that the provisions of this Section 6.3 are not performed in accordance with their specific terms. Accordingly, it is hereby agreed that the Parties shall be entitled to seek an injunction to enforce specifically the terms and provisions of this Section 6.3 in any court having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

(e) For the avoidance of doubt and notwithstanding any other provision of this Section 6.3, (i) the disclosure and sharing of Privileged Information shall be governed solely by Section 6.4, and (ii) information that is subject to any confidentiality provision or other disclosure restriction in any Ancillary Agreement or License Agreement shall be governed by the terms of such Ancillary Agreement or License Agreement.

(f) The rights and obligations of BioTime under this Section 6.3 shall apply as well to each BioTime Group Member with respect to such BioTime Group Member's own Confidential Information and Confidential Information disclosed to it by any AgeX Group Member. The rights and obligations of AgeX under this Section 6.3 shall apply as well to each AgeX Group Member with respect to such AgeX Group Member's own Confidential Information and any Confidential Information disclosed to it by any BioTime Group Member.

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6.4 Privilege Matters.

(a) Pre-Distribution Services. The Parties recognize that legal and other professional services that have been and will be provided prior to the Distribution have been and will be rendered for the collective benefit of each of the BioTime Group Members and the AgeX Group Members (excluding Ascendance Biotechnology, Inc. which shall not be deemed to be an AgeX Group Member or BioTime Group Member for purposes of this Section 6.4), and that each of the BioTime Group Members and the AgeX Group Members should be deemed to be the client with respect to such pre-Distribution services for the purposes of asserting all privileges, immunities, or other protections from disclosure which may be asserted under applicable law, including attorney-client privilege, business strategy privilege, joint defense privilege, common interest privilege, and protection under the work-product doctrine ("Privilege"). The Parties shall have a shared Privilege with respect to all information subject to Privilege ("Privileged Information") which relates to such pre-Distribution services. For the avoidance of doubt, Privileged Information within the scope of this Section 6.4 includes, but is not limited to, services rendered by legal counsel retained or employed by any BioTime Group Member or AgeX Group Member, including outside counsel and in-house counsel.

(b) Post-Distribution Services. The Parties recognize that legal and other professional services will be provided following the Distribution to the BioTime Group Members and AgeX Group Members. The Parties further recognize that certain of such post-Distribution services will be rendered solely for the benefit of one or more BioTime Group Members or AgeX Group Members, as the case may be, while other post-Distribution services may be rendered with respect to Proceedings, disputes, or other matters which involve both BioTime Group Members and AgeX Group Members. With respect to such post-Distribution services and related Privileged Information, the Parties agree as follows:

(i) All Privileged Information relating to any claims, Proceedings, disputes, or other matters which involve both a BioTime Group Member and AgeX Group Member shall be subject to a shared Privilege among the BioTime Group Members and AgeX Group Members involved in the claims, Proceedings, disputes, or other matters at issue; and

(ii) Except as otherwise provided in Section 6.4(b)(i), Privileged Information relating to post-Distribution services provided solely to one or more BioTime Group Members or AgeX Group Members shall not be deemed shared between the BioTime Group and the AgeX Group, provided, that the foregoing shall not be construed or interpreted to restrict the right or authority of the BioTime Group Members and AgeX Group Members (x) to enter into any further agreement, not otherwise inconsistent with the terms of this Agreement, concerning the sharing of Privileged Information or (y) otherwise to share Privileged Information without waiving any Privilege which could be asserted under applicable law.

(c) Further Agreements Regarding Privileged Information. The Parties agree as follows regarding all Privileged Information with respect to which the BioTime Group and the AgeX Group shall have a shared Privilege under Section 6.4(a) or 6.4(b):

(i) Subject to Section 6.4(c)(iii) and 6.4(c)(iv), no BioTime Group Member may waive, nor allege or purport to waive, any Privilege which could be asserted under any applicable law, and in which any AgeX Group Member has a shared Privilege, without the written consent of such AgeX Group Member, which shall not be unreasonably withheld or delayed, and no AgeX Group Member may waive, nor allege or purport to waive, any Privilege which could be asserted under any applicable law, and in which any BioTime Group Member has a shared Privilege, without the written consent of such BioTime Group Member, which shall not be unreasonably withheld or delayed. Consent shall be in writing, or shall be deemed to be granted unless written objection is made within fifteen (15) days after a written request seeking such consent;

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(ii) If a dispute arises regarding whether a Privilege should be waived to protect or advance the interest of any Party or any of its subsidiaries, each Party agrees that it shall, and it shall cause its subsidiary to, negotiate in good faith to minimize any prejudice to the rights of the other Party, and shall not unreasonably withhold consent to any request for waiver by the other Party. Each Party specifically agrees that it shall not withhold consent to waive a Privilege for any purpose except to protect the legitimate interests of itself or any of its subsidiaries;

(iii) If, within fifteen (15) days of receipt of written objection to a requested waiver, the Parties have not succeeded in negotiating a resolution to any dispute regarding whether a Privilege should be waived, and the requesting Party determines that a Privilege should nonetheless be waived to protect or advance the interest of itself or any of its subsidiaries, the requesting Party shall provide the objecting Party fifteen (15) days written notice prior to the grant of such waiver. Each Party agrees that failure within fifteen (15) days of receipt of such notice to commence Proceedings in accordance with Section 6.3 to enjoin such disclosure under applicable Law shall be deemed full and effective consent to such disclosure, and the Party's agree that if any Proceeding to resolve any such dispute is commenced any such Privilege shall not be waived by either Party until the final determination of such dispute; and

(iv) In the event of any Proceeding or dispute between any BioTime Group Member and any AgeX Group Member, other than to resolve a Privilege waiver under this Section 6.4, any BioTime Group Member and any AgeX Group Member may waive a Privilege in which there is a shared Privilege, without obtaining the consent of the other holder of the shared Privilege; provided that such waiver of a shared Privilege shall be effective only as to the use of Privileged Information with respect to the Proceeding or dispute between the BioTime Group Member(s) and AgeX Group Member(s), and shall not operate as a waiver of the shared Privilege with respect to Third Parties.

6.5 Non-Solicitation.

(a) Neither AgeX nor any other AgeX Group Member, shall, during the Restricted Period, whether for its own account or for the account of any Person, solicit, endeavor to entice away from any BioTime Group Member, or otherwise interfere with the relationship of any of BioTime Group Member with, any Person that, during the Restricted Period, is employed by or otherwise engaged to perform services for any BioTime Group Member.

(b) Neither BioTime nor any other BioTime Group Member, shall, during the Restricted Period, whether for its own account or for the account of any Person, solicit, endeavor to entice away from any AgeX Group Member, or otherwise interfere with the relationship of any of AgeX Group Member with, any Person that, during the Restricted Period, is employed by any AgeX Group Member. Any officer or employee of BioTime who performs services for any AgeX Group Member pursuant to the Shared Facilities and Services Agreement shall be considered a BioTime Group Member employee.

(c) Notwithstanding the foregoing provisions of this Section 6.5, the Parties acknowledge that following the Closing, employees of AgeX Group Members will be working closely with BioTime Group employees at the BioTime Group's Alameda facility, and it is anticipated that there may be employees of BioTime or other BioTime Group Members who ultimately become employees of AgeX. However, AgeX and other AgeX Group Members may not offer employment to any employee of any BioTime Group Member without the written consent of BioTime.

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6.6 Restriction On Sale of Capital Stock and Certain Transactions. From the Closing Date until earlier of (a) the first anniversary of the Closing Date, and (b) the completion of the Distribution, AgeX shall not, without the prior written consent of BioTime which may be granted or withheld in BioTime's sole and absolute discretion, (i) offer, sell, grant, or issue (A) any shares of any class or series of AgeX capital stock, (B) any option, warrant, or other right exercisable prior to the first anniversary of the Closing Date to purchase any shares of any class or series of AgeX capital stock, or (C) any evidence of indebtedness or other instrument convertible prior to the first anniversary of the Closing Date into or exchangeable prior to the first anniversary of the Closing Date for any shares of any class or series of AgeX capital stock, or (ii) enter into any contract, agreement, or arrangement for the sale or issuance of any security described in clause (i) of this Section, whether for cash or other tangible or intangible property or through any merger, consolidation, or similar transaction.

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ARTICLE 7
TERMINATION

7.1 Termination Events. This Agreement may be terminated prior to the Closing:

(a) by the mutual written consent of BioTime and AgeX;

(b) by BioTime if the Closing has not taken place on or before December 31, 2017 (other than as a result of any failure on the part of BioTime to comply with or perform its covenants and obligations under this Agreement);

(c) by AgeX if the Closing has not taken place on or before December 31, 2017 (other than as a result of any failure on the part of AgeX to comply with or perform any covenant or obligation set forth in this Agreement);

(d) by either BioTime or AgeX, if a court of competent jurisdiction or other Governmental Body shall have issued an Order, or shall have taken any other action, having the effect of permanently restraining, enjoining or otherwise prohibiting the Contribution or the Distribution; provided, that a Party shall not be permitted to terminate this Agreement pursuant to this Section 7.1(d) if the issuance of such Order or the taking of such action is attributable to the failure of such Party to perform in any material respect any covenant or obligation in this Agreement required to be performed by such Party at or prior to the Closing;

(e) by BioTime, if any AgeX's covenants contained in this Agreement shall have been breached in any material respect, if (i) such breach would cause any of the conditions in ARTICLE 2 or ARTICLE 3 not to be satisfied; and (ii) such breach (if curable) is not cured by AgeX within thirty (30) calendar days after receiving written notice from BioTime of such breach;

(f) by AgeX if any of BioTime' covenants contained in this Agreement shall have been breached in any material respect, in either case if (i) such inaccuracy or breach would cause the conditions in ARTICLE 2 or ARTICLE 3 not to be satisfied; and (ii) such inaccuracy or breach (if curable) is not cured by BioTime within thirty (30) calendar days after receiving written notice from AgeX of such inaccuracy or breach;

(g) by BioTime if there shall have occurred a AgeX Material Adverse Effect and such AgeX Material Adverse Effect, if curable, is not cured by AgeX within thirty (30) calendar days after receiving written notice from BioTime of its intent to terminate this Agreement pursuant to this Section 7.1(g); or

(h) by AgeX if there shall have occurred a BioTime Material Adverse Effect and such BioTime Material Adverse Effect, if curable, is not cured by BioTime within thirty (30) calendar days after receiving written notice from AgeX of its intent to terminate this Agreement pursuant to this Section 7.1(h).

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7.2 Termination Procedures. If BioTime wishes to terminate this Agreement pursuant to and in accordance with Section 7.1, BioTime shall deliver to AgeX a written notice stating that BioTime is terminating this Agreement and setting forth a description of the basis on which BioTime is terminating this Agreement. If AgeX wishes to terminate this Agreement pursuant to and in accordance with Section 7.1, AgeX shall deliver to BioTime a written notice stating that AgeX s terminating this Agreement and setting forth a description of the basis on which AgeX is terminating this Agreement.

7.3 Effect of Termination. If this Agreement is terminated pursuant to Section 7.1, all further obligations of the parties under this Agreement shall terminate; provided, however, that no Party shall be relieved of any obligation or Liability arising from any breach by such Party of any covenant contained in this Agreement.

ARTICLE 8
INDEMNIFICATION

8.1 Indemnification by BioTime.

(a) From and after the Closing Date (but subject to the limitations set forth in this ARTICLE 8), BioTime shall indemnify and hold harmless each of the AgeX Indemnitees against, and shall reimburse each of the AgeX Indemnitees for, any Damages (regardless of whether or not such Damages relate to a Third Party claim) that are incurred or suffered by any of the AgeX Indemnitees based upon, arising out of, with respect to, or by reason of:

(i) any breach of any covenant or obligation of BioTime contained in this Agreement or in any Ancillary Agreement;

(ii) Liabilities to the extent related to Encumbrances upon the Contributed BioTime Assets, other than Encumbrance related to or constituting a part of the Assumed BioTime Liabilities;

(iii) the Retained BioTime Liabilities, including also from any failure of any BioTime Group Member to pay, perform, or otherwise discharge any Retained BioTime Liability; or

(iv) conducting the BioTime Business.

8.2 Indemnification by AgeX.

(a) From and after the Closing Date (but subject to the limitations set forth in this ARTICLE 8), AgeX shall indemnify and hold harmless each of the BioTime Indemnitees against, and shall reimburse each of the BioTime Indemnitees for, any Damages (regardless of whether or not such Damages relate to a Third Party claim) that are incurred or suffered by any of the BioTime Indemnitees based upon, arising out of, with respect to, or by reason of:

(i) any breach of any covenant or obligation of AgeX contained in this Agreement or in any Ancillary Agreement;

(ii) the BioTime Contributed Contracts, whether arising prior to, on, or after the Closing Date;

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(iii) ownership, use, or operation of the BioTime Contributed Assets after the Closing Date;

(iv) conducting the AgeX Business before, on, or after the Closing Date; or

(v) the Assumed BioTime Liabilities, including also from any failure of any AgeX Group Member to pay, perform, or otherwise discharge any Assumed BioTime Liability.

8.3 Procedures.

(a) Promptly after any Indemnitee becomes aware of any event or circumstance that would reasonably be expected to constitute or give rise to any claim for indemnification pursuant to this ARTICLE 8, such Indemnitee shall take all commercially reasonable efforts to mitigate and minimize all Damages that may result from such event or circumstance (it being understood that nothing in this Section 8.3 shall limit such Indemnitee's right to seek indemnification hereunder with respect to any costs of such mitigation).

(b) Each Indemnitee shall use commercially reasonable efforts to collect any amounts available under insurance coverage for any Damages payable under this ARTICLE 8. The amount of any Damages for which indemnification is provided under this ARTICLE 8 to an Indemnitee shall be net of any amounts recovered or recoverable by such Indemnitee under insurance policies with respect to such Damages, but shall also include (i) reasonable out-of-pocket costs and expenses relating to collection under such insurance policies; and (ii) any deductibles under insurance policies to the extent paid or by which insurance proceeds were reduced.

(c) Subject to any injunction or other equitable remedies that may be available to the BioTime Indemnitees or the AgeX Indemnitees, from and after the Closing Date, the Indemnitors shall not be liable or responsible in any manner whatsoever (whether for indemnification or otherwise) to the Indemnitees with respect to the matters contemplated by this Agreement except as expressly provided in this ARTICLE 8 and in accordance with the provisions of Section 9.12, and, subject to the foregoing, this ARTICLE 8 provides the exclusive remedy and cause of action of Indemnitees against any Indemnitor with respect to any matter arising out of or in connection with this Agreement; provided, however, that no claim against an Indemnitor for fraud by such Indemnitor shall be subject to the limitations of this Section 8.3.

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8.4 Defense of Third Party Claims. In the event of the assertion of any claim or commencement of any Proceeding by any Person other than a BioTime Group Member or AgeX Group Member with respect to which any Indemnitee may be entitled to indemnification pursuant to this ARTICLE 8, the Indemnitor shall have the right, at its election and expense, to proceed with the defense of such Proceeding on its own with counsel reasonably satisfactory to the Indemnitee(s); provided, however, that the Indemnitor shall not settle or compromise any such Proceeding without the prior written consent of the Indemnitee(s), which consent shall not be unreasonably withheld, conditioned or delayed. The Indemnitee(s) shall give the Indemnitor prompt written notice after the Indemnitee becomes aware of the commencement of any such Proceeding against the Indemnitee(s); provided, however, any failure on the part of the Indemnitee(s) to so notify the Indemnitor shall not limit any of the obligations of the Indemnitor, or limit any of the rights of the Indemnitee(s), under this ARTICLE 8, except to the extent such failure prejudices the defense of such Proceeding. If the Indemnitor elects to assume and control the defense of any such Proceeding: (a) at the request of the Indemnitor, the Indemnitee(s) shall make available to the Indemnitor any documents and materials in the possession of the Indemnitee(s) that may be necessary or useful to the defense of such Proceeding; (b) the Indemnitor shall keep the Indemnitee(s) reasonably informed of all material developments relating to such Proceeding; and (c) the Indemnitee(s) shall have the right to participate in the defense of such Proceeding at the Indemnitee's own expense. If the Indemnitor does not elect to proceed with the defense of any such Proceeding, or fails to so proceed in a timely manner, the Indemnitee(s) may proceed with the defense of such Proceeding with counsel reasonably satisfactory to the Indemnitor and at Indemnitors' expense; provided, however, that the Indemnitee(s) may not settle or compromise any such Proceeding without the prior written consent of the Indemnitor which consent may not be unreasonably withheld, conditioned or delayed.

8.5 Ancillary Agreements. If an Ancillary Agreement or License Agreement contains provisions for indemnification of any Party thereto, any claim for indemnification arising under that Ancillary Agreement or License Agreement or for breach of the Ancillary Agreement or License Agreement shall be governed by the Ancillary Agreement or License Agreement and not by this ARTICLE 8.

ARTICLE 9
MISCELLANEOUS PROVISIONS

9.1 Tax Matters. On the Closing Date, BioTime and AgeX shall enter into the Tax Matters Agreement.

9.2 Employee Matters. On the Closing Date, BioTime and AgeX shall enter into the Employee Matters Agreement.

9.3 Shared Facilities and Services. On the Closing Date, BioTime and AgeX shall enter into the Shared Facilities and Services Agreement.

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9.4 Independent Investigation; Sole Representations. AgeX acknowledges that it and the other AgeX Group Members have conducted their own independent investigation, review and analysis of the business, operations, assets, liabilities, results of operations, financial condition, technology and prospects of the AgeX Business and Contributed BioTime Assets. AgeX acknowledges that it and its Representatives have been provided adequate access to BioTime Group personnel, properties, premises and records pertaining to the Contributed BioTime Assets and BioTime Assumed Liabilities for such purpose. In entering into this Agreement, AgeX acknowledges that it and the other AgeX Group Members have relied solely upon the aforementioned investigation, review and analysis and not on any factual representations or opinions of any BioTime Group Member or any of their respective Representatives. AgeX hereby agrees and acknowledges that: (a) none of the BioTime Group Members nor any of their respective Affiliates or Representatives, make or have made, and neither AgeX nor any AgeX Group Member is relying on, any representation or warranty, express or implied, at law or in equity, with respect to the Contributed BioTime Assets, the Assumed BioTime Liabilities, or any of the BioTime IP Rights licensed under the License Agreements, including as to: (i) merchantability or fitness of any Contributed BioTime Asset for any particular use or purpose; (ii) the operation or use of any BioTime IP Rights or other technology included in the BioTime Contributed Assets or licensed to AgeX or any AgeX Group Member pursuant to any of the License Agreements; (iii) the probable success or profitability of AgeX or any AgeX Group Member; or (iv) any projections, reports or other documents or information relating to the Contributed BioTime Assets or the BioTime IP Rights licensed to AgeX or any AgeX Group Member pursuant to any of the License Agreements; and (b) other than the indemnification obligations of BioTime set forth in ARTICLE 8, no BioTime Group Member or any of their respective Representatives will have or be subject to any Liability or indemnification obligation to AgeX or to any other Person resulting from the delivery to AgeX or any other AgeX Group Member or their respective Representatives of, or their use of, any information relating to the Contributed BioTime Assets, the Assumed BioTime Liabilities or the licensed BioTime IP Rights, including any information, documents or material made available orally or in writing, in any "data room," management presentations, functional "break-out" discussions, responses to questions submitted on behalf of AgeX or any other AgeX Group Member, or in any other form in expectation of the transactions contemplated by this Agreement.

9.5 Publicity. Each of AgeX and BioTime may issue an initial press release concerning this Agreement and the Distribution that is approved in advance by such other Party. Thereafter, BioTime and AgeX shall consult with each other before issuing any press release or otherwise making any public statements or filings with respect to this Agreement, the Distribution, or any of the other transactions contemplated by this Agreement, but AgeX and any AgeX Group Member shall not issue any press release or make any public statement or filing relating to this Agreement, the Distribution, or the other transactions contemplated by this Agreement without the prior written consent of BioTime, which consent shall not be unreasonably withheld, conditioned or delayed; provided, that the foregoing limitations shall not apply to any disclosure of any information concerning this Agreement, the Distribution, or the transactions contemplated by this Agreement: (i) by BioTime which BioTime deems appropriate in its reasonable judgment, in light of its status as a company having reporting obligations under Section 13 of the Exchange Act and that offers its securities from time to time in public offerings and private placements under the Securities Act, including in registration statements, prospectuses, private placement memoranda under the Securities Act and reports filed with the SEC under the Exchange Act, to securities analysts and institutional investors and in press interviews; (ii) by AgeX after the Distribution which AgeX deems appropriate in its reasonable judgment, in light of its status as a company having reporting obligations under Section 13 of the Exchange Act and that offers its securities from time to time in public offerings and private placements under the Securities Act, including in registration statements, prospectuses, private placement memoranda under the Securities Act and reports filed with the SEC, or (iii) in connection with any dispute between the Parties regarding this Agreement or any Ancillary Agreement or License Agreement or the transactions contemplated thereby.

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9.6 Fees & Expenses.

(a) Except as otherwise specifically set forth in this Agreement, AgeX shall bear and pay all fees, costs and expenses that have been incurred or that are in the future incurred by, on behalf of or for the benefit of AgeX or any AgeX Group Member in connection with: (i) the Financing; and (ii) [*] of all costs related to the Distribution, including but not limited to preparation and filing of the Form 10, attorneys and accounting fees and expenses, expenses of obtaining any letter ruling from the Internal Revenue Services, all transfer agent and Distribution Agent fees, all stock exchange or OTC Bulletin Board application, listing or similar fees, and all costs and expenses related to registration or exemption from registration of the Distribution under the securities laws of states and foreign jurisdictions (collectively, the "AgeX Transaction Expenses"). No BioTime Group Member shall have any liability to any broker, finder, investment banker, or other advisor retained or engaged by AgeX or other AgeX Group Member any of their respective Representatives in connection with this Agreement or any of the transactions contemplated by this Agreement ("AgeX Agent"), and AgeX shall indemnify and hold BioTime and AgeX harmless from any claims by any AgeX Agent for any fees or compensation.

(b) BioTime shall bear and pay all fees, costs and expenses that have been incurred or that are in the future (prior to or at the Closing), incurred by, on behalf or for the benefit of each BioTime Group Member in connection with: (i) the negotiation, preparation and review of this Agreement, the Ancillary Agreements and the License Agreements; (ii) the preparation and submission of any filing or notice required to be made or given by any BioTime Group Member in connection with any of the transactions contemplated by this Agreement, and the obtaining of any Consent required to be obtained in connection the contribution of the BioTime Contributed Assets, including the assignment of BioTime Contributed Contracts, and with any License Agreement; and (iii) the consummation and performance of BioTime's obligations in connection with the transactions contemplated by this Agreement, and (iv) 80% of all costs related to the Distribution, including but not limited to preparation and filing of the Form 10, attorneys and accounting fees and expenses, expenses of obtaining any letter ruling from the Internal Revenue Services, all transfer agent and Distribution Agent fees, all stock exchange or OTC Bulletin Board application, listing or similar fees, and all costs and expenses related to registration or exemption from registration of the Distribution under the securities laws of states and foreign jurisdictions (collectively, the "BioTime Transaction Expenses"). AgeXs hall have no liability to any broker, finder, investment banker, or other advisor retained or engaged by any BioTime Group Member or any of their respective Representatives in connection with the transactions contemplated by this Agreement ("BioTime Agent"), and BioTime indemnify and hold AgeX harmless from any claims by any BioTime Agent for any fees or compensation.

9.7 Attorneys' Fees. If any Proceeding relating to this Agreement or any of the Ancillary Agreements or the enforcement of any provision of any of this Agreement or any of the Ancillary Agreements is brought against any Party to this Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees, costs and disbursements (in addition to any other relief to which the prevailing Party may be entitled).

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9.8 Notices. Any notice or other communication required or permitted to be delivered to any Party under this Agreement shall be in writing and shall be deemed properly delivered, given and received: (a) at the time and date of delivery, when delivered by hand; (b) the next Business Day if sent by next Business Day courier service; (c) at the time and date of delivery, if sent by facsimile transmission before 5:00 p.m. in California, when the date and time of transmission is confirmed by the transmitting equipment; (d) on the next Business Day, if sent by facsimile transmission after 5:00 p.m. in California, when the date and time of transmission is confirmed by the transmitting equipment; in any case to the address or facsimile telephone number set forth beneath the name of such party below (or to such other address or facsimile telephone number as such party shall have specified in a written notice given to the other parties hereto):

If to AgeX:
1010 Atlantic Avenue
Suite 102
Alameda, CA 94501
Attention: Chief Executive Officer
[*]

If to BioTime:
BioTime, Inc.
1010 Atlantic Avenue
Suite 102
Alameda, CA 94501
Attention: General Counsel
[*]
[*]

9.9 Headings. The headings and titles of Articles, Sections and paragraphs contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement, and shall not be referred to in connection with the construction or interpretation of this Agreement.

9.10 Counterparts and Exchanges by Electronic Transmission or Facsimile. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission or facsimile shall be sufficient to bind the parties to the terms and conditions of this Agreement.

9.11 Governing Law; Venue.

(a) This Agreement and all claims or causes of action (whether in contract or tort or otherwise) based upon, arising out of or related to this Agreement or the transactions contemplated hereby shall be governed by and construed in accordance with the laws of the State of California without regard to conflict of laws principles that would result in the application of any law other than the laws of the State of California, except to the extent the laws of the State of Delaware apply to the powers and duties of the board of directors of AgeX or the other internal affairs of AgeX. Each of the parties hereto: (i) consents to and submits to the exclusive jurisdiction and venue of the courts of the State of California or the United States District Court for the Northern District of California, in any Proceeding arising out of or relating to this Agreement or any of the transactions contemplated by this Agreement; (ii) agrees that, except as provided for in Section 9.11(b), all claims in respect of any such Proceeding shall be heard and determined in any such court; (iii) shall not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court; and (iv) shall not bring any Proceeding arising out of or relating to this Agreement or any of the transactions contemplated by this Agreement in any other court. Each of BioTime and AgeX hereby agrees that service of any process, summons, notice or document in accordance with the provisions of Section 9.8 shall be effective service of process for any Proceeding arising out of or relating to this Agreement or any of the transactions contemplated hereby.

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(b) Notwithstanding anything to the contrary contained in this Agreement, any claim for indemnification pursuant to Article 8 shall be brought and resolved exclusively in accordance with Article 8; provided, however, that nothing in this Section 9.11(b) shall prevent any party from seeking injunctive and other equitable relief from a court of competent jurisdiction in compliance with Section 9.11(a).

9.12 Successors and Assigns; Parties in Interest.

(a) This Agreement shall be binding upon AgeX and its successors and assigns (if any), and BioTime and its successors and assigns (if any). This Agreement shall inure to the benefit of AgeX, BioTime, the Indemnitees, and the respective successors and assigns (if any) of the foregoing.

(b) Neither BioTime nor AgeX may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Party. Any attempted assignment or delegation not made in compliance with this Section 9.12 shall be void.

(c) Except with respect to the Indemnitees and the provisions of ARTICLE 8 none of the provisions of this Agreement is intended to provide any rights or remedies to any Person other than the Parties to this Agreement and their respective successors and assigns (if any). After the Closing, the Indemnitees shall be third-party beneficiaries of, and entitled to enforce, ARTICLE 8, but no consent of the Indemnitees, or any of them, shall be required to amend any provision of the Agreement, including the provisions of ARTICLE 8 either before or after Closing. Without limiting the generality of the foregoing, no creditor of AgeX or of any Affiliate of AgeX, or of BioTime or any of Affiliate of BioTime, shall have any rights under this Agreement or any of the Ancillary Agreements.

9.13 Specific Performance. BioTime and AgeX acknowledge and agree that irreparable damage would occur in the event any of the provisions of this Agreement required to be performed by any of the Parties were not performed in accordance with their specific terms or were otherwise breached, and that monetary damages, even if available, would not be an adequate remedy therefor. Accordingly, in the event of any breach or threatened breach by any Party of any covenant or obligation contained in this Agreement, BioTime or AgeX shall be entitled to obtain, without proof of actual damages (and in addition to any other remedy to which such party may be entitled at law or in equity): (a) a decree or order of specific performance to enforce the observance and performance of such covenant or obligation; and (b) an injunction restraining such breach or threatened breach. BioTime and AgeX each hereby waives any requirement for the securing or posting of any bond in connection with any such remedy.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

9.14 Waiver. No failure on the part of any party to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any party in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy. No Party shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Party; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

9.15 Amendments. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered on behalf of BioTime and AgeX.

9.16 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the Parties agree that the court making such determination shall have the power to limit the term or provision, to delete specific words or phrases, and this Agreement shall be enforceable as so modified.

9.17 Entire Agreement. This Agreement and the Ancillary Agreements and License Agreements set forth the entire understanding of the parties relating to the subject matter hereof and thereof and supersede all prior agreements and understandings among or between any of the Parties relating to the subject matter hereof and thereof.

9.18 Construction.

(a) For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

(b) The Parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

(c) As used in this Agreement, the words “include” and “including” and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation.”

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

(d) Except as otherwise indicated, all references in this Agreement to "Articles," "Sections" and "Exhibits" are intended to refer to Articles and Sections of this Agreement and Exhibits to this Agreement.

[Signature Page to the Asset Contribution Agreement Follows]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

The parties to this Agreement have caused this Agreement to be executed and delivered as of the date first written above.

BioTime, Inc.
a California Corporation

By: /s/ Aditya P. Mohanty
Aditya P. Mohanty
Title: Co-Chief Executive Officer

By: /s/Judith Segall
Judith Segall

Title: Secretary

AgeX Therapeutics, Inc.
a Delaware Corporation

By: /s/ Michael D. West
Michael D. West

Title: Chief Executive Officer

By: /s/Judith Segall
Judith Segall

Title: Secretary

[Signature Page to the Asset Contribution Agreement]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

EXHIBIT A

CERTAIN DEFINITIONS

For purposes of the Agreement (including this Exhibit A):

Access Period shall mean the period of time commencing on the Closing Date and ending on the earliest date by which each Party has filed its Annual Report on Form 10-K with the SEC containing the report of its registered independent public accountant as to the audit of financial statements and control over internal financial reporting for the earlier of the fiscal year during which the Distribution occurs or the fiscal year during which BioTime ceases to consolidate the financial statements of AgeX with those of BioTime for financial reporting purposes

Affiliate shall means with respect to any Person, any other Person that as of the date of the Agreement or as of any subsequent date, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person.

Agreement shall mean the Asset Contribution Agreement to which this Exhibit A is attached (including the Schedules and all other attachments and exhibits thereto), as it may be amended from time to time.

AgeX shall have the meaning set forth in the preamble to the Agreement.

AgeX Agent shall have the meaning set forth in Section 9.6(a).

AgeX Business shall mean (a) research, development, and Commercialization of products and technologies and performance of services within the AgeX Field, (b) research, development, and Commercialization of assay products and services utilizing technology for the micropatterning of human and animal cells onto plates for *in vitro* metabolite analysis and safety testing of new drug candidates, chemical, and cosmetic products to the extent such business is conducted by Ascendance Biotechnology, Inc., (c) Commercialization of non-cGMP human embryonic stem cells for research purposes under a license from a BioTime Group Member, (d) Commercialization of non-cGMP grade hydrogel products for research purposes under a sublicense from BioTime to the extent such business is conducted by Ascendance Biotechnology, Inc., (e) Commercialization of the *GeneCards*® human gene database, the *LifeMap Discovery*® database of embryonic development, stem cell research and regenerative medicine; and the *MalaCards*™ human disease database, and the *VarElect*™ and *GeneAnalytics*™ analysis tools for gene variants and gene sets..

AgeX Common Stock shall mean the common stock of AgeX, $0.001 par value per share.

AgeX Field shall have the meaning ascribed in the License Agreement of even date between AgeX and BioTime.

AgeX Group shall mean all of the AgeX Group Members.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

AgeX Group Member shall mean any of AgeX, ReCyte, LifeMap Sciences, and Ascendance.

AgeX Indemnitee shall mean any and all of the following Persons: (a) each AgeX Group Member; (b) each Representative of any AgeX Group Member; and (c) the respective successors and assigns of the Persons referred to in clauses "(a)" and "(b)" of this sentence.

AgeX Material Adverse Event shall mean any change that does, or would be reasonably expected to, have a material adverse effect on: (a) the AgeX Business, taken as a whole; or (b) the ability of AgeX to timely consummate the transactions or to perform any of its obligations under this Agreement; provided, however, that, with respect to clause "(a)" above, none of the following shall be deemed either alone or in combination to constitute, and none of the following shall be taken into account in determining whether there has been or would be, an AgeX Material Adverse Effect: (i) any adverse effect resulting from or arising out of general economic conditions that do not disproportionately affect the AgeX Group, taken as a whole relative to the other entities in the industries where the AgeX Group Members compete; (ii) any adverse effect resulting from or arising out of general conditions in the industries in which the AgeX Group Members operate that do not disproportionately affect the AgeX Group, taken as a whole relative to the other entities in the industries where the AgeX Group competes; (iii) any adverse effect resulting from or arising out of any natural disaster or any acts of terrorism, sabotage, military action or war or any escalation or worsening thereof; or (iv) any adverse effect resulting from or arising out of any changes in any Legal Requirement or GAAP.

AgeX Shares shall have the meaning set forth in Section 1.2.

AgeX Transaction Expenses shall have the meaning set forth in Section 9.6(a).

Ancillary Agreements shall mean: (a) the Tax Matters Agreement, (b) the Employee Matters Agreement; (c) the Assumption Agreement; and (d) the Shared Facilities and Service Agreement.

Assumed BioTime Liabilities shall have the meaning set forth in Section 1.3(c).

Assumption Agreement shall have the meaning set forth in Section 1.3(c).

BioTime Agent shall have the meaning set forth in Section 9.6(b).

BioTime Board shall mean the board of directors of BioTime.

BioTime Business shall mean (a) research, development, and Commercialization of products and technologies and performance of services within the BioTime Field, (b) research, development, and Commercialization of devices for delivery, implant, or transplant of cells, tissue, or biological or molecular drugs by means of injection, surgical placement, or topical application, (c) research, development, and Commercialization of technology, laboratory tests, and products for the diagnosis of cancer, (d) research, development, and Commercialization of immunotherapies for cancer, and (e) research, development, and Commercialization of Cell Therapies and technologies for the treatment of spinal cord injury, degeneration, disorders, or congenital conditions.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

BioTime Contributed Contract shall have the meaning set forth in Section 1.1(f).

BioTime Contributed Biological Materials shall have the meaning set forth in Section 1.1(c).

BioTime Contributed Equipment shall have the meaning set forth in Section 1.2(d).

BioTime Contributed Inventory shall have the meaning set forth in Section 1.2 (e).

BioTime Contributed IP shall have the meaning set forth in Section 1.1(b).

BioTime Contributed Patents shall have the meaning set forth in Section 1.1(a).

BioTime Contributed Records shall have the meaning set forth in Section 1.2 (g).

BioTime Field shall have the meaning ascribed in the License Agreement of even date between AgeX and BioTime.

BioTime Group shall mean all of BioTime's subsidiaries and other Entities the financial statements of which are consolidated with those of BioTime for financial reporting purposes under GAAP, but excluding AgeX Group Members.

BioTime Group Member shall mean any Entity that is part of the BioTime Group.

BioTime Indemnitees shall mean any and all of the following Persons: (a) each BioTime Group Member; (b) each Representative of any BioTime Group Member, and (c) the respective successors and assigns of the Persons referred to in clauses "(a)" and "(b)" of this sentence.

BioTime IP Rights shall mean (A) all IP Rights owned exclusively by BioTime or jointly owned by BioTime and one or more Third Parties, and (B) all BioTime Third Party IP Rights.

BioTime Material Adverse Effect shall mean any change that does, or would be reasonably expected to, have a material adverse effect on: (a) the Contributed BioTime Assets, taken as a whole; or (b) the ability of BioTime to timely consummate the transactions or to perform any of its obligations under this Agreement; provided, however, that, with respect to clause "(a)" above, none of the following shall be deemed either alone or in combination to constitute, and none of the following shall be taken into account in determining whether there has been or would be, a BioTime Material Adverse Effect: (i) any adverse effect resulting from or arising out of general economic conditions or general conditions in the industries in which BioTime Group Members or AgeX Group Members utilizing the Contributed BioTime Assets compete that do not disproportionately affect such BioTime Group Members or AgeX Group Members relative to the other Entities in such industries; (ii) any adverse effect resulting from or arising out of any natural disaster or any acts of terrorism, sabotage, military action or war or any escalation or worsening thereof; or (iii) any adverse effect resulting from or arising out of any changes in any Legal Requirement or GAAP.

BioTime Third Party IP Rights shall mean any IP Right licensed to BioTime by a Third Party.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

BioTime Transaction Expenses shall have the meaning set forth in Section 9.6(b).

BioTime shall have the meaning set forth in the preamble to the Agreement.

Business Day shall mean any day other than a Saturday, Sunday or a day on which banking institutions in California are authorized or obligated by Legal Requirement or executive order to be closed.

Cell Therapy shall mean the treatment of any disease, disorder, degenerative condition, congenital condition, or injury through the injection or transplant of cells or tissues of any kind.

Closing Date shall have the meaning set forth in Section 1.9(a).

Closing shall have the meaning set forth in Section 1.9(a).

Code shall mean the Internal Revenue Code of 1986, as amended.

Commercialization shall mean to license, manufacture, have manufactured, use, sell, have sold, distribute, have distributed and import.

Confidential Information shall have the meaning set forth in Section 6.3(a).

Consent shall mean any approval, consent, permission or authorization (including any Governmental Authorization).

Contract shall mean any written agreement, contract, instrument, deed, purchase order or legally binding written undertaking.

Contributed BioTime Assets shall have the meaning set forth in Section 1.1.

Contribution shall mean the contribution of the BioTime Contributed Assets to AgeX in exchange for AgeX Shares.

Copyrights shall mean all copyrights, copyright registrations and applications therefor and copyrightable works, including all rights of authorship, use, publication, reproduction, distribution, performance, preparation of derivative works, transformation, and rights of ownership of copyrightable works and all rights to register and obtain renewals and extensions of registrations.

Damages shall mean any loss, damage, liability, judgment, award, fee or expense (including reasonable expenses of investigation and reasonable attorneys' experts', accounting, or advisory fees and expenses in connection with any action, suit or proceeding whether involving a third-party claim or a claim solely between the parties hereto), including any incidental, indirect or consequential damages, losses, liabilities or expenses, but excluding any lost profits or diminution in value, including, as applicable, any diminution in value in any BioTime Indemnitees or AgeX Indemnitees equity interest in AgeX.

Distribution shall have the meaning set forth in Section 4.1.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Distribution Agent shall mean a transfer agent appointed by BioTime to provide services in connection with the distribution of AgeX Shares to BioTime shareholders pursuant to the Distribution.

Distribution Date shall have the meaning set forth in Section 4.1.

Encumbrance shall mean any lien, charge, security interest or encumbrance, other than: (a) statutory liens for Taxes that are not yet due and payable or liens for Taxes being contested in good faith by any appropriate proceedings; (b) statutory liens to secure obligations to landlords, lessors or renters under leases or rental agreements; (c) deposits or pledges made in connection with, or to secure payment of, workers' compensation, unemployment insurance or similar programs mandated by applicable Legal Requirements; (d) statutory liens in favor of carriers, warehousemen, mechanics and materialmen, to secure claims for labor, materials or supplies and other like liens; (e) liens in favor of customs and revenue authorities arising as a matter of Legal Requirements to secure payments of customs duties in connection with the importation of goods; and (f) Encumbrances that do not materially interfere with the use, operation or transfer of, or any of the benefits of ownership of, the property subject thereto.

Entity shall mean any corporation, general partnership, limited partnership, limited liability partnership, joint venture, trust, unincorporated association, or other entity.

ERISA shall mean the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

ERISA Affiliate shall mean all employers (whether or not incorporated) that would be treated together with AgeX or any of its Affiliates as a "single employer" within the meaning of Section 414 of the Code.

Exchange Act shall mean the Securities Exchange Act of 1934, as amended.

Financing shall have the meaning set forth in Section 3.5.

Form 10 shall mean a registration statement on Form 10 for the registration of AgeX Common Stock under Section 12(b) or Section 12(g) of the Exchange Act, including all exhibits to and amendments thereof, in form and substance as required by the Exchange Act and the rules and regulations of the SEC.

GAAP shall mean generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, that are applicable to the circumstances of the date of determination, consistently applied.

Governmental Authorization shall mean any permit, license, registration, qualification or authorization issued by any Governmental Body.

Governmental Body shall mean any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government, (c) any self-regulatory organizations; or (d) any agency, commission or similar body or authority of any Governmental Body described in "(a)," "(b)" or "(c)"of this sentence.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Indebtedness shall mean, with respect to any Person, (i) all indebtedness for borrowed money, (ii) all obligations under leases which have been or must be, in accordance with GAAP, recorded as capital leases or other indebtedness arising under conditional sales contracts and other similar title retention instruments, (iii) all liabilities in respect of letters of credit (other than standby letters of credit), (iv) all interest, fees and other expenses owed with respect to indebtedness described in the foregoing clauses (i) through (iii) (including prepayment premiums and penalties and any other fees, expenses, indemnities and other amounts payable as a result of the prepayment or discharge of any obligation otherwise comprising such indebtedness), and (v) all indebtedness referred to in the foregoing clauses (i) through (iv) of any other Person that is directly or indirectly guaranteed by such Person.

Indemnitees shall mean the BioTime Indemnitees, the AgeX Indemnitees and the AgeX Indemnitees.

Indemnitor shall mean the Party having an obligation to indemnify an Indemnitee.

Information Statement shall mean an information statement, containing all of the information required by Schedule 14C of the rules and regulations of the SEC under the Exchange Act, included as an exhibit to the Form 10 on the date the Form 10 becomes effective under the Exchange Act.

IP Rights shall mean any and all of the following: Copyrights, Patent Rights, Trademark Rights, trade secrets and other intellectual property rights.

Legal Requirement shall mean any law, statute, rule or regulation issued, enacted or promulgated by any Governmental Body.

Liability shall mean any debt, obligation, duty or liability of any nature (including any unknown, undisclosed, unmatured, unaccrued, unasserted, contingent, indirect, conditional, implied, vicarious, derivative, joint, several or secondary liability), regardless of whether such debt, obligation, duty or liability would be required to be disclosed on a balance sheet prepared in accordance with GAAP and regardless of whether such debt, obligation, duty or liability is immediately due and payable.

License Agreement shall mean any contract or agreement pursuant to which (a) IP Rights are licensed by one or more AgeX Group Members to one or more BioTime Group Members, or (b) IP Rights are licensed by one or more BioTime Group Members to one or more AgeX Group Members.

Licensed AgeX IP shall mean the IP Rights, including IP Rights embodied in the BioTime Contributed Biological Materials, licensed by one or more AgeX Group Members to one or more BioTime Group Members pursuant to any License Agreement.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Licensed BioTime IP shall mean the BioTime IP Rights, including BioTime IP Rights embodied in the BioTime Contributed Biological Materials, licensed by one or more BioTime Group Members to one or more AgeX Group Members pursuant to any License Agreement.

Order shall mean any order, judgment, decree, injunction, ruling, decision or award issued by any court, administrative agency or other Governmental Body or any arbitrator or arbitration panel.

Party shall mean BioTime or AgeX, as the context requires.

Patent Rights shall mean all issued patents and pending patent applications in any country or patent-granting region, including all provisional applications, international (PCT) applications, substitutions, continuations, continuations-in-part, divisions, renewals, reissues, re-examinations and extensions thereof.

Person shall mean any natural person, Governmental Body, or Entity.

Proceeding shall mean any demand, action, claim, lawsuit, countersuit, arbitration, inquiry, subpoena, case, litigation, or other proceeding or investigation (whether civil, criminal, administrative or investigative) by or before any court or grand jury, any Governmental Body, or any arbitrator or arbitration panel.

Record Date shall mean the date designated by the BioTime Board for determining holders of BioTime common shares entitled to receive AgeX Shares in the Distribution.

Record Holder shall mean each holder of record of BioTime common shares at the close of business on the Record Date, as determined by the records of BioTime common share ownership maintained by the Distribution Agent.

Regulatory Filings shall mean, collectively: (a) all applications or filings (including counterparts of any of the foregoing in any country or region) required by any Government Body in connection with the development, manufacture, sales, import, export, or other provision to any Person of a AgeX product or a BioTime product; and (b) all supplements and amendments to any of the foregoing.

Representatives shall mean officers, directors, employees, agents, attorneys, accountants and advisors.

Retained BioTime Liabilities shall have the meaning set forth in Section 1.3(b).

SEC shall mean the United States Securities and Exchange Commission or any successor Governmental Body.

Securities Act shall mean the Securities Act of 1933, as amended from time to time.

Shared Facilities and Service Agreement shall mean an agreement pursuant to which (a) BioTime may provide to one or more AgeX Group Members shared use of and access to BioTime's office and laboratory facilities, equipment, and supplies, and services of BioTime employees and contractors, and (b) one or more AgeX Group Members may provide to one or more BioTime Group Members shared use of laboratory equipment and supplies, and services of employees and contractors of one or more Age X Group Members.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Tax shall mean any tax (including any income tax, franchise tax, capital gains tax, estimated tax, gross receipts tax, value-added tax, surtax, excise tax, ad valorem tax, transfer tax, stamp tax, sales tax, use tax, property tax, business tax, occupation tax, inventory tax, occupancy tax, withholding tax or payroll tax), levy, assessment, tariff, impost, imposition, toll, duty (including any customs duty), deficiency or fee, and any related charge or amount (including any fine, penalty or interest), that is, has been or may in the future be imposed, assessed or collected by or under the authority of any Governmental Body.

Third Party shall mean any Person other than (a) a BioTime Group Member, (b) an AgeX Group Member, (c) any Affiliate of any BioTime Group Member or AgeX Group Member, or (d) any officer or director or any Entity described in (a), (b) or (c) of this sentence.

Trademark Rights shall mean all registered trademarks, unregistered trademarks, applications for registration of trademarks, registered service marks, unregistered service marks, applications for registration of service marks, registered trade names, unregistered trade names and applications for registration of trade names.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 1.1(a)

Patents and Patent Applications

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 1.1(b)

Trademarks

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 1.1(c)

Biological Materials

[*][1]

[1] 30 pages omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 1.1(d)

Equipment: All of the equipment identified on Schedule 1.1(d) (it being understood that equipment owned by a Third Party and leased to BioTime shall not constitute a BioTime Contributed Asset).

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 1.1(e)

Inventory

None

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 1.1(f)

Files and Records

None

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 1.1(g)

Files and Records

[*][2]

[2] 8 pages omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 1.1(h)

Regulatory Filings: All of the Regulatory Filings of BioTime identified on Schedule 1.1(h).

None

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 1.1(i)

Government Authroizations

None

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 1.3

Expenses incurred since 1 July 2017

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 2.2(e)

Consents

None

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 3.2(g)

Consents

None

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Exhibit 10.2

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

LICENSE AGREEMENT

dated August 17, 2017

by and between

BioTime, Inc.

and

AgeX Therapeutics, Inc.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

TABLE OF CONTENTS

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

LICENSE AGREEMENT

LICENSE AGREEMENT (this "**Agreement**") dated August 17, 2017 (the "**Effective Date**") by and between BioTime, Inc,, a corporation incorporated under the laws of the State of California, United States of America ("**BioTime**"), and AgeX Therapeutics, Inc., a corporation incorporated under the laws of the State of Delaware, United States of America ("**AgeX**") (each, a "**Party**" and, collectively, the "**Parties**").

WITNESSETH:

WHEREAS, BioTime Controls certain intellectual property and know-how relating to certain BioTime research and development programs that have not yet advanced to the point of clinical development;

WHEREAS, AgeX desired to obtain assignment, license or sublicense of the intellectual property and know-how to Research, Develop and Exploit research and development programs that have not yet advanced to the point of clinical development; and

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the Parties hereby agree as follows:

Article 1**.**

RECITALS

It is acknowledged and agreed that the recitals to this Agreement and the Exhibits to this Agreement form an integral part hereof and are expressly incorporated in this Agreement.

Article 2**.**

CERTAIN DEFINITIONS

In this Agreement:

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

"Affiliate" means with respect to BioTime, AgeX or a Third Party, as the case may be, any Person or other entity that directly or indirectly controls, is controlled by or is under common control with such other Person. For the purpose of this definition and the definition of "Controlling Third Party," "control" means (a) the possession of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise, or (b) the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities or other ownership interest of such Person.

"AgeX Confidential Information" has the meaning set forth in Section 7.1(b).

"AgeX Field" shall mean products or services for the prevention, treatment, amelioration, diagnosis or monitoring of all human and non-human animal diseases and conditions except those of the BioTime Exclusive Field, BioTime PureStem Field or BioTime Non-Exclusive Field, and except those of the BioTime Option Field for the term of the option. Notwithstanding, AgeX is permitted to pursue Research and Development that could result in products that have ancillary benefits in the BioTime Exclusive Field. For the avoidance of doubt, ancillary benefits does not included AgeX Products being Developed or Commercialized in the BioTime Exclusive Field.

"AgeX Licensed Know-How" means all Know-How Controlled by AgeX related to the BioTime Exclusive Field, the BioTime Non-Exclusive Field or the BioTime Option Field insofar as relevant to rights and options granted herein, whether or not patented or patentable, but only to the extent not claimed in or covered by any published or otherwise publicly available Patents or Joint Patents, which may be licensed to BioTime for use in the BioTime Exclusive Field, BioTime Non-Exclusive Field or the BioTime Option Field .

"AgeX Licensed Patents" means patents licensed to BioTime by AgeX that relate to or are necessary or useful for the Research, Development or Exploitation of a BioTime Product in the BioTime Exclusive Field and the BioTime Non-Exclusive Field, or relate to or are necessary and useful for the Research, Development or Exploitation of a BioTime Product in the BioTime Option Field during the term of the option. The AgeX Licensed Patents include, for example, BioTime Assigned Patents, BioTime Licensed Patents, BioTime Sub-Licensed Patents, iTR Patents, and AgeX rights in Joint Patents.

"AgeX Non-Exclusive Field" means products, medical devices, and services for the prevention, treatment, amelioration, diagnosis or monitoring of disorders, degeneration, congenital conditions, or injuries of tendon.

"AgeX Product" means a product or service Researched or Developed for Exploitation within the AgeX Field and the AgeX Non-Exclusive Field, the Development, Manufacture, Exploitation or use of which, in any respect and at any time during the term of this Agreement, is covered by or uses or employs one or more rights within (or cannot be performed without infringing one or more of the rights within) the BioTime Sublicensed Patents, BioTime Licensed Patents, BioTime PureStem Patents, BioTime Licensed Know-How, or BioTime Sublicensed Know-How.

"AgeX Technology Rights" means AgeX Licensed Patents, AgeX Licensed Know-How, AgeX Licensed Regulatory Rights, and Clinical Data Controlled by AgeX or its Affiliates that relates to the BioTime Exclusive Field, or relate to the BioTime Option Field during the term of the option.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

"AgeX Territory" means the entire world.

"Asset Contribution Agreement" means that certain Asset Contribution and Separation Agreement, of even date, between AgeX and BioTime.

"BioTime Confidential Information" has the meaning set forth in Section 7.1(a).

"BioTime Exclusive Field" means products, medical devices, and services for the prevention, treatment, amelioration, diagnosis or monitoring of (a) orthopedic indications, meaning disorders, degeneration, congenital conditions, or injuries of bone, cartilage, intervertebral disc, ligament, synovium, synovium capsule or meniscus, (b) ophthalmological indications, meaning ocular diseases, degeneration, disorders, congenital conditions, or injuries; and (c) medical aesthetics meaning improving, treating, remedying, rectifying, or repairing cosmetic appearance, including tissue augmentation, but excluding scarless would repair or lipotransfer of UCP1 positive brown adipocytes indicated for the treatment of vascular and metabolic disorders.

"BioTime Non-Exclusive Field" means products, medical devices, and services for the prevention, treatment, amelioration, diagnosis or monitoring of disorders, degeneration, congenital conditions, or injuries of tendon.

"BioTime Licensed Know-How" means all Know-How Controlled by BioTime related to the BioTime Assigned Patents in the AgeX Field, insofar as relevant to rights and options granted herein, whether or not patented or patentable, but only to the extent not claimed in or covered by any published or otherwise publicly available Patents or Joint Patents, which are licensed to AgeX under this Agreement. BioTime Licensed Know-How shall not include BioTime's interest in any Know-How Controlled by an Affiliate.

"BioTime Licensed Patents" means the Patents listed in Exhibit A , which are being licensed to AgeX.

"BioTime Option Field" means Research, Development and Exploitation of treatments based on iTR in the BioTime Field.

"BioTime Product" means a product or service that is being Researched, Developed or Exploited by BioTime, or any of its a licensees, sublicensees, subsidiaries or affiliates other than AgeX or a subsidiary or affiliate thereof, the Research, Development, or Exploitation thereof during the term of the Agreement is covered by or uses or employs one or more rights within (or cannot be performed without infringing one or more of the rights within) the PureStem Patents and Know-How.

"BioTime PureStem Field" means Research, Development or Exploitation of PureStem Patents or PureStem in the BioTime Exclusive Field, the BioTime Non-Exclusive Field or the BioTime Option field for the term of the option. For the avoidance of doubt, the Pure Stem Field excludes brown adipose tissue ("BAT") and vascular indications.

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“BioTime Sublicensed Know-How” or “Sublicensed BioTime Know-How” means know-how being licensed to AgeX through a sublicense.

“BioTime Sublicensed Patents” or “Sublicensed BioTime Patents” means the Patents listed in Exhibit B , which are being sublicensed to AgeX.

“BioTime Sublicensed Regulatory Rights” or “Sublicensed BioTime Regulatory Rights” means regulatory rights being licensed to AgeX through a sublicense.

“BioTime Technology Rights” means BioTime Licensed Patents, BioTime Know-How, BioTime Licensed Regulatory Rights, BioTime, Sublicensed Regulatory Rights and clinical data Controlled by BioTime or its Affiliates that relates to the AgeX Field.

“Business Day” means any day other than a Saturday or a Sunday on which banking institutions in New York, New York are open for the conduct of routine banking business.

“Calendar Year” means each successive period of twelve (12) calendar months commencing on January 1 and ending on December 31.

“Claimant” has the meaning set forth in Article 9.

“Clinical Data” means, in respect of a pharmaceutical product, all Know-How with respect to the product made, collected or otherwise generated under or in connection with the Clinical Trials for the product, including (a) any data, reports and results with respect to Clinical Trials; (b) protocols, statistical analysis plans, investigator brochures, and other background documents/roadmaps for performance of the Clinical Trials (as each of them may be amended from time to time); (c) information such as qualifications of the investigators; (d) assessments of the Clinical Trials (e.g., monitoring reports of the sponsor, audit protocols and audit results, regulatory inspection observations and follow-up (these are tools used to judge whether a study was performed as intended)); and (e) regulatory and IRB/ethics committee submissions or communications related to a Clinical Trial (e.g., IND submissions, IRB reports).

“Clinical Trial” means (a)any investigation in human subjects intended to discover or verify the clinical, pharmacological or other pharmacodynamic effects of one or more investigational medicinal product(s), including devices, or to identify any adverse reactions to one or more investigational medicinal product(s) or to study absorption, distribution, metabolism and excretion of one or more investigational medicinal product(s) with the object of ascertaining its (their) safety or efficacy and (b) post-approval studies of an approved pharmaceutical product, including investigations to monitor or elucidate characteristics of the drug (e.g. post-approval observational studies to look for safety signals).

“Commercialization” in respect of a particular AgeX Product or BioTime Product, any and all activities (whether before or after receipt of Marketing Approval in respect of the product, medical device or service) directed to the marketing, detailing and Promotion of the product or medical device after marketing approval for such AgeX Product or BioTime Product has been obtained, and includes marketing, promoting, detailing, distributing, offering to commercially sell and commercially selling the product, medical device or service, importing, exporting or transporting the product or medical device for commercial sale, and regulatory affairs with respect to the foregoing. When used as a verb, “Commercializing” means engaging in Commercialization and “Commercialize” and “Commercialized” shall have corresponding meanings.

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“Commercially Reasonable Efforts” means, with respect to the efforts to be expended by any Party with respect to any objective, reasonable, diligent, good faith efforts to accomplish such objective as such Party would use in its ordinary course of business to accomplish a similar objective under similar circumstances. With respect to any objective relating to the research, development, or exploitation as used herein, “Commercially Reasonable Efforts” means that level, caliber and quality of efforts and resources reasonably and normally used in the Research, Development and Exploitation by biopharmaceutical companies for a product which is of similar market potential and at a similar stage in its Development or product life, taking into account, without limitation, issues of safety, efficacy, product profile, competitiveness in the marketplace, including efforts used by similarly positioned competitors for competing products, regulatory structure involved, optimal timing for market entry, proprietary position, and other relevant scientific, technical, business, marketing, return on investment, financial resources, and other commercial factors. Without limiting the generality of the foregoing, “Commercially Reasonable Efforts” as it applies to the financial matters herein means adherence to the budgeting and staffing targets and timelines (to the extent adherence to such activities and timelines are controllable by the Party responsible for performing such activities).

“Confidential Information” means all information provided by or on behalf of one Party to the other Party, whether before or after the Effective Date, including, information relating to AgeX Products or BioTime Products, any Research, Development or Exploitation of AgeX Products or BioTime Products, and the information, Regulatory Documentation, findings, data, and files developed or maintained by a Party or its Affiliates in connection with obtaining or maintaining Regulatory Approvals for AgeX Products or BioTime Products, original documents, patent applications, data analysis, drawings, models, samples, compounds, devices, specifications, flow sheets, descriptions, submissions to regulatory authorities, and other tangible material and copies thereof, whether or not such information is identified as confidential or proprietary. Without limiting the generality of the foregoing, all draft patent applications or other documents intended to be filed in a patent office and forwarded by the disclosing Party to the receiving Party shall be Confidential Information, whether or not such documents are so indicated.

“Control” means, with respect to any Intellectual Property Right, Regulatory Documentation, Clinical Data, trademark or trade name, possession of the right, whether directly or indirectly, and whether by ownership, license or otherwise (other than by operation of any license and other grants hereunder, or under the Trademark License Agreement), to assign or grant a license, sublicense or other right to or under such Intellectual Property Right, Regulatory Documentation, Clinical Data, trademark or trade name as provided for herein or any other agreement or other instrument contemplated hereby without violating the terms of any agreement or other arrangement with any Third Party.

“Controlling Third Party” means, in respect of a particular Person, a Third Party that becomes an Affiliate of such Person pursuant to a transaction or series of related transactions as a result of which such Third Party is able to elect a majority of the members of the board of directors or body performing a similar function of such Person (or its successor company) or any of its controlling Affiliates.

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"Development" all activities related to stability testing, process development, formulation, manufacturing scale-up, qualification and validation, quality assurance/quality control, clinical studies, including manufacturing in support thereof, statistical analysis and report writing, the preparation pre-submission and submission of INDs, PMAs, 510(k)s, Drug Approval Applications and other regulatory applications, filings or submissions, regulatory affairs with respect to the foregoing, and all other activities necessary or reasonably useful or otherwise requested or required by the FDA or a comparable foreign regulatory authority as a condition or in support of obtaining or maintaining a regulatory marketing approval, or an approval for a clinical trial, anywhere in the world. When used as a verb, "Develop" means to engage in Development.

"Dollars" or "$" means United States Dollars.

"Exploit" means, to Manufacture, Commercialize, make, have made, use, offer to sell, sell or import; and "Exploitation" means Developing, Manufacturing, Commercializing, making, having made, using, offering to sell, selling or importing.

"FDA" means the United States Food and Drug Administration, or any successor agency.

"FFDCA" means the United States Federal Food, Drug, and Cosmetic Act, as amended.

"IND" means an investigational new drug application, clinical study application, clinical trial exemption, or similar application or submission for approval to conduct human clinical investigations filed with or submitted to a Regulatory Authority in conformity with the requirements of such Regulatory Authority.

"Indemnitor" has the meaning set forth in Article 9.

"Intellectual Property Rights" means any and all rights in any invention, whether or not patentable, discovery or Know-How, including Patents, copyrights, trade secrets or any other proprietary information protectable by statutory provision or common law doctrine, but specifically excluding trademarks and trade names.

"IRB" means an "institutional review board" as defined in 21 C.F.R. Part 56.

"iTR Patents" means valid claims of the iTR patents listed on Exhibit C.

"Joint Clinical Data" means all Clinical Data developed jointly by or on behalf of AgeX or its Affiliates or Sublicensees, and BioTime or its Affiliates or Sublicensees.

"Joint Know-How" means all Know-How created or developed jointly by or on behalf of AgeX or its Affiliates or Sublicensees and BioTime or its Affiliates or Sublicensees, but only to the extent not claimed in or covered by any published or otherwise publicly available Joint Patent. Joint Know-How shall not include any AgeX Know-How or BioTime Know-How.

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"Joint Patents" means (a) the Patents set forth on Exhibit D, which will be updated from time-to-time by the Parties, (b) any other Patent that claims or covers any invention, development or discovery and which Patent names at least one inventor from both (i) AgeX or its Affiliates, Sublicensees or any Person acting on AgeX's behalf, and (ii) BioTime or its Affiliates, Sublicensees or any Person acting on BioTime's behalf, or (c) any other Patents that claims or covers any invention, development or discovery and which Patent names at least one inventor jointly employed by BioTime and AgeX, and any continuations, continuations-in-part, provisionals, converted provisionals and continued prosecution applications, divisionals, reexaminations, reissues, revalidations, substitutes, extensions, and renewals of any of the foregoing Patents or applications, including any Patents or patent applications claiming priority to such Patents or patent applications. For the avoidance of doubt, Joint Patents are subject to the licensed and options granted in this Agreement.

"Joint Technology Rights" means the Joint Patents, the Joint Know-How, and the Joint Clinical Data.

"Know-How" means any and all data, information, technology, specifications, processes, methods, designs, raw materials, results, assistance, trade secrets, special ability, formulations, compositions, discoveries, and developments and Manufacturing techniques (in the case of all of the foregoing whether or not confidential, proprietary and whether in written, electronic or any other form now known or hereafter developed during the term of this Agreement).

"Manufacture" and "Manufacturing" means, in respect of a particular pharmaceutical, bio-pharmaceutical, diagnostic, or prognostic product, and without limitation, all activities related to the production, manufacture, processing, formulation, filling, finishing, packaging, labeling, shipping, handling, holding, storage and warehousing of such product or any intermediate thereof, including process development, process qualification and validation, scale-up, pre-clinical, clinical and commercial manufacture and analytic development, product characterization, stability testing, quality assurance and quality control.

"Marketing Approval" means, with respect to a particular pharmaceutical product and a particular country or other jurisdiction, any and all approvals, registrations, certificates, licenses or authorizations of any Regulatory Authority necessary to Commercialize such product in such country or jurisdiction, including, where applicable, (a) pricing or reimbursement approval in such country or jurisdiction, (b) pre- and post-approval manufacturing and marketing authorizations (including any prerequisite marketing approval), (c) drug naming approvals and Product Labeling approval, and (d) technical, medical and scientific licenses.

"NDA" means a New Drug Application as defined in the FFDCA (and the regulations promulgated thereunder) filed with the FDA, including supplemental NDAs, and equivalent applications or submissions in other jurisdictions.

"Net Sales" has the meaning ascribed in any related sublicense attached hereto or entered into as contemplated hereunder.

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"Patents" means (a) all national, regional and international patents and patent applications, including provisional patent applications; (b) all patent applications filed either from such patents, patent applications or provisional applications or from an application claiming priority from either of these, including divisionals, continuations, continuations-in-part, provisionals, converted provisionals and continued prosecution applications; (c) any and all patents that have issued or in the future issue from the foregoing patent applications ((a) and (b)), including utility models, petty patents and design patents and certificates of invention; (d) any and all extensions (including patent term extensions) or restorations by existing or future extension or restoration mechanisms, including revalidations, reissues, refilings, renewals, reexaminations and extensions (including any supplementary protection certificates and the like) of the foregoing patents or patent applications ((a), (b), and (c)); and (e) any similar rights, including so-called pipeline protection or any importation, revalidation, confirmation or introduction patent or registration patent or patent of additions to any of such foregoing patent applications and patents, including any equivalents of the foregoing in any part of the world.

"Person" means any individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other similar entity or organization, including a government or political subdivision, department or agency of a government.

"Product Labeling" means, with respect to a particular pharmaceutical product, a particular indication, and a particular country or other jurisdiction, (a) the Regulatory Authority-approved full prescribing information for such product for such indication for such country or jurisdiction, including any required patient information, and (b) all labels and other written, printed or graphic matter upon a container, wrapper or otherwise, including any package insert, utilized with or for the marketing, sale or other Commercialization of such product for such indication in such country or jurisdiction.

"Promotion" means those activities normally undertaken by a pharmaceutical company's sales force (including electronic detailing, advertising and meeting with physicians, whether undertaken by the company's sales force or not) to implement marketing plans and strategies aimed at encouraging the appropriate use of a product. When used as a verb, "Promote" means to engage in such activities.

"Promotional Materials" means, with respect to a particular pharmaceutical product, all sales representative training materials with respect to such product and all written, printed, graphic, electronic, audio or video matter, including journal advertisements, sales visual aids, direct mail, medical information/education monographs, direct-to-consumer advertising, web postings, broadcast advertisements, and sales reminder aids (e.g., scratch pads, pens and other such items) intended for use or used by a Party or its Affiliates in connection with any Promotion of such product, except Product Labeling for such product.

"PureStem" means technology relating to the clonal, oligoclonal, pooled clonal, or pooled oligoclonal embryonic progenitor cells derived from pluripotent or totipotent cells cultured in vitro.

"PureStem Patents" means patents relating to the clonal, oligoclonal, pooled clonal, or pooled oligoclonal embryonic progenitor cells derived from pluripotent or totipotent cells cultured in vitro, listed on Exhibit E.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

“Regulatory Approval” means, in respect of a particular country, the technical, medical and scientific licenses, registrations, authorizations and approvals of any Regulatory Authority necessary for the Development, clinical testing, Manufacture, distribution, marketing, promotion, offering for sale, use, import, export, sale or other Commercialization of a drug product in such country, including Marketing Approvals, INDs, NDAs, biologic license applications, supplements and amendments, pre- and post-approvals, pricing or reimbursement approvals, drug naming approvals, and Product Labeling approvals.

“Regulatory Authority” means any applicable supra-national, federal, national, regional, state, provincial or local regulatory agencies, departments, bureaus, commissions, councils or other government entity, including the FDA, EMA and the HPFB, regulating or otherwise exercising authority with respect to the Development, Commercialization, Manufacturing and Promotion (including the determination of pricing/reimbursement) of pharmaceutical products in any country or other jurisdiction.

“Regulatory Documentation” means, with respect to a particular pharmaceutical product, all Regulatory Approvals and applications therefor, all correspondence submitted to or received from the Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority), and all supporting documents and all Clinical Trials, in each case, relating to such product, and all data contained in any of the foregoing, including Promotional Materials, Clinical Data, periodic safety update reports, adverse event files and complaint files, Manufacturing records (including any chemistry, Manufacturing or control data) and, if applicable, any updates or supplements to any of the foregoing.

“Regulatory Exclusivity” means, with respect to any country, an additional market protection, other than Patent protection, granted by a Regulatory Authority in such country which confers an exclusive Commercialization period during which a Licensee or its Affiliates or Sublicensees have the exclusive right to market, price, and sell a Product in such country through a regulatory exclusivity right, such as new chemical entity exclusivity, new use or indication exclusivity, new formulation exclusivity, orphan drug exclusivity, pediatric exclusivity, or any applicable data exclusivity.

“Related Agreements” mean the Asset Contribution And Separation Agreement, the BioTime AgeX HyStem Patents License, the BioTime AgeX UURF Sublicnese Agreement, the ESI AgeX License Agreement, all on even date hereof.

“Research” means performance of scientific experiments to answer questions not answerable or easily answerable through the published scientific literature, pre-clinical and other non-clinical testing, test method development, and toxicology, formulation, and process development work.

“Third Party” means any Person or entity other than AgeX, BioTime, or their respective Affiliates.

“Valid Claim” means, in respect of any country:

(a) any claim of an issued and unexpired Patent in such country that (i) has not been held permanently revoked, unenforceable or invalid by a decision of a court or governmental agency of competent jurisdiction, which decision is unappealable or unappealed within the time allowed for appeal and (ii) has not been abandoned, disclaimed, denied or admitted to be invalid or unenforceable or disclaimer;

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(b) a claim of a pending patent application in such country that was filed and is being prosecuted in good faith and has not been abandoned or finally disallowed without the possibility of appeal or re-filing of the application; provided that such prosecution has not been ongoing for more than ten (10) years;

(c) a patentable invention embodied in the specification of a pending patent application that was filed and is being prosecuted in good faith and has not been abandoned or finally disallowed without the possibility of appeal or re-filing of the application; provided that such prosecution has not been ongoing for more than ten (10) years.

Article 3**.**

ASSIGNMENT OF RIGHTS AND LICENSE GRANTS

3.1 BioTime Assignment of Rights to AgeX. To the maximum extent permitted by Applicable Law, BioTime shall, and does hereby and shall, effective as of the Effective Date, sell, convey, transfer and assign to AgeX any and all of BioTime's right, title and interest in the Joint Patent Rights that are exclusively related to and claim only: iTR, brown adipose tissue ("BAT") indications or vascular indications. An assignment suitable for filing with patent office's worldwide is attached as Exhibit F.

3.2 BioTime Grants of Licenses, Sublicenses and Options to AgeX:

(a) Licenses and Option Grants. Without in any way limiting or qualifying the provisions of Section 3.1, BioTime hereby grants to AgeX, subject to the rights already granted to Third Parties as of the Effective Date of this Agreement:

(i) all rights sublicensed under the BioTime Sublicensed Patents, subject to the terms and conditions of the sublicense agreements, which are Related Agreements hereto;

(ii) an exclusive worldwide license under the BioTime Licensed Patents and the BioTime PureStem Patents to Research, Develop and Exploit AgeX Products in the AgeX Field, and a non-exclusive, worldwide license under the BioTime Licensed Patents to Research, Develop and Exploit AgeX Products in the AgeX Nonexclusive Field.

(iii) a non-exclusive worldwide, license (or sublicense) and right of reference, under the BioTime Licensed Know-How, to Research, Develop and Exploit AgeX Products in the AgeX Field and the AgeX Non-Exclusive Field; and

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

(iv) an option to license or sublicense BioTime Licensed Patents for Research, Development or Commercialization of well-defined programs, on a program-by-program basis in the BioTime Exclusive Field, excluding orthopedic indications, that do not (or would not reasonably be expected to) directly compete with any BioTime Product that is actively and in a commercially reasonable manner being Researched, Developed or Exploited by BioTime, a licensee, sublicensee, subsidiary or affiliate thereof.

(b) If AgeX exercises an option under 3.2(a)(iv) hereunder, AgeX shall provide written notice to BioTime (such notice to BioTime, the "AgeX Option Initiating Notice"). Then the Parties shall negotiate in good faith to reach agreement on a term sheet containing commercially reasonable terms with respect to such a license or sublicense for up to [*] Calendar Days commencing on the date of the AgeX Option Initiating Notice to BioTime. If the parties agree to a term sheet for such rights within such [*] Calendar Day period, then the Parties shall negotiate in good faith towards a definitive agreement containing commercially reasonable terms for such a transaction, consistent with the agreed upon term sheet, for a period of up to an additional [*] Calendar Days following the date on which the Parties agreed on such term sheet. If the Parties do not (i) agree on a term sheet within the applicable [*] Calendar Day period following such Interest Notice or (ii) enter into a definitive agreement within the [*] Calendar Day period following the Parties' agreement on a term sheet therefor, then AgeX's option right that were the subject of such negotiations shall expire and be of no further force or effect.

(c) Sublicense Consideration. With respect to the BioTime Sublicensed Patents, AgeX shall pay to BioTime consideration as outlined in the Related Agreements.

(d) Sublicense Rights; Further Rights of Reference. The rights and licenses granted by BioTime to AgeX under Sections 3.2(a) (i)-(iii) shall include the right to grant sublicenses (or further rights of reference) through multiple tiers of Sublicensees, subject to the following:

(i) The terms of any such sublicense or further rights of reference shall be in accordance with the terms and conditions of this Agreement. With regard to all Sublicenses granted by AgeX pursuant to the rights granted to it by BioTime under this Agreement, (i) AgeX may not grant to any Sublicensee any right to maintain BioTime Licensed Patents, defend claims brought by Third Parties that the Exploitation of BioTime Technology Rights infringes the Third Party's Intellectual Property Rights, or commence any legal action against any Third Party for infringement of BioTime Licensed Patents and (ii) AgeX shall notify BioTime in writing prior to its entry into a sublicense, identifying the Sublicensee, and the territory and the scope of the rights granted to the sublicensee, not later than [*] Business Days prior to such sublicense is expected to be executed;

(ii) Notwithstanding the grant of any such sublicense or further rights of reference hereunder, AgeX shall remain solely responsible to BioTime for the performance of its obligations under the terms hereof and for any breach of such obligations, whether such breach shall be caused by AgeX or any Sublicensee.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

3.3 AgeX Grants to BioTime.

(a) Exclusive Option for BioTime Exclusive Field. AgeX hereby grants to BioTime an exclusive option to license or sublicense iTR Patents in the BioTime Exclusive Field. BioTime shall exercise its option by delivering written notice to AgeX not later than the ten (10) year anniversary of the Effective Date. If BioTime does not exercise the option within such time period, then AgeX shall be free to Research, Develop, or Exploit the AgeX IP in the BioTime Option Field or to license to a Third Party AgeX IP for Research, Development, or Exploitation in the BioTime Option Field;

(b) Non-Exclusive Option for BioTime Non-Exclusive Field. AgeX hereby grants to BioTime a non-exclusive option to license or sublicense iTR Patents in the BioTime Non-Exclusive Field. BioTime shall exercise its option by delivering written notice to AgeX not later than the ten (10) year anniversary of the Effective Date. If BioTime does not exercise the option within such time period, then AgeX shall be free to Research, Develop, or Exploit the AgeX IP in the BioTime Option Field or to license to a Third Party AgeX IP for Research, Development, or Exploitation in the BioTime Option Field; and

(c) AgeX Assignment of Rights to BioTime. To the maximum extent permitted by Applicable Law, AgeX shall, sell, convey, transfer and assign to BioTime any and all of AgeX's right, title and interest in the Joint Patent Rights that are exclusively related to and claim only BioTime Exclusive Field indications. An assignment suitable for filing with patent office's worldwide is attached as Exhibit G.

(d) If BioTime exercises an option under 3.3(a) or 3.3(b) hereunder, BioTime shall provide written notice to AgeX (such notice to AgeX, the "BioTime Option Initiating Notice"). Then the Parties shall negotiate in good faith to reach agreement on a term sheet containing commercially reasonable terms with respect to such a license or sublicense for up to [*] Calendar Days commencing on the date of the BioTime Option Initiating Notice to AgeX. If the parties agree to a term sheet for such rights within such [*] Calendar Day period, then the Parties shall negotiate in good faith towards a definitive agreement containing commercially reasonable terms for such a transaction, consistent with the agreed upon term sheet, for a period of up to an additional [*] Calendar Days following the date on which the Parties agreed on such term sheet. If the Parties do not (i) agree on a term sheet within the applicable [*] Calendar Day period following such Interest Notice, or (ii) enter into a definitive agreement within the [*] Calendar Day period following the Parties' agreement on a term sheet therefor, then BioTime's option rights that were the subject of such negotiations shall expire and be of no further force or effect.

(e) Sublicense Rights; Further Rights of Reference. The rights and options granted by AgeX to BioTime under this Section 3.3 shall include the right to grant sublicenses (or further rights of reference) through multiple tiers of Sublicensees, subject to the following:

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

(i) The terms of any such sublicense shall be in accordance with the terms and conditions of this Agreement. With regard to all sublicenses granted by BioTime pursuant to the rights granted to it by AgeX under this Agreement, BioTime shall notify AgeX not later than ten (10) Business Days after such sublicense is executed, identifying the sublicensee and the territory and scope of the rights granted to the Sublicensee; and

(ii) Notwithstanding the grant of any such sublicense hereunder, BioTime shall remain solely responsible to AgeX for the performance of its obligations under the terms hereof and for any breach of such obligations, whether such breach shall be caused by BioTime or any Sublicensee.

(f) For the avoidance of doubt, AgeX is free to enter into any material negotiations or agreements with any Third Party with respect to any sale, transfer, disposition or assignment with respect to any AgeX Product that is outside the BioTime Exclusive Field or BioTime Non-Exclusive Field, or outside the BioTime Option Field for the term of the option and BioTime will no longer have an option to such field.

3.4 Fees, Royalties, and Royalty Reports. Terms and conditions, if any, regarding sublicense fees, royalty payments and royalty reports will be contained in the sublicenses granted hereunder. Except as expressly stated in this Agreement, neither Party shall be entitled in any circumstances to withhold any money due to the other Party under the terms of this Agreement in respect of any possible (justified or unjustified) claims against the other Party related to this Agreement or any of the Related Agreements.

3.5 Taxes. All payments under this Agreement shall be made without any deduction or withholding of or on account of any tax, duties, levies, or other charges by the paying Party unless such deduction or withholding is required by applicable law to be assessed against the non-paying Party. If the paying Party is so required to make any deduction or withholding from payments due to the non-paying Party, the paying Party shall (a) promptly notify the non-paying Party of such requirement, (b) pay to the relevant authorities on the non-paying Party's behalf the full amount required to be deducted or withheld promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against the non-paying Party, and (c) promptly forward to the non-paying Party an official receipt (or certified copy) or other documentation reasonably acceptable to the non-paying Party evidencing such payment to such authorities.

3.6 Records. Each Party shall, and shall cause its Affiliates and Sublicensees to, maintain during the term of this Agreement normal accounting books (in accordance with normal accounting practices containing accurate details of all sales by a Party and its Affiliates and Sublicensees and of the calculation of Net Sales and the royalty payments due hereunder. BioTime or AgeX, respectively, shall have the right, during the term of the Agreement and for one (1) year following the expiration or termination of the Agreement, upon reasonable notice during normal working hours to cause qualified professional accountants of its choice to inspect the books and records and any other documentation and records maintained by Licensee or its Affiliates or Sublicensees relevant to the calculation of any royalty payable under this Agreement. The accountants shall provide a copy of their report to each Party. The cost of the above accountants' inspections shall be borne by the Party requesting the inspection save only where any such inspection reveals a discrepancy in excess of five percent (5%) of royalties due and payable, in which event the costs shall be borne by the Licensee, provided that:

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(a) such inspection shall not take place more than once in each Calendar Year; and

(b) such inspection shall only be in respect of records and accounts for the period of three (3) years preceding the date of such inspection and the Licensee shall not be required to retain records for any period exceeding three (3) years.

If any such inspection reveals that there has been an underpayment or overpayment of royalties, the Licensee shall promptly pay to the Licensor the full amount of the underpayment or the Licensor shall promptly pay to the Licensee the full amount of the overpayment, as applicable; provided, however, that if the Licensee or Licensor has a reasonable good faith objection to the calculation of the underpayment or overpayment, the Parties shall discuss the dispute in good faith and seek to reach resolution on whether there was an underpayment or overpayment of royalties, and if so, the amount of such underpayment or overpayment. If the Parties are unable to resolve such dispute, then it shall be resolved through the dispute resolution procedures set forth in Article 18.

Article 4**.**

GOVERNING PRINCIPLES AND UNDERSTANDINGS

4.1 Cooperation. The intention of the Parties is that AgeX shall have the rights granted in Section _ of this Agreement, and that BioTime shall have the rights granted in Section _ of the Agreement. BioTime shall not take any action to adversely affect AgeX's rights. AgeX shall not take any action to adversely affect BioTime's rights.

4.2 Subject to the terms and conditions of this Agreement, the activities and resources of each Party shall be managed by such Party, acting independently and in its individual capacity.

4.3 Licenses and Export Control.

(a) This Agreement is made subject to any restrictions concerning the export of products or technical information from the United States or other countries that may be imposed on the Parties from time to time. Each Party agrees that it shall not export, directly or indirectly, any technical information acquired from the other Party under this Agreement or any products using such technical information to a location or in a manner that at the time of export requires an export license or other governmental approval, without first obtaining the written consent to do so from the appropriate agency or other governmental entity in accordance with applicable law.

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(b) Each Party shall procure and maintain all export and other governmental licenses and permits required for the grant to the other Party of the rights and licenses granted in Article 3, and shall comply with all other laws and regulations and government directives relating to the grant of rights under the terms of this Agreement to ensure that the other Party shall be entitled to exercise the rights granted to it free of any restriction, other than the restrictions expressly set forth in this Agreement.

Article 5.

[RESERVED]

Article 6.

PATENT MATTERS AND INTELLECTUAL PROPERTY RIGHTS

6.1 No Assignment of Ownership Rights.

(a) The licenses and sublicenses granted pursuant to this Agreement shall not constitute an assignment of the BioTime Licensed Patents, BioTime Sublicensed Patents, BioTime's interest in the Joint Patents, the BioTime Licensed Know-How, or BioTime Sublicensed Know-How to AgeX, nor a grant of any ownership right or title therein or any other right other than the rights specifically granted to the BioTime Licensed Patents, BioTime Sublicensed Patents, BioTime Licensed Know-How, or BioTime Sublicensed Know-How in accordance with the terms of this Agreement. Nothing contained in this Agreement shall be construed as conferring upon AgeX by implication, estoppel or otherwise any license, express or implied, or other rights under any trademark, service mark, copyright, Patent or unpatented technology belonging or licensed to BioTime, except the rights expressly granted to AgeX hereunder.

(b) The licenses granted pursuant to this Agreement shall not constitute an assignment of the AgeX Licensed Patents, AgeX Licensed Know-How, or AgeX's interest in the Joint Patentsto BioTime, nor a grant of any ownership right or title therein or any other right other than the rights specifically granted to the AgeX Licensed Patents or AgeX Licensed Know-How in accordance with the terms of this Agreement. Nothing contained in this Agreement shall be construed as conferring upon BioTime by implication, estoppel or otherwise any license, express or implied, or other rights under any trademark, service mark, copyright, Patent or unpatented technology belonging to AgeX, except the rights expressly granted to BioTime hereunder.

6.2 Preparation, Filing, Maintenance and Prosecution of Patents.

(a) BioTime Licensed Patents. BioTime shall have the right, but not the obligation, to prepare, file, prosecute and maintain the BioTime Licensed Patents, *provided* that, BioTime shall (i) provide to AgeX copies of all communications sent or to be sent to or received from any patent office pertaining to such BioTime Licensed Patents, including draft patent applications, filing receipts, office actions, responses or amendments, and notices of allowance; (ii) keep AgeX reasonably informed on a continuous basis in respect of its actions under this Section 6.2(a); and (iii) solicit and reasonably consider any AgeX proposals in respect of BioTime's actions under this Section 6.2(a). Fees and expenses for prosecution of the BioTime Licensed Patents primarily related to the BioTime Exclusive Field will be paid fully by BioTime. Fees and expenses for prosecution of the BioTime Licensed Patents primarily related to the AgeX Field will be paid fully by AgeX. To the extent a Licensed Patent is related to both the BioTime and AgeX fields, the Parties agree to pay the reasonably allocated expenses associated with the prosecution and maintenance of the Licensed Patent. Whenever possible, AgeX shall be afforded at least [*] Business Days prior to the earlier of the expiration of any shortened statutory period for response or the anticipated filing date to review and comment upon the text of any such communication. AgeX has the right to request BioTime to file and prosecute reasonable claims in the BioTime Licensed Patents. BioTime agrees to promptly file, within [*] days, the requested claims in a continuation application. AgeX agrees to pay all reasonable fees and expenses associated therewith.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

(b) BioTime Sublicensed Patents. To the extent permissible under a particular license, BioTime shall (i) provide to AgeX copies of all communications sent or to be sent to or received from any patent office pertaining to such BioTime Sublicensed Patents, including draft patent applications, filing receipts, office actions, responses or amendments, and notices of allowance; (ii) keep AgeX reasonably informed on a continuous basis in respect of its actions under this Section 6.2(b); and (iii) solicit and reasonably consider any AgeX proposals in respect of BioTime's actions under this Section 6.2(b). Fees and expenses for prosecution of the BioTime Licensed Patents primarily related to the BioTime Exclusive Field will be paid fully by BioTime. Fees and expenses for prosecution of the BioTime Licensed Patents primarily related to the AgeX Field will be paid fully by AgeX. To the extent a Licensed Patent is related to both the BioTime and AgeX fields, the Parties agree to pay the reasonably allocated expenses associated with the prosecution and maintenance of the Licensed Patent. Whenever possible, AgeX shall be afforded at least [*] Business Days prior to the earlier of the expiration of any shortened statutory period for response or the anticipated filing date to review and comment upon the text of any such communication. AgeX has the right to request BioTime to file and prosecute reasonable claims in the BioTime Licensed Patents. BioTime agrees to promptly file, within [*] days, the requested claims in a continuation application. AgeX agrees to pay all reasonable fees and expenses associated therewith.

(c) Joint Patents. The Parties shall discuss in good faith, and thereupon implement, a mutually agreeable patent strategy with respect to all Joint Patents and Joint Know-How that may be patentable. With respect to all Joint Patents and Joint Know-How for which the Parties agree patent prosecution should be sought, the Parties shall cooperate in the preparation, filing and prosecution of patent applications (including provoking, instituting or defending inter partes review, interference, opposition, revocation, reexamination, derivation, and similar proceedings related to the Joint Patents), and shall discuss and agree on the content and form of relevant patent applications and any other relevant matters before such applications are made. Each Party shall consider in good faith any comments from the other Party regarding steps to be taken to strengthen any Joint Patent. BioTime shall serve as the lead Party to prosecute and maintain all applications covering Joint Patents in the BioTime Exclusive Field or BioTime Non-Exclusive Field and in the BioTime Option Field during the term of the option and for any Joint Patent covering a BioTime Product (including provoking, instituting or defending inter partes review, interference, opposition, revocation, reexamination and similar proceedings related to the Joint Patents), the Parties to share equally in the expense. In the event that the Parties' respective patent counsel, after good faith discussions, cannot agree with respect to any decision to be made regarding the prosecution and maintenance of the Joint Patents, BioTime shall make the decision. Notwithstanding the foregoing, the Parties shall not prosecute a Joint Patent in a manner that would be inconsistent with the prosecution of a corresponding Joint Patent.

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(d) AgeX Licensed Patents. AgeX shall have the right, but not the obligation, to prepare, file, prosecute and maintain the AgeX Licensed Patents, *provided* that, AgeX shall (i) provide to BioTime copies of all communications sent or to be sent to or received from any patent office pertaining to such AgeX Licensed Patents, including draft patent applications, filing receipts, office actions, responses or amendments, and notices of allowance; (ii) keep BioTime reasonably informed on a continuous basis in respect of its actions under this Section 6.2(d); and (iii) solicit and reasonably consider any BioTime proposals in respect of AgeX's actions under this Section 6.2(d). Fees and expenses for prosecution of the BioTime Licensed Patents primarily related to the BioTime Exclusive Field will be paid fully by BioTime. Fees and expenses for prosecution of the BioTime Licensed Patents primarily related to the AgeX Field will be paid fully by BioTime. All other expenses will be shared equally by the Parties. Whenever possible, BioTime shall be afforded at least [*] Business Days prior to the earlier of the expiration of any shortened statutory period for response or the anticipated filing date to review and comment upon the text of any such communication. BioTime has the right to request AgeX to file and prosecute reasonable claims. AgeX agrees to promptly file, within [*] days, the requested claims in a continuation application. BioTime agrees to pay all reasonable fees and expenses associated therewith.

(e) AgeX will be billed the reasonable, documented costs and fees and other charges incurred by BioTime, as provided in Sections 6.2(a), 6.2(b) and 6.2(c), with respect to the preparation, prosecution, maintenance, and defense of the Patents. Payment by AgeX is due within [*] days of receipt of invoice from the selected patent attorney or from BioTime.

6.3 Patent Applications. AgeX shall promptly disclose to BioTime in writing the filing of all Patent applications by AgeX or its Affiliates regarding any invention, development or discovery that constitutes AgeX Technology Rights reasonably useful or necessary for the Exploitation of BioTime Products or Joint Technology Rights; and BioTime shall promptly disclose to AgeX in writing the filing of all Patent applications by BioTime or its Affiliates regarding of any invention, development or discovery that constitutes BioTime Technology Rights or are reasonably useful or necessary for the Exploitation of AgeX Products in the AgeX Field or Joint Technology Rights.

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6.4 Either Party shall, prior to the abandonment of any Patent, or patent application with no pending application claiming priority thereto, promptly, within 30 days if possible, advise the other Party of such proposed abandonment in writing. The other Party has the right, but not the obligation to assume the prosecution and maintenance of any such Patent at its sole expense.

6.5 Ownership of Intellectual Property.

(a) Ownership of Intellectual Property Created Exclusively by a Single Party. As between the Parties,

(i) BioTime own all right, title and interest in and to all Patents, Know-How and other Intellectual Property Rights created or conceived solely by or on behalf of BioTime or its Affiliates other than AgeX and AgeX's subsidiaries, and their respective employees, agents or independent contractors, or its Sublicensees (other than other than AgeX and AgeX's subsidiaries), and;

(ii) AgeX shall own all right, title and interest in and to all Patents, Know-How and other Intellectual Property Rights created or conceived solely by or on behalf of AgeX or its Subsidiaries, and their respective employees, agents or independent contractors, or its Sublicensees (other than BioTime).

(iii) Within ninety (90) days after the Effective Date, BioTime shall deliver to AgeX copies of all of the BioTime Licensed Know-How relevant to AgeX's rights under this agreement. Within ninety (90) days after the execution of a license agreement pertaining to the BioTime Option Field or any PureStem cell line, AgeX will deliver to BioTime copies of all of the AgeX Licensed Know-How that has been reduced to practice which has not previously been provided to BioTime for the limited purpose of enabling BioTime to exercise the licenses to such AgeX Licensed Know-How granted under such license agreement. For the avoidance of doubt, any invention conceived and/or reduced to practice prior to the Effective Date of this Agreement shall be owned by BioTime. Thereafter, each Party shall promptly disclose to the other Party in writing all Patents and Know-How created or conceived solely by or on behalf of it, its Affiliates and their respective employees, agents or independent contractors, and its Sublicensees (other than the other Party and its Affiliates) in connection with the performance of their responsibilities or the exercise of their rights under this Agreement and that are necessary or reasonably useful to exploit the rights granted herein.

(b) Ownership of Intellectual Property Created Jointly by the Parties. As between the Parties, the Parties shall each own an equal, undivided interest in Joint Patents, Joint Know-How, and any other Intellectual Property Rights discovered, created or authored jointly by employees or agents of AgeX or its Affiliates or Sublicensees, on the one hand, and employees or agents of BioTime or its Affiliates or Sublicensees, on the other hand. Such ownership by a Party of joint ownership of Joint Technology Rights shall not modify, limit or otherwise affect any rights of exclusivity in respect of Joint Technology Rights that may have been granted by such Party to the other Party hereunder. Except pursuant to such licenses and other rights as are granted by each Party to the other Party under this Agreement, neither Party shall license or otherwise Exploit any Joint Technology Rights anywhere in the world without the prior written consent of the other Party.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

(c) United States Law. For purposes of this Agreement, the determination of the inventorship of any invention, development or discovery and any Patent claiming such invention, development or discovery and the authorship or creation of any copyright material shall be made in accordance with applicable law in the United States.

6.6 Dispute Resolution. If there is a difference of view between the Parties regarding the inventorship, ownership or validity of any Intellectual Property Rights, the Parties shall endeavor to resolve the matter without litigation or other legal proceedings. Such efforts shall include a presentation by each Party to the chief executive officers of the Parties (or their designees) in an effort to reach resolution of the matter, unless such presentation would materially prejudice the presenting Party. If a Party concludes that the dispute cannot be resolved by the chief executive officers (or their designees) of the Parties, that Party shall provide a written demand for arbitration to the other Party and such dispute shall thereafter be resolved by arbitration pursuant to the procedures set forth in Article 13.

6.7 Infringement Claims by Third Parties.

(a) Defense of Third Party Claims. If a Third Party asserts that a Patent or other Intellectual Property Right owned or controlled by the Third Party is infringed by the Exploitation of a product of either Party as contemplated by this Agreement, then the Party first obtaining knowledge of such a claim shall immediately provide the other Party notice of such claim along with the related facts in reasonable detail. Each Party shall be responsible for defending itself in any litigation in which it is a named defendant. If only one Party is a named defendant in any litigation commenced by a Third Party and the other Party is not a named defendant, the right to raise counterclaims against the plaintiff with regard to Patents owned by the other Party shall be reasonably discussed between the parties, *provided*, *however*, that if the Parties, acting in good faith, cannot reach agreement with respect to a whether to assert a counterclaim with regard to rights arising under any such patent, then the Party owing the patent shall have the right to determine whether or not to assert such counterclaim. If both BioTime and AgeX are named as joint defendants, BioTime and AgeX shall cooperate with each other to develop a defense strategy for the Product, including the decision to assert possible counterclaims, *provided*, *however*, that if the Parties, acting in good faith, cannot reach agreement with respect to a whether to assert a counterclaim with regard to rights arising under any such patent, then the Party owing the patent shall have the right to determine whether or not to assert such counterclaim. The Parties shall confer with each other to decide which Party shall control the defense of litigation in which AgeX and BioTime are both named as defendants. In respect of any defense of an action pursuant to this Section 6.6(a), the defending Party shall solicit and reasonably consider the other Party's proposals in respect of litigation strategy. In any such action, the non-controlling Party shall have the right, at its own expense, to be represented in such action by counsel of its own choice. Except as otherwise contemplated above in this Section, any recovery will first reimburse each party its reasonable fees and expenses in defending or enforcing a claim or counterclaim. The remainder of the recovery will then be divided reasonably according to an allocation determined by the Parties after a good faith discussion.

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(b) Settlement of Third Party Claims. The Party that controls the defense of a given claim or counterclaim shall also have the right to control settlement of such claim, subject to the restrictions set forth in Section 6.8.

(c) Assistance. Each Party shall provide to the other Party all reasonable assistance requested by the other Party in connection with any action, claim or suit under this Section 6.6, at the requesting Party's expense, including allowing such other Party access to the assisting Party's files and documents and to the assisting Party's personnel who may have possession of relevant information. In particular, the assisting Party shall promptly make available to the other Party all information in its possession or control that it is aware shall assist the other Party in responding to any such action, claim or suit.

6.8 Enforcement of Patents.

(a) Enforcement of BioTime Sublicensed Patents. The terms and conditions related to the enforcement of BioTime Sublicensed Patents are contained in each separate sublicense.

(b) Enforcement of BioTime Licensed Patents. Except as provided in this Section 6.7(b), BioTime shall have the sole right (but not the obligation), on behalf and in the name of AgeX and/or on behalf of itself and in its name, to bring and control any action or proceeding, or enter into any settlement or voluntary disposition, with respect to any alleged, threatened or actual infringement of any BioTime Licensed Patent by a Third Party. If BioTime does not bring or does not continue pursuing an action or proceeding against, enter into a settlement with respect to, or otherwise cause the cessation of such an infringement of any BioTime Licensed Patent by or after one hundred twenty (120) days following the notice of alleged infringement, then AgeX shall have the right to bring and control an infringement action under the applicable BioTime Licensed Patent, or enter into a settlement agreement, with respect to such infringement at its own expense and by counsel of its own choice, except that AgeX shall only settle or enter into any form of voluntary disposition of any infringement claim subject to this Section 6.8(b) with BioTime's prior written consent, such consent not to be unreasonably withheld, provided that any such settlement or voluntary disposition which (i) admits fault or wrongdoing, or incurs liability, on the part of BioTime, (ii) materially limits the scope, validity, or enforceability of any of the BioTime Licensed Patents, or (iii) grants a license or sublicense to use any BioTime Licensed Patents, shall require BioTime's prior written consent, which BioTime may withhold in its sole discretion acting in good faith. Notwithstanding anything to the contrary, if BioTime is entering into a settlement with a Third Party regarding infringement that materially relates to the AgeX Field, BioTime shall not settle without the prior written consent of AgeX, which consent shall not be unreasonably withheld.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

(c) Enforcement of AgeX Licensed Patents. Except as provided in this Section 6.7(c), AgeX shall have the sole right (but not the obligation), on behalf and in the name of BioTime and/or on behalf of itself and in its name, to bring and control any action or proceeding, or enter into any settlement or voluntary disposition, with respect to any alleged, threatened or actual infringement of any AgeX Licensed Patent by a Third Party. If AgeX does not bring or does not continue pursuing an action or proceeding against, enter into a settlement with respect to, or otherwise cause the cessation of such an infringement of any AgeX Licensed Patent by or after one hundred twenty (120) days following the notice of alleged infringement, then BioTime shall have the right to bring and control an infringement action under the applicable AgeX Licensed Patent, or enter into a settlement agreement, with respect to such infringement at its own expense and by counsel of its own choice, except that BioTime shall only settle or enter into any form of voluntary disposition of any infringement claim subject to this Section 6.7(c) with AgeX's prior written consent, such consent not to be unreasonably withheld, provided that any such settlement or voluntary disposition which (i) admits fault or wrongdoing, or incurs liability, on the part of AgeX, (ii) materially limits the scope, validity, or enforceability of any of the AgeX Licensed Patents, or (iii) grants a license or sublicense to use any AgeX Licensed Patents shall require AgeX's prior written consent, which AgeX may withhold in its sole discretion acting in good faith. Notwithstanding anything to the contrary, if AgeX is entering into a settlement with a Third Party regarding infringement that materially relates to the BioTime Exclusive Field, AgeX shall not settle without the prior written consent of BioTime, which consent shall not be unreasonably withheld.

(d) Patent Challenges. For the avoidance of doubt, the provisions of this Section 7.7 shall apply in respect of challenges by a Third Party of the validity or enforceability (whether pursuant to an inter partes review, the Hatch-Waxman Act or any other relevant regulatory or statutory framework that may govern) of Patents addressed in this Section 7.7 as though such challenge of the validity or enforceability of such Patents constituted an infringement or alleged infringement of such Patents.

6.9 Restrictions on Settlement with Third Parties. The Party that controls the defense or prosecution of a given claim under Sections 6.6 or 6.7 shall also have the right to control settlement of such claim; *provided*, *however*, that (a) no settlement shall be entered into by such controlling Party without the prior written consent of the non-controlling Party if such settlement would adversely affect or diminish the rights and benefits of the non-controlling Party under this Agreement, impose any new obligations or adversely affect any obligations of the non-controlling Party under this Agreement, or adversely affect the validity or enforceability of the Patents or other Intellectual Property Rights of such non-controlling Party and (b) the controlling Party shall not be entitled to settle any such Third Party claim by granting a license or covenant not to sue under or with respect to the non-controlling Party's Intellectual Property Rights without the prior written consent of the non-controlling Party.

6.10 Disclaimers. Nothing in this Agreement shall be construed as an obligation for either Party to bring or prosecute actions or suits against Third Parties for infringement.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

CONFIDENTIALITY

7.1 Confidentiality, Use and Non-Disclosure Obligations.

(a) Confidentiality, Use and Non-Disclosure Obligations of AgeX. During the term of this Agreement and for a period of ten (10) years after termination or expiration hereof, AgeX shall keep secret and confidential, and shall use all reasonable efforts to ensure that the same is kept confidential by its Affiliates and Sublicensees, all BioTime Technology Rights and other Confidential Information disclosed to it by BioTime and all Joint Technology Rights ("**BioTime Confidential Information**") and shall not use the same for any purpose other than the exercise of the licenses and other rights granted to it by BioTime under this Agreement or the performance of its obligations under this Agreement or disclose the same to any Third Party other than (a) as may be required in connection with the performance of its obligations under this Agreement or any of the Related Agreements or (b) as otherwise set forth in Section 7.3. Without limiting the foregoing, AgeX agrees that it shall take the same level of measures to protect the confidentiality of BioTime Confidential Information which it takes with respect to AgeX's own confidential and proprietary information, but not less than reasonable care.

(b) Confidentiality, Use and Non-Disclosure Obligations of BioTime. During the term of this Agreement and for a period of ten (10) years after termination or expiration hereof, BioTime shall keep secret and confidential, and shall use all reasonable efforts to ensure that the same is kept confidential by its Affiliates and Sublicensees all AgeX Technology Rights and other Confidential Information disclosed to BioTime by AgeX and all Joint Technology Rights ("**AgeX Confidential Information**") and shall not use the same for any purpose other than the exercise of the licenses and other rights granted to it by AgeX under this Agreement or the performance of its obligations under this Agreement or disclose the same to any Third Party other than (a) as may be required in connection with the performance of its obligations under this Agreement or any of the Related Agreement (b) as otherwise set forth in Section 7.3. Without limiting the foregoing, BioTime agrees that it shall take the same level of measures to protect the confidentiality of AgeX Confidential Information which it takes with respect to BioTime's own confidential and proprietary information, but not less than reasonable care.

7.2 Exceptions to Confidentiality and Non-Disclosure Obligations. Notwithstanding the obligations contained in Section 7.1(a) and Section 7.1(b), Confidential Information shall not include any information that:

(a) shall be in the public domain prior to disclosure to the receiving Party, or shall enter the public domain after the Effective Date otherwise than by reason of the fault, negligence or wrongful act of the receiving Party;

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(b) the receiving Party can show was in its possession free of any obligation of confidentiality prior to the date of receipt or was independently developed by employees of the receiving Party without reference to the information disclosed by the disclosing Party, except that BioTime may not use this provision as a defense if the Confidential Information is AgeX Confidential Information contributed to AgeX in the Asset Contribution Agreement; or

(c) is subsequently received by the receiving Party from a Third Party who is not bound by any obligation of confidentiality with respect to said information;

Specific aspects or details of BioTime Confidential Information or AgeX Confidential Information shall not be deemed to be within the public domain or in the possession of the receiving Party merely because the Confidential Information is embraced by more general information in the public domain or in the possession of the receiving Party. Further, any combination of Confidential Information shall not be considered in the public domain or in the possession of the receiving Party merely because individual elements of such Confidential Information are in the public domain or in the possession of the receiving Party unless the combination and its principles are in the public domain or in the possession of the receiving Party.

7.3 Permitted Disclosures. Each Party may disclose Confidential Information to the extent that such disclosure is:

(a) Made pursuant to a valid and effective subpoena or order issued by a court of competent jurisdiction or other legal process or other supra-national, federal, national, regional, state, provincial or local governmental or regulatory body of competent jurisdiction or, if in the reasonable opinion of the receiving Party's legal counsel, such disclosure is otherwise required by law, provided that it shall (a) immediately notify the other Party that it is subject to such legally required disclosure, (b) consult with the other Party on the advisability of taking legally available steps to resist or narrow such compelled disclosure, (c) reasonably assist the other Party, at its request, in its efforts to obtain an appropriate protective order or other reliable assurance that confidential treatment shall be accorded to its Confidential Information, to the extent such assistance is commercially reasonable, and (d) limit disclosure to the information that its legal counsel advises must be disclosed to comply with the legal requirement.

(b) Made by the receiving Party to Regulatory Authorities as required in connection with any filing in relation to a Regulatory Approval or the prosecution or maintenance of any Patent; *provided*, *however*, that (a) such Party shall clearly mark its submission to the Regulatory Authorities with a notation making it clear that the filing contains confidential commercial information and trade secrets that are not for disclosure and (b) reasonable measures shall be taken, to the extent available, to assure confidential treatment of such information and that where a receiving Party intends to disclose Confidential Information of the disclosing Party in relation to the prosecution or maintenance of any Patent, notice shall be provided to the disclosing Party prior to disclosure by the receiving Party.

(c) Made by the receiving Party for purposes of enforcing claims that it may have against the other Party or its Affiliates, whether under this Agreement or otherwise; *provided*, *however*, that reasonable measures shall be taken, to the extent available, to assure confidential treatment of such information.

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(d) Made by the receiving Party or its Affiliates or Sublicensees to its or their respective attorneys, auditors, advisors, consultants, licensees, Sublicensees, and service providers that provide services relevant to the Party's Research, Development or Exploitation of a product as contemplated in this Agreement (including contract manufacturers, or otherwise in connection with the performance by the receiving Party of its obligations or exercise of its rights as contemplated by this Agreement; *provided, however*, that such Persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information substantially similar to the obligations of confidentiality and non-use of the receiving Party pursuant to this Article 7; *provided further* that each Party shall remain responsible for any failure by its Affiliates or Sublicensees or its or their respective attorneys, auditors, advisors, consultants, licensees, Sublicensees or service providers to treat such Confidential Information as required under this Article 7 (as if such Affiliates, attorneys, auditors, advisors, consultants, licensees, Sublicensees or service providers were Parties directly bound to the requirements of this Article 7).

(e) Made by the receiving Party to existing or potential acquirers or merger candidates; investment bankers; or existing or potential investors, venture capital firms or other financial institutions or investors for purposes of obtaining financing, each of whom prior to disclosure must be bound by obligations of confidentiality and non-use with respect to such Confidential Information substantially similar to the obligations of confidentiality and non-use of the receiving Party pursuant to this Article 7.

7.4 Return of Confidential Information. Upon the termination of this Agreement, each Party shall return or destroy or make inaccessible all tangible copies of any Confidential Information provided to it by the other Party, provided, that their respective legal counsel may retain one (1) copy of such Confidential Information for use solely for the purpose of determining their respective rights and obligations under this Agreement.

7.5 Injunctive Relief. Each Party acknowledges and agrees that the other Party's Confidential Information constitutes unique and valuable trade secrets and that the unauthorized disclosure or use of the other Party's Confidential Information would result in irreparable harm to the other Party for which monetary damages would be inadequate. Accordingly, the Parties agree that in the event of any breach or threatened breach of this Article 7, the non-breaching Party shall be entitled to obtain injunctive or other equitable relief from any court of competent jurisdiction in addition to all other remedies available to it, and the breaching Party shall not claim as a defense thereto that the non-breaching Party has an adequate remedy at law. In any such action for injunctive or equitable relief, the non-breaching Party shall not be required to post a bond or other security. The Parties hereby irrevocably consent to the jurisdiction of the courts of the State of California and the United States District Court for the Northern District of California, in either case sitting in the City of San Francisco, over any legal action brought under this Section 7.5.

7.6 Disclosure of Agreement; Press Releases.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

(a) BioTime and AgeX may disclose the terms of this Agreement in, and may file this Agreement as an exhibit to, any report or registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, and with any foreign or state administrative agency or body under any foreign or state securities law. In connection with any such filing, the Parties shall confer concerning whether an application for confidential treatment of any portion of this Agreement should be submitted but neither Party shall be obligated to seek confidential treatment of any portion of this Agreement the disclosure of which it determines to be material information requiring disclosure or as to which its legal counsel recommends disclosure. If a request for confidential treatment is granted, neither Party shall publicly disclose the confidential information covered by such grant without the consent of the other Party. In connection with the execution of this Agreement, BioTime may issue a press release or other public communication that includes information about this Agreement..

(b) Press releases or other similar public communication by either Party relating to this Agreement shall be approved in advance by the other Party, which approval shall not be unreasonably withheld or delayed, except for those communications required by applicable law (*provided* that the other Party is given a reasonable opportunity to review and comment on any such press release or public communication in advance thereof), disclosures of information for which consent has previously been obtained, information that has been previously disclosed publicly in accordance with this Agreement, or as otherwise set forth in this Agreement.

7.7 Restrictions on Publication. Each Party recognizes that the publication of papers regarding results of and other information regarding activities under this Agreement, including oral presentations and abstracts, may be beneficial to both Parties, *provided* such publications are subject to reasonable controls to protect each Party's Confidential Information. Without limiting the disclosures permitted by Section 7.3, it is the intent of the Parties to maintain the confidentiality of any Confidential Information of the non-publishing Party included in any patent application until such patent application has been filed. Accordingly, AgeX shall have the right to review BioTime's papers proposed for publication that materially relate to the AgeX Field and the AgeX Non-Exclusive Field, and BioTime shall have the right to review AgeX's papers proposed for publication that materially relate to the BioTime Exclusive Field and the BioTime Nonexclusive Field, including any oral presentation or abstract, that contains Clinical Data, or pertains to results of Clinical Trials or other studies, which includes Confidential Information of the other Party. Before any such paper is submitted for publication or an oral presentation is made, the publishing or presenting Party shall deliver a complete copy of the paper or materials for oral presentation to the other Party. The other Party shall review any such paper and give its comments to the publishing Party within thirty (30) days of the delivery of such paper to the other Party. With respect to oral presentation materials and abstracts, the other Party shall make reasonable efforts to expedite review of such materials and abstracts, and shall return such items as soon as practicable to the publishing or presenting Party with appropriate comments, if any, but in no event later than fifteen (15) days from the date of delivery to the other Party. If the other Party does not respond by the end of such period, its consent to publication of such papers or presentation of such materials shall be deemed to have been given. Notwithstanding anything to the contrary set forth herein, neither Party may publish any data or information of the other Party that is the other Party's Confidential Information without the prior written consent of the other Party, such consent not to be unreasonably withheld or delayed. A Party's consent to publication or presentation may be conditioned on the publishing or presenting Party (a) complying with the other Party's request to delete references to such other Party's Confidential Information in any such paper and (b) withholding publication of any such paper or any presentation of same for an additional sixty (60) days in order to permit the other Party to obtain patent protection if the other Party deems it necessary. Any publication shall include recognition of the contributions of the other Party according to standard practice for assigning scientific credit, either through authorship or acknowledgement, as may be appropriate. Each Party shall use Commercially Reasonable Efforts to cause investigators and institutions participating in Clinical Trials with which it contracts to agree to terms substantially similar to those set forth in this Section 7.7, which efforts shall satisfy such Party's obligations under this Section 7.7 with respect to such investigators and institutions.

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Article 8.

REPRESENTATIONS AND WARRANTIES; COVENANTS

8.1 General Representations. Each Party hereby represents and warrants to the other as of the Effective Date as follows:

(a) Duly Organized. It is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, is qualified to do business and is in good standing in each jurisdiction in which the conduct of its business or the ownership of its properties requires such qualification, and has all requisite power and authority, corporate or otherwise, to conduct its business as now being conducted, to own, lease and operate its properties, to execute, deliver and perform this Agreement, and to grant the rights and licenses granted in this Agreement.

(b) Due Execution. The execution, delivery and performance by it of this Agreement have been duly authorized by all necessary corporate action and do not and will not (a) require any consent or approval of its stockholders, (b) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to it or any provision of its charter or by-laws, or (c) result in a breach of or constitute a default under any agreement, mortgage, lease, license, permit, patent or other instrument or obligation to which it is presently a party or by which it or its assets may be bound or affected.

(c) No Third Party Approval. Except as contemplated herein, no authorization, consent, approval, license, exemption of, or filing or registration with, any court or governmental authority or regulatory body is required for the due execution, delivery or performance by it of this Agreement.

(d) Binding Agreement. This Agreement is a legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms and conditions, except to the extent that enforcement may be limited by bankruptcy laws or other laws affecting the rights of creditors generally, and rules of law governing equitable remedies. Such Party is not under any obligation to any Person, contractual or otherwise, that is conflicting or inconsistent in any respect with the terms of this Agreement or that would impede the diligent and complete fulfillment of its obligations hereunder.

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8.2 AgeX's Representations. AgeX represents and warrants to BioTime as of the Effective Date that:

(a) AgeX has the right to grant to BioTime the rights and options set forth in this Agreement.

8.3 BioTime's Representations. BioTime represents and warrants to AgeX that:

(a) As of the Effective Date, BioTime is the sole owner of the entire right, title and interest in and to the BioTime Licensed Patents, free and clear of any liens, claims, encumbrances, restrictions and other legal or equitable claims of any kind or nature other than sublicenses to AgeX Affiliates or Third Parties.

(b) BioTime has the right to grant to AgeX the rights, licenses and sublicenses set forth in this Agreement subject to the applicable notice provisions in the case of Related Agreements.

(c) As of the date of this Agreement: (a) the BioTime Licensed Patents exist and are pending, and (b) to BioTime's knowledge, there are no pending or threatened claims, judgments or settlements asserted against BioTime relating to the BioTime Licensed Patents.

8.4 Covenants.

(a) AgeX shall comply with all applicable laws, rules and regulations relevant to the Exploitation of the AgeX Products.

(b) BioTime shall comply with all applicable laws, rules and regulations relevant to the Exploitation of the BioTime Products.

8.5 Disclaimers of Representations and Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE PARTIES MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EITHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTY OF NON-INFRINGEMENT.

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Article 9.

INDEMNIFICATION

Indemnification by BioTime. BioTime shall indemnify, defend and hold harmless AgeX, its subsidiaries and their respective officers, directors, employees and agents, from and against any and all costs, claims, damages and expenses (including reasonable attorneys' fees and other expenses of legal proceedings) (collectively, "**Claims**"), in connection with any and all suits, actions, investigations, claims or demands of Third Parties arising from or occurring as a result of death or injury of any person caused or resulting from the use of any BioTime Product. Notwithstanding the foregoing, BioTime shall not be required to indemnify AgeX, its Affiliates, and their respective officers, directors, employees and agents for any Claims to the extent such Claims are attributable to any of the matters as to which AgeX has an obligation to indemnify BioTime or for which AgeX's negligence or willful misconduct contributed to the Claim.

9.1 Indemnification by AgeX. AgeX shall indemnify, defend and hold harmless BioTime, its Affiliates (other than AgeX and AgeX's subsidiaries), and their respective officers, directors, employees and agents (each a "BioTime Indemnified Party"), from and against any and all Claims arising from or occurring as a result of the death or injury of any person caused or resulting (or allegedly caused or resulting) from the use of any AgeX Product.:

(a) any default by AgeX of its obligations under this Agreement;

(b) any breach by AgeX of any of its representations and warranties set forth in this Agreement; and

(c) any negligent act or omission of AgeX in connection with the performance of its obligations under this Agreement;

Notwithstanding the foregoing, AgeX shall not be required to indemnify BioTime, its Affiliates, and their respective officers, directors, employees and agents for any Claim to the extent such Claim are attributable to any of the matters as to which BioTime has an obligation to indemnify AgeX or for which the negligence, willful misconduct, or violation of any law by any Person other than AgeX an AgeX Indemnified Party contributed to the death or injury that is the subject of the Claim.

9.2 Insurance. Each Party undertakes to effect and maintain appropriate and adequate insurance coverage to cover any and all matters for which it has agreed to provide indemnification to the other Party pursuant to this Agreement and shall, if and when required by the other Party, provide to the other Party evidence of such insurance coverage.

9.3 Indemnification Procedures.

(a) Notice of Claim. In the event of any claim, action or proceeding for which a Person is entitled to indemnity hereunder, the Person seeking indemnity ("**Claimant**") shall promptly notify the relevant Party ("**Indemnitor**") of such matter in writing, but in no event shall the Indemnitor be liable for any Claim that result from any delay in providing such notice.

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(b) Control of Defense. As its option, Indemnitor may then assume responsibility for and shall have full control of such matter by giving notice to Claimant within thirty (30) days after the Indemnitor's receipt of notice from Claimant. The assumption of the defense of a Claim by the Indemnitor shall not be construed as an acknowledgment that Indemnitor is liable to indemnify Claimant in respect of the Third Party claim, nor shall it constitute a waiver by Indemnitor of any defenses it may assert against Claimant's claim for indemnification. Upon assuming the defense of a Third Party claim, Indemnitor may appoint as lead counsel in the defense of the Claim any legal counsel selected by Indemnitor. In the event Indemnitor assumes the defense of a Third Party claim, Claimant shall immediately deliver to Indemnitor all original notices and documents (including court papers) received by Claimant in connection with the Third Party claim. Should Indemnitor assume the defense of a Third Party claim, except as provided below, Indemnitor shall not be liable to Claimant for any legal expenses subsequently incurred by such Claimant in connection with the analysis, defense or settlement of the Third Party claim. In the event that it is ultimately determined that Indemnitor is not obligated to indemnify, defend or hold harmless Claimant from and against the Third Party claim, Claimant shall reimburse Indemnitor for any and all costs and expenses (including attorneys' fees and costs of suit) and any Third Party claims incurred by Indemnitor in its defense of the Third Party claim. Without limiting the foregoing, any Claimant shall be entitled to participate in, but not control, the defense of such Claim and to employ counsel of its choice for such purpose; *provided*, *however*, that such employment shall be at Claimant's own expense unless (a) the employment thereof has been specifically authorized by Indemnitor in writing, (b) Indemnitor has failed to assume the defense and employ counsel in accordance with this Section 14.4.2 (in which case Claimant shall control the defense) or (c) the interests of Claimant and Indemnitor with respect to such Claim are sufficiently adverse to prohibit the representation by the same counsel of both Parties under applicable law, ethical rules or equitable principles.

(c) Settlement. With respect to any Claim relating solely to the payment of money damages in connection with a Claim and that shall not result in Claimant's becoming subject to injunctive or other relief or otherwise adversely affecting the business of Claimant in any manner, and as to which Indemnitor shall have acknowledged in writing the obligation to indemnify Claimant hereunder, Indemnitor shall have the sole right to consent to the entry of any judgment, enter into any settlement or otherwise dispose of such Claim, on such terms as Indemnitor, in its sole discretion, shall deem appropriate. With respect to all other Claim, where Indemnitor has assumed the defense of the Claim in accordance with Section 9.4(b), Indemnitor shall have authority to consent to the entry of any judgment, enter into any settlement or otherwise dispose of such Claim, *provided* it obtains the prior written consent of Claimant (which consent shall not be unreasonably withheld or delayed). Indemnitor shall not be liable for any settlement or other disposition of a Claim by Claimant that is reached without the written consent of Indemnitor. Regardless of whether Indemnitor chooses to defend or prosecute any Third Party claim, no Claimant shall admit any liability with respect to or settle, compromise or discharge, any Claim without the prior written consent of Indemnitor, such consent not to be unreasonably withheld or delayed.

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(d) Cooperation. Regardless of whether Indemnitor chooses to defend or prosecute any Third Party claim, Claimant shall cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, provide such witnesses and attend such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested in connection therewith. Such cooperation shall include access during normal business hours afforded to Indemnitor to, and reasonable retention by Claimant of, records and information that are reasonably relevant to such Third Party claim, and making employees and agents available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and Indemnitor shall reimburse Claimant for all its reasonable out-of-pocket expenses in connection therewith.

(e) Expenses. Except as provided above, the costs and expenses, including fees and disbursements of counsel, incurred by Claimant in connection with any claim shall be reimbursed on a calendar quarter basis by Indemnitor, without prejudice to Indemnitor's right to contest Claimant's right to indemnification and subject to refund in the event Indemnitor is ultimately held not to be obligated to indemnify Claimant.

9.4 Limitations on Liability. UNDER NO CIRCUMSTANCES SHALL A PARTY HERETO BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR SPECIAL DAMAGES IN RESPECT OF PERFORMANCE OF THIS AGREEMENT; PROVIDED, HOWEVER, THAT ALL AMOUNTS THAT AN INDEMNIFIED PERSON IS REQUIRED TO PAY TO ANY THIRD PARTY AS THE RESULT OF A MATTER FOR WHICH SUCH INDEMNIFIED PERSON IS ENTITLED TO BE INDEMNIFIED UNDER THIS ARTICLE SHALL BE CONSIDERED TO BE DIRECT DAMAGES WHICH ARE INDEMNIFIABLE HEREUNDER.

Article 10.

FORCE MAJEURE

Neither Party shall be liable to the other Party for any failure or delay in performing any obligation under this Agreement (other than any payment or confidentiality obligations) when such failure or delay is caused by events beyond its reasonable control, including fire, flood, other natural disasters, acts of God, war, acts of terrorism, cyber-attack, labor disturbances, interruption of transit, accident, explosion and civil commotion; *provided* that the Party so affected shall give prompt notice thereof to the other Party and shall use reasonable efforts to mitigate the adverse consequences thereof. No such failure or delay shall terminate this Agreement, and each Party shall complete its obligations hereunder as promptly as reasonably practicable following cessation of the cause or circumstances of such failure or delay.

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Article 11.

COMMENCEMENT, DURATION AND TERMINATION

11.1 Term of Agreement. This Agreement shall come into force and effect on the Effective Date and, unless and until earlier terminated in accordance with the provisions set out below, shall continue until the longer of (a) the date of the expiration of last to expire patent rights licensed or sublicensed under this Agreement on a country-by-country basis and (b) the earlier of (i) neither Party is obligated to pay royalties in respect of a product developed that falls under the AgeX Licensed Patents, BioTime Licensed Patents, or Joint IP hereunder, at which point the Agreement shall expire; or if no products are developed, the Agreement shall expire on the date of expiration of the last to expire of patent rights licensed or sublicensed under this Agreement on a country-by-country basis.

11.2 Early Termination of the Agreement.

(a) Either Party may terminate this Agreement following the material breach of any material provision hereof if the breaching Party shall have failed to remedy such breach within sixty (60) days after receipt of written notice from the non-breaching Party specifying such breach in reasonable detail and requesting remedy (or, if such breach cannot be cured within such sixty (60) day period, if the breaching Party does not commence actions to cure such default within such period and thereafter diligently continues such actions or if such breach is not otherwise cured within one hundred eighty (180) days after receipt of such notice, except in the case of a payment default, as to which the breaching Party shall have only a thirty (30) day cure period).

(b) Either Party may terminate this Agreement upon written notice to the other Party should the other Party become the subject of proceedings involving bankruptcy, receivership, administration, insolvency, moratorium of payment, reorganization or liquidation, make any assignment for the benefit of the creditors or any equivalent measures in any relevant jurisdiction or admit in writing its inability to meet its financial obligations as they fall due in the ordinary course of business.

11.3 License Survival During Bankruptcy. All rights and licenses granted under or pursuant to this Agreement by BioTime or AgeX are, and shall otherwise be deemed to be, for purposes of Paragraph 365(n) of the United States Bankruptcy Code, licenses of rights to "intellectual property" as defined under Paragraph 101(35A) of the United States Bankruptcy Code. The Parties agree that, in the event of the commencement of a bankruptcy proceeding by or against a Party, including under the United States Bankruptcy Code, the Party hereto that is not a party to such proceeding (the "Non-subject Party") shall retain and may fully exercise all of its rights and elections under the United States Bankruptcy Code or any similar provision of law of any jurisdiction outside the United States, subject to performance by the Non-subject Party of its obligations under this Agreement. The Parties further agree that, in the event of the commencement of a bankruptcy proceeding by or against a Party, including under the United States Bankruptcy Code, the Non-subject Party shall be entitled to a complete duplicate of (or complete access to, as appropriate) any such intellectual property and all embodiments of such intellectual property, if not already in such Non-subject Party's possession, and that such materials shall be promptly delivered to such Non-subject Party upon any such commencement of a bankruptcy proceeding upon written request therefor by such Non-subject Party.

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Article 12.

PERIOD SUBSEQUENT TO THE TERMINATION OF THE AGREEMENT

12.1 Effect of Termination. Upon the termination of this Agreement:

(a) Subject to Section 12.2:

(b) Each Party shall return the other Party's Confidential Information.

12.2 Effect of Termination on Sublicenses.

(a) Termination by AgeX.

(i) Any and all sublicense agreements entered into by AgeX or any of its Affiliates with a Sublicensee pursuant to Section 3.2(d) shall survive the termination of this Agreement by AgeX, except to the extent that any such Sublicensee under any such sublicense agreement is in material breach of this Agreement or such sublicense agreement, in which case BioTime shall have the right to terminate any such sublicense agreement in its entirety.

(ii) Any and all sublicense agreements entered into by BioTime or any of its Affiliates with a Sublicensee pursuant to Section 3.3(d) shall survive the termination of this Agreement by AgeX, except to the extent that any such Sublicensee under any such sublicense agreement is in material breach of this Agreement or such sublicense agreement, in which case AgeX shall have the right to terminate any such sublicense agreement in its entirety. Following any such termination of this Agreement by AgeX pursuant to Section 12.2(a), BioTime shall, at the request of AgeX, assign any such sublicense agreement (to the extent not terminated pursuant to the preceding sentence) to AgeX or its designated Affiliate and, upon such assignment, AgeX or its Affiliate, as applicable, shall assume such sublicense agreement, as applicable.

(b) Termination by BioTime.

(i) Any and all sublicense agreements entered into by BioTime or any of its Affiliates with a Sublicensee pursuant to Section 3.3(d) shall survive the termination of this Agreement by BioTime, except to the extent that any such Sublicensee under any such sublicense agreement is in material breach of this Agreement or such sublicense agreement, in which case AgeX shall have the right to terminate any such sublicense agreement.

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(ii) Any and all sublicense agreements entered into by AgeX or any of its Affiliates with a Sublicensee pursuant to Section 3.2(d) shall survive the termination of this Agreement by BioTime, except to the extent that any such Sublicensee under any such sublicense agreement is in material breach of this Agreement or such sublicense agreement, in which case BioTime shall have the right to terminate any such sublicense agreement in its entirety. Following any such termination of this Agreement by BioTime pursuant to Section 12.2(b), AgeX shall, at the request of BioTime, assign any such sublicense agreement (to the extent not terminated pursuant to the preceding sentence) to BioTime or its designated Affiliate and, upon such assignment, BioTime or its Affiliate, as applicable, shall assume such sublicense agreement, as applicable.

12.3 Survival. The following provisions shall survive the expiration of this Agreement or the termination of this Agreement in its entirety: Articles 2, 6, 7, and 9 and Sections 16.5 and 16.12. Without limiting the foregoing, all such other provisions which by their terms are intended to survive the expiration or termination of this Agreement shall so survive in accordance with their terms.

12.4 Accrued Rights. Termination or expiration of this Agreement for any reason shall be without prejudice to any right which shall have accrued to the benefit of either Party prior to such termination or expiration, including damages arising from any breach under this Agreement. Such termination or expiration shall not relieve either Party from obligations which are expressly indicated to survive termination or expiration of this Agreement.

Article 13.

DISPUTE RESOLUTION

13.1 Good Faith Discussions. In the event that any controversy or claim shall arise between the Parties under, out of, in connection with, or relating to this Agreement or the breach thereof, the Party initiating such controversy or making such claim shall provide to the other Party written notice containing a brief and concise statement of the initiating Party's claims, together with relevant facts supporting them. During a period of sixty (60) days, or such longer period as may be mutually agreed upon in writing by the Parties, following the date of said notice, the Parties shall make good faith efforts to settle the dispute. Such efforts may include, but shall not be limited to, full presentation of both Parties' claims and responses, with or without the assistance of counsel, before the chief executive officers (or their designees) of the Parties.

13.2 Arbitration. In the event that the Parties have been unable to reach accord using the procedures set forth in Section 13.1 and only if such is the case, either Party may seek final resolution of the matter through binding arbitration, and only through binding arbitration. The failure of a Party to comply with the provisions of Section 13.2 with respect to any controversy or claim shall constitute an absolute bar to the institution of any proceedings, by arbitration or otherwise, with respect to such controversy or claim. Any such arbitration shall be held in San Francisco, California in the English language before a panel of three (3) arbitrators in accordance with the then existing Rules of Arbitration of the American Arbitration Association (the "AAA") and judgment upon the award rendered by the arbitrators may be entered or enforced in any court having jurisdiction thereof. In any arbitration proceeding hereunder, each Party shall select one arbitrator and the arbitrators selected by the Parties shall then select a third arbitrator, who shall have at least fifteen (15) years' experience in pharmaceutical patent licensing. The arbitrators shall permit the Parties to have discovery to the extent permitted by the rules of the AAA. The decision of the arbitrators shall be final and binding on the Parties and shall be accompanied by a written opinion of the arbitrators explaining the arbitrators' rationale for their decision. The intent of the Parties is that except for the entering of an arbitration order in a court of competent jurisdiction, disputes shall be resolved finally in arbitration as provided above, without appeal, and without recourse to litigation in the courts.

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13.3 Exceptions. Notwithstanding the foregoing provisions of Sections 13.1 and 13.2, either Party may initiate an action before any court having competent jurisdiction in order to obtain interim or conservatory relief, such as an order to preserve the status quo and to avoid incurring irreparable harm pending the resolution of any dispute that is submitted to arbitration, to prevent or enjoin a breach or threatened breach of confidentiality or to enforce provisions of this Agreement relating to ownership rights in intellectual property without complying with the procedures set forth in Sections 13.1 and 13.2.

Article 14.

ASSIGNMENT

14.1 Binding Effect. This Agreement shall be binding upon and inure to the benefit of Parties hereto and their respective successors and permitted assigns.

14.2 Assignment by BioTime. BioTime shall have the right to assign this Agreement, in whole or in part, to any Affiliate. BioTime shall also have the right to assign this Agreement in its entirety in connection with a sale of its assets relating to the BioTime Exclusive Field, BioTime PureStem Field, BioTime Non-Exclusive Field or BioTime Option Field or by way of any merger or consolidation of BioTime or an Affiliate with any Third Party. BioTime shall not otherwise assign or purport to assign this Agreement (in whole or in part) without the prior consent in writing of AgeX, such consent not to be unreasonably withheld or delayed.

14.3 Assignment by AgeX. AgeX shall have the right to assign this Agreement, in whole or in part, to any of its Affiliates. AgeX shall also have the right to assign this Agreement in its entirety in connection with a sale of its assets relating to the AgeX Field or any or by way of any merger or consolidation of AgeX or an Affiliate with any Third Party. AgeX shall not otherwise assign or purport to assign this Agreement (in whole or in part) without the prior consent in writing of BioTime, such consent not to be unreasonably withheld or delayed.

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Article 15.

NOTICES

Except as otherwise herein provided, all notices to be served or notified to the Parties hereunder shall (a) be mailed by internationally recognized courier service or by registered airmail return receipt requested to their respective addresses listed below or to any other address subsequently communicated in writing, (b) delivered by e-mail marked as being of high importance to the e-mail address(es) set forth below (to be confirmed by written notice sent in the manner set forth in clause (a), (c) or (d)), (c) personally delivered, or (d) delivered by United States certified mail, postage prepaid. Any notice delivered in accordance with this Article, shall be deemed to have been given five (5) Business Days after the day on which such mailing is made, or on the next Business Day after the day on which it is deposited with a next Business Day courier or delivery service, or on the day sent in the case of any e-mail which is followed by written notice as aforesaid, provided that an email sent after 5:00 p.m. Pacific time shall be deemed delivered the next Business Day.

If to AgeX, to:

AgeX Therapeutics, Inc.
1010 Atlantic Avenue, Suite 201
Alameda, California 94501
United States
Attn: Michael D. West, CEO

If to BioTime, to:

BioTime, Inc.
1010 Atlantic Avenue, Suite 102
Alameda, California 94501
Attn: Aditya Mohanty, Co-CEO
[*]

and to:

BioTime, Inc.
1010 Atlantic Avenue, Suite 201
Alameda, California 94501
Attn: General Counsel
[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Article 16.

MISCELLANEOUS PROVISIONS

16.1 Severability. In the event that any of the provisions contained in this Agreement is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provisions had never been contained in it.

16.2 Waiver. No waiver of any default or breach by either Party shall be deemed to constitute a waiver of any subsequent default or breach with respect to the same or any other provision hereof. No waiver shall be effective unless made in writing with specific reference to the relevant provision(s) of this Agreement and signed by a duly authorized representative of the Party granting the waiver.

16.3 Entire Agreement and Modification. This Agreement together with the related sublicense agreements constitute the final and complete understanding existing between BioTime and AgeX relating to the subject matter hereof. The terms of this Agreement cannot be substituted, superseded, waived or modified in any manner except by written agreement executed for and on behalf of each of BioTime and AgeX. In the event of any conflict between the terms of this Agreement and any of the related sublicense agreements, the terms of the related sublicense agreements shall control.

16.4 Language. All communications notices and proceedings required to be given hereunder shall be in the English language.

16.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to any conflict of laws principles or rules.

16.6 Headings And Construction.

(a) Headings are inserted for convenience and shall not by themselves define, describe, extend, limit or determine the interpretation of this Agreement.

(b) References in this Agreement to Sections, Articles and Exhibits refer to Sections and Articles of, and Exhibits to, this Agreement except as otherwise specifically noted.

(c) Except where the context otherwise requires, wherever used, the singular shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders. The term “including” as used herein shall mean including, without limiting the generality of any description preceding such term. The word “or” shall be interpreted in accordance with its ordinary meaning as the context indicates.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

16.7 Counterparts. This Agreement may be executed in two or more counterparts each of which shall be deemed an original and which together shall constitute one and the same instrument.

16.8 Third Party Rights. No provision of this Agreement is intended to be enforceable by any Person other than the Parties hereto, their permitted assigns, and Persons entitled to indemnification pursuant to Article 9.

16.9 Relationship of the Parties. It is expressly agreed that BioTime, on the one hand, and AgeX, on the other hand, shall be independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture or agency. This Agreement does not grant BioTime, on the one hand, nor AgeX, on the other hand, the authority to bind the other Party to any agreement, contract or obligation.

16.10 Performance by Affiliates. Each of BioTime and AgeX acknowledges that its performance of its obligations and its exercise of rights under this Agreement may be performed or exercised, respectively, by Affiliates of BioTime and AgeX. Each of BioTime and AgeX guarantees performance of this Agreement by any of its Affiliates.

16.11 Further Assurance. Each Party shall duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents and instruments, as may be necessary or as the other Party may reasonably request in connection with this Agreement or to carry out more effectively the provisions and purposes hereof, or to better assure and confirm unto such other Party its rights and remedies under this Agreement.

16.12 Subcontractors. AgeX and BioTime shall each have the right to subcontract any of its Research, Development and Exploitation activities to a Third Party. Each Party shall remain solely responsible for all costs and expenses associated with its use of subcontractor(s) hereunder.

(Signatures Appear On The Following Page)

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

BioTime, Inc.

By: /s/ Aditya P. Mohanty
Aditya P. Mohanty

Title: Co-Chief Executive Officer

AgeX Therapeutics, Inc.

By: /s/ Michael D. West
Michael D. West

Title: Chief Executive Officer

(Signature Page For The License Agreement)

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

EXHIBIT A

BioTime Licensed Patents

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

EXHIBIT B

BioTime Sublicensed Patents comprise Patents licensed under the [*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

EXHIBIT C

iTR Patents

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

EXHIBIT D

Joint Patents

To be updated from time-to-time as Joint Patents are created.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

EXHIBIT E

PureStem Patents

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

EXHIBIT F

INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

This INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT (this "Assignment"), effective the ____ day of _____, is made and entered into by and between BioTime, Inc., a California corporation having a place of business at 1010 Atlantic Avenue, Suite 102, Alameda, California 94501 ("Assignor"), and AgeX Therapeutics, Inc., a Delaware corporation having a place of business at 1010 Atlantic Avenue, Suite 102, Alameda, California 94501 ("Assignee") (each a "Party," and collectively, the "Parties").

WHEREAS, Assignor is the owner of each of the patents and patent applications set forth on Schedule A hereto (the "Patents") the "Purchased Intellectual Property");

WHEREAS, pursuant to the terms and conditions of this Assignment, Assignee desires to purchase the Purchased Intellectual Property from Assignor, including all of Assignor's right, title and interest in and to the Purchased Intellectual Property;

and

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Purchased Intellectual Property Assignment. Assignor hereby assigns to Assignee all of Assignor's right, title and interest in and to the Purchased Intellectual Property, including, without limitation, all rights therein provided by international conventions and treaties, any registrations and applications therefor, any renewals and extensions thereof, and all other corresponding rights that are or may be secured under the laws of the United States or any foreign country, now or hereafter in effect, for Assignee's own use and enjoyment, as fully and entirely as the same would have been held and enjoyed by Assignor if this Assignment had not been made, together with all income, royalties or payments due or payable as of the effective date of this Assignment or thereafter, including, without limitation, all claims for damages by reason of past, present or future infringement or other unauthorized use of the Purchased Intellectual Property, with the right to sue for, and collect the same for Assignee's own use.

2. No Warranties. Assignor makes no warranties, express or implied, with respect to the Purchased Intellectual Property and the Domain Names.

3. Further Assurances. Assignor shall, at Assignee's expense, take all further actions, and provide to Assignee, Assignee's successors, assigns or other legal representatives, all such cooperation and assistance (including, without limitation, the execution and delivery of any and all affidavits, declarations, oaths, samples, exhibits, specimens, assignments, powers of attorney or other documentation), reasonably requested by Assignee to more fully and effectively effectuate the purposes of this Assignment, including, without limitation, with respect to the following: (A) the preparation and prosecution of any application for registration, or any application for renewal of a registration, relating to any of the rights assigned herein; (B) the prosecution or defense of any interference, opposition, infringement or other proceedings that may arise in connection with any of the rights assigned herein, including, without limitation, testifying as to any facts relating to the Purchased Intellectual Property and this Assignment; (C) obtaining any additional protection relating to rights assigned herein that Assignee reasonably may deem appropriate that may be secured under the laws now or hereafter in effect in the United States or in any foreign country; and (D) in the implementation or perfection of this Assignment in all applicable jurisdictions throughout the world. Assignor shall not enter into any agreement in conflict with this Assignment.

4. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of California, without regard to the conflicts of law rules of such state.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

5. Counterparts. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same agreement.

6. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of, respectively, Assignor and Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed by its duly authorized representative.

BioTime, Inc.

_____

(signature)

By: _____
(print or type name)

Title: _____

IN WITNESS WHEREOF, Assignee has caused this Assignment to be executed by its duly authorized representative.

AgeX Therapeutics, Inc.

_____
(signature)

By: _____
(print or type name)

Title: _____

***

[Schedule A to Exhibit F of the License Agreement]

SCHEDULE A - PATENTS

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

EXHIBIT G

INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

This INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT (this "Assignment"), effective the ____ day of _____, is made and entered into by and between, AgeX Therapeutics, Inc., a Delaware corporation having a place of business at 1010 Atlantic Avenue, Suite 102, Alameda, California 94501 ("Assignor"), and BioTime, Inc., a California corporation having a place of business at 1010 Atlantic Avenue, Suite 102, Alameda, California 94501 ("Assignee") (each a "Party," and collectively, the "Parties").

WHEREAS, Assignor is the owner of each of the patents and patent applications set forth on Schedule A hereto (the "Patents") the "Purchased Intellectual Property");

WHEREAS, pursuant to the terms and conditions of this Assignment, Assignee desires to purchase the Purchased Intellectual Property from Assignor, including all of Assignor's right, title and interest in and to the Purchased Intellectual Property;

and

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

7. Purchased Intellectual Property Assignment. Assignor hereby assigns to Assignee all of Assignor's right, title and interest in and to the Purchased Intellectual Property, including, without limitation, all rights therein provided by international conventions and treaties, any registrations and applications therefor, any renewals and extensions thereof, and all other corresponding rights that are or may be secured under the laws of the United States or any foreign country, now or hereafter in effect, for Assignee's own use and enjoyment, as fully and entirely as the same would have been held and enjoyed by Assignor if this Assignment had not been made, together with all income, royalties or payments due or payable as of the effective date of this Assignment or thereafter, including, without limitation, all claims for damages by reason of past, present or future infringement or other unauthorized use of the Purchased Intellectual Property, with the right to sue for, and collect the same for Assignee's own use.

8. No Warranties. Assignor makes no warranties, express or implied, with respect to the Purchased Intellectual Property and the Domain Names.

9. Further Assurances. Assignor shall, at Assignee's expense, take all further actions, and provide to Assignee, Assignee's successors, assigns or other legal representatives, all such cooperation and assistance (including, without limitation, the execution and delivery of any and all affidavits, declarations, oaths, samples, exhibits, specimens, assignments, powers of attorney or other documentation), reasonably requested by Assignee to more fully and effectively effectuate the purposes of this Assignment, including, without limitation, with respect to the following: (A) the preparation and prosecution of any application for registration, or any application for renewal of a registration, relating to any of the rights assigned herein; (B) the prosecution or defense of any interference, opposition, infringement or other proceedings that may arise in connection with any of the rights assigned herein, including, without limitation, testifying as to any facts relating to the Purchased Intellectual Property and this Assignment; (C) obtaining any additional protection relating to rights assigned herein that Assignee reasonably may deem appropriate that may be secured under the laws now or hereafter in effect in the United States or in any foreign country; and (D) in the implementation or perfection of this Assignment in all applicable jurisdictions throughout the world. Assignor shall not enter into any agreement in conflict with this Assignment.

10. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of California, without regard to the conflicts of law rules of such state.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

11. Counterparts. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same agreement.

12. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of, respectively, Assignor and Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed by its duly authorized representative.

AgeX Therapeutics, Inc.

_____
(signature)

By: _____
(print or type name)

Title: _____

IN WITNESS WHEREOF, Assignee has caused this Assignment to be executed by its duly authorized representative.

BioTime, Inc.

_____
(signature)

By: _____
(print or type name)

Title: _____

***

[Schedule A to Exhibit G of the License Agreement]

SCHEDULE A - PATENTS

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Exhibit 10.3

BIOTIME, INC.
1010 Atlantic Avenue, Suite 102
Alameda, CA 94501
T: 510-521-3390, F: 510-521-3389
www.biotimeinc.com

August 4, 2017

Alfred D. Kingsley
[Address]

Re:Option to Purchase up to 500,000 shares of AgeX Therapeutics, Inc.

Dear Mr. Kingsley:

For value received, BioTime, Inc, a California corporation (the "***Company***") hereby grants you the option (the "***Option***") to purchase up to a total of 500,000 shares of AgeX Therapeutics, Inc. ("***AgeX***") common stock held by the Company, at the Exercise Price within five (5) business days following the delivery of an irrevocable Notice of Exercise of the Option specifying the number of shares of AgeX common stock you elect to purchase, and all unexercised shares of common stock shall thereafter not be subject to the Option. The Option shall terminate upon the earlier of the closing of the purchase following exercise and the last day of the Exercise Period.

As used herein, the following terms shall have the following respective meanings:

(a) "***Exercise Period***" shall mean the period commencing with the date hereof and ending at 5:00 p.m., California time, on September 2, 2017, unless sooner terminated as provided herein.

(b) "***Exercise Price***" shall mean $2.00 per share of common stock of AgeX.

(c) "***Exercise Shares***" shall mean up to a total of 500,000 shares of AgeX common stock owned by BioTime, Inc.

The rights represented by this Option may be exercised in whole or in part at any time during the Exercise Period, by delivery of the following to the Company at its address set forth above:

(a) An executed Notice of Exercise in the form attached hereto;

(b) Payment of the Exercise Price, at the election of the election of the Purchaser, in cash, check; or delivery of a whole number of shares of Company common stock (rounded up) then owned by you (without restrictions) valued at the closing price as quoted on the national securities exchange on the trading date that immediately precedes the delivery of the Notice of Exercise, and

(c) Such documentation as the Company may require in order to sell and issue the shares subject to purchase in compliance with applicable securities laws, including the Securities Act of the 1933, as amended (the "***Securities Act***"), or any exemption thereunder, which documentation may include, if reasonably requested by the Company, an opinion of counsel reasonably satisfactory to the Company, that the exercise of this Option will not require registration of such Exercise Shares under the applicable securities laws.

If the Option is exercised only in part, the right to purchase any remaining unexercised shares of AgeX common stock shall be forfeited.

You hereby represent and warrant that you are acquiring the Option and the Exercise Shares solely for your account for investment and not with a view to or for sale or distribution of said Option or Exercise Shares or any part thereof. You also represent that the entire legal and beneficial interests of the Option and Exercise Shares you are acquiring are being acquired for, and will be held for, your account only.

You understand that the Option and the Exercise Shares have not been registered under the Securities Act on the basis that no distribution or public offering of the stock of AgeX is to be effected. You realize that the basis for the exemption may not be present if, notwithstanding its representations, you have a present intention of acquiring the securities for a fixed or determinable period in the future, selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the securities. You hereby represent that you have no such present intention.

You recognize that the Option and the Exercise Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. You recognize that AgeX has no obligation to register the Option or the Exercise Shares, or to comply with any exemption from such registration.

You are aware that neither the Option nor the Exercise Shares may be sold pursuant to Rule 144 adopted under the Securities Act unless certain conditions are met, including, among other things, the existence of a public market for the shares, the availability of certain current public information about AgeX, the resale following the required holding period under Rule 144 and the number of shares being sold during any three month period not exceeding specified limitations. You are aware that the conditions for resale set forth in Rule 144 have not been satisfied and that AgeX presently has no plans to satisfy these conditions in the foreseeable future.

You understand and agree that all certificates or book entries evidencing the shares to be issued to you may bear the following legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

This Option and all rights hereunder are not transferable.

Sincerely,

BIOTIME, INC.

By: s/Russell L. Skibsted
Russell L. Skibsted
Chief Financial Officer

AGREED AND ACCEPTED:

s/Alfred D. Kingsley
Alfred D. Kingsley

NOTICE OF EXERCISE

TO: BioTime, Inc.

(1) The undersigned hereby elects to purchase _____ shares of the common stock of AgeX Therapeutics, Inc. ("AgeX") from BioTime, Inc. (the "Company") pursuant to the terms of the attached Option, and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Please issue a certificate or certificates representing said shares of common stock of AgeX in the name of the undersigned or in such other name as is specified below:

(Name)

(Address)

(3) The undersigned represents that (i) the aforesaid shares of AgeX common stock are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares; (ii) the undersigned is aware of AgeX's business affairs and financial condition and has acquired sufficient information about the AgeX to reach an informed and knowledgeable decision regarding its investment in AgeX; (iii) the undersigned is experienced in making investments of this type and has such knowledge and background in financial and business matters that the undersigned is capable of evaluating the merits and risks of this investment and protecting the undersigned's own interests; (iv) the undersigned understands that the shares of AgeX common stock issuable upon exercise of this Option have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), by reason of a specific exemption from the registration provisions of the Securities Act, which exemption depends upon, among other things, the bona fide nature of the investment intent as expressed herein, and, because such securities have not been registered under the Securities Act, they must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available; (v) the undersigned is aware that the aforesaid shares of AgeX common stock may not be sold pursuant to Rule 144 adopted under the Securities Act unless certain conditions are met and until the undersigned has held the shares for the number of years prescribed by Rule 144, that among the conditions for use of the Rule is the availability of current information to the public about AgeX and AgeX has not made such information available and has no present plans to do so; and (vi) the undersigned agrees not to make any disposition of all or any part of the aforesaid shares of AgeX common stock unless and until there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with said registration statement, or the undersigned has provided AgeX with an opinion of counsel satisfactory to AgeX, stating that such registration is not required.

(4) The undersigned hereby undertakes to provide such documentation as the Company may require in order to sell and issue the shares of AgeX common stock subject to purchase in compliance with applicable securities laws, including the Securities Act, or any exemption thereunder, which documentation may include, if reasonably requested by the Company, an opinion of counsel reasonably satisfactory to the Company, that the exercise of the Option will not require registration of such shares of AgeX common stock under the applicable securities laws.

(Date)

(Signature)

(Print name)

Exhibit 31

CERTIFICATIONS

I, Michael D. West, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BioTime, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this periodic report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2017

/s/ *Michael D. West*
Michael D. West, Ph.D.
Co-Chief Executive Officer

CERTIFICATIONS

I, Aditya Mohanty, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BioTime, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this periodic report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2017

/s/ *Aditya Mohanty*
Aditya Mohanty
Co-Chief Executive Officer

CERTIFICATIONS

I, Russell L. Skibsted, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BioTime, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this periodic report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2017

/s/ *Russell L. Skibsted*
Russell L. Skibsted
Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of BioTime, Inc. (the "Company") for the quarter ended September 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Michael D. West, Co-Chief Executive Officer, Aditya Mohanty, Co-Chief Executive Officer, and Russell Skibsted, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2017

/s/ *Michael D. West*
Michael D. West, Ph.D.
Co-Chief Executive Officer

/s/ *Aditya Mohanty*
Aditya Mohanty
Co-Chief Executive Officer

/s/ *Russell L. Skibsted*
Russell L. Skibsted
Chief Financial Officer