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, 2015

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.)

1301 Harbor Bay Parkway, Suite 100
Alameda, California 94502
(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, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer,” and “smaller reporting 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	☐

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: 94,894,152 common shares, no par value, as of November 6, 2015.

PART 1--FINANCIAL INFORMATION

Statements made in this Form 10-Q 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. Words such as "expects," "may," "will," "anticipates," "intends," "plans," "believes," "seeks," "estimates," and similar expressions identify forward-looking statements. See "Risk Factors."

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.

Item 1. Financial Statements

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

	September 30, 2015 (Unaudited)	December 31, 2014 (Note 1)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 29,378	$ 29,487
Trade accounts and grants receivable, net	944	1,042
Inventory	260	266
Landlord receivable	1,525	378
Loan receivable	506	-
Prepaid expenses and other current assets	1,752	1,232
Total current assets	34,365	32,405
Equipment, net and construction in progress	6,781	2,858
Deferred license fees	352	337
Deposits and other long-term assets	455	453
Intangible assets, net	34,906	38,848
TOTAL ASSETS	$ 76,859	$ 74,901
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 7,793	$ 6,803
Capital lease liability, current portion	46	58
Promissory notes, current portion	95	-
Related party convertible debt, net of discount	255	60
Deferred grant income	1,869	-
Deferred license and subscription revenue, current portion	278	208
Total current liabilities	10,336	7,129
LONG-TERM LIABILITIES		
Deferred tax liabilities, net	1,119	4,515
Deferred rent liabilities, net of current portion	95	97
Lease liability	4,089	378
Capital lease liability, net of current portion	-	31
Promissory notes, net of current portion	268	-
Other long-term liabilities	18	28
Total long-term liabilities	5,589	5,049
Commitments and contingencies (Note 8)		
SHAREHOLDERS' EQUITY		
Series A convertible preferred stock, no par value, authorized 2,000 shares as of September 30, 2015 and December 31, 2014; none and 70 issued and outstanding as of September 30, 2015 and December 31, 2014, respectively	-	3,500
Common stock, no par value, authorized 125,000 shares as of September 30, 2015 and December 31, 2014; 86,764 issued and 82,045 outstanding as of September 30, 2015 and 83,122 issued and 78,228 outstanding at December 31, 2014	248,069	234,850
Accumulated other comprehensive income/(loss)	(87)	186
Accumulated deficit	(215,757)	(182,190)
Treasury stock at cost: 4,719 and 4,894 shares at September 30, 2015 and at December 31, 2014, respectively	(19,182)	(19,890)
BioTime, Inc. shareholders' equity	13,043	36,456
Non-controlling interest	47,891	26,267
Total shareholders' equity	60,934	62,723
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 76,859	$ 74,901

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,	
	2015	**2014**	**2015**	**2014**
REVENUES:				
Subscription and advertisement revenues	$ 343	$ 285	$ 1,020	$ 880
Royalties from product sales	357	148	631	322
Grant income	1,466	648	3,596	1,863
Sale of research products and services	140	110	328	300
Total revenues	2,306	1,191	5,575	3,365
Cost of sales	(432)	(231)	(957)	(614)
Gross profit	1,874	960	4,618	2,751
OPERATING EXPENSES:				
Research and development	(11,433)	(8,836)	(29,816)	(26,268)
General and administrative	(7,545)	(4,262)	(18,911)	(12,764)
Total operating expenses	(18,978)	(13,098)	(48,727)	(39,032)
Loss from operations	(17,104)	(12,138)	(44,109)	(36,281)
OTHER INCOME/(EXPENSE):				
Interest expense, net	(12)	(7)	(207)	(30)
Other income/(expense), net	(573)	(119)	(408)	157
Total other income/(expense), net	(585)	(126)	(615)	127
LOSS BEFORE INCOME TAX BENEFIT	(17,689)	(12,264)	(44,724)	(36,154)
Deferred income tax benefit	948	2,313	3,395	5,175
NET LOSS	(16,741)	(9,951)	(41,329)	(30,979)
Net loss attributable to non-controlling interest	3,115	1,683	7,762	5,151
NET LOSS ATTRIBUTABLE TO BIOTIME, INC.	(13,626)	(8,268)	(33,567)	(25,828)
Dividends on preferred shares	(363)	(34)	(415)	(34)
NET LOSS ATTRIBUTABLE TO BIOTIME, INC. COMMON SHAREHOLDERS	$ (13,989)	$ (8,302)	$ (33,982)	$ (25,862)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	$ (0.18)	$ (0.12)	$ (0.43)	$ (0.41)
WEIGHTED AVERAGE NUMBER OF COMMON STOCK OUTSTANDING: BASIC AND DILUTED	79,224	67,921	78,619	62,594

See accompanying notes to the condensed consolidated interim financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	**2014**	**2015**	**2014**
NET LOSS	$ (16,741)	$ (9,951)	$ (41,329)	$ (30,979)
Other comprehensive loss, net of tax:				
Change in foreign currency translation and other comprehensive income/(loss) from equity investments:				
Foreign currency translation gain/(loss)	44	(67)	(273)	(216)
Unrealized loss on available-for-sale securities, net of taxes	-	(1)	-	(3)
COMPREHENSIVE LOSS	(16,697)	(10,019)	(41,602)	(31,198)
Less: Comprehensive loss attributable to non-controlling interest	(3,115)	(1,683)	(7,762)	(5,151)
COMPREHENSIVE LOSS ATTRIBUTABLE TO BIOTIME, INC. BEFORE PREFERRED STOCK DIVIDEND	(13,582)	(8,336)	(33,840)	(26,047)
Preferred stock dividend	(363)	(34)	(415)	(34)
COMPREHENSIVE LOSS ATTRIBUTABLE TO BIOTIME, INC. COMMON SHAREHOLDERS	$ (13,945)	$ (8,370)	$ (34,255)	$ (26,081)

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	
	2015	**2014**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss attributable to BioTime, Inc.	$ (33,567)	$ (25,828)
Net loss allocable to non-controlling interest	(7,762)	(5,151)
Adjustments to reconcile net loss attributable to BioTime, Inc. to net cash used in operating activities:		
Depreciation expense	776	794
Amortization of intangible assets	3,942	4,104
Amortization of deferred consulting fees	-	19
Amortization of deferred license fees	85	82
Amortization of prepaid rent in common stock	63	42
Stock-based compensation	7,189	3,321
Amortization of discount on related party convertible debt	182	4
Loss on sale or write-off of equipment	-	9
Write-off for uncollectible receivables	-	(16)
Deferred income tax benefit	(3,395)	(5,175)
Contingently issuable subsidiary warrants in lieu of investor relations expenses	65	-
Changes in operating assets and liabilities:		
Accounts receivable, net	(114)	(86)
Grant receivable	212	66
Inventory	6	(75)
Prepaid expenses and other current assets	(621)	(114)
Other long-term assets	(100)	-
Accounts payable and accrued liabilities	512	(1,545)
Accrued interest on related party convertible debt	14	1
Other long-term liabilities	(9)	(124)
Deferred grant income	1,869	-
Deferred rent liabilities	(2)	(14)
Lease liability, noncurrent	(12)	-
Deferred revenues	70	(58)
Net cash used in operating activities	(30,597)	(29,744)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(514)	(497)
Payments on construction in progress	(3,830)	-
Loan receivable	(500)	-
Proceeds from the sale of equipment	-	4
Security deposit paid, net	(9)	(306)
Cash used in investing activities	(4,853)	(799)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercises of stock options	621	220
Proceeds from sale of preferred stock	-	3,500
Proceeds from issuance of common shares	8,578	14,724
Fees paid on sale of common shares	-	(298)
Proceeds from exercise of warrants	19	-
Proceeds from exercise of subsidiary stock options	27	-
Proceeds from sale of treasury shares	576	-
Proceeds from exercise of subsidiary warrants	11,700	-
Proceeds from sale of treasury shares and issuance of subsidiary warrants	-	13,582
Proceeds from sale of subsidiary common shares	11,586	468
Fees paid on sale of subsidiary common shares	(597)	-
Reimbursement from landlord on construction in progress	2,564	-
Proceeds from issuance of related party convertible debt	188	467
Repayment of capital lease obligation	(31)	(13)
Net cash provided by financing activities	35,231	32,650
Effect of exchange rate changes on cash and cash equivalents	110	(186)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(109)	1,921
CASH AND CASH EQUIVALENTS:		
At beginning of the period	29,487	5,495
At end of the period	$ 29,378	$ 7,416

See accompanying notes to the condensed consolidated interim financial statements.

1. Organization, Basis of Presentation, and Liquidity

General – BioTime is a biotechnology company focused on the field of regenerative medicine; specifically human embryonic stem ("hES") cell and induced pluripotent stem ("iPS") cell technology. Regenerative medicine refers to therapies based on stem cell technology that are designed to rebuild cell and tissue function lost due to degenerative disease or injury. hES and iPS cells provide a means of manufacturing every cell type in the human body and therefore show considerable promise for the development of a number of new therapeutic products. BioTime and its subsidiaries are developing stem cell products for research and therapeutic use. BioTime's primary therapeutic products are based on its *HyStem*® hydrogel technology and include *Renevia*™ a product currently in clinical trials in Europe to facilitate cell transplantation. Asterias Biotherapeutics, Inc. ("Asterias," NYSE MKT: AST) is developing pluripotent stem-cell based therapies in neurology and oncology, including AST-OPC1 neural cells in spinal cord injury, and AST-VAC2, a pluripotent stem cell-derived cancer vaccine. OncoCyte Corporation ("OncoCyte") is developing products and technologies to diagnose cancer. ES Cell International Pte Ltd. ("ESI"), a Singapore private limited company, is providing its National Institutes of Health ("NIH") approved hES cell lines, manufactured under current good manufacturing practices ("cGMP"), to researchers focused on pre-clinical applications through BioTime's *ESI BIO* division. OrthoCyte Corporation ("OrthoCyte") is developing therapies to treat orthopedic disorders, diseases and injuries. ReCyte Therapeutics, Inc. ("ReCyte Therapeutics") is developing therapies to treat a variety of cardiovascular and related ischemic disorders, as well as related products for research. Cell Cure Neurosciences Ltd. ("Cell Cure Neurosciences") is an Israel-based biotechnology company focused on developing stem cell-based therapies for retinal and neurological disorders, including the development of retinal pigment epithelial cells for the treatment of macular degeneration. Research products and services are marketed through LifeMap Sciences, Inc. ("LifeMap Sciences") and BioTime's *ESI BIO* division. LifeMap Sciences markets, sells and distributes *GeneCards*®, the leading human gene database and an integrated database suite that includes *GeneCards*®, the *LifeMap Discovery*® database of embryonic development, stem cell research and regenerative medicine, and *MalaCards*, the human disease database, and the analysis tools *VarElect*, a powerful, yet easy-to-use application for prioritizing gene variants resulting from next generation sequencing experiments, and *GeneAnalytics*™, a novel gene set analysis tool. LifeMap Sciences' subsidiary LifeMap Solutions, Inc. ("LifeMap Solutions") is developing mobile health software products in partnership with the Icahn Institute for Genomics and Multiscale Biology.

BioTime is focusing a portion of its efforts in the field of regenerative medicine on the development and sale of advanced human stem cell products and technologies that can be used by researchers at universities and other institutions, at companies in the bioscience and biopharmaceutical industries, and at other companies that provide research products to companies in those industries. These products are developed internally or in conjunction with BioTime's subsidiaries and marketed through BioTime's *ESI BIO* division. Products for the research market generally can be sold without regulatory (United States Food and Drug Administration ("FDA")) approval, and are therefore relatively near-term business opportunities when compared to therapeutic products. See Note 12.

Until 2008, BioTime principally developed blood plasma volume expanders and related technology for use in surgery, emergency trauma treatment and other applications. BioTime's operating revenues are now derived primarily from research grants, from licensing fees and advertising from the marketing of the LifeMap Sciences database products, and from the sale of products for research.

The unaudited condensed consolidated interim balance sheet as of September 30, 2015, the unaudited condensed consolidated interim statements of operations and statements of comprehensive loss for the three and nine months ended September 30, 2015 and 2014, and the unaudited condensed consolidated interim statements of cash flows for the nine months ended September 30, 2015 and 2014 have been prepared by BioTime's management in accordance with the instructions from Form 10-Q and Regulation S-X. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at September 30, 2015 have been made. The consolidated balance sheet as of December 31, 2014 is derived from the Company's annual audited financial statements as of that date. The results of operations for the three and nine months ended September 30, 2015 are not necessarily indicative of the operating results anticipated for any other interim period or for the full year of 2015.

Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted as permitted by regulations of the Securities and Exchange Commission (“SEC”) except for the consolidated balance sheet as of December 31, 2014, which was derived from audited financial statements. Certain previously furnished amounts have been reclassified to conform to presentations made during the current periods. These condensed consolidated interim financial statements should be read in conjunction with the annual audited consolidated financial statements and notes thereto included in BioTime’s Annual Report on Form 10-K for the year ended December 31, 2014, the audited annual financial statements of OncoCyte for the year ended December 31, 2014 filed in a registration statement on Form 10 on October 7, 2015, and the OncoCyte unaudited condensed interim financial statements as of, and for the six months ended, June 30, 2015 filed in a registration statement on Form 10 on October 7, 2015 (see Note 12).

Use of estimates – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the U.S. ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of consolidation – BioTime’s consolidated financial statements include the accounts of its subsidiaries. The following table reflects BioTime’s ownership, directly or through one or more subsidiaries, of the outstanding shares of its subsidiaries as of September 30, 2015.

Subsidiary	Field of Business	BioTime Ownership	Country
Asterias Biotherapeutics, Inc. (NYSE MKT: AST)	Therapeutic products derived from pluripotent stem cells, and immunotherapy products. Clinical programs include: AST-OPC1 for spinal cord injury, AST-VAC1 for acute mylegenous leukemia, and AST-VAC2 for non-small cell lung cancer	58.0%	USA
Cell Cure Neurosciences Ltd.	Products to treat age related macular degeneration (“AMD”) and neurological diseases. Lead product *OpRegen*® is in a Phase I/IIa clinical trial treating the dry form of AMD that afflicts 90% of patients with AMD	62.5%(1)	Israel
ES Cell International Pte Ltd	Stem cell products for research, including clinical grade cell lines produced under cGMP	100%	Singapore
LifeMap Sciences, Inc.	Biomedical, gene, disease, and stem cell databases and tools	77.9%	USA
LifeMap Sciences, Ltd.	Biomedical, gene, disease, and stem cell databases and tools	(2)	Israel
LifeMap Solutions, Inc.	Mobile health software applications	(2)	USA
OncoCyte Corporation(4)	Developing proprietary non-invasive, liquid biopsy and diagnostics for lung, breast and bladder cancers	74.9%	USA
OrthoCyte Corporation	Orthopedic diseases and injuries, including bone grafting, chronic back pain and osteoarthritis	100.0%(3)	USA
ReCyte Therapeutics, Inc.	Research and development involved in stem cell-derived endothelial and cardiovascular related progenitor cells for the treatment of vascular disorders, ischemic conditions and brown adipocytes for type-2 diabetes and obesity	94.8%	USA

(1) Includes shares owned by BioTime, Asterias, and ESI.

(2) LifeMap Sciences, Ltd. and LifeMap Solutions, Inc. are wholly-owned subsidiaries of LifeMap Sciences, Inc.

(3) Includes shares owned by BioTime and Asterias.

(4) See Note 12 regarding OncoCyte’s October 7, 2015, filing of a registration statement on Form 10 with the SEC in connection with BioTime’s planned distribution of shares of OncoCyte common stock to holders of BioTime common shares, on a pro rata basis.

All material intercompany accounts and transactions have been eliminated in consolidation. As of September 30, 2015, BioTime consolidated Asterias, ReCyte Therapeutics, OncoCyte, OrthoCyte, ESI, Cell Cure Neurosciences, BioTime Asia, Limited ("BioTime Asia"), LifeMap Sciences, LifeMap Sciences, Ltd., and LifeMap Solutions as BioTime has the ability to control their operating and financial decisions and policies through its ownership, and the non-controlling interest is reflected as a separate element of shareholders' equity on BioTime's consolidated balance sheets.

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, 2015, BioTime had an accumulated deficit of $215.8 million, working capital of $24.0 million and shareholders' equity of $60.9 million. BioTime has evaluated its projected cash flows for it and its subsidiaries and believes that its cash and cash equivalents of $29.4 million as of September 30, 2015 and the $25.5 million BioTime raised through the sale of 8,130,612 common shares during October 2015 will be sufficient to fund its operations at least through December 31, 2016. See Note 12. However, clinical trials being conducted by BioTime's subsidiaries, Asterias and Cell Cure Neurosciences will be funded in part with funds from grants and not from cash on hand. If either Asterias or Cell Cure Neurosciences were to lose its grant funding it may be required to delay, postpone, or cancel its clinical trials or limit the number of clinical trial sites, or otherwise reduce or curtail its operations unless it is able to obtain adequate financing from another source that could be used for its clinical trials.

Certain significant risks and uncertainties – The operations of BioTime and its subsidiaries are subject to a number of factors that can affect their operating results and financial condition. Such factors include but are not limited to, the following: the results of clinical trials of their respective therapeutic product, diagnostic test, and medical device candidates; their ability to obtain FDA and foreign regulatory approval to market their respective therapeutic and medical device product candidates and diagnostic tests; their ability to develop new stem cell research products and technologies; competition from products manufactured and sold or being developed by other companies; the price and demand for their products; their ability to obtain additional financing and the terms of any such financing that may be obtained; their ability to negotiate favorable licensing or other manufacturing and marketing agreements for their products; the availability of ingredients used in their products; and the availability of reimbursement for the cost of their therapeutic products, diagnostic tests and medical devices (and related treatments) from government health administration authorities, private health coverage insurers, and other organizations.

2. Summary of Significant Accounting Policies

Revenue recognition – BioTime complies with ASC 605-10 and recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price is fixed or determinable, and collectability is reasonably assured. Grant income and the sale of research products and services are recognized as revenue when earned. Revenues from the sale of research products and services are primarily derived from the sale of hydrogels and stem cell products. Royalty revenues consist of product royalty payments. License fee revenues consist primarily of subscription and advertising revenue from LifeMap Sciences' online databases and are recognized based upon respective subscription or advertising periods. Other license fees under certain license agreements were recognized during prior periods when earned and reasonably estimable. Royalties earned on product sales are recognized as revenue in the quarter in which the royalty reports are received from the licensee, rather than the quarter in which the sales took place. When BioTime is entitled to receive up-front nonrefundable licensing or similar fees pursuant to agreements under which BioTime has no continuing performance obligations, the fees are recognized as revenues when collection is reasonably assured. When BioTime receives up-front nonrefundable licensing or similar fees pursuant to agreements under which BioTime does have continuing performance obligations, the fees are deferred and amortized ratably over the performance period. If the performance period cannot be reasonably estimated, BioTime amortizes nonrefundable fees over the life of the contract until such time that the performance period can be more reasonably estimated. Milestone payments, if any, related to scientific or technical achievements are recognized in income when the milestone is accomplished if (a) substantive effort was required to achieve the milestone, (b) the amount of the milestone payment appears reasonably commensurate with the effort expended, and (c) collection of the payment is reasonably assured.

Cash and cash equivalents – BioTime considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Trade accounts and grants receivable, net – Net trade receivables amounted to approximately $664,000 and $549,000 and grants receivable amounted to approximately $280,000 and $493,000 as of September 30, 2015 and December 31, 2014, respectively. Net trade receivables include allowance for doubtful accounts of approximately $101,000 as of September 30, 2015 and December 31, 2014 for those amounts deemed uncollectible by BioTime. BioTime evaluates the collectability of its receivables based on a variety of factors, including the length of time receivables are past due and significant one-time events and historical experience. An additional reserve for individual accounts will be recorded if BioTime becomes aware of a customer's inability to meet its financial obligations, such as in the case of bankruptcy filings or deterioration in the customer's operating results or financial position. If circumstances related to customers change, estimates of the recoverability of receivables would be further adjusted.

Concentrations of credit risk – Financial instruments that potentially subject BioTime to significant concentrations of credit risk consist primarily of cash and cash equivalents. BioTime limits the amount of credit exposure of cash balances by maintaining its accounts in high credit quality financial institutions. Cash equivalent deposits with financial institutions may occasionally exceed the limits of insurance on bank deposits; however, BioTime has not experienced any losses on such accounts.

Inventory – Inventories are stated at the lower of cost or market. Cost, which includes amounts related to materials, labor, and overhead, is determined in a manner which approximates the first-in, first-out ("FIFO") method.

Equipment, net and construction in progress – Equipment and construction in progress is stated at cost. Equipment is being depreciated using the straight-line method over their estimated useful lives ranging from 36 to 120 months. Construction in progress is not depreciated until the underlying asset is placed into service. See Note 4.

Intangible assets, net – Intangible assets with finite useful lives are amortized over their estimated useful lives and intangible assets with indefinite lives are not amortized but rather are tested at least annually for impairment. Acquired in-process research and development intangible assets are accounted for depending on whether they were acquired as part of an acquisition of a business, or as assets that do not constitute a business. When acquired in conjunction with the acquisition of a business, these assets are considered to be indefinite-lived until the completion or abandonment of the associated research and development efforts and are capitalized as an asset. If and when development is complete, the associated assets would be deemed finite-lived and would then be amortized based on their respective estimated useful lives at that point in time. However, when acquired in conjunction with an acquisition of assets that do not constitute a business (such as the acquisition of assets by Asterias from Geron Corporation), in accordance with ASC 805-50, such intangible assets related to in-process research and development ("IPR&D") are expensed upon acquisition.

Treasury stock – BioTime accounts for BioTime common shares issued to subsidiaries for future potential working capital needs as treasury stock on the consolidated balance sheet. BioTime has registered the BioTime common shares held by its subsidiaries for sale under the Securities Act of 1933, as amended (the "Securities Act") to enhance the marketability of the shares.

Warrants to purchase common stock – BioTime generally accounts for warrants issued in connection with equity financings as a component of equity. None of the warrants issued by BioTime as of September 30, 2015 include a conditional obligation to issue a variable number of shares; nor was there a deemed possibility that BioTime may need to settle the warrants in cash.

Cost of sales – BioTime accounts for the cost of research products acquired for sale and any royalties paid as a result of any revenues in accordance with the terms of the respective licensing agreements as cost of sales on the consolidated statement of operations.

Patent costs – Costs associated with obtaining patents on products or technology developed are expensed as research and development expenses when incurred.

Reclassification – Certain prior year amounts have been reclassified to conform to the current year presentation.

Research and development – Research and development expenses consist of costs incurred for company-sponsored, collaborative and contracted research and development activities. These costs include direct and research-related overhead expenses including salaries, payroll taxes, consulting fees, research and laboratory fees, rent of research facilities, amortization of intangible assets, and license fees paid to third parties to acquire patents or licenses to use patents and other technology. BioTime expenses research and development costs as such costs are incurred.

General and administrative – General and administrative expenses consist principally of compensation and related benefits, including stock-based compensation, for executive and corporate personnel; professional and consulting fees; and allocated overhead.

Foreign currency translation and other comprehensive loss, foreign currency transaction gains and losses – In countries in which BioTime operates, where the functional currency is other than the U.S. dollar, assets and liabilities are translated using published exchange rates in effect at the consolidated balance sheet date. Revenues and expenses and cash flows are translated using an approximate weighted average exchange rate for the period. Resulting translation adjustments are recorded as a component of accumulated other comprehensive income or loss on the condensed consolidated balance sheet. For the three and nine months ended September 30, 2015 other comprehensive loss includes foreign currency translation gains and losses of $44,000 and $273,000, respectively. For the three and nine months ended September 30, 2014 comprehensive loss includes foreign currency translation loss of $67,000 and $216,000, respectively.

For transactions denominated in other than the functional currency of BioTime, transactional gains and losses are recorded in other income and expense included in the condensed consolidated statements of operations. Foreign currency transaction loss amounted to $430,000 and $353,000, respectively, for the three and nine months ended September 30, 2015, and an $88,000 loss and $92,000 gain, respectively for the three and nine months ended September 30, 2014.

Income taxes – BioTime accounts for income taxes in accordance with GAAP requirements, which prescribe the use of the asset and liability method, whereby deferred tax asset or liability account balances are calculated at the balance sheet date using current tax laws and rates in effect. Valuation allowances are established when necessary to reduce deferred tax assets when it is more likely than not that a portion or all of the deferred tax assets will not be realized. The Financial Accounting Standards Board (“FASB”) guidance also prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not sustainable upon examination by taxing authorities. Beginning October 1, 2013, Asterias began filing separate U.S. federal income tax returns but effectively BioTime combined Asterias’ tax provision with BioTime’s consolidated financial statements. For California, Asterias’ activity for 2013 and 2014 have been included in BioTime’s combined tax return. BioTime recognizes accrued interest and penalties related to unrecognized tax benefits, if any, as income tax expense, however, no amounts were accrued for the payment of interest and penalties as of September 30, 2015 and 2014. BioTime files a U.S. federal income tax return as well as various state and foreign income tax returns. In general, BioTime is no longer subject to tax examination by major taxing authorities for years before 2010. Although the statute is closed for purposes of assessing additional income and tax in those years, the taxing authorities may still make adjustments to the net operating loss and credit carryforwards used in open years. Therefore the statute should be considered open as it relates to the net operating loss and credit carryforwards. Any potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with U.S. federal, state and local and foreign tax laws. Management does not expect that the total amount of unrecognized tax benefits will materially change over the next year.

An income tax benefit of approximately $3.4 million was recorded for the nine months ended September 30, 2015, of which approximately $3.6 million of the benefit was related to federal, offset by $214,000 related to state taxes. For the same period in 2014, an income tax benefit of approximately $5.2 million was recorded, of which approximately $3.6 million of the benefit was related to federal and $1.6 million to state taxes.

Asterias established deferred tax liabilities primarily related to its acquisition of certain intellectual property. It is more likely than not that the Asterias deferred tax assets are fully realizable since these income tax benefits are expected to be available to offset such Asterias deferred tax liabilities.

In June 2014, Asterias sold 5,000,000 BioTime shares that resulted in a taxable gain of approximately $10.3 million and a tax payable of $3.6 million. Asterias received the BioTime shares from BioTime as part of the consideration for the Asterias common stock and warrants issued to BioTime under an Asset Contribution Agreement among BioTime, Asterias, and Geron Corporation, a tax free transaction. This income tax liability was offset by available net operating losses, resulting in no cash income taxes due from that sale. This transaction was treated as a deemed distribution by Asterias and recorded against equity.

During the first six months of 2014, OncoCyte sold 86,156 BioTime common shares in open market transactions that resulted in a taxable gain of approximately $300,000. This taxable gain was fully offset by current operating losses, thus resulting in no income taxes due from the sale. A valuation allowance is provided when it is more likely than not that some portion of the deferred tax assets will not be realized. OncoCyte established a full valuation allowance for all periods presented due to the uncertainty of realizing future tax benefits from its net operating loss carryforwards and other deferred tax assets.

Stock-based compensation – BioTime follows accounting standards governing share-based payments, which require the measurement and recognition of compensation expense for all share-based payment awards made to directors and employees, including employee stock options, based on estimated fair values less estimated forfeitures. Consistent with FASB guidelines, BioTime utilizes the Black-Scholes Merton option pricing model for valuing share-based payment awards. BioTime's determination of fair value of share-based payment awards on the date of grant using that option-pricing model is affected by BioTime's stock price as well as by assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, BioTime's expected stock price volatility over the term of the awards; the expected term of options granted, derived from historical data on employee exercises and post-vesting employment termination behavior; and a risk-free interest rate based on the U.S. Treasury rates in effect during the corresponding period of grant. Although the fair value of employee stock options is determined in accordance with FASB guidance, changes in the subjective assumptions can materially affect the estimated value.

Impairment of long-lived assets – BioTime’s long-lived assets, including intangible assets, are reviewed annually for impairment and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. If an impairment indicator is present, BioTime will evaluate recoverability by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If the assets are impaired, the impairment recognized is measured by the amount by which the carrying amount exceeds the estimated fair value of the assets.

Deferred license fees – Deferred license fees consist of fees paid to acquire rights to use the proprietary technologies of third parties which are being amortized over the estimated useful lives of the licensed technologies or licensed research products. BioTime is applying a 10 year estimated useful life to the technologies and products that it is currently licensing. The estimation of the useful life of any technology or product involves a significant degree of inherent uncertainty, since the outcome of research and development or the commercial life of a new product cannot be known with certainty at the time that the right to use the technology or product is acquired. BioTime periodically reviews the continued appropriateness of the 10 year estimated useful life for impairments that might occur earlier than the original expected useful lives.

Loss per share – BioTime applies the two-class method for calculating basic earnings per share. Under the two-class method, net income, if any, will be reduced by preferred stock dividends and the residual amount is allocated between common stock and other participating securities based on their participation rights. Participating securities are comprised of Series A convertible preferred stock and participate in dividends, whether declared or not. Basic earnings per share is calculated by dividing net income or loss attributable to BioTime common shareholders by the weighted average number of shares of common stock outstanding, net of unvested restricted stock subject to repurchase by BioTime, if any, during the period. For periods in which BioTime reported a net loss, the participating securities are not contractually obligated to share in the losses of BioTime, and accordingly, no losses have been allocated to the participating securities. 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 stock, which are comprised of stock options and warrants, using the treasury-stock method, and Series A convertible preferred stock, using the if-converted method. Because BioTime reported losses attributable to common stockholders for all periods presented, all potentially dilutive common stock are antidilutive for those periods. Diluted net loss per share for the three and nine months ended September 30, 2015 excludes any effect from 4,718,942 treasury shares, 4,698,064 options and 9,190,782 warrants and for the three and nine months ended September 30, 2014 excludes any effect from 5,398,542 treasury shares, 3,420,068 options and 9,195,002 warrants, because their inclusion would be antidilutive.

Fair value of financial instruments – The fair value of BioTime's assets and liabilities, which qualify as financial instruments under FASB guidance regarding disclosures about fair value of financial instruments, approximate the carrying amounts presented in the accompanying consolidated balance sheets. The carrying amounts of cash equivalents, accounts receivable, prepaid expenses and other current assets, accounts payable, accrued expenses and other current liabilities approximate fair values because of the short-term nature of these items.

Recently Issued Accounting Pronouncements – The following accounting standards, which are not yet effective, are presently being evaluated by BioTime to determine the impact that they might have on its consolidated financial statements.

In July 2015, the FASB postponed the effective date of the new revenue standard, Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers (Topic 606)," by one year. The new effective date is for fiscal years and interim periods beginning after December 15, 2017. BioTime expects to adopt this guidance when effective and the impact, if any, on its consolidated financial statements is not currently estimable.

In July 2015, the FASB issued ASU 2015-11, "Simplifying the Measurement of Inventory" that replaces the existing accounting standards for the measurement of inventory. ASU 2015-11 requires a company to measure inventory at the lower of cost and net realizable value. Net realizable value is defined as the "estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation." The effective date of ASU 2015-11 is for annual reporting periods beginning after December 15, 2016, including interim periods within those annual reporting periods. BioTime does not expect ASU 2015-11 will have a material effect on its consolidated financial statements.

3. Inventory, net

BioTime held $247,000 and $253,000 of raw materials and finished goods products on-site at its corporate headquarters in Alameda, California at September 30, 2015 and December 31, 2014, respectively. Finished goods products of $13,000 were held by a third party on consignment at September 30, 2015 and December 31, 2014.

4. Equipment, net and construction in progress

At September 30, 2015 and December 31, 2014, equipment, furniture and fixtures, and construction in progress were comprised of the following (in thousands):

	September 30, 2015 (Unaudited)	December 31, 2014
Equipment, furniture and fixtures	$ 5,383	$ 4,871
Construction in progress	4,604	406
Accumulated depreciation	(3,206)	(2,419)
Equipment, net and construction in progress	$ 6,781	$ 2,858

Depreciation expense amounted to $776,000 and $794,000 for the nine months ended September 30, 2015 and 2014, respectively.

Construction in progress

Construction in progress of $4.6 million as of September 30, 2015 entirely relates to the improvements for Asterias' Fremont facility. Under the terms of the lease agreement, the landlord has provided Asterias with a tenant improvement allowance of up to $4.4 million, which Asterias is using to construct a laboratory and production facility that can be used to produce human embryonic stem cell and related products under cGMP. Of the $4.6 million, $4.1 million qualifies for reimbursement under the tenant improvement allowance with $0.3 million remaining under this allowance. As of September 30, 2015, Asterias received $2.6 million from the landlord. Reimbursable amounts due to Asterias but not yet paid by the landlord as of period end are recorded as a landlord receivable with a corresponding increase to lease liability since Asterias has contractually earned the right to receive that payment. The facility is expected to be substantially completed and placed into service in the fourth quarter of 2015.

5. Intangible assets, net

At September 30, 2015 and December 31, 2014, intangible assets were comprised of the following (in thousands):

	September 30, 2015 (Unaudited)	December 31, 2014
Intangible assets	$ 52,562	$ 52,562
Accumulated amortization	(17,656)	(13,714)
Intangible assets, net	$ 34,906	$ 38,848

BioTime amortizes its intangible assets generally over an estimated period of 10 years on a straight-line basis. BioTime recognized $3.9 million and $4.1 million in amortization expense of intangible assets, included in research and development, during the nine months ended September 30, 2015 and 2014, respectively.

6. Deferred License Fees

BioTime amortizes deferred license fees over the estimated useful lives of the licensed technologies or licensed research products. BioTime is applying a 10 year estimated useful life to the technologies and products that it is currently licensing. The estimation of the useful life of any technology or product involves a significant degree of inherent uncertainty, since the outcome of research and development or the commercial life a new product cannot be known with certainty at the time that the right to use the technology or product is acquired. BioTime periodically reviews its amortization schedules for impairments that might occur earlier than the original expected useful lives.

As of September 30, 2015, future amortization of deferred license fees described above was as follows (in thousands):

Year Ended December 31,	Deferred License Fees
2015	$ 34
2016	125
2017	120
2018	83
2019	34
Thereafter	75
Total	$ 471

The current portion in the amount of $119,000 is included in prepaid expenses and other current assets. The noncurrent portion in the amount of $352,000 is included in deferred license fees.

7. Accounts Payable and Accrued Liabilities

At September 30, 2015 and December 31, 2014, accounts payable and accrued liabilities consisted of the following (in thousands):

	September 30, 2015 (Unaudited)	December 31, 2014
Accounts payable	$ 1,934	$ 2,297
Accrued expenses	4,729	3,125
Accrued bonuses	804	964
Other current liabilities	326	417
Total	$ 7,793	$ 6,803

8. Commitments and Related Party Transactions

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.

During June 2014, Asterias sold 5,000,000 of its BioTime common shares with warrants to purchase 5,000,000 shares of Asterias common stock to two investors for $12.5 million in cash. Broadwood Partners, L.P. (“Broadwood”), purchased 1,000,000 of the BioTime common shares with 1,000,000 Asterias warrants and a trust previously established by George Karfunkel purchased 4,000,000 of the BioTime common shares with 4,000,000 Asterias warrants. Asterias received $11.7 million when the warrants were exercised in May 2015. Broadwood is BioTime’s largest shareholder and one of its directors, Neal C. Bradsher, is President, and one of Asterias’ directors, Richard T. LeBuhn, is Senior Vice President, of Broadwood Capital, Inc., the investment manager of Broadwood.

In February 2015, Asterias raised approximately $5.5 million in aggregate gross proceeds from the sale of 1,410,255 shares of its common stock at a price of $3.90 per share through an underwritten public offering and a private placement. Broadwood, British & American Investment Trust PLC and Pedro Lichtinger purchased an aggregate of 1,025,640 of the shares. Pedro Lichtinger is Asterias’ Chief Executive Officer and a member of its Board of Directors. British & American Investment Trust PLC is an affiliate of a stockholder of Asterias and BioTime.

In April 2015, Cell Cure Neurosciences issued certain convertible notes (the “Convertible Notes”) to a Cell Cure Neurosciences shareholder other than BioTime in the principal amount of $188,000. In July and September 2014, Cell Cure Neurosciences issued Convertible Notes to two Cell Cure Neurosciences shareholders other than BioTime in the principal amount of $471,000. One of the Cell Cure Neurosciences shareholders who acquired Convertible Notes is considered a related party. The functional currency of Cell Cure Neurosciences is the Israeli New Shekel, however the Convertible Notes are payable in United States dollars. The Convertible Notes bear a stated interest rate of 3% per annum. The total outstanding principal balance of the Convertible Notes, with accrued interest, is due and payable on various maturity dates in July and September 2017. The outstanding principal balance of the Convertible Notes with accrued interest is convertible into Cell Cure Neurosciences 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 must be settled with Cell Cure Neurosciences ordinary shares and not with cash. The conversion feature of the Convertible Notes is not accounted for as an embedded derivative under the provisions of ASC 815, *Derivatives and Hedging* since it is not a freestanding financial instrument and the underlying Cell Cure Neurosciences ordinary shares are not readily convertible into cash. Accordingly, the Convertible Notes are accounted for under ASC 470-20, *Debt with Conversion and Other Options.* 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 $41.00 per share fair value of Cell Cure Neurosciences ordinary shares on the dates the Convertible Notes were issued, a beneficial conversion feature equal to the intrinsic value is 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 is recorded as an addition to equity with a corresponding reduction to the carrying value of the convertible debt instrument. In the case of the Convertible Notes, this reduction represents a debt discount equal to the principal amount of $659,000 on the issuance dates. This debt discount will be amortized to interest expense using the effective interest method over the three-year term of the debt, representing an approximate effective annual interest rate of 23%. At September 30, 2015, the carrying value of the Convertible Notes was $255,000, comprised of principal and accrued interest of $676,000, net of unamortized debt discount of $421,000.

In May 2015, OncoCyte entered into Subscription Agreements with two of its investors (the "Investors") and BioTime (the "Subscription Agreements"). Under the Subscription Agreements, OncoCyte sold 3,000,000 shares of its common stock for $3.3 million in cash to the Investors, 1,000,000 shares of which were sold to George Karfunkel, a beneficial owner of more than 5% of the outstanding common shares of BioTime.

In June 2015, after the sale of stock under the Subscription Agreements described above was completed, OncoCyte and the Investors entered into a second agreement. Under the second agreement, the Investors agreed that if on or before June 30, 2016 OncoCyte conducts another rights offering to its shareholders at a pre-offer valuation of at least $40.0 million the Investors will purchase shares in that offering with an aggregate purchase price equal to the lesser of (a) a percentage of total amount of capital which OncoCyte then seeks to raise in the rights offer and in any concurrent offering to third parties equal to the Investors' aggregate pro rata share of the outstanding OncoCyte common stock on the record date for the rights offering, determined on a fully diluted basis, and (b) $3.0 million, or such lesser amount requested by OncoCyte. Under the second agreement, OncoCyte agreed that if shares of OncoCyte common stock are not publicly traded on any stock exchange or over the counter market by January 15, 2016, OncoCyte will issue to the Investors, warrants to purchase, in the aggregate, 3,000,000 shares of OncoCyte common stock at an exercise price of $0.01 per share. If issued, the warrants will expire on December 31, 2016. See Note 12.

The Investors also agreed that, for a period of one year from the date of the second agreement, neither of them shall invest or engage, directly or indirectly, whether as a partner, equity holder, lender, principal, agent, affiliate, consultant or otherwise, in any business anywhere in the world that develops products for the diagnosis and treatment of cancer or otherwise competes with OncoCyte in any way; provided, however, that the passive ownership of less than 5% of the outstanding stock of any publicly-traded corporation will not be deemed, solely by reason thereof, to be in violation of that agreement.

For accounting purposes, the contingently issuable warrants, under the second agreement described above, are considered issued in June 2015 and classified as equity. OncoCyte estimated the issue date fair value of the warrants using a Black-Scholes valuation model and management believes that there is a low probability of not satisfying the contingency and having to issue the warrants. Accordingly, the probability-adjusted, fair value of the warrants was $65,400 on the issuance date and recognized as a general and administrative expense, with a corresponding increase to common stock equity. Since the warrants are classified as equity and are considered issued for accounting purposes as of June 30, 2015, no further remeasurement of the warrants' fair value has been made in subsequent periods for financial statement reporting purposes.

In September 2015, BioTime sold 2,607,401 common shares at an offering price of $3.29 per share, for an aggregate purchase price of $8.6 million. Broadwood purchased 2,431,611 of the shares sold. The price per share was the closing price of the common shares on the NYSE MKT on September 11, 2015, the last trading day before BioTime and the investors entered into purchase agreements for the sale of the shares. BioTime used $8.35 million of the proceeds to purchase additional shares of OncoCyte common stock through a subscription rights offer made by OncoCyte to its stockholders.

9. Shareholders' Equity

Preferred Shares

BioTime is authorized to issue 2,000,000 shares of preferred stock. The preferred shares may be issued in one or more series as the board of directors may by resolution determine. 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 issue of shares of that series.

In August 2015, to accommodate BioTime's listing application to the Tel Aviv Stock Exchange (the "TASE") BioTime and the BioTime preferred stock holders entered into a Preferred Stock Conversion Agreement ("PSCA") whereby all of the 70,000 shares of Series A convertible preferred stock ("Series A Preferred Stock") were converted into BioTime common shares at a conversion price of $4.00 per share, a conversion ratio of 12.5 common shares for each share of Series A Preferred Stock. In connection with the PSCA BioTime delivered to the holders of the Series A Preferred Stock promissory notes for the net present value amount of the 3% dividends that the Series A Preferred Stock holders would have received if they held their shares of Series A Preferred Stock until March 4, 2019 (the mandatory conversion date under the terms of the Series A Preferred Stock) rather than converting those shares into common shares during August 2015. Payments of principal and interest on the promissory notes will be made semi-annually, from July 2015 through March 4, 2019. The issuance date fair value of the promissory notes was approximately $363,000, representing the net present value of cash payments to be made to the former preferred stock holders under the terms of the promissory notes.

In connection with the original issuance of the Series A Preferred Stock, BioTime entered into Option Agreements with the purchasers of the Series A Preferred Stock granting them the option to exchange shares of their Series A Preferred Stock for a portion of the shares of LifeMap Sciences common stock held by BioTime ("Original Option"). Pursuant to the PSCA, BioTime agreed that the former holders of Series A Preferred Stock may tender BioTime common shares in lieu of Series A Preferred Stock if they elect to exercise their option to acquire shares of LifeMap Sciences common stock from BioTime ("PSCA Option").

BioTime accounted for the PSCA as an induced conversion of preferred stock in accordance with ASC 260-10-S99-2, *Earnings Per Share – SEC Materials*, and recorded a charge to equity for the aggregate fair value of $363,000 of promissory notes issued as additional consideration issued to the former preferred stock holders as part of the inducement offer. The option fair value to tender one BioTime share of common stock in exchange for one LifeMap common stock was determined by BioTime to be immaterial to BioTime's consolidated financial statements at the issuance date. The $363,000 charge to equity was included as dividends on preferred shares and increased net loss attributable to BioTime common shareholders on the condensed consolidated statements of operations for the three and nine months ended September 30, 2015. BioTime performed a valuation of the Original Option and the PSCA Option and determined that there was no excess value between the fair value of the PSCA Option and the fair value of the Original Option on the conversion date.

Common Shares

BioTime is authorized to issue 125,000,000 common shares with no par value. As of September 30, 2015, BioTime had 86,763,528 issued and 82,044,586 outstanding common shares. As of December 31, 2014, BioTime had 83,121,698 issued and 78,227,756 outstanding common shares. The difference of 4,718,942 and 4,893,942 common shares as of September 30, 2015 and December 31, 2014, respectively is attributed to shares held by BioTime subsidiaries that are accounted for as treasury stock on the condensed consolidated balance sheet.

During the nine months ended September 30, 2015 and 2014, BioTime granted 1,100,000 and 1,410,000 options, respectively, under its 2012 Equity Incentive Plan.

During the nine months ended September 30, 2015, 155,532 options and 3,897 warrants were exercised for gross proceeds of $621,000 and $19,000, respectively.

10. Sales of BioTime Common Shares by Subsidiaries

Certain BioTime subsidiaries hold BioTime common shares that the subsidiaries received from BioTime in exchange for capital stock in the subsidiaries. The BioTime common shares held by subsidiaries are treated as treasury stock by BioTime and BioTime does not recognize a gain or loss on the sale of those shares by its subsidiaries.

During September 2015 certain BioTime subsidiaries sold 175,000 BioTime common shares for gross proceeds of $576,000 at the prevailing market price. The proceeds of the sale of BioTime shares by BioTime's subsidiaries belong to those subsidiaries.

During June 2014, Asterias sold 5,000,000 of its BioTime common shares with warrants to purchase 5,000,000 shares of Asterias common stock to two investors for $12.5 million in cash. See Note 8.

11. Segment Information

BioTime's executive management team, as a group, represents the entity's chief operating decision makers. To date, BioTime's executive management team has viewed BioTime's operations as one segment that includes, the research and development of therapeutic products for oncology, orthopedics, retinal and neurological diseases and disorders, blood and vascular system diseases and disorders, blood plasma volume expansion, diagnostic products for the early detection of cancer, and hydrogel products that may be used in in the delivery of cell therapies and other bioactive substances, and products for human embryonic stem cell research. As a result, the financial information disclosed materially represents all of the financial information related to BioTime's sole operating segment.

12. Subsequent Events

Effective September 8, 2015, BioTime common shares were approved for listing on the TASE and are now dual listed on the TASE and NYSE MKT. In connection with the TASE listing, BioTime common shares are now included in certain TASE stock indexes. During October 2015, BioTime sold 6,530,612 common shares for $20.4 million in the aggregate to certain investment funds in Israel that hold shares of companies that are included within certain stock indexes of the TASE. The $3.13 purchase price per share was determined with reference to the closing price of BioTime common shares on the TASE on the date of sale. In addition, OncoCyte sold 246,356 BioTime common shares at the same price to one of the Israeli investment funds.

In October 2015, BioTime sold 1,600,000 common shares to Broadwood for $5.1 million. The $3.19 price of price per share was the closing price of the common shares on the NYSE MKT on October 1, 2015, the last trading day before BioTime and Broadwood entered into a purchase agreement for the sale of the shares.

On October 7, 2015, OncoCyte filed a registration statement on Form 10 with the SEC in connection with BioTime's planned distribution of shares of OncoCyte common stock to holders of BioTime common shares, on a pro rata basis. BioTime's board of directors has not yet determined the number of shares of OncoCyte common stock to distribute, the record date for determining holders of BioTime common shares entitled to receive OncoCyte common stock in the distribution, or the date on which the distribution will take place.

On October 8, 2015, Asterias entered into a Services Agreement (the "Services Agreement") with Cell Therapy Catapult Services Limited ("Catapult"), a research organization specializing in the development of technologies which speed the growth of the cell and gene therapy industry. Under the Services Agreement, Catapult will license to Asterias, certain background intellectual property (the "License") and will develop a scalable manufacturing and differentiation process for Asterias' human embryonic stem cell derived AST-VAC2 allogeneic (non-patient specific) dendritic cancer vaccine development program. In consideration for the License and Catapult's performance of services, Asterias agreed to make aggregate payments of up to GBP £4,350,000 (approximately $6.6 million based on the foreign currency exchange rates on October 8, 2015) over the next five years. At the option of Asterias, up to GBP £3,600,000 (approximately up to $5.5 million based on the foreign currency exchange rates on October 8, 2015) of such payments may be settled in shares of Asterias Series A Common Stock.

On November 5, 2015 BioTime, ESI and ReCyte Therapeutics entered into an Asset Contribution Agreement with Hepregen, Inc. ("Hepregen") related to the organization of a new company, Ascendance Biotechnology, Inc. ("Ascendance"). Under the Asset Contribution Agreement, Hepregen has agreed to contribute substantially all of its assets and BioTime, ESI and ReCyte Therapeutics have agreed to contribute certain assets and to license certain patents and other intellectual property to Ascendance in exchange for shares of Ascendance common stock. Ascendance will also assume substantially all of Hepregen's contracts and liabilities and will assume certain liabilities related to the assets contributed by BioTime. Hepregen is engaged in the business of manufacturing and selling proprietary products and services that assay new drug candidates for potential toxicity utilizing liver cells on proprietary test plates. The assets to be contributed and the patents and intellectual property to be exclusively licensed to Ascendance by BioTime, ESI and ReCyte Therapeutics include research products presently sold by BioTime through its ESI-BIO division, and certain technology that Ascendance may use to derive liver cells and cardiomyocytes from BioTime human embryonic progenitor cell lines or ESI human embryonic stem cell lines for use in the drug toxicity assay products and services, as well as products for research purposes, that it plans to market. BioTime and its subsidiaries will initially own a majority of the shares of Ascendance common stock. The transaction is expected to close during November 2015.

Upon the close of the Asset Contribution Agreement, BioTime will account for this transaction as a business combination using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*. BioTime and its subsidiaries will own a majority of the shares of Ascendance common stock and consolidate the results and financial statements of Ascendance as of the closing date. As of September 30, 2015, BioTime loaned $500,000 to Hepregen as an interest bearing, short-term advance that will be included as part of the total business combination consideration paid to the former Hepregen shareholders upon the close of the transaction.

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to provide information necessary to understand our Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2015 and 2014, and highlight certain other information which, in the opinion of management, will enhance a reader's understanding of our financial condition, changes in financial condition and results of operations. In particular, the discussion is intended to provide an analysis of significant trends and material changes in our financial position and the operating results of our business during the quarter ended September 30, 2015 as compared to the quarter ended September 30, 2014. This discussion should be read in conjunction with our Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2015 and 2014 and related notes included elsewhere in this Quarterly Report on Form 10-Q. These historical financial statements may not be indicative of our future performance. This Management's Discussion and Analysis of Financial Condition and Results of Operations contains a number of forward-looking statements, all of which are based on our current expectations and could be affected by the uncertainties and risks described throughout this report and in our Annual Report on Form 10-K, particularly in "Risk Factors."

Critical Accounting Policies

Revenue recognition – We comply with ASC 605-10 and recognize revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price is fixed or determinable, and collectability is reasonably assured. Grant income and the sale of research products and services are recognized as revenue when earned. Revenues from the sale of research products and services are primarily derived from the sale of hydrogels and stem cell products. Royalty revenues consist of product royalty payments. License fee revenues consist primarily of subscription and advertising revenue from LifeMap Sciences' online databases and are recognized based upon respective subscription or advertising periods. Other license fees under certain license agreements were recognized during prior periods when earned and reasonably estimable. We recognize revenue in the quarter in which the royalty reports are received rather than the quarter in which the sales took place. When we are entitled to receive up-front nonrefundable licensing or similar fees pursuant to agreements under which we have no continuing performance obligations, the fees are recognized as revenues when collection is reasonably assured. When we receive up-front nonrefundable licensing or similar fees pursuant to agreements under which we do have continuing performance obligations, the fees are deferred and amortized ratably over the performance period. If the performance period cannot be reasonably estimated, we amortize nonrefundable fees over the life of the contract until such time that the performance period can be more reasonably estimated. Milestone payments, if any, related to scientific or technical achievements are recognized in income when the milestone is accomplished if (a) substantive effort was required to achieve the milestone, (b) the amount of the milestone payment appears reasonably commensurate with the effort expended, and (c) collection of the payment is reasonably assured.

Patent costs – Costs associated with obtaining patents on products or technology developed are expensed as research and development expenses when incurred.

Intangible assets, net – Intangible assets with finite useful lives are amortized over estimated useful lives and intangible assets with indefinite lives are not amortized but rather are tested at least annually for impairment. Acquired in-process research and development intangible assets are accounted depending on whether they were acquired as part of an acquisition of a business, or assets that do not constitute a business. When acquired in conjunction with acquisition of a business, these assets are considered to be indefinite-lived until the completion or abandonment of the associated research and development efforts and are capitalized as an asset. If and when development is complete, the associated assets would be deemed finite-lived and would then be amortized based on their respective estimated useful lives at that point in time. However, when acquired in conjunction with an acquisition of assets that do not constitute a business (such as Asterias' acquisition of assets from Geron), in accordance with the accounting rules in ASC 805-50, such intangible assets related to IPR&D are expensed upon acquisition.

Research and development – Research and development expenses consist of costs incurred for company-sponsored, collaborative and contracted research and development activities. These costs include direct and research-related overhead expenses including salaries, payroll taxes, consulting fees, research and laboratory fees, rent of research facilities, amortization of intangible assets, and license fees paid to third parties to acquire patents or licenses to use patents and other technology. We expense research and development costs as such costs are incurred.

General and administrative – General and administrative expenses consist principally of compensation and related benefits, including stock-based compensation, for executive and corporate personnel; professional and consulting fees; and allocated overhead.

Stock-based compensation – We follow accounting standards governing share-based payments, which require the measurement and recognition of compensation expense for all share-based payment awards made to directors and employees, including employee stock options, based on estimated fair values less estimated forfeitures. Consistent with FASB guidelines, we utilize the Black-Scholes Merton option pricing model for valuing share-based payment awards. Our determination of fair value of share-based payment awards on the date of grant using that option-pricing model is affected by the price of BioTime common shares as well as by assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, our expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors; the expected term of options granted, derived from historical data on employee exercises and post-vesting employment termination behavior; and a risk-free interest rate is based on the U.S. Treasury rates in effect during the corresponding period of grant. Although the fair value of employee stock options is determined in accordance with recent FASB guidance, changes in the subjective assumptions can materially affect the estimated value.

Treasury stock – We account for BioTime common shares issued to subsidiaries for future potential working capital needs as treasury stock on the consolidated balance sheet. We have registered the BioTime common shares held by our subsidiaries for sale under the Securities Act to enhance the marketability of the shares.

Impairment of long-lived assets – Our long-lived assets, including intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. If an impairment indicator is present, we evaluate recoverability by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If the assets are impaired, the impairment recognized is measured by the amount by which the carrying amount exceeds the estimated fair value of the assets.

Deferred license fees – Deferred license fees consist of fees paid to acquire rights to use the proprietary technologies of third parties which are being amortized over the estimated useful lives of the licensed technologies or licensed research products. We are applying a 10 year estimated useful life to the technologies and products that we are currently licensing. The estimation of the useful life of any technology or product involves a significant degree of inherent uncertainty, since the outcome of research and development or the commercial life of a new product cannot be known with certainty at the time that the right to use the technology or product is acquired. We periodically review the continued appropriateness of the 10 year estimated useful life for impairments that might occur earlier than the original expected useful lives.

Principles of consolidation – Our consolidated financial statements include the accounts of our wholly-owned subsidiary ESI, and the accounts of our majority owned subsidiaries, Asterias, ReCyte Therapeutics, OncoCyte, OrthoCyte, BioTime Asia, Cell Cure Neurosciences, and LifeMap Sciences. All material intercompany accounts and transactions have been eliminated in consolidation. The consolidated financial statements are presented in accordance with accounting principles generally accepted in the U.S. and with the accounting and reporting requirements of SEC Regulation S-X.

Results of Operations

Comparison of Three and Nine Months Ended September 30, 2015 and 2014

Our net loss attributable to BioTime for the three and nine months ended September 30, 2015 amounted to $13.6 million and $33.6 million, respectively. Net loss attributable to BioTime for the same periods in 2014 amounted to $8.3 million and $25.8 million, respectively.

Revenue

The following tables show certain information about our revenues for the three and nine months ended September 30, 2015 and 2014 (in thousands).

	Three Months Ended September 30,			
	2015	**2014**	**$ Increase**	**% Increase**
License fees	$ 343	$ 285	$ +58	+20%
Royalty from product sales	357	148	+209	+141%
Grant income	1,466	648	+818	+126%
Sales of research products and services	140	110	+30	+27%
Total revenues	2,306	1,191	+1,115	+94%
Cost of sales	(432)	(231)	+201	+87%
Total revenues, net	1,874	960	+914	+95%

	Nine Months Ended September 30,			
	2015	**2014**	**$ Increase**	**% Increase**
License fees	$ 1,020	$ 880	$ +140	+16%
Royalty from product sales	631	322	+309	+96%
Grant income	3,596	1,863	+1,733	+93%
Sales of research products and services	328	300	+28	+9%
Total revenues	5,575	3,365	+2,210	+66%
Cost of sales	(957)	(614)	+343	+56%
Total revenues, net	4,618	2,751	+1,867	+68%

Our license fee revenues amounted to $343,000 and $1,020,000 for the three and nine months ended September 30, 2015, respectively. License fee revenues for the same periods in 2014 amounted to $285,000 and $880,000, respectively. License fee revenues for the three and nine months ended September 30, 2015 and 2014 entirely represent subscription and advertising revenues from LifeMap Science's online database business primarily related to its *GeneCards*® database.

Our royalty revenues from product sales for the three and nine months ended September 30, 2015 primarily consist of royalties earned by Asterias under various license agreements. Royalties from Hospira from the sale of *Hextend*® are due ninety (90) days after the end of each calendar quarter and are recognized as revenue during the quarter in which we receive payment or a royalty report from Hospira. Royalties on *Hextend*® sales by Hospira during the three month period ended June 30, 2015 have not yet been paid or reported.

The following table summarizes our royalty revenues for the three and nine months ended September 30, 2015 and 2014 (in thousands).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	**2014**	**2015**	**2014**
Asterias	353	85	528	167
BioTime	4	63	103	155
Total royalty revenues	357	148	631	322

Total grant revenue for the three and nine months ended September 30, 2015 were $1.5 million and $3.6 million, respectively, representing increases of approximately 126% and +93% over grant revenues for the respective periods in the prior year. Grant revenue for the three and nine months ended September 30, 2015 included; $1.1 million and $2.4 million, respectively, recognized by Asterias from a grant awarded by the California Institute for Regenerative Medicine ("CIRM"); $135,000 and $445,000, respectively from three grants awarded to us by the National Institutes of Health ("NIH") of which two expired during August 2015 and the third will expire in May 2016; and $262,000 and $745,000, respectively, recognized by Cell Cure Neurosciences from grants awarded by the Office of the Chief Scientist of Israel.

Cost of sales for the three and nine months ended September 30, 2015 increased by approximately $201,000 and $343,000 compared to the comparative period last year, in line with the increase in license fees and sales of research products and services. Grant income and royalty from product sales do not have correlating cost of sales.

Expenses

The following tables show our operating expense for the three and nine months ended September 30, 2015 and 2014 (in thousands).

	Three Months Ended September 30,			
	2015	**2014**	**$ Increase**	**% Increase**
Research and development expenses	$ (11,433)	$ (8,836)	$ +2,597	+29%
General and administrative expenses	(7,545)	(4,262)	+3,283	+77%

	Nine Months Ended September 30,			
	2015	**2014**	**$ Increase**	**% Increase**
Research and development expenses	$ (29,816)	$ (26,268)	$ +3,548	+14%
General and administrative expenses	(18,911)	(12,764)	+6,147	+48%

Research and development expenses – Research and development expenses were $11.4 million and $29.8 million, respectively, for the three and nine months ended September 30, 2015 and $8.8 million and $26.3 million for the same periods in 2014. The increase in research and development expenses of $2.6 million during three months ended September 30, 2015 compared to the same period in 2014 is primarily attributable to the following increases in expense: $1.5 million of employee compensation, including stock-based compensation and related costs reflecting in part increased staffing at BioTime, OncoCyte and at LifeMap Sciences' subsidiary LifeMap Solutions; $1.6 million of consulting and outside research and services primarily related to regulatory and clinical trials of Asterias' AST-OPC1 and OncoCyte's cancer diagnostic tests; $146,000 of rent and facilities maintenance related expenses; and $78,000 of recruiting expenses. These increases were in part offset by a reduction of $750,000 of Cell Cure Neurosciences' related expenses, and $129,000 of patent, license, and trademark related fees.

The increase in research and development expenses of $3.5 million during nine months ended September 30, 2015 compared to the same period in 2014 is primarily attributable to the following increases in expense: $2.3 million of employee compensation, including stock-based compensation and related costs; $2.4 million of consulting and outside research and services primarily related to regulatory and clinical trials of Asterias' AST-OPC1 and OncoCyte's cancer diagnostic tests; $322,000 of rent and facilities maintenance related expenses; $141,000 of travel and entertainment related expenses; $179,000 of recruiting expenses; $162,000 of amortization of intangible assets; $139,000 of contract manufacturing related expenses; and $123,000 of equipment rental and equipment maintenance related expenses. These increases were in part offset by a reduction of $1.5 million of Cell Cure Neurosciences' related expenses and $463,000 of patent, license, and trademark related fees.

The following table shows the amount of our total research and development expenses allocated to our primary research and development projects during the nine months ended September 30, 2015 and 2014 (in thousands).

Company	Program	Amount[1] 2015	Amount[1] 2014	Percent 2015	Percent 2014
Asterias	hESC-based cell therapy and immunotherapy programs	$ 11,839	$ 7,910	39.7%	30.1%
BioTime	*Hextend*®	$ 41	$ 49	0.1%	0.2%
BioTime	3D Culture	$ -	$ 128	0.0%	0.5%
BioTime	*Renevia*™ and *HyStem*® hydrogel products	$ 2,774	$ 4,487	9.3%	17.1%
BioTime and ESI	*PureStem*® hEPCs, cGMP hES cell lines, and related research products	$ 3,587	$ 2,397	12.0%	9.1%
Cell Cure Neurosciences	*OpRegen*®, *OpRegen*®*-Plus*, and neurological disease therapies	$ 2,729	$ 4,182	9.2%	15.9%
LifeMap Sciences	Database and mobile health software applications	$ 3,792	$ 2,754	12.7%	10.5%
OncoCyte	Cancer diagnostics	$ 3,675	$ 2,744	12.3%	10.4%
OrthoCyte	Orthopedic therapy	$ 468	$ 552	1.6%	2.1%
ReCyte Therapeutics	Cardiovascular therapy	$ 911	$ 1,065	3.1%	4.1%
Total		$ 29,816	$ 26,268	100.0%	100.0%

(1) Amount also includes research and development expenses incurred directly by the applicable subsidiary and certain general research and development expenses, such as laboratory supplies, laboratory 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.

General and administrative expenses – General and administrative expenses for the three and nine months ended September 30, 2015 increased to $7.5 million and $18.9 million, respectively, from $4.3 million and $12.8 million for the same periods in 2014. The increase in general and administrative expenses of $3.2 million and $6.1 million for the three and nine months ended September 30, 2015 compared to the same periods in 2014 is in part a result of increased staffing at BioTime, OncoCyte and at LifeMap Sciences' subsidiary LifeMap Solutions resulting in increases of $1.4 million and $2.3 million in employee compensation during those periods.

General and administrative expenses for the three months ended September 30, 2015 also reflect the following expense increases: $1.4 million of employee compensation, including employee bonus accruals, stock-based compensation and related costs; $455,000 of general consulting expenses; $315,000 of accounting, audit and tax related expense; $247,000 in legal expenses; $237,000 of cash and stock-based compensation to our independent directors; $184,000 of investor and public relations related expenses; $176,000 of recruiting expenses; $113,000 of travel and entertainment expenses; and $88,000 of stock-based compensation to consultants.

General and administrative expenses for the nine months ended September 30, 2015 reflect the following expense increases: $2.3 million of employee compensation, including employee bonus accruals, stock-based compensation and related costs; $799,000 of general consulting expenses; $637,000 of investor and public relations related expenses; $548,000 of legal expenses; $480,000 of stock-based compensation to consultants; $359,000 of accounting, audit and tax related expense; $342,000 of cash and stock-based compensation to our independent directors; $346,000 of recruiting expenses; $173,000 of travel and entertainment expenses; and a net increase of $101,000 of miscellaneous other expenses. These increases were in part offset by a reduction of $201,000 of Cell Cure Neurosciences' related 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, shipping expenses, marketing costs, legal and accounting costs, and other miscellaneous expenses which are allocated to general and administrative expense.

The following table shows the amount of our general and administrative expenses and those related to our subsidiaries during the nine months ended September 30, 2015 and 2014 (in thousands).

	Amount[1]		Percent	
Company	**2015**	**2014**	**2015**	**2014**
BioTime	$ 6,104	$ 4,789	32.3%	37.5%
Asterias	$ 4,769	$ 4,108	25.2%	32.2%
BioTime Asia	$ 8	$ 12	0.1%	0.1%
Cell Cure Neurosciences	$ 444	$ 534	2.3%	4.2%
ESI	$ 161	$ 153	0.9%	1.2%
LifeMap Sciences	$ 4,048	$ 1,986	21.4%	15.6%
OncoCyte	$ 2,709	$ 568	14.3%	4.4%
OrthoCyte	$ 347	$ 304	1.8%	2.4%
ReCyte Therapeutics	$ 321	$ 310	1.7%	2.4%
Total	$ 18,911	$ 12,764	100.0%	100.0%

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

Other income/(expense) – Other expense during the three and nine months ended September 30, 2015 and 2014 consists primarily of foreign currency transaction gains and losses recognized by ESI and by Cell Cure Neurosciences.

Income Taxes – An income tax benefit of approximately $3.4 million was recorded for the nine months ended September 30, 2015, of which approximately $3.6 million of the benefit was related to federal offset by adjustment of $214,000 related to state taxes. For the same period in 2014, an income tax benefit of approximately $5.2 million was recorded, of which approximately $3.6 million of the benefit was related to federal and $1.6 million was related to state taxes.

Liquidity and Capital Resources

At September 30, 2015, we had $29.4 million of cash and cash equivalents on hand of which $24.8 million was held by our subsidiaries. During October 2015, we raised an additional $25.5 million and our subsidiary OncoCyte raised an additional $771,000 of equity capital through the sale of 8,376,968 BioTime common shares to certain investors. See Notes 8 and 12 to condensed consolidated interim financial statements.

We have outstanding warrants to purchase 9,190,782 of our common shares at an exercise price of $5.00 per share that will expire on dates ranging from January 13, 2016 through September 30, 2018. We will receive $46.0 million if all of the warrants are exercised. There can be no assurance that the warrants will be exercised.

Asterias has outstanding warrants to purchase 3,500,000 shares of Asterias' common stock at an exercise price of $5.00 per share that will expire on September 30, 2016. Asterias will receive $17.5 million if all of the warrants are exercised. There can be no assurance that the warrants will be exercised.

Asterias was awarded a $14.3 million Strategic Partnership III grant by CIRM to help fund its clinical development of AST-OPC1 in 2014. The grant will provide funding for Asterias to conduct a Phase I/IIa clinical trial of AST-OPC1 in subjects with complete cervical spinal cord injury, and for product development efforts to refine and scale manufacturing methods to support eventual commercialization. CIRM will disburse the grant funds to Asterias through July 1, 2018 in accordance with a quarterly disbursement schedule, subject to Asterias attaining certain progress and safety milestones. Asterias received the first payment during October 2014 in the amount of $917,000. Since January 2015, Asterias has received approximately $4.4 million in additional installment payments from CIRM, of which approximately $1.1 million was received during the three months ended September 30, 2015. As the balance of the distributions of the CIRM grant are subject to meeting certain progress and go/no-go milestones, there can be no assurance that Asterias will receive the entire amount granted.

During September 2014, Asterias entered into a Clinical Trial and Option Agreement (the "CRUK Agreement") with Cancer Research UK ("CRUK") and Cancer Research Technology Limited ("CRT"), a wholly-owned subsidiary of CRUK, pursuant to which CRUK has agreed to fund Phase I/IIa clinical development of Asterias' AST-VAC2 product candidate. Asterias will, at its own cost, complete process development and manufacturing scale-up of the AST-VAC2 manufacturing process and will transfer the resulting cGMP compatible process to CRUK. CRUK will, at its own cost, manufacture the clinical grade AST-VAC2 and will carry out the Phase I/IIa clinical trial of AST-VAC2 in cancer patients both resected early-stage and advanced forms of lung cancer. Asterias will have an exclusive first option to obtain a license to use the data from the clinical trial. If Asterias exercises that option it will be obligated to make payments upon the execution of the License Agreement, upon the achievement of various milestones, and then royalties on sales of products, and if Asterias sublicenses product development or commercialization rights to a third party, Asterias would pay CRT a share of any sublicense revenues that Asterias receives from the third party, with CRT's share varying from a high of 40% in the case of a sublicense entered into prior to commencement of a Phase II clinical trial, to substantially lower rates in the case of a sublicense entered into at various later stages of clinical development but prior to completion of a Phase III clinical trial, and as low as 7.5% in the case of a sublicense entered into after completion of a Phase III clinical trial. In connection with the CRUK Agreement, Asterias sublicensed to CRUK for use in the clinical trials and product manufacturing process certain patents that have been licensed or sublicensed to Asterias by third parties. Asterias would also be obligated to make payments to those licensors and sublicensors upon the achievement of various milestones, and then royalties on sales of products if AST-VAC2 is successfully developed and commercialized.

During September 2015, OrthoCyte signed a Research and Development Agreement ("R&D Agreement") and a Licensing Agreement with Heraeus Medical GmbH ("Heraeus"). Under the terms of those agreements, OrthoCyte will undertake a development program for cell-based bone grafting products. Heraeus has agreed to make payments to OrthoCyte upon the attainment of certain product development milestones in the R&D Agreement and royalties on product sales if any products are successfully developed, registered with regulatory authorities and commercialized, including payment of all costs associated with product development activities through the submission of an investigational new drug application. As of September 30, 2015, none of the R&D Agreement milestones were achieved and no amounts were recorded in the BioTime consolidated financial statements.

Cash generated by operations

During the nine months ended September 30, 2015, we received $8.7 million of cash from operations. Our sources of that cash primarily consisted of $2.4 million from the sale of research products and subscription and advertisement revenues, research grants payments of $841,000 to Cell Cure Neurosciences, $4.4 million in grant payments to Asterias from CIRM, and $442,000 in grant payments from the NIH. We also received $631,000 in royalty revenues on product sales by licensees.

Cash used in operations

During the nine months ended September 30, 2015, our total research and development expenditures were $29.8 million and our general and administrative expenditures were $18.9 million. Net loss attributable to BioTime for the nine months ended September 30, 2015 amounted to $33.6 million. Net cash used in operating activities during this period amounted to $30.6 million. The difference between the net loss and net cash used in operating activities during the nine months ended September 30, 2015 was primarily attributable to $7.2 million of stock-based compensation paid to employees, consultants and directors, $3.9 million of amortization of intangible assets, $1.9 million in deferred grant income, $776,000 of depreciation expenses, $512,0000 of accounts payable and accrued liabilities, $85,000 in deferred license and subscription revenues, $182,000 of amortization of discount on convertible debt and $212,000 in grant receivables. This overall difference was offset to some extent by a net loss of $7.8 million allocable to the non-controlling interest in our subsidiaries, $3.4 million of deferred income tax benefit, $114,000 of accounts receivables, and $621,000 of prepaid expenses and other current assets.

Cash flows from investing activities

During the nine months ended September 30, 2015, we used $4.9 million for investing activities. The primary components of this cash payments on construction in progress of $3.8 million, advances to Hepregen of $500,000 to be included as part of total consideration in a business combination to be completed in November 2015 and purchases of equipment totaling $514,000.

Cash generated by financing activities

In February 2015, Asterias raised approximately $5.5 million in aggregate gross proceeds from the sale of 1,410,255 shares of its common stock at a price of $3.90 per share through an underwritten public offering and a private placement.

In May 2015, OncoCyte sold 3,000,000 shares of its common stock for $3.3 million in cash to two of its shareholders (see note 8 to the condensed consolidated financial statements), and Asterias received $11.7 million from the exercise of warrants to purchase 5,000,000 shares of its common stock.

During May and June 2015, Asterias raised approximately $2.8 million in gross proceeds from the sale of 239,231 shares of its common stock at a weighted average price of $11.65 per share in “at-the-market” transactions through MLV & Co, as the sales agent.

In September 2015, we raised $8.6 million through the sale of 2,607,401 common shares at an offering price of $3.29 to three of our shareholders. We used $8.35 million of the proceeds to purchase additional shares of OncoCyte common stock. See Note 8 to the condensed consolidated financial statements.

We also received $640,000 in cash from the exercise of employee stock options and certain warrants.

Contractual obligations

As of September 30, 2015, our contractual obligations for the next five years and thereafter were as follows (in thousands):

	Principal Payments Due by Period				
Contractual Obligations[1]	**Total**	**Less Than 1 Year**	**1-3 Years**	**4-5 Years**	**After 5 Years**
Operating leases[2]	$ 10,068	364	2,910	2,760	4,034
Capital lease[3]	$ 53	16	37	-	-

(1) This table does not include payments to key employees that could arise if they were involuntary terminated or if their employment terminated following a change in control.

(2) Includes the lease of our principal office and laboratory facilities in Alameda, California, and leases of the offices and laboratory facilities of our subsidiaries Asterias, LifeMap Sciences, and Cell Cure Neurosciences. Also includes three operating leases for lab equipment.

(3) Includes one capital lease for lab equipment.

Future capital needs

The operations of our subsidiaries will continue to result in an increase in our operating expenses and losses on a consolidated basis, and will increase our need for additional capital on an ongoing basis. OncoCyte plans to lease its own office and laboratory facility and construct a diagnostic testing laboratory which will involve substantial expenses that will add to our losses on a consolidated basis. On October 7, 2015, OncoCyte filed a registration statement on Form 10 with the SEC in connection with our planned distribution of shares of OncoCyte common stock to holders of our common shares, on a pro rata basis. In connection with the planned OncoCyte share distribution, OncoCyte is expected to become a public company and will be incurring costs associated with audits of its financial statements, filing annual, quarterly, and other periodic reports with the SEC, holding annual shareholder meetings, and public relations and investor relations. These costs incurred by OncoCyte will be in addition to those incurred by BioTime and Asterias for similar purposes.

We and our subsidiaries will need to continue to sell BioTime common shares from time to time, and our subsidiaries will also seek to raise capital through the sale of their capital stock. We and our subsidiaries will also seek funding for our research and development programs from other sources such as research grants and other arrangements with third parties.

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 the clinical trials that are required in order for us to obtain FDA and foreign regulatory approval of products, depend upon the amount of money we and our subsidiaries have. Future research and clinical study costs are not presently determinable due to many factors, including the inherent uncertainty of these costs and the uncertainty as to timing, source, and amount of capital that will become available for our projects.

The market value and the volatility of our stock price, as well as general market conditions, could impact our ability to raise capital on favorable terms, or at all. Any equity financing that we or our subsidiaries obtain may further dilute or otherwise impair the ownership interests of our current shareholders. If we and our subsidiaries fail to generate positive cash flows or fail to obtain additional capital when required, we and our subsidiaries could modify, delay or abandon some or all of our respective research and development programs.

Because our revenues are not presently sufficient to cover our operating expenses, we will continue to need to obtain additional equity capital or debt in order to finance our operations. The future availability and terms of equity or debt financing are uncertain. The unavailability or inadequacy of financing or revenues to meet future capital needs could force us to modify, curtail, delay, or suspend some or all aspects of our planned operations. Sales of additional equity securities by us or our subsidiaries could result in the dilution of the interests of present shareholders.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Foreign Currency Exchange Risk

We are exposed to some foreign exchange currency risks because we have subsidiaries that are located in foreign countries. We have also sold our common shares to investors located abroad in transactions denominated in a foreign currency. We do not engage in foreign currency hedging activities. Because we translate foreign currencies into United States dollars for reporting purposes, currency fluctuations have an impact on our financial results. We believe that our exposure to currency exchange fluctuation risk is mitigated by the fact that our foreign subsidiaries pay their financial obligations almost exclusively in their local currency. As of September 30, 2015, currency exchange rates did not have a material impact on our intercompany transactions with our foreign subsidiaries. However, a weakening of the dollar against the foreign exchange used in the home countries of our foreign subsidiaries could increase our cost of providing additional financing to our foreign subsidiaries in the future. Conversely, a strengthening of the dollar would decrease our cost of making additional investments in those subsidiaries.

Credit Risk

We place some of our cash in U.S. banks and invest most of our cash in money market funds. Deposits with banks may temporarily exceed the amount of insurance provided on such deposits. We will monitor the cash balances in the accounts and adjust the cash balances as appropriate, but if the amount of a deposit at any time exceeds the federally insured amount at a bank, the uninsured portion of the deposit could be lost, in whole or in part, if the bank were to fail. Our investments in money market funds are not insured or guaranteed by the United States government or any of its agencies.

Our foreign subsidiaries deposit their cash in local banks, but if the amount of a deposit at any time exceeds the amount at a bank under the national banking insurance laws, the uninsured portion of the deposit could be lost, in whole or in part, if the bank were to fail.

Interest Rate Risk

We invest most of our cash in money market funds. The primary objective of our investments will be to preserve principal and liquidity while earning a return on our invested capital, without incurring significant risks. Our future investment income is not guaranteed and may fall short of expectations due to changes in prevailing interest rates, or we may suffer losses in principal if the net asset value of a money market fund falls below $1 per share.

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 officer and our principal financial officer, have reviewed and evaluated the effectiveness of our disclosure controls and procedures as of the end of our fourth quarter. 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 and administrative patent opposition proceedings incidental to the conduct of our business.

Item 1A. Risk Factors

Our business is subject to various risks, including those described below. You should consider the following risk factors, together with all of the other information included in this report and the risks described in our Annual Report on Form 10-K for the year ended December 31, 2014, which could materially adversely affect our proposed operations, business prospects, and financial condition, and the value of an investment in our business. There may be other factors that are not mentioned here or of which we are not presently aware that could also affect our business operations and prospects.

Risks Related to Our Business Operations

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

Our comprehensive net losses for the nine months ended September 30, 2015 and for the fiscal years ended December 31, 2014, 2013, and 2012 were $33.8 million, $36.3 million, $43.8 million, and $21.4 million, respectively, and we had an accumulated deficit of $215.8 million as of September 30, 2015 and $182.2 million, $145.8 million, and $101.9 million, as of December 31, 2014, 2013, and 2012, respectively. We primarily finance our operations through the sale of equity securities, licensing fees, royalties on product sales by our licensees, research grants, 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 technologies.

- Many of our experimental products and technologies have not been applied in human medicine 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 were developed.

- The development of experimental products and technologies we are doing is costly, time consuming, and uncertain as to its results. We incurred research and development expenses amounting to $29.8 million, during the nine months ended September 30, 2015, and $37.5 million, $26.6 million, and $18.1 million during the fiscal years ended December 31, 2014, 2013, and 2012, respectively, excluding $17.4 million charged as in process research and development expenses during 2013 in accordance with ASC 805-50 on account of Asterias' acquisition of certain assets from Geron.

- If we are successful in developing a new technology or product, 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 biological, 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 larger, well-capitalized pharmaceutical companies in order to bear the cost. Any such arrangements may be dilutive to our ownership or economic interest in the products we develop, and we might have to accept a royalty payment on the sale of the product rather than receiving the gross revenues from product sales.

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, 2015, we had $29.4 million of cash and cash equivalents on hand, of which $24.8 million was held by Asterias and other subsidiaries. Although Asterias has raised approximately $20.0 million and OncoCyte has raised $3.3 million of equity capital since January 1, 2015, 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.

A patent pertaining to the manufacture of RPE products from pluripotent cells was recently issued to one of our competitors and could adversely impact the rights of Cell Cure Neurosciences to manufacture *OpRegen*®

The United States Patent and Trademark Office has issued U.S. Patent No 9,080,150 defining the basic universal markers of RPE cells essential for therapeutic use. If the process used by Cell Cure Neuroscience to manufacture RPE cells for *OpRegen*® were to be determined to infringe issued claims in this patent and if the patent claims were to be determined to be valid, Cell Cure Neurosciences might not be permitted to continue to manufacture *OpRegen*® and commercialize that product in the United States or other countries in which such patent claims have been issued.

Risks Related to OncoCyte's Business Operations

OncoCyte has determined that the initial diagnostic tests that it plans to develop and commercialize will be laboratory developed tests ("LDTs") that will be performed at a diagnostic laboratory that OncoCyte plans to operate. The decision to develop and commercialize LDTs will give rise to certain risks related to the operation of the business of operating a diagnostic laboratory and performing LDTs, including the following risks.

OncoCyte will need to obtain regulatory approval of its diagnostic laboratory facilities

OncoCyte will need to receive certification for its planned diagnostic laboratory under the Clinical Laboratory Improvements Amendment ("CLIA"). In addition to meeting federal regulatory requirements, each state has its own laboratory certification and inspection requirements for a CLIA laboratory that must be met in order to sell diagnostic tests in the state. CLIA licensed laboratories can lose their licenses if problems arise during a periodic regulatory inspection.

The United States Food and Drug Administration ("FDA") may impose additional regulations for laboratory developed tests such as the ones OncoCyte is developing

The FDA issued two draft guidance documents that set forth a proposed risk-based regulatory framework that would apply varying levels of FDA oversight to LDTs such as those OncoCyte is developing. If the FDA implements new regulatory measures:

- OncoCyte may be required to obtain pre-market clearance or approval before selling its diagnostic tests;

- As a result of required FDA pre-market review, OncoCyte's tests may not be cleared or approved on a timely basis, if at all;

- FDA labeling requirements may limit OncoCyte's claims about its diagnostic tests, which may have a negative effect on orders from physicians;

- The regulatory approval process may involve, among other things, successfully completing additional clinical trials and making a 510(k) submission, or filing a pre-market approval application with the FDA; and,

- If regulatory actions affect any of the reagents OncoCyte obtain from suppliers and use in conducting its tests, its business could be adversely affected in the form of increased costs of testing or delays, limits or prohibitions on the purchase of reagents necessary to perform its testing.

OncoCyte will depend on Medicare and a limited number of private payers for a significant portion of its revenues, and its revenues could decline if these payers fail to provide timely and adequate payment for its diagnostic tests

OncoCyte expects that a substantial portion of the patients for whom it will perform diagnostic tests will have Medicare as their primary medical insurance. Even if OncoCyte's planned tests are otherwise successful, reimbursement for the Medicare-covered portions of its planned tests might not, without Medicare reimbursement, produce sufficient revenues to enable it to reach profitability and achieve its other commercial objectives.

Medicare and other third-party payers have increased their efforts to control the cost, utilization, and delivery of health care services, and have undertaken measures to reduce payment rates for and decrease utilization of clinical laboratory testing. Because of the cost-trimming trends, any third-party payers that will cover and provide reimbursement for OncoCyte's diagnostic tests may suspend, revoke or discontinue coverage at any time, or may reduce the reimbursement rates payable to OncoCyte. Any such action could have a negative impact on OncoCyte's revenues, which may have a material adverse effect on its financial condition, results of operations and cash flows.

Changes in healthcare laws and policies may have a material adverse effect on OncoCyte's financial condition, results of operations and cash flows

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (collectively "ACA") substantially changed the way health care is financed by both governmental and private insurers. Among the ACA's key changes, the ACA reduced payment rates under the Medicare Clinical Laboratory Fee Schedule and established an Independent Payment Advisory Board to reduce the per capita rate of growth in Medicare spending if spending exceeds a target growth rate. Such provisions may negatively impact payment rates for OncoCyte's diagnostic tests.

The Protecting Access to Medicare Act of 2014 ("PAMA") significantly altered the payment methodology under the Clinical Laboratory Fee Schedule that determines Medicare coverage for laboratory tests. Under PAMA, clinical laboratories are required to report test payment data for each Medicare-covered clinical diagnostic lab test and beginning in 2017, the Medicare payment rate for each clinical diagnostic lab test will be equal to the weighted median amount for the test from the most recent data collection period.

Congress has proposed on several occasions to impose a 20% coinsurance payment requirement on patients for clinical laboratory tests reimbursed under the Medicare Clinical Laboratory Fee Schedule, which would require OncoCyte to bill patients for these amounts. In the event that Congress were to ever enact such legislation, the cost of billing and collecting for OncoCyte's tests could often exceed the amount actually received from the patient.

On September 25, 2015, CMS released preliminary determinations for the calendar year 2016 for the Medicare Clinical Laboratory Fee Schedule for some test codes, including some for oncology diagnostics, as had been anticipated. These preliminary determinations were based on a cross walk approach rather than a gap-fill approach. A cross walk approach matches a new code for a diagnostic against existing codes to determine the appropriate payment rate; while a gap-fill approach looks at local pricing patterns, including charges for the tests and any discounts on charges and payments determined by other payers. At this point it is not clear what methodology CMS may use in their determinations for future diagnostics.

Beginning January 1, 2017, Medicare payment for any new advanced diagnostic test will be based on the list price or charge. After the test is commercially available for two quarters, the laboratory will be required to report payment and volume information and that data will be used to set payment for the test for the following year.

- If data shows that the list price was greater than 130% of the payment using established methodology (a weighted median), CMS will recoup the difference from the laboratory through a payment claw back.

- Payment will be updated annually based on the weighted median of commercial payer reimbursement.

We cannot predict whether future health care initiatives will be implemented at the federal or state level, or how any future legislation or regulation may affect OncoCyte. The expansion of government's role in the U.S. health care industry as a result of the ACA, and changes to the reimbursement amounts paid by Medicare and other payers for diagnostic tests may have a materially adverse effect on OncoCyte's business, financial condition, results of operations and cash flows.

Because of certain Medicare billing policies, OncoCyte may not receive complete reimbursement for tests provided to Medicare patients

Medicare has coverage policies that can be national or regional in scope. Coverage means that the test or assay is approved as a benefit for Medicare beneficiaries. If there is no coverage, neither the supplier nor any other party, such as a diagnostic laboratory, may receive reimbursement from Medicare for the service. Regional policies are directed by Medicare's regional Medicare Administrative Contractors ("MACs"). Reimbursement for diagnostic testing may be negatively impacted by California MAC's policies.

Long payment cycles of Medicare, Medicaid and/or other third-party payors, or other payment delays, could hurt OncoCyte's cash flows and increase its need for working capital

Medicare and Medicaid have complex billing and documentation requirements that OncoCyte will have to satisfy in order to receive payment. Failure to comply with these requirements and other laws applicable to billing may result in, among other things, non-payment, refunds, exclusion from government healthcare programs, and civil or criminal liabilities, any of which may have a material adverse effect on OncoCyte's revenues and earnings. Similarly, the failure of private health insurers or other private third-party payers to properly process OncoCyte's payment claims in a timely manner could delay its receipt of payment for its diagnostic tests and services, which may have a material adverse effect on its cash flows.

Private health insurance company policies may deny coverage or limit the amount they will reimburse OncoCyte for the performance of its diagnostic tests

Patients who are not covered by Medicare will generally rely on health insurance provided by private health insurance companies. If OncoCyte is considered a "non-contracted provider" by a third-party payer, that payer may not reimburse patients for diagnostic tests performed by OncoCyte or doctors within the payer's network of covered physicians may not use its services to perform diagnostic tests for their patients. As a result, OncoCyte may need to enter into contracts with health insurance companies or other private payers to provide diagnostic tests to their insured patients at specified rates of reimbursement which may be lower than the rates OncoCyte might otherwise collect.

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

None.

Item 3. Default Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

On November 5, 2015, we and our subsidiaries ReCyte Therapeutics and ESI entered into an Asset Contribution Agreement with Hepregen, Inc. ("Hepregen") in connection with the organization and capitalization of a new company Ascendance Biotechnology, Inc. ("Ascendance"). Under the terms of the Asset Contribution Agreement, Hepregen has agreed to contribute substantially all of its assets and BioTime, ESI and ReCyte Therapeutics have agreed to contribute certain assets and to license certain patents and other intellectual property to Ascendance in exchange for shares of Ascendance common stock. Ascendance will also assume substantially all of Hepregen's contracts and liabilities and will assume certain liabilities related to the assets contributed by BioTime. Hepregen is engaged in the business of manufacturing and selling proprietary products and services that assay new drug candidates for potential toxicity utilizing liver cells on proprietary test plates. The assets to be contributed and the patents and intellectual property rights (either exclusively, co-exclusively or nonexclusively) to be licensed to Ascendance by BioTime, ESI and ReCyte Therapeutics include research products presently sold by BioTime through its ESI-BIO division (including the *PureStem*® cells and *HyStem*® hydrogel products), and certain technologies that Ascendance may use to derive different type of cells from BioTime's ESI human embryonic stem cell lines for use in the drug toxicity assay products and services, as well as products that it plans to market as research tools. Ascendance may also seek to develop and market therapeutic products other than products that (a) incorporate, embody or are derived directly from any ESI cell lines or biological materials contributed to Ascendance by BioTime, or (b) are covered by patent rights and other intellectual licensed to Ascendance by ESI or BioTime and ReCyte. BioTime will retain all therapeutic rights to its stem cells and their derivatives, including ESI's cGMP banks of embryonic stem cells. BioTime and its subsidiaries will initially own a majority of the shares of Ascendance common stock. The transaction is expected to close during November 2015 subject to the satisfaction of customary closing conditions.

In connection with the Asset Contribution Agreement, BioTime, ESI, and ReCyte will enter into a shareholders Agreement with Hepregen and certain other Ascendance shareholders pertaining to certain Ascendance corporate governance matters and transfers of shares of Ascendance common stock.

The parties have agreed that Hepregen and its shareholders will be entitled to appoint three members, and BioTime will have the right to appoint three members, of the Ascendance Board of Directors, and one director who is independent of Hepregen and BioTime will be appointed by the other six directors. The parties that are entitled to appoint directors are also entitled to remove those directors and to elect the replacement or successor director in the event of the removal, death, disability, resignation or other event causing a director appointed by the party to cease being a director. The parties have also agreed to vote their shares for the election of the three directors appointed by BioTime and the three directors appointed by Hepregen.

The shareholders have agreed, subject to certain exceptions, including transfers to affiliated persons or entities and family members or family owned entities, not to sell, assign, pledge or otherwise transfer Ascendance shares without first offering the other Major Holders, for a period of fifteen days, an opportunity to purchase the shares at the proposed transfer price and terms. A Major Holder means any holder that, directly or indirectly through family members, owns 5.0% of the Ascendance common stock. Each shareholder further agrees that such shareholder will not vote any Ascendance securities, or take any action by written consent, or take any other action as a shareholder of Ascendance, to circumvent the voting arrangements required by the Shareholders Agreement, including not approving any corporate action or transaction not previously approved by the Ascendance Board of Directors, and not commencing or maintaining any shareholder's derivative suit challenging any action or transaction approved by the Ascendance Board of Directors.

Each Major Holder will have the right to purchase its pro rata share of any additional Ascendance shares, options, warrants, or similar rights to acquire shares that Ascendance may propose to offer or issue, excluding share offered or proposed to be issued (a) in a public offering registered pursuant to the Securities Act, (b) as consideration paid to a third party for the acquisition of the assets or equity interests of another business, (c) in connection with any debt financing or extension of credit by a third party, or (d) to any officer, director, manager, employee, consultant, or other service-provider pursuant to a stock option or equity participation plan or otherwise for compensatory purposes.

The shareholders have also agreed that if the Board of Director approves a sale of all or substantially all of Ascendance's assets or a sale of all or a majority of the outstanding shares of capital stock of Ascendance on an arm's length basis to any person or entity that is not an affiliate of BioTime or Hepregen, the shareholders will consent to the sale and will not exercise any dissenters rights, provided that (a) any indemnification obligations of the Ascendance shareholders will be several, not joint, and will (other than with respect to representations and warranties with respect to enforceability of any individual seller's obligations and title to securities) be pro rata based on the value of the proceeds received by the sellers in connection with the sale, (b) the aggregate liability of each such seller of Ascendance securities with respect to any indemnification obligations in connection with the sale will be limited to the proceeds of the sale received by such seller, (c) any expenses incurred for the benefit of the shareholders in connection with the sale will be allocated among the shareholders based on each shareholder's pro rata share of the value of proceeds received by the shareholders, and (d) no shareholder shall be required to enter into or make (i) any non-competition, non-solicitation, or similar agreements or covenants or (ii) any other covenant except for customary and standard covenants required to effectuate the sale.

BioTime will have the right to receive quarterly financial statements from Ascendance and to inspect, copy and audit Ascendance's books and records so long as BioTime determines that it consolidate Ascendance's financial statements with BioTime's financial statements for financial reporting purposes under generally accepted accounting principles.

Item 6. Exhibits

Exhibit Numbers	Description
3.1	Articles of Incorporation with all amendments (1)
3.2	By-Laws, as Amended (2)
4.1	Specimen of Series A Convertible Preferred Stock Certificate (3)
4.2	Certificate of Determination of Series A Convertible Preferred Stock (3)
10.1	Stock Purchase Agreements, dated September 14, 2015, between BioTime, Inc. and certain investors*
10.2	Letter Agreement, dated September 24, 2015, between BioTime, Inc. and Union Underwriting & Finances Ltd. (4)
10.3	Stock Purchase Agreements between BioTime, Inc. and certain investors*
10.4	Research & Development Agreement, dated September 29, 2015, between OrthoCyte Corporation and Heraeus Medical GmbH (Portions of this exhibit have been omitted pursuant to a request for confidential treatment)*
10.5	License Agreement, dated September 29, 2015, between OrthoCyte Corporation and Heraeus Medical GmbH (Portions of this exhibit have been omitted pursuant to a request for confidential treatment)*

10.6	Subscription Agreement, dated September 29, 2015, between OncoCyte Corporation and BioTime, Inc.*
31	Rule 13a-14(a)/15d-14(a) Certification*
32	Section 1350 Certification*
101	Interactive Data File
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase*
101.LAB	XBRL Taxonomy Extension Label Linkbase*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase*
101.DEF	XBRL Taxonomy Extension Definition Document*

(1) Incorporated by reference to BioTime's Annual Report on Form 10-K/A-1 for the year ended December 31, 2013 filed with the Securities and Exchange Commission on April 29, 2014.

(2) Incorporated by reference to Registration Statement on Form S-1, File Number 33-48717 and Post-Effective Amendment No. 1 thereto filed with the Securities and Exchange Commission on June 22, 1992, and August 27, 1992, respectively.

(3) Incorporated by reference to BioTime's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 5, 2014.

(4) Incorporated by reference to Current Report on Form 8-K filed with the Securities and Exchange Commission on September 25, 2015.

* 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, 2015

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

Date: November 9, 2015

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

Date: November 9, 2015

/s/ Robert W. Peabody
Robert W. Peabody
Chief Financial Officer

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* Filed herewith

Exhibit 10.1

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is entered into as of September 14, 2015 (the "Effective Date") by and between BioTime, Inc., a California corporation (the "Company") and the undersigned identified on the signature page attached hereto ("Purchaser").

ARTICLE 1.
PURCHASE AND SALE OF SHARES

1.1 Sale of Shares. Purchaser hereby irrevocably agrees to purchase from the Company, and the Company agrees to sell to Purchaser pursuant to the Registration Statement (as defined below), the number of common shares, no par value ("Shares"), shown on the signature page of this Agreement, at the price of $3.29 per Share (the "Purchase Price").

ARTICLE 2.
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the most current prospectus (the "Prospectus") included in Registration Statement on Form S-3 (File No. 333-201824) (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act") registering the offer and sale of the Shares, and in a prospectus supplement filed in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares (the "Prospectus Supplement"), including all documents and information incorporated by reference therein, the Company represents and warrants to Purchaser that:

2.1 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the state of California. The Company is duly qualified to do business in the state of California and in each other state in which it is doing business and where the failure to so qualify could have a material adverse effect on its business, operations, or properties, or could subject the Company to fines or penalties that are material to the Company's financial condition.

2.2 Authority; Enforceability. The Company has the power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder. This Agreement has been duly authorized, executed and delivered by the Company and is the valid and binding agreement of the Company, enforceable in accordance with its terms subject to: (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors; and (ii) general principles of equity.

2.3 Valid Issuance of Shares. The Shares that are being purchased by Purchaser hereunder, when issued, sold and delivered in accordance with the terms of this Agreement, including payment of the Purchase Price, will be duly and validly issued, fully paid, and nonassessable.

2.4 Capitalization. The Company is authorized to issue the following shares of capital stock: 125,000,000 common shares, no par value, and 2,000,000 preferred shares, no par value. As of September 2, 2015, there were: no preferred shares issued and outstanding; 84,156,127 common shares issued and 79,262,185 common shares outstanding excluding 4,893,942 common shares held by subsidiaries and treated as treasury shares.

2.5 Disclosure Documents; Financial Statements. The Company has filed all reports required to be filed by it under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including pursuant to Section 13(a) or 15(d) thereof (the foregoing materials being collectively referred to herein as the SEC Reports), during the twelve (12) months prior to the date hereof. None of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Reports (i) have been prepared in accordance with United States generally accepted accounting principles ("GAAP") applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto, or, in the case of unaudited statements, as permitted by Form 10-Q, and except that the unaudited financial statements may not contain footnotes and are subject to normal and recurring year-end adjustments that will not, individually or in the aggregate, be material in amount); and (ii) fairly present in all material respects the consolidated financial position of the Company and its subsidiaries on a consolidated basis as of the respective dates thereof and the consolidated results of operations and cash flows of the Company and its subsidiaries for the periods covered thereby.

2.6 Absence of Certain Changes. Since June 30, 2015, except as specifically disclosed in SEC Reports, (i) there has not been any material adverse change in the financial condition, assets, liabilities, revenues, or business of the Company and its subsidiaries, taken as a whole, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables, accrued expenses, licensing fees and similar expenses, and other liabilities incurred in the ordinary course of business consistent with past practice, (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or not required to be disclosed in filings made with the Securities and Exchange Commission ("SEC"), and (C) liabilities arising under this Agreement, and (iii) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed, or made any agreements to purchase or redeem any shares of its capital stock.

2.7 Internal Controls. The Company maintains a process of "internal controls over financial reporting" (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that is designed to provide reasonable assurances: (i) that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles; (ii) that receipts and expenditures are being made only in accordance with the authorizations of management and directors; and (iii) regarding prevention or timely detection of the unauthorized acquisition, use or disposition of the assets of the Company and its subsidiaries that could have a material effect on the financial statements. The Company maintains a system of "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that is designed to provide reasonable assurances that all material information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, as appropriate, to allow timely decisions regarding required disclosure, and otherwise to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and regulations of the SEC.

2.8 Registration Statement.

(a) The Company has prepared and filed the Registration Statement in conformity with the requirements of the Securities Act. The Registration Statement is effective under the Securities Act and no stop order preventing or suspending the effectiveness of the Registration Statement or suspending or preventing the use of the Prospectus or the Prospectus Supplement has been issued by the SEC and no proceedings for that purpose have been instituted or, to the knowledge of the Company, are threatened by the SEC. The Company shall file a final Prospectus Supplement with the SEC pursuant to Rule 424(b) no later than two (2) business days after the Effective Date. The Registration Statement, and the Prospectus together with the Prospectus Supplement, do not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(b) When issued pursuant to this Agreement and the Registration Statement at Closing, the Shares will be free of restrictions on transfer under the Securities Act, other than such restrictions as may be applicable under Rule 144 under the Securities Act with respect to sales or transfers of securities by an affiliate (as defined in Rule 144) of the issuer should Purchaser be or become an affiliate of the Company.

2.9 Listing and Maintenance Requirements. The Company has not, in the 12 months preceding the date hereof, received notice from the NYSE MKT to the effect that the Company is not in compliance with the listing or maintenance requirements of the NYSE MKT.

2.10 Taxes. Since January 1, 2013, the Company has filed when due all federal, state, and local income tax returns, and all other returns with respect to taxes which are required to be filed with the appropriate authorities of the jurisdictions where business is transacted by the Company, or where the Company owns any property, and any taxes due, as reflected on such tax returns, have been paid.

2.11 Subsidiaries. The Company's subsidiaries are shown in its Quarterly Report on Form 10-Q for the three and six months ended June 30, 2015.

2.12 No Conflict. The Company is not in violation or default of any provision of its Articles of Incorporation or bylaws, and is not in violation or default in any material respect of any instrument, judgment, order, writ, decree or contract to which it is a party or by which it is bound, or, to its knowledge, of any provision of any federal or state statute, rule or regulation applicable to it. The execution and delivery of this Agreement and consummation of the sale of the Shares contemplated by this Agreement (a) do not and will not violate any provisions of (i) any rule, regulation, statute, or law, (ii) the terms of any order, writ or decree of any court or judicial or regulatory authority or body, (iii) the Articles of Incorporation or bylaws of the Company, or (iv) the rules and regulations of the NYSE MKT applicable to the listing of the Company's common shares, (b) will not conflict with or result in a breach of any condition or provision or constitute a default under or pursuant to the terms of any Material Contract (as defined below), and (c) will not result in the creation or imposition of any lien, charge or encumbrance upon any of the Shares or upon any of the assets or properties of the Company. The term Material Contract means any contract, agreement, license, lease, deed of trust, mortgage, lien, debenture, promissory note, or instrument to which the Company is a party (i) the termination of or default under which could have a material adverse effect on the business, financial condition, assets or prospects of the Company, or (ii) that constitutes a lien or security interest on any real or personal property of the Company the loss of which through a foreclosure sale would have a material adverse effect on the business, financial condition, assets or prospects of the Company.

2.13 Litigation. Other than as disclosed in the SEC Reports, there is no lawsuit, arbitration proceeding, or administrative action or proceeding pending or threatened against the Company which (a) questions the validity of this Agreement or any action taken or to be taken by the Company in connection with this Agreement or the issue and sale of the Shares hereunder, (b) alleges any infringement of any trademark, service mark, or patent by the Company, or (c) if adversely decided would have a material adverse effect upon the business, financial condition, assets or prospects of the Company.

2.14 Patents and Trademarks. The Company is the sole and exclusive owner of or has a valid license to use all patents, trademarks, service marks, trade names, copyrights, trade secrets, information, proprietary rights and processes presently used by the Company in its business as now conducted, without any conflict with or, to the Company's knowledge infringement of the rights of others, except as disclosed in the SEC Reports. The Company has not received any communications alleging that it has violated or, by conducting its business as presently conducted, violates any of the patents, trademarks, service marks, trade names, copyrights or trade secrets or other proprietary rights of any other person or entity.

2.15 Title to Property. The Company has good and marketable title to its property and assets free and clear of all mortgages, liens, loans and encumbrances. Title to all of the personal and real property used by the Company is held in the name of the Company or a subsidiary or is licensed or leased from a third party. With respect to the property leased or licensed from a third party, the Company is in compliance with such leases and licenses in all material respects and, to Company's knowledge, the Company holds a valid leasehold or license. All facilities, machinery, equipment, fixtures, vehicles and other properties owned, leased or used by the Company are in good operating condition and repair (subject to ordinary wear and tear) and are reasonably fit and usable for the purposes for which they are being used.

2.16 Regulatory Permits. The Company possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct its businesses as described in the SEC Reports ("Permits"), except where the failure to possess such Permits would not result in a material adverse effect, and the Company has not received any notice of proceedings relating to the revocation or modification of any Permit, the revocation or proposed modification of which would result in a material adverse effect.

2.17 Employee Benefit Plans. Other than the Company's Equity Incentive Plan and stock option and similar equity incentive plans maintained by Company subsidiaries, the Company does not have and has never maintained or sponsored any Employee Benefit Plan as defined in the Employee Retirement Income Security Act of 1974, as amended.

2.18 Labor Agreements and Actions; Employee Compensation. The Company is not be bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral contract, commitment or arrangement with any labor union, and no labor union has requested or, to the Company's knowledge, has sought to represent any of the employees, representatives or agents of the Company. There is no strike or other labor dispute involving the Company pending, nor to the Company's knowledge, threatened, that could have a material adverse effect on the assets, properties, financial condition, operating results or business of the Company, nor is the Company aware of any labor organization activity involving its employees. The Company is not aware that any officer or key employee, or that any group of key employees, intends to terminate their employment the Company, nor does the Company have a present intention to terminate the employment of any of the foregoing. The employment of each officer and employee of the Company is terminable at the will of the Company. To its knowledge, the Company has complied in all material respects with all applicable state and federal equal employment opportunity and other laws related to employment.

ARTICLE 3.
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants with respect to only itself to the Company the following:

3.1 Organization. Purchaser, if not a natural person, is a corporation, limited liability company, partnership, trust or other entity duly organized, validly existing and in good standing under the laws of the state or other jurisdiction in which it is incorporated or otherwise organized.

3.2 Authority; Enforceability. Purchaser has the power and authority to execute and deliver this Agreement and to perform all of its obligations under this Agreement. This Agreement has been duly authorized and executed by Purchaser and is the valid and binding agreement of Purchaser enforceable in accordance with its terms, except (i) to the extent limited by any bankruptcy, insolvency, or similar law affecting the rights of creditors generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.3 No Conflict. The execution and delivery of this Agreement, and consummation of the transactions contemplated hereunder, including the purchase of the Shares, by Purchaser do not and will not violate any provisions of (i) any rule, regulation, statute, or law applicable to Purchaser or (ii) the terms of any order, writ, or decree of any court or judicial or regulatory authority or body by which Purchaser is bound, or (iii) the articles of incorporation, bylaws, or similar charter or governing documents of Purchaser.

3.4 No Short Sales. Purchaser has not, nor has any person or entity acting on behalf of or pursuant to any understanding, agreement, or arrangement with Purchaser, directly or indirectly executed any "short sale," as defined in SEC Rule SHO, of the common shares of the Company since June 30, 2015.

3.5 Place of Business or Residence. Purchaser represents and warrants that Purchaser has Purchaser's principal place of business or residence as set forth on the signature page of this Agreement.

ARTICLE 4.
CLOSING

4.1 Time and Place of Closing. The consummation of the purchase and sale of the Shares ("Closing") shall take place in on the third Business Day after the execution and delivery of this Agreement by Purchasers and the Company (the "Closing Date"). On the Closing Date, Purchaser shall pay in full the Purchase Price for the Shares purchased by wire transfer of the Purchase Price for the Shares being purchased by Purchaser, in immediately available funds, to an account designated by the Company. The Purchase Price shall be paid in United States Dollars. On the Closing Date, the Company shall issue to Purchaser the Shares purchased, against payment of the Purchase Price. Closing shall occur at the principal office of the Company or at such other place as the parties may agree. A "Business Day" shall be any day on which the banks in New York are not required or permitted to close.

4.2 Documents to be Delivered By the Company. The Company shall deliver the following documents to Purchaser at the Closing:

(a) *Prospectus*. A copy of the most current prospectus (the "Prospectus") included in Registration Statement on Form S-3 (File No. 333-201824) under the Securities Act registering the offer and sale of the Shares (the "Registration Statement"), and a prospectus supplement filed in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares; provided that the Prospectus and Prospectus Supplement may be delivered in accordance with Rule 172 under the Securities Act;

(b) *Shares*. The Shares purchased by Purchaser, registered in the name of Purchaser delivered electronically via The Depository Trust Company Deposit / Withdrawal at Custodian system ("DWAC").

4.3 Conditions of the Company's Obligation to Close. The obligation of the Company to sell the Shares to Purchaser on each Closing Date is conditioned upon the following:

(a) *Payment and Delivery*. The Company's receipt of the Purchase Price for the Shares being sold to Purchaser;

(b) *Representations and Warranties*. The representations and warranties made by Purchaser in ARTICLE 3 of this Agreement shall be true and correct in all material respects when made and on the Closing Date; provided, that any representation and warranty that is itself qualified by a materiality standard shall be true and correct in all respects; and

(c) *Performance of Covenants*. Purchaser shall have fully performed all covenants and agreements required to be performed by Purchaser on or before the Closing Date.

4.4 Conditions of Purchaser's Obligation to Close. The obligation of Purchaser to purchase the Shares from the Company on any Closing Date is conditioned upon the following:

(a) *Delivery.* Purchaser's receipt of the items required to be delivered by the Company under Section 4.2.

(b) *Representations and Warranties*. The representations and warranties made by the Company in ARTICLE 2 of this Agreement shall be true and correct in all material respects when made and on the applicable Closing Date, unless made as of a specific date in which case they shall be accurate as of such date, and Purchaser shall have received from the Company a certificate, dated as of the Closing Date, to such effect signed by the Chief Executive Officer of the Company; provided, that any representation and warranty that is itself qualified by a materiality standard shall be true and correct in all respects.

(c) *Performance.* The Company shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the applicable Closing Date.

(d) *Bankruptcy; Insolvency.* The Company shall not be subject to (i) any order for relief, or subject to any pending proceeding for reorganization or liquidation, under the United States Bankruptcy Code, as amended, or under any other law pertaining to insolvency of the Company or creditor's rights generally, (ii) any appointment of a receiver for the Company or any of its assets, or (iii) any plan or action of dissolution or liquidation of the Company or its business.

(e) *No Material Adverse Event*. No material adverse event shall have occurred since June 30, 2015.

(f) *Listing.* The common shares of the Company shall be designated for quotation or listed on the NYSE MKT and on the Tel Aviv Stock Exchange ("TASE"), and the NYSE MKT and TASE shall not have suspended the listing or trading of the Company's common shares, nor shall suspension by the SEC or the NYSE MKT or TASE have been threatened, as of the Closing Date, (A) in writing by the SEC, the NYSE MKT, or the TASE, or (B) by falling below applicable minimum listing maintenance requirements.

ARTICLE 5.
ADDITIONAL COVENANTS

5.1 Further Assurances. Each party will execute, acknowledge, and deliver such additional certificates and documents and will take such additional actions as the other party may reasonably request on or after a Closing Date to effect, complete or perfect the issue and sale of the Shares to Purchaser.

5.2 Purchasers' Market Activity. Purchaser agrees that Purchaser shall not, prior to the public announcement by the Company that it has entered into this Agreement, engage in any stabilization activity in connection with the Company's common shares, or otherwise bid for or engage in any purchase or sale, including any short sale (as defined in SEC Rule SHO) of the Company's common shares, directly or through or in arrangement with any entity in control of, controlled by, or under common control with Purchaser. Purchaser covenants and agrees that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to a press release, Purchaser will maintain the confidentiality of the existence and terms of this Agreement.

5.3 Public Disclosure by the Company. Following the execution of this Agreement, the Company shall issue a press release and file a Current Report on Form 8-K describing the terms of the transactions contemplated by this Agreement, in the form required by the Exchange Act and attaching this Agreement as an exhibit to such filing.

5.4 Publicity. No Purchaser shall issue any press release or make any similar public statement or communication disclosing the terms of this Agreement or the transactions hereunder without the prior written consent of the Company, provided that the Company's consent shall not unreasonably be withheld or delayed if such disclosure is required by law and Purchaser shall have provided the Company with a copy of the proposed press release or other public statement or communication a reasonable time prior to the public release or dissemination thereof.

ARTICLE 6.
MISCELLANEOUS

6.1 Governing Law. This Agreement shall be construed and governed in all respects by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. All disputes and controversies arising out of or in connection with this Agreement shall be resolved non-exclusively by the state and federal courts located in the State of New York and the State of California, and each party agrees to submit to the jurisdiction of said courts.

6.2 Successors and Assigns. The parties may not assign their rights or obligations under this Agreement, directly or by operation of law, without the consent of the other party. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the respective successors, assigns, heirs, executors and administrators of Purchaser and the Company.

6.3 Entire Agreement; Amendment. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subject matter of this Agreement. This Agreement and any term of this Agreement may be amended, waived, discharged or terminated only by a written instrument signed by the parties.

6.4 Notices, etc. All notices and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed given (a) four (4) days after being deposited in the mail, certified air postage prepaid, return receipt requested, or (b) when delivered by hand, by messenger or next Business Day or overseas express air freight service (such as FedEX or DHL), or (c) on the date of facsimile transmission (FAX) or electronic mail (email) if sent at or prior to 5:30 p.m. (New York City time) on a Business Day, or the next Business Day after the date of facsimile or email transmission, if sent on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on a Business Day, in any case addressed as follows:

To Purchaser:	At the address or FAX number or email address of Purchaser shown on the signature page of this Agreement
To the Company:	BioTime Inc. 1301 Harbor Bay Parkway Alameda, California 94502 Attention: Chief Financial Officer FAX: (510) 521- 3389 Email: rpeabody@biotimemail.com

Any party may change its address for the purpose of this Agreement by giving notice to each other party in accordance with this Section.

6.5 Expenses. Purchaser and the Company shall bear their own expenses, including fees and expenses of their own advisers, counsel, accountants and other experts, if any, and all other expenses incurred by the party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all stamp taxes and other taxes and duties levied in connection with the delivery of the Shares to Purchaser.

6.6 Brokers. Purchaser shall have no liability to any broker, finder, investment banker, or other advisor retained or engaged by the Company or any subsidiary of the Company in connection with the transactions contemplated by this Agreement.

6.7 Titles and Subtitles. The titles or headings of the Articles and Sections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.8 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, each such unenforceable provision shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if each such unenforceable provision were so excluded, and the balance of this Agreement as so interpreted shall be enforceable in accordance with its terms.

6.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed with signatures transmitted among the parties by facsimile or by email delivery of a pdf format data file, and no party shall deny the validity of a signature or this Agreement signed and so transmitted on the basis that a signed document is represented by a copy or facsimile or pdf format data file and not an original.

6.10 Termination. This Agreement may be terminated by Purchaser with respect to itself, by written notice to the Company, or by the Company with respect to all Purchasers, by written notice to all Purchasers, in either case if the Closing has not been consummated on or before the third Business Day after the Effective Date other than due to a breach of this Agreement or any covenant or agreement hereunder by the party seeking to so terminate this Agreement. Termination of this Agreement will not affect the right of any party not in breach of its covenants and agreements under this Agreement to sue for any breach of this Agreement by the other party.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first above written.

COMPANY:

BioTime, Inc.

By: /s/Michael D. West

Title: Chief Executive Officer

PURCHASER:

Broadwood Partners, L.P.

By: /s/Neal C. Bradsher

Title: President of the General Partner (Broadwood Capital, Inc.)

Number of Shares Purchased: 2,431,611

Address: 724 Fifth Avenue, 9th Floor
New York, NY 10019
FAX Number: (212) 508 5756
Email:

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is entered into as of September 14, 2015 (the "Effective Date") by and between BioTime, Inc., a California corporation (the "Company") and the undersigned identified on the signature page attached hereto ("Purchaser").

ARTICLE 1.
PURCHASE AND SALE OF SHARES

1.1 Sale of Shares. Purchaser hereby irrevocably agrees to purchase from the Company, and the Company agrees to sell to Purchaser pursuant to the Registration Statement (as defined below), the number of common shares, no par value ("Shares"), shown on the signature page of this Agreement, at the price of $3.29 per Share (the "Purchase Price").

ARTICLE 2.
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the most current prospectus (the "Prospectus") included in Registration Statement on Form S-3 (File No. 333-201824) (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act") registering the offer and sale of the Shares, and in a prospectus supplement filed in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares (the "Prospectus Supplement"), including all documents and information incorporated by reference therein, the Company represents and warrants to Purchaser that:

2.1 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the state of California. The Company is duly qualified to do business in the state of California and in each other state in which it is doing business and where the failure to so qualify could have a material adverse effect on its business, operations, or properties, or could subject the Company to fines or penalties that are material to the Company's financial condition.

2.2 Authority; Enforceability. The Company has the power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder. This Agreement has been duly authorized, executed and delivered by the Company and is the valid and binding agreement of the Company, enforceable in accordance with its terms subject to: (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors; and (ii) general principles of equity.

2.3 Valid Issuance of Shares. The Shares that are being purchased by Purchaser hereunder, when issued, sold and delivered in accordance with the terms of this Agreement, including payment of the Purchase Price, will be duly and validly issued, fully paid, and nonassessable.

2.4 Capitalization. The Company is authorized to issue the following shares of capital stock: 125,000,000 common shares, no par value, and 2,000,000 preferred shares, no par value. As of September 2, 2015, there were: no preferred shares issued and outstanding; 84,156,127 common shares issued and 79,262,185 common shares outstanding excluding 4,893,942 common shares held by subsidiaries and treated as treasury shares.

2.5 Disclosure Documents; Financial Statements. The Company has filed all reports required to be filed by it under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including pursuant to Section 13(a) or 15(d) thereof (the foregoing materials being collectively referred to herein as the SEC Reports), during the twelve (12) months prior to the date hereof. None of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Reports (i) have been prepared in accordance with United States generally accepted accounting principles ("GAAP") applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto, or, in the case of unaudited statements, as permitted by Form 10-Q, and except that the unaudited financial statements may not contain footnotes and are subject to normal and recurring year-end adjustments that will not, individually or in the aggregate, be material in amount); and (ii) fairly present in all material respects the consolidated financial position of the Company and its subsidiaries on a consolidated basis as of the respective dates thereof and the consolidated results of operations and cash flows of the Company and its subsidiaries for the periods covered thereby.

2.6 Absence of Certain Changes. Since June 30, 2015, except as specifically disclosed in SEC Reports, (i) there has not been any material adverse change in the financial condition, assets, liabilities, revenues, or business of the Company and its subsidiaries, taken as a whole, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables, accrued expenses, licensing fees and similar expenses, and other liabilities incurred in the ordinary course of business consistent with past practice, (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or not required to be disclosed in filings made with the Securities and Exchange Commission ("SEC"), and (C) liabilities arising under this Agreement, and (iii) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed, or made any agreements to purchase or redeem any shares of its capital stock.

2.7 Internal Controls. The Company maintains a process of "internal controls over financial reporting" (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that is designed to provide reasonable assurances: (i) that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles; (ii) that receipts and expenditures are being made only in accordance with the authorizations of management and directors; and (iii) regarding prevention or timely detection of the unauthorized acquisition, use or disposition of the assets of the Company and its subsidiaries that could have a material effect on the financial statements. The Company maintains a system of "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that is designed to provide reasonable assurances that all material information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, as appropriate, to allow timely decisions regarding required disclosure, and otherwise to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and regulations of the SEC.

2.8 Registration Statement.

(a) The Company has prepared and filed the Registration Statement in conformity with the requirements of the Securities Act. The Registration Statement is effective under the Securities Act and no stop order preventing or suspending the effectiveness of the Registration Statement or suspending or preventing the use of the Prospectus or the Prospectus Supplement has been issued by the SEC and no proceedings for that purpose have been instituted or, to the knowledge of the Company, are threatened by the SEC. The Company shall file a final Prospectus Supplement with the SEC pursuant to Rule 424(b) no later than two (2) business days after the Effective Date. The Registration Statement, and the Prospectus together with the Prospectus Supplement, do not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(b) When issued pursuant to this Agreement and the Registration Statement at Closing, the Shares will be free of restrictions on transfer under the Securities Act, other than such restrictions as may be applicable under Rule 144 under the Securities Act with respect to sales or transfers of securities by an affiliate (as defined in Rule 144) of the issuer should Purchaser be or become an affiliate of the Company.

2.9 Listing and Maintenance Requirements. The Company has not, in the 12 months preceding the date hereof, received notice from the NYSE MKT to the effect that the Company is not in compliance with the listing or maintenance requirements of the NYSE MKT.

2.10 Taxes. Since January 1, 2013, the Company has filed when due all federal, state, and local income tax returns, and all other returns with respect to taxes which are required to be filed with the appropriate authorities of the jurisdictions where business is transacted by the Company, or where the Company owns any property, and any taxes due, as reflected on such tax returns, have been paid.

2.11 Subsidiaries. The Company's subsidiaries are shown in its Quarterly Report on Form 10-Q for the three and six months ended June 30, 2015.

2.12 No Conflict. The Company is not in violation or default of any provision of its Articles of Incorporation or bylaws, and is not in violation or default in any material respect of any instrument, judgment, order, writ, decree or contract to which it is a party or by which it is bound, or, to its knowledge, of any provision of any federal or state statute, rule or regulation applicable to it. The execution and delivery of this Agreement and consummation of the sale of the Shares contemplated by this Agreement (a) do not and will not violate any provisions of (i) any rule, regulation, statute, or law, (ii) the terms of any order, writ or decree of any court or judicial or regulatory authority or body, (iii) the Articles of Incorporation or bylaws of the Company, or (iv) the rules and regulations of the NYSE MKT applicable to the listing of the Company's common shares, (b) will not conflict with or result in a breach of any condition or provision or constitute a default under or pursuant to the terms of any Material Contract (as defined below), and (c) will not result in the creation or imposition of any lien, charge or encumbrance upon any of the Shares or upon any of the assets or properties of the Company. The term Material Contract means any contract, agreement, license, lease, deed of trust, mortgage, lien, debenture, promissory note, or instrument to which the Company is a party (i) the termination of or default under which could have a material adverse effect on the business, financial condition, assets or prospects of the Company, or (ii) that constitutes a lien or security interest on any real or personal property of the Company the loss of which through a foreclosure sale would have a material adverse effect on the business, financial condition, assets or prospects of the Company.

2.13 Litigation. Other than as disclosed in the SEC Reports, there is no lawsuit, arbitration proceeding, or administrative action or proceeding pending or threatened against the Company which (a) questions the validity of this Agreement or any action taken or to be taken by the Company in connection with this Agreement or the issue and sale of the Shares hereunder, (b) alleges any infringement of any trademark, service mark, or patent by the Company, or (c) if adversely decided would have a material adverse effect upon the business, financial condition, assets or prospects of the Company.

2.14 Patents and Trademarks. The Company is the sole and exclusive owner of or has a valid license to use all patents, trademarks, service marks, trade names, copyrights, trade secrets, information, proprietary rights and processes presently used by the Company in its business as now conducted, without any conflict with or, to the Company's knowledge infringement of the rights of others, except as disclosed in the SEC Reports. The Company has not received any communications alleging that it has violated or, by conducting its business as presently conducted, violates any of the patents, trademarks, service marks, trade names, copyrights or trade secrets or other proprietary rights of any other person or entity.

2.15 Title to Property. The Company has good and marketable title to its property and assets free and clear of all mortgages, liens, loans and encumbrances. Title to all of the personal and real property used by the Company is held in the name of the Company or a subsidiary or is licensed or leased from a third party. With respect to the property leased or licensed from a third party, the Company is in compliance with such leases and licenses in all material respects and, to Company's knowledge, the Company holds a valid leasehold or license. All facilities, machinery, equipment, fixtures, vehicles and other properties owned, leased or used by the Company are in good operating condition and repair (subject to ordinary wear and tear) and are reasonably fit and usable for the purposes for which they are being used.

2.16 Regulatory Permits. The Company possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct its businesses as described in the SEC Reports ("Permits"), except where the failure to possess such Permits would not result in a material adverse effect, and the Company has not received any notice of proceedings relating to the revocation or modification of any Permit, the revocation or proposed modification of which would result in a material adverse effect.

2.17 Employee Benefit Plans. Other than the Company's Equity Incentive Plan and stock option and similar equity incentive plans maintained by Company subsidiaries, the Company does not have and has never maintained or sponsored any Employee Benefit Plan as defined in the Employee Retirement Income Security Act of 1974, as amended.

2.18 Labor Agreements and Actions; Employee Compensation. The Company is not be bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral contract, commitment or arrangement with any labor union, and no labor union has requested or, to the Company's knowledge, has sought to represent any of the employees, representatives or agents of the Company. There is no strike or other labor dispute involving the Company pending, nor to the Company's knowledge, threatened, that could have a material adverse effect on the assets, properties, financial condition, operating results or business of the Company, nor is the Company aware of any labor organization activity involving its employees. The Company is not aware that any officer or key employee, or that any group of key employees, intends to terminate their employment the Company, nor does the Company have a present intention to terminate the employment of any of the foregoing. The employment of each officer and employee of the Company is terminable at the will of the Company. To its knowledge, the Company has complied in all material respects with all applicable state and federal equal employment opportunity and other laws related to employment.

ARTICLE 3.
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants with respect to only itself to the Company the following:

3.1 **Organization**. Purchaser, if not a natural person, is a corporation, limited liability company, partnership, trust or other entity duly organized, validly existing and in good standing under the laws of the state or other jurisdiction in which it is incorporated or otherwise organized.

3.2 **Authority; Enforceability**. Purchaser has the power and authority to execute and deliver this Agreement and to perform all of its obligations under this Agreement. This Agreement has been duly authorized and executed by Purchaser and is the valid and binding agreement of Purchaser enforceable in accordance with its terms, except (i) to the extent limited by any bankruptcy, insolvency, or similar law affecting the rights of creditors generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.3 **No Conflict.** The execution and delivery of this Agreement, and consummation of the transactions contemplated hereunder, including the purchase of the Shares, by Purchaser do not and will not violate any provisions of (i) any rule, regulation, statute, or law applicable to Purchaser or (ii) the terms of any order, writ, or decree of any court or judicial or regulatory authority or body by which Purchaser is bound, or (iii) the articles of incorporation, bylaws, or similar charter or governing documents of Purchaser.

3.4 **No Short Sales**. Purchaser has not, nor has any person or entity acting on behalf of or pursuant to any understanding, agreement, or arrangement with Purchaser, directly or indirectly executed any “short sale,” as defined in SEC Rule SHO, of the common shares of the Company since June 30, 2015.

3.5 **Place of Business or Residence.** Purchaser represents and warrants that Purchaser has Purchaser’s principal place of business or residence as set forth on the signature page of this Agreement.

ARTICLE 4.
CLOSING

4.1 Time and Place of Closing. The consummation of the purchase and sale of the Shares ("Closing") shall take place in on the third Business Day after the execution and delivery of this Agreement by Purchasers and the Company (the "Closing Date"). On the Closing Date, Purchaser shall pay in full the Purchase Price for the Shares purchased by wire transfer of the Purchase Price for the Shares being purchased by Purchaser, in immediately available funds, to an account designated by the Company. The Purchase Price shall be paid in United States Dollars. On the Closing Date, the Company shall issue to Purchaser the Shares purchased, against payment of the Purchase Price. Closing shall occur at the principal office of the Company or at such other place as the parties may agree. A "Business Day" shall be any day on which the banks in New York are not required or permitted to close.

4.2 Documents to be Delivered By the Company. The Company shall deliver the following documents to Purchaser at the Closing:

(a) *Prospectus*. A copy of the most current prospectus (the "Prospectus") included in Registration Statement on Form S-3 (File No. 333-201824) under the Securities Act registering the offer and sale of the Shares (the "Registration Statement"), and a prospectus supplement filed in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares; provided that the Prospectus and Prospectus Supplement may be delivered in accordance with Rule 172 under the Securities Act;

(b) *Shares*. The Shares purchased by Purchaser, registered in the name of Purchaser delivered electronically via The Depository Trust Company Deposit / Withdrawal at Custodian system ("DWAC").

4.3 Conditions of the Company's Obligation to Close. The obligation of the Company to sell the Shares to Purchaser on each Closing Date is conditioned upon the following:

(a) *Payment and Delivery*. The Company's receipt of the Purchase Price for the Shares being sold to Purchaser;

(b) *Representations and Warranties*. The representations and warranties made by Purchaser in ARTICLE 3 of this Agreement shall be true and correct in all material respects when made and on the Closing Date; provided, that any representation and warranty that is itself qualified by a materiality standard shall be true and correct in all respects; and

(c) *Performance of Covenants*. Purchaser shall have fully performed all covenants and agreements required to be performed by Purchaser on or before the Closing Date.

4.4 Conditions of Purchaser's Obligation to Close. The obligation of Purchaser to purchase the Shares from the Company on any Closing Date is conditioned upon the following:

(a) *Delivery.* Purchaser's receipt of the items required to be delivered by the Company under Section 4.2.

(b) *Representations and Warranties*. The representations and warranties made by the Company in ARTICLE 2 of this Agreement shall be true and correct in all material respects when made and on the applicable Closing Date, unless made as of a specific date in which case they shall be accurate as of such date, and Purchaser shall have received from the Company a certificate, dated as of the Closing Date, to such effect signed by the Chief Executive Officer of the Company; provided, that any representation and warranty that is itself qualified by a materiality standard shall be true and correct in all respects.

(c) *Performance.* The Company shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the applicable Closing Date.

(d) *Bankruptcy; Insolvency.* The Company shall not be subject to (i) any order for relief, or subject to any pending proceeding for reorganization or liquidation, under the United States Bankruptcy Code, as amended, or under any other law pertaining to insolvency of the Company or creditor's rights generally, (ii) any appointment of a receiver for the Company or any of its assets, or (iii) any plan or action of dissolution or liquidation of the Company or its business.

(e) *No Material Adverse Event*. No material adverse event shall have occurred since June 30, 2015.

(f) *Listing.* The common shares of the Company shall be designated for quotation or listed on the NYSE MKT and on the Tel Aviv Stock Exchange ("TASE"), and the NYSE MKT and TASE shall not have suspended the listing or trading of the Company's common shares, nor shall suspension by the SEC or the NYSE MKT or TASE have been threatened, as of the Closing Date, (A) in writing by the SEC, the NYSE MKT, or the TASE, or (B) by falling below applicable minimum listing maintenance requirements.

ARTICLE 5.
ADDITIONAL COVENANTS

5.1 Further Assurances. Each party will execute, acknowledge, and deliver such additional certificates and documents and will take such additional actions as the other party may reasonably request on or after a Closing Date to effect, complete or perfect the issue and sale of the Shares to Purchaser.

5.2 Purchasers' Market Activity. Purchaser agrees that Purchaser shall not, prior to the public announcement by the Company that it has entered into this Agreement, engage in any stabilization activity in connection with the Company's common shares, or otherwise bid for or engage in any purchase or sale, including any short sale (as defined in SEC Rule SHO) of the Company's common shares, directly or through or in arrangement with any entity in control of, controlled by, or under common control with Purchaser. Purchaser covenants and agrees that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to a press release, Purchaser will maintain the confidentiality of the existence and terms of this Agreement.

5.3 Public Disclosure by the Company. Following the execution of this Agreement, the Company shall issue a press release and file a Current Report on Form 8-K describing the terms of the transactions contemplated by this Agreement, in the form required by the Exchange Act and attaching this Agreement as an exhibit to such filing.

5.4 Publicity. No Purchaser shall issue any press release or make any similar public statement or communication disclosing the terms of this Agreement or the transactions hereunder without the prior written consent of the Company, provided that the Company's consent shall not unreasonably be withheld or delayed if such disclosure is required by law and Purchaser shall have provided the Company with a copy of the proposed press release or other public statement or communication a reasonable time prior to the public release or dissemination thereof.

ARTICLE 6.
MISCELLANEOUS

6.1 Governing Law. This Agreement shall be construed and governed in all respects by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. All disputes and controversies arising out of or in connection with this Agreement shall be resolved non-exclusively by the state and federal courts located in the State of New York and the State of California, and each party agrees to submit to the jurisdiction of said courts.

6.2 **Successors and Assigns**. The parties may not assign their rights or obligations under this Agreement, directly or by operation of law, without the consent of the other party. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the respective successors, assigns, heirs, executors and administrators of Purchaser and the Company.

6.3 **Entire Agreement; Amendment**. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subject matter of this Agreement. This Agreement and any term of this Agreement may be amended, waived, discharged or terminated only by a written instrument signed by the parties.

6.4 **Notices, etc.** All notices and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed given (a) four (4) days after being deposited in the mail, certified air postage prepaid, return receipt requested, or (b) when delivered by hand, by messenger or next Business Day or overseas express air freight service (such as FedEX or DHL), or (c) on the date of facsimile transmission (FAX) or electronic mail (email) if sent at or prior to 5:30 p.m. (New York City time) on a Business Day, or the next Business Day after the date of facsimile or email transmission, if sent on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on a Business Day, in any case addressed as follows:

To Purchaser:	At the address or FAX number or email address of Purchaser shown on the signature page of this Agreement
To the Company:	BioTime Inc. 1301 Harbor Bay Parkway Alameda, California 94502 Attention: Chief Financial Officer FAX: (510) 521- 3389 Email: rpeabody@biotimemail.com

Any party may change its address for the purpose of this Agreement by giving notice to each other party in accordance with this Section.

6.5 **Expenses**. Purchaser and the Company shall bear their own expenses, including fees and expenses of their own advisers, counsel, accountants and other experts, if any, and all other expenses incurred by the party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all stamp taxes and other taxes and duties levied in connection with the delivery of the Shares to Purchaser.

6.6 **Brokers**. Purchaser shall have no liability to any broker, finder, investment banker, or other advisor retained or engaged by the Company or any subsidiary of the Company in connection with the transactions contemplated by this Agreement.

6.7 **Titles and Subtitles**. The titles or headings of the Articles and Sections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.8 **Severability**. If one or more provisions of this Agreement are held to be unenforceable under applicable law, each such unenforceable provision shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if each such unenforceable provision were so excluded, and the balance of this Agreement as so interpreted shall be enforceable in accordance with its terms.

6.9 **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed with signatures transmitted among the parties by facsimile or by email delivery of a pdf format data file, and no party shall deny the validity of a signature or this Agreement signed and so transmitted on the basis that a signed document is represented by a copy or facsimile or pdf format data file and not an original.

6.10 **Termination.** This Agreement may be terminated by Purchaser with respect to itself, by written notice to the Company, or by the Company with respect to all Purchasers, by written notice to all Purchasers, in either case if the Closing has not been consummated on or before the third Business Day after the Effective Date other than due to a breach of this Agreement or any covenant or agreement hereunder by the party seeking to so terminate this Agreement. Termination of this Agreement will not affect the right of any party not in breach of its covenants and agreements under this Agreement to sue for any breach of this Agreement by the other party.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first above written.

COMPANY:

BioTime, Inc.

By: /s/Michael D. West

Title: Chief Executive Officer

PURCHASER:

Phyllis M. Esposito IRA

By: /s/Phyllis M. Esposito

Title:

Number of Shares Purchased: 100,000

Address: c/o Scarsdale Equities LLC
10 Rockefeller Plaza Suite 720
New York, NY 10020
FAX Number: (212) 969-9013
Email: lana@scarsdale-equities.com

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is entered into as of September 14, 2015 (the "Effective Date") by and between BioTime, Inc., a California corporation (the "Company") and the undersigned identified on the signature page attached hereto ("Purchaser").

ARTICLE 1.
PURCHASE AND SALE OF SHARES

1.1 Sale of Shares. Purchaser hereby irrevocably agrees to purchase from the Company, and the Company agrees to sell to Purchaser pursuant to the Registration Statement (as defined below), the number of common shares, no par value ("Shares"), shown on the signature page of this Agreement, at the price of $3.29 per Share (the "Purchase Price").

ARTICLE 2.
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the most current prospectus (the "Prospectus") included in Registration Statement on Form S-3 (File No. 333-201824) (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act") registering the offer and sale of the Shares, and in a prospectus supplement filed in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares (the "Prospectus Supplement"), including all documents and information incorporated by reference therein, the Company represents and warrants to Purchaser that:

2.1 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the state of California. The Company is duly qualified to do business in the state of California and in each other state in which it is doing business and where the failure to so qualify could have a material adverse effect on its business, operations, or properties, or could subject the Company to fines or penalties that are material to the Company's financial condition.

2.2 Authority; Enforceability. The Company has the power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder. This Agreement has been duly authorized, executed and delivered by the Company and is the valid and binding agreement of the Company, enforceable in accordance with its terms subject to: (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors; and (ii) general principles of equity.

2.3 Valid Issuance of Shares. The Shares that are being purchased by Purchaser hereunder, when issued, sold and delivered in accordance with the terms of this Agreement, including payment of the Purchase Price, will be duly and validly issued, fully paid, and nonassessable.

2.4 Capitalization. The Company is authorized to issue the following shares of capital stock: 125,000,000 common shares, no par value, and 2,000,000 preferred shares, no par value. As of September 2, 2015, there were: no preferred shares issued and outstanding; 84,156,127 common shares issued and 79,262,185 common shares outstanding excluding 4,893,942 common shares held by subsidiaries and treated as treasury shares.

2.5 Disclosure Documents; Financial Statements. The Company has filed all reports required to be filed by it under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including pursuant to Section 13(a) or 15(d) thereof (the foregoing materials being collectively referred to herein as the SEC Reports), during the twelve (12) months prior to the date hereof. None of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Reports (i) have been prepared in accordance with United States generally accepted accounting principles ("GAAP") applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto, or, in the case of unaudited statements, as permitted by Form 10-Q, and except that the unaudited financial statements may not contain footnotes and are subject to normal and recurring year-end adjustments that will not, individually or in the aggregate, be material in amount); and (ii) fairly present in all material respects the consolidated financial position of the Company and its subsidiaries on a consolidated basis as of the respective dates thereof and the consolidated results of operations and cash flows of the Company and its subsidiaries for the periods covered thereby.

2.6 Absence of Certain Changes. Since June 30, 2015, except as specifically disclosed in SEC Reports, (i) there has not been any material adverse change in the financial condition, assets, liabilities, revenues, or business of the Company and its subsidiaries, taken as a whole, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables, accrued expenses, licensing fees and similar expenses, and other liabilities incurred in the ordinary course of business consistent with past practice, (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or not required to be disclosed in filings made with the Securities and Exchange Commission ("SEC"), and (C) liabilities arising under this Agreement, and (iii) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed, or made any agreements to purchase or redeem any shares of its capital stock.

2.7 Internal Controls. The Company maintains a process of "internal controls over financial reporting" (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that is designed to provide reasonable assurances: (i) that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles; (ii) that receipts and expenditures are being made only in accordance with the authorizations of management and directors; and (iii) regarding prevention or timely detection of the unauthorized acquisition, use or disposition of the assets of the Company and its subsidiaries that could have a material effect on the financial statements. The Company maintains a system of "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that is designed to provide reasonable assurances that all material information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, as appropriate, to allow timely decisions regarding required disclosure, and otherwise to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and regulations of the SEC.

2.8 Registration Statement.

(a) The Company has prepared and filed the Registration Statement in conformity with the requirements of the Securities Act. The Registration Statement is effective under the Securities Act and no stop order preventing or suspending the effectiveness of the Registration Statement or suspending or preventing the use of the Prospectus or the Prospectus Supplement has been issued by the SEC and no proceedings for that purpose have been instituted or, to the knowledge of the Company, are threatened by the SEC. The Company shall file a final Prospectus Supplement with the SEC pursuant to Rule 424(b) no later than two (2) business days after the Effective Date. The Registration Statement, and the Prospectus together with the Prospectus Supplement, do not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(b) When issued pursuant to this Agreement and the Registration Statement at Closing, the Shares will be free of restrictions on transfer under the Securities Act, other than such restrictions as may be applicable under Rule 144 under the Securities Act with respect to sales or transfers of securities by an affiliate (as defined in Rule 144) of the issuer should Purchaser be or become an affiliate of the Company.

2.9 Listing and Maintenance Requirements. The Company has not, in the 12 months preceding the date hereof, received notice from the NYSE MKT to the effect that the Company is not in compliance with the listing or maintenance requirements of the NYSE MKT.

2.10 Taxes. Since January 1, 2013, the Company has filed when due all federal, state, and local income tax returns, and all other returns with respect to taxes which are required to be filed with the appropriate authorities of the jurisdictions where business is transacted by the Company, or where the Company owns any property, and any taxes due, as reflected on such tax returns, have been paid.

2.11 Subsidiaries. The Company's subsidiaries are shown in its Quarterly Report on Form 10-Q for the three and six months ended June 30, 2015.

2.12 No Conflict. The Company is not in violation or default of any provision of its Articles of Incorporation or bylaws, and is not in violation or default in any material respect of any instrument, judgment, order, writ, decree or contract to which it is a party or by which it is bound, or, to its knowledge, of any provision of any federal or state statute, rule or regulation applicable to it. The execution and delivery of this Agreement and consummation of the sale of the Shares contemplated by this Agreement (a) do not and will not violate any provisions of (i) any rule, regulation, statute, or law, (ii) the terms of any order, writ or decree of any court or judicial or regulatory authority or body, (iii) the Articles of Incorporation or bylaws of the Company, or (iv) the rules and regulations of the NYSE MKT applicable to the listing of the Company's common shares, (b) will not conflict with or result in a breach of any condition or provision or constitute a default under or pursuant to the terms of any Material Contract (as defined below), and (c) will not result in the creation or imposition of any lien, charge or encumbrance upon any of the Shares or upon any of the assets or properties of the Company. The term Material Contract means any contract, agreement, license, lease, deed of trust, mortgage, lien, debenture, promissory note, or instrument to which the Company is a party (i) the termination of or default under which could have a material adverse effect on the business, financial condition, assets or prospects of the Company, or (ii) that constitutes a lien or security interest on any real or personal property of the Company the loss of which through a foreclosure sale would have a material adverse effect on the business, financial condition, assets or prospects of the Company.

2.13 Litigation. Other than as disclosed in the SEC Reports, there is no lawsuit, arbitration proceeding, or administrative action or proceeding pending or threatened against the Company which (a) questions the validity of this Agreement or any action taken or to be taken by the Company in connection with this Agreement or the issue and sale of the Shares hereunder, (b) alleges any infringement of any trademark, service mark, or patent by the Company, or (c) if adversely decided would have a material adverse effect upon the business, financial condition, assets or prospects of the Company.

2.14 Patents and Trademarks. The Company is the sole and exclusive owner of or has a valid license to use all patents, trademarks, service marks, trade names, copyrights, trade secrets, information, proprietary rights and processes presently used by the Company in its business as now conducted, without any conflict with or, to the Company's knowledge infringement of the rights of others, except as disclosed in the SEC Reports. The Company has not received any communications alleging that it has violated or, by conducting its business as presently conducted, violates any of the patents, trademarks, service marks, trade names, copyrights or trade secrets or other proprietary rights of any other person or entity.

2.15 Title to Property. The Company has good and marketable title to its property and assets free and clear of all mortgages, liens, loans and encumbrances. Title to all of the personal and real property used by the Company is held in the name of the Company or a subsidiary or is licensed or leased from a third party. With respect to the property leased or licensed from a third party, the Company is in compliance with such leases and licenses in all material respects and, to Company's knowledge, the Company holds a valid leasehold or license. All facilities, machinery, equipment, fixtures, vehicles and other properties owned, leased or used by the Company are in good operating condition and repair (subject to ordinary wear and tear) and are reasonably fit and usable for the purposes for which they are being used.

2.16 Regulatory Permits. The Company possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct its businesses as described in the SEC Reports ("Permits"), except where the failure to possess such Permits would not result in a material adverse effect, and the Company has not received any notice of proceedings relating to the revocation or modification of any Permit, the revocation or proposed modification of which would result in a material adverse effect.

2.17 Employee Benefit Plans. Other than the Company's Equity Incentive Plan and stock option and similar equity incentive plans maintained by Company subsidiaries, the Company does not have and has never maintained or sponsored any Employee Benefit Plan as defined in the Employee Retirement Income Security Act of 1974, as amended.

2.18 Labor Agreements and Actions; Employee Compensation. The Company is not be bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral contract, commitment or arrangement with any labor union, and no labor union has requested or, to the Company's knowledge, has sought to represent any of the employees, representatives or agents of the Company. There is no strike or other labor dispute involving the Company pending, nor to the Company's knowledge, threatened, that could have a material adverse effect on the assets, properties, financial condition, operating results or business of the Company, nor is the Company aware of any labor organization activity involving its employees. The Company is not aware that any officer or key employee, or that any group of key employees, intends to terminate their employment the Company, nor does the Company have a present intention to terminate the employment of any of the foregoing. The employment of each officer and employee of the Company is terminable at the will of the Company. To its knowledge, the Company has complied in all material respects with all applicable state and federal equal employment opportunity and other laws related to employment.

ARTICLE 3.
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants with respect to only itself to the Company the following:

3.1 **Organization**. Purchaser, if not a natural person, is a corporation, limited liability company, partnership, trust or other entity duly organized, validly existing and in good standing under the laws of the state or other jurisdiction in which it is incorporated or otherwise organized.

3.2 **Authority; Enforceability**. Purchaser has the power and authority to execute and deliver this Agreement and to perform all of its obligations under this Agreement. This Agreement has been duly authorized and executed by Purchaser and is the valid and binding agreement of Purchaser enforceable in accordance with its terms, except (i) to the extent limited by any bankruptcy, insolvency, or similar law affecting the rights of creditors generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.3 **No Conflict.** The execution and delivery of this Agreement, and consummation of the transactions contemplated hereunder, including the purchase of the Shares, by Purchaser do not and will not violate any provisions of (i) any rule, regulation, statute, or law applicable to Purchaser or (ii) the terms of any order, writ, or decree of any court or judicial or regulatory authority or body by which Purchaser is bound, or (iii) the articles of incorporation, bylaws, or similar charter or governing documents of Purchaser.

3.4 **No Short Sales**. Purchaser has not, nor has any person or entity acting on behalf of or pursuant to any understanding, agreement, or arrangement with Purchaser, directly or indirectly executed any “short sale,” as defined in SEC Rule SHO, of the common shares of the Company since June 30, 2015.

3.5 **Place of Business or Residence.** Purchaser represents and warrants that Purchaser has Purchaser’s principal place of business or residence as set forth on the signature page of this Agreement.

ARTICLE 4.
CLOSING

4.1 **Time and Place of Closing**. The consummation of the purchase and sale of the Shares ("Closing") shall take place in on the third Business Day after the execution and delivery of this Agreement by Purchasers and the Company (the "Closing Date"). On the Closing Date, Purchaser shall pay in full the Purchase Price for the Shares purchased by wire transfer of the Purchase Price for the Shares being purchased by Purchaser, in immediately available funds, to an account designated by the Company. The Purchase Price shall be paid in United States Dollars. On the Closing Date, the Company shall issue to Purchaser the Shares purchased, against payment of the Purchase Price. Closing shall occur at the principal office of the Company or at such other place as the parties may agree. A "Business Day" shall be any day on which the banks in New York are not required or permitted to close.

4.2 **Documents to be Delivered By the Company**. The Company shall deliver the following documents to Purchaser at the Closing:

(a) *Prospectus*. A copy of the most current prospectus (the "Prospectus") included in Registration Statement on Form S-3 (File No. 333-201824) under the Securities Act registering the offer and sale of the Shares (the "Registration Statement"), and a prospectus supplement filed in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares; provided that the Prospectus and Prospectus Supplement may be delivered in accordance with Rule 172 under the Securities Act;

(b) *Shares*. The Shares purchased by Purchaser, registered in the name of Purchaser delivered electronically via The Depository Trust Company Deposit / Withdrawal at Custodian system ("DWAC").

4.3 **Conditions of the Company's Obligation to Close**. The obligation of the Company to sell the Shares to Purchaser on each Closing Date is conditioned upon the following:

(a) *Payment and Delivery*. The Company's receipt of the Purchase Price for the Shares being sold to Purchaser;

(b) *Representations and Warranties*. The representations and warranties made by Purchaser in ARTICLE 3 of this Agreement shall be true and correct in all material respects when made and on the Closing Date; provided, that any representation and warranty that is itself qualified by a materiality standard shall be true and correct in all respects; and

(c) *Performance of Covenants*. Purchaser shall have fully performed all covenants and agreements required to be performed by Purchaser on or before the Closing Date.

4.4 Conditions of Purchaser's Obligation to Close. The obligation of Purchaser to purchase the Shares from the Company on any Closing Date is conditioned upon the following:

(a) *Delivery.* Purchaser's receipt of the items required to be delivered by the Company under Section 4.2.

(b) *Representations and Warranties*. The representations and warranties made by the Company in ARTICLE 2 of this Agreement shall be true and correct in all material respects when made and on the applicable Closing Date, unless made as of a specific date in which case they shall be accurate as of such date, and Purchaser shall have received from the Company a certificate, dated as of the Closing Date, to such effect signed by the Chief Executive Officer of the Company; provided, that any representation and warranty that is itself qualified by a materiality standard shall be true and correct in all respects.

(c) *Performance.* The Company shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the applicable Closing Date.

(d) *Bankruptcy; Insolvency.* The Company shall not be subject to (i) any order for relief, or subject to any pending proceeding for reorganization or liquidation, under the United States Bankruptcy Code, as amended, or under any other law pertaining to insolvency of the Company or creditor's rights generally, (ii) any appointment of a receiver for the Company or any of its assets, or (iii) any plan or action of dissolution or liquidation of the Company or its business.

(e) *No Material Adverse Event*. No material adverse event shall have occurred since June 30, 2015.

(f) *Listing.* The common shares of the Company shall be designated for quotation or listed on the NYSE MKT and on the Tel Aviv Stock Exchange ("TASE"), and the NYSE MKT and TASE shall not have suspended the listing or trading of the Company's common shares, nor shall suspension by the SEC or the NYSE MKT or TASE have been threatened, as of the Closing Date, (A) in writing by the SEC, the NYSE MKT, or the TASE, or (B) by falling below applicable minimum listing maintenance requirements.

ARTICLE 5.
ADDITIONAL COVENANTS

5.1 Further Assurances. Each party will execute, acknowledge, and deliver such additional certificates and documents and will take such additional actions as the other party may reasonably request on or after a Closing Date to effect, complete or perfect the issue and sale of the Shares to Purchaser.

5.2 Purchasers' Market Activity. Purchaser agrees that Purchaser shall not, prior to the public announcement by the Company that it has entered into this Agreement, engage in any stabilization activity in connection with the Company's common shares, or otherwise bid for or engage in any purchase or sale, including any short sale (as defined in SEC Rule SHO) of the Company's common shares, directly or through or in arrangement with any entity in control of, controlled by, or under common control with Purchaser. Purchaser covenants and agrees that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to a press release, Purchaser will maintain the confidentiality of the existence and terms of this Agreement.

5.3 Public Disclosure by the Company. Following the execution of this Agreement, the Company shall issue a press release and file a Current Report on Form 8-K describing the terms of the transactions contemplated by this Agreement, in the form required by the Exchange Act and attaching this Agreement as an exhibit to such filing.

5.4 Publicity. No Purchaser shall issue any press release or make any similar public statement or communication disclosing the terms of this Agreement or the transactions hereunder without the prior written consent of the Company, provided that the Company's consent shall not unreasonably be withheld or delayed if such disclosure is required by law and Purchaser shall have provided the Company with a copy of the proposed press release or other public statement or communication a reasonable time prior to the public release or dissemination thereof.

ARTICLE 6.
MISCELLANEOUS

6.1 Governing Law. This Agreement shall be construed and governed in all respects by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. All disputes and controversies arising out of or in connection with this Agreement shall be resolved non-exclusively by the state and federal courts located in the State of New York and the State of California, and each party agrees to submit to the jurisdiction of said courts.

6.2 **Successors and Assigns**. The parties may not assign their rights or obligations under this Agreement, directly or by operation of law, without the consent of the other party. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the respective successors, assigns, heirs, executors and administrators of Purchaser and the Company.

6.3 **Entire Agreement; Amendment**. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subject matter of this Agreement. This Agreement and any term of this Agreement may be amended, waived, discharged or terminated only by a written instrument signed by the parties.

6.4 **Notices, etc.** All notices and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed given (a) four (4) days after being deposited in the mail, certified air postage prepaid, return receipt requested, or (b) when delivered by hand, by messenger or next Business Day or overseas express air freight service (such as FedEX or DHL), or (c) on the date of facsimile transmission (FAX) or electronic mail (email) if sent at or prior to 5:30 p.m. (New York City time) on a Business Day, or the next Business Day after the date of facsimile or email transmission, if sent on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on a Business Day, in any case addressed as follows:

To Purchaser:	At the address or FAX number or email address of Purchaser shown on the signature page of this Agreement
To the Company:	BioTime Inc. 1301 Harbor Bay Parkway Alameda, California 94502 Attention: Chief Financial Officer FAX: (510) 521- 3389 Email: rpeabody@biotimemail.com

Any party may change its address for the purpose of this Agreement by giving notice to each other party in accordance with this Section.

6.5 **Expenses**. Purchaser and the Company shall bear their own expenses, including fees and expenses of their own advisers, counsel, accountants and other experts, if any, and all other expenses incurred by the party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all stamp taxes and other taxes and duties levied in connection with the delivery of the Shares to Purchaser.

6.6 **Brokers**. Purchaser shall have no liability to any broker, finder, investment banker, or other advisor retained or engaged by the Company or any subsidiary of the Company in connection with the transactions contemplated by this Agreement.

6.7 **Titles and Subtitles**. The titles or headings of the Articles and Sections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.8 **Severability**. If one or more provisions of this Agreement are held to be unenforceable under applicable law, each such unenforceable provision shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if each such unenforceable provision were so excluded, and the balance of this Agreement as so interpreted shall be enforceable in accordance with its terms.

6.9 **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed with signatures transmitted among the parties by facsimile or by email delivery of a pdf format data file, and no party shall deny the validity of a signature or this Agreement signed and so transmitted on the basis that a signed document is represented by a copy or facsimile or pdf format data file and not an original.

6.10 **Termination.** This Agreement may be terminated by Purchaser with respect to itself, by written notice to the Company, or by the Company with respect to all Purchasers, by written notice to all Purchasers, in either case if the Closing has not been consummated on or before the third Business Day after the Effective Date other than due to a breach of this Agreement or any covenant or agreement hereunder by the party seeking to so terminate this Agreement. Termination of this Agreement will not affect the right of any party not in breach of its covenants and agreements under this Agreement to sue for any breach of this Agreement by the other party.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first above written.

COMPANY:

BioTime, Inc.

By: /s/Michael D. West

Title: Chief Executive Officer

PURCHASER:

John Hotsopoulos IRA

By: /s/John Hotsopoulos

Title:

Number of Shares Purchased: 15,000

Address: c/o Scarsdale Equities LLC
10 Rockefeller Plaza Suite 720
New York, NY 10020
FAX Number: (212) 969-9013
Email: lana@scarsdale-equities.com

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is entered into as of September 14, 2015 (the "Effective Date") by and between BioTime, Inc., a California corporation (the "Company") and the undersigned identified on the signature page attached hereto ("Purchaser").

ARTICLE 1.
PURCHASE AND SALE OF SHARES

1.1 Sale of Shares. Purchaser hereby irrevocably agrees to purchase from the Company, and the Company agrees to sell to Purchaser pursuant to the Registration Statement (as defined below), the number of common shares, no par value ("Shares"), shown on the signature page of this Agreement, at the price of $3.29 per Share (the "Purchase Price").

ARTICLE 2.
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the most current prospectus (the "Prospectus") included in Registration Statement on Form S-3 (File No. 333-201824) (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act") registering the offer and sale of the Shares, and in a prospectus supplement filed in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares (the "Prospectus Supplement"), including all documents and information incorporated by reference therein, the Company represents and warrants to Purchaser that:

2.1 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the state of California. The Company is duly qualified to do business in the state of California and in each other state in which it is doing business and where the failure to so qualify could have a material adverse effect on its business, operations, or properties, or could subject the Company to fines or penalties that are material to the Company's financial condition.

2.2 Authority; Enforceability. The Company has the power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder. This Agreement has been duly authorized, executed and delivered by the Company and is the valid and binding agreement of the Company, enforceable in accordance with its terms subject to: (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors; and (ii) general principles of equity.

2.3 Valid Issuance of Shares. The Shares that are being purchased by Purchaser hereunder, when issued, sold and delivered in accordance with the terms of this Agreement, including payment of the Purchase Price, will be duly and validly issued, fully paid, and nonassessable.

2.4 Capitalization. The Company is authorized to issue the following shares of capital stock: 125,000,000 common shares, no par value, and 2,000,000 preferred shares, no par value. As of September 2, 2015, there were: no preferred shares issued and outstanding; 84,156,127 common shares issued and 79,262,185 common shares outstanding excluding 4,893,942 common shares held by subsidiaries and treated as treasury shares.

2.5 Disclosure Documents; Financial Statements. The Company has filed all reports required to be filed by it under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including pursuant to Section 13(a) or 15(d) thereof (the foregoing materials being collectively referred to herein as the SEC Reports), during the twelve (12) months prior to the date hereof. None of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Reports (i) have been prepared in accordance with United States generally accepted accounting principles ("GAAP") applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto, or, in the case of unaudited statements, as permitted by Form 10-Q, and except that the unaudited financial statements may not contain footnotes and are subject to normal and recurring year-end adjustments that will not, individually or in the aggregate, be material in amount); and (ii) fairly present in all material respects the consolidated financial position of the Company and its subsidiaries on a consolidated basis as of the respective dates thereof and the consolidated results of operations and cash flows of the Company and its subsidiaries for the periods covered thereby.

2.6 Absence of Certain Changes. Since June 30, 2015, except as specifically disclosed in SEC Reports, (i) there has not been any material adverse change in the financial condition, assets, liabilities, revenues, or business of the Company and its subsidiaries, taken as a whole, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables, accrued expenses, licensing fees and similar expenses, and other liabilities incurred in the ordinary course of business consistent with past practice, (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or not required to be disclosed in filings made with the Securities and Exchange Commission ("SEC"), and (C) liabilities arising under this Agreement, and (iii) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed, or made any agreements to purchase or redeem any shares of its capital stock.

2.7 Internal Controls. The Company maintains a process of "internal controls over financial reporting" (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that is designed to provide reasonable assurances: (i) that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles; (ii) that receipts and expenditures are being made only in accordance with the authorizations of management and directors; and (iii) regarding prevention or timely detection of the unauthorized acquisition, use or disposition of the assets of the Company and its subsidiaries that could have a material effect on the financial statements. The Company maintains a system of "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that is designed to provide reasonable assurances that all material information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, as appropriate, to allow timely decisions regarding required disclosure, and otherwise to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and regulations of the SEC.

2.8 Registration Statement.

(a) The Company has prepared and filed the Registration Statement in conformity with the requirements of the Securities Act. The Registration Statement is effective under the Securities Act and no stop order preventing or suspending the effectiveness of the Registration Statement or suspending or preventing the use of the Prospectus or the Prospectus Supplement has been issued by the SEC and no proceedings for that purpose have been instituted or, to the knowledge of the Company, are threatened by the SEC. The Company shall file a final Prospectus Supplement with the SEC pursuant to Rule 424(b) no later than two (2) business days after the Effective Date. The Registration Statement, and the Prospectus together with the Prospectus Supplement, do not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(b) When issued pursuant to this Agreement and the Registration Statement at Closing, the Shares will be free of restrictions on transfer under the Securities Act, other than such restrictions as may be applicable under Rule 144 under the Securities Act with respect to sales or transfers of securities by an affiliate (as defined in Rule 144) of the issuer should Purchaser be or become an affiliate of the Company.

2.9 Listing and Maintenance Requirements. The Company has not, in the 12 months preceding the date hereof, received notice from the NYSE MKT to the effect that the Company is not in compliance with the listing or maintenance requirements of the NYSE MKT.

2.10 Taxes. Since January 1, 2013, the Company has filed when due all federal, state, and local income tax returns, and all other returns with respect to taxes which are required to be filed with the appropriate authorities of the jurisdictions where business is transacted by the Company, or where the Company owns any property, and any taxes due, as reflected on such tax returns, have been paid.

2.11 Subsidiaries. The Company's subsidiaries are shown in its Quarterly Report on Form 10-Q for the three and six months ended June 30, 2015.

2.12 No Conflict. The Company is not in violation or default of any provision of its Articles of Incorporation or bylaws, and is not in violation or default in any material respect of any instrument, judgment, order, writ, decree or contract to which it is a party or by which it is bound, or, to its knowledge, of any provision of any federal or state statute, rule or regulation applicable to it. The execution and delivery of this Agreement and consummation of the sale of the Shares contemplated by this Agreement (a) do not and will not violate any provisions of (i) any rule, regulation, statute, or law, (ii) the terms of any order, writ or decree of any court or judicial or regulatory authority or body, (iii) the Articles of Incorporation or bylaws of the Company, or (iv) the rules and regulations of the NYSE MKT applicable to the listing of the Company's common shares, (b) will not conflict with or result in a breach of any condition or provision or constitute a default under or pursuant to the terms of any Material Contract (as defined below), and (c) will not result in the creation or imposition of any lien, charge or encumbrance upon any of the Shares or upon any of the assets or properties of the Company. The term Material Contract means any contract, agreement, license, lease, deed of trust, mortgage, lien, debenture, promissory note, or instrument to which the Company is a party (i) the termination of or default under which could have a material adverse effect on the business, financial condition, assets or prospects of the Company, or (ii) that constitutes a lien or security interest on any real or personal property of the Company the loss of which through a foreclosure sale would have a material adverse effect on the business, financial condition, assets or prospects of the Company.

2.13 Litigation. Other than as disclosed in the SEC Reports, there is no lawsuit, arbitration proceeding, or administrative action or proceeding pending or threatened against the Company which (a) questions the validity of this Agreement or any action taken or to be taken by the Company in connection with this Agreement or the issue and sale of the Shares hereunder, (b) alleges any infringement of any trademark, service mark, or patent by the Company, or (c) if adversely decided would have a material adverse effect upon the business, financial condition, assets or prospects of the Company.

2.14 Patents and Trademarks. The Company is the sole and exclusive owner of or has a valid license to use all patents, trademarks, service marks, trade names, copyrights, trade secrets, information, proprietary rights and processes presently used by the Company in its business as now conducted, without any conflict with or, to the Company's knowledge infringement of the rights of others, except as disclosed in the SEC Reports. The Company has not received any communications alleging that it has violated or, by conducting its business as presently conducted, violates any of the patents, trademarks, service marks, trade names, copyrights or trade secrets or other proprietary rights of any other person or entity.

2.15 Title to Property. The Company has good and marketable title to its property and assets free and clear of all mortgages, liens, loans and encumbrances. Title to all of the personal and real property used by the Company is held in the name of the Company or a subsidiary or is licensed or leased from a third party. With respect to the property leased or licensed from a third party, the Company is in compliance with such leases and licenses in all material respects and, to Company's knowledge, the Company holds a valid leasehold or license. All facilities, machinery, equipment, fixtures, vehicles and other properties owned, leased or used by the Company are in good operating condition and repair (subject to ordinary wear and tear) and are reasonably fit and usable for the purposes for which they are being used.

2.16 Regulatory Permits. The Company possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct its businesses as described in the SEC Reports ("Permits"), except where the failure to possess such Permits would not result in a material adverse effect, and the Company has not received any notice of proceedings relating to the revocation or modification of any Permit, the revocation or proposed modification of which would result in a material adverse effect.

2.17 Employee Benefit Plans. Other than the Company's Equity Incentive Plan and stock option and similar equity incentive plans maintained by Company subsidiaries, the Company does not have and has never maintained or sponsored any Employee Benefit Plan as defined in the Employee Retirement Income Security Act of 1974, as amended.

2.18 Labor Agreements and Actions; Employee Compensation. The Company is not be bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral contract, commitment or arrangement with any labor union, and no labor union has requested or, to the Company's knowledge, has sought to represent any of the employees, representatives or agents of the Company. There is no strike or other labor dispute involving the Company pending, nor to the Company's knowledge, threatened, that could have a material adverse effect on the assets, properties, financial condition, operating results or business of the Company, nor is the Company aware of any labor organization activity involving its employees. The Company is not aware that any officer or key employee, or that any group of key employees, intends to terminate their employment the Company, nor does the Company have a present intention to terminate the employment of any of the foregoing. The employment of each officer and employee of the Company is terminable at the will of the Company. To its knowledge, the Company has complied in all material respects with all applicable state and federal equal employment opportunity and other laws related to employment.

ARTICLE 3.
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants with respect to only itself to the Company the following:

3.1 **Organization**. Purchaser, if not a natural person, is a corporation, limited liability company, partnership, trust or other entity duly organized, validly existing and in good standing under the laws of the state or other jurisdiction in which it is incorporated or otherwise organized.

3.2 **Authority; Enforceability**. Purchaser has the power and authority to execute and deliver this Agreement and to perform all of its obligations under this Agreement. This Agreement has been duly authorized and executed by Purchaser and is the valid and binding agreement of Purchaser enforceable in accordance with its terms, except (i) to the extent limited by any bankruptcy, insolvency, or similar law affecting the rights of creditors generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.3 **No Conflict.** The execution and delivery of this Agreement, and consummation of the transactions contemplated hereunder, including the purchase of the Shares, by Purchaser do not and will not violate any provisions of (i) any rule, regulation, statute, or law applicable to Purchaser or (ii) the terms of any order, writ, or decree of any court or judicial or regulatory authority or body by which Purchaser is bound, or (iii) the articles of incorporation, bylaws, or similar charter or governing documents of Purchaser.

3.4 **No Short Sales**. Purchaser has not, nor has any person or entity acting on behalf of or pursuant to any understanding, agreement, or arrangement with Purchaser, directly or indirectly executed any "short sale," as defined in SEC Rule SHO, of the common shares of the Company since June 30, 2015.

3.5 **Place of Business or Residence.** Purchaser represents and warrants that Purchaser has Purchaser's principal place of business or residence as set forth on the signature page of this Agreement.

ARTICLE 4.
CLOSING

4.1 Time and Place of Closing. The consummation of the purchase and sale of the Shares ("Closing") shall take place in on the third Business Day after the execution and delivery of this Agreement by Purchasers and the Company (the "Closing Date"). On the Closing Date, Purchaser shall pay in full the Purchase Price for the Shares purchased by wire transfer of the Purchase Price for the Shares being purchased by Purchaser, in immediately available funds, to an account designated by the Company. The Purchase Price shall be paid in United States Dollars. On the Closing Date, the Company shall issue to Purchaser the Shares purchased, against payment of the Purchase Price. Closing shall occur at the principal office of the Company or at such other place as the parties may agree. A "Business Day" shall be any day on which the banks in New York are not required or permitted to close.

4.2 Documents to be Delivered By the Company. The Company shall deliver the following documents to Purchaser at the Closing:

(a) *Prospectus*. A copy of the most current prospectus (the "Prospectus") included in Registration Statement on Form S-3 (File No. 333-201824) under the Securities Act registering the offer and sale of the Shares (the "Registration Statement"), and a prospectus supplement filed in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares; provided that the Prospectus and Prospectus Supplement may be delivered in accordance with Rule 172 under the Securities Act;

(b) *Shares*. The Shares purchased by Purchaser, registered in the name of Purchaser delivered electronically via The Depository Trust Company Deposit / Withdrawal at Custodian system ("DWAC").

4.3 Conditions of the Company's Obligation to Close. The obligation of the Company to sell the Shares to Purchaser on each Closing Date is conditioned upon the following:

(a) *Payment and Delivery*. The Company's receipt of the Purchase Price for the Shares being sold to Purchaser;

(b) *Representations and Warranties*. The representations and warranties made by Purchaser in ARTICLE 3 of this Agreement shall be true and correct in all material respects when made and on the Closing Date; provided, that any representation and warranty that is itself qualified by a materiality standard shall be true and correct in all respects; and

(c) *Performance of Covenants*. Purchaser shall have fully performed all covenants and agreements required to be performed by Purchaser on or before the Closing Date.

4.4 Conditions of Purchaser's Obligation to Close. The obligation of Purchaser to purchase the Shares from the Company on any Closing Date is conditioned upon the following:

(a) *Delivery.* Purchaser's receipt of the items required to be delivered by the Company under Section 4.2.

(b) *Representations and Warranties*. The representations and warranties made by the Company in ARTICLE 2 of this Agreement shall be true and correct in all material respects when made and on the applicable Closing Date, unless made as of a specific date in which case they shall be accurate as of such date, and Purchaser shall have received from the Company a certificate, dated as of the Closing Date, to such effect signed by the Chief Executive Officer of the Company; provided, that any representation and warranty that is itself qualified by a materiality standard shall be true and correct in all respects.

(c) *Performance.* The Company shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the applicable Closing Date.

(d) *Bankruptcy; Insolvency.* The Company shall not be subject to (i) any order for relief, or subject to any pending proceeding for reorganization or liquidation, under the United States Bankruptcy Code, as amended, or under any other law pertaining to insolvency of the Company or creditor's rights generally, (ii) any appointment of a receiver for the Company or any of its assets, or (iii) any plan or action of dissolution or liquidation of the Company or its business.

(e) *No Material Adverse Event*. No material adverse event shall have occurred since June 30, 2015.

(f) *Listing.* The common shares of the Company shall be designated for quotation or listed on the NYSE MKT and on the Tel Aviv Stock Exchange ("TASE"), and the NYSE MKT and TASE shall not have suspended the listing or trading of the Company's common shares, nor shall suspension by the SEC or the NYSE MKT or TASE have been threatened, as of the Closing Date, (A) in writing by the SEC, the NYSE MKT, or the TASE, or (B) by falling below applicable minimum listing maintenance requirements.

ARTICLE 5.
ADDITIONAL COVENANTS

5.1 Further Assurances. Each party will execute, acknowledge, and deliver such additional certificates and documents and will take such additional actions as the other party may reasonably request on or after a Closing Date to effect, complete or perfect the issue and sale of the Shares to Purchaser.

5.2 Purchasers' Market Activity. Purchaser agrees that Purchaser shall not, prior to the public announcement by the Company that it has entered into this Agreement, engage in any stabilization activity in connection with the Company's common shares, or otherwise bid for or engage in any purchase or sale, including any short sale (as defined in SEC Rule SHO) of the Company's common shares, directly or through or in arrangement with any entity in control of, controlled by, or under common control with Purchaser. Purchaser covenants and agrees that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to a press release, Purchaser will maintain the confidentiality of the existence and terms of this Agreement.

5.3 Public Disclosure by the Company. Following the execution of this Agreement, the Company shall issue a press release and file a Current Report on Form 8-K describing the terms of the transactions contemplated by this Agreement, in the form required by the Exchange Act and attaching this Agreement as an exhibit to such filing.

5.4 Publicity. No Purchaser shall issue any press release or make any similar public statement or communication disclosing the terms of this Agreement or the transactions hereunder without the prior written consent of the Company, provided that the Company's consent shall not unreasonably be withheld or delayed if such disclosure is required by law and Purchaser shall have provided the Company with a copy of the proposed press release or other public statement or communication a reasonable time prior to the public release or dissemination thereof.

ARTICLE 6.
MISCELLANEOUS

6.1 Governing Law. This Agreement shall be construed and governed in all respects by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. All disputes and controversies arising out of or in connection with this Agreement shall be resolved non-exclusively by the state and federal courts located in the State of New York and the State of California, and each party agrees to submit to the jurisdiction of said courts.

6.2 Successors and Assigns. The parties may not assign their rights or obligations under this Agreement, directly or by operation of law, without the consent of the other party. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the respective successors, assigns, heirs, executors and administrators of Purchaser and the Company.

6.3 Entire Agreement; Amendment. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subject matter of this Agreement. This Agreement and any term of this Agreement may be amended, waived, discharged or terminated only by a written instrument signed by the parties.

6.4 Notices, etc. All notices and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed given (a) four (4) days after being deposited in the mail, certified air postage prepaid, return receipt requested, or (b) when delivered by hand, by messenger or next Business Day or overseas express air freight service (such as FedEX or DHL), or (c) on the date of facsimile transmission (FAX) or electronic mail (email) if sent at or prior to 5:30 p.m. (New York City time) on a Business Day, or the next Business Day after the date of facsimile or email transmission, if sent on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on a Business Day, in any case addressed as follows:

To Purchaser:	At the address or FAX number or email address of Purchaser shown on the signature page of this Agreement
To the Company:	BioTime Inc. 1301 Harbor Bay Parkway Alameda, California 94502 Attention: Chief Financial Officer FAX: (510) 521- 3389 Email: rpeabody@biotimemail.com

Any party may change its address for the purpose of this Agreement by giving notice to each other party in accordance with this Section.

6.5 Expenses. Purchaser and the Company shall bear their own expenses, including fees and expenses of their own advisers, counsel, accountants and other experts, if any, and all other expenses incurred by the party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all stamp taxes and other taxes and duties levied in connection with the delivery of the Shares to Purchaser.

6.6 **Brokers**. Purchaser shall have no liability to any broker, finder, investment banker, or other advisor retained or engaged by the Company or any subsidiary of the Company in connection with the transactions contemplated by this Agreement.

6.7 **Titles and Subtitles**. The titles or headings of the Articles and Sections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.8 **Severability**. If one or more provisions of this Agreement are held to be unenforceable under applicable law, each such unenforceable provision shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if each such unenforceable provision were so excluded, and the balance of this Agreement as so interpreted shall be enforceable in accordance with its terms.

6.9 **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed with signatures transmitted among the parties by facsimile or by email delivery of a pdf format data file, and no party shall deny the validity of a signature or this Agreement signed and so transmitted on the basis that a signed document is represented by a copy or facsimile or pdf format data file and not an original.

6.10 **Termination.** This Agreement may be terminated by Purchaser with respect to itself, by written notice to the Company, or by the Company with respect to all Purchasers, by written notice to all Purchasers, in either case if the Closing has not been consummated on or before the third Business Day after the Effective Date other than due to a breach of this Agreement or any covenant or agreement hereunder by the party seeking to so terminate this Agreement. Termination of this Agreement will not affect the right of any party not in breach of its covenants and agreements under this Agreement to sue for any breach of this Agreement by the other party.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first above written.

COMPANY:

BioTime, Inc.

By: /s/Michael D. West

Title: Chief Executive Officer

PURCHASER:

Patrick Lin

By: /s/Patrick Lin

Title:

Number of Shares Purchased: 60,790

Address: 45 Coachwood Terrace
Orinda, CA 64563
FAX Number:
Email: bzliteyear@gmail.com

Exhibit 10.3

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "**Agreement**") is entered into as of September 30, 2015 by and between BioTime, Inc., a California corporation (the "**Company**") and the undersigned identified on the signature page attached hereto ("**Purchaser**").

ARTICLE 1.

PURCHASE AND SALE OF SHARES

1.1 Sale of Shares. Purchaser hereby irrevocably agrees to purchase from the Company, and the Company agrees to sell to Purchaser pursuant to the Registration Statement (as defined below) the number of common shares, no par value, ("**Shares**") required for applicable TASE Indexes, or such lesser number as provided in Section 1.2 below, at a price per Share equal to ninety-eight percent (98%) of the closing price of the Shares on the Tel Aviv Stock Exchange ("**TASE**") on the TASE trading day immediately preceding the first day on which the Company's common shares enter the TASE Indexes (the "**Purchase Price**") The TASE Indexes that Company's commons shares will enter (the "**Indexes**") will be announced by TASE following the listing of the Shares on the TASE.

Without derogating the above, the Purchase Price for all of the purchased Shares hereunder, shall be the final and complete consideration paid to the Company and/or other third parties (exchanges, banks, Escrow Agent, etc.), and no additional commission, difference of exchanges rates or similar additional expense shall be imposed on Purchaser with respect to the Shares. In addition, the Company shall bear any and all fees and costs of the transfer agent and registrar of the Shares incurred in issuing the Shares in the name of Purchaser.

1.2 Adjustment to Number of Shares Sold. The number of Shares that Purchaser shall purchase under this Agreement is subject to reduction as provided in this Section.

(a) For purposes of Section 1.1 and this Section 1.2, any Shares purchased by Purchaser from sources other than the Company shall not reduce the number of Shares that Purchaser is required to purchase from the Company under this Agreement.

(b) Purchaser acknowledges and agrees that the Shares being offered to Purchaser under this Agreement by the Company are part of an allotment of Shares that are being offered to other index funds ("**Funds**") required to acquire Shares for purposes of one or more of the Indexes. The total number of Shares available to all Funds including Purchaser will not exceed (a) 20% of the issued and outstanding common stock of the Company; and (b) a number of Shares having an aggregate purchase price of NIS 80 million (the "**Maximum Shares**"). To the extent that the number of Shares that Purchaser is committing to purchase from the Company under Section 1.1 of this Agreement plus the total number of Shares that other Funds are committing to purchase under separate agreements with the Company exceeds the Maximum Shares, the Company will allocate Shares among Purchaser and the other Funds on a pro rata basis based on the respective number of Shares that Purchaser and the other Funds have agreed to purchase from the Company, so that the total number of Shares sold by the Company to Purchaser and the other Funds does not exceed the Maximum Shares. In the event that the Company reduces the number of Shares to be sold to Purchaser as provided in this Section 1.2(b), the Company will promptly notify Purchaser of the total number of Shares that will be sold to Purchaser.

(c) A reduction in the number of Shares sold to Purchaser pursuant to this Section 1.2 will not change the Purchase Price per Share.

ARTICLE 2.

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

2.1 Registration Statement.

(a) The Company has prepared and filed with the United States Securities and Exchange Commission (the "**SEC**") a Registration Statement on Form S-3 (File No. 333--201824) (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act") registering the offer and sale of the Shares. The Registration Statement is effective under the Securities Act and no stop order preventing or suspending the effectiveness of the Registration Statement or suspending or preventing the use of the prospectus contained therein has been issued by the SEC and no proceedings for that purpose have been instituted or, to the knowledge of the Company, are threatened by the SEC. The Company shall file a final a prospectus supplement with the SEC in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares (the "Prospectus Supplement").

(b) The Registration Statement, and the final prospectus together with the final prospectus supplement, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(c) When issued pursuant to this Agreement and the Registration Statement at Closing, the Shares will be free and clear from any mortgages, charges, pledges, liens or restrictions on transfer, other than such restrictions as may be applicable under Rule 144 under the Securities Act with respect to sales or transfers of securities by an affiliate (as defined in Rule 144) of the issuer should Purchaser be or become an affiliate of the Company.

2.2 Valid Issuance of Shares. The Shares that are being purchased by Purchaser hereunder, when issued, sold and delivered in accordance with the terms of this Agreement, including payment of the entire Purchase Price, will be duly and validly issued, fully paid, and nonassessable.

2.3 Listing and Maintenance Requirements. The common shares of the Company have been designated for quotation or listed on the NYSE MKT and the Company has applied to list the Shares for trading on the TASE.

2.4 Disclosure Documents; Financial Statements. The Company has filed all reports required to be filed by it under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including pursuant to Section 13(a) or 15(d) thereof, during the twelve (12) months prior to the date hereof.

2.5 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the state of California.

2.6 Authority; Enforceability. The Company has the power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder. This Agreement has been duly authorized, executed and delivered by the Company and is the valid and binding agreement of the Company, enforceable in accordance with its terms subject to: (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors; and (ii) general principles of equity.

2.7 No Conflict. The execution and delivery of this Agreement and consummation of the sale of the Shares contemplated by this Agreement do not and will not violate any provisions of (i) the Securities Act or the Exchange Act or any rule or regulation thereunder, (ii) the California Corporations Code or the terms of any order, writ or decree of any court or judicial or regulatory authority or body by which the Company is bound, (iii) the Articles of Incorporation or bylaws of the Company, or (iv) the rules and regulations of the NYSE MKT or the TASE applicable to the listing of the Company's common shares.

2.8 No Litigation. There is no lawsuit, arbitration proceeding, or administrative action or proceeding pending or threatened against the Company which questions the validity of this Agreement or any action taken or to be taken by the Company in connection with this Agreement or the issue and sale of the Shares hereunder.

2.9 TASE Listing. The Company undertakes to complete the listing of the Company's shares on TASE and to transfer all necessary documents in order to complete such listing.

ARTICLE 3.

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to the Company the following:

3.1 Organization. Purchaser, if not a natural person, is a corporation, limited liability company, partnership, trust or other entity duly organized, validly existing and in good standing under the laws of the state or other jurisdiction in which it is incorporated or otherwise organized.

3.2 Authority; Enforceability. Purchaser has the power and authority to execute and deliver this Agreement and to perform all of its obligations under this Agreement. This Agreement has been duly authorized and executed by Purchaser and is the valid and binding agreement of Purchaser enforceable in accordance with its terms, except (i) to the extent limited by any bankruptcy, insolvency, or similar law affecting the rights of creditors generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.3 No Conflict. The execution and delivery of this Agreement, and consummation of the transactions contemplated hereunder, including the purchase of the Shares, by Purchaser do not and will not violate any provisions of (i) any rule, regulation, statute, or law applicable to Purchaser or (ii) the terms of any order, writ, or decree of any court or judicial or regulatory authority or body by which Purchaser is bound, or (iii) the articles of incorporation, bylaws, or similar charter or governing documents of Purchaser.

3.4 Purchaser has met all requirements by Israeli law to be defined as a "Classified Investor" under the First Addendum to the Israeli Securities Law, 1968-5728, and agrees to such definition.

3.5 No Short Sales. Purchaser has not, nor has any person or entity acting on behalf of or pursuant to any understanding, agreement, or arrangement with Purchaser, directly or indirectly executed any “short sale,” as defined in SEC Rule SHO, of the common shares of the Company since June 30, 2015.

3.6 Place of Business or Residence. Purchaser represents and warrants that Purchaser has Purchaser’s principal place of business or residence as set forth on the signature page of this Agreement.

ARTICLE 4.

CLOSING

4.1 Time and Place of Closing. The consummation of the purchase and sale of the Shares (the "**Closing**") shall take place on the date (the "**Closing Date**") which shall be the third Business Day after the day on which the TASE announces the number of the Company's common shares required for the Indexes (the "**Index Calculation Date**"). The Closing shall occur at the principal office of the Company or at such other place as the parties may agree. A "Business Day" shall be any day on which the banks in New York are not required or permitted to close.

4.2 Escrow Agent. Union Underwriting & Finances Ltd will be appointed by the parties as the Escrow Agent (the "**Escrow Agent**") in order to complete the transaction herein. The Company and Purchaser shall enter into an Escrow Agreement with the Escrow Agent for such purpose, a copy of which is attached as Exhibit A. The Escrow Agent shall act as an Escrow Agent and hold the Purchase Price in trust in accordance with the terms and conditions of the Escrow Agreement, including, as follows:

(a) On the day before the Index Calculation Date, Purchaser shall pay in full the entire Purchase Price for the Shares purchased by way of wire transfer, in immediately available funds, to the trust bank account on the name of the Escrow Agent. The Purchase Price shall be paid in Israeli New Shekels.

(b) On the Closing Date, the Company shall transfer the Shares to the Purchaser, pursuant and subject to the written confirmation of the Escrow Agent that it has received the entire Purchase Price from Purchaser.

(c) On the Closing Date and after the Company has transferred the Shares directly to an account designated by the Purchaser as provided in Section 4.3(b), the Escrow Agent will transfer the entire Purchase Price to the Company.

(d) Expense Reimbursement. All fees and expenses payable to the Escrow Agent under the Escrow Agreement shall be borne by the Company, except for indemnification payments should any arise, which shall be paid in accordance with the Escrow Agreement.

4.3 Documents to be Delivered By the Company. The Company shall deliver the following documents to Purchaser at the Closing:

(a) *Prospectus*. A copy of the most current prospectus (the "Prospectus") included in the Registration Statement, and the Prospectus Supplement filed in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares; provided that the Prospectus and Prospectus Supplement may be delivered in accordance with Rule 172 under the Securities Act;

(b) *Shares.* The Shares purchased by Purchaser shall be delivered electronically via The Depository Trust Company Deposit/Withdrawal at Custodian system ("DWAC") to an account designated by Purchaser. No later than one Business Day prior to the Closing Date, Purchaser shall provide the Company with the DWAC number of the account to which the Shares will be transferred and a properly completed Form W-8-BEN. Confirmation from American Stock Transfer & Trust Company, LLC, the transfer agent and registrar of the Shares, that the Shares purchased by Purchaser have been issued as provided by this paragraph shall be sufficient evidence that the Shares have been issued to Purchaser and that the Escrow Agent may release the Purchase Price to the Company.

4.4 Conditions of the Company's Obligation to Close. The obligation of the Company to sell the Shares to Purchaser on each Closing Date is conditioned upon the following:

(a) *Payment and Delivery*. The Company's receipt of the entire Purchase Price for the Shares being sold to Purchaser;

(b) *Representations and Warranties*. The representations and warranties made by Purchaser in ARTICLE 3 of this Agreement shall be true and correct in all material respects when made and on the Closing Date; provided, that any representation and warranty that it is itself qualified by a materiality standard shall be true and correct in all respects; and

(c) *Performance of Covenants*. Purchaser shall have fully performed all covenants and agreements required to be performed by Purchaser on or before the Closing Date.

(d) *NYSE MKT Approval*. The NYSE MKT shall have approved the Company's additional listing application for the Shares to be sold to Purchaser.

(e) *TASE Approval*. The TASE shall have approved the Company's application to list the Shares on the TASE.

(f) *No Shareholder Vote Required.* Under the rules and regulations of the NYSE MKT, the issue and sale of the Shares to Purchaser and the other Funds shall not require approval by a vote or consent of the Company's shareholders.

4.5 Conditions of Purchaser's Obligation to Close. The obligation of Purchaser to purchase the Shares from the Company on any Closing Date is conditioned upon the following:

(a) *Delivery.* Purchaser's receipt of the items required to be delivered by the Company under Section 4.3 above.

(b) *Representations and Warranties*. The representations and warranties made by the Company in ARTICLE 2 of this Agreement shall be true and correct in all material respects when made and on the applicable Closing Date, unless made as of a specific date in which case they shall be accurate as of such date; provided, that any representation and warranty that it is itself qualified by a materiality standard shall be true and correct in all respects.

(c) *Performance.* The Company shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the applicable Closing Date.

(d) *Bankruptcy; Insolvency.* The Company shall not be subject to (i) any order for relief, or subject to any pending proceeding for reorganization or liquidation, under the United States Bankruptcy Code, as amended, or under any other law pertaining to insolvency of the Company or creditor's rights generally, (ii) any appointment of a receiver for the Company or any of its assets, or (iii) any plan or action of dissolution or liquidation of the Company or its business.

(e) *Listing.* Company's common shares shall be listed for trading on the NYSE MKT and TASE, and such listings and trading shall not have been suspended, nor shall suspension by the SEC or the NYSE MKT or TASE have been threatened, as of the Closing Date, in writing by the SEC, the NYSE MKT, or the TASE.

(f) *Inclusion in Indexes*. The Company's Shares shall be included in one or more of the Indexes.

ARTICLE 5.

ADDITIONAL COVENANTS

5.1 Further Assurances. Each party will execute, acknowledge, and deliver such additional certificates and documents and will take such additional actions as the other party may reasonably request on or after a Closing Date to effect, complete or perfect the issue and sale of the Shares to Purchaser.

5.2 Purchasers' Market Activity. Purchaser agrees that Purchaser shall not, prior to the completion of the purchase and sale of the Shares on the Closing Date, engage in any stabilization activity in connection with the Company's common shares, or otherwise bid for or engage in any purchase or sale, including any short sale (as defined in SEC Rule SHO) of the Company's common shares, directly or through or in arrangement with and any entity in control of, controlled by, or under common control with Purchaser. Purchaser covenants and agrees that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to a press release, Purchaser will maintain the confidentiality of the existence and terms of this Agreement.

5.3 Public Disclosure by the Company. The Company may issue one or more press releases and file one or more Current Reports on Form 8-K under the Exchange Act describing the terms of the transactions contemplated by this Agreement, in the form required by the Exchange Act and attaching this Agreement as an exhibit to such filing.

5.4 Publicity. Purchaser shall not issue any press release or make any similar public statement or communication disclosing the terms of this Agreement or the transactions hereunder without the prior written consent of the Company, provided that the Company's consent shall not unreasonably be withheld or delayed if such disclosure is required by law and Purchaser shall have provided the Company with a copy of the proposed press release or other public statement or communication a reasonable time prior to the public release or dissemination thereof.

ARTICLE 6.

MISCELLANEOUS

6.1 Successors and Assigns. The parties may not assign their rights or obligations under this Agreement, directly or by operation of law, without the consent of the other party. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the respective successors, assigns, heirs, executors and administrators of Purchaser and the Company.

6.2 Entire Agreement; Amendment. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subject matter of this Agreement. This Agreement and any term of this Agreement may be amended, waived, discharged or terminated only by a written instrument signed by the parties.

6.3 Notices, etc. All notices and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed given (a) four (4) days after being deposited in the mail, certified air postage prepaid, return receipt requested, or (b) when delivered by hand, by messenger or overseas express air freight service (such as DHL), or (c) on the date of facsimile transmission (FAX) or electronic mail (email) if sent at or prior to 5:30 p.m. (New York City time) on a Business Day, or the next Business Day after the date of facsimile or email transmission, if sent on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on a Business Day, in any case addressed as follows:

To any Purchaser:	At the address or FAX number or email address of Purchaser shown on the signature page of this Agreement
To the Company:	BioTime Inc. 1301 Harbor Bay Parkway Alameda, California 94502 Attention: Chief Financial Officer FAX: (510) 521- 3389 Email: rpeabody@biotimemail.com

Any party may change its address for the purpose of this Agreement by giving notice to each other party in accordance with this Section.

6.4 Expenses. Purchaser and the Company shall bear their own expenses, including fees and expenses of their own advisers, counsel, accountants and other experts, if any, and all other expenses incurred by the party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all stamp taxes and other taxes and duties levied in connection with the delivery of the Shares to Purchaser.

6.5 Brokers. The Purchaser shall have no liability to any broker, finder, investment banker, or other advisor retained or engaged by the Company or any subsidiary of the Company in connection with the transactions contemplated by this Agreement.

6.6 Titles and Subtitles. The titles or headings of the Articles and Sections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.7 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, each such unenforceable provision shall be excluded from

this Agreement and the balance of this Agreement shall be interpreted as if each such unenforceable provision were so excluded, and the balance of this Agreement as so interpreted shall be enforceable in accordance with its terms.

6.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed with signatures transmitted among the parties by facsimile or by email delivery of a pdf format data file, and no party shall deny the validity of a signature or this Agreement signed and so transmitted on the basis that a signed document is represented by a copy or facsimile or pdf format data file and not an original.

6.9 Termination. This Agreement may be terminated by Purchaser by written notice to the Company, or by the Company, by written notice to Purchaser, in either case if the Closing has not been consummated on or before the third Business Day after the Index Calculation Date other than due to a breach of this Agreement or any covenant or agreement hereunder by the party seeking to so terminate this Agreement. Termination of this Agreement will not affect the right of any party not in breach of its covenants and agreements under this Agreement to sue for any breach of this Agreement by the other party.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first above written.

COMPANY:

BioTime, Inc.

By: /s/R W Peabody

Title: SR VP

PURCHASER:

Harel Financial Products Ltd.

By: /s/Uri Shur
Uri Shur
Title: CEO

By: /s/David Yedid
David Yedid

Title: V.P.
Address: 7 Jabotinsky St.
Ranat-Gan
Israel

FAX Number: 03-754-6311
Email: uris@hf.co.il

EXHIBIT A

ESCROW AGREEMENT

This ESCROW AGREEMENT (hereinafter referred to as this "**Agreement**") is entered into as of September 29, 2015, by and among Harel Financial Products Ltd ("**Purchaser**") and BioTime, Inc., a California corporation (the "**Company**"). (Each of Purchaser and the Company, a "**Party**", and collectively the "**Parties**").

W I T N E S S E T H

WHEREAS the Company and Purchaser have entered into a Purchase Agreement pursuant to which the Company shall sell Purchaser common shares of the Company, no par value (the "**Shares**"), in exchange for the Purchase Price (as defined in the Purchase Agreement)

WHEREAS the Company and Purchaser have agreed and desirous and willing that the closing of the Purchase Agreement will take place in accordance with the terms and provisions of this Agreement;

WHEREAS The Parties wish to appoint Union Bank Trust Co. Ltd to hold the Purchase Price for the purpose of ensuring the delivery of the Shares against receipt of the Purchase Price, in accordance with the terms of this Agreement and the share price as defined below;

NOW, THEREFORE, in furtherance of the Purchase Agreement and in consideration to the Escrow Fees as defined herein, the parties intending to be legally bound agree as follows:

1. The Company and the Purchaser hereby appoint the Union Bank Trust Co. Ltd Company as the "Escrow Agent" under this Agreement to hold the Purchase Price, and Union Bank Trust Co. Ltd accepts such designation and appointment and agrees to act in accordance with the terms of this Agreement and Purchase Agreement. It is hereby expressly provided that in the event a conflict should arise as between the terms of this Agreement and the Purchase Agreement, the terms of this Agreement shall control. The Escrow Agent agrees that upon receipt of the Purchase Price in accordance with Section 2 below, the Escrow Agent shall hold such funds in accordance with this Agreement.

2. Term of Escrow; Deposit and/or release of the shares and the Purchase Price.

2.1. At the end of the last Tel Aviv Stock Exchange Ltd. ("TASE") trading day preceding the Index Calculation Date (as defined in the Purchase Agreement, herein: "The Pricing Date"), the Purchaser shall deliver the Purchase Price to the Escrow Agent by wire transfer by depositing the Purchase Price to the bank account designated by Escrow Agent to the Company and Purchaser and by sending a proper documentation of such wire transfer to amos-f@ubi.co.il + shai@ubi.co.il ("E-Mail Delivery"). The Purchase Price shall be paid in Israeli New Shekels (NIS) and in immediately available funds. Union Underwriting & Finances Ltd. ("Union Underwriters") will notify the Escrow Agent of the Price Per Share determined according to the Purchase Agreement (the "PPS") that will be the last price of the Company's share at TASE in the Pricing Date and will calculate the Purchase Price for the purpose of the escrow. The above PPS and calculations by Union Underwriters are limited to the purposes of the Escrow Agreement and will not deteriorate from the parties' rights according to the Purchase Agreement. The parties hereby waive and release Union Underwriters from any claim regarding the PPS and the calculations.

2.2. The Escrow Agent shall immediately notify the Company and the Purchaser in writing of receipt of the Purchase Price (the "Written Notification").

2.3. On or before the date on which the Purchase Prices is deposited with the Escrow Agent, Purchaser shall notify the Company and the Escrow Agent of the name, telephone number, and email address of an authorized person at the financial institution that will receive the Shares for Purchaser's account, who the Company and the Escrow Agent may contact to confirm receipt of the Shares.

2.4. Upon receiving Written Notification, the Company shall take all necessary actions for the issuance of the Shares in the manner provided in the Purchase Agreement. Purchaser acknowledges and agrees to provide the Company with the proper Depository Trust Company Deposit/Withdrawal at Custodian system ("DWAC") number for the account into which Purchaser's Shares are to be issued. Purchaser shall provide American Stock Transfer & Trust Company, LLC, the transfer agent and registrar of the Shares (the "Transfer Agent"), with all information and documentation that the Transfer Agent requires to issue the Shares.

2.5. The Transfer Agent shall promptly provide written notification of the issuance of the Shares by DWAC to the account designated by Purchaser.

2.6. Immediately following receipt of the Shares in Purchaser's account, but not before October 6th, 2015, Purchaser shall provide a written confirmation of receipt, including the number of shares by email to the Escrow Agent and the Company, and the Escrow Agent shall release and deliver the Purchase Price, calculated by the number of shares multiplied by the PPS and deduced by 1% (fee to Union Underwriters to be transferred by the Escrow Agent to Union Underwriters' account within the Union Bank) by wire transfer to a bank account of the Company designated in writing by the Company. Escrow Agent shall also deliver a confirmation of such transfer to the Company including the identification number of the wire. In case of excess funds deposited by the Purchaser within the Escrow Agent (comparing to the number of shares actually received by the Purchaser multiplied by the PPS), the Escrow Agent will return such excess funds to the Purchaser 14 days after being deposited. In case of excess of shares, allocated by the Company to the Purchaser above the scale required from the Purchaser's Purchase Price, the Escrow Agent's role will be limited to transferring the Purchase Price to the Company.

2.7. All incidental costs, fees and expenses related to the transfer of the Purchase Price to the Company will be incurred by the Company, so that the Company will receive the net value after such costs, if any, were deduced. In case that the Company decides or is required to receive the Purchase Price in USD, the Escrow Agent will act in good faith to convert the Purchase Price from NIS to USD at market values used in Union Bank, at the expense of the Company regarding the cost of such conversion.

2.8. Notwithstanding anything to the contrary hereunder, the Escrow Agent shall not be required to release the Purchase Price unless, prior thereto, it shall have received from the appropriate recipient:

2.8.1. Full bank account details (the account must be solely owned and controlled by BioTime): name of bank, branch number, account number, name of account, SWIFT, IBAN/ABA;

2.8.2. Any applied tax forms, if applicable; and

2.8.3. Bank account ownership approval which would be an official letter from the bank, approved for authenticity by either Pearl Cohen Zedek Latzer Baratz (PCTLB) directly or by PCTLB's approval of such certification done by a US-based law firm that regularly represents BioTime.

2.8.4. BioTime declares and commits that no tax deduction is required by the Escrow Agent prior to releasing the investment proceeds to BioTime. BioTime undertakes to indemnify and hold the Escrow Agent harmless against any and all losses, claims, damages, liabilities and expenses related to that matter.

3. Escrow Fees. Omitted.

4. Liability of the Escrow Agent. The Escrow Agent undertakes to perform only the duties as are expressly set forth herein and no other duties and obligations (fiduciary or otherwise) shall be implied. Escrow Agent shall have no duty to enforce any obligation of any other person to make any payment or delivery, or to direct or cause any payment or delivery to be made, or to enforce any obligation of any other person to perform any other act. The Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement (even though such agreement may be referenced in this Agreement) other than this Agreement. The Escrow Agent is not a party to the Purchase Agreement, is not bound by any of its terms, and has not undertaken in any way to effectuate, implement or comply with the Purchase Agreement. The Escrow Agent shall not be liable to any other party hereto or to anyone else for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that Escrow Agent’s gross negligence, willful misconduct or bad faith was the cause of any loss suffered by such party. The Escrow Agent’s sole responsibility shall be for the safekeeping and releasing of the Purchase Price in accordance with the terms of this Agreement. In no event shall the Escrow Agent be liable for incidental, indirect, special, consequential or punitive damages of any kind whatsoever (including lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

5. Indemnification of the Escrow Agent. Subject to the other provisions of this Agreement, the Company and the Purchaser agree to indemnify, in equal parts (50%-50%) and hold the Escrow Agent harmless against any and all losses, claims, damages, liabilities and expenses, including reasonable costs of investigation, counsel fees, including allocated costs of in-house counsel and disbursements that may be imposed on the Escrow Agent or incurred by the Escrow Agent in connection with the performance of its duties under this Agreement, including but not limited to any litigation arising from this Agreement or involving its subject matter. Notwithstanding the foregoing, there shall be no indemnification obligation under this Section in an event of the Escrow Agent’s breach of this Agreement, violation of applicable laws, gross negligence, bad faith or willful misconduct. The Escrow Agent shall notify the Company and the Purchaser in writing of any written assertion of a claim against the Escrow Agent, promptly after the Escrow Agent shall have received any such information as to the nature and basis of the claim or learns of circumstances that may bring about such claim. The Escrow Agent agrees not to settle any litigation in connection with any claim or liability with respect to which the Escrow Agent may seek indemnification from the Company and the Purchaser without the prior written consent of the Company and the Purchaser.

6. Notices**.** All notices required or permitted hereunder shall be in writing, must be by E-Mail Delivery as defined above (fax delivery may be added but will not suffice) and shall be deemed effectively given: (a) upon personal delivery to the Party to be notified; (b) when sent by facsimile or email with confirmation of transmission. All communications shall be sent to the Company, the Purchaser and the Escrow Agent at their respective facsimile numbers or email addresses set forth below.

7. Priority. In the event of any conflict between the provisions of this Agreement, this Agreement shall be construed in a manner prescribed by the Escrow Agent acting in good faith.

8. Miscellaneous

The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by the Company and the Purchaser and the Escrow Agent. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by the Escrow Agent or any Party without the prior consent of the Escrow Agent and the other Parties.

This Agreement may be executed by facsimile signatures, which for all purposes shall be deems to constitute originals. This Agreement may be executed in counterparts, all of which when taken together shall be deemed one original.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first above written.

COMPANY:
BioTime, Inc.

By: _____
Title: Chief Financial Officer
Address: 1301 Harbor Bay Parkway
Alameda, California 94502
Attention: Robert W. Peabody, Chief Financial Officer
FAX Number: (415) 521-3389
Email: rpeabody@biotimemail.com

PURCHASER:

Harel Financial Products Ltd

By: _____

Title: _____

Address: 7 Jabotinsky St.
Ranat-Gan
Israel

FAX Number: 03-756-6311
Email: uris@hf.co.il

ESCROW AGENT:

By: _____
Amos Fargon
Title: Chief Operating Officer

Address: Union Bank Trust Co. Ltd
28 Ahad Ha'am St., Tel Aviv

FAX Number: +972-3-5191208
Email: amos-f@ubi.co.il

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is entered into as of September 30, 2015 by and between BioTime, Inc., a California corporation (the "Company") and the undersigned identified on the signature page attached hereto ("Purchaser").

ARTICLE 7.
PURCHASE AND SALE OF SHARES

1.1 Sale of Shares. Purchaser hereby irrevocably agrees to purchase from the Company, and the Company agrees to sell to Purchaser pursuant to the Registration Statement (as defined below) a number of common shares, no par value, ("Shares") required for applicable TASE Indexes, or such lesser number as provided in Section 1.2 below, at a price per Share equal to ninety-eight percent (98%) of the closing price of the Shares on the Tel Aviv Stock Exchange ("TASE") on the TASE trading day immediately preceding the first day on which the Company's common shares enter the TASE Indexes (the "Purchase Price"). The TASE Indexes that Company's commons shares will enter (the "Indexes") will be announced by TASE following the listing of the Shares on the TASE.

1.2 Adjustment to Number of Shares Sold. The number of Shares that Purchaser shall purchase under this Agreement is subject to reduction as provided in this Section.

(a) For purposes of Section 1.1 and this Section 1.2, any Shares purchased by Purchaser from sources other than the Company shall not reduce the number of Shares that Purchaser is required to purchase from the Company under this Agreement.

(b) Purchaser acknowledges and agrees that the Shares being offered to Purchaser under this Agreement by the Company are part of an allotment of Shares that are being offered to other sophisticated investors ("Sophisticated Investor"). The total number of Shares available to all Sophisticated Investors including Purchaser will not exceed: (a) 20% of the issued and outstanding common stock of the Company; and (b) a number of Shares having an aggregate purchase price of NIS 80 million (the "Maximum Shares"). To the extent that the number of Shares that Purchaser is committing to purchase from the Company under Section 1.1 of this Agreement plus the total number of Shares that other Sophisticated Investors are committing to purchase under separate agreements with the Company exceeds the Maximum Shares, the Company will allocate Shares among Purchaser and the other Sophisticated Investors on a pro rata basis based on the respective number of Shares that Purchaser and the other Sophisticated Investors have agreed to purchase from the Company, so that the total number of Shares sold by the Company to Purchaser and the other Sophisticated Investors does not exceed the Maximum Shares. In the event that the Company reduces the number of Shares to be sold to Purchaser as provided in this Section 1.2(b), the Company will promptly notify Purchaser of the total number of Shares that will be sold to Purchaser.

(c) A reduction in the number of Shares sold to Purchaser pursuant to this Section 1.2 will not change the Purchase Price per Share.

ARTICLE 8.
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

2.1 Registration Statement.

(a) The Company has prepared and filed with the United States Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-3 (File No. 333--201824) (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act") registering the offer and sale of the Shares. The Registration Statement is effective under the Securities Act and no stop order preventing or suspending the effectiveness of the Registration Statement or suspending or preventing the use of the prospectus contained therein has been issued by the SEC and no proceedings for that purpose have been instituted or, to the knowledge of the Company, are threatened by the SEC. The Company shall file a final a prospectus supplement with the SEC in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares (the "Prospectus Supplement").

(b) The Registration Statement, and the final prospectus together with the final prospectus supplement, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(c) When issued pursuant to this Agreement and the Registration Statement at Closing, the Shares will be free of any restrictions on transfer or sale under the Securities Act, other than such restrictions as may be applicable under Rule 144 under the Securities Act with respect to sales or transfers of securities by an affiliate (as defined in Rule 144) of the issuer should Purchaser be or become an affiliate of the Company.

2.2 Valid Issuance of Shares. The Shares that are being purchased by Purchaser hereunder, when issued, sold and delivered in accordance with the terms of this Agreement, including payment of the Purchase Price, will be duly and validly issued, fully paid, and nonassessable.

2.3 Listing and Maintenance Requirements. The common shares of the Company have been designated for quotation or listed on the NYSE MKT and the Company has applied to list the Shares for trading on the TASE.

2.4 Disclosure Documents; Financial Statements. The Company has filed all reports required to be filed by it under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including pursuant to Section 13(a) or 15(d) thereof, during the twelve (12) months prior to the date hereof.

2.5 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the state of California.

2.6 Authority; Enforceability. The Company has the power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder. This Agreement has been duly authorized, executed and delivered by the Company and is the valid and binding agreement of the Company, enforceable in accordance with its terms subject to: (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors; and (ii) general principles of equity.

2.7 No Conflict. The execution and delivery of this Agreement and consummation of the sale of the Shares contemplated by this Agreement do not and will not violate any provisions of (i) the Securities Act or the Exchange Act or any rule or regulation thereunder, including the Israeli Securities Law, (ii) the California Corporations Code or the terms of any order, writ or decree of any court or judicial or regulatory authority or body by which the Company is bound, (iii) the Articles of Incorporation or bylaws of the Company, or (iv) the rules and regulations of the NYSE MKT or the TASE applicable to the listing of the Company's common shares.

2.8 No Litigation. There is no lawsuit, arbitration proceeding, or administrative action or proceeding pending or threatened against the Company which questions the validity of this Agreement or any action taken or to be taken by the Company in connection with this Agreement or the issue and sale of the Shares hereunder.

ARTICLE 9.
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to the Company the following:

3.1 Organization. Purchaser, if not a natural person, is either a corporation, limited liability company, partnership, trust or other entity duly organized, validly existing and in good standing under the laws of the state or other jurisdiction in which it is incorporated or otherwise organized.

3.2 Authority; Enforceability. Purchaser has the power and authority to execute and deliver this Agreement and to perform all of its obligations under this Agreement. This Agreement has been duly authorized and executed by Purchaser and is the valid and binding agreement of Purchaser enforceable in accordance with its terms, except (i) to the extent limited by any bankruptcy, insolvency, or similar law affecting the rights of creditors generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.3 No Conflict. The execution and delivery of this Agreement, and consummation of the transactions contemplated hereunder, including the purchase of the Shares, by Purchaser do not and will not violate any provisions of (i) any rule, regulation, statute, or law applicable to Purchaser or (ii) the terms of any order, writ, or decree of any court or judicial or regulatory authority or body by which Purchaser is bound, or (iii) the articles of incorporation, bylaws, or similar charter or governing documents of Purchaser.

3.4 Purchaser has met all requirements by Israeli law to be defined as a "Classified Investor" under the First Addendum to the Israeli Securities Law, 1968-5728, and agrees to such definition.

3.5 No Short Sales. Purchaser has not, nor has any person or entity acting on behalf of or pursuant to any understanding, agreement, or arrangement with Purchaser, directly or indirectly executed any "short sale," as defined in SEC Rule SHO, of the common shares of the Company since June 30, 2015.

3.6 Place of Business or Residence. Purchaser represents and warrants that Purchaser has Purchaser's principal place of business or residence as set forth on the signature page of this Agreement.

ARTICLE 10.
CLOSING

4.1 Time and Place of Closing. The consummation of the purchase and sale of the Shares ("Closing") shall take place on the date (the "Closing Date") which shall be the third Business Day after the day on which the TASE announces the number of the Company's common shares required for the Indexes (the "**Index Calculation Date**"). The Closing shall occur at the principal office of the Company or at such other place as the parties may agree. A "Business Day" shall be any day on which the banks in New York are not required or permitted to close.

4.2 Escrow Agent. Union Underwriting & Finances Ltd. or an affiliate as may be agreed by the parties, will be appointed by the parties as the Escrow Agent (the "**Escrow Agent**") in order to complete the transaction herein. The Company and Purchaser shall enter into an Escrow Agreement with the Escrow Agent for such purpose, a copy of which is attached as Exhibit A. The Escrow Agent shall hold the Purchase Price in Escrow in accordance with the terms and conditions of the Escrow Agreement, as follows:

(a) On the day before the Index Calculation Date, Purchaser shall pay in full the Purchase Price for the Shares purchased by way of wire transfer, in immediately available funds, to the trust bank account to be established in the name of the Escrow. The Purchase Price shall be paid in Israeli New Shekels.

(b) On the Closing Date, the Company shall transfer the Shares to the Purchaser, pursuant and subject to the written confirmation of the Escrow that it has received the entire Purchase Price from Purchaser.

(c) On the Closing Date and after the Company has transferred the Shares directly to an account designated the Purchaser as provided in Section 4.3(b), the Trustee will transfer the entire Purchase Price to the Company.

(d) Expense Reimbursement. All fees and expenses payable to the Escrow Agent under the Escrow Agreement shall be borne by the Company, except for indemnification payments should any arise, which shall be paid in accordance with the Escrow Agreement.

4.3 Documents to be Delivered By the Company. The Company shall deliver the following documents to Purchaser at the Closing:

(a) *Prospectus*. A copy of the most current prospectus (the "Prospectus") included in the Registration Statement, and the Prospectus Supplement filed in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares; provided that the Prospectus and Prospectus Supplement may be delivered in accordance with Rule 172 under the Securities Act;

(b) *Shares*. The Shares purchased by Purchaser shall be delivered electronically via The Depository Trust Company Deposit/Withdrawal at Custodian system ("DWAC") to an account designated by Purchaser. No later than one Business Day prior to the Closing Date, Purchaser shall provide the Company with the DWAC number of the account to which the Shares will be transferred and a properly completed Form W-8-BEN. Confirmation from American Stock Transfer & Trust Company, LLC, the transfer agent and registrar of the Shares, that the Shares purchased by Purchaser have been issued as provided by this paragraph shall be sufficient evidence that the Shares have been issued to Purchaser and that the Escrow Agent may release the Purchase Price to the Company.

4.4 Conditions of the Company's Obligation to Close. The obligation of the Company to sell the Shares to Purchaser on each Closing Date is conditioned upon the following:

(a) *Payment and Delivery*. The Company's receipt of the entire Purchase Price for all of the Shares being sold to Purchaser;

(b) *Representations and Warranties*. The representations and warranties made by Purchaser in ARTICLE 3 of this Agreement shall be true and correct in all material respects when made and on the Closing Date; provided, that any representation and warranty that it is itself qualified by a materiality standard shall be true and correct in all respects; and

(c) *Performance of Covenants*. Purchaser shall have fully performed all covenants and agreements required to be performed by Purchaser on or before the Closing Date.

(d) *NYSE MKT Approval*. The NYSE MKT shall have approved the Company's additional listing application for the Shares to be sold to Purchaser.

(e) *TASE Approval*. The TASE shall have approved the Company's application to list the Shares on the TASE.

(f) *No Shareholder Vote Required.* Under the rules and regulations of the NYSE MKT, the issue and sale of the Shares to Purchaser and the other Sophisticated Investors shall not require approval by a vote or consent of the Company's shareholders.

4.5 Conditions of Purchaser's Obligation to Close. The obligation of Purchaser to purchase the Shares from the Company on any Closing Date is conditioned upon the following:

(a) *Delivery.* Purchaser's receipt of the items required to be delivered by the Company under Section 4.2 above.

(b) *Representations and Warranties*. The representations and warranties made by the Company in ARTICLE 2 of this Agreement shall be true and correct in all material respects when made and on the applicable Closing Date, unless made as of a specific date in which case they shall be accurate as of such date; provided, that any representation and warranty that it is itself qualified by a materiality standard shall be true and correct in all respects.

(c) *Performance.* The Company shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the applicable Closing Date.

(d) *Bankruptcy; Insolvency.* The Company shall not be subject to (i) any order for relief, or subject to any pending proceeding for reorganization or liquidation, under the United States Bankruptcy Code, as amended, or under any other law pertaining to insolvency of the Company or creditor's rights generally, (ii) any appointment of a receiver for the Company or any of its assets, or (iii) any plan or action of dissolution or liquidation of the Company or its business.

(e) *Listing.* The Company's common shares shall be listed for trading on the NYSE MKT and TASE, and such listings and trading shall not have been suspended, nor shall suspension by the SEC or the NYSE MKT or TASE have been threatened, as of the Closing Date, in writing by the SEC, the NYSE MKT, or the TASE.

(f) *Inclusion in Indexes*. The Company's Shares shall be included in one or more of the Indexes.

ARTICLE 11.
ADDITIONAL COVENANTS

5.1 Further Assurances. Each party will execute, acknowledge, and deliver such additional certificates and documents and will take such additional actions as the other party may reasonably request on or after a Closing Date to effect, complete or perfect the issue and sale of the Shares to Purchaser.

5.2 Purchasers' Market Activity. Purchaser agrees that Purchaser shall not, prior to the completion of the purchase and sale of the Shares on the Closing Date, engage in any stabilization activity in connection with the Company's common shares, or otherwise bid for or engage in any purchase or sale, including any short sale (as defined in SEC Rule SHO) of the Company's common shares, directly or through or in arrangement with and any entity in control of, or under common control with Purchaser. Purchaser covenants and agrees that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to a press release, Purchaser will maintain the confidentiality of the existence and terms of this Agreement.

5.3 Public Disclosure by the Company. The Company may issue one or more press releases and file one or more Current Reports on Form 8-K under the Exchange Act describing the terms of the transactions contemplated by this Agreement, in the form required by the Exchange Act and attaching this Agreement as an exhibit to such filing. The Purchaser name will not be mentioned in the above said press releases.

5.4 Publicity. Purchaser shall not issue any press release or make any similar public statement or communication disclosing the terms of this Agreement or the transactions hereunder without the prior written consent of the Company, provided that the Company's consent shall not unreasonably be withheld or delayed if such disclosure is required by law and Purchaser shall have provided the Company with a copy of the proposed press release or other public statement or communication a reasonable time prior to the public release or dissemination thereof.

5.5 Indemnification. In the event, that Purchase will not transfer the entire Purchase Price to the Company, Purchaser will indemnify the Company in the amount of the entire Purchase Price. Without derogating the foregoing, in the event that Purchaser transferred the entire Purchase Price, but the Company did not allot the Shares to Purchaser by the day the Company's common shares enter the Indexes, the Company will indemnify Purchaser up to the amount of the difference between the Purchase Price and the Price Purchaser actually paid for the Company's common shares on TASE. In such event, Purchaser shall be obligated to deliver the Company with evidence as to the Price Purchaser actually paid.

ARTICLE 12.
MISCELLANEOUS

6.1 Successors and Assigns. The parties may not assign their rights or obligations under this Agreement, directly or by operation of law, without the consent of the other party. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the respective successors, assigns, heirs, executors and administrators of Purchaser and the Company.

6.2 Entire Agreement; Amendment. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subject matter of this Agreement. This Agreement and any term of this Agreement may be amended, waived, discharged or terminated only by a written instrument signed by the parties.

6.3 Notices, etc. All notices and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed given (a) four (4) days after being deposited in the mail, certified air postage prepaid, return receipt requested, or (b) when delivered by hand, by messenger or overseas express air freight service (such as DHL), or (c) on the date of facsimile transmission (FAX) or electronic mail (email) if sent at or prior to 5:30 p.m. (New York City time) on a Business Day, or the next Business Day after the date of facsimile or email transmission, if sent on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on a Business Day, in any case addressed as follows:

To any Purchaser:	At the address or FAX number or email address of Purchaser shown on the signature page of this Agreement
To the Company:	BioTime Inc. 1301 Harbor Bay Parkway Alameda, California 94502 Attention: Chief Financial Officer FAX: (510) 521- 3389 Email: rpeabody@biotimemail.com

Any party may change its address for the purpose of this Agreement by giving notice to each other party in accordance with this Section.

6.4 Expenses. Purchaser and the Company shall bear their own expenses, including fees and expenses of their own advisers, counsel, accountants and other experts, if any, and all other expenses incurred by the party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all stamp taxes and other taxes and duties levied in connection with the delivery of the Shares to Purchaser.

6.5 Brokers. The Purchaser shall have no liability to any broker, finder, investment banker, or other advisor retained or engaged by the Company or any subsidiary of the Company in connection with the transactions contemplated by this Agreement.

6.6 Titles and Subtitles. The titles or headings of the Articles and Sections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.7 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, each such unenforceable provision shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if each such unenforceable provision were so excluded, and the balance of this Agreement as so interpreted shall be enforceable in accordance with its terms.

6.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed with signatures transmitted among the parties by facsimile or by email delivery of a pdf format data file, and no party shall deny the validity of a signature or this Agreement signed and so transmitted on the basis that a signed document is represented by a copy or facsimile or pdf format data file and not an original.

6.9 Termination. This Agreement may be terminated by the Purchaser, by written notice to the Company, or by the Company, by written notice to Purchaser, in either case if the Closing has not been consummated on or before the third Business Day after the Index Calculation Date other than due to a breach of this Agreement or any covenant or agreement hereunder by the party seeking to so terminate this Agreement. Termination of this Agreement will not affect the right of any party not in breach of its covenants and agreements under this Agreement to sue for any breach of this Agreement by the other party.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first above written.

COMPANY:

BioTime, Inc.

By: /s/ R W Peabody

Title: SR VP

PURCHASER:

KSM SAL INDICES CERTIFICATES LTD.

By:	/s/Meital Meir	Ben-Li Alon
	Meital Meir	Ben-Li Alon
Title:	Head of Operations	CFO

Address: 25 Efaal St.

Petah-Tikva 4951125

Israel

FAX Number: +972-3-753-2030

Email: TZLILL.KEREN-BLUM@XNES.CO.IL

EXHIBIT A

ESCROW AGREEMENT

This ESCROW AGREEMENT (hereinafter referred to as this "**Agreement**") is entered into as of September 29, 2015, by and among KSM SAL INDICIES CERTIFICATES LTD ("**Purchaser**") and BioTime, Inc., a California corporation (the "**Company**"). (Each of Purchaser and the Company, a "**Party**", and collectively the "**Parties**").

W I T N E S S E T H

WHEREAS the Company and Purchaser have entered into a Purchase Agreement pursuant to which the Company shall sell Purchaser common shares of the Company, no par value (the "**Shares**"), in exchange for the Purchase Price (as defined in the Purchase Agreement)

WHEREAS the Company and Purchaser have agreed and desirous and willing that the closing of the Purchase Agreement will take place in accordance with the terms and provisions of this Agreement;

WHEREAS The Parties wish to appoint Union Bank Trust Co. Ltd to hold the Purchase Price for the purpose of ensuring the delivery of the Shares against receipt of the Purchase Price, in accordance with the terms of this Agreement and the share price as defined below;

NOW, THEREFORE, in furtherance of the Purchase Agreement and in consideration to the Escrow Fees as defined herein, the parties intending to be legally bound agree as follows:

1. The Company and the Purchaser hereby appoint the Union Bank Trust Co. Ltd Company as the "Escrow Agent" under this Agreement to hold the Purchase Price, and Union Bank Trust Co. Ltd accepts such designation and appointment and agrees to act in accordance with the terms of this Agreement and Purchase Agreement. It is hereby expressly provided that in the event a conflict should arise as between the terms of this Agreement and the Purchase Agreement, the terms of this Agreement shall control. The Escrow Agent agrees that upon receipt of the Purchase Price in accordance with Section 2 below, the Escrow Agent shall hold such funds in accordance with this Agreement.

2. Term of Escrow; Deposit and/or release of the shares and the Purchase Price.

2.1. At the end of the last Tel Aviv Stock Exchange Ltd. ("TASE") trading day preceding the Index Calculation Date (as defined in the Purchase Agreement, herein: "The Pricing Date"), the Purchaser shall deliver the Purchase Price to the Escrow Agent by wire transfer by depositing the Purchase Price to the bank account designated by Escrow Agent to the Company and Purchaser and by sending a proper documentation of such wire transfer to amos-f@ubi.co.il + shai@ubi.co.il ("E-Mail Delivery"). The Purchase Price shall be paid in Israeli New Shekels (NIS) and in immediately available funds. Union Underwriting & Finances Ltd. ("Union Underwriters") will notify the Escrow Agent of the Price Per Share determined according to the Purchase Agreement (the "PPS") that will be the last price of the Company's share at TASE in the Pricing Date and will calculate the Purchase Price for the purpose of the escrow. The above PPS and calculations by Union Underwriters are limited to the purposes of the Escrow Agreement and will not deteriorate from the parties' rights according to the Purchase Agreement. The parties hereby waive and release Union Underwriters from any claim regarding the PPS and the calculations.

2.2. The Escrow Agent shall immediately notify the Company and the Purchaser in writing of receipt of the Purchase Price (the "Written Notification").

2.3. On or before the date on which the Purchase Prices is deposited with the Escrow Agent, Purchaser shall notify the Company and the Escrow Agent of the name, telephone number, and email address of an authorized person at the financial institution that will receive the Shares for Purchaser's account, who the Company and the Escrow Agent may contact to confirm receipt of the Shares.

2.4. Upon receiving Written Notification, the Company shall take all necessary actions for the issuance of the Shares in the manner provided in the Purchase Agreement. Purchaser acknowledges and agrees to provide the Company with the proper Depository Trust Company Deposit/Withdrawal at Custodian system ("DWAC") number for the account into which Purchaser's Shares are to be issued. Purchaser shall provide American Stock Transfer & Trust Company, LLC, the transfer agent and registrar of the Shares (the "Transfer Agent"), with all information and documentation that the Transfer Agent requires to issue the Shares.

2.5. The Transfer Agent shall promptly provide written notification of the issuance of the Shares by DWAC to the account designated by Purchaser.

2.6. Immediately following receipt of the Shares in Purchaser's account, but not before October 6th, 2015, Purchaser shall provide a written confirmation of receipt, including the number of shares by email to the Escrow Agent and the Company, and the Escrow Agent shall release and deliver the Purchase Price, calculated by the number of shares multiplied by the PPS and deduced by 1% (fee to Union Underwriters to be transferred by the Escrow Agent to Union Underwriters' account within the Union Bank) by wire transfer to a bank account of the Company designated in writing by the Company. Escrow Agent shall also deliver a confirmation of such transfer to the Company including the identification number of the wire. In case of excess funds deposited by the Purchaser within the Escrow Agent (comparing to the number of shares actually received by the Purchaser multiplied by the PPS), the Escrow Agent will return such excess funds to the Purchaser 14 days after being deposited. In case of excess of shares, allocated by the Company to the Purchaser above the scale required from the Purchaser's Purchase Price, the Escrow Agent's role will be limited to transferring the Purchase Price to the Company.

2.7. All incidental costs, fees and expenses related to the transfer of the Purchase Price to the Company will be incurred by the Company, so that the Company will receive the net value after such costs, if any, were deduced. In case that the Company decides or is required to receive the Purchase Price in USD, the Escrow Agent will act in good faith to convert the Purchase Price from NIS to USD at market values used in Union Bank, at the expense of the Company regarding the cost of such conversion.

2.8. Notwithstanding anything to the contrary hereunder, the Escrow Agent shall not be required to release the Purchase Price unless, prior thereto, it shall have received from the appropriate recipient:

2.8.1. Full bank account details (the account must be solely owned and controlled by BioTime): name of bank, branch number, account number, name of account, SWIFT, IBAN/ABA;

2.8.2. Any applied tax forms, if applicable; and

2.8.3. Bank account ownership approval which would be an official letter from the bank, approved for authenticity by either Pearl Cohen Zedek Latzer Baratz (PCTLB) directly or by PCTLB's approval of such certification done by a US-based law firm that regularly represents BioTime.

2.8.4. BioTime declares and commits that no tax deduction is required by the Escrow Agent prior to releasing the investment proceeds to BioTime. BioTime undertakes to indemnify and hold the Escrow Agent harmless against any and all losses, claims, damages, liabilities and expenses related to that matter.

3. Escrow Fees. Omitted.

4. Liability of the Escrow Agent. The Escrow Agent undertakes to perform only the duties as are expressly set forth herein and no other duties and obligations (fiduciary or otherwise) shall be implied. Escrow Agent shall have no duty to enforce any obligation of any other person to make any payment or delivery, or to direct or cause any payment or delivery to be made, or to enforce any obligation of any other person to perform any other act. The Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement (even though such agreement may be referenced in this Agreement) other than this Agreement. The Escrow Agent is not a party to the Purchase Agreement, is not bound by any of its terms, and has not undertaken in any way to effectuate, implement or comply with the Purchase Agreement. The Escrow Agent shall not be liable to any other party hereto or to anyone else for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that Escrow Agent’s gross negligence, willful misconduct or bad faith was the cause of any loss suffered by such party. The Escrow Agent’s sole responsibility shall be for the safekeeping and releasing of the Purchase Price in accordance with the terms of this Agreement. In no event shall the Escrow Agent be liable for incidental, indirect, special, consequential or punitive damages of any kind whatsoever (including lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

5. Indemnification of the Escrow Agent. Subject to the other provisions of this Agreement, the Company and the Purchaser agree to indemnify, in equal parts (50%-50%) and hold the Escrow Agent harmless against any and all losses, claims, damages, liabilities and expenses, including reasonable costs of investigation, counsel fees, including allocated costs of in-house counsel and disbursements that may be imposed on the Escrow Agent or incurred by the Escrow Agent in connection with the performance of its duties under this Agreement, including but not limited to any litigation arising from this Agreement or involving its subject matter. Notwithstanding the foregoing, there shall be no indemnification obligation under this Section in an event of the Escrow Agent’s breach of this Agreement, violation of applicable laws, gross negligence, bad faith or willful misconduct. The Escrow Agent shall notify the Company and the Purchaser in writing of any written assertion of a claim against the Escrow Agent, promptly after the Escrow Agent shall have received any such information as to the nature and basis of the claim or learns of circumstances that may bring about such claim. The Escrow Agent agrees not to settle any litigation in connection with any claim or liability with respect to which the Escrow Agent may seek indemnification from the Company and the Purchaser without the prior written consent of the Company and the Purchaser.

6. Notices**.** All notices required or permitted hereunder shall be in writing, must be by E-Mail Delivery as defined above (fax delivery may be added but will not suffice) and shall be deemed effectively given: (a) upon personal delivery to the Party to be notified; (b) when sent by facsimile or email with confirmation of transmission. All communications shall be sent to the Company, the Purchaser and the Escrow Agent at their respective facsimile numbers or email addresses set forth below.

7. Priority. In the event of any conflict between the provisions of this Agreement, this Agreement shall be construed in a manner prescribed by the Escrow Agent acting in good faith.

8. Miscellaneous

The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by the Company and the Purchaser and the Escrow Agent. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by the Escrow Agent or any Party without the prior consent of the Escrow Agent and the other Parties.

This Agreement may be executed by facsimile signatures, which for all purposes shall be deems to constitute originals. This Agreement may be executed in counterparts, all of which when taken together shall be deemed one original.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first above written.

COMPANY:
BioTime, Inc.

By: _____
Title: Chief Financial Officer
Address: 1301 Harbor Bay Parkway
Alameda, California 94502
Attention: Robert W. Peabody, Chief Financial Officer
FAX Number: (415) 521-3389
Email: rpeabody@biotimemail.com

PURCHASER:

KSM SAL INDICIES CERTIFICATES LTD.

By: _____

Title: _____

Address: 25 Efaal St.
Petah-Tikva 4951125
Israel
FAX Number: +972-3-753-2030
Email: TZLILL.KEREN-BLUM@XNES.CO.IL

ESCROW AGENT:

By: _____
Amos Fargon
Title: Chief Operating Officer

Address: Union Bank Trust Co. Ltd
28 Ahad Ha'am St., Tel Aviv
FAX Number: +972-3-5191208
Email: amos-f@ubi.co.il

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is entered into as of September 30, 2015 by and between BioTime, Inc., a California corporation (the "Company") and the undersigned identified on the signature page attached hereto ("Purchaser").

ARTICLE 13.
PURCHASE AND SALE OF SHARES

1.1 Sale of Shares. Purchaser hereby irrevocably agrees to purchase from the Company, and the Company agrees to sell to Purchaser pursuant to the Registration Statement (as defined below) a number of common shares, no par value, ("Shares") required for applicable TASE Indexes, or such lesser number as provided in Section 1.2 below, at a price per Share equal to ninety-eight percent (98%) of the closing price of the Shares on the Tel Aviv Stock Exchange ("TASE") on the TASE trading day immediately preceding the first day on which the Company's common shares enter the TASE Indexes (the "Purchase Price"). The TASE Indexes that Company's commons shares will enter (the "Indexes") will be announced by TASE following the listing of the Shares on the TASE.

1.2 Adjustment to Number of Shares Sold. The number of Shares that the Purchaser shall purchase under this Agreement is subject to reduction as provided in this Section.

(a) For purposes of Section 1.1 and this Section 1.2, any Shares purchased by Purchaser from sources other than the Company shall not reduce the number of Shares that Purchaser is required to purchase from the Company under this Agreement.

(b) Purchaser acknowledges and agrees that the Shares being offered to Purchaser under this Agreement by the Company are part of an allotment of Shares that are being offered to other sophisticated investors ("Sophisticated Investor"). The total number of Shares available to all Sophisticated Investors including Purchaser will not exceed: (a) 20% of the issued and outstanding common stock of the Company; and (b) a number of Shares having an aggregate purchase price of NIS 80 million (the "Maximum Shares"). To the extent that the number of Shares that Purchaser is committing to purchase from the Company under Section 1.1 of this Agreement plus the total number of Shares that other Sophisticated Investors are committing to purchase under separate agreements with the Company exceeds the Maximum Shares, the Company will allocate Shares among Purchaser and the other Sophisticated Investors on a pro rata basis based on the respective number of Shares that Purchaser and the other Sophisticated Investors have agreed to purchase from the Company, so that the total number of Shares sold by the Company to Purchaser and the other Sophisticated Investors does not exceed the Maximum Shares. In the event that the Company reduces the number of Shares to be sold to Purchaser as provided in this Section 1.2(b), the Company will promptly notify Purchaser of the total number of Shares that will be sold to Purchaser, and no later than October 1st at 12:00 p.om. – Tel Aviv time.

(c) A reduction in the number of Shares sold to Purchaser pursuant to this Section 1.2 will not change the Purchase Price per Share.

ARTICLE 14.
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

2.1 Registration Statement.

(a) The Company has prepared and filed with the United States Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-3 (File No. 333--201824) (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act") registering the offer and sale of the Shares. The Registration Statement is effective under the Securities Act and no stop order preventing or suspending the effectiveness of the Registration Statement or suspending or preventing the use of the prospectus contained therein has been issued by the SEC and no proceedings for that purpose have been instituted or, to the knowledge of the Company, are threatened by the SEC. The Company shall file a final a prospectus supplement with the SEC in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares (the "Prospectus Supplement").

(b) The Registration Statement, and the final prospectus together with the final prospectus supplement, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(c) When issued pursuant to this Agreement and the Registration Statement at Closing, the Shares will be free of restrictions on transfer under the Securities Act, other than such restrictions as may be applicable under Rule 144 under the Securities Act with respect to sales or transfers of securities by an affiliate (as defined in Rule 144) of the issuer should Purchaser be or become an affiliate of the Company.

2.2 Valid Issuance of Shares. The Shares that are being purchased by Purchaser hereunder, when issued, sold and delivered in accordance with the terms of this Agreement, including payment of the Purchase Price, will be duly and validly issued, fully paid, and nonassessable.

2.3 Listing and Maintenance Requirements. The common shares of the Company have been designated for quotation or listed on the NYSE MKT and the Company has applied to list the Shares for trading on the TASE.

2.4 Disclosure Documents; Financial Statements. The Company has filed all reports required to be filed by it under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including pursuant to Section 13(a) or 15(d) thereof, during the twelve (12) months prior to the date hereof.

2.5 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the state of California.

2.6 Authority; Enforceability. The Company has the power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder. This Agreement has been duly authorized, executed and delivered by the Company and is the valid and binding agreement of the Company, enforceable in accordance with its terms subject to: (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors; and (ii) general principles of equity.

2.7 No Conflict. The execution and delivery of this Agreement and consummation of the sale of the Shares contemplated by this Agreement do not and will not violate any provisions of (i) the Securities Act or the Exchange Act or any rule or regulation thereunder, (ii) the California Corporations Code or the terms of any order, writ or decree of any court or judicial or regulatory authority or body by which the Company is bound, (iii) the Articles of Incorporation or bylaws of the Company, or (iv) the rules and regulations of the NYSE MKT or the TASE applicable to the listing of the Company's common shares.

2.8 No Litigation. There is no lawsuit, arbitration proceeding, or administrative action or proceeding pending or threatened against the Company which questions the validity of this Agreement or any action taken or to be taken by the Company in connection with this Agreement or the issue and sale of the Shares hereunder.

ARTICLE 15.
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to the Company the following:

3.1 Organization. Purchaser, if not a natural person, is a corporation, limited liability company, partnership, trust or other entity duly organized, validly existing and in good standing under the laws of the state or other jurisdiction in which it is incorporated or otherwise organized.

3.2 Authority; Enforceability. Purchaser has the power and authority to execute and deliver this Agreement and to perform all of its obligations under this Agreement. This Agreement has been duly authorized and executed by Purchaser and is the valid and binding agreement of Purchaser enforceable in accordance with its terms, except (i) to the extent limited by any bankruptcy, insolvency, or similar law affecting the rights of creditors generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.3 No Conflict. The execution and delivery of this Agreement, and consummation of the transactions contemplated hereunder, including the purchase of the Shares, by Purchaser do not and will not violate any provisions of (i) any rule, regulation, statute, or law applicable to Purchaser or (ii) the terms of any order, writ, or decree of any court or judicial or regulatory authority or body by which Purchaser is bound, or (iii) the articles of incorporation, bylaws, or similar charter or governing documents of Purchaser.

3.4 Purchaser has met all requirements by Israeli law to be defined as a "Classified Investor" under the First Addendum to the Israeli Securities Law, 1968-5728, and agrees to such definition.

3.5 No Short Sales. Purchaser has not, nor has any person or entity acting on behalf of or pursuant to any understanding, agreement, or arrangement with Purchaser, directly or indirectly executed any “short sale,” as defined in SEC Rule SHO, of the common shares of the Company since June 30, 2015.

3.6 Place of Business or Residence. Purchaser represents and warrants that Purchaser has Purchaser’s principal place of business or residence as set forth on the signature page of this Agreement.

ARTICLE 16.
CLOSING

4.1 Time and Place of Closing. The consummation of the purchase and sale of the Shares (“Closing”) shall take place on the date (the “Closing Date”) which shall be the third Business Day after the day on which the TASE announces the number of the Company’s common shares required for the Indexes (the “**Index Calculation Date**”). The Closing shall occur at the principal office of the Company or at such other place as the parties may agree. A “Business Day” shall be any day on which the banks in New York are not required or permitted to close.

4.2 Escrow Agent. Union Underwriting & Finances Ltd. will be appointed by the parties as the Escrow Agent (the "**Escrow Agent**") in order to complete the transaction herein. The Company and Purchaser shall enter into an Escrow Agreement with the Escrow Agent for such purpose, a copy of which is attached as Exhibit A. The Escrow Agent shall hold the Purchase Price in accordance with the terms and conditions of the Escrow Agreement, including, as follows:

(a) On the day before the Index Calculation Date, Purchaser shall pay in full the Purchase Price for the Shares purchased by way of wire transfer, in immediately available funds, to the trust bank account to be established in the name of the Escrow Agent. The Purchase Price shall be paid in Israeli New Shekels.

(b) On the Closing Date, the Company shall transfer the Shares to the Purchaser, pursuant and subject to the written confirmation of the Escrow Agent that it has received the entire Purchase Price from Purchaser.

(c) On the Closing Date and after the Company has transferred the Shares directly to an account designated by the Purchaser as provided in Section 4.2(b), the Escrow Agent will transfer the entire Purchase Price to the Company.

(d) Expense Reimbursement. All fees and expenses payable to the Escrow Agent under the Escrow Agreement shall be borne by the Company, except for indemnification payments should any arise, which shall be paid in accordance with the Escrow Agreement.

4.3 Documents to be Delivered By the Company. The Company shall deliver the following documents to Purchaser at the Closing:

(a) *Prospectus*. A copy of the most current prospectus (the "Prospectus") included in the Registration Statement, and the Prospectus Supplement filed in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares; provided that the Prospectus and Prospectus Supplement may be delivered in accordance with Rule 172 under the Securities Act;

(b) *Shares*. The Shares purchased by Purchaser shall be delivered electronically via The Depository Trust Company Deposit/Withdrawal at Custodian system ("DWAC") to an account designated by Purchaser. No later than one Business Day prior to the Closing Date, Purchaser shall provide the Company with the DWAC number of the account to which the Shares will be transferred and a properly completed Form W-8-BEN. Confirmation from American Stock Transfer & Trust Company, LLC, the transfer agent and registrar of the Shares, that the Shares purchased by Purchaser have been issued as provided by this paragraph shall be sufficient evidence that the Shares have been issued to Purchaser and that the Escrow Agent may release the Purchase Price to the Company

4.4 Conditions of the Company's Obligation to Close. The obligation of the Company to sell the Shares to Purchaser on each Closing Date is conditioned upon the following:

(a) *Payment and Delivery*. The Company's receipt of the Purchase Price for the Shares being sold to Purchaser;

(b) *Representations and Warranties*. The representations and warranties made by Purchaser in ARTICLE 3 of this Agreement shall be true and correct in all material respects when made and on the Closing Date; provided, that any representation and warranty that it is itself qualified by a materiality standard shall be true and correct in all respects; and

(c) *Performance of Covenants*. Purchaser shall have fully performed all covenants and agreements required to be performed by Purchaser on or before the Closing Date.

(d) *NYSE MKT Approval*. The NYSE MKT shall have approved the Company's additional listing application for the Shares to be sold to Purchaser.

(e) *TASE Approval*. The TASE shall have approved the Company's application to list the Shares on the TASE.

(f) *No Shareholder Vote Required.* Under the rules and regulations of the NYSE MKT, the issue and sale of the Shares to Purchaser and the other Sophisticated Investors shall not require approval by a vote or consent of the Company's shareholders.

4.5 Conditions of Purchaser's Obligation to Close. The obligation of Purchaser to purchase the Shares from the Company on any Closing Date is conditioned upon the following:

(a) *Delivery.* Purchaser's receipt of the items required to be delivered by the Company under Section 4.2.

(b) *Representations and Warranties*. The representations and warranties made by the Company in ARTICLE 2 of this Agreement shall be true and correct in all material respects when made and on the applicable Closing Date, unless made as of a specific date in which case they shall be accurate as of such date; provided, that any representation and warranty that is itself qualified by a materiality standard shall be true and correct in all respects.

(c) *Performance.* The Company shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the applicable Closing Date.

(d) *Bankruptcy; Insolvency.* The Company shall not be subject to (i) any order for relief, or subject to any pending proceeding for reorganization or liquidation, under the United States Bankruptcy Code, as amended, or under any other law pertaining to insolvency of the Company or creditor's rights generally, (ii) any appointment of a receiver for the Company or any of its assets, or (iii) any plan or action of dissolution or liquidation of the Company or its business.

(e) *Listing.* The Company's common shares shall be listed for trading on the NYSE MKT and TASE, and such listings and trading shall not have been suspended, nor shall suspension by the SEC or the NYSE MKT or TASE have been threatened, as of the Closing Date, in writing by the SEC, the NYSE MKT, or the TASE.

(f) *Inclusion in Indexes*. The Company's Shares shall be included in one or more of the Indexes.

ARTICLE 17.
ADDITIONAL COVENANTS

5.1 Further Assurances. Each party will execute, acknowledge, and deliver such additional certificates and documents and will take such additional actions as the other party may reasonably request on or after a Closing Date to effect, complete or perfect the issue and sale of the Shares to Purchaser.

5.2 Purchasers' Market Activity. Purchaser agrees that Purchaser shall not, prior to the completion of the purchase and sale of the Shares on the Closing Date, engage in any stabilization activity in connection with the Company's common shares, or otherwise bid for or engage in any purchase or sale, including any short sale (as defined in SEC Rule SHO) of the Company's common shares, directly or through or in arrangement with and any entity in control of, controlled by, or under common control with Purchaser. Purchaser covenants and agrees that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to a press release, Purchaser will maintain the confidentiality of the existence and terms of this Agreement.

5.3 Public Disclosure by the Company. The Company may issue one or more press releases and file one or more Current Reports on Form 8-K under the Exchange Act describing the terms of the transactions contemplated by this Agreement, in the form required by the Exchange Act and attaching this Agreement as an exhibit to such filing.

5.4 Publicity. Purchaser shall not issue any press release or make any similar public statement or communication disclosing the terms of this Agreement or the transactions hereunder without the prior written consent of the Company, provided that the Company's consent shall not unreasonably be withheld or delayed if such disclosure is required by law and Purchaser shall have provided the Company with a copy of the proposed press release or other public statement or communication a reasonable time prior to the public release or dissemination thereof.

ARTICLE 18.
MISCELLANEOUS

6.1 Governing Law. This Agreement shall be construed and governed in all respects by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. All disputes and controversies arising out of or in connection with this Agreement shall be resolved non-exclusively by the state and federal courts located in the State of New York and the State of California, and each party agrees to submit to the jurisdiction of said courts.

6.2 Successors and Assigns. The parties may not assign their rights or obligations under this Agreement, directly or by operation of law, without the consent of the other party. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the respective successors, assigns, heirs, executors and administrators of Purchaser and the Company.

6.3 Entire Agreement; Amendment. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subject matter of this Agreement. This Agreement and any term of this Agreement may be amended, waived, discharged or terminated only by a written instrument signed by the parties.

6.4 Notices, etc. All notices and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed given (a) four (4) days after being deposited in the mail, certified air postage prepaid, return receipt requested, or (b) when delivered by hand, by messenger or overseas express air freight service (such as DHL), or (c) on the date of facsimile transmission (FAX) or electronic mail (email) if sent at or prior to 5:30 p.m. (New York City time) on a Business Day, or the next Business Day after the date of facsimile or email transmission, if sent on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on a Business Day, in any case addressed as follows:

To any Purchaser:	At the address or FAX number or email address of Purchaser shown on the signature page of this Agreement
To the Company:	BioTime Inc. 1301 Harbor Bay Parkway Alameda, California 94502 Attention: Chief Financial Officer FAX: (510) 521- 3389 Email: rpeabody@biotimemail.com

Any party may change its address for the purpose of this Agreement by giving notice to each other party in accordance with this Section.

6.5 Expenses. Purchaser and the Company shall bear their own expenses, including fees and expenses of their own advisers, counsel, accountants and other experts, if any, and all other expenses incurred by the party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all stamp taxes and other taxes and duties levied in connection with the delivery of the Shares to Purchaser.

6.6 Brokers. Purchaser shall have no liability to any broker, finder, investment banker, or other advisor retained or engaged by the Company or any subsidiary of the Company in connection with the transactions contemplated by this Agreement.

6.7 Titles and Subtitles. The titles or headings of the Articles and Sections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.8 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, each such unenforceable provision shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if each such unenforceable provision were so excluded, and the balance of this Agreement as so interpreted shall be enforceable in accordance with its terms.

6.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed with signatures transmitted among the parties by facsimile or by email delivery of a pdf format data file, and no party shall deny the validity of a signature or this Agreement signed and so transmitted on the basis that a signed document is represented by a copy or facsimile or pdf format data file and not an original.

6.10 Termination. This Agreement may be terminated by Purchaser, by written notice to the Company, or by the Company, by written notice to Purchaser, in either case if the Closing has not been consummated on or before the third Business Day after the Index Calculation Date other than due to a breach of this Agreement or any covenant or agreement hereunder by the party seeking to so terminate this Agreement. Termination of this Agreement will not affect the right of any party not in breach of its covenants and agreements under this Agreement to sue for any breach of this Agreement by the other party.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first above written.

COMPANY:

BioTime, Inc.

By: /s/R W Peabody

Title: SR VP

PURCHASER:

Psagot Exchange Traded Notes Indexes Ltd.

By: /s/Gil Shapria and Itay Blumstein
Gil Shapira

Title: CEO and VP Trading

Address: 14 Ehad Ha'am St., Tel Aviv, Israel
FAX Number: 972-3-7968628
Email: GilS@psagot.co.il

EXHIBIT A

ESCROW AGREEMENT

This ESCROW AGREEMENT (hereinafter referred to as this "**Agreement**") is entered into as of September 29, 2015, by and among Psagot Exchange Traded Notes Indexes Ltd. ("**Purchaser**") and BioTime, Inc., a California corporation (the "**Company**"). (Each of Purchaser and the Company, a "**Party**", and collectively the "**Parties**").

W I T N E S S E T H

WHEREAS the Company and Purchaser have entered into a Purchase Agreement pursuant to which the Company shall sell Purchaser common shares of the Company, no par value (the "**Shares**"), in exchange for the Purchase Price (as defined in the Purchase Agreement)

WHEREAS the Company and Purchaser have agreed and desirous and willing that the closing of the Purchase Agreement will take place in accordance with the terms and provisions of this Agreement;

WHEREAS The Parties wish to appoint Union Bank Trust Co. Ltd to hold the Purchase Price for the purpose of ensuring the delivery of the Shares against receipt of the Purchase Price, in accordance with the terms of this Agreement and the share price as defined below;

NOW, THEREFORE, in furtherance of the Purchase Agreement and in consideration to the Escrow Fees as defined herein, the parties intending to be legally bound agree as follows:

1. The Company and the Purchaser hereby appoint the Union Bank Trust Co. Ltd Company as the "Escrow Agent" under this Agreement to hold the Purchase Price, and Union Bank Trust Co. Ltd accepts such designation and appointment and agrees to act in accordance with the terms of this Agreement and Purchase Agreement. It is hereby expressly provided that in the event a conflict should arise as between the terms of this Agreement and the Purchase Agreement, the terms of this Agreement shall control. The Escrow Agent agrees that upon receipt of the Purchase Price in accordance with Section 2 below, the Escrow Agent shall hold such funds in accordance with this Agreement.

2. Term of Escrow; Deposit and/or release of the shares and the Purchase Price.

2.1. At the end of the last Tel Aviv Stock Exchange Ltd. ("TASE") trading day preceding the Index Calculation Date (as defined in the Purchase Agreement, herein: "The Pricing Date"), the Purchaser shall deliver the Purchase Price to the Escrow Agent by wire transfer by depositing the Purchase Price to the bank account designated by Escrow Agent to the Company and Purchaser and by sending a proper documentation of such wire transfer to amos-f@ubi.co.il + shai@ubi.co.il ("E-Mail Delivery"). The Purchase Price shall be paid in Israeli New Shekels (NIS) and in immediately available funds. Union Underwriting & Finances Ltd. ("Union Underwriters") will notify the Escrow Agent of the Price Per Share determined according to the Purchase Agreement (the "PPS") that will be the last price of the Company's share at TASE in the Pricing Date and will calculate the Purchase Price for the purpose of the escrow. The above PPS and calculations by Union Underwriters are limited to the purposes of the Escrow Agreement and will not deteriorate from the parties' rights according to the Purchase Agreement. The parties hereby waive and release Union Underwriters from any claim regarding the PPS and the calculations.

2.2. The Escrow Agent shall immediately notify the Company and the Purchaser in writing of receipt of the Purchase Price (the "Written Notification").

2.3. On or before the date on which the Purchase Prices is deposited with the Escrow Agent, Purchaser shall notify the Company and the Escrow Agent of the name, telephone number, and email address of an authorized person at the financial institution that will receive the Shares for Purchaser's account, who the Company and the Escrow Agent may contact to confirm receipt of the Shares.

2.4. Upon receiving Written Notification, the Company shall take all necessary actions for the issuance of the Shares in the manner provided in the Purchase Agreement. Purchaser acknowledges and agrees to provide the Company with the proper Depository Trust Company Deposit/Withdrawal at Custodian system ("DWAC") number for the account into which Purchaser's Shares are to be issued. Purchaser shall provide American Stock Transfer & Trust Company, LLC, the transfer agent and registrar of the Shares (the "Transfer Agent"), with all information and documentation that the Transfer Agent requires to issue the Shares.

2.5. The Transfer Agent shall promptly provide written notification of the issuance of the Shares by DWAC to the account designated by Purchaser.

2.6. Immediately following receipt of the Shares in Purchaser's account, but not before October 6th, 2015, Purchaser shall provide a written confirmation of receipt, including the number of shares by email to the Escrow Agent and the Company, and the Escrow Agent shall release and deliver the Purchase Price, calculated by the number of shares multiplied by the PPS and deduced by 1% (fee to Union Underwriters to be transferred by the Escrow Agent to Union Underwriters' account within the Union Bank) by wire transfer to a bank account of the Company designated in writing by the Company. Escrow Agent shall also deliver a confirmation of such transfer to the Company including the identification number of the wire. In case of excess funds deposited by the Purchaser within the Escrow Agent (comparing to the number of shares actually received by the Purchaser multiplied by the PPS), the Escrow Agent will return such excess funds to the Purchaser 14 days after being deposited. In case of excess of shares, allocated by the Company to the Purchaser above the scale required from the Purchaser's Purchase Price, the Escrow Agent's role will be limited to transferring the Purchase Price to the Company.

2.7. All incidental costs, fees and expenses related to the transfer of the Purchase Price to the Company will be incurred by the Company, so that the Company will receive the net value after such costs, if any, were deduced. In case that the Company decides or is required to receive the Purchase Price in USD, the Escrow Agent will act in good faith to convert the Purchase Price from NIS to USD at market values used in Union Bank, at the expense of the Company regarding the cost of such conversion.

2.8. Notwithstanding anything to the contrary hereunder, the Escrow Agent shall not be required to release the Purchase Price unless, prior thereto, it shall have received from the appropriate recipient:

2.8.1. Full bank account details (the account must be solely owned and controlled by BioTime): name of bank, branch number, account number, name of account, SWIFT, IBAN/ABA;

2.8.2. Any applied tax forms, if applicable; and

2.8.3. Bank account ownership approval which would be an official letter from the bank, approved for authenticity by either Pearl Cohen Zedek Latzer Baratz (PCTLB) directly or by PCTLB's approval of such certification done by a US-based law firm that regularly represents BioTime.

2.8.4. BioTime declares and commits that no tax deduction is required by the Escrow Agent prior to releasing the investment proceeds to BioTime. BioTime undertakes to indemnify and hold the Escrow Agent harmless against any and all losses, claims, damages, liabilities and expenses related to that matter.

3. Escrow Fees. Omitted.

4. Liability of the Escrow Agent. The Escrow Agent undertakes to perform only the duties as are expressly set forth herein and no other duties and obligations (fiduciary or otherwise) shall be implied. Escrow Agent shall have no duty to enforce any obligation of any other person to make any payment or delivery, or to direct or cause any payment or delivery to be made, or to enforce any obligation of any other person to perform any other act. The Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement (even though such agreement may be referenced in this Agreement) other than this Agreement. The Escrow Agent is not a party to the Purchase Agreement, is not bound by any of its terms, and has not undertaken in any way to effectuate, implement or comply with the Purchase Agreement. The Escrow Agent shall not be liable to any other party hereto or to anyone else for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that Escrow Agent’s gross negligence, willful misconduct or bad faith was the cause of any loss suffered by such party. The Escrow Agent’s sole responsibility shall be for the safekeeping and releasing of the Purchase Price in accordance with the terms of this Agreement. In no event shall the Escrow Agent be liable for incidental, indirect, special, consequential or punitive damages of any kind whatsoever (including lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

5. Indemnification of the Escrow Agent. Subject to the other provisions of this Agreement, the Company and the Purchaser agree to indemnify, in equal parts (50%-50%) and hold the Escrow Agent harmless against any and all losses, claims, damages, liabilities and expenses, including reasonable costs of investigation, counsel fees, including allocated costs of in-house counsel and disbursements that may be imposed on the Escrow Agent or incurred by the Escrow Agent in connection with the performance of its duties under this Agreement, including but not limited to any litigation arising from this Agreement or involving its subject matter. Notwithstanding the foregoing, there shall be no indemnification obligation under this Section in an event of the Escrow Agent’s breach of this Agreement, violation of applicable laws, gross negligence, bad faith or willful misconduct. The Escrow Agent shall notify the Company and the Purchaser in writing of any written assertion of a claim against the Escrow Agent, promptly after the Escrow Agent shall have received any such information as to the nature and basis of the claim or learns of circumstances that may bring about such claim. The Escrow Agent agrees not to settle any litigation in connection with any claim or liability with respect to which the Escrow Agent may seek indemnification from the Company and the Purchaser without the prior written consent of the Company and the Purchaser.

6. Notices**.** All notices required or permitted hereunder shall be in writing, must be by E-Mail Delivery as defined above (fax delivery may be added but will not suffice) and shall be deemed effectively given: (a) upon personal delivery to the Party to be notified; (b) when sent by facsimile or email with confirmation of transmission. All communications shall be sent to the Company, the Purchaser and the Escrow Agent at their respective facsimile numbers or email addresses set forth below.

7. Priority. In the event of any conflict between the provisions of this Agreement, this Agreement shall be construed in a manner prescribed by the Escrow Agent acting in good faith.

8. Miscellaneous

The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by the Company and the Purchaser and the Escrow Agent. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by the Escrow Agent or any Party without the prior consent of the Escrow Agent and the other Parties.

This Agreement may be executed by facsimile signatures, which for all purposes shall be deems to constitute originals. This Agreement may be executed in counterparts, all of which when taken together shall be deemed one original.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first above written.

COMPANY:
BioTime, Inc.

By: _____
Title: Chief Financial Officer
Address: 1301 Harbor Bay Parkway
Alameda, California 94502
Attention: Robert W. Peabody, Chief Financial Officer
FAX Number: (415) 521-3389
Email: rpeabody@biotimemail.com

PURCHASER:

Psagot Exchange Traded Notes Indexes Ltd

By: _____

Title: _____

Address: 14 Ehad Ha'am St.
Tel Aviv, Israel

FAX Number: 972-3-7968628
Email: GilS@psagot.co.il

ESCROW AGENT:

By: _____
Amos Fargon
Title: Chief Operating Officer

Address: Union Bank Trust Co. Ltd
28 Ahad Ha'am St., Tel Aviv
FAX Number: +972-3-5191208
Email: amos-f@ubi.co.il

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is entered into as of September 30, 2015 by and between BioTime, Inc., a California corporation (the "Company") and the undersigned identified on the signature page attached hereto (the "Purchaser").

ARTICLE 19.
PURCHASE AND SALE OF SHARES

1.1 Intention to purchase the Shares. The Company is interested in selling to the Purchaser, and, as of the execution date of this Agreement (and subject to section 1.2.(d)(2) herein below), the Purchaser intends (but is in no way is obliged to) to buy from the Company, pursuant to the Registration Statement (as defined below) common shares of the Company, no par value, (the "Shares"), in the number as provided in Section 1.2 below, at a price per Share equal to ninety-eight percent (98%) of the closing price of the Shares on the Tel Aviv Stock Exchange ("TASE") on the TASE trading day immediately preceding the first day on which the Company's common shares enter the TASE Indexes (the "Purchase Price"). The TASE Indexes that Company's commons shares will enter (the "Indexes") will be announced by TASE following the listing of the Shares on the TASE (the "Option").

1.2 Number of Shares Sold. The number of Shares that the Purchaser shall have the right to purchase under this Agreement is based on the calculation provided in this Section 1.2 below.

(a) The Purchaser shall have the right to buy from the Company such number of Shares under this Agreement:

(1) For every one of the Purchaser mutual funds specified in **Annex A**, a number of Shares that their value (number of shares multiply the closing price of the Shares on the Tel Aviv Stock Exchange ("TASE") on the TASE trading day immediately preceding the first day on which the Company's common shares enter the TASE Indexes) (the "Shares Value") equal to the weight of the Company shares in the relevant Index multiplied by the Net Asset Value of each Fund ("NAV") of the relevant fund (calculated in accordance with the Israeli Joint Investment Trust Law, 1994 ("**JIT**")) for the last Israel Business Day (as specified hereafter) before the Closing Date (as specified hereafter); ***and***

(2) For the Purchaser mutual funds specified in **Annex B**, a number of Shares that their "Shares value" shall be *up to* 600,000 NIS (the exact number shall be determined at the sole discretion of the Purchaser at the Closing Date).

(b) The Purchaser acknowledges and agrees that the Shares being offered to the Purchaser under this Agreement by the Company are part of an allotment of Shares that are being offered to other index funds ("Funds") required to acquire Shares for purposes of one or more of the Indexes. The total number of Shares available to all Funds including the Purchaser will not exceed: (a) 20% of the issued and outstanding common stock of the Company; and (b) a number of Shares having an aggregate purchase price of NIS 80 million (the "Maximum Shares"). To the extent that the number of Shares that the Purchaser intends to purchase from the Company under Section 1.1 of this Agreement plus the total number of Shares that other Funds are committing to purchase under separate agreements with the Company exceeds the Maximum Shares, the Company will allocate Shares among the Purchaser and the other Funds on a pro rata basis based on the respective number of Shares that the Purchaser and the other Funds have agreed to purchase from the Company at that time, so that the total number of Shares sold by the Company to the Purchaser (if the Purchaser shall exercise the option and the other Funds does not exceed the Maximum Shares. In the event that the Company reduces the number of Shares to be sold to the Purchaser as provided in this Section 1.2(b), the Company will promptly notify the Purchaser in advance the total number of Shares that the Purchaser will have the option to buy from the Company under this Agreement. In such event, the Company shall notify the Purchaser, in writing, at least 3 business days before Closing Date (as defined hereafter) the updated amount of Shares that the Purchaser shall have the option to buy under this Agreement. If the Company shall not notify the Purchaser, in writing, at least 3 business days before Closing Date, the Purchaser shall have the right to buy from the Company the number of Shares as described in section 1.2(a) herein above.

(c) A reduction in the number of Shares sold to the Purchaser pursuant to this Section 1.2 will not change the Purchase Price per Share (if the Purchaser shall exercise the Option).

(d) It is hereby clarified that:

(1) the Purchaser is an Israeli Mutual Fund manager, authorized and regulated by the Israeli Securities Authority ("**ISA**"), and is or would be the manager of the Funds established or as will be established in Israel in accordance and in compliance with the JIT.

(2) the Purchaser shall not be obliged at any way to buy all or part of the Shares at any time and the Purchaser shall decide, at its sole discretion, to buy or not to buy the Shares. It is clarified that as of the execution date of this Agreement, the Purchaser intends to buy the Shares but is in no way obliged to do so.

ARTICLE 20.
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

2.1 Registration Statement.

(a) The Company has prepared and filed with the United States Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-3 (File No. 333--201824) (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act") registering the offer and sale of the Shares. The Registration Statement is effective under the Securities Act and no stop order preventing or suspending the effectiveness of the Registration Statement or suspending or preventing the use of the prospectus contained therein has been issued by the SEC and no proceedings for that purpose have been instituted or, to the knowledge of the Company, are threatened by the SEC. The Company shall file a final a prospectus supplement with the SEC in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares (the "Prospectus Supplement").

(b) The Registration Statement, and the final prospectus together with the final prospectus supplement, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(c) When issued pursuant to this Agreement and the Registration Statement at Closing, the Shares will be free of any restrictions on transfer under the Securities Act and/or any other Act and/or any Israeli law and/or act and/or any other law.

2.2 Valid Issuance of Shares. The Shares that are being purchased by the Purchaser hereunder, when issued, sold and delivered in accordance with the terms of this Agreement, including payment of the Purchase Price, will be duly and validly issued, fully paid, and nonassessable.

2.3 Listing and Maintenance Requirements. The common shares of the Company have been designated for quotation or listed on the NYSE MKT and the Company has applied to list the Shares for trading on the TASE.

2.4 Disclosure Documents; Financial Statements. The Company has filed all reports required to be filed by it under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including pursuant to Section 13(a) or 15(d) thereof, during the twelve (12) months prior to the date hereof.

2.5 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the state of California.

2.6 Authority; Enforceability. The Company has the power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder. This Agreement has been duly authorized, executed and delivered by the Company and is the valid and binding agreement of the Company, enforceable in accordance with its terms subject to: (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors; and (ii) general principles of equity.

2.7 No Conflict. The execution and delivery of this Agreement and consummation of the sale of the Shares contemplated by this Agreement do not and will not violate any provisions of (i) the Securities Act or the Exchange Act or any rule or regulation thereunder, (ii) the California Corporations Code or the terms of any order, writ or decree of any court or judicial or regulatory authority or body by which the Company is bound, (iii) the Articles of Incorporation or bylaws of the Company, or (iv) the rules and regulations of the NYSE MKT or the TASE applicable to the listing of the Company's common shares or the rules and regulations of the TASE

2.8 No Litigation. There is no lawsuit, arbitration proceeding, or administrative action or proceeding pending or threatened against the Company which questions the validity of this Agreement or any action taken or to be taken by the Company in connection with this Agreement or the issue and sale of the Shares hereunder.

ARTICLE 21.
REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser hereby represents and warrants to the Company the following:

3.1 Organization. The Purchaser, is an Israeli mutual funds manager, validly existing and in good standing under the laws of the state of Israel.

3.2 Authority; Enforceability. The Purchaser has the power and authority to execute and deliver this Agreement and to perform all of its obligations under this Agreement. This Agreement has been duly authorized and executed by the Purchaser and is the valid and binding agreement of the Purchaser enforceable in accordance with its terms, except (i) to the extent limited by any bankruptcy, insolvency, or similar law affecting the rights of creditors generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.3 No Conflict. The execution and delivery of this Agreement, and consummation of the transactions contemplated hereunder, including the purchase of the Shares, by the Purchaser do not and will not violate any provisions of (i) any rule, regulation, statute, or law applicable to Purchaser or (ii) the terms of any order, writ, or decree of any court or judicial or regulatory authority or body by which Purchaser is bound, or (iii) the articles of incorporation, bylaws, or similar charter or governing documents of the Purchaser.

3.4 The Purchaser has met all requirements by Israeli law to be defined as a "Classified Investor" under the First Addendum to the Israeli Securities Law, 1968-5728, and agrees to such definition.

3.5 **No Short Sales**. The Purchaser has not, nor has any person or entity acting on behalf of or pursuant to any understanding, agreement, or arrangement with the Purchaser, directly or indirectly executed any “short sale,” as defined in SEC Rule SHO, of the common shares of the Company since June 30, 2015.

3.6 **Place of Business or Residence.** The Purchaser represents and warrants that the Purchaser’s principal place of business or residence is as set forth on the signature page of this Agreement.

ARTICLE 22.
CLOSING

4.1 **Time of Closing**. If the Purchaser shall decide, at its sole discretion, to exercise the Option and to purchase the Shares, the Purchaser shall give the Company, at the end of the last Israel Business Day (as defined below) before the day on which the Company’s common shares shall be included in one or more of the Indexes, a written notice that it wishes to exercise the Option (the "**Exercise Notice**").

4.2 If the Purchaser shall give the Company the Exercise Notice, the consummation of the purchase and sale of the Shares (“Closing”) shall take place on the date (the “Closing Date”) which shall be the first New York Business Day before the first Israel Business day on which the Company’s common shares shall be included in one or more of the Indexes. The Purchase Price shall be paid in Israeli New Shekels. A “New York Business Day” shall be any day on which the banks in New York are not required or permitted to close. An “Israel Business Day” shall be any day on which the banks in Israel are not required or permitted to close.

4.3 **Escrow Agent**. Union Underwriting & Finances Ltd. will be appointed by the parties as the Escrow Agent (the "**Escrow Agent**") in order to complete the transaction herein. The Company and Purchaser shall enter into an Escrow Agreement with the Escrow Agent for such purpose, a copy of which is attached as Exhibit A. The Escrow Agent shall hold the Purchase Price in accordance with the terms and conditions of the Escrow Agreement, including, as follows:

(a) On the day before the Index Calculation Date, Purchaser shall pay in full the Purchase Price for the Shares purchased by way of wire transfer, in immediately available funds, to the trust bank account to be established in the name of the Escrow Agent. The Purchase Price shall be paid in Israeli New Shekels.

(b) On the Closing Date, the Company shall transfer the Shares to the Purchaser, pursuant and subject to the written confirmation of the Escrow Agent that it has received the entire Purchase Price from Purchaser.

(c) On the Closing Date and after the Company has transferred the Shares directly to an account designated by the Purchaser as provided in Section 4.2(b), the Escrow Agent will transfer the entire Purchase Price to the Company.

(d) Expense Reimbursement. All fees and expenses payable to the Escrow Agent under the Escrow Agreement shall be borne by the Company, except for indemnification payments should any arise, which shall be paid in accordance with the Escrow Agreement.

4.4 Documents to be Delivered By the Company. The Company shall deliver the following documents to the Purchaser at the Closing:

(a) *Prospectus*. A copy of the most current prospectus (the "Prospectus") included in the Registration Statement, and the Prospectus Supplement filed in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares; provided that the Prospectus and Prospectus Supplement may be delivered in accordance with Rule 172 under the Securities Act;

(b) *Shares*. The Shares purchased by Purchaser shall be delivered electronically via The Depository Trust Company Deposit/Withdrawal at Custodian system ("DWAC") to an account designated by Purchaser. No later than one Business Day prior to the Closing Date, Purchaser shall provide the Company with the DWAC number of the account to which the Shares will be transferred and a properly completed Form W-8-BEN. Confirmation from American Stock Transfer & Trust Company, LLC, the transfer agent and registrar of the Shares, that the Shares purchased by Purchaser have been issued as provided by this paragraph shall be sufficient evidence that the Shares have been issued to Purchaser.

4.5 Conditions of the Company's Obligation to Close. The obligation of the Company to sell the Shares to the Purchaser (if the Purchaser shall exercise the Option) on each Closing Date is conditioned upon the following:

(a) *Payment and Delivery*. The Company's receipt of the entire Purchase Price for the Shares being sold to the Purchaser;

(b) *Representations and Warranties*. The representations and warranties made by the Purchaser in ARTICLE 3 of this Agreement shall be true and correct in all material respects when made and on the Closing Date; provided, that any representation and warranty that it is itself qualified by a materiality standard shall be true and correct in all respects; and

(c) *Performance of Covenants*. The Purchaser shall have fully performed all covenants and agreements required to be performed by the Purchaser on or before the Closing Date.

(d) *NYSE MKT Approval*. The NYSE MKT shall have approved the Company's additional listing application for the Shares to be sold to the Purchaser.

(e) *TASE Approval*. The TASE shall have approved the Company's application to list the Shares on the TASE.

(f) *No Shareholder Vote Required.* Under the rules and regulations of the NYSE MKT, the issue and sale of the Shares to the Purchaser and the other Funds shall not require approval by a vote or consent of the Company's shareholders.

4.6 Company's Obligation to Close.

(a) *Delivery.* Purchasers shall receive from the Company the items required to be delivered by the Company under Section 4.2.

(b) *Representations and Warranties*. The representations and warranties made by the Company in ARTICLE 2 of this Agreement shall be true and correct in all material respects when made and on the applicable Closing Date, unless made as of a specific date in which case they shall be accurate as of such date; provided, that any representation and warranty that is itself qualified by a materiality standard shall be true and correct in all respects.

(c) *Performance.* The Company shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the applicable Closing Date.

(d) *Bankruptcy; Insolvency.* The Company shall not be subject to (i) any order for relief, or subject to any pending proceeding for reorganization or liquidation, under the United States Bankruptcy Code, as amended, or under any other law pertaining to insolvency of the Company or creditor's rights generally, (ii) any appointment of a receiver for the Company or any of its assets, or (iii) any plan or action of dissolution or liquidation of the Company or its business.

(e) *Listing.* The Company's common shares shall be listed for trading on the NYSE MKT and TASE, and such listings and trading shall not have been suspended, nor shall suspension by the SEC or the NYSE MKT or TASE have been threatened, as of the Closing Date, in writing by the SEC, the NYSE MKT, or the TASE.

(f) *Inclusion in Indexes*. The Company's Shares shall be included in one or more of the Indexes.

ARTICLE 23.
ADDITIONAL COVENANTS

5.1 Further Assurances. If the Purchaser shall exercise the Option, each party will execute, acknowledge, and deliver such additional certificates and documents and will take such additional actions as the other party may reasonably request on or after a Closing Date to effect, complete or perfect the issue and sale of the Shares to the Purchaser.

5.2 Purchasers' Market Activity. The Purchaser agrees that the Purchaser shall not, engage for the mutual funds specified in **Annex A**, prior to the completion of the purchase and sale of the Shares on the Closing Date, in any stabilization activity in connection with the Company's common shares, or otherwise bid for or engage in any purchase or sale, including any short sale (as defined in SEC Rule SHO) of the Company's common shares, directly or through or in arrangement with and any entity in control of, controlled by, or under common control with the Purchaser. The Purchaser covenants and agrees that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to a press release, the Purchaser will maintain the confidentiality of the existence and terms of this Agreement.

5.3 Public Disclosure by the Company. The Company may issue one or more press releases and file one or more Current Reports on Form 8-K under the Exchange Act describing the terms of the transactions contemplated by this Agreement, in the form required by the Exchange Act and attaching this Agreement as an exhibit to such filing.

5.4 Publicity. Subject to any law and/or any order of any authority, including the ISA, the Purchaser shall not issue any press release or make any similar public statement or communication disclosing the terms of this Agreement or the transactions hereunder without the prior written consent of the Company, provided that the Company's consent shall not unreasonably be withheld or delayed if such disclosure is required by law and the Purchaser shall have provided the Company with a copy of the proposed press release or other public statement or communication a reasonable time prior to the public release or dissemination thereof.

ARTICLE 24.
MISCELLANEOUS

6.1 Governing Law. This Agreement shall be construed and governed in all respects by the internal laws of the State of California, taking into consideration that the Purchaser is an Israeli mutual fund manager under the laws of the State of Israel, and beside that- without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. All disputes and controversies arising out of or in connection with this Agreement shall be resolved non-exclusively by the state and federal courts located in the State of New York and the State of California, and each party agrees to submit to the jurisdiction of said courts.

6.2 Successors and Assigns. The parties may not assign their rights or obligations under this Agreement, directly or by operation of law, without the consent of the other party. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the respective successors, assigns, heirs, executors and administrators of the Purchaser and the Company.

6.3 Entire Agreement; Amendment. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subject matter of this Agreement. This Agreement and any term of this Agreement may be amended, waived, discharged or terminated only by a written instrument signed by the parties.

6.4 Notices, etc. All notices and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed given (a) four (4) days after being deposited in the mail, certified air postage prepaid, return receipt requested, or (b) when delivered by hand, by messenger or overseas express air freight service (such as DHL), or (c) on the date of facsimile transmission (FAX) or electronic mail (email) if sent at or prior to 5:30 p.m. (New York City time) on a New York Business Day, or the next New York Business Day after the date of facsimile or email transmission, if sent on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on a New York Business Day, in any case addressed as follows:

To any Purchaser:	At the address or FAX number or email address of Purchaser shown on the signature page of this Agreement
To the Company:	BioTime Inc. 1301 Harbor Bay Parkway Alameda, California 94502 Attention: Chief Financial Officer FAX: (510) 521- 3389 Email: rpeabody@biotimemail.com

Any party may change its address for the purpose of this Agreement by giving notice to each other party in accordance with this Section.

6.5 Expenses. The Purchaser and the Company shall bear their own expenses, including fees and expenses of their own advisers, counsel, accountants and other experts, if any, and all other expenses incurred by the party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all stamp taxes and other taxes and duties levied in connection with the delivery of the Shares to the Purchaser.

6.6 Brokers. The Purchaser shall have no liability to any broker, finder, investment banker, or other advisor retained or engaged by the Company or any subsidiary of the Company in connection with the transactions contemplated by this Agreement.

6.7 Titles and Subtitles. The titles or headings of the Articles and Sections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.8 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, each such unenforceable provision shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if each such unenforceable provision were so excluded, and the balance of this Agreement as so interpreted shall be enforceable in accordance with its terms.

6.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed with signatures transmitted among the parties by facsimile or by email delivery of a pdf format data file, and no party shall deny the validity of a signature or this Agreement signed and so transmitted on the basis that a signed document is represented by a copy or facsimile or pdf format data file and not an original.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first above written.

COMPANY:

BioTime, Inc.

By: /s/ R W Peabody

Title: SR VP

PURCHASER:

Midgal Mutual Funds Ltd.

By: /s/ Sagi Stein

Title: CEO

Address: Saadia Gaon 2G Tel Aviv

FAX Number:

Email: sigalfigmsh.co.il

EXHIBIT A

ESCROW AGREEMENT

This ESCROW AGREEMENT (hereinafter referred to as this "**Agreement**") is entered into as of September 29, 2015, by and among Migdal Mutual Funds Ltd ("**Purchaser**") and BioTime, Inc., a California corporation (the "**Company**"). (Each of Purchaser and the Company, a "**Party**", and collectively the "**Parties**").

W I T N E S S E T H

WHEREAS the Company and Purchaser have entered into a Purchase Agreement pursuant to which the Company shall sell Purchaser common shares of the Company, no par value (the "**Shares**"), in exchange for the Purchase Price (as defined in the Purchase Agreement)

WHEREAS the Company and Purchaser have agreed and desirous and willing that the closing of the Purchase Agreement will take place in accordance with the terms and provisions of this Agreement;

WHEREAS The Parties wish to appoint Union Bank Trust Co. Ltd to hold the Purchase Price for the purpose of ensuring the delivery of the Shares against receipt of the Purchase Price, in accordance with the terms of this Agreement and the share price as defined below;

NOW, THEREFORE, in furtherance of the Purchase Agreement and in consideration to the Escrow Fees as defined herein, the parties intending to be legally bound agree as follows:

1. The Company and the Purchaser hereby appoint the Union Bank Trust Co. Ltd Company as the "Escrow Agent" under this Agreement to hold the Purchase Price, and Union Bank Trust Co. Ltd accepts such designation and appointment and agrees to act in accordance with the terms of this Agreement and Purchase Agreement. It is hereby expressly provided that in the event a conflict should arise as between the terms of this Agreement and the Purchase Agreement, the terms of this Agreement shall control. The Escrow Agent agrees that upon receipt of the Purchase Price in accordance with Section 2 below, the Escrow Agent shall hold such funds in accordance with this Agreement.

2. Term of Escrow; Deposit and/or release of the shares and the Purchase Price.

2.1. At the end of the last Tel Aviv Stock Exchange Ltd. ("TASE") trading day preceding the Index Calculation Date (as defined in the Purchase Agreement, herein: "The Pricing Date"), the Purchaser shall deliver the Purchase Price to the Escrow Agent by wire transfer by depositing the Purchase Price to the bank account designated by Escrow Agent to the Company and Purchaser and by sending a proper documentation of such wire transfer to amos-f@ubi.co.il + shai@ubi.co.il ("E-Mail Delivery"). The Purchase Price shall be paid in Israeli New Shekels (NIS) and in immediately available funds. Union Underwriting & Finances Ltd. ("Union Underwriters") will notify the Escrow Agent of the Price Per Share determined according to the Purchase Agreement (the "PPS") that will be the last price of the Company's share at TASE in the Pricing Date and will calculate the Purchase Price for the purpose of the escrow. The above PPS and calculations by Union Underwriters are limited to the purposes of the Escrow Agreement and will not deteriorate from the parties' rights according to the Purchase Agreement. The parties hereby waive and release Union Underwriters from any claim regarding the PPS and the calculations.

2.2. The Escrow Agent shall immediately notify the Company and the Purchaser in writing of receipt of the Purchase Price (the "Written Notification").

2.3. On or before the date on which the Purchase Prices is deposited with the Escrow Agent, Purchaser shall notify the Company and the Escrow Agent of the name, telephone number, and email address of an authorized person at the financial institution that will receive the Shares for Purchaser's account, who the Company and the Escrow Agent may contact to confirm receipt of the Shares.

2.4. Upon receiving Written Notification, the Company shall take all necessary actions for the issuance of the Shares in the manner provided in the Purchase Agreement. Purchaser acknowledges and agrees to provide the Company with the proper Depository Trust Company Deposit/Withdrawal at Custodian system ("DWAC") number for the account into which Purchaser's Shares are to be issued. Purchaser shall provide American Stock Transfer & Trust Company, LLC, the transfer agent and registrar of the Shares (the "Transfer Agent"), with all information and documentation that the Transfer Agent requires to issue the Shares.

2.5. The Transfer Agent shall promptly provide written notification of the issuance of the Shares by DWAC to the account designated by Purchaser.

2.6. Immediately following receipt of the Shares in Purchaser's account, but not before October 6th, 2015, Purchaser shall provide a written confirmation of receipt, including the number of shares by email to the Escrow Agent and the Company, and the Escrow Agent shall release and deliver the Purchase Price, calculated by the number of shares multiplied by the PPS and deduced by 1% (fee to Union Underwriters to be transferred by the Escrow Agent to Union Underwriters' account within the Union Bank) by wire transfer to a bank account of the Company designated in writing by the Company. Escrow Agent shall also deliver a confirmation of such transfer to the Company including the identification number of the wire. In case of excess funds deposited by the Purchaser within the Escrow Agent (comparing to the number of shares actually received by the Purchaser multiplied by the PPS), the Escrow Agent will return such excess funds to the Purchaser 14 days after being deposited. In case of excess of shares, allocated by the Company to the Purchaser above the scale required from the Purchaser's Purchase Price, the Escrow Agent's role will be limited to transferring the Purchase Price to the Company.

2.7. All incidental costs, fees and expenses related to the transfer of the Purchase Price to the Company will be incurred by the Company, so that the Company will receive the net value after such costs, if any, were deduced. In case that the Company decides or is required to receive the Purchase Price in USD, the Escrow Agent will act in good faith to convert the Purchase Price from NIS to USD at market values used in Union Bank, at the expense of the Company regarding the cost of such conversion.

2.8. Notwithstanding anything to the contrary hereunder, the Escrow Agent shall not be required to release the Purchase Price unless, prior thereto, it shall have received from the appropriate recipient:

2.8.1. Full bank account details (the account must be solely owned and controlled by BioTime): name of bank, branch number, account number, name of account, SWIFT, IBAN/ABA;

2.8.2. Any applied tax forms, if applicable; and

2.8.3. Bank account ownership approval which would be an official letter from the bank, approved for authenticity by either Pearl Cohen Zedek Latzer Baratz (PCTLB) directly or by PCTLB's approval of such certification done by a US-based law firm that regularly represents BioTime.

2.8.4. BioTime declares and commits that no tax deduction is required by the Escrow Agent prior to releasing the investment proceeds to BioTime. BioTime undertakes to indemnify and hold the Escrow Agent harmless against any and all losses, claims, damages, liabilities and expenses related to that matter.

3. Escrow Fees. Omitted.

4. Liability of the Escrow Agent. The Escrow Agent undertakes to perform only the duties as are expressly set forth herein and no other duties and obligations (fiduciary or otherwise) shall be implied. Escrow Agent shall have no duty to enforce any obligation of any other person to make any payment or delivery, or to direct or cause any payment or delivery to be made, or to enforce any obligation of any other person to perform any other act. The Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement (even though such agreement may be referenced in this Agreement) other than this Agreement. The Escrow Agent is not a party to the Purchase Agreement, is not bound by any of its terms, and has not undertaken in any way to effectuate, implement or comply with the Purchase Agreement. The Escrow Agent shall not be liable to any other party hereto or to anyone else for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that Escrow Agent’s gross negligence, willful misconduct or bad faith was the cause of any loss suffered by such party. The Escrow Agent’s sole responsibility shall be for the safekeeping and releasing of the Purchase Price in accordance with the terms of this Agreement. In no event shall the Escrow Agent be liable for incidental, indirect, special, consequential or punitive damages of any kind whatsoever (including lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

5. Indemnification of the Escrow Agent. Subject to the other provisions of this Agreement, the Company agrees to indemnify and hold the Escrow Agent harmless against any and all losses, claims, damages, liabilities and expenses, including reasonable costs of investigation, counsel fees, including allocated costs of in-house counsel and disbursements that may be imposed on the Escrow Agent or incurred by the Escrow Agent in connection with the performance of its duties under this Agreement, including but not limited to any litigation arising from this Agreement or involving its subject matter. Notwithstanding the foregoing, there shall be no indemnification obligation under this Section in an event of the Escrow Agent’s breach of this Agreement, violation of applicable laws, gross negligence, bad faith or willful misconduct. The Escrow Agent shall notify the Company and the Purchaser in writing of any written assertion of a claim against the Escrow Agent, promptly after the Escrow Agent shall have received any such information as to the nature and basis of the claim or learns of circumstances that may bring about such claim. The Escrow Agent agrees not to settle any litigation in connection with any claim or liability with respect to which the Escrow Agent may seek indemnification from the Company and the Purchaser without the prior written consent of the Company and the Purchaser.

6. Notices**.** All notices required or permitted hereunder shall be in writing, must be by E-Mail Delivery as defined above (fax delivery may be added but will not suffice) and shall be deemed effectively given: (a) upon personal delivery to the Party to be notified; (b) when sent by facsimile or email with confirmation of transmission. All communications shall be sent to the Company, the Purchaser and the Escrow Agent at their respective facsimile numbers or email addresses set forth below.

7. Priority. In the event of any conflict between the provisions of this Agreement, this Agreement shall be construed in a manner prescribed by the Escrow Agent acting in good faith.

8. Miscellaneous

The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by the Company and the Purchaser and the Escrow Agent. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by the Escrow Agent or any Party without the prior consent of the Escrow Agent and the other Parties.

This Agreement may be executed by facsimile signatures, which for all purposes shall be deems to constitute originals. This Agreement may be executed in counterparts, all of which when taken together shall be deemed one original.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first above written.

COMPANY:
BioTime, Inc.

By: _____
Title: Chief Financial Officer
Address: 1301 Harbor Bay Parkway
Alameda, California 94502
Attention: Robert W. Peabody, Chief Financial Officer
FAX Number: (415) 521-3389
Email: rpeabody@biotimemail.com

PURCHASER:

Migdal Mutual Funds Ltd.

By: _____

Title: _____

Address: Saadia Gaon 2G
Tel Aviv
Israel

FAX Number:
Email: sigalfi.cmsh.co.il

ESCROW AGENT:

By: _____
Amos Fargon
Title: Chief Operating Officer

Address: Union Bank Trust Co. Ltd
28 Ahad Ha'am St., Tel Aviv
FAX Number: +972-3-5191208
Email: amos-f@ubi.co.il

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is entered into as of September 30, 2015 by and between BioTime, Inc., a California corporation (the "Company") and the undersigned identified on the signature page attached hereto ("Purchaser").

ARTICLE 25.
PURCHASE AND SALE OF SHARES

1.1 Sale of Shares. Purchaser hereby irrevocably agrees to purchase from the Company, and the Company agrees to sell to Purchaser pursuant to the Registration Statement (as defined below) a number of common shares, no par value, ("Shares") required for applicable TASE Indexes, or such lesser number as provided in Section 1.2 below, at a price per Share equal to ninety-eight percent (98%) of the closing price of the Shares on the Tel Aviv Stock Exchange ("TASE") on the TASE trading day immediately preceding the first day on which the Company's common shares enter the TASE Indexes, that is October 1, 2015, (the "Purchase Price"). The TASE Indexes that Company's commons shares will enter (the "Indexes") will be announced by TASE following the listing of the Shares on the TASE on September 30, 2015.

1.2 Adjustment to Number of Shares Sold. Purchaser shall provide the Company with the exact number of Shares requested by September 30, 2015, at 6:00 p.m., Israel time, and the Company will then notify Purchaser of the exact number of Shares available for purchase by October 1, 2015, at 12:00 p.m., Israel time. The number of Shares that Purchaser shall purchase under this Agreement is subject to reduction as provided in this Section.

(a) For purposes of Section 1.1 and this Section 1.2, any Shares purchased by Purchaser from sources other than the Company shall not reduce the number of Shares that Purchaser is required to purchase from the Company under this Agreement.

(b) Purchaser acknowledges and agrees that the Shares being offered to Purchaser under this Agreement by the Company are part of an allotment of Shares that are being offered to other sophisticated investors ("Sophisticated Investor"). The total number of Shares available to all Sophisticated Investors including Purchaser will not exceed: (a) 20% of the issued and outstanding common stock of the Company; and (b) a number of Shares having an aggregate purchase price of NIS 80 million (the "Maximum Shares"). To the extent that the number of Shares that Purchaser is committing to purchase from the Company under Section 1.1 of this Agreement plus the total number of Shares that other Sophisticated Investors are committing to purchase under separate agreements with the Company exceeds the Maximum Shares, the Company will allocate Shares among Purchaser and the other Sophisticated Investors on a pro rata basis based on the respective number of Shares that Purchaser and the other Sophisticated Investors have agreed to purchase from the Company, so that the total number of Shares sold by the Company to Purchaser and the other Sophisticated Investors does not exceed the Maximum Shares. In the event that the Company reduces the number of Shares to be sold to Purchaser as provided in this Section 1.2(b), the Company will promptly notify Purchaser of the total number of Shares that will be sold to Purchaser.

(c) A reduction in the number of Shares sold to Purchaser pursuant to this Section 1.2 will not change the Purchase Price per Share.

ARTICLE 26.
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

2.1 Registration Statement.

(a) The Company has prepared and filed with the United States Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-3 (File No. 333--201824) (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act") registering the offer and sale of the Shares. The Registration Statement is effective under the Securities Act and no stop order preventing or suspending the effectiveness of the Registration Statement or suspending or preventing the use of the prospectus contained therein has been issued by the SEC and no proceedings for that purpose have been instituted or, to the knowledge of the Company, are threatened by the SEC. The Company shall file a final a prospectus supplement with the SEC in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares (the "Prospectus Supplement").

(b) The Registration Statement, and the final prospectus together with the final prospectus supplement, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(c) When issued pursuant to this Agreement and the Registration Statement at Closing, the Shares will be free of any restrictions on transfer or sale under the Securities Act, other than such restrictions as may be applicable under Rule 144 under the Securities Act with respect to sales or transfers of securities by an affiliate (as defined in Rule 144) of the issuer should Purchaser be or become an affiliate of the Company.

2.2 Valid Issuance of Shares. The Shares that are being purchased by Purchaser hereunder, when issued, sold and delivered in accordance with the terms of this Agreement, including payment of the Purchase Price, will be duly and validly issued, fully paid, and nonassessable.

2.3 Listing and Maintenance Requirements. The common shares of the Company have been designated for quotation or listed on the NYSE MKT and the Company has applied to list the Shares for trading on the TASE.

2.4 Disclosure Documents; Financial Statements. The Company has filed all reports required to be filed by it under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including pursuant to Section 13(a) or 15(d) thereof, during the twelve (12) months prior to the date hereof.

2.5 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the state of California.

2.6 Authority; Enforceability. The Company has the power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder. This Agreement has been duly authorized, executed and delivered by the Company and is the valid and binding agreement of the Company, enforceable in accordance with its terms subject to: (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors; and (ii) general principles of equity.

2.7 No Conflict. The execution and delivery of this Agreement and consummation of the sale of the Shares contemplated by this Agreement do not and will not violate any provisions of (i) the Securities Act or the Exchange Act or any rule or regulation thereunder, including the Israeli Securities Law, (ii) the California Corporations Code or the terms of any order, writ or decree of any court or judicial or regulatory authority or body by which the Company is bound, (iii) the Articles of Incorporation or bylaws of the Company, or (iv) the rules and regulations of the NYSE MKT or the TASE applicable to the listing of the Company's common shares.

2.8 No Litigation. There is no lawsuit, arbitration proceeding, or administrative action or proceeding pending or threatened against the Company which questions the validity of this Agreement or any action taken or to be taken by the Company in connection with this Agreement or the issue and sale of the Shares hereunder.

ARTICLE 27.
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to the Company the following:

3.1 Organization. Purchaser, if not a natural person, is either a corporation, limited liability company, partnership, trust or other entity duly organized, validly existing and in good standing under the laws of the state or other jurisdiction in which it is incorporated or otherwise organized.

3.2 Authority; Enforceability. Purchaser has the power and authority to execute and deliver this Agreement and to perform all of its obligations under this Agreement. This Agreement has been duly authorized and executed by Purchaser and is the valid and binding agreement of Purchaser enforceable in accordance with its terms, except (i) to the extent limited by any bankruptcy, insolvency, or similar law affecting the rights of creditors generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.3 **No Conflict.** The execution and delivery of this Agreement, and consummation of the transactions contemplated hereunder, including the purchase of the Shares, by Purchaser do not and will not violate any provisions of (i) any rule, regulation, statute, or law applicable to Purchaser or (ii) the terms of any order, writ, or decree of any court or judicial or regulatory authority or body by which Purchaser is bound, or (iii) the articles of incorporation, bylaws, or similar charter or governing documents of Purchaser.

3.4 Purchaser has met all requirements by Israeli law to be defined as a "Classified Investor" under the First Addendum to the Israeli Securities Law, 1968-5728, and agrees to such definition.

3.5 **No Short Sales**. Purchaser has not, nor has any person or entity acting on behalf of or pursuant to any understanding, agreement, or arrangement with Purchaser, directly or indirectly executed any "short sale," as defined in SEC Rule SHO, of the common shares of the Company since June 30, 2015.

3.6 **Place of Business or Residence.** Purchaser represents and warrants that Purchaser has Purchaser's principal place of business or residence as set forth on the signature page of this Agreement.

ARTICLE 28.
CLOSING

4.1 **Time and Place of Closing**. The consummation of the purchase and sale of the Shares ("Closing") shall take place on the date (the "Closing Date") which shall be the third Business Day after the day on which the TASE announces the number of the Company's common shares required for the Indexes (the "**Index Calculation Date**"), and in any event no later than at the end of October 5, 2015, Israel time. The Closing shall occur at the principal office of the Company or at such other place as the parties may agree. A "Business Day" shall be any day on which the banks in New York are not required or permitted to close.

4.2 **Escrow Agent**. Union Underwriting & Finances Ltd. will be appointed by the parties as the Escrow Agent (the "**Escrow Agent**") in order to complete the transaction herein. The Company and Purchaser shall enter into an Escrow Agreement with the Escrow Agent for such purpose, a copy of which is attached as Exhibit A. The Escrow Agent shall hold the Purchase Price in Escrow in accordance with the terms and conditions of the Escrow Agreement, as follows:

(a) On the day before the Index Calculation Date, Purchaser shall pay in full the Purchase Price for the Shares purchased by way of wire transfer, in immediately available funds, to the trust bank account to be established in the name of the Escrow. The Purchase Price shall be paid in Israeli New Shekels.

(b) On the Closing Date, the Company shall transfer the Shares to the Purchaser, pursuant and subject to the written confirmation of the Escrow that it has received the entire Purchase Price from Purchaser.

(c) On the Closing Date and after the Company has transferred the Shares directly to an account designated the Purchaser as provided in Section 4.3(b), the Trustee will transfer the entire Purchase Price to the Company.

(d) Expense Reimbursement. All fees and expenses payable to the Escrow Agent under the Escrow Agreement shall be borne by the Company, except for indemnification payments should any arise, which shall be paid in accordance with the Escrow Agreement.

4.3 Documents to be Delivered By the Company. The Company shall deliver the following documents to Purchaser at the Closing:

(a) *Prospectus*. A copy of the most current prospectus (the "Prospectus") included in the Registration Statement, and the Prospectus Supplement filed in accordance with Rule 424(b) under the Securities Act describing the offer of the Shares; provided that the Prospectus and Prospectus Supplement may be delivered in accordance with Rule 172 under the Securities Act;

(b) *Shares*. The Shares purchased by Purchaser shall be delivered electronically via The Depository Trust Company Deposit/Withdrawal at Custodian system ("DWAC") to an account designated by Purchaser. No later than one Business Day prior to the Closing Date, Purchaser shall provide the Company with the DWAC number of the account to which the Shares will be transferred and a properly completed Form W-8-BEN. Confirmation from American Stock Transfer & Trust Company, LLC, the transfer agent and registrar of the Shares, that the Shares purchased by Purchaser have been issued as provided by this paragraph shall be sufficient evidence that the Shares have been issued to Purchaser and that the Escrow Agent may release the Purchase Price to the Company.

4.4 Conditions of the Company's Obligation to Close. The obligation of the Company to sell the Shares to Purchaser on each Closing Date is conditioned upon the following:

(a) *Payment and Delivery*. The Company's receipt of the entire Purchase Price for all of the Shares being sold to Purchaser;

(b) *Representations and Warranties*. The representations and warranties made by Purchaser in ARTICLE 3 of this Agreement shall be true and correct in all material respects when made and on the Closing Date; provided, that any representation and warranty that it is itself qualified by a materiality standard shall be true and correct in all respects; and

(c) *Performance of Covenants*. Purchaser shall have fully performed all covenants and agreements required to be performed by Purchaser on or before the Closing Date.

(d) *NYSE MKT Approval*. The NYSE MKT shall have approved the Company's additional listing application for the Shares to be sold to Purchaser.

(e) *TASE Approval*. The TASE shall have approved the Company's application to list the Shares on the TASE.

(f) *No Shareholder Vote Required.* Under the rules and regulations of the NYSE MKT, the issue and sale of the Shares to Purchaser and the other Sophisticated Investors shall not require approval by a vote or consent of the Company's shareholders.

4.5 Conditions of Purchaser's Obligation to Close. The obligation of Purchaser to purchase the Shares from the Company on any Closing Date is conditioned upon the following:

(a) *Delivery.* Purchaser's receipt of the items required to be delivered by the Company under Section 4.2 above.

(b) *Representations and Warranties*. The representations and warranties made by the Company in ARTICLE 2 of this Agreement shall be true and correct in all material respects when made and on the applicable Closing Date, unless made as of a specific date in which case they shall be accurate as of such date; provided, that any representation and warranty that it is itself qualified by a materiality standard shall be true and correct in all respects.

(c) *Performance*. The Company shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the applicable Closing Date.

(d) *Bankruptcy; Insolvency.* The Company shall not be subject to (i) any order for relief, or subject to any pending proceeding for reorganization or liquidation, under the United States Bankruptcy Code, as amended, or under any other law pertaining to insolvency of the Company or creditor's rights generally, (ii) any appointment of a receiver for the Company or any of its assets, or (iii) any plan or action of dissolution or liquidation of the Company or its business.

(e) *Listing.* The Company's common shares shall be listed for trading on the NYSE MKT and TASE, and such listings and trading shall not have been suspended, nor shall suspension by the SEC or the NYSE MKT or TASE have been threatened, as of the Closing Date, in writing by the SEC, the NYSE MKT, or the TASE.

(f) *Inclusion in Indexes*. The Company's Shares shall be included in one or more of the Indexes.

ARTICLE 29.
ADDITIONAL COVENANTS

5.1 **Further Assurances.** Each party will execute, acknowledge, and deliver such additional certificates and documents and will take such additional actions as the other party may reasonably request on or after a Closing Date to effect, complete or perfect the issue and sale of the Shares to Purchaser.

5.2 **Purchasers' Market Activity**. Purchaser agrees that Purchaser shall not, prior to the completion of the purchase and sale of the Shares on the Closing Date, engage in any stabilization activity in connection with the Company's common shares, or otherwise bid for or engage in any purchase or sale, including any short sale (as defined in SEC Rule SHO) of the Company's common shares, directly or through or in arrangement with and any entity in control of, or under common control with Purchaser. Purchaser covenants and agrees that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to a press release, Purchaser will maintain the confidentiality of the existence and terms of this Agreement.

5.3 Public Disclosure by the Company. The Company may issue one or more press releases and file one or more Current Reports on Form 8-K under the Exchange Act describing the terms of the transactions contemplated by this Agreement, in the form required by the Exchange Act and attaching this Agreement as an exhibit to such filing. The Purchaser name will not be mentioned in the above said press releases.

5.4 Publicity. Purchaser shall not issue any press release or make any similar public statement or communication disclosing the terms of this Agreement or the transactions hereunder without the prior written consent of the Company, provided that the Company's consent shall not unreasonably be withheld or delayed if such disclosure is required by law and Purchaser shall have provided the Company with a copy of the proposed press release or other public statement or communication a reasonable time prior to the public release or dissemination thereof.

5.5 In the event, that Purchaser will not transfer the entire Purchase Price to the Company, Purchaser will indemnify the Company in the amount of the entire Purchase Price. Without derogating the foregoing, in the event that Purchaser transferred the entire Purchase Price by October 1, 2015, and such delivery of the Purchase Price was approved by the Escrow Agent pursuant to the Escrow Agreement, the Company irrevocably undertakes to deliver the Shares on October 1, 2015, so that the Purchaser shall hold the Shares by the end of October 5, 2015, Israel time.

ARTICLE 30.
MISCELLANEOUS

6.1 Governing Law. This Agreement shall be construed and governed in all respects by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. All disputes and controversies arising out of or in connection with this Agreement shall be resolved non-exclusively by the state and federal courts located in the State of New York and the State of California, and each party agrees to submit to the jurisdiction of said courts.

6.2 Successors and Assigns. The parties may not assign their rights or obligations under this Agreement, directly or by operation of law, without the consent of the other party. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the respective successors, assigns, heirs, executors and administrators of Purchaser and the Company.

6.3 Entire Agreement; Amendment. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subject matter of this Agreement. This Agreement and any term of this Agreement may be amended, waived, discharged or terminated only by a written instrument signed by the parties.

6.4 Notices, etc. All notices and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed given (a) four (4) days after being deposited in the mail, certified air postage prepaid, return receipt requested, or (b) when delivered by hand, by messenger or overseas express air freight service (such as DHL), or (c) on the date of facsimile transmission (FAX) or electronic mail (email) if sent at or prior to 5:30 p.m. (New York City time) on a Business Day, or the next Business Day after the date of facsimile or email transmission, if sent on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on a Business Day, in any case addressed as follows:

To any Purchaser:	At the address or FAX number or email address of Purchaser shown on the signature page of this Agreement
To the Company:	BioTime Inc. 1301 Harbor Bay Parkway Alameda, California 94502 Attention: Chief Financial Officer FAX: (510) 521- 3389 Email: rpeabody@biotimemail.com

Any party may change its address for the purpose of this Agreement by giving notice to each other party in accordance with this Section.

6.5 Expenses. Purchaser and the Company shall bear their own expenses, including fees and expenses of their own advisers, counsel, accountants and other experts, if any, and all other expenses incurred by the party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all stamp taxes and other taxes and duties levied in connection with the delivery of the Shares to Purchaser.

6.6 Brokers. The Purchaser shall have no liability to any broker, finder, investment banker, or other advisor retained or engaged by the Company or any subsidiary of the Company in connection with the transactions contemplated by this Agreement.

6.7 Titles and Subtitles. The titles or headings of the Articles and Sections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.8 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, each such unenforceable provision shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if each such unenforceable provision were so excluded, and the balance of this Agreement as so interpreted shall be enforceable in accordance with its terms.

6.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed with signatures transmitted among the parties by facsimile or by email delivery of a pdf format data file, and no party shall deny the validity of a signature or this Agreement signed and so transmitted on the basis that a signed document is represented by a copy or facsimile or pdf format data file and not an original.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first above written.

COMPANY:

BioTime, Inc.

By: /s/ R W Peabody

Title: SR VP

PURCHASER:

Tachlit Mutual Funds

By: /s/ Eyal Segal / Vereo Cohen Rubin

Title: CEO / CRO

Address: 130 Sheshet Hayamim

Bnai-Barak

FAX Number: 97237904401

Email: shay@lmtds.co.il

EXHIBIT A

ESCROW AGREEMENT

This ESCROW AGREEMENT (hereinafter referred to as this "**Agreement**") is entered into as of September 29, 2015, by and among Tachlit ("**Purchaser**") and BioTime, Inc., a California corporation (the "**Company**"). (Each of Purchaser and the Company, a "**Party**", and collectively the "**Parties**").

W I T N E S S E T H

WHEREAS the Company and Purchaser have entered into a Purchase Agreement pursuant to which the Company shall sell Purchaser common shares of the Company, no par value (the "**Shares**"), in exchange for the Purchase Price (as defined in the Purchase Agreement)

WHEREAS the Company and Purchaser have agreed and desirous and willing that the closing of the Purchase Agreement will take place in accordance with the terms and provisions of this Agreement;

WHEREAS The Parties wish to appoint Union Bank Trust Co. Ltd to hold the Purchase Price for the purpose of ensuring the delivery of the Shares against receipt of the Purchase Price, in accordance with the terms of this Agreement and the share price as defined below;

NOW, THEREFORE, in furtherance of the Purchase Agreement and in consideration to the Escrow Fees as defined herein, the parties intending to be legally bound agree as follows:

1. The Company and the Purchaser hereby appoint the Union Bank Trust Co. Ltd Company as the "Escrow Agent" under this Agreement to hold the Purchase Price, and Union Bank Trust Co. Ltd accepts such designation and appointment and agrees to act in accordance with the terms of this Agreement and Purchase Agreement. It is hereby expressly provided that in the event a conflict should arise as between the terms of this Agreement and the Purchase Agreement, the terms of this Agreement shall control. The Escrow Agent agrees that upon receipt of the Purchase Price in accordance with Section 2 below, the Escrow Agent shall hold such funds in accordance with this Agreement.

2. Term of Escrow; Deposit and/or release of the shares and the Purchase Price.

2.1. On October 1, 2015, the Purchaser shall deliver the Purchase Price to the Escrow Agent by wire transfer by depositing the Purchase Price to the bank account designated by Escrow Agent to the Company and Purchaser and by sending a proper documentation of such wire transfer to amos-f@ubi.co.il + shai@ubi.co.il ("E-Mail Delivery"). The Purchase Price shall be paid in Israeli New Shekels (NIS) and in immediately available funds. Union Underwriting & Finances Ltd. ("Union Underwriters") will notify the Escrow Agent of the Price Per Share determined according to the Purchase Agreement (the "PPS") that will be the last price of the Company's share at TASE in the Pricing Date and will calculate the Purchase Price for the purpose of the escrow. The above PPS and calculations by Union Underwriters are limited to the purposes of the Escrow Agreement and will not deteriorate from the parties' rights according to the Purchase Agreement. The parties hereby waive and release Union Underwriters from any claim regarding the PPS and the calculations.

2.2. The Escrow Agent shall immediately notify the Company and the Purchaser in writing of receipt of the Purchase Price (the "Written Notification").

2.3. On or before the date on which the Purchase Prices is deposited with the Escrow Agent, Purchaser shall notify the Company and the Escrow Agent of the name, telephone number, and email address of an authorized person at the financial institution that will receive the Shares for Purchaser's account, who the Company and the Escrow Agent may contact to confirm receipt of the Shares.

2.4. Upon receiving Written Notification, the Company shall take all necessary actions for the issuance of the Shares in the manner provided in the Purchase Agreement. Purchaser acknowledges and agrees to provide the Company with the proper Depository Trust Company Deposit/Withdrawal at Custodian system ("DWAC") number for the account into which Purchaser's Shares are to be issued. Purchaser shall provide American Stock Transfer & Trust Company, LLC, the transfer agent and registrar of the Shares (the "Transfer Agent"), with all information and documentation that the Transfer Agent requires to issue the Shares.

2.5. The Transfer Agent shall promptly provide written notification of the issuance of the Shares by DWAC to the account designated by Purchaser.

2.6. Immediately following receipt of the Shares in Purchaser's account, but not before October 6th, 2015, Purchaser shall provide a written confirmation of receipt, including the number of shares by email to the Escrow Agent and the Company, and the Escrow Agent shall release and deliver the Purchase Price, calculated by the number of shares multiplied by the PPS and deduced by 1% (fee to Union Underwriters to be transferred by the Escrow Agent to Union Underwriters' account within the Union Bank) by wire transfer to a bank account of the Company designated in writing by the Company. Escrow Agent shall also deliver a confirmation of such transfer to the Company including the identification number of the wire. In case of excess funds deposited by the Purchaser within the Escrow Agent (comparing to the number of shares actually received by the Purchaser multiplied by the PPS), the Escrow Agent will return such excess funds to the Purchaser 14 days after being deposited. In case of excess of shares, allocated by the Company to the Purchaser above the scale required from the Purchaser's Purchase Price, the Escrow Agent's role will be limited to transferring the Purchase Price to the Company.

2.7. All incidental costs, fees and expenses related to the transfer of the Purchase Price to the Company will be incurred by the Company, so that the Company will receive the net value after such costs, if any, were deduced. In case that the Company decides or is required to receive the Purchase Price in USD, the Escrow Agent will act in good faith to convert the Purchase Price from NIS to USD at market values used in Union Bank, at the expense of the Company regarding the cost of such conversion.

2.8. Notwithstanding anything to the contrary hereunder, the Escrow Agent shall not be required to release the Purchase Price unless, prior thereto, it shall have received from the appropriate recipient:

2.8.1. Full bank account details (the account must be solely owned and controlled by BioTime): name of bank, branch number, account number, name of account, SWIFT, IBAN/ABA;

2.8.2. Any applied tax forms, if applicable; and

2.8.3. Bank account ownership approval which would be an official letter from the bank, approved for authenticity by either Pearl Cohen Zedek Latzer Baratz (PCTLB) directly or by PCTLB's approval of such certification done by a US-based law firm that regularly represents BioTime.

2.8.4. BioTime declares and commits that no tax deduction is required by the Escrow Agent prior to releasing the investment proceeds to BioTime. BioTime undertakes to indemnify and hold the Escrow Agent harmless against any and all losses, claims, damages, liabilities and expenses related to that matter.

3. Escrow Fees. Omitted.

4. Liability of the Escrow Agent. The Escrow Agent undertakes to perform only the duties as are expressly set forth herein and no other duties and obligations (fiduciary or otherwise) shall be implied. Escrow Agent shall have no duty to enforce any obligation of any other person to make any payment or delivery, or to direct or cause any payment or delivery to be made, or to enforce any obligation of any other person to perform any other act. The Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement (even though such agreement may be referenced in this Agreement) other than this Agreement. The Escrow Agent is not a party to the Purchase Agreement, is not bound by any of its terms, and has not undertaken in any way to effectuate, implement or comply with the Purchase Agreement. The Escrow Agent shall not be liable to any other party hereto or to anyone else for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that Escrow Agent's gross negligence, willful misconduct or bad faith was the cause of any loss suffered by such party. The Escrow Agent's sole responsibility shall be for the safekeeping and releasing of the Purchase Price in accordance with the terms of this Agreement. In no event shall the Escrow Agent be liable for incidental, indirect, special, consequential or punitive damages of any kind whatsoever (including lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

5. Indemnification of the Escrow Agent. Subject to the other provisions of this Agreement, the Company agrees to indemnify and hold the Escrow Agent harmless against any and all losses, claims, damages, liabilities and expenses, including reasonable costs of investigation, counsel fees, including allocated costs of in-house counsel and disbursements that may be imposed on the Escrow Agent or incurred by the Escrow Agent in connection with the performance of its duties under this Agreement, including but not limited to any litigation arising from this Agreement or involving its subject matter. Notwithstanding the foregoing, there shall be no indemnification obligation under this Section in an event of the Escrow Agent's breach of this Agreement, violation of applicable laws, gross negligence, bad faith or willful misconduct. The Escrow Agent shall notify the Company and the Purchaser in writing of any written assertion of a claim against the Escrow Agent, promptly after the Escrow Agent shall have received any such information as to the nature and basis of the claim or learns of circumstances that may bring about such claim. The Escrow Agent agrees not to settle any litigation in connection with any claim or liability with respect to which the Escrow Agent may seek indemnification from the Company and the Purchaser without the prior written consent of the Company and the Purchaser.

6. Notices**.** All notices required or permitted hereunder shall be in writing, must be by E-Mail Delivery as defined above (fax delivery may be added but will not suffice) and shall be deemed effectively given: (a) upon personal delivery to the Party to be notified; (b) when sent by facsimile or email with confirmation of transmission. All communications shall be sent to the Company, the Purchaser and the Escrow Agent at their respective facsimile numbers or email addresses set forth below.

7. Priority. In the event of any conflict between the provisions of this Agreement, this Agreement shall be construed in a manner prescribed by the Escrow Agent acting in good faith.

8. Miscellaneous

The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by the Company and the Purchaser and the Escrow Agent. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by the Escrow Agent or any Party without the prior consent of the Escrow Agent and the other Parties.

This Agreement may be executed by facsimile signatures, which for all purposes shall be deems to constitute originals. This Agreement may be executed in counterparts, all of which when taken together shall be deemed one original.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first above written.

COMPANY:
BioTime, Inc.

By: _____
Title: Chief Financial Officer
Address: 1301 Harbor Bay Parkway
Alameda, California 94502
Attention: Robert W. Peabody, Chief Financial Officer
FAX Number: (415) 521-3389
Email: rpeabody@biotimemail.com

PURCHASER:
Tachlit Mutual Funds

By: _____

Title: _____

Address: 130 Sheshet Hayamim
Bnai Barak
FAX Number: 972-237904401
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ESCROW AGENT:

By: _____
Amos Fargon
Title: Chief Operating Officer

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Exhibit 10.4

Certain information has been omitted under a request for confidential treatment, and the omitted information has been filed with the Commission. Confidential portions are marked [**].

Research & Development Agreement

This Research & Development Agreement (in the following referred to as this "Agreement" or this "R&D Agreement") is made and entered

by and between **OrthoCyte Corporation**,
a California corporation and an Affiliate
of BioTime, Inc. ("BioTime"),
1301 Harbor Bay Parkway
Alameda, CA 94502 USA

(in the following referred to as "**OrthoCyte**")

and **Heraeus Medical GmbH**
Philip-Reis-Str. 8/13
61273 Wehrheim, Germany

(in the following referred to as "**Heraeus**")

OrthoCyte and Heraeus may in the following be referred to individually as a "Party" and collectively as the "Parties".

WHEREAS OrthoCyte owns, or has licensed rights to, and possesses two therapeutic development platforms. The first one being a comprehensive portfolio of embryonic stem cells and clonal progenitor stem cells of primate origin, as well as related know-how and technological expertise to propagate and differentiate these cells. More specifically, the first platform comprises osteochondro progenitor cell lines named PureStem® and related know-how and technological expertise to ensure the isolation and selection of clonal cells with high purity and optimised potency, including methods to ensure scalability of culturing and identification by comprehensive microarrays. The second platform technology is a scaffold technology for cell delivery, named HyStem®. Both technologies are patent protected and OrthoCyte owns or has licensed rights to the corresponding rights to these technologies, in particular Intellectual Property Rights and related trade secret technical information; these rights comprise in particular the selection of cell lines, manufacturing (culturing and differentiation of these cell lines), their combination with an appropriate scaffold and the use of this technology (application in medical indication).

WHEREAS Heraeus has experience in the field of bone cement and biomaterials, as medical implants for elective orthopaedic and trauma surgery, and possesses detailed market knowledge and data with regard to musculoskeletal indications and owns and/or licenses from a Third Party rights to certain scaffold technologies;

WHEREAS the Parties wish to carry out a research and development project “R&D of a Bioactive Bone Grafting Product” (as further described in the Project Plan attached hereto as **Exhibit A** (the “Project”);

WHEREAS OrthoCyte shall manufacture the Product (as defined below) for Heraeus, but is willing to grant Heraeus a license to establish a second manufacturing source and to manufacture and/or have manufactured and market or have marketed the Product the Product (the “Second Source”). For this purpose the Parties intend to sign a separate License Agreement as set out in **Exhibit B**. A manufacturing and supply agreement pursuant to which OrthoCyte will manufacture and supply Heraeus with Product shall be negotiated and concluded before Launch of the Product; the manufacturing and supply agreement will include terms and conditions for the establishment and availability of the Second Source.

NOW THEREFORE in consideration of the foregoing the Parties mutually agree to the following:

1. Definitions.

The following words and phrases when used in this Agreement shall for the purposes hereof have the meaning specified below, applicable both in singular and plural forms:

1.1 "**Affiliates**” shall mean, with respect to a Party, any corporation, company, partnership or other entity, which controls, is controlled by, or is under common control with a Party. For such purpose the term “control” shall mean the ownership, direct or indirect control of at least fifty percent (50 %) of the voting stock of the other entity.

1.2 **“Background Rights”** shall mean any and all Intellectual Property Rights and all substances and/or biological material and any rights therein or thereto (e.g. licenses) belonging to a Party and/or its Affiliates (irrespectively whether or not protectable under state, federal or foreign intellectual property laws), which is developed or acquired by such Party and/or its Affiliates prior to the Effective Date, or developed or acquired by such Party and/or its Affiliates independently from performance of this Agreement regardless whether developed or acquired either before or after the Effective Date and that are necessary or useful for the development of the Product. OrthoCyte Background Rights include OrthoCyte Materials and OrthoCyte Technology. Heraeus Backgrounds Rights include the Heraeus Materials and the Heraeus Technology.

1.3 **“OrthoCyte Materials”** shall be osteochondro progenitor PureStem® Cell Lines (or Stem Cell Derivatives) as well as the HyStem® Delivery System.

1.4 **“OrthoCyte Technology”** shall be the technology, including the HyStem® Delivery System, to select, expand, manufacture, combine and use the OrthoCyte Materials, as covered by the Intellectual Property Rights owned by OrthoCyte or BioTime or licensed in from a Third Party, including the University of Utah Research Foundation. The OrthoCyte Technology includes the patent applications and patents identified and listed in **Exhibit C**.

1.5 **“Confidential Information”** shall mean any and all data, material and/or information related to: (i) the terms of this Agreement including all Annexes etc., (ii) information made available by one Party ("Disclosing Party") to the other Party (“Receiving Party”) in tangible such as writing or other form including electronic, visual, oral or graphic form or as samples (including but not limited to a Party’s Background Rights and Intellectual Property Rights, any technical information, research-, products-, personnel-, marketing-, strategic information or other information), (iii) any data, material and information developed during the term of this Agreement, and (iv) any compound(s) and/or material(s) provided by one Party to the other pursuant to this Agreement, whether prior to or after the Effective Date and whether it is labelled "confidential" or not, in the course of the Parties' evaluation, negotiation of or performance under or in connection with this Agreement. There is no requirement to mark data, material and/or information as “Confidential” when exchanged between Parties, but this is a recommended best practice.

1.6 **"Effective Date"** shall mean the date of the last signature of the Parties to this Agreement.

1.7 "**Field of Use**" shall be bone grafting for the indications osteoskeleton diseases and injuries, thereby excluding dental and maxillofacial indications.

1.8 **"Final Report"** shall have the meaning as set out in **Exhibit E.**

1.9 **“Heraeus Materials”** shall be the Heraeus Scaffold and all market related research and data related to the Field of Use owned by Heraeus.

1.10 **“Heraeus Scaffold”** means the scaffold that is provided by Heraeus to OrthoCyte for use in the performance of the Project, and owned by Heraeus and/or licensed from a Third Party.

1.11 **“Heraeus Technology”** shall be the technology relating to the Heraeus Scaffold, as covered by the Intellectual Property Rights owned by Heraeus or licensed in from a Third Party.

1.12 **“HyStem Delivery System”** means the proprietary scaffold technology for delivery of bioactives, including, without limitation, small molecules, proteins, cells fractions or derivatives thereof, as covered by the Intellectual Property Rights owned by OrthoCyte or BioTime, or licensed in from a Third Party, including the University of Utah Research Foundation.

1.13 **“Intellectual Property Rights”** shall mean the rights and interests in and to any and all issued patents and pending patent applications, know-how, trade secrets, utility certificates, utility models, registered design, trademarks, copyrights (including inventor’s certificates), in any country or jurisdiction, including but not limited to, any and all provisionals, non-provisionals, substitutions, continuations, continuations-in-part, divisionals and other continuing applications, supplementary protection certificates, renewals, and all letters patent on any of the foregoing, and any and all reissues, re-examinations, extensions, confirmations, registrations and patents of addition of any of the foregoing.

1.14 **“Launch”** shall mean the first commercial sale of the Product to Third Parties.

1.15 “**Product**” shall mean a cell therapy bone grafting product consisting of a select osteochondroprogenitor PureStem Cell Line (or Stem Cell Derivative) contained in a scaffold; such scaffold being Heraeus Material or OrthoCyte Material, and developed according to the Project Plan**.**

1.16 **“PureStem Cell Line”** means OrthoCyte’s (including its affiliate BioTime) comprehensive portfolio of embryonic stem cells and clonal progenitor stem cells of primate origin, as well as related know-how and technological expertise to propagate and differentiate such cells.

1.17 “**Stem Cell Derivative**” shall mean any of the following derived from a PureStem Cell Line: a select non-viable osteochondroprogenitor PureStem Cell Line, or fraction thereof such as, fractionate, extract, secretion products; lyophilized, concentrated, reconstituted or diluted in appropriate solvent if necessary.

1.18 **"Results"** shall mean all data, information, findings, know-how, substances and biological material, inventions, improvements and/or discoveries (irrespectively whether or not protectable under state, federal or foreign intellectual property laws), resulting from and made by or for OrthoCyte and/or OrthoCyte’s Affiliates by carrying out the Project.

1.19 “**Third Party**” shall mean any party other than OrthoCyte and Heraeus or their respective Affiliates.

1.20 “**University of Utah Patent Rights**” means the patent applications and patents identified and listed in **Exhibit F** attached to this Agreement.

2. Conduct of the Project.

2.1 OrthoCyte agrees to conduct the Project at least with the degree of care customary within the biotech industry with regard to similar research and development projects, by qualified personnel, in accordance with the state of the art known to OrthoCyte and in accordance with the timeframe and the workscope as described in detail in the Project Plan (**Exhibit A**). Heraeus shall dedicate such personnel to the performance of the Project as Heraeus and OrthoCyte reasonably mutually agree is necessary.

2.2 To the extent required to conduct the Project, the Parties grant each other and their Affiliates a non-exclusive, non-transferable, non-assignable, free of charge and non-sublicensable right to use each other's Background Rights in the Field of Use for the sole purpose of conducting the Project for the term of this Agreement, only.

2.3 The Parties acknowledge and agree that the Project is experimental in nature and that the Product may have unforeseeable properties. Therefore, neither Party warrants or represents, express or implied, that a particular result will be obtained by conducting the Project, or for the merchantability or the fitness of the Product for a particular purpose or capability or safety or harmlessness to health, or that the use of the Background Rights, the Results or the Product will not infringe any Third Party's patent or other proprietary rights. Unless otherwise expressly stated otherwise in this Agreement, neither Party makes any warranty of any kind with respect to the Background Rights, the Results and the Product and disclaims any liability thereto. Payment of the fee (see section 3) is conditioned upon reaching the Milestones as set out in the Project Plan (**Exhibit A**).

2.4 Any change in the Project requires prior agreement in writing by both Parties. If one Party wishes to modify and/or change the Project, the respective Party will notify the other in writing. The Parties shall then mutually negotiate in good faith and in a reasonable manner to reach agreement as to any such modification and/or change, but shall not be obligated to reach any such agreement.

2.5 It is the understanding of the Parties, however, that the timeframe of the Project and the timeframes for the Milestones, which is set forth in the Project Plan, should be regarded as guidelines. In the event that OrthoCyte becomes aware of circumstances, which might cause a delay in conducting the Project within the timeframe described in the Project Plan and/or that any of the Milestones might not be met within the respective timeframes described in the Project Plan, OrthoCyte shall inform Heraeus promptly in writing and the Parties agree to mutually discuss the further development undertaking and adjust the timeframes of the Milestones respectively. In no event shall OrthoCyte be responsible for any damages arising out of or in connection with a delay in conducting the Project and/or meeting a Milestone or shall be obliged to refund any received fee under this Agreement, unless caused by OrthoCyte's gross negligence or willful misconduct.

2.6 Except to the extent prohibited by law and unless expressly stated otherwise in this Agreement, OrthoCyte assumes responsibility for its conducting of the Project and liability for damages which may arise from its and/or its employees' conducting of the Project, cf. however, with respect to indemnification and payment of damages, section 9 below**.**

2.7 Any work under the Project will be managed by a Joint Development Committee ("JDC"), comprising of two (2) representatives each from OrthoCyte and Heraeus. The JDC will meet (by telephone, video conference or in person) regularly, and at least quarterly during the performance of the Project, to discuss progress against the Project Plan. All major decisions regarding direction of the Project shall be decided by the JDC. In the event that the representatives of OrthoCyte and Heraeus are unable to come to agreement on such a decision, the representatives of Heraeus shall have final decision-making power. The Parties will correspond and/or meet on a regular basis in order to coordinate and discuss the progress of the Project.

2.8 The cooperation between the Parties regarding the Project shall be exclusive regarding the Field of Use.

2.9 OrthoCyte shall be allowed to use subcontractors for the conduct of this Project only with prior written consent of Heraeus which shall not unreasonably be withheld. OrthoCyte shall be liable for its subcontractors.

2.10 Heraeus relies on OrthoCyte's knowledge of the OrthoCyte Materials and OrthoCyte Technology and cannot assess whether the list of patents provided in **Exhibit A** is exhaustive or whether other Intellectual Property Rights exist that are relevant for the conduct of this Project or the later use, manufacturing or marketing of the Product.

OrthoCyte guarantees and warrants that it either owns itself or licenses in from its Affiliate BioTime or from the University of Utah all rights relating to the use or manufacturing of the HyStem Delivery System, and that it is therefore fully entitled to use the HyStem Delivery System for third party research and development purposes. OrthoCyte further guarantees and warrants that it is legally entitled to conduct the Project as defined in the Project Plan using the HyStem Delivery System and that this use of the HyStem Delivery System until Launch will cause no further cost to Heraeus.

OrthoCyte further warrants and guarantees that, besides the University of Utah Patent Rights listed in **Exhibit F**, it either owns itself all Intellectual Property Rights, which relate to the OrthoCyte Materials and OrthoCyte Technology and which are needed for the conduct of the Project and execution of this R&D Agreement as well as the later commercialization and marketing of the Product, or, if such Intellectual Property Rights are owned by OrthoCyte's Affiliates or Third Parties, that it owns a license to these Intellectual Property Rights with the right to sublicense, and that this license entitles OrthoCyte to grant Heraeus in the Field of Use the same rights to these Third Party's Intellectual Property Rights as OrthoCyte grants for its own Intellectual Property Rights under this R&D Agreement and the License Agreement, and at no further cost for Heraeus.OrthoCyte further agrees to grant Heraeus a license to such Third Party's Intellectual Property Rights which is substantially the same as the license granted to its own or its Affiliates' Intellectual Property Rights under this R&D Agreement and the License Agreement.

3. Financial Contribution for R&D and delivery.

3.1 For covering the costs for the R&D performance (i.e., execution of the Project) and delivery of the Product until the Product Launch, Heraeus agrees to pay to OrthoCyte in total fees payable as follows:

3.1.1 an "Upfront Payment" in the amount of [**] US$ upon the Effective Date and

3.1.2 a per milestone "Remuneration" for the R & D works performed in accordance with Project Plan and the delivery of Products as follows:

- [**] US$ payable upon finalising the 1st Milestone ("POC small animal data") as described in the respective Project Plan attached hereto as **Exhibit A**.
- [**] US$ is payable upon finalising the 2nd Milestone ("Setting up Definitive Development Plan") as described in the respective Project Plan attached hereto as **Exhibit A.**
- [**] US$ payable upon finalising the 3rd Milestone ("Filing the IND application") as described in the respective Project Plan attached hereto as **Exhibit A**.
- Should the Parties decide that OrthoCyte shall be responsible for the clinical trials, an additional fourth instalment will be paid for their conduct, the amount of which will be agreed upon IND approval.
- In addition, OrthoCyte shall support Heraeus in the regulatory approval process, which shall be remunerated at their standard hourly FTE rates.

3.1.3 In addition to the Upfront Payment and Milestone Remunerations set forth in 3.1.1 and 3.1.2, Heraeus shall pay to OrthoCyte OrthoCyte's costs and expenses incurred by OrthoCyte in performance of the Project (the "Development Costs"). OrthoCyte shall submit quarterly, verifiable invoices to Heraeus, which specify the Development Costs incurred by OrthoCyte and Heraeus shall pay to OrthoCyte the invoiced Development Costs within [**] days of receipt of each invoice. OrthoCyte agrees to provide Heraeus with a detailed cost break down for Heraeus' approval prior to each Work Package/Milestone set out in the Project Plan, **Annex A**. The parties currently estimate that the first work-package's Development Costs (for preparation and commitment) will amount to [**] US$.

3.2 All payments are exclusive of any indirect taxes, duties or bank charges, which shall be borne by Heraeus. If applicable, indirect taxes will be charged in addition. If OrthoCyte does not charge indirect taxes and it is subsequently found that indirect taxes are chargeable on such provision, Heraeus agrees to pay such indirect taxes (exclusive of interests and penalties) on receipt of a valid invoice for indirect tax purposes and a copy of the ruling from the relevant tax authority or a reasonable legal opinion indicating the amount and the rationale for such indirect tax burden.

3.3 Unless stated otherwise, any payment is due within [**] days upon the receipt of the respective invoice made by OrthoCyte.

3.4 Paid fees are only refundable in case of a termination for cause by Heraeus. In such case, OrthoCyte shall be entitled to a pro-rata remuneration, taking account of the percentage of works already performed for the respective Milestone.

4. Background Rights.

4.1 Unless otherwise agreed by the Parties as set forth in the License Agreement (**Exhibit B**), all Background Rights of a Party shall remain the sole property of this Party, no right or license to any such Background Rights shall be created, by virtue of the Project or of this Agreement, to the other Party. Background Rights of a Party shall not be used by the other Party or its Affiliates for any other purposes than carrying out the Project, or be transferred by the other Party to a Third Party without the express prior written consent of the supplying Party.

4.2 OrthoCyte will promptly provide Heraeus with the search results in its possession at the Effective Date and at any subsequent date at which it becomes aware of further or additional Third Party's rights of potential relevance concerning OrthoCyte's Technology, always provided that Heraeus' taking notice of any of the foregoing shall not release OrthoCyte from any liability for infringement of such Third Party rights in accordance with the Agreement.

5. Ownership of Results

5.1 OrthoCyte agrees to keep Heraeus informed of the progress of the Project and the Product and the Results obtained on a monthly basis.

5.2 All right, title and interest in the Results made by OrthoCyte, both within and outside the Field of Use, shall remain with OrthoCyte, subject to the following:

5.2.1 Results, including with respect to the Product, that directly relate to the OrthoCyte Materials and/or the OrthoCyte Technology, or that incorporate into or embody OrthoCyte Materials and/or the OrthoCyte Technology in the Product, shall be owned by OrthoCyte, both within and outside the Field of Use; provided, however, that OrthoCyte's ownership rights of such Results are and shall be subject to (i) Section 6.1 of this Agreement, (ii) the exclusive rights of Heraeus to use the OrthoCyte Materials and the OrthoCyte Technology (including the OrthoCyte Patent Rights) and the OrthoCyte Background Rights as provided in the License Agreement, and (iii) ownership by Heraeus of any Results (including any new Intellectual Property Rights related thereto but excluding any Third Party Intellectual Property Rights relating thereto) that are incorporated into the Product, or that relate to the interactions of the scaffold, including to the PureStem Cell Lines, to the PureStem Cell Lines, to the Product characteristics or functions, or to the manufacturing of the Product.

5.2.2 Results, including with respect to the Product, that directly relate to the Heraeus Materials and/or the Heraeus Technology, or that incorporate into or embody Heraeus Materials and/or the Heraeus Technology in the Product, shall be owned by Heraeus, both within and outside the Field of Use; provided, however, that Heraeus' ownership of such Results are and shall be subject to the rights of OrthoCyte to use the Heraeus Materials and the Heraeus Technology outside the Field of Use as provided in the License Agreement

5.3 OrthoCyte herewith assigns to Heraeus all Results, which are created under this Project and which, according to Sections 5.2.1 (iii) and 5.2.2, shall be owned by Heraeus. To enable Heraeus to obtain legal protection of these Results, OrthoCyte shall reasonably assist Heraeus and shall provide Heraeus with all required information and make the required declarations in due form and time.

Each Party shall seek and maintain in its own name relevant legal protection, or jointly if appropriate, in particular patent protection, for the Results owned by it, at least in the countries listed in **Exhibit C**.

6. Exploitation of the Product, Required License and Manufacturing.

6.1 The Parties agree that Heraeus shall be entitled to commercially use and exploit the Product in the Field of Use, thereby using the Results and Background Rights owned by OrthoCyte. Further details, including OrthoCyte retained rights and OrthoCyte's right to exploit the Results outside the Field of Use are set forth in the License Agreement set out in **Exhibit B**. The License Agreement shall be signed together with this Agreement. The Parties understand and agree that, depending on the nature of and specifications for the Product to be Launched, a sublicense of the University of Utah Patent Rights from OrthoCyte to Heraeus may be required for the later commercialisation of the Product, but not for the current research and development phase, as defined in the Project Plan.

6.2 Manufacturing of the Product will be done by OrthoCyte. The Parties will negotiate and conclude a supplier agreement/toll manufacturing agreement before the marketing authorisations are obtained.

6.3 In addition, OrthoCyte agrees to assist Heraeus, if so requested by Heraeus, to establish a Second Source and to assist, in the technology transfer regarding the manufacturing process and know-how to a Third Party, if Heraeus decides to have the Product manufactured and delivered by said Third Party. This assistance comprises, inter alia, suitable support and training of that Third Party by qualified personnel of OrthoCyte, to the extent necessary, to ensure the know-how transfer, such training to be remunerated at hourly rates agreed by the Parties. The Parties will negotiate in good faith to enter into a manufacturing and supply agreement pursuant to which OrthoCyte will manufacture and supply Heraeus with Product and cooperate with Heraeus for the establishment and availability of the Second Source.

6.4 During the development phase set out in the Project Plan (i.e. until finalising the market authorisation process), OrthoCyte will provide to Heraeus the Product [**].

7. Confidentiality.

7.1 In respect of the Confidential Information received from the Disclosing Party or its Affiliates under this Agreement, the Receiving Party agrees to undertake and bind itself:

7.1.1 To keep the Confidential Information received from the Disclosing Party or its Affiliates strictly confidential and secret and not in any way or at any time to make any use thereof except for conducting the Project.

7.1.2 Not to disclose any Confidential Information received from the Disclosing Party or its Affiliates to any Third Party without the prior written consent from the Disclosing Party.

7.1.3 To take all reasonable measures to ensure that the Confidential Information received from the Disclosing Party or its Affiliates is not inadvertently disclosed in violation of this Agreement.

7.1.4 At no time without the express written consent of the Disclosing Party to derive directly or indirectly from the possession of the Confidential Information received from the Disclosing Party or its Affiliates any rights, grant of licence, title or interest therein contrary to the terms and conditions of this agreement, nor contrary to the terms and conditions of this agreement to claim any rights to disclose or use for its own benefit such Confidential Information.

7.1.5 Not without prior written consent of the Disclosing Party to copy, reproduce, distribute or disclose the Confidential Information received from the Disclosing Party or its Affiliates to any person other than those Employees who are directly and necessarily involved in the conduct of the Project, and in such instance, only on a “need to know” basis. In addition, such Employees need to be made aware of the confidential nature of the information and need to be contractually obligated to observe non-use and secrecy obligations which are at least as strict as the once set forth hereunder. Irrespective of this, The Receiving Party shall be liable for its Employees.

7.1.6 Without prejudice to its obligations pursuant to this Agreement, at the request of the Disclosing Party, immediately return or destroy all Confidential Information received from the Disclosing Party or its Affiliates. Each Party shall ensure that it has retained no copy of any Confidential Information other than one archival copy to be retained in its confidential files solely for the purpose of monitoring compliance with this Agreement.

7.2 The Parties’ obligations from the above stipulated under section 7.1. do not apply to the following:

7.2.1 Confidential Information received from the Disclosing Party or its Affiliates, which at the time of the disclosure is in the public domain as evidenced by the Receiving Party in writing.

7.2.2 Confidential Information received from the Disclosing Party or its Affiliates, which after disclosure is published or otherwise becomes part of the public domain through no fault or breach of this Agreement by the Receiving Party as evidenced by the Receiving Party in writing.

7.2.3 Confidential Information received from the Disclosing Party or its Affiliates, which the Receiving Party can establish by competent proof in writing was in his possession at the time of disclosure by the Disclosing Party and was not acquired directly or indirectly from the Disclosing Party.

7.2.4 Confidential Information received from the Disclosing Party or its Affiliates which is received after the time of disclosure from a Third Party who did not acquire such Confidential Information directly or indirectly from the Disclosing Party under obligations of confidentiality and who is in lawful possession of such Confidential Information as evidenced by the Receiving Party in writing.

7.2.5 Confidential Information received from the Disclosing Party or its Affiliates, which by documentary proof has been independently developed by employees, agents, consultants or other representatives of the Receiving Party without the use of Confidential Information received from the Disclosing Party.

7.2.6 Confidential Information received from the Disclosing Party or its Affiliates which is required to be disclosed by law or any regulatory or government authority, however, if a Party thus becomes legally required to disclose Confidential Information, received from the Disclosing Party or its Affiliates, the Receiving Party shall provide the Disclosing Party with prompt advance notice and in order to afford the Disclosing Party to seek confidential treatment thereof or other appropriate remedy.

7.3 The Parties agree and acknowledge that the Project, including the exchange of Confidential Information, does not imply any transfer of title and/or ownership to Confidential Information or the creation of any intellectual property rights, and thus title and ownership to Confidential Information shall remain vested at all times in the Disclosing Party.

7.4 The Confidential Information is made available without any warranties with respect to the accuracy and usefulness of the Confidential Information and the Disclosing Party shall never be liable for any damage or loss, which the other Party’s use of the Confidential Information might incur.

7.5 The confidentiality obligations set forth in this section 7 set forth above shall survive the termination or expiry of this Agreement for a period of [**] years.

7.6 No disclosure of proprietary, non-public technical information concerning the Project (such as details of technology and research and development plans),and technical details of the Product and the Results is permitted without prior written consent of the other Party, unless (i) in order to obtain patent or other proprietary protection for the Results or the Product (ii) in order to obtain regulatory approval or to conduct clinical studies for the commercialization of any Results or the Product, or (iii) as Heraeus may reasonably deem necessary for marketing the Results or Product. The Parties shall agree on a form of initial press release that may be used by either Party on an ongoing basis to describe this Agreement, the Project and the intended Product. Each Party shall provide the other Party with reasonable advance written notice of any other press release or other public disclosure of this Agreement or the Results; provided, that the Parties acknowledge that OrthoCyte or its parent BioTime, Inc. may be required to make immediate or prompt disclosure of the occurrence of material events concerning the Project, the Results or the Product, such as (by way of example only) an action, order, or determination by the FDA or other regulatory agency or authority. OrthoCyte and its parent BioTime, Inc. may summarize this Agreement, excluding confidential portions, and describe the Project, Products and Results (other than proprietary, non-public technical information and details of research and development plans) in any registration statement, prospectus, or report filed with the Securities and Exchange Commission ("SEC") or any other securities regulatory agency or authority. If OrthoCyte or its parent BioTime, Inc. determines that it is required to file a copy of this Agreement or any portion of this Agreement with the SEC or any other securities regulatory agency or authority, the Parties shall confer and determine which portions, if any, of this Agreement should be subject to an application requesting confidential treatment, and OrthoCyte or BioTime shall file this Agreement or any relevant portion subject to such application in accordance with the applicable rules and regulations of the SEC or such other agency or authority; provided, that any portion of this Agreement that is initially redacted from such filing under such application may be filed in its entirety and otherwise disclosed in a registration statement, prospectus, or report if so required by the SEC or other agency or authority. This Agreement may be disclosed by a Party under a confidentiality agreement, without the prior consent of the other Party, to any actual or prospective investor, lender, underwriter, or acquirer of the Party or any parent or subsidiary of the Party, or any actual or potential acquirer of the portion of the business to which this Agreement relates. Additionally, the text of any press release, shareholders' report or other communication to be published or disclosed in any way by or on behalf of OrthoCyte or its parent BioTime, Inc. by or in the media concerning Heraeus, the subject matter of this Agreement or concerning this Agreement itself, other than as required by law or by any regulatory or government authority or the rules of the SEC or any other regulatory agency or authority, or any securities exchange, shall be submitted to Heraeus at least five (5) business days in advance of publication or disclosure for approval. Such approval not to be unreasonably withheld; provided, that disclosure that repeats or restates prior public disclosure permitted by this Agreement need not be submitted to Heraeus for approval.

With respect to publications, the Parties recognize that a Party may have an interest in publishing certain of the Results to obtain recognition within the scientific community and to advance the state of scientific knowledge. Each Party also recognizes the mutual interest in obtaining valid patent protection and maintaining as confidential any nonpatentable materials or methods which would have commercial value when undisclosed. Consequently, either Party, its employees or consultants wishing to make a publication (including any oral disclosure made without obligation of confidentiality) relating to any Results (the Publishing Party) shall transmit to the other Party (the Reviewing Party) a copy of the proposed written publication at least sixty (60) days prior to submission for publication, or an outline of such oral disclosure at least thirty (30) days prior to presentation. The Reviewing Party shall have the right (a) to propose modifications to the publication for patent or other reasons, in particular to protect its know-how; and/or (b) to request a delay in publication in order to protect patentable information. If the Reviewing Party requests such a delay, the Publishing Party shall delay submission or presentation of the publication for a period of thirty (30) days to enable patent applications protecting each Party's rights in such information to be prepared and filed. Upon the expiration of sixty (60) days or thirty (30) days from transmission to the Reviewing Party, the Publishing Party shall be free to proceed with the written publication or the presentation, respectively, unless the Reviewing Party has requested the delay described above. OrthoCyte and Heraeus agree to recognize each other in any publications arising out of the Project, as appropriate.

7.7 Notwithstanding anything to the contrary in this Agreement, including without limitation in this Section 7, the Parties agree not to disclose the economic terms of this Agreement to any Third Party without the prior written consent of the other Party except (a) as required by applicable securities laws or the requirements of any applicable stock exchange, including, without limitation, requirements to file a copy of this Agreement (redacted to the extent reasonably permitted by applicable law); (b) in confidence, to legal counsel; (c) in confidence, to accountants, banks, and financing sources and their advisors; and (d) to the extent necessary to enforce this Agreement or any rights or obligations hereunder.

8. Term and Duration.

8.1 This R&D Agreement shall commence on the Effective Date and shall be effective until completion and payment of the last Milestone of the Project Plan, **Exhibit A**.

8.2 A Party may only terminate this R&D Agreement with immediate effect by giving written notice to the other Party, if the other Party fails to remedy its material breach of this Agreement within [**] days upon receipt of a written notice requiring the other Party to remedy the breach.

It is the understanding of the Parties that the performance of the Project is subject to biological systems with all their imponderable risks and, thus, the failure to obtain a particular result by conducting the Project, or the failure to meet the timeframes described in the Project Plan**,** or the Product being not merchantable or fit for a particular purpose or capability or not safe or harmless to health, or the infringement of Third Party's patent or other proprietary rights by using the Background Rights, the Results or the Product shall not be regarded as material breach of this Agreement by OrthoCyte or by Heraeus. It is being understood and agreed, however, that Heraeus shall nonetheless be entitled to terminate this Agreement for cause and with immediate effect, if the Product is being not merchantable or fit for use in the Field of Use, or if a respective milestone definitely cannot be fulfilled in the view of OrthoCyte according to the description in the Project Plan (**Exhibit A**), or in the case of infringement of Third Party's patent or other proprietary rights by using the Background Rights.

8.3 In addition, Heraeus may terminate this R&D Agreement to the end of a Milestone by giving written notice to OrthoCyte up to [**] days upon finalization of each Milestone and payment of the respective Milestone instalment (c.f. section 3.1.2). Fees paid already to OrthoCyte or due to OrthoCyte according to the payment schedule agreed until the date of effectiveness of such termination shall not be refunded by OrthoCyte to Heraeus.

8.4 The obligations set forth in section 5 and 7 shall survive termination or expiration of this R&D Agreement.

8.5 Expiration or termination of this R&D Agreement shall not affect the License Agreement, unless this R&D Agreement is terminated prior to completion of the Project and Product Launch, in which case the License Agreement shall terminate with the termination of this R&D Agreement.

8.6 In the event Heraeus elects to terminate this Agreement at any time prior to Product Launch, OrthoCyte shall have the right to proceed with the Project, including development of the Product and commercialization of the Product in the Field of Use. Heraeus will cooperate with OrthoCyte to grant OrthoCyte a license at marketable terms or transfer to OrthoCyte rights and materials, including all Intellectual Property Rights, useful or necessary for OrthoCyte to proceed with completion of the Project and commercialization of the Product. OrthoCyte shall be provided with a [**] day right of first refusal to enter into one or more definitive agreements with Heraeus to effect the above mentioned license or transfer and assignment. Heraeus agrees to engage in good faith negotiations to come to agreement with OrthoCyte on commercially reasonable terms.

9. Liability

Unless stated otherwise in this Agreement, the Parties agree to indemnify and pay damages in accordance with the applicable law to the other Party in relation to any breach of this R&D Agreement, provided, however, that neither Party shall be liable for any indirect or consequential loss or damage. The liability of OrthoCyte, its employees and agents towards Heraeus for any damages shall be limited to gross negligence and willful misconduct and, for gross negligence the total amount of OrthoCyte's liability shall be limited to the fee obtained from Heraeus.

10. Miscellaneous.

10.1 **Force Majeure.** Neither Party shall be liable for failures or delays in conducting the Project, and neither Party shall be deemed in breach of its obligations, if such failure or delay is due to natural disasters or any causes beyond the reasonable control of the Parties, including any act of God, any civil commotion or strike ("Force Majeure"). In the event of such Force Majeure, the Party affected hereby shall (i) promptly notify the other Party in writing and (ii) use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder.

10.2 **Notices.** Any notice to be given under this Agreement must be in writing. Such notice shall be made by registered letter, return receipt requested or courier (e.g. FedEx, UPS, Optima etc.), or by email (such email shall be deemed received with confirmed transmission or when delivery confirmed otherwise) to the addresses set out below:

For OrthoCyte:

OrthoCyte Corporation
1301 Harbor Bay Parkway
Alameda, CA 94502

Tel: 510-775-0451
Fax: 510-521-3389
E-mail: fbinette@biotimemail.com

For Heraeus:
[**]……
……
……

Tel: [**]
Fax:[**]
EMail:[**]

10.3 **Independent Parties.** The Parties' relationship to each other shall be that of independent contractors and neither Party nor its employees are employees of the other Party. Furthermore, this Agreement shall not make either Party the agent or the legal representative of the other Party. Neither Party is granted any right or authority to assume or to create any obligation or responsibility, express or implied, on behalf of or in the name of the other Party, with regard to any manner or thing whatsoever, unless otherwise specifically agreed upon in writing.

10.4 **Assignment and Successors.** This Agreement and rights hereunder shall not be assigned or transferred, directly or indirectly, in whole or in part by the Parties without the prior written consent of the other Party. However, should OrthoCyte intend to assign this Agreement to another entity, which acquires all or substantially all of the business or assets of OrthoCyte to which this Agreement pertains, whether by merger, reorganization, acquisition, sale or otherwise, provided that such successor or assignee shall agree in writing to be bound by the terms and conditions of this Agreement prior to assignment, Heraeus agrees to not unduly withhold its consent. In

10.5 case of such assignment to a Third Party, OrthoCyte shall continue to be bound by the confidentiality obligations stipulated in Section 7.

10.6 **Integration, Severability.** Invalid provisions of this Agreement shall not in any way affect the validity and enforceability of the remaining provisions. The Parties agree to undertake to replace the invalid and enforceable provisions by new provisions, which will approximate as closely as possible the result intended by the Parties. The same shall apply in the case of an omission.

10.7 **Amendment; Waiver.** This Agreement may be amended, modified, superseded or cancelled, and any of the terms may be waived, only by mutual written agreement by the Parties. The written form requirement may not be amended. The delay or failure of any Party at any time or times to require the performance of any provisions shall in no manner affect the rights at a later time to enforce same.

10.8 **Governing law and jurisdiction.** The exclusive jurisdiction for any dispute, claim or proceeding between the Parties arising out or in connection with this Agreement shall be the United States District Court for the Southern District of New York or, only if there is no federal subject matter jurisdiction, in any state court of New York sitting in the City and County of New York, and each party hereby submits to the exclusive personal jurisdiction of the foregoing courts.

10.9 **Exhibits**
All Exhibits attached hereto constitute an integral part of this Agreement.

Exhibit A:	Project Plan and Milestones
Exhibit B:	License Agreement
Exhibit C:	Patent Rights of OrthoCyte (and Biotime)
Exhibit D:	Heraeus Patent Rights
Exhibit E:	Final Report
Exhibit F:	Patent Rights of University of Utah

[The next page is the signature page.]

This Agreement is made in two (2) original copies, one for OrthoCyte and one for Heraeus.

OrthoCyte Corporation

/s/ Michael D. West September 29, 2015

Signature & Date

Heraeus Medical GmbH

ppa Nicole Petermann
Head of Commercial Services

/s/ Nicole Petermann

Signature & Date

Heraeus Medical GmbH

Hergen Haas
General Counsel Heraeus Group

/s/ Hergen Haas

Signature & Date

Certain information has been omitted under a request for confidential treatment, and the omitted information has been filed with the Commission. Confidential portions are marked [**].

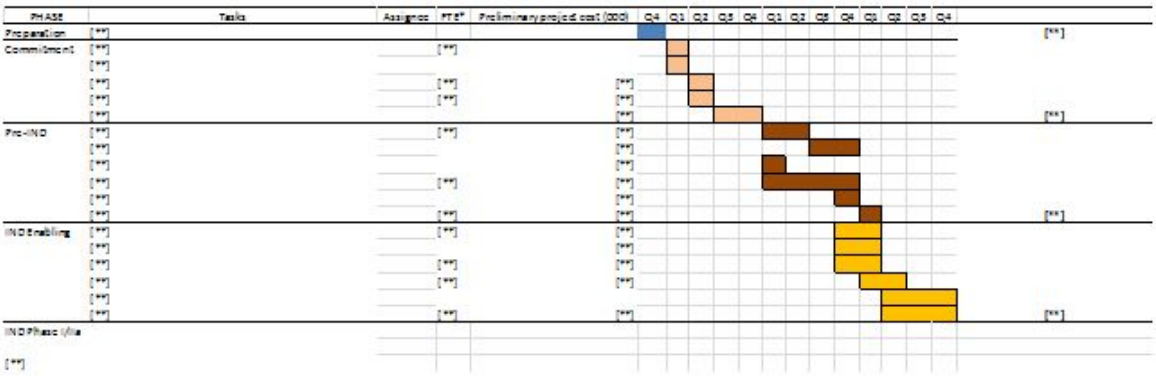
Exhibit A

Project Plan and Milestones

"R&D of a Bioactive Bone Grafting Product"

Milestone Schedule:

Phase	Cost	Process	Deliverables/ Milestones	Timeline
[**]	[**]		[**]	[**]
[**]	[**]	[**]	[**]	[**]
			[**]	[**]
			[**]	[**]
[**]	[**]	[**]	[**]	[**]
			[**]	[**]
			[**]	[**]
			[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]



Certain information has been omitted under a request for confidential treatment, and the omitted information has been filed with the Commission. Confidential portions are marked [**].

Detailed workplan for phase 1 (Commitment)

Main goals to reach milestone I	Tasks	Forecast time to completion in days	Activities
Co-Development team	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
TPP draft	[**]	[**]	[**]
	[**]	[**]	[**]
Carrier/Scaffold selection	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
Cell line selection	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
Combo Proof of concept	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]

Exhibit B

License Agreement

See attached.

Certain information has been omitted under a request for confidential treatment, and the omitted information has been filed with the Commission. Confidential portions are marked [**].

License Agreement

by and between **OrthoCyte Corporation**
a California corporation and an Affiliate
of BioTime, Inc. ("BioTime"),
1301 Harbor Bay Parkway,
Alameda, CA 94502 USA

(in the following referred to as "**OrthoCyte**")

and **Heraeus Medical GmbH**
Philip-Reis-Str. 8/13
61273 Wehrheim, Germany

(in the following referred to as "**Heraeus**")

OrthoCyte and Heraeus may in the following be referred to individually as a "Party" and collectively as the "Parties".

Preamble

WHEREAS OrthoCyte owns, or has licensed rights to, and possesses two therapeutic development platforms. The first one being a comprehensive portfolio of embryonic stem cells and clonal progenitor stem cells of primate origin, as well as related know-how and technological expertise to propagate and differentiate these cells. More specifically, the first platform comprises osteochondro progenitor cell lines named PureStem® and related know-how and technological expertise to ensure the isolation and selection of clonal cells with high purity and optimised potency, including methods to ensure scalability of culturing and identification by comprehensive microarrays. The second platform technology is a scaffold technology for cell delivery, named HyStem®. Both technologies are patent protected and OrthoCyte owns, or has licensed rights to, the corresponding rights to these technologies, in particular Intellectual Property Rights and related secret technical information; these rights comprise in particular the selection of cell lines, manufacturing (culturing and differentiation of these cell lines), their combination with an appropriate scaffold and the use of this technology (application in medical indication).

WHEREAS Heraeus has experience in the field of bone cement and biomaterials, as medical implants for elective orthopaedic and trauma surgery, and possesses detailed market knowledge and data with regard to musculoskeletal indications and owns and/or licenses from a Third Party rights to certain scaffold technologies;

WHEREAS Heraeus has experience in the field of bone cement and biomaterials, as medical implants, for elective orthopaedic and trauma surgery;

WHEREAS The Parties have already entered into a Research & Development Agreement, to which this Agreement is attached as **Exhibit B** (the R&D Agreement")

WHEREAS The Parties enter into this License Agreement, pursuant to which Heraeus shall receive a license under the respective Intellectual Property Rights owned, licensed to and/or otherwise controlled by OrthoCyte to use the OrthoCyte Technology and the BioTime Materials in the Field of Use in the Territory, and OrthoCyte shall receive a license under the respective Intellectual Property Rights owned, licensed to and/or otherwise controlled by Heraeus to use the Heraeus Technology and the Heraeus Materials outside the Field of Use in the Territory, as further specified in this Agreement.

NOW, THEREFORE, in consideration of the foregoing the Parties mutually agree as follows:

1. Definitions.

The following words and phrases when used in this Agreement shall for the purposes hereof have the meaning specified below, applicable both in singular and plural forms:

1.1 "**Affiliates**" shall mean, with respect to a Party, any corporation, company, partnership or other entity, which controls, is controlled by, or is under common control with a Party. For such purpose the term "control" shall mean the ownership, direct or indirect control of at least fifty percent (50 %) of the voting stock of the other entity.

1.2 "**Background Rights"** shall mean any and all Intellectual Property Rights and all substances and/or biological material and any rights therein or thereto (e.g. licenses) belonging to a Party and/or its Affiliates (irrespectively whether or not protectable under state, federal or foreign intellectual property laws), which is developed or acquired by such Party and/or its Affiliates prior to the Effective Date, or developed or acquired by such Party and/or its Affiliates independently from performance of this Agreement regardless whether developed or acquired either before or after the Effective Date and that are necessary or useful for a Party to exercise its rights under Section 2.1 or 2.2 of this Agreement, as applicable. OrthoCyte's Background Rights include the OrthoCyte Technology and the OrthoCyte Materials. Heraeus' Background Rights include the Heraeus Technology and the Heraeus Materials.

1.3 **“OrthoCyte Materials”** shall be PureStem® Cell Lines (or Stem Cell Derivatives) as well as the HyStem® Delivery System.

1.4 **“OrthoCyte Property Rights”** means OrthoCyte’s personal proprietary rights in the PureStem Cell Lines, including ownership rights and rights in the know-how embodied in the Cell Lines.

1.5 **“OrthoCyte Technology”** shall be the technology, including the HyStem Delivery System, to select, expand, manufacture, combine and use the OrthoCyte Materials, as covered by the Intellectual Property Rights owned by OrthoCyte or BioTime or licensed in from a Third Party. The OrthoCyte Technology includes the patent applications and patents identified and listed in **Exhibit C** (the “OrthoCyte Patent Rights”).

1.6 **“Confidential Information”** shall mean any and all data, material and/or information related to: (i) the terms of this Agreement including all Annexes etc., (ii) information made available by one Party ("Disclosing Party") to the other Party (“Receiving Party”) in tangible such as writing or other form including electronic, visual, oral or graphic form or as samples (including but not limited to Party’s Background Rights and Intellectual Property Rights, any technical information, research-, products-, personnel-, marketing-, strategic information or other information), (iii) any data, material and information developed during the term of this Agreement, and (iv) any compound(s) and/or material(s) provided by one Party to the other pursuant to this Agreement, whether prior to or after the Effective Date and whether it is labelled "confidential" or not, in the course of the Parties' evaluation, negotiation of or performance under or in connection with this Agreement. There is no requirement to mark data, material and/or information as “Confidential” when exchanged between Parties, but this is a recommended best practice.

1.7 **"Effective Date"** shall mean the date of the last signature of the Parties to this Agreement.

1.8 **"Field of Use"** shall mean bone grafting for the indications osteoskeleton diseases and injuries, thereby excluding dental and maxillofacial indications.

1.9 **“Heraeus Materials”** shall be the Heraeus Scaffold and all market related research and data related to the Field of Use owned by Heraeus or licensed in from a third party.

1.10 **“Heraeus Scaffold”** means the scaffold that is owned by Heraeus or licensed in from a Third Party.

1.11 **“Heraeus Technology”** means the technology relating to the Heraeus Scaffold, as covered by the Intellectual Property Rights owned by Heraeus or licensed in from a Third Party. The Heraeus Technology includes the patent applications and patents identified and listed in **Exhibit D**.

1.12 **“HyStem Delivery System”** means the proprietary scaffold technology for delivery of bioactives, including, without limitation, small molecules, proteins, cells fractions or derivatives thereof, as covered by the Intellectual Property Rights owned by OrthoCyte or BioTime, or licensed in from a Third Party, including the University of Utah Research Foundation.

1.13 **“Intellectual Property Rights”** shall mean the rights and interests in and to any and all issued patents and pending patent applications, know-how, trade secrets, utility certificates, utility models, registered design, trademarks, copyrights (including inventor’s certificates), in any country or jurisdiction, including but not limited to, any and all provisionals, non-provisionals, substitutions, continuations, continuations-in-part, divisionals and other continuing applications, supplementary protection certificates, renewals, and all letters patent on any of the foregoing, and any and all reissues, re-examinations, extensions, confirmations, registrations and patents of addition of any of the foregoing.

1.14 **“Launch”** shall mean the first commercial sale of the Product to Third Parties.

1.15 **“Net Sales”** shall mean the actual gross amount of invoiced prices for the sale of Products by Heraeus and its Affiliates, or the sale by OrthoCyte and its Affiliates of Products, as applicable, less the following deductions actually taken with respect to such sales: (i) any rebates, quantity, trade and/or cash discounts and other usual and customary discounts to customers actually granted, if any, (ii) compulsory payments and rebates, actually paid or deducted; retroactive price reductions, credits or allowances actually granted upon rejections or returns of Product, including for recalls or damaged goods, (iii) value-added taxes, (iv) costs of packaging, insurance and transportation from the place of manufacture to the customer’s premises including import, export, excise, turnover, custom duties, and (v) sales taxes paid by Heraeus or its Affiliates.

For sales of Product by Heraeus to an Affiliate of Heraeus, or by OrthoCyte to an Affiliate of OrthoCyte, as applicable, the sales prices charged by a Heraeus Affiliate or an OrthoCyte Affiliate in a subsequent sale of Product to the end customer shall be used to determine Net Sales.

1.16 **“Product”** shall mean the cell therapy bone grafting product consisting of a select osteochondroprogenitor PureStem Cell Line (or Stem Cell Derivative) contained in a scaffold and developed by the Parties under the Research and Development Agreement to which this License Agreement is attached.

1.17 **“PureStem Cell Line”** means OrthoCyte’s (including its Affiliate BioTime) comprehensive portfolio of embryonic stem cells and clonal progenitor stem cells of primate origin, as well as related know-how and technological expertise to propagate and differentiate such cells.

1.18 “**Stem Cell Derivative**” shall mean any of the following derived from a PureStem Cell Line: a select non-viable osteochondroprogenitor PureStem Cell Line, or fraction thereof such as, fractionate, extract, secretion products; lyophilized, concentrated, reconstituted or diluted in appropriate solvent if necessary.

1.19 **"Results"** shall mean all data, information, findings, know-how, substances and biological material, inventions, improvements and/or discoveries (irrespectively whether or not protectable under state, federal or foreign intellectual property laws), resulting from and made by or for OrthoCyte and/or OrthoCyte’s Affiliates by carrying out the Project (as defined in the R&D Agreement). Results owned by OrthoCyte are referred to as “OrthoCyte Results” and Results owned by Heraeus are referred to as “Heraeus Results.”

1.20 **“Third Party”** shall mean any party other than OrthoCyte and Heraeus or their respective Affiliates.

1.21 **“Territory”** shall mean worldwide.

Additional terms may be defined throughout this Agreement.

2 Grant of licenses

2.1 OrthoCyte herewith grants Heraeus a royalty-bearing, exclusive license to use OrthoCyte Background Rights, including, but not limited to the OrthoCyte Materials, the OrthoCyte Property Rights, the OrthoCyte Technology, including without limitation the OrthoCyte Patent Rights, as well as the OrthoCyte Results to research, register or obtain and maintain marketing approval, develop, make, have made, use, market, distribute, import, export, offer to sell, sell and have sold, the Product in the Field of Use in the Territory, with the right to sublicense. The license granted in this section 2.1 also grants to Heraeus the right to use all related documents and data, e.g. the Final Report (as defined in the R&D Agreement), which are established by OrthoCyte or its Affiliates or subcontractors, in as far as such documents and data are useful or necessary for Heraeus to exploit the license rights granted to Heraeus in this Agreement.

2.1.1 Section 2.1 shall not apply to the University of Utah Patent Rights. Should the Product developed be covered by these rights, the Parties will either agree on a sublicense agreement according to which OrthoCyte grants Heraeus a sublicense to its license of the University of Utah Patent Rights, for manufacture, use and sale of the Product or, in its own discretion, Heraeus may negotiate with University of Utah a license to the University of Utah Patent Rights for manufacturing, using and selling the Products in the Field of Use.

2.2 Heraeus herewith grants OrthoCyte a royalty-bearing, exclusive license to use the Heraeus Materials, the Heraeus Technology, including without limitation the Heraeus Patent Rights, and the Heraeus Results, to the extent needed to register or obtain and maintain marketing approval, make, have made, use, market, distribute, import, export, offer to sell, sell and have sold the Product outside the Field of Use in the Territory, with the right to sublicense.

2.3 OrthoCyte reserves all rights to use the following outside the Field of Use: PureStem Cell Lines (and Stem Cell Derivatives), the OrthoCyte Property Rights, the OrthoCyte Technology, including without limitation the OrthoCyte Patent Rights, and the OrthoCyte Results.

2.4 Each Party's right to grant commercial sublicenses (i.e. excluding licenses for toll-manufacturing and licenses to its affiliates) of its rights under Section 2.1 or 2.2, as applicable, is subject to the following conditions:

The Party granting the sublicense shall give the other Party at least 30 days prior written notice of its intent to sublicense to allow the other Party to comment on the terms and conditions of the proposed sublicense agreement;

the sublicensee shall not have the right to grant further sublicenses;

the sublicense shall not be assignable without prior written approval by Heraeus and OrthoCyte; and

the sublicense shall include fair consideration for the grant of rights under the sublicense.

3 Royalties

3.1 Heraeus shall pay to OrthoCyte a royalty on Net Sales of Product by Heraeus (including sales of Heraeus' Affiliates to Third Parties as follows:

3.1.1 [**] shall be due for Net Sales up to [**] US$

3.1.2 [**] shall be due for Net Sales between [**] US$

3.1.3 [**] shall be due on Net Sales above [**] US$

3.2 OrthoCyte shall pay to Heraeus a royalty of [**] on Net Sales of Product by OrthoCyte (including sales by OrthoCyte Affiliates to Third Parties) into other fields than the Field of Use.

3.3 In case that Heraeus or OrthoCyte grants commercial sub-licenses to Third Parties (other than for the sole purpose of having such Third Party manufacturing the Product on behalf of a Party or its Affiliates and for further sale by such Party), OrthoCyte and Heraeus agree to each other a total of [**] of all Sublicense Income. "Sublicense Income" means consideration that Heraeus or OrthoCyte, as applicable, receives for the grant of rights to a Third Party sublicensee.

3.4 OrthoCyte shall manufacture the Product for Heraeus. Hereaus shall reimburse OrthoCyte the manufacturing costs occurred in fact (COGS) by OrthoCyte to manufacture the Product, which shall be disclosed to Heraeus in confidence by OrthoCyte. For this purpose the Parties intend to sign a separate manufacturing and supply agreement which shall be negotiated and concluded before Launch of the Product.

3.5 Within [**] days of the end of each calendar year (”Payment Period”), Heraeus shall provide to OrthoCyte a written report describing the Net Sales of Product sold by or on behalf of Heraeus and its Affiliates as well as a report on the proceeds received from its sub-licensees during said calendar year specifying the Net Sales and proceeds. All aforementioned payments shall be made in Euro.

3.6 Heraeus will make all payments due under this Agreement within [**] days of receipt of a corresponding invoice from OrthoCyte. Payments shall be effected to the following account of OrthoCyte:

Beneficiary: OrthoCyte Corporation
[**]

or such other account as OrthoCyte may designate in writing to Heraeus from time to time.

3.7 Possible turnover taxes and indirect taxes on any fees, milestone payments or royalties shall, if they accrue, be added to the respective payments. Any direct taxes, by law at the charge of OrthoCyte, shall be borne by OrthoCyte but may be, if so required by law, withheld and paid by Heraeus on behalf of OrthoCyte. Heraeus shall forward official receipts to OrthoCyte for such withholding taxes paid. Heraeus and OrthoCyte shall use their best efforts to take advantage of any tax treaties which may be applicable and to minimize any deduction for withholding tax.

3.8 Both Parties shall keep and maintain records of sales of the Product made by or on behalf of them, its Affiliates and sub-licensees, so that the royalties payable and the royalty statements may be verified, including the proceeds shared and the proceeds statement. Such records shall be open to inspection during business hours for a [**] year period after the end of the Payment Period to which such records relate, but in any event not more than once per calendar year, by a nationally recognized independent certified public accountant selected by a Party to whom the other Party has no reasonable objections. Said accountant shall sign a confidentiality agreement prepared by the Party requesting the involvement of the accountant and reasonably acceptable to the other Party and shall then have the right to examine the records kept pursuant to this Agreement and report to both Parties the findings (but not the underlying data) of said examination of records as are necessary to evidence that the records were or were not maintained and used in accordance with this Agreement. A copy of any report shall be provided to both Parties.

If said examination of records reveals any underpayment(s) of the royalty payable, the Party in default shall promptly pay the balance due to the other one, and if the underpayments(s) is/are more than [**], then the defaulting Party shall promptly pay the balance and the expenses of said examination, e.g. the costs for the accountant, to the Party that requested the involvement of the accountant. If said examination of records reveals any overpayment(s) of royalty payable, then the Party requesting the accountant shall credit the amount overpaid against the other Party's future royalty payment(s). In the event the audit reveals an inaccuracy to the disadvantage of the requesting Party of equal to or less than [**] or an overpayment then this Party shall bear the costs of the audit. In the latter case, this Party shall also reimburse the amount overpaid.

4 Confidentiality

4.1 Subject to the terms and conditions of this Agreement, all Information, including concerning the BioTime Technology, the results, the Product, the Licensed Product, a Party’s marketing, technical, product and business affairs and proprietary and trade secrets information and all know-how communicated by a Party or its Affiliates to another Party or its Affiliates, including the existence and terms of this Agreement, shall be deemed Confidential Information as defined in section 1.5. The Receiving Party of Confidential Information may not reveal any such Confidential Information to any Third Party other than its Affiliates or sub-licensees, except with the prior written approval of the Disclosing Party. The Parties undertake to protect the other Party’s Confidential Information against unauthorized access by Third Parties. Affiliates and sub-licensees, which shall be bound by a non-disclosure agreement at least as restrictive than the stipulations in this Agreement.

4.2 In respect of the Confidential Information received from the other Party (Disclosing Party) or its Affiliates under this Agreement, the Receiving Party agrees to undertake and bind itself:

(a) to keep the Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees strictly confidential and not to disclose it or to make it otherwise available to any Third Party and not in any way or at any time to make any use thereof except according to the performance of this Agreement;

(b) to take all reasonable measures to ensure that the Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees is not inadvertently disclosed in violation of this Agreement;

(c) not without prior written consent of the Disclosing Party to copy, reproduce, distribute or disclose the Confidential Information received from the Disclosing Party, its

Affiliates or sub-licensees to any person other than those employees and directors or employees or directors of its Affiliates who are directly and necessarily involved in the performance of this Agreement and who are contractually or otherwise obligated to keep it confidential, and in such instance, only on a “need to know” basis;

(d) without prejudice to its obligations pursuant to this Agreement, after termination for whatever reason and at the request of the Disclosing Party, immediately return or destroy all Confidential Information received from the Disclosing Party or its Affiliates. The destruction of the Confidential Information shall be confirmed promptly in writing. Each Party shall ensure that it has retained no copy of any Confidential Information other than one archival copy to be retained in its confidential files solely for the purpose of monitoring compliance with this Agreement.

The obligations to destroy shall not apply to computer records and files, which have been created pursuant to automatic electronic archiving, IT back-up or internal disaster recovery procedures. Such retained Confidential Information shall neither be accessible nor used for any purposes and shall be safeguarded in confidentiality in accordance with the terms of this Confidentiality Agreement until the return or destruction of such Confidential Information.

4.3 The Parties’ obligations from the above stipulated under Article 4.2. do not apply to the following:

(a) Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees, which at the time of the disclosure is in the public domain as evidenced by the Receiving Party in writing;

(b) Confidential Information received from the Disclosing Part, its Affiliates or sub-licensees, which at the time of the disclosure is in the public domain as evidenced by the Receiving Party by competent proof;

(c) Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees, which after disclosure is published or otherwise becomes part of the public domain through no fault or breach of this Agreement by the Receiving Party as evidenced by the Receiving Party by competent proof;

(d) Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees, which the Receiving Party can establish by competent proof in writing was in his possession at the time of Disclosure by the Disclosing Party and was not acquired directly or indirectly from the Disclosing Party;

(e) Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees which is received after the time of disclosure from a Third Party who did not acquire such Confidential Information directly or indirectly from the Disclosing Party under obligations of confidentiality and who is in lawful possession of such Confidential Information as evidenced by the Receiving Party in writing;

(f) Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees, which, as can be demonstrated by documentary proof, has been independently developed by employees, agents, consultants or other representatives of the Receiving Party without the use of Confidential Information received from the Disclosing Party.

Specific Confidential Information shall not become exempt from the obligations according to Article 4.2, merely because it is embraced by general information within any of the exceptions according to Article 4.3 (a) – (e) above. Combinations of parts of Confidential Information are not exempt from the obligations according to Article 4.2, if any of the exceptions of Article 4.3 (a) – (e) above applies only to such parts but not to their combination.

4.4 Notwithstanding any other provisions of this Article 4 and Article 1.5:

4.4.1 all of the Disclosing Party's Confidential Information may be disclosed by the Receiving Party: (i) to any regulatory authority to secure regulatory approvals; or (ii) if the Receiving Party is required by applicable laws to disclose such Confidential Information, and is not otherwise subject to a protective order. In the case of (ii), the Receiving Party agrees to notify the other Party immediately and to use its reasonable efforts to prevent the dissemination of the Confidential Information other than as strictly required by applicable laws. The Receiving Party shall use its reasonable efforts, at the request of the Disclosing Party, to obtain confidential treatment of such Confidential Information by the governmental authority or Third Party to whom the Confidential Information is disclosed at the Receiving Party's costs; and

4.4.2 a Party may disclose the existence and terms of this Agreement to the extent required to be disclosed, as reasonably determined by the disclosing Party, by applicable law, or by order or other ruling of a competent court; and

4.4.3 upon prior written notice and acceptance by the other Party, which shall not be unreasonably or untimely withheld, a Party hereto may disclose the existence and terms of this Agreement to possible investors, acquirers and merging partners of such Party under respective confidentiality obligations. Prior to any disclosure of the other Party's Confidential Information, a draft of the proposed disclosure (including marked redactions of such Confidential Information) shall be provided to the other Party for consent. This said, without its attachments, in particular the Project Plan, and further excluding or blackening any Confidential Information of the other Party, this Agreement, may be disclosed under respective confidentiality agreements without the prior consent of the other Party.

4.5 This Article 4 shall survive the expiry or termination of this Agreement.

5 Representations and warranties

5.1 OrthoCyte warrants, that OrthoCyte is the owner or licensee of the Intellectual Property Rights listed in **Attachment 1** and that they exist and are active as of the Effective Date. OrthoCyte is entitled to grant the license under the Intellectual Property Rights as granted in this Agreement.

5.2 OrthoCyte has no knowledge that the development, manufacture or sell of Product in the Field of Use does infringe intellectual property rights of Third Parties. Should OrthoCyte gain knowledge of any facts, it will inform Heraeus immediately.

5.3 No Party makes any representations or warranties, either express or implied, with respect to the Product, in particular, does not make any representations concerning the usability or the merchantability of the Product. Both Parties expressly exclude all express and implied warranties with respect to utility, applicability, safety, harmlessness to health or the fitness of the Product for any purpose.

5.4 No Party makes any representations or warranties that the use of the Product will not infringe any patent or other proprietary rights of any Third Party and both Parties expressly disclaim any liability thereto.

5.5 Except in the event of gross negligence, breach, fraud or willful misconduct, neither Party shall be held liable for any, indirect, special consequential or incidental damages, such as, but not limited to, damage or loss of property or equipment, loss of profits or revenue, cost of capital or lost opportunities.

5.6 Heraeus shall at all times during the term of this Agreement and thereafter indemnify, defend and hold harmless and its Affiliates, members of the executive board, officers, agents and employees from any claims and expenses, including legal expenses and attorneys' fees, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense, liability, loss, or damage of any kind whatsoever arising out of the development, manufacture, use, handling, storing or sale of the Product in the Field of Use.

The like, OrthoCyte shall at all times during the term of this Agreement and thereafter indemnify, defend and hold harmless and its Affiliates, members of the executive board, officers, agents and employees from any claims and expenses, including legal expenses and attorney's fees, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense, liability, loss, or damage of any kind whatsoever arising out of the development, manufacture, use, handling, storing or sale of the Product in other fields than the Field of Use.

6. Rights to Background Rights

6.1 The Parties acknowledge that any Background Right of a Party used for the performance of this Agreement remains the property of the said Party introducing the same, except the Parties have agreed otherwise in writing. Nothing in this Agreement shall be interpreted as an obligation on a Party or an Affiliate thereof to give access to or grant a licence under its Background Rights, except as agreed herein otherwise in writing.

7. Term and Termination

7.1 This Agreement shall come into force on the Effective Date and shall, unless terminated prior in accordance with this Article below, remain in force until the last patent in a particular country, for which Heraeus has claimed a license under this Agreement, expires. After such expiration Heraeus shall have the right to further benefit from the license granted under this Agreement without paying any further royalties or other compensations towards OrthoCyte. Upon termination, not expiry, of this Agreement all sub-license agreements shall expire immediately.

7.2 Early termination before the expiry date of the last patent covered shall only be possible under the following conditions:

7.2.1 Early termination shall be available to Heraeus, at Heraeus's sole discretion, upon [**] months prior written notice.

7.2.2 Early termination shall be available to either Party for cause. Notably, but not exclusively, a Party shall be entitled to terminate this Agreement for cause by giving written notice of such termination if:

(i) the other Party shall be in default of any of its material obligations under this Agreement and shall fail to remedy such default within [**] days after receipt of written notice thereof, or

(ii) the other Party challenges the validity of the Intellectual Property of the other Party regarding the licensed Intellectual Property Rights or supports Third Parties in such challenge.

(iii) an event of insolvency or bankruptcy occurs in relation to the other Party.

7.3 This Agreement shall terminate if the R&D Agreement is terminated prior to Product Launch.

7.4 Any royalties or payments paid or due prior to the date of effective termination shall not be refundable.

7.5 The termination of this Agreement does not affect any rights or obligations of either Party which have arisen or accrued up to and including the date of termination.

8. Miscellaneous

8.1 **Force Majeure**

Neither Party shall be liable for failures of or delays in performing this Agreement, and neither Party shall be deemed in breach of its obligations, if such failure or delay is due to natural disasters or any causes beyond the reasonable control of the Parties, including any act of God, any civil commotion, strike or other industrial dispute ("Force Majeure"). In the event of such Force Majeure, the Party affected hereby shall (i) promptly notify the other Party in writing and (ii) use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder.

8.2 **Notices**

Any notice to be given under this Agreement must be in writing. All notices required or permitted to be given by this Agreement shall be made by prepaid certified mail or international courier (e.g. FedEx, UPS, DHL etc.), or by facsimile transmission, or other electronic means of communication (such electronic means shall be deemed received with confirmed transmission or when delivery confirmed otherwise) to the addresses set out below:

For OrthoCyte:

OrthoCyte
1301 Harbor Bay Parkway,
Alameda, CA 94502 USA
E-mail: fbinette@biotimemail.com

For Heraeus:
Heraeus Medical GmbH
Dr. André Kobelt
Philipp-Reisstr. 7/13
61273 Wehrheim

E-mail: andre.kobelt@heraeus.com

Another copy shall be sent to the legal department in Hanau:

Heraeus Holding GmbH
Abteilung Wirtschaftsrecht
Heraeusstraße 12 – 14,
63450 Hanau

8.3 **Assignment and successors**

This Agreement and rights hereunder shall not be assigned or transferred, directly or indirectly, in whole or in part by the Parties without the prior written consent of the other Party. However, should OrthoCyte intend to assign this Agreement to another entity, which acquires all or substantially all of the business or assets of OrthoCyte to which this Agreement pertains, whether by merger, reorganization, acquisition, sale or otherwise, provided that such successor or assignee shall agree in writing to be bound by the terms and conditions of this Agreement prior to assignment, Heraeus agrees to not unduly withhold its consent. In case of such assignment to a Third Party, OrthoCyte shall continue to be bound by the confidentiality obligations stipulated in Section 4.

8.4 **Severability**

Invalid provisions of this Agreement shall not in any way affect the validity and enforceability of the remaining provisions. The Parties agree to undertake to replace the invalid and enforceable provisions by new provisions, which will approximate as closely as possible the result intended by the Parties. The same shall apply in the case of an omission.

8.5 **Amendment**

This Agreement may be amended, modified, superseded or cancelled, and any of the terms may be waived, including this Section 9.5, only by mutual written agreement by the Parties. The written form requirement may not be amended.

9.6 **Governing law and Jurisdiction; Interpretation**

This Agreement shall be governed by and interpreted with the laws (other than the conflict of laws rules) of the State of New York, USA. The exclusive place of jurisdiction for any dispute, claim or proceeding between the Parties arising out or in connection with this Agreement shall be the United States District Court for the Southern District of New York or, only if there is no federal subject matter jurisdiction, in any state court of New York sitting in the City and County of New York, and each party hereby submits to the exclusive personal jurisdiction of the foregoing courts. This Agreement shall be interpreted using the English language, and any differences in interpretation of the Agreement that results from translation of the Agreement using a language other than the English language shall have no effect on the interpretation of the Agreement.

This Agreement is made in 2 (two) original copies, one for OrthoCyte and one for Heraeus.

Signatures:

For OrthoCyte

Signature
Date:

For Heraeus Medical GmbH

Signature:
Name:
Title:
Date:

Signature:
Name:
Title:
Date:

Exhibit C

OrthoCyte Patent Rights

	TITLE	COUNTRY	APPLICATION NUMBER	FILING DATE	PATENT NUMBER	ISSUE DATE	STATUS
BIOT-013	Methods to Accelerate the Isolation of Novel Cell Strains from Pluripotent Stem Cells and Cells Obtained Thereby	US	12/504,630	Jul 16, 2009			Pending
BIOT-024	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	US	13/384,289	Mar 16, 2012	8,685,386	Apr 1, 2014	Issued
BIOT-024AU	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	AU	2010273930	Jul 16, 2010			Pending
BIOT-024CA	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	CA	2,768,376	Jul 16, 2010			Pending
BIOT-024CN	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	CN	201080041322	Jul 16, 2010			Pending
BIOT-024 CON1	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	US	14/172,765	Feb 4, 2014			Pending
BIOT-024EP	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	EP	10800651.1	Jul 16, 2010			Pending
BIOT-024IL	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	IL	217552	Jul 16, 2010			Pending

BIOT-024IN	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	IN	1098/CHENP/2012	Jul 16, 2010			Pending
BIOT-024JP	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	JP	2012-520830	Jul 16, 2010			Pending
BIOT-024JPD	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	JP	2015-158197	Jul 16, 2010			Pending
BIOT-024KR	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	KR	10-2012-7003880	Jul 16, 2010			Pending
BIOT-024SG	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	SG	201200351-3	Jul 16, 2010	177694	Sept 16, 2014	Issued
BIOT-026	Improved Methods of Screening Embryonic Progenitor Cell Lines	US	13/683,241	Nov 21, 2012			Pending
BIOT-026AU	Improved Methods of Screening Embryonic Progenitor Cell Lines	AU	2011258249	May 25, 2011	2011258249	Sept 25, 2014	Issued

BIOT-026CA	Improved Methods of Screening Embryonic Progenitor Cell Lines	CA	2,800,616	May 25, 2011			Pending
BIOT-029SG2	Progenitor Cells and Methods and Uses Related Thereto	SG	200306634.7	Aug 9, 2001	100479	May 31, 2005	Issued
BIOT-030	Methods of Modifying Transcriptional Regulatory Networks in Stem Cells	US	13/279,123	Oct 21, 2011			Pending
BIOT-030AU	Methods of Modifying Transcriptional Regulatory Networks in Stem Cells	AU	2011316830	Oct 21, 2011			Pending
BIOT-030CA	Methods of Modifying Transcriptional Regulatory Networks in Stem Cells	CA	2,814,860	Oct 21, 2011			Pending
BIOT-030EP	Methods of Modifying Transcriptional Regulatory Networks in Stem Cells	EP	11835259.0	Oct 21, 2011			Pending
BIOT-030IN	Methods of Modifying Transcriptional Regulatory Networks in Stem Cells	IN	2198/CHENP/2013	Oct 21, 2011			Pending
BIOT-033	Novel Methods and Formulations for Orthopedic Cell Therapy	US	14/131,429	Jan 7, 2014			Pending
BIOT-034	Compositions and Methods Relating to Clonal Progenitor Cell Lines	US	14/238,160	Apr 29, 2014			Pending

BIOT-062	Differentiated Progeny of Clonal Progenitor Cell Lines	US	14/048,910	Oct 8, 2013			Pending
BIOT-062AU	Differentiated Progeny of Clonal Progenitor Cell Lines	AU	2013237760	Oct 8, 2013			Pending
BIOT-062EP	Differentiated Progeny of Clonal Progenitor Cell Lines	EP	13187756.5	Oct 8, 2013			Pending
BIOT-064	Thiolated Hyaluronan-Based Hydrogels Cross-Linked Using Oxidized Glutathione	US	14/275,795	May 12, 2014			Pending
BIOT-071	Hydrogel Sponges and Methods of Making and Using the Same	US	14/820,497	Aug 6, 2015			Pending
BIOT-072PRV	Osteogenic Graft Forming Unit	US	62/172,808	Jun 9, 2015			Pending

Exhibit D: Heraeus Patent Rights

[Intentionally Omitted]

Exhibit E
Final Report

Upon completion of each defined phase of the workplan, OrthoCyte shall provide Heraeus with a written report summarising the outcome of each phase of the Workplan and the Results received. The reports shall set out in a comprehensive way the work carried out by OrthoCyte. They shall comprise the details of the Results obtained and any raw data from which an independent expert can derive the same Results as provided by OrthoCyte in the report. They will be signed and dated by the lead investigator from OrthoCyte and Francois Binette.

The Results of the works need to be scientifically valid on an objective basis and reproducible by third parties that have the same expertise and experience as the personnel of OrthoCyte that are conducting the Project. In particular, the Results need to be substantiated by state of the art statistical methods.

Heraeus shall review the report for each defined phase of the workplan and provide its comments within two (2) weeks of receiving the report, which OrthoCyte shall incorporate so long as the comments relate to a deficiency of the report in relation to works or scientific standards, provided that OrthoCyte shall not be required to update the report such that it is inconsistent with the Results obtained by OrthoCyte. Heraeus will declare the acceptance of the report in writing if it is in accordance with the requirements, which acceptance shall in absence of any express declaration of non-acceptance/rejection by Heraeus be deemed to be effective no later than one month after OrthoCyte submits the report (“phase completion”).

Upon completion of the final phase of the Project, OrthoCyte shall provide Heraeus with a written final report summarising the outcome of the works and Project and the Results received. The requirements defined above shall also apply to the final report, which will be accepted by Heraeus if conforming to the requirements set forth in this Agreement which acceptance shall in absence of any express declaration of non-acceptance/rejection by Heraeus be deemed to be effective no later than one (1) month after OrthoCyte submits the final report (“Project Completion”).

Exhibit F
Patent Rights of University of Utah

University of Utah Patent Rights

	TITLE	COUNTRY	APPLICATION NUMBER	FILING DATE	PATENT NUMBER	ISSUE DATE	STATUS
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	US	12/234,445	Sep 19, 2008	8,859,523	Oct 14, 2014	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	US	12/244,135	Oct 2, 2008	7,928,069	Apr 19, 2011	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	CA	2,489,712	May 15, 2003			Pending
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	CH	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	DE	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	FR	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	GB	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	IE	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	IT	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	LX	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	MN	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3656	Modified Macromolecules and Associated Methods of Synthesis and Use	US	10/581,571	Jul 13, 2007	7,981,871	Jul 19, 2011	Issued
U-3656	Modified Macromolecules and Associated Methods of Synthesis and Use	US	13/184,401	Jul 15, 2011	8,691,793	Apr 08, 2014	Issued
U-3656	Modified Macromolecules and Associated Methods of Synthesis and Use	CA	2,549,295	Dec 06, 2004			Pending
U-3656	Modified Macromolecules and Associated Methods of Synthesis and Use	EP	04813101.5	Dec 06, 2004			Pending
U-3362	Anti-adhesion Compositions and Methods of Use Thereof	US	10/556,693	Dec 03, 2008	8,324,184	Dec 04, 2012	Issued
U-3362	Anti-adhesion Compositions and Methods of Use Thereof	EP	04775992.3	May 13, 2004			Pending

Exhibit 10.5

Certain information has been omitted under a request for confidential treatment, and the omitted information has been filed with the Commission. Confidential portions are marked [**].

License Agreement

by and between **OrthoCyte Corporation**
a California corporation and an Affiliate
of BioTime, Inc. ("BioTime"),
1301 Harbor Bay Parkway,
Alameda, CA 94502 USA

(in the following referred to as "**OrthoCyte**")

and **Heraeus Medical GmbH**
Philip-Reis-Str. 8/13
61273 Wehrheim, Germany

(in the following referred to as "**Heraeus**")

OrthoCyte and Heraeus may in the following be referred to individually as a "Party" and collectively as the "Parties".

Preamble

WHEREAS OrthoCyte owns, or has licensed rights to, and possesses two therapeutic development platforms. The first one being a comprehensive portfolio of embryonic stem cells and clonal progenitor stem cells of primate origin, as well as related know-how and technological expertise to propagate and differentiate these cells. More specifically, the first platform comprises osteochondro progenitor cell lines named PureStem® and related know-how and technological expertise to ensure the isolation and selection of clonal cells with high purity and optimised potency, including methods to ensure scalability of culturing and identification by comprehensive microarrays. The second platform technology is a scaffold technology for cell delivery, named HyStem®. Both technologies are patent protected and OrthoCyte owns, or has licensed rights to, the corresponding rights to these technologies, in particular Intellectual Property Rights and related secret technical information; these rights comprise in particular the selection of cell lines, manufacturing (culturing and differentiation of these cell lines), their combination with an appropriate scaffold and the use of this technology (application in medical indication).

WHEREAS Heraeus has experience in the field of bone cement and biomaterials, as medical implants for elective orthopaedic and trauma surgery, and possesses detailed market knowledge and data with regard to musculoskeletal indications and owns and/or licenses from a Third Party rights to certain scaffold technologies;

WHEREAS Heraeus has experience in the field of bone cement and biomaterials, as medical implants, for elective orthopaedic and trauma surgery;

WHEREAS The Parties have already entered into a Research & Development Agreement, to which this Agreement is attached as **Exhibit B** (the R&D Agreement")

WHEREAS The Parties enter into this License Agreement, pursuant to which Heraeus shall receive a license under the respective Intellectual Property Rights owned, licensed to and/or otherwise controlled by OrthoCyte to use the OrthoCyte Technology and the BioTime Materials in the Field of Use in the Territory, and OrthoCyte shall receive a license under the respective Intellectual Property Rights owned, licensed to and/or otherwise controlled by Heraeus to use the Heraeus Technology and the Heraeus Materials outside the Field of Use in the Territory, as further specified in this Agreement.

NOW, THEREFORE, in consideration of the foregoing the Parties mutually agree as follows:

1. Definitions.

The following words and phrases when used in this Agreement shall for the purposes hereof have the meaning specified below, applicable both in singular and plural forms:

1.1 "**Affiliates**" shall mean, with respect to a Party, any corporation, company, partnership or other entity, which controls, is controlled by, or is under common control with a Party. For such purpose the term "control" shall mean the ownership, direct or indirect control of at least fifty percent (50 %) of the voting stock of the other entity.

1.2 "**Background Rights"** shall mean any and all Intellectual Property Rights and all substances and/or biological material and any rights therein or thereto (e.g. licenses) belonging to a Party and/or its Affiliates (irrespectively whether or not protectable under state, federal or foreign intellectual property laws), which is developed or acquired by such Party and/or its Affiliates prior to the Effective Date, or developed or acquired by such Party and/or its Affiliates independently from performance of this Agreement regardless whether developed or acquired either before or after the Effective Date and that are necessary or useful for a Party to exercise its rights under Section 2.1 or 2.2 of this Agreement, as applicable. OrthoCyte's Background Rights include the OrthoCyte Technology and the OrthoCyte Materials. Heraeus' Background Rights include the Heraeus Technology and the Heraeus Materials.

1.3 **“OrthoCyte Materials”** shall be PureStem® Cell Lines (or Stem Cell Derivatives) as well as the HyStem® Delivery System.

1.4 **“OrthoCyte Property Rights”** means OrthoCyte’s personal proprietary rights in the PureStem Cell Lines, including ownership rights and rights in the know-how embodied in the Cell Lines.

1.5 **“OrthoCyte Technology”** shall be the technology, including the HyStem Delivery System, to select, expand, manufacture, combine and use the OrthoCyte Materials, as covered by the Intellectual Property Rights owned by OrthoCyte or BioTime or licensed in from a Third Party. The OrthoCyte Technology includes the patent applications and patents identified and listed in **Exhibit C** (the “OrthoCyte Patent Rights”).

1.6 **“Confidential Information”** shall mean any and all data, material and/or information related to: (i) the terms of this Agreement including all Annexes etc., (ii) information made available by one Party ("Disclosing Party") to the other Party (“Receiving Party”) in tangible such as writing or other form including electronic, visual, oral or graphic form or as samples (including but not limited to Party’s Background Rights and Intellectual Property Rights, any technical information, research-, products-, personnel-, marketing-, strategic information or other information), (iii) any data, material and information developed during the term of this Agreement, and (iv) any compound(s) and/or material(s) provided by one Party to the other pursuant to this Agreement, whether prior to or after the Effective Date and whether it is labelled "confidential" or not, in the course of the Parties' evaluation, negotiation of or performance under or in connection with this Agreement. There is no requirement to mark data, material and/or information as “Confidential” when exchanged between Parties, but this is a recommended best practice.

1.7 **"Effective Date"** shall mean the date of the last signature of the Parties to this Agreement.

1.8 **"Field of Use"** shall mean bone grafting for the indications osteoskeleton diseases and injuries, thereby excluding dental and maxillofacial indications.

1.9 **“Heraeus Materials”** shall be the Heraeus Scaffold and all market related research and data related to the Field of Use owned by Heraeus or licensed in from a third party.

1.10 **“Heraeus Scaffold”** means the scaffold that is owned by Heraeus or licensed in from a Third Party.

1.11 **“Heraeus Technology”** means the technology relating to the Heraeus Scaffold, as covered by the Intellectual Property Rights owned by Heraeus or licensed in from a Third Party. The Heraeus Technology includes the patent applications and patents identified and listed in **Exhibit D**.

1.12 **“HyStem Delivery System”** means the proprietary scaffold technology for delivery of bioactives, including, without limitation, small molecules, proteins, cells fractions or derivatives thereof, as covered by the Intellectual Property Rights owned by OrthoCyte or BioTime, or licensed in from a Third Party, including the University of Utah Research Foundation.

1.13 **“Intellectual Property Rights”** shall mean the rights and interests in and to any and all issued patents and pending patent applications, know-how, trade secrets, utility certificates, utility models, registered design, trademarks, copyrights (including inventor’s certificates), in any country or jurisdiction, including but not limited to, any and all provisionals, non-provisionals, substitutions, continuations, continuations-in-part, divisionals and other continuing applications, supplementary protection certificates, renewals, and all letters patent on any of the foregoing, and any and all reissues, re-examinations, extensions, confirmations, registrations and patents of addition of any of the foregoing.

1.14 **“Launch”** shall mean the first commercial sale of the Product to Third Parties.

1.15 **“Net Sales”** shall mean the actual gross amount of invoiced prices for the sale of Products by Heraeus and its Affiliates, or the sale by OrthoCyte and its Affiliates of Products, as applicable, less the following deductions actually taken with respect to such sales: (i) any rebates, quantity, trade and/or cash discounts and other usual and customary discounts to customers actually granted, if any, (ii) compulsory payments and rebates, actually paid or deducted; retroactive price reductions, credits or allowances actually granted upon rejections or returns of Product, including for recalls or damaged goods, (iii) value-added taxes, (iv) costs of packaging, insurance and transportation from the place of manufacture to the customer’s premises including import, export, excise, turnover, custom duties, and (v) sales taxes paid by Heraeus or its Affiliates.

For sales of Product by Heraeus to an Affiliate of Heraeus, or by OrthoCyte to an Affiliate of OrthoCyte, as applicable, the sales prices charged by a Heraeus Affiliate or an OrthoCyte Affiliate in a subsequent sale of Product to the end customer shall be used to determine Net Sales.

1.16 **“Product”** shall mean the cell therapy bone grafting product consisting of a select osteochondroprogenitor PureStem Cell Line (or Stem Cell Derivative) contained in a scaffold and developed by the Parties under the Research and Development Agreement to which this License Agreement is attached.

1.17 **“PureStem Cell Line”** means OrthoCyte’s (including its Affiliate BioTime) comprehensive portfolio of embryonic stem cells and clonal progenitor stem cells of primate origin, as well as related know-how and technological expertise to propagate and differentiate such cells.

1.18 “**Stem Cell Derivative**” shall mean any of the following derived from a PureStem Cell Line: a select non-viable osteochondroprogenitor PureStem Cell Line, or fraction thereof such as, fractionate, extract, secretion products; lyophilized, concentrated, reconstituted or diluted in appropriate solvent if necessary.

1.19 **"Results"** shall mean all data, information, findings, know-how, substances and biological material, inventions, improvements and/or discoveries (irrespectively whether or not protectable under state, federal or foreign intellectual property laws), resulting from and made by or for OrthoCyte and/or OrthoCyte’s Affiliates by carrying out the Project (as defined in the R&D Agreement). Results owned by OrthoCyte are referred to as “OrthoCyte Results” and Results owned by Heraeus are referred to as “Heraeus Results.”

1.20 **“Third Party”** shall mean any party other than OrthoCyte and Heraeus or their respective Affiliates.

1.21 **“Territory”** shall mean worldwide.

Additional terms may be defined throughout this Agreement.

2 Grant of licenses

2.1 OrthoCyte herewith grants Heraeus a royalty-bearing, exclusive license to use OrthoCyte Background Rights, including, but not limited to the OrthoCyte Materials, the OrthoCyte Property Rights, the OrthoCyte Technology, including without limitation the OrthoCyte Patent Rights, as well as the OrthoCyte Results to research, register or obtain and maintain marketing approval, develop, make, have made, use, market, distribute, import, export, offer to sell, sell and have sold, the Product in the Field of Use in the Territory, with the right to sublicense. The license granted in this section 2.1 also grants to Heraeus the right to use all related documents and data, e.g. the Final Report (as defined in the R&D Agreement), which are established by OrthoCyte or its Affiliates or subcontractors, in as far as such documents and data are useful or necessary for Heraeus to exploit the license rights granted to Heraeus in this Agreement.

2.1.1 Section 2.1 shall not apply to the University of Utah Patent Rights. Should the Product developed be covered by these rights, the Parties will either agree on a sublicense agreement according to which OrthoCyte grants Heraeus a sublicense to its license of the University of Utah Patent Rights, for manufacture, use and sale of the Product or, in its own discretion, Heraeus may negotiate with University of Utah a license to the University of Utah Patent Rights for manufacturing, using and selling the Products in the Field of Use.

2.2 Heraeus herewith grants OrthoCyte a royalty-bearing, exclusive license to use the Heraeus Materials, the Heraeus Technology, including without limitation the Heraeus Patent Rights, and the Heraeus Results, to the extent needed to register or obtain and maintain marketing approval, make, have made, use, market, distribute, import, export, offer to sell, sell and have sold the Product outside the Field of Use in the Territory, with the right to sublicense.

2.3 OrthoCyte reserves all rights to use the following outside the Field of Use: PureStem Cell Lines (and Stem Cell Derivatives), the OrthoCyte Property Rights, the OrthoCyte Technology, including without limitation the OrthoCyte Patent Rights, and the OrthoCyte Results.

2.4 Each Party's right to grant commercial sublicenses (i.e. excluding licenses for toll-manufacturing and licenses to its affiliates) of its rights under Section 2.1 or 2.2, as applicable, is subject to the following conditions:

The Party granting the sublicense shall give the other Party at least 30 days prior written notice of its intent to sublicense to allow the other Party to comment on the terms and conditions of the proposed sublicense agreement;

the sublicensee shall not have the right to grant further sublicenses;

the sublicense shall not be assignable without prior written approval by Heraeus and OrthoCyte; and

the sublicense shall include fair consideration for the grant of rights under the sublicense.

3 Royalties

3.1 Heraeus shall pay to OrthoCyte a royalty on Net Sales of Product by Heraeus (including sales of Heraeus' Affiliates to Third Parties as follows:

3.1.1 [**] shall be due for Net Sales up to [**] US$

3.1.2 [**] shall be due for Net Sales between [**] US$

3.1.3 [**] shall be due on Net Sales above [**] US$

3.2 OrthoCyte shall pay to Heraeus a royalty of [**] on Net Sales of Product by OrthoCyte (including sales by OrthoCyte Affiliates to Third Parties) into other fields than the Field of Use.

3.3 In case that Heraeus or OrthoCyte grants commercial sub-licenses to Third Parties (other than for the sole purpose of having such Third Party manufacturing the Product on behalf of a Party or its Affiliates and for further sale by such Party), OrthoCyte and Heraeus agree to each other a total of [**] of all Sublicense Income. "Sublicense Income" means consideration that Heraeus or OrthoCyte, as applicable, receives for the grant of rights to a Third Party sublicensee.

3.4 OrthoCyte shall manufacture the Product for Heraeus. Hereaus shall reimburse OrthoCyte the manufacturing costs occurred in fact (COGS) by OrthoCyte to manufacture the Product, which shall be disclosed to Heraeus in confidence by OrthoCyte. For this purpose the Parties intend to sign a separate manufacturing and supply agreement which shall be negotiated and concluded before Launch of the Product.

3.5 Within [**] days of the end of each calendar year (”Payment Period”), Heraeus shall provide to OrthoCyte a written report describing the Net Sales of Product sold by or on behalf of Heraeus and its Affiliates as well as a report on the proceeds received from its sub-licensees during said calendar year specifying the Net Sales and proceeds. All aforementioned payments shall be made in Euro.

3.6 Heraeus will make all payments due under this Agreement within [**] days of receipt of a corresponding invoice from OrthoCyte. Payments shall be effected to the following account of OrthoCyte:

Beneficiary: OrthoCyte Corporation
[**]

or such other account as OrthoCyte may designate in writing to Heraeus from time to time.

3.7 Possible turnover taxes and indirect taxes on any fees, milestone payments or royalties shall, if they accrue, be added to the respective payments. Any direct taxes, by law at the charge of OrthoCyte, shall be borne by OrthoCyte but may be, if so required by law, withheld and paid by Heraeus on behalf of OrthoCyte. Heraeus shall forward official receipts to OrthoCyte for such withholding taxes paid. Heraeus and OrthoCyte shall use their best efforts to take advantage of any tax treaties which may be applicable and to minimize any deduction for withholding tax.

3.8 Both Parties shall keep and maintain records of sales of the Product made by or on behalf of them, its Affiliates and sub-licensees, so that the royalties payable and the royalty statements may be verified, including the proceeds shared and the proceeds statement. Such records shall be open to inspection during business hours for a [**] year period after the end of the Payment Period to which such records relate, but in any event not more than once per calendar year, by a nationally recognized independent certified public accountant selected by a Party to whom the other Party has no reasonable objections. Said accountant shall sign a confidentiality agreement prepared by the Party requesting the involvement of the accountant and reasonably acceptable to the other Party and shall then have the right to examine the records kept pursuant to this Agreement and report to both Parties the findings (but not the underlying data) of said examination of records as are necessary to evidence that the records were or were not maintained and used in accordance with this Agreement. A copy of any report shall be provided to both Parties.

If said examination of records reveals any underpayment(s) of the royalty payable, the Party in default shall promptly pay the balance due to the other one, and if the underpayments(s) is/are more than [**], then the defaulting Party shall promptly pay the balance and the expenses of said examination, e.g. the costs for the accountant, to the Party that requested the involvement of the accountant. If said examination of records reveals any overpayment(s) of royalty payable, then the Party requesting the accountant shall credit the amount overpaid against the other Party's future royalty payment(s). In the event the audit reveals an inaccuracy to the disadvantage of the requesting Party of equal to or less than [**] or an overpayment then this Party shall bear the costs of the audit. In the latter case, this Party shall also reimburse the amount overpaid.

4 Confidentiality

4.1 Subject to the terms and conditions of this Agreement, all Information, including concerning the BioTime Technology, the results, the Product, the Licensed Product, a Party’s marketing, technical, product and business affairs and proprietary and trade secrets information and all know-how communicated by a Party or its Affiliates to another Party or its Affiliates, including the existence and terms of this Agreement, shall be deemed Confidential Information as defined in section 1.5. The Receiving Party of Confidential Information may not reveal any such Confidential Information to any Third Party other than its Affiliates or sub-licensees, except with the prior written approval of the Disclosing Party. The Parties undertake to protect the other Party’s Confidential Information against unauthorized access by Third Parties. Affiliates and sub-licensees, which shall be bound by a non-disclosure agreement at least as restrictive than the stipulations in this Agreement.

4.2 In respect of the Confidential Information received from the other Party (Disclosing Party) or its Affiliates under this Agreement, the Receiving Party agrees to undertake and bind itself:

(a) to keep the Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees strictly confidential and not to disclose it or to make it otherwise available to any Third Party and not in any way or at any time to make any use thereof except according to the performance of this Agreement;

(b) to take all reasonable measures to ensure that the Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees is not inadvertently disclosed in violation of this Agreement;

(c) not without prior written consent of the Disclosing Party to copy, reproduce, distribute or disclose the Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees to any person other than those employees and directors or employees or directors of its Affiliates who are directly and necessarily involved in the performance of this Agreement and who are contractually or otherwise obligated to keep it confidential, and in such instance, only on a “need to know” basis;

(d) without prejudice to its obligations pursuant to this Agreement, after termination for whatever reason and at the request of the Disclosing Party, immediately return or destroy all Confidential Information received from the Disclosing Party or its Affiliates. The destruction of the Confidential Information shall be confirmed promptly in writing. Each Party shall ensure that it has retained no copy of any Confidential Information other than one archival copy to be retained in its confidential files solely for the purpose of monitoring compliance with this Agreement.

The obligations to destroy shall not apply to computer records and files, which have been created pursuant to automatic electronic archiving, IT back-up or internal disaster recovery procedures. Such retained Confidential Information shall neither be accessible nor used for any purposes and shall be safeguarded in confidentiality in accordance with the terms of this Confidentiality Agreement until the return or destruction of such Confidential Information.

4.3 The Parties’ obligations from the above stipulated under Article 4.2. do not apply to the following:

(a) Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees, which at the time of the disclosure is in the public domain as evidenced by the Receiving Party in writing;

(b) Confidential Information received from the Disclosing Part, its Affiliates or sub-licensees, which at the time of the disclosure is in the public domain as evidenced by the Receiving Party by competent proof;

(c) Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees, which after disclosure is published or otherwise becomes part of the public domain through no fault or breach of this Agreement by the Receiving Party as evidenced by the Receiving Party by competent proof;

(d) Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees, which the Receiving Party can establish by competent proof in writing was in his possession at the time of Disclosure by the Disclosing Party and was not acquired directly or indirectly from the Disclosing Party;

(e) Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees which is received after the time of disclosure from a Third Party who did not acquire such Confidential Information directly or indirectly from the Disclosing Party under obligations of confidentiality and who is in lawful possession of such Confidential Information as evidenced by the Receiving Party in writing;

(f) Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees, which, as can be demonstrated by documentary proof, has been independently developed by employees, agents, consultants or other representatives of the Receiving Party without the use of Confidential Information received from the Disclosing Party.

Specific Confidential Information shall not become exempt from the obligations according to Article 4.2, merely because it is embraced by general information within any of the exceptions according to Article 4.3 (a) – (e) above. Combinations of parts of Confidential Information are not exempt from the obligations according to Article 4.2, if any of the exceptions of Article 4.3 (a) – (e) above applies only to such parts but not to their combination.

4.4 Notwithstanding any other provisions of this Article 4 and Article 1.5:

4.4.1 all of the Disclosing Party's Confidential Information may be disclosed by the Receiving Party: (i) to any regulatory authority to secure regulatory approvals; or (ii) if the Receiving Party is required by applicable laws to disclose such Confidential Information, and is not otherwise subject to a protective order. In the case of (ii), the Receiving Party agrees to notify the other Party immediately and to use its reasonable efforts to prevent the dissemination of the Confidential Information other than as strictly required by applicable laws. The Receiving Party shall use its reasonable efforts, at the request of the Disclosing Party, to obtain confidential treatment of such Confidential Information by the governmental authority or Third Party to whom the Confidential Information is disclosed at the Receiving Party's costs; and

4.4.2 a Party may disclose the existence and terms of this Agreement to the extent required to be disclosed, as reasonably determined by the disclosing Party, by applicable law, or by order or other ruling of a competent court; and

4.4.3 upon prior written notice and acceptance by the other Party, which shall not be unreasonably or untimely withheld, a Party hereto may disclose the existence and terms of this Agreement to possible investors, acquirers and merging partners of such Party under respective confidentiality obligations. Prior to any disclosure of the other Party's Confidential Information, a draft of the proposed disclosure (including marked redactions of such Confidential Information) shall be provided to the other Party for consent. This said, without its attachments, in particular the Project Plan, and further excluding or blackening any Confidential Information of the other Party, this Agreement, may be disclosed under respective confidentiality agreements without the prior consent of the other Party.

4.5 This Article 4 shall survive the expiry or termination of this Agreement.

5 Representations and warranties

5.1 OrthoCyte warrants, that OrthoCyte is the owner or licensee of the Intellectual Property Rights listed in **Attachment 1** and that they exist and are active as of the Effective Date. OrthoCyte is entitled to grant the license under the Intellectual Property Rights as granted in this Agreement.

5.2 OrthoCyte has no knowledge that the development, manufacture or sell of Product in the Field of Use does infringe intellectual property rights of Third Parties. Should OrthoCyte gain knowledge of any facts, it will inform Heraeus immediately.

5.3 No Party makes any representations or warranties, either express or implied, with respect to the Product, in particular, does not make any representations concerning the usability or the merchantability of the Product. Both Parties expressly exclude all express and implied warranties with respect to utility, applicability, safety, harmlessness to health or the fitness of the Product for any purpose.

5.4 No Party makes any representations or warranties that the use of the Product will not infringe any patent or other proprietary rights of any Third Party and both Parties expressly disclaim any liability thereto.

5.5 Except in the event of gross negligence, breach, fraud or willful misconduct, neither Party shall be held liable for any, indirect, special consequential or incidental damages, such as, but not limited to, damage or loss of property or equipment, loss of profits or revenue, cost of capital or lost opportunities.

5.6 Heraeus shall at all times during the term of this Agreement and thereafter indemnify, defend and hold harmless and its Affiliates, members of the executive board, officers, agents and employees from any claims and expenses, including legal expenses and attorneys' fees, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense, liability, loss, or damage of any kind whatsoever arising out of the development, manufacture, use, handling, storing or sale of the Product in the Field of Use.

The like, OrthoCyte shall at all times during the term of this Agreement and thereafter indemnify, defend and hold harmless and its Affiliates, members of the executive board, officers, agents and employees from any claims and expenses, including legal expenses and attorney's fees, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense, liability, loss, or damage of any kind whatsoever arising out of the development, manufacture, use, handling, storing or sale of the Product in other fields than the Field of Use.

6. Rights to Background Rights

6.1 The Parties acknowledge that any Background Right of a Party used for the performance of this Agreement remains the property of the said Party introducing the same, except the Parties have agreed otherwise in writing. Nothing in this Agreement shall be interpreted as an obligation on a Party or an Affiliate thereof to give access to or grant a licence under its Background Rights, except as agreed herein otherwise in writing.

7. Term and Termination

7.1 This Agreement shall come into force on the Effective Date and shall, unless terminated prior in accordance with this Article below, remain in force until the last patent in a particular country, for which Heraeus has claimed a license under this Agreement, expires. After such expiration Heraeus shall have the right to further benefit from the license granted under this Agreement without paying any further royalties or other compensations towards OrthoCyte. Upon termination, not expiry, of this Agreement all sub-license agreements shall expire immediately.

7.2 Early termination before the expiry date of the last patent covered shall only be possible under the following conditions:

7.2.1 Early termination shall be available to Heraeus, at Heraeus's sole discretion, upon [**] months prior written notice.

7.2.2 Early termination shall be available to either Party for cause. Notably, but not exclusively, a Party shall be entitled to terminate this Agreement for cause by giving written notice of such termination if:

(i) the other Party shall be in default of any of its material obligations under this Agreement and shall fail to remedy such default within [**] days after receipt of written notice thereof, or

(ii) the other Party challenges the validity of the Intellectual Property of the other Party regarding the licensed Intellectual Property Rights or supports Third Parties in such challenge.

(iii) an event of insolvency or bankruptcy occurs in relation to the other Party.

7.3 This Agreement shall terminate if the R&D Agreement is terminated prior to Product Launch.

7.4 Any royalties or payments paid or due prior to the date of effective termination shall not be refundable.

7.5 The termination of this Agreement does not affect any rights or obligations of either Party which have arisen or accrued up to and including the date of termination.

8. Miscellaneous

8.1 Force Majeure

Neither Party shall be liable for failures of or delays in performing this Agreement, and neither Party shall be deemed in breach of its obligations, if such failure or delay is due to natural disasters or any causes beyond the reasonable control of the Parties, including any act of God, any civil commotion, strike or other industrial dispute ("Force Majeure"). In the event of such Force Majeure, the Party affected hereby shall (i) promptly notify the other Party in writing and (ii) use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder.

8.2 Notices

Any notice to be given under this Agreement must be in writing. All notices required or permitted to be given by this Agreement shall be made by prepaid certified mail or international courier (e.g. FedEx, UPS, DHL etc.), or by facsimile transmission, or other electronic means of communication (such electronic means shall be deemed received with confirmed transmission or when delivery confirmed otherwise) to the addresses set out below:

For OrthoCyte:

OrthoCyte
1301 Harbor Bay Parkway,
Alameda, CA 94502 USA
E-mail: fbinette@biotimemail.com

For Heraeus:

Heraeus Medical GmbH
Dr. André Kobelt
Philipp-Reisstr. 7/13
61273 Wehrheim

E-mail: andre.kobelt@heraeus.com

Another copy shall be sent to the legal department in Hanau:

Heraeus Holding GmbH
Abteilung Wirtschaftsrecht
Heraeusstraße 12 – 14,
63450 Hanau

8.3 **Assignment and successors**

This Agreement and rights hereunder shall not be assigned or transferred, directly or indirectly, in whole or in part by the Parties without the prior written consent of the other Party. However, should OrthoCyte intend to assign this Agreement to another entity, which acquires all or substantially all of the business or assets of OrthoCyte to which this Agreement pertains, whether by merger, reorganization, acquisition, sale or otherwise, provided that such successor or assignee shall agree in writing to be bound by the terms and conditions of this Agreement prior to assignment, Heraeus agrees to not unduly withhold its consent. In case of such assignment to a Third Party, OrthoCyte shall continue to be bound by the confidentiality obligations stipulated in Section 4.

8.4 **Severability**

Invalid provisions of this Agreement shall not in any way affect the validity and enforceability of the remaining provisions. The Parties agree to undertake to replace the invalid and enforceable provisions by new provisions, which will approximate as closely as possible the result intended by the Parties. The same shall apply in the case of an omission.

8.5 **Amendment**

This Agreement may be amended, modified, superseded or cancelled, and any of the terms may be waived, including this Section 9.5, only by mutual written agreement by the Parties. The written form requirement may not be amended.

9.6 **Governing law and Jurisdiction; Interpretation**

This Agreement shall be governed by and interpreted with the laws (other than the conflict of laws rules) of the State of New York, USA. The exclusive place of jurisdiction for any dispute, claim or proceeding between the Parties arising out or in connection with this Agreement shall be the United States District Court for the Southern District of New York or, only if there is no federal subject matter jurisdiction, in any state court of New York sitting in the City and County of New York, and each party hereby submits to the exclusive personal jurisdiction of the foregoing courts. This Agreement shall be interpreted using the English language, and any differences in interpretation of the Agreement that results from translation of the Agreement using a language other than the English language shall have no effect on the interpretation of the Agreement.

This Agreement is made in 2 (two) original copies, one for OrthoCyte and one for Heraeus.

Signatures:

For OrthoCyte

/s/ Michael D. West

Signature
Date: September 29, 2015

For Heraeus Medical GmbH

/s/ Nicole Petermann

Signature:
Name: Nicole Petermann
Title: Head of Commercial Services
Date:

/s/ Hergen Haas

Signature:
Name: Hergen Haas
Title: General Counsel Heraeus Group
Date:

Exhibit B

Certain information has been omitted under a request for confidential treatment, and the omitted information has been filed with the Commission. Confidential portions are marked [**].

Research & Development Agreement

This Research & Development Agreement (in the following referred to as this "Agreement" or this "R&D Agreement") is made and entered

by and between **OrthoCyte Corporation**,
a California corporation and an Affiliate
of BioTime, Inc. ("BioTime"),
1301 Harbor Bay Parkway
Alameda, CA 94502 USA

(in the following referred to as "**OrthoCyte**")

and **Heraeus Medical GmbH**
Philip-Reis-Str. 8/13
61273 Wehrheim, Germany

(in the following referred to as "**Heraeus**")

OrthoCyte and Heraeus may in the following be referred to individually as a "Party" and collectively as the "Parties".

WHEREAS OrthoCyte owns, or has licensed rights to, and possesses two therapeutic development platforms. The first one being a comprehensive portfolio of embryonic stem cells and clonal progenitor stem cells of primate origin, as well as related know-how and technological expertise to propagate and differentiate these cells. More specifically, the first platform comprises osteochondro progenitor cell lines named PureStem® and related know-how and technological expertise to ensure the isolation and selection of clonal cells with high purity and optimised potency, including methods to ensure scalability of culturing and identification by comprehensive microarrays. The second platform technology is a scaffold technology for cell delivery, named HyStem®. Both technologies are patent protected and OrthoCyte owns or has licensed rights to the corresponding rights to these technologies, in particular Intellectual Property Rights and related trade secret technical information; these rights comprise in particular the selection of cell lines, manufacturing (culturing and differentiation of these cell lines), their combination with an appropriate scaffold and the use of this technology (application in medical indication).

WHEREAS Heraeus has experience in the field of bone cement and biomaterials, as medical implants for elective orthopaedic and trauma surgery, and possesses detailed market knowledge and data with regard to musculoskeletal indications and owns and/or licenses from a Third Party rights to certain scaffold technologies;

WHEREAS the Parties wish to carry out a research and development project “R&D of a Bioactive Bone Grafting Product” (as further described in the Project Plan attached hereto as **Exhibit A** (the “Project”);

WHEREAS OrthoCyte shall manufacture the Product (as defined below) for Heraeus, but is willing to grant Heraeus a license to establish a second manufacturing source and to manufacture and/or have manufactured and market or have marketed the Product the Product (the “Second Source”). For this purpose the Parties intend to sign a separate License Agreement as set out in **Exhibit B**. A manufacturing and supply agreement pursuant to which OrthoCyte will manufacture and supply Heraeus with Product shall be negotiated and concluded before Launch of the Product; the manufacturing and supply agreement will include terms and conditions for the establishment and availability of the Second Source.

NOW THEREFORE in consideration of the foregoing the Parties mutually agree to the following:

1. Definitions.

The following words and phrases when used in this Agreement shall for the purposes hereof have the meaning specified below, applicable both in singular and plural forms:

1.1 "**Affiliates**” shall mean, with respect to a Party, any corporation, company, partnership or other entity, which controls, is controlled by, or is under common control with a Party. For such purpose the term “control” shall mean the ownership, direct or indirect control of at least fifty percent (50 %) of the voting stock of the other entity.

1.2 **“Background Rights”** shall mean any and all Intellectual Property Rights and all substances and/or biological material and any rights therein or thereto (e.g. licenses) belonging to a Party and/or its Affiliates (irrespectively whether or not protectable under state, federal or foreign intellectual property laws), which is developed or acquired by such Party and/or its Affiliates prior to the Effective Date, or developed or acquired by such Party and/or its Affiliates independently from performance of this Agreement regardless whether developed or acquired either before or after the Effective Date and that are necessary or useful for the development of the Product. OrthoCyte Background Rights include OrthoCyte Materials and OrthoCyte Technology. Heraeus Backgrounds Rights include the Heraeus Materials and the Heraeus Technology.

1.3 **“OrthoCyte Materials”** shall be osteochondro progenitor PureStem® Cell Lines (or Stem Cell Derivatives) as well as the HyStem® Delivery System.

1.4 **“OrthoCyte Technology”** shall be the technology, including the HyStem® Delivery System, to select, expand, manufacture, combine and use the OrthoCyte Materials, as covered by the Intellectual Property Rights owned by OrthoCyte or BioTime or licensed in from a Third Party, including the University of Utah Research Foundation. The OrthoCyte Technology includes the patent applications and patents identified and listed in **Exhibit C**.

1.5 **“Confidential Information”** shall mean any and all data, material and/or information related to: (i) the terms of this Agreement including all Annexes etc., (ii) information made available by one Party ("Disclosing Party") to the other Party (“Receiving Party”) in tangible such as writing or other form including electronic, visual, oral or graphic form or as samples (including but not limited to a Party’s Background Rights and Intellectual Property Rights, any technical information, research-, products-, personnel-, marketing-, strategic information or other information), (iii) any data, material and information developed during the term of this Agreement, and (iv) any compound(s) and/or material(s) provided by one Party to the other pursuant to this Agreement, whether prior to or after the Effective Date and whether it is labelled "confidential" or not, in the course of the Parties' evaluation, negotiation of or performance under or in connection with this Agreement. There is no requirement to mark data, material and/or information as “Confidential” when exchanged between Parties, but this is a recommended best practice.

1.6 **"Effective Date"** shall mean the date of the last signature of the Parties to this Agreement.

1.7 "**Field of Use**" shall be bone grafting for the indications osteoskeleton diseases and injuries, thereby excluding dental and maxillofacial indications.

1.8 **"Final Report"** shall have the meaning as set out in **Exhibit E.**

1.9 **“Heraeus Materials”** shall be the Heraeus Scaffold and all market related research and data related to the Field of Use owned by Heraeus.

1.10 **“Heraeus Scaffold”** means the scaffold that is provided by Heraeus to OrthoCyte for use in the performance of the Project, and owned by Heraeus and/or licensed from a Third Party.

1.11 **“Heraeus Technology”** shall be the technology relating to the Heraeus Scaffold, as covered by the Intellectual Property Rights owned by Heraeus or licensed in from a Third Party.

1.12 **“HyStem Delivery System”** means the proprietary scaffold technology for delivery of bioactives, including, without limitation, small molecules, proteins, cells fractions or derivatives thereof, as covered by the Intellectual Property Rights owned by OrthoCyte or BioTime, or licensed in from a Third Party, including the University of Utah Research Foundation.

1.13 **“Intellectual Property Rights”** shall mean the rights and interests in and to any and all issued patents and pending patent applications, know-how, trade secrets, utility certificates, utility models, registered design, trademarks, copyrights (including inventor’s certificates), in any country or jurisdiction, including but not limited to, any and all provisionals, non-provisionals, substitutions, continuations, continuations-in-part, divisionals and other continuing applications, supplementary protection certificates, renewals, and all letters patent on any of the foregoing, and any and all reissues, re-examinations, extensions, confirmations, registrations and patents of addition of any of the foregoing.

1.14 **“Launch”** shall mean the first commercial sale of the Product to Third Parties.

1.15 “**Product**” shall mean a cell therapy bone grafting product consisting of a select osteochondroprogenitor PureStem Cell Line (or Stem Cell Derivative) contained in a scaffold; such scaffold being Heraeus Material or OrthoCyte Material, and developed according to the Project Plan**.**

1.16 **“PureStem Cell Line”** means OrthoCyte’s (including its affiliate BioTime) comprehensive portfolio of embryonic stem cells and clonal progenitor stem cells of primate origin, as well as related know-how and technological expertise to propagate and differentiate such cells.

1.17 “**Stem Cell Derivative**” shall mean any of the following derived from a PureStem Cell Line: a select non-viable osteochondroprogenitor PureStem Cell Line, or fraction thereof such as, fractionate, extract, secretion products; lyophilized, concentrated, reconstituted or diluted in appropriate solvent if necessary.

1.18 **"Results"** shall mean all data, information, findings, know-how, substances and biological material, inventions, improvements and/or discoveries (irrespectively whether or not protectable under state, federal or foreign intellectual property laws), resulting from and made by or for OrthoCyte and/or OrthoCyte’s Affiliates by carrying out the Project.

1.19 “**Third Party**” shall mean any party other than OrthoCyte and Heraeus or their respective Affiliates.

1.20 “**University of Utah Patent Rights**” means the patent applications and patents identified and listed in **Exhibit F** attached to this Agreement.

2. Conduct of the Project.

2.1 OrthoCyte agrees to conduct the Project at least with the degree of care customary within the biotech industry with regard to similar research and development projects, by qualified personnel, in accordance with the state of the art known to OrthoCyte and in accordance with the timeframe and the workscope as described in detail in the Project Plan (**Exhibit A**). Heraeus shall dedicate such personnel to the performance of the Project as Heraeus and OrthoCyte reasonably mutually agree is necessary.

2.2 To the extent required to conduct the Project, the Parties grant each other and their Affiliates a non-exclusive, non-transferable, non-assignable, free of charge and non-sublicensable right to use each other's Background Rights in the Field of Use for the sole purpose of conducting the Project for the term of this Agreement, only.

2.3 The Parties acknowledge and agree that the Project is experimental in nature and that the Product may have unforeseeable properties. Therefore, neither Party warrants or represents, express or implied, that a particular result will be obtained by conducting the Project, or for the merchantability or the fitness of the Product for a particular purpose or capability or safety or harmlessness to health, or that the use of the Background Rights, the Results or the Product will not infringe any Third Party's patent or other proprietary rights. Unless otherwise expressly stated otherwise in this Agreement, neither Party makes any warranty of any kind with respect to the Background Rights, the Results and the Product and disclaims any liability thereto. Payment of the fee (see section 3) is conditioned upon reaching the Milestones as set out in the Project Plan (**Exhibit A**).

2.4 Any change in the Project requires prior agreement in writing by both Parties. If one Party wishes to modify and/or change the Project, the respective Party will notify the other in writing. The Parties shall then mutually negotiate in good faith and in a reasonable manner to reach agreement as to any such modification and/or change, but shall not be obligated to reach any such agreement.

2.5 It is the understanding of the Parties, however, that the timeframe of the Project and the timeframes for the Milestones, which is set forth in the Project Plan, should be regarded as guidelines. In the event that OrthoCyte becomes aware of circumstances, which might cause a delay in conducting the Project within the timeframe described in the Project Plan and/or that any of the Milestones might not be met within the respective timeframes described in the Project Plan, OrthoCyte shall inform Heraeus promptly in writing and the Parties agree to mutually discuss the further development undertaking and adjust the timeframes of the Milestones respectively. In no event shall OrthoCyte be responsible for any damages arising out of or in connection with a delay in conducting the Project and/or meeting a Milestone or shall be obliged to refund any received fee under this Agreement, unless caused by OrthoCyte's gross negligence or willful misconduct.

2.6 Except to the extent prohibited by law and unless expressly stated otherwise in this Agreement, OrthoCyte assumes responsibility for its conducting of the Project and liability for damages which may arise from its and/or its employees' conducting of the Project, cf. however, with respect to indemnification and payment of damages, section 9 below**.**

2.7 Any work under the Project will be managed by a Joint Development Committee ("JDC"), comprising of two (2) representatives each from OrthoCyte and Heraeus. The JDC will meet (by telephone, video conference or in person) regularly, and at least quarterly during the performance of the Project, to discuss progress against the Project Plan. All major decisions regarding direction of the Project shall be decided by the JDC. In the event that the representatives of OrthoCyte and Heraeus are unable to come to agreement on such a decision, the representatives of Heraeus shall have final decision-making power. The Parties will correspond and/or meet on a regular basis in order to coordinate and discuss the progress of the Project.

2.8 The cooperation between the Parties regarding the Project shall be exclusive regarding the Field of Use.

2.9 OrthoCyte shall be allowed to use subcontractors for the conduct of this Project only with prior written consent of Heraeus which shall not unreasonably be withheld. OrthoCyte shall be liable for its subcontractors.

2.10 Heraeus relies on OrthoCyte's knowledge of the OrthoCyte Materials and OrthoCyte Technology and cannot assess whether the list of patents provided in **Exhibit A** is exhaustive or whether other Intellectual Property Rights exist that are relevant for the conduct of this Project or the later use, manufacturing or marketing of the Product.

OrthoCyte guarantees and warrants that it either owns itself or licenses in from its Affiliate BioTime or from the University of Utah all rights relating to the use or manufacturing of the HyStem Delivery System, and that it is therefore fully entitled to use the HyStem Delivery System for third party research and development purposes. OrthoCyte further guarantees and warrants that it is legally entitled to conduct the Project as defined in the Project Plan using the HyStem Delivery System and that this use of the HyStem Delivery System until Launch will cause no further cost to Heraeus.

OrthoCyte further warrants and guarantees that, besides the University of Utah Patent Rights listed in **Exhibit F**, it either owns itself all Intellectual Property Rights, which relate to the OrthoCyte Materials and OrthoCyte Technology and which are needed for the conduct of the Project and execution of this R&D Agreement as well as the later commercialization and marketing of the Product, or, if such Intellectual Property Rights are owned by OrthoCyte's Affiliates or Third Parties, that it owns a license to these Intellectual Property Rights with the right to sublicense, and that this license entitles OrthoCyte to grant Heraeus in the Field of Use the same rights to these Third Party's Intellectual Property Rights as OrthoCyte grants for its own Intellectual Property Rights under this R&D Agreement and the License Agreement, and at no further cost for Heraeus.OrthoCyte further agrees to grant Heraeus a license to such Third Party's Intellectual Property Rights which is substantially the same as the license granted to its own or its Affiliates' Intellectual Property Rights under this R&D Agreement and the License Agreement.

3. Financial Contribution for R&D and delivery.

3.1 For covering the costs for the R&D performance (i.e., execution of the Project) and delivery of the Product until the Product Launch, Heraeus agrees to pay to OrthoCyte in total fees payable as follows:

3.1.1 an "Upfront Payment" in the amount of [**] US$ upon the Effective Date and

3.1.2 a per milestone "Remuneration" for the R & D works performed in accordance with Project Plan and the delivery of Products as follows:

- [**] US$ payable upon finalising the 1st Milestone ("POC small animal data") as described in the respective Project Plan attached hereto as **Exhibit A**.
- [**] US$ is payable upon finalising the 2nd Milestone ("Setting up Definitive Development Plan") as described in the respective Project Plan attached hereto as **Exhibit A.**
- [**] US$ payable upon finalising the 3rd Milestone ("Filing the IND application") as described in the respective Project Plan attached hereto as **Exhibit A**.
- Should the Parties decide that OrthoCyte shall be responsible for the clinical trials, an additional fourth instalment will be paid for their conduct, the amount of which will be agreed upon IND approval.
- In addition, OrthoCyte shall support Heraeus in the regulatory approval process, which shall be remunerated at their standard hourly FTE rates.

3.1.3 In addition to the Upfront Payment and Milestone Remunerations set forth in 3.1.1 and 3.1.2, Heraeus shall pay to OrthoCyte OrthoCyte's costs and expenses incurred by OrthoCyte in performance of the Project (the "Development Costs"). OrthoCyte shall submit quarterly, verifiable invoices to Heraeus, which specify the Development Costs incurred by OrthoCyte and Heraeus shall pay to OrthoCyte the invoiced Development Costs within [**] days of receipt of each invoice. OrthoCyte agrees to provide Heraeus with a detailed cost break down for Heraeus' approval prior to each Work Package/Milestone set out in the Project Plan, **Annex A**. The parties currently estimate that the first work-package's Development Costs (for preparation and commitment) will amount to [**] US$.

3.2 All payments are exclusive of any indirect taxes, duties or bank charges, which shall be borne by Heraeus. If applicable, indirect taxes will be charged in addition. If OrthoCyte does not charge indirect taxes and it is subsequently found that indirect taxes are chargeable on such provision, Heraeus agrees to pay such indirect taxes (exclusive of interests and penalties) on receipt of a valid invoice for indirect tax purposes and a copy of the ruling from the relevant tax authority or a reasonable legal opinion indicating the amount and the rationale for such indirect tax burden.

3.3 Unless stated otherwise, any payment is due within [**] days upon the receipt of the respective invoice made by OrthoCyte.

3.4 Paid fees are only refundable in case of a termination for cause by Heraeus. In such case, OrthoCyte shall be entitled to a pro-rata remuneration, taking account of the percentage of works already performed for the respective Milestone.

4. Background Rights.

4.1 Unless otherwise agreed by the Parties as set forth in the License Agreement (**Exhibit B**), all Background Rights of a Party shall remain the sole property of this Party, no right or license to any such Background Rights shall be created, by virtue of the Project or of this Agreement, to the other Party. Background Rights of a Party shall not be used by the other Party or its Affiliates for any other purposes than carrying out the Project, or be transferred by the other Party to a Third Party without the express prior written consent of the supplying Party.

4.2 OrthoCyte will promptly provide Heraeus with the search results in its possession at the Effective Date and at any subsequent date at which it becomes aware of further or additional Third Party's rights of potential relevance concerning OrthoCyte's Technology, always provided that Heraeus' taking notice of any of the foregoing shall not release OrthoCyte from any liability for infringement of such Third Party rights in accordance with the Agreement.

5. Ownership of Results

5.1 OrthoCyte agrees to keep Heraeus informed of the progress of the Project and the Product and the Results obtained on a monthly basis.

5.2 All right, title and interest in the Results made by OrthoCyte, both within and outside the Field of Use, shall remain with OrthoCyte, subject to the following:

5.2.1 Results, including with respect to the Product, that directly relate to the OrthoCyte Materials and/or the OrthoCyte Technology, or that incorporate into or embody OrthoCyte Materials and/or the OrthoCyte Technology in the Product, shall be owned by OrthoCyte, both within and outside the Field of Use; provided, however, that OrthoCyte's ownership rights of such Results are and shall be subject to (i) Section 6.1 of this Agreement, (ii) the exclusive rights of Heraeus to use the OrthoCyte Materials and the OrthoCyte Technology (including the OrthoCyte Patent Rights) and the OrthoCyte Background Rights as provided in the License Agreement, and (iii) ownership by Heraeus of any Results (including any new Intellectual Property Rights related thereto but excluding any Third Party Intellectual Property Rights relating thereto) that are incorporated into the Product, or that relate to the interactions of the scaffold, including to the PureStem Cell Lines, to the PureStem Cell Lines, to the Product characteristics or functions, or to the manufacturing of the Product.

5.2.2 Results, including with respect to the Product, that directly relate to the Heraeus Materials and/or the Heraeus Technology, or that incorporate into or embody Heraeus Materials and/or the Heraeus Technology in the Product, shall be owned by Heraeus, both within and outside the Field of Use; provided, however, that Heraeus' ownership of such Results are and shall be subject to the rights of OrthoCyte to use the Heraeus Materials and the Heraeus Technology outside the Field of Use as provided in the License Agreement

5.3 OrthoCyte herewith assigns to Heraeus all Results, which are created under this Project and which, according to Sections 5.2.1 (iii) and 5.2.2, shall be owned by Heraeus. To enable Heraeus to obtain legal protection of these Results, OrthoCyte shall reasonably assist Heraeus and shall provide Heraeus with all required information and make the required declarations in due form and time.

Each Party shall seek and maintain in its own name relevant legal protection, or jointly if appropriate, in particular patent protection, for the Results owned by it, at least in the countries listed in **Exhibit C**.

6. Exploitation of the Product, Required License and Manufacturing.

6.1 The Parties agree that Heraeus shall be entitled to commercially use and exploit the Product in the Field of Use, thereby using the Results and Background Rights owned by OrthoCyte. Further details, including OrthoCyte retained rights and OrthoCyte's right to exploit the Results outside the Field of Use are set forth in the License Agreement set out in **Exhibit B**. The License Agreement shall be signed together with this Agreement. The Parties understand and agree that, depending on the nature of and specifications for the Product to be Launched, a sublicense of the University of Utah Patent Rights from OrthoCyte to Heraeus may be required for the later commercialisation of the Product, but not for the current research and development phase, as defined in the Project Plan.

6.2 Manufacturing of the Product will be done by OrthoCyte. The Parties will negotiate and conclude a supplier agreement/toll manufacturing agreement before the marketing authorisations are obtained.

6.3 In addition, OrthoCyte agrees to assist Heraeus, if so requested by Heraeus, to establish a Second Source and to assist, in the technology transfer regarding the manufacturing process and know-how to a Third Party, if Heraeus decides to have the Product manufactured and delivered by said Third Party. This assistance comprises, inter alia, suitable support and training of that Third Party by qualified personnel of OrthoCyte, to the extent necessary, to ensure the know-how transfer, such training to be remunerated at hourly rates agreed by the Parties. The Parties will negotiate in good faith to enter into a manufacturing and supply agreement pursuant to which OrthoCyte will manufacture and supply Heraeus with Product and cooperate with Heraeus for the establishment and availability of the Second Source.

6.4 During the development phase set out in the Project Plan (i.e. until finalising the market authorisation process), OrthoCyte will provide to Heraeus the Product [**].

7. Confidentiality.

7.1 In respect of the Confidential Information received from the Disclosing Party or its Affiliates under this Agreement, the Receiving Party agrees to undertake and bind itself:

7.1.1 To keep the Confidential Information received from the Disclosing Party or its Affiliates strictly confidential and secret and not in any way or at any time to make any use thereof except for conducting the Project.

7.1.2 Not to disclose any Confidential Information received from the Disclosing Party or its Affiliates to any Third Party without the prior written consent from the Disclosing Party.

7.1.3 To take all reasonable measures to ensure that the Confidential Information received from the Disclosing Party or its Affiliates is not inadvertently disclosed in violation of this Agreement.

7.1.4 At no time without the express written consent of the Disclosing Party to derive directly or indirectly from the possession of the Confidential Information received from the Disclosing Party or its Affiliates any rights, grant of licence, title or interest therein contrary to the terms and conditions of this agreement, nor contrary to the terms and conditions of this agreement to claim any rights to disclose or use for its own benefit such Confidential Information.

7.1.5 Not without prior written consent of the Disclosing Party to copy, reproduce, distribute or disclose the Confidential Information received from the Disclosing Party or its Affiliates to any person other than those Employees who are directly and necessarily involved in the conduct of the Project, and in such instance, only on a “need to know” basis. In addition, such Employees need to be made aware of the confidential nature of the information and need to be contractually obligated to observe non-use and secrecy obligations which are at least as strict as the once set forth hereunder. Irrespective of this, The Receiving Party shall be liable for its Employees.

7.1.6 Without prejudice to its obligations pursuant to this Agreement, at the request of the Disclosing Party, immediately return or destroy all Confidential Information received from the Disclosing Party or its Affiliates. Each Party shall ensure that it has retained no copy of any Confidential Information other than one archival copy to be retained in its confidential files solely for the purpose of monitoring compliance with this Agreement.

7.2 The Parties’ obligations from the above stipulated under section 7.1. do not apply to the following:

7.2.1 Confidential Information received from the Disclosing Party or its Affiliates, which at the time of the disclosure is in the public domain as evidenced by the Receiving Party in writing.

7.2.2 Confidential Information received from the Disclosing Party or its Affiliates, which after disclosure is published or otherwise becomes part of the public domain through no fault or breach of this Agreement by the Receiving Party as evidenced by the Receiving Party in writing.

7.2.3 Confidential Information received from the Disclosing Party or its Affiliates, which the Receiving Party can establish by competent proof in writing was in his possession at the time of disclosure by the Disclosing Party and was not acquired directly or indirectly from the Disclosing Party.

7.2.4 Confidential Information received from the Disclosing Party or its Affiliates which is received after the time of disclosure from a Third Party who did not acquire such Confidential Information directly or indirectly from the Disclosing Party under obligations of confidentiality and who is in lawful possession of such Confidential Information as evidenced by the Receiving Party in writing.

7.2.5 Confidential Information received from the Disclosing Party or its Affiliates, which by documentary proof has been independently developed by employees, agents, consultants or other representatives of the Receiving Party without the use of Confidential Information received from the Disclosing Party.

7.2.6 Confidential Information received from the Disclosing Party or its Affiliates which is required to be disclosed by law or any regulatory or government authority, however, if a Party thus becomes legally required to disclose Confidential Information, received from the Disclosing Party or its Affiliates, the Receiving Party shall provide the Disclosing Party with prompt advance notice and in order to afford the Disclosing Party to seek confidential treatment thereof or other appropriate remedy.

7.3 The Parties agree and acknowledge that the Project, including the exchange of Confidential Information, does not imply any transfer of title and/or ownership to Confidential Information or the creation of any intellectual property rights, and thus title and ownership to Confidential Information shall remain vested at all times in the Disclosing Party.

7.4 The Confidential Information is made available without any warranties with respect to the accuracy and usefulness of the Confidential Information and the Disclosing Party shall never be liable for any damage or loss, which the other Party’s use of the Confidential Information might incur.

7.5 The confidentiality obligations set forth in this section 7 set forth above shall survive the termination or expiry of this Agreement for a period of [**] years.

7.6 No disclosure of proprietary, non-public technical information concerning the Project (such as details of technology and research and development plans),and technical details of the Product and the Results is permitted without prior written consent of the other Party, unless (i) in order to obtain patent or other proprietary protection for the Results or the Product (ii) in order to obtain regulatory approval or to conduct clinical studies for the commercialization of any Results or the Product, or (iii) as Heraeus may reasonably deem necessary for marketing the Results or Product. The Parties shall agree on a form of initial press release that may be used by either Party on an ongoing basis to describe this Agreement, the Project and the intended Product. Each Party shall provide the other Party with reasonable advance written notice of any other press release or other public disclosure of this Agreement or the Results; provided, that the Parties acknowledge that OrthoCyte or its parent BioTime, Inc. may be required to make immediate or prompt disclosure of the occurrence of material events concerning the Project, the Results or the Product, such as (by way of example only) an action, order, or determination by the FDA or other regulatory agency or authority. OrthoCyte and its parent BioTime, Inc. may summarize this Agreement, excluding confidential portions, and describe the Project, Products and Results (other than proprietary, non-public technical information and details of research and development plans) in any registration statement, prospectus, or report filed with the Securities and Exchange Commission ("SEC") or any other securities regulatory agency or authority. If OrthoCyte or its parent BioTime, Inc. determines that it is required to file a copy of this Agreement or any portion of this Agreement with the SEC or any other securities regulatory agency or authority, the Parties shall confer and determine which portions, if any, of this Agreement should be subject to an application requesting confidential treatment, and OrthoCyte or BioTime shall file this Agreement or any relevant portion subject to such application in accordance with the applicable rules and regulations of the SEC or such other agency or authority; provided, that any portion of this Agreement that is initially redacted from such filing under such application may be filed in its entirety and otherwise disclosed in a registration statement, prospectus, or report if so required by the SEC or other agency or authority. This Agreement may be disclosed by a Party under a confidentiality agreement, without the prior consent of the other Party, to any actual or prospective investor, lender, underwriter, or acquirer of the Party or any parent or subsidiary of the Party, or any actual or potential acquirer of the portion of the business to which this Agreement relates. Additionally, the text of any press release, shareholders' report or other communication to be published or disclosed in any way by or on behalf of OrthoCyte or its parent BioTime, Inc. by or in the media concerning Heraeus, the subject matter of this Agreement or concerning this Agreement itself, other than as required by law or by any regulatory or government authority or the rules of the SEC or any other regulatory agency or authority, or any securities exchange, shall be submitted to Heraeus at least five (5) business days in advance of publication or disclosure for approval. Such approval not to be unreasonably withheld; provided, that disclosure that repeats or restates prior public disclosure permitted by this Agreement need not be submitted to Heraeus for approval.

With respect to publications, the Parties recognize that a Party may have an interest in publishing certain of the Results to obtain recognition within the scientific community and to advance the state of scientific knowledge. Each Party also recognizes the mutual interest in obtaining valid patent protection and maintaining as confidential any nonpatentable materials or methods which would have commercial value when undisclosed. Consequently, either Party, its employees or consultants wishing to make a publication (including any oral disclosure made without obligation of confidentiality) relating to any Results (the Publishing Party) shall transmit to the other Party (the Reviewing Party) a copy of the proposed written publication at least sixty (60) days prior to submission for publication, or an outline of such oral disclosure at least thirty (30) days prior to presentation. The Reviewing Party shall have the right (a) to propose modifications to the publication for patent or other reasons, in particular to protect its know-how; and/or (b) to request a delay in publication in order to protect patentable information. If the Reviewing Party requests such a delay, the Publishing Party shall delay submission or presentation of the publication for a period of thirty (30) days to enable patent applications protecting each Party's rights in such information to be prepared and filed. Upon the expiration of sixty (60) days or thirty (30) days from transmission to the Reviewing Party, the Publishing Party shall be free to proceed with the written publication or the presentation, respectively, unless the Reviewing Party has requested the delay described above. OrthoCyte and Heraeus agree to recognize each other in any publications arising out of the Project, as appropriate.

7.7 Notwithstanding anything to the contrary in this Agreement, including without limitation in this Section 7, the Parties agree not to disclose the economic terms of this Agreement to any Third Party without the prior written consent of the other Party except (a) as required by applicable securities laws or the requirements of any applicable stock exchange, including, without limitation, requirements to file a copy of this Agreement (redacted to the extent reasonably permitted by applicable law); (b) in confidence, to legal counsel; (c) in confidence, to accountants, banks, and financing sources and their advisors; and (d) to the extent necessary to enforce this Agreement or any rights or obligations hereunder.

8. Term and Duration.

8.1 This R&D Agreement shall commence on the Effective Date and shall be effective until completion and payment of the last Milestone of the Project Plan, **Exhibit A**.

8.2 A Party may only terminate this R&D Agreement with immediate effect by giving written notice to the other Party, if the other Party fails to remedy its material breach of this Agreement within [**] days upon receipt of a written notice requiring the other Party to remedy the breach.

It is the understanding of the Parties that the performance of the Project is subject to biological systems with all their imponderable risks and, thus, the failure to obtain a particular result by conducting the Project, or the failure to meet the timeframes described in the Project Plan**,** or the Product being not merchantable or fit for a particular purpose or capability or not safe or harmless to health, or the infringement of Third Party's patent or other proprietary rights by using the Background Rights, the Results or the Product shall not be regarded as material breach of this Agreement by OrthoCyte or by Heraeus. It is being understood and agreed, however, that Heraeus shall nonetheless be entitled to terminate this Agreement for cause and with immediate effect, if the Product is being not merchantable or fit for use in the Field of Use, or if a respective milestone definitely cannot be fulfilled in the view of OrthoCyte according to the description in the Project Plan (**Exhibit A**), or in the case of infringement of Third Party's patent or other proprietary rights by using the Background Rights.

8.3 In addition, Heraeus may terminate this R&D Agreement to the end of a Milestone by giving written notice to OrthoCyte up to [**] days upon finalization of each Milestone and payment of the respective Milestone instalment (c.f. section 3.1.2). Fees paid already to OrthoCyte or due to OrthoCyte according to the payment schedule agreed until the date of effectiveness of such termination shall not be refunded by OrthoCyte to Heraeus.

8.4 The obligations set forth in section 5 and 7 shall survive termination or expiration of this R&D Agreement.

8.5 Expiration or termination of this R&D Agreement shall not affect the License Agreement, unless this R&D Agreement is terminated prior to completion of the Project and Product Launch, in which case the License Agreement shall terminate with the termination of this R&D Agreement.

8.6 In the event Heraeus elects to terminate this Agreement at any time prior to Product Launch, OrthoCyte shall have the right to proceed with the Project, including development of the Product and commercialization of the Product in the Field of Use. Heraeus will cooperate with OrthoCyte to grant OrthoCyte a license at marketable terms or transfer to OrthoCyte rights and materials, including all Intellectual Property Rights, useful or necessary for OrthoCyte to proceed with completion of the Project and commercialization of the Product. OrthoCyte shall be provided with a [**] day right of first refusal to enter into one or more definitive agreements with Heraeus to effect the above mentioned license or transfer and assignment. Heraeus agrees to engage in good faith negotiations to come to agreement with OrthoCyte on commercially reasonable terms.

9. Liability

Unless stated otherwise in this Agreement, the Parties agree to indemnify and pay damages in accordance with the applicable law to the other Party in relation to any breach of this R&D Agreement, provided, however, that neither Party shall be liable for any indirect or consequential loss or damage. The liability of OrthoCyte, its employees and agents towards Heraeus for any damages shall be limited to gross negligence and willful misconduct and, for gross negligence the total amount of OrthoCyte's liability shall be limited to the fee obtained from Heraeus.

10. Miscellaneous.

10.1 **Force Majeure.** Neither Party shall be liable for failures or delays in conducting the Project, and neither Party shall be deemed in breach of its obligations, if such failure or delay is due to natural disasters or any causes beyond the reasonable control of the Parties, including any act of God, any civil commotion or strike ("Force Majeure"). In the event of such Force Majeure, the Party affected hereby shall (i) promptly notify the other Party in writing and (ii) use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder.

10.2 **Notices.** Any notice to be given under this Agreement must be in writing. Such notice shall be made by registered letter, return receipt requested or courier (e.g. FedEx, UPS, Optima etc.), or by email (such email shall be deemed received with confirmed transmission or when delivery confirmed otherwise) to the addresses set out below:

For OrthoCyte:

OrthoCyte Corporation
1301 Harbor Bay Parkway
Alameda, CA 94502

Tel: 510-775-0451
Fax: 510-521-3389
E-mail: fbinette@biotimemail.com

For Heraeus:
[**]……
……
……

Tel: [**]
Fax:[**]
EMail:[**]

10.3 **Independent Parties.** The Parties' relationship to each other shall be that of independent contractors and neither Party nor its employees are employees of the other Party. Furthermore, this Agreement shall not make either Party the agent or the legal representative of the other Party. Neither Party is granted any right or authority to assume or to create any obligation or responsibility, express or implied, on behalf of or in the name of the other Party, with regard to any manner or thing whatsoever, unless otherwise specifically agreed upon in writing.

10.4 **Assignment and Successors.** This Agreement and rights hereunder shall not be assigned or transferred, directly or indirectly, in whole or in part by the Parties without the prior written consent of the other Party. However, should OrthoCyte intend to assign this Agreement to another entity, which acquires all or substantially all of the business or assets of OrthoCyte to which this Agreement pertains, whether by merger, reorganization, acquisition, sale or otherwise, provided that such successor or assignee shall agree in writing to be bound by the terms and conditions of this Agreement prior to assignment, Heraeus agrees to not unduly withhold its consent. In

10.5 case of such assignment to a Third Party, OrthoCyte shall continue to be bound by the confidentiality obligations stipulated in Section 7.

10.6 **Integration, Severability.** Invalid provisions of this Agreement shall not in any way affect the validity and enforceability of the remaining provisions. The Parties agree to undertake to replace the invalid and enforceable provisions by new provisions, which will approximate as closely as possible the result intended by the Parties. The same shall apply in the case of an omission.

10.7 **Amendment; Waiver.** This Agreement may be amended, modified, superseded or cancelled, and any of the terms may be waived, only by mutual written agreement by the Parties. The written form requirement may not be amended. The delay or failure of any Party at any time or times to require the performance of any provisions shall in no manner affect the rights at a later time to enforce same.

10.8 **Governing law and jurisdiction.** The exclusive jurisdiction for any dispute, claim or proceeding between the Parties arising out or in connection with this Agreement shall be the United States District Court for the Southern District of New York or, only if there is no federal subject matter jurisdiction, in any state court of New York sitting in the City and County of New York, and each party hereby submits to the exclusive personal jurisdiction of the foregoing courts.

10.9 **Exhibits**
All Exhibits attached hereto constitute an integral part of this Agreement.

Exhibit A:	Project Plan and Milestones
Exhibit B:	License Agreement
Exhibit C:	Patent Rights of OrthoCyte (and Biotime)
Exhibit D:	Heraeus Patent Rights
Exhibit E:	Final Report
Exhibit F:	Patent Rights of University of Utah

[The next page is the signature page.]

This Agreement is made in two (2) original copies, one for OrthoCyte and one for Heraeus.

OrthoCyte Corporation

/s/ Michael D. West September 29, 2015

Signature & Date

Heraeus Medical GmbH

ppa Nicole Petermann
Head of Commercial Services

/s/ Nicole Petermann

Signature & Date

Heraeus Medical GmbH

Hergen Haas
General Counsel Heraeus Group

/s/ Hergen Haas

Signature & Date

Certain information has been omitted under a request for confidential treatment, and the omitted information has been filed with the Commission. Confidential portions are marked [**].

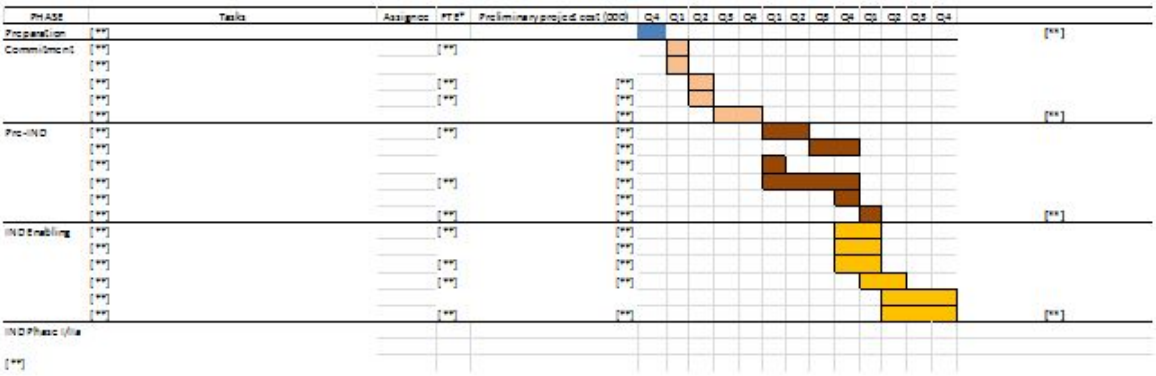
Exhibit A

Project Plan and Milestones

"R&D of a Bioactive Bone Grafting Product"

Milestone Schedule:

Phase	Cost	Process	Deliverables/ Milestones	Timeline
[**]	[**]		[**]	[**]
[**]	[**]	[**]	[**]	[**]
			[**]	[**]
			[**]	[**]
[**]	[**]	[**]	[**]	[**]
			[**]	[**]
			[**]	[**]
			[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]



Certain information has been omitted under a request for confidential treatment, and the omitted information has been filed with the Commission. Confidential portions are marked [**].

Detailed workplan for phase 1 (Commitment)

Main goals to reach milestone I	Tasks	Forecast time to completion in days	Activities
Co-Development team	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
TPP draft	[**]	[**]	[**]
	[**]	[**]	[**]
Carrier/Scaffold selection	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
Cell line selection	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
Combo Proof of concept	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]
	[**]	[**]	[**]

Exhibit B

License Agreement

See attached.

Certain information has been omitted under a request for confidential treatment, and the omitted information has been filed with the Commission. Confidential portions are marked [**].

License Agreement

by and between **OrthoCyte Corporation**
a California corporation and an Affiliate
of BioTime, Inc. ("BioTime"),
1301 Harbor Bay Parkway,
Alameda, CA 94502 USA

(in the following referred to as "**OrthoCyte**")

and **Heraeus Medical GmbH**
Philip-Reis-Str. 8/13
61273 Wehrheim, Germany

(in the following referred to as "**Heraeus**")

OrthoCyte and Heraeus may in the following be referred to individually as a "Party" and collectively as the "Parties".

Preamble

WHEREAS OrthoCyte owns, or has licensed rights to, and possesses two therapeutic development platforms. The first one being a comprehensive portfolio of embryonic stem cells and clonal progenitor stem cells of primate origin, as well as related know-how and technological expertise to propagate and differentiate these cells. More specifically, the first platform comprises osteochondro progenitor cell lines named PureStem® and related know-how and technological expertise to ensure the isolation and selection of clonal cells with high purity and optimised potency, including methods to ensure scalability of culturing and identification by comprehensive microarrays. The second platform technology is a scaffold technology for cell delivery, named HyStem®. Both technologies are patent protected and OrthoCyte owns, or has licensed rights to, the corresponding rights to these technologies, in particular Intellectual Property Rights and related secret technical information; these rights comprise in particular the selection of cell lines, manufacturing (culturing and differentiation of these cell lines), their combination with an appropriate scaffold and the use of this technology (application in medical indication).

WHEREAS Heraeus has experience in the field of bone cement and biomaterials, as medical implants for elective orthopaedic and trauma surgery, and possesses detailed market knowledge and data with regard to musculoskeletal indications and owns and/or licenses from a Third Party rights to certain scaffold technologies;

WHEREAS Heraeus has experience in the field of bone cement and biomaterials, as medical implants, for elective orthopaedic and trauma surgery;

WHEREAS The Parties have already entered into a Research & Development Agreement, to which this Agreement is attached as **Exhibit B** (the R&D Agreement")

WHEREAS The Parties enter into this License Agreement, pursuant to which Heraeus shall receive a license under the respective Intellectual Property Rights owned, licensed to and/or otherwise controlled by OrthoCyte to use the OrthoCyte Technology and the BioTime Materials in the Field of Use in the Territory, and OrthoCyte shall receive a license under the respective Intellectual Property Rights owned, licensed to and/or otherwise controlled by Heraeus to use the Heraeus Technology and the Heraeus Materials outside the Field of Use in the Territory, as further specified in this Agreement.

NOW, THEREFORE, in consideration of the foregoing the Parties mutually agree as follows:

1. Definitions.

The following words and phrases when used in this Agreement shall for the purposes hereof have the meaning specified below, applicable both in singular and plural forms:

1.1 "**Affiliates**" shall mean, with respect to a Party, any corporation, company, partnership or other entity, which controls, is controlled by, or is under common control with a Party. For such purpose the term "control" shall mean the ownership, direct or indirect control of at least fifty percent (50 %) of the voting stock of the other entity.

1.2 "**Background Rights"** shall mean any and all Intellectual Property Rights and all substances and/or biological material and any rights therein or thereto (e.g. licenses) belonging to a Party and/or its Affiliates (irrespectively whether or not protectable under state, federal or foreign intellectual property laws), which is developed or acquired by such Party and/or its Affiliates prior to the Effective Date, or developed or acquired by such Party and/or its Affiliates independently from performance of this Agreement regardless whether developed or acquired either before or after the Effective Date and that are necessary or useful for a Party to exercise its rights under Section 2.1 or 2.2 of this Agreement, as applicable. OrthoCyte's Background Rights include the OrthoCyte Technology and the OrthoCyte Materials. Heraeus' Background Rights include the Heraeus Technology and the Heraeus Materials.

1.3 **“OrthoCyte Materials”** shall be PureStem® Cell Lines (or Stem Cell Derivatives) as well as the HyStem® Delivery System.

1.4 **“OrthoCyte Property Rights”** means OrthoCyte’s personal proprietary rights in the PureStem Cell Lines, including ownership rights and rights in the know-how embodied in the Cell Lines.

1.5 **“OrthoCyte Technology”** shall be the technology, including the HyStem Delivery System, to select, expand, manufacture, combine and use the OrthoCyte Materials, as covered by the Intellectual Property Rights owned by OrthoCyte or BioTime or licensed in from a Third Party. The OrthoCyte Technology includes the patent applications and patents identified and listed in **Exhibit C** (the “OrthoCyte Patent Rights”).

1.6 **“Confidential Information”** shall mean any and all data, material and/or information related to: (i) the terms of this Agreement including all Annexes etc., (ii) information made available by one Party ("Disclosing Party") to the other Party (“Receiving Party”) in tangible such as writing or other form including electronic, visual, oral or graphic form or as samples (including but not limited to Party’s Background Rights and Intellectual Property Rights, any technical information, research-, products-, personnel-, marketing-, strategic information or other information), (iii) any data, material and information developed during the term of this Agreement, and (iv) any compound(s) and/or material(s) provided by one Party to the other pursuant to this Agreement, whether prior to or after the Effective Date and whether it is labelled "confidential" or not, in the course of the Parties' evaluation, negotiation of or performance under or in connection with this Agreement. There is no requirement to mark data, material and/or information as “Confidential” when exchanged between Parties, but this is a recommended best practice.

1.7 **"Effective Date"** shall mean the date of the last signature of the Parties to this Agreement.

1.8 **"Field of Use"** shall mean bone grafting for the indications osteoskeleton diseases and injuries, thereby excluding dental and maxillofacial indications.

1.9 **“Heraeus Materials”** shall be the Heraeus Scaffold and all market related research and data related to the Field of Use owned by Heraeus or licensed in from a third party.

1.10 **“Heraeus Scaffold”** means the scaffold that is owned by Heraeus or licensed in from a Third Party.

1.11 **“Heraeus Technology”** means the technology relating to the Heraeus Scaffold, as covered by the Intellectual Property Rights owned by Heraeus or licensed in from a Third Party. The Heraeus Technology includes the patent applications and patents identified and listed in **Exhibit D**.

1.12 **“HyStem Delivery System”** means the proprietary scaffold technology for delivery of bioactives, including, without limitation, small molecules, proteins, cells fractions or derivatives thereof, as covered by the Intellectual Property Rights owned by OrthoCyte or BioTime, or licensed in from a Third Party, including the University of Utah Research Foundation.

1.13 **“Intellectual Property Rights”** shall mean the rights and interests in and to any and all issued patents and pending patent applications, know-how, trade secrets, utility certificates, utility models, registered design, trademarks, copyrights (including inventor’s certificates), in any country or jurisdiction, including but not limited to, any and all provisionals, non-provisionals, substitutions, continuations, continuations-in-part, divisionals and other continuing applications, supplementary protection certificates, renewals, and all letters patent on any of the foregoing, and any and all reissues, re-examinations, extensions, confirmations, registrations and patents of addition of any of the foregoing.

1.14 **“Launch”** shall mean the first commercial sale of the Product to Third Parties.

1.15 **“Net Sales”** shall mean the actual gross amount of invoiced prices for the sale of Products by Heraeus and its Affiliates, or the sale by OrthoCyte and its Affiliates of Products, as applicable, less the following deductions actually taken with respect to such sales: (i) any rebates, quantity, trade and/or cash discounts and other usual and customary discounts to customers actually granted, if any, (ii) compulsory payments and rebates, actually paid or deducted; retroactive price reductions, credits or allowances actually granted upon rejections or returns of Product, including for recalls or damaged goods, (iii) value-added taxes, (iv) costs of packaging, insurance and transportation from the place of manufacture to the customer’s premises including import, export, excise, turnover, custom duties, and (v) sales taxes paid by Heraeus or its Affiliates.

For sales of Product by Heraeus to an Affiliate of Heraeus, or by OrthoCyte to an Affiliate of OrthoCyte, as applicable, the sales prices charged by a Heraeus Affiliate or an OrthoCyte Affiliate in a subsequent sale of Product to the end customer shall be used to determine Net Sales.

1.16 **“Product”** shall mean the cell therapy bone grafting product consisting of a select osteochondroprogenitor PureStem Cell Line (or Stem Cell Derivative) contained in a scaffold and developed by the Parties under the Research and Development Agreement to which this License Agreement is attached.

1.17 **“PureStem Cell Line”** means OrthoCyte’s (including its Affiliate BioTime) comprehensive portfolio of embryonic stem cells and clonal progenitor stem cells of primate origin, as well as related know-how and technological expertise to propagate and differentiate such cells.

1.18 “**Stem Cell Derivative**” shall mean any of the following derived from a PureStem Cell Line: a select non-viable osteochondroprogenitor PureStem Cell Line, or fraction thereof such as, fractionate, extract, secretion products; lyophilized, concentrated, reconstituted or diluted in appropriate solvent if necessary.

1.19 **"Results"** shall mean all data, information, findings, know-how, substances and biological material, inventions, improvements and/or discoveries (irrespectively whether or not protectable under state, federal or foreign intellectual property laws), resulting from and made by or for OrthoCyte and/or OrthoCyte’s Affiliates by carrying out the Project (as defined in the R&D Agreement). Results owned by OrthoCyte are referred to as “OrthoCyte Results” and Results owned by Heraeus are referred to as “Heraeus Results.”

1.20 **“Third Party”** shall mean any party other than OrthoCyte and Heraeus or their respective Affiliates.

1.21 **“Territory”** shall mean worldwide.

Additional terms may be defined throughout this Agreement.

2 Grant of licenses

2.1 OrthoCyte herewith grants Heraeus a royalty-bearing, exclusive license to use OrthoCyte Background Rights, including, but not limited to the OrthoCyte Materials, the OrthoCyte Property Rights, the OrthoCyte Technology, including without limitation the OrthoCyte Patent Rights, as well as the OrthoCyte Results to research, register or obtain and maintain marketing approval, develop, make, have made, use, market, distribute, import, export, offer to sell, sell and have sold, the Product in the Field of Use in the Territory, with the right to sublicense. The license granted in this section 2.1 also grants to Heraeus the right to use all related documents and data, e.g. the Final Report (as defined in the R&D Agreement), which are established by OrthoCyte or its Affiliates or subcontractors, in as far as such documents and data are useful or necessary for Heraeus to exploit the license rights granted to Heraeus in this Agreement.

2.1.1 Section 2.1 shall not apply to the University of Utah Patent Rights. Should the Product developed be covered by these rights, the Parties will either agree on a sublicense agreement according to which OrthoCyte grants Heraeus a sublicense to its license of the University of Utah Patent Rights, for manufacture, use and sale of the Product or, in its own discretion, Heraeus may negotiate with University of Utah a license to the University of Utah Patent Rights for manufacturing, using and selling the Products in the Field of Use.

2.2 Heraeus herewith grants OrthoCyte a royalty-bearing, exclusive license to use the Heraeus Materials, the Heraeus Technology, including without limitation the Heraeus Patent Rights, and the Heraeus Results, to the extent needed to register or obtain and maintain marketing approval, make, have made, use, market, distribute, import, export, offer to sell, sell and have sold the Product outside the Field of Use in the Territory, with the right to sublicense.

2.3 OrthoCyte reserves all rights to use the following outside the Field of Use: PureStem Cell Lines (and Stem Cell Derivatives), the OrthoCyte Property Rights, the OrthoCyte Technology, including without limitation the OrthoCyte Patent Rights, and the OrthoCyte Results.

2.4 Each Party's right to grant commercial sublicenses (i.e. excluding licenses for toll-manufacturing and licenses to its affiliates) of its rights under Section 2.1 or 2.2, as applicable, is subject to the following conditions:

The Party granting the sublicense shall give the other Party at least 30 days prior written notice of its intent to sublicense to allow the other Party to comment on the terms and conditions of the proposed sublicense agreement;

the sublicensee shall not have the right to grant further sublicenses;

the sublicense shall not be assignable without prior written approval by Heraeus and OrthoCyte; and

the sublicense shall include fair consideration for the grant of rights under the sublicense.

3 Royalties

3.1 Heraeus shall pay to OrthoCyte a royalty on Net Sales of Product by Heraeus (including sales of Heraeus' Affiliates to Third Parties as follows:

3.1.1 [**] shall be due for Net Sales up to [**] US$

3.1.2 [**] shall be due for Net Sales between [**] US$

3.1.3 [**] shall be due on Net Sales above [**] US$

3.2 OrthoCyte shall pay to Heraeus a royalty of [**] on Net Sales of Product by OrthoCyte (including sales by OrthoCyte Affiliates to Third Parties) into other fields than the Field of Use.

3.3 In case that Heraeus or OrthoCyte grants commercial sub-licenses to Third Parties (other than for the sole purpose of having such Third Party manufacturing the Product on behalf of a Party or its Affiliates and for further sale by such Party), OrthoCyte and Heraeus agree to each other a total of [**] of all Sublicense Income. "Sublicense Income" means consideration that Heraeus or OrthoCyte, as applicable, receives for the grant of rights to a Third Party sublicensee.

3.4 OrthoCyte shall manufacture the Product for Heraeus. Hereaus shall reimburse OrthoCyte the manufacturing costs occurred in fact (COGS) by OrthoCyte to manufacture the Product, which shall be disclosed to Heraeus in confidence by OrthoCyte. For this purpose the Parties intend to sign a separate manufacturing and supply agreement which shall be negotiated and concluded before Launch of the Product.

3.5 Within [**] days of the end of each calendar year (”Payment Period”), Heraeus shall provide to OrthoCyte a written report describing the Net Sales of Product sold by or on behalf of Heraeus and its Affiliates as well as a report on the proceeds received from its sub-licensees during said calendar year specifying the Net Sales and proceeds. All aforementioned payments shall be made in Euro.

3.6 Heraeus will make all payments due under this Agreement within [**] days of receipt of a corresponding invoice from OrthoCyte. Payments shall be effected to the following account of OrthoCyte:

Beneficiary: OrthoCyte Corporation
[**]

or such other account as OrthoCyte may designate in writing to Heraeus from time to time.

3.7 Possible turnover taxes and indirect taxes on any fees, milestone payments or royalties shall, if they accrue, be added to the respective payments. Any direct taxes, by law at the charge of OrthoCyte, shall be borne by OrthoCyte but may be, if so required by law, withheld and paid by Heraeus on behalf of OrthoCyte. Heraeus shall forward official receipts to OrthoCyte for such withholding taxes paid. Heraeus and OrthoCyte shall use their best efforts to take advantage of any tax treaties which may be applicable and to minimize any deduction for withholding tax.

3.8 Both Parties shall keep and maintain records of sales of the Product made by or on behalf of them, its Affiliates and sub-licensees, so that the royalties payable and the royalty statements may be verified, including the proceeds shared and the proceeds statement. Such records shall be open to inspection during business hours for a [**] year period after the end of the Payment Period to which such records relate, but in any event not more than once per calendar year, by a nationally recognized independent certified public accountant selected by a Party to whom the other Party has no reasonable objections. Said accountant shall sign a confidentiality agreement prepared by the Party requesting the involvement of the accountant and reasonably acceptable to the other Party and shall then have the right to examine the records kept pursuant to this Agreement and report to both Parties the findings (but not the underlying data) of said examination of records as are necessary to evidence that the records were or were not maintained and used in accordance with this Agreement. A copy of any report shall be provided to both Parties.

If said examination of records reveals any underpayment(s) of the royalty payable, the Party in default shall promptly pay the balance due to the other one, and if the underpayments(s) is/are more than [**], then the defaulting Party shall promptly pay the balance and the expenses of said examination, e.g. the costs for the accountant, to the Party that requested the involvement of the accountant. If said examination of records reveals any overpayment(s) of royalty payable, then the Party requesting the accountant shall credit the amount overpaid against the other Party's future royalty payment(s). In the event the audit reveals an inaccuracy to the disadvantage of the requesting Party of equal to or less than [**] or an overpayment then this Party shall bear the costs of the audit. In the latter case, this Party shall also reimburse the amount overpaid.

4 Confidentiality

4.1 Subject to the terms and conditions of this Agreement, all Information, including concerning the BioTime Technology, the results, the Product, the Licensed Product, a Party’s marketing, technical, product and business affairs and proprietary and trade secrets information and all know-how communicated by a Party or its Affiliates to another Party or its Affiliates, including the existence and terms of this Agreement, shall be deemed Confidential Information as defined in section 1.5. The Receiving Party of Confidential Information may not reveal any such Confidential Information to any Third Party other than its Affiliates or sub-licensees, except with the prior written approval of the Disclosing Party. The Parties undertake to protect the other Party’s Confidential Information against unauthorized access by Third Parties. Affiliates and sub-licensees, which shall be bound by a non-disclosure agreement at least as restrictive than the stipulations in this Agreement.

4.2 In respect of the Confidential Information received from the other Party (Disclosing Party) or its Affiliates under this Agreement, the Receiving Party agrees to undertake and bind itself:

(a) to keep the Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees strictly confidential and not to disclose it or to make it otherwise available to any Third Party and not in any way or at any time to make any use thereof except according to the performance of this Agreement;

(b) to take all reasonable measures to ensure that the Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees is not inadvertently disclosed in violation of this Agreement;

(c) not without prior written consent of the Disclosing Party to copy, reproduce, distribute or disclose the Confidential Information received from the Disclosing Party, its

Affiliates or sub-licensees to any person other than those employees and directors or employees or directors of its Affiliates who are directly and necessarily involved in the performance of this Agreement and who are contractually or otherwise obligated to keep it confidential, and in such instance, only on a “need to know” basis;

(d) without prejudice to its obligations pursuant to this Agreement, after termination for whatever reason and at the request of the Disclosing Party, immediately return or destroy all Confidential Information received from the Disclosing Party or its Affiliates. The destruction of the Confidential Information shall be confirmed promptly in writing. Each Party shall ensure that it has retained no copy of any Confidential Information other than one archival copy to be retained in its confidential files solely for the purpose of monitoring compliance with this Agreement.

The obligations to destroy shall not apply to computer records and files, which have been created pursuant to automatic electronic archiving, IT back-up or internal disaster recovery procedures. Such retained Confidential Information shall neither be accessible nor used for any purposes and shall be safeguarded in confidentiality in accordance with the terms of this Confidentiality Agreement until the return or destruction of such Confidential Information.

4.3 The Parties’ obligations from the above stipulated under Article 4.2. do not apply to the following:

(a) Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees, which at the time of the disclosure is in the public domain as evidenced by the Receiving Party in writing;

(b) Confidential Information received from the Disclosing Part, its Affiliates or sub-licensees, which at the time of the disclosure is in the public domain as evidenced by the Receiving Party by competent proof;

(c) Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees, which after disclosure is published or otherwise becomes part of the public domain through no fault or breach of this Agreement by the Receiving Party as evidenced by the Receiving Party by competent proof;

(d) Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees, which the Receiving Party can establish by competent proof in writing was in his possession at the time of Disclosure by the Disclosing Party and was not acquired directly or indirectly from the Disclosing Party;

(e) Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees which is received after the time of disclosure from a Third Party who did not acquire such Confidential Information directly or indirectly from the Disclosing Party under obligations of confidentiality and who is in lawful possession of such Confidential Information as evidenced by the Receiving Party in writing;

(f) Confidential Information received from the Disclosing Party, its Affiliates or sub-licensees, which, as can be demonstrated by documentary proof, has been independently developed by employees, agents, consultants or other representatives of the Receiving Party without the use of Confidential Information received from the Disclosing Party.

Specific Confidential Information shall not become exempt from the obligations according to Article 4.2, merely because it is embraced by general information within any of the exceptions according to Article 4.3 (a) – (e) above. Combinations of parts of Confidential Information are not exempt from the obligations according to Article 4.2, if any of the exceptions of Article 4.3 (a) – (e) above applies only to such parts but not to their combination.

4.4 Notwithstanding any other provisions of this Article 4 and Article 1.5:

4.4.1 all of the Disclosing Party's Confidential Information may be disclosed by the Receiving Party: (i) to any regulatory authority to secure regulatory approvals; or (ii) if the Receiving Party is required by applicable laws to disclose such Confidential Information, and is not otherwise subject to a protective order. In the case of (ii), the Receiving Party agrees to notify the other Party immediately and to use its reasonable efforts to prevent the dissemination of the Confidential Information other than as strictly required by applicable laws. The Receiving Party shall use its reasonable efforts, at the request of the Disclosing Party, to obtain confidential treatment of such Confidential Information by the governmental authority or Third Party to whom the Confidential Information is disclosed at the Receiving Party's costs; and

4.4.2 a Party may disclose the existence and terms of this Agreement to the extent required to be disclosed, as reasonably determined by the disclosing Party, by applicable law, or by order or other ruling of a competent court; and

4.4.3 upon prior written notice and acceptance by the other Party, which shall not be unreasonably or untimely withheld, a Party hereto may disclose the existence and terms of this Agreement to possible investors, acquirers and merging partners of such Party under respective confidentiality obligations. Prior to any disclosure of the other Party's Confidential Information, a draft of the proposed disclosure (including marked redactions of such Confidential Information) shall be provided to the other Party for consent. This said, without its attachments, in particular the Project Plan, and further excluding or blackening any Confidential Information of the other Party, this Agreement, may be disclosed under respective confidentiality agreements without the prior consent of the other Party.

4.5 This Article 4 shall survive the expiry or termination of this Agreement.

5 Representations and warranties

5.1 OrthoCyte warrants, that OrthoCyte is the owner or licensee of the Intellectual Property Rights listed in **Attachment 1** and that they exist and are active as of the Effective Date. OrthoCyte is entitled to grant the license under the Intellectual Property Rights as granted in this Agreement.

5.2 OrthoCyte has no knowledge that the development, manufacture or sell of Product in the Field of Use does infringe intellectual property rights of Third Parties. Should OrthoCyte gain knowledge of any facts, it will inform Heraeus immediately.

5.3 No Party makes any representations or warranties, either express or implied, with respect to the Product, in particular, does not make any representations concerning the usability or the merchantability of the Product. Both Parties expressly exclude all express and implied warranties with respect to utility, applicability, safety, harmlessness to health or the fitness of the Product for any purpose.

5.4 No Party makes any representations or warranties that the use of the Product will not infringe any patent or other proprietary rights of any Third Party and both Parties expressly disclaim any liability thereto.

5.5 Except in the event of gross negligence, breach, fraud or willful misconduct, neither Party shall be held liable for any, indirect, special consequential or incidental damages, such as, but not limited to, damage or loss of property or equipment, loss of profits or revenue, cost of capital or lost opportunities.

5.6 Heraeus shall at all times during the term of this Agreement and thereafter indemnify, defend and hold harmless and its Affiliates, members of the executive board, officers, agents and employees from any claims and expenses, including legal expenses and attorneys' fees, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense, liability, loss, or damage of any kind whatsoever arising out of the development, manufacture, use, handling, storing or sale of the Product in the Field of Use.

The like, OrthoCyte shall at all times during the term of this Agreement and thereafter indemnify, defend and hold harmless and its Affiliates, members of the executive board, officers, agents and employees from any claims and expenses, including legal expenses and attorney's fees, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense, liability, loss, or damage of any kind whatsoever arising out of the development, manufacture, use, handling, storing or sale of the Product in other fields than the Field of Use.

6. Rights to Background Rights

6.1 The Parties acknowledge that any Background Right of a Party used for the performance of this Agreement remains the property of the said Party introducing the same, except the Parties have agreed otherwise in writing. Nothing in this Agreement shall be interpreted as an obligation on a Party or an Affiliate thereof to give access to or grant a licence under its Background Rights, except as agreed herein otherwise in writing.

7. Term and Termination

7.1 This Agreement shall come into force on the Effective Date and shall, unless terminated prior in accordance with this Article below, remain in force until the last patent in a particular country, for which Heraeus has claimed a license under this Agreement, expires. After such expiration Heraeus shall have the right to further benefit from the license granted under this Agreement without paying any further royalties or other compensations towards OrthoCyte. Upon termination, not expiry, of this Agreement all sub-license agreements shall expire immediately.

7.2 Early termination before the expiry date of the last patent covered shall only be possible under the following conditions:

7.2.1 Early termination shall be available to Heraeus, at Heraeus's sole discretion, upon [**] months prior written notice.

7.2.2 Early termination shall be available to either Party for cause. Notably, but not exclusively, a Party shall be entitled to terminate this Agreement for cause by giving written notice of such termination if:

(i) the other Party shall be in default of any of its material obligations under this Agreement and shall fail to remedy such default within [**] days after receipt of written notice thereof, or

(ii) the other Party challenges the validity of the Intellectual Property of the other Party regarding the licensed Intellectual Property Rights or supports Third Parties in such challenge.

(iii) an event of insolvency or bankruptcy occurs in relation to the other Party.

7.3 This Agreement shall terminate if the R&D Agreement is terminated prior to Product Launch.

7.4 Any royalties or payments paid or due prior to the date of effective termination shall not be refundable.

7.5 The termination of this Agreement does not affect any rights or obligations of either Party which have arisen or accrued up to and including the date of termination.

8. Miscellaneous

8.1 **Force Majeure**

Neither Party shall be liable for failures of or delays in performing this Agreement, and neither Party shall be deemed in breach of its obligations, if such failure or delay is due to natural disasters or any causes beyond the reasonable control of the Parties, including any act of God, any civil commotion, strike or other industrial dispute ("Force Majeure"). In the event of such Force Majeure, the Party affected hereby shall (i) promptly notify the other Party in writing and (ii) use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder.

8.2 **Notices**

Any notice to be given under this Agreement must be in writing. All notices required or permitted to be given by this Agreement shall be made by prepaid certified mail or international courier (e.g. FedEx, UPS, DHL etc.), or by facsimile transmission, or other electronic means of communication (such electronic means shall be deemed received with confirmed transmission or when delivery confirmed otherwise) to the addresses set out below:

For OrthoCyte:

OrthoCyte
1301 Harbor Bay Parkway,
Alameda, CA 94502 USA
E-mail: fbinette@biotimemail.com

For Heraeus:
Heraeus Medical GmbH
Dr. André Kobelt
Philipp-Reisstr. 7/13
61273 Wehrheim

E-mail: andre.kobelt@heraeus.com

Another copy shall be sent to the legal department in Hanau:

Heraeus Holding GmbH
Abteilung Wirtschaftsrecht
Heraeusstraße 12 – 14,
63450 Hanau

8.3 **Assignment and successors**

This Agreement and rights hereunder shall not be assigned or transferred, directly or indirectly, in whole or in part by the Parties without the prior written consent of the other Party. However, should OrthoCyte intend to assign this Agreement to another entity, which acquires all or substantially all of the business or assets of OrthoCyte to which this Agreement pertains, whether by merger, reorganization, acquisition, sale or otherwise, provided that such successor or assignee shall agree in writing to be bound by the terms and conditions of this Agreement prior to assignment, Heraeus agrees to not unduly withhold its consent. In case of such assignment to a Third Party, OrthoCyte shall continue to be bound by the confidentiality obligations stipulated in Section 4.

8.4 **Severability**

Invalid provisions of this Agreement shall not in any way affect the validity and enforceability of the remaining provisions. The Parties agree to undertake to replace the invalid and enforceable provisions by new provisions, which will approximate as closely as possible the result intended by the Parties. The same shall apply in the case of an omission.

8.5 **Amendment**

This Agreement may be amended, modified, superseded or cancelled, and any of the terms may be waived, including this Section 9.5, only by mutual written agreement by the Parties. The written form requirement may not be amended.

9.6 **Governing law and Jurisdiction; Interpretation**

This Agreement shall be governed by and interpreted with the laws (other than the conflict of laws rules) of the State of New York, USA. The exclusive place of jurisdiction for any dispute, claim or proceeding between the Parties arising out or in connection with this Agreement shall be the United States District Court for the Southern District of New York or, only if there is no federal subject matter jurisdiction, in any state court of New York sitting in the City and County of New York, and each party hereby submits to the exclusive personal jurisdiction of the foregoing courts. This Agreement shall be interpreted using the English language, and any differences in interpretation of the Agreement that results from translation of the Agreement using a language other than the English language shall have no effect on the interpretation of the Agreement.

This Agreement is made in 2 (two) original copies, one for OrthoCyte and one for Heraeus.

Signatures:

For OrthoCyte

Signature
Date:

For Heraeus Medical GmbH

Signature:
Name:
Title:
Date:

Signature:
Name:
Title:
Date:

Exhibit C

OrthoCyte Patent Rights

	TITLE	COUNTRY	APPLICATION NUMBER	FILING DATE	PATENT NUMBER	ISSUE DATE	STATUS
BIOT-013	Methods to Accelerate the Isolation of Novel Cell Strains from Pluripotent Stem Cells and Cells Obtained Thereby	US	12/504,630	Jul 16, 2009			Pending
BIOT-024	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	US	13/384,289	Mar 16, 2012	8,685,386	Apr 1, 2014	Issued
BIOT-024AU	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	AU	2010273930	Jul 16, 2010			Pending
BIOT-024CA	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	CA	2,768,376	Jul 16, 2010			Pending
BIOT-024CN	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	CN	201080041322	Jul 16, 2010			Pending
BIOT-024 CON1	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	US	14/172,765	Feb 4, 2014			Pending
BIOT-024EP	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	EP	10800651.1	Jul 16, 2010			Pending
BIOT-024IL	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	IL	217552	Jul 16, 2010			Pending

BIOT-024IN	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	IN	1098/CHENP/2012	Jul 16, 2010			Pending
BIOT-024JP	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	JP	2012-520830	Jul 16, 2010			Pending
BIOT-024JPD	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	JP	2015-158197	Jul 16, 2010			Pending
BIOT-024KR	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	KR	10-2012-7003880	Jul 16, 2010			Pending
BIOT-024SG	Methods and Compositions For In Vitro and In Vivo Chondrogenesis	SG	201200351-3	Jul 16, 2010	177694	Sept 16, 2014	Issued
BIOT-026	Improved Methods of Screening Embryonic Progenitor Cell Lines	US	13/683,241	Nov 21, 2012			Pending
BIOT-026AU	Improved Methods of Screening Embryonic Progenitor Cell Lines	AU	2011258249	May 25, 2011	2011258249	Sept 25, 2014	Issued

BIOT-026CA	Improved Methods of Screening Embryonic Progenitor Cell Lines	CA	2,800,616	May 25, 2011			Pending
BIOT-029SG2	Progenitor Cells and Methods and Uses Related Thereto	SG	200306634.7	Aug 9, 2001	100479	May 31, 2005	Issued
BIOT-030	Methods of Modifying Transcriptional Regulatory Networks in Stem Cells	US	13/279,123	Oct 21, 2011			Pending
BIOT-030AU	Methods of Modifying Transcriptional Regulatory Networks in Stem Cells	AU	2011316830	Oct 21, 2011			Pending
BIOT-030CA	Methods of Modifying Transcriptional Regulatory Networks in Stem Cells	CA	2,814,860	Oct 21, 2011			Pending
BIOT-030EP	Methods of Modifying Transcriptional Regulatory Networks in Stem Cells	EP	11835259.0	Oct 21, 2011			Pending
BIOT-030IN	Methods of Modifying Transcriptional Regulatory Networks in Stem Cells	IN	2198/CHENP/2013	Oct 21, 2011			Pending
BIOT-033	Novel Methods and Formulations for Orthopedic Cell Therapy	US	14/131,429	Jan 7, 2014			Pending
BIOT-034	Compositions and Methods Relating to Clonal Progenitor Cell Lines	US	14/238,160	Apr 29, 2014			Pending

BIOT-062	Differentiated Progeny of Clonal Progenitor Cell Lines	US	14/048,910	Oct 8, 2013			Pending
BIOT-062AU	Differentiated Progeny of Clonal Progenitor Cell Lines	AU	2013237760	Oct 8, 2013			Pending
BIOT-062EP	Differentiated Progeny of Clonal Progenitor Cell Lines	EP	13187756.5	Oct 8, 2013			Pending
BIOT-064	Thiolated Hyaluronan-Based Hydrogels Cross-Linked Using Oxidized Glutathione	US	14/275,795	May 12, 2014			Pending
BIOT-071	Hydrogel Sponges and Methods of Making and Using the Same	US	14/820,497	Aug 6, 2015			Pending
BIOT-072PRV	Osteogenic Graft Forming Unit	US	62/172,808	Jun 9, 2015			Pending

Exhibit D: Heraeus Patent Rights

[Intentionally Omitted]

Exhibit E
Final Report

Upon completion of each defined phase of the workplan, OrthoCyte shall provide Heraeus with a written report summarising the outcome of each phase of the Workplan and the Results received. The reports shall set out in a comprehensive way the work carried out by OrthoCyte. They shall comprise the details of the Results obtained and any raw data from which an independent expert can derive the same Results as provided by OrthoCyte in the report. They will be signed and dated by the lead investigator from OrthoCyte and Francois Binette.

The Results of the works need to be scientifically valid on an objective basis and reproducible by third parties that have the same expertise and experience as the personnel of OrthoCyte that are conducting the Project. In particular, the Results need to be substantiated by state of the art statistical methods.

Heraeus shall review the report for each defined phase of the workplan and provide its comments within two (2) weeks of receiving the report, which OrthoCyte shall incorporate so long as the comments relate to a deficiency of the report in relation to works or scientific standards, provided that OrthoCyte shall not be required to update the report such that it is inconsistent with the Results obtained by OrthoCyte. Heraeus will declare the acceptance of the report in writing if it is in accordance with the requirements, which acceptance shall in absence of any express declaration of non-acceptance/rejection by Heraeus be deemed to be effective no later than one month after OrthoCyte submits the report (“phase completion”).

Upon completion of the final phase of the Project, OrthoCyte shall provide Heraeus with a written final report summarising the outcome of the works and Project and the Results received. The requirements defined above shall also apply to the final report, which will be accepted by Heraeus if conforming to the requirements set forth in this Agreement which acceptance shall in absence of any express declaration of non-acceptance/rejection by Heraeus be deemed to be effective no later than one (1) month after OrthoCyte submits the final report (“Project Completion”).

Exhibit F
Patent Rights of University of Utah

University of Utah Patent Rights

	TITLE	COUNTRY	APPLICATION NUMBER	FILING DATE	PATENT NUMBER	ISSUE DATE	STATUS
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	US	12/234,445	Sep 19, 2008	8,859,523	Oct 14, 2014	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	US	12/244,135	Oct 2, 2008	7,928,069	Apr 19, 2011	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	CA	2,489,712	May 15, 2003			Pending
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	CH	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	DE	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	FR	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	GB	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	IE	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	IT	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	LX	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3405	Crosslinked Compounds and Methods of Making and Using Thereof	MN	03799796.2	May 15, 2003	1539799	Nov 14, 2013	Issued
U-3656	Modified Macromolecules and Associated Methods of Synthesis and Use	US	10/581,571	Jul 13, 2007	7,981,871	Jul 19, 2011	Issued
U-3656	Modified Macromolecules and Associated Methods of Synthesis and Use	US	13/184,401	Jul 15, 2011	8,691,793	Apr 08, 2014	Issued
U-3656	Modified Macromolecules and Associated Methods of Synthesis and Use	CA	2,549,295	Dec 06, 2004			Pending
U-3656	Modified Macromolecules and Associated Methods of Synthesis and Use	EP	04813101.5	Dec 06, 2004			Pending
U-3362	Anti-adhesion Compositions and Methods of Use Thereof	US	10/556,693	Dec 03, 2008	8,324,184	Dec 04, 2012	Issued
U-3362	Anti-adhesion Compositions and Methods of Use Thereof	EP	04775992.3	May 13, 2004			Pending

Exhibit 10.6

STOCK SUBSCRIPTION AGREEMENT

ONCOCYTE CORPORATION

READ THIS AGREEMENT CAREFULLY BEFORE YOU INVEST

The shares of common stock, no par value ("Shares") have not been registered under the Securities Act of 1933, as amended, or applicable state securities laws and may not be offered for sale, sold, transferred, pledged or hypothecated to any person in the absence of an effective registration statement covering such Shares (or an exemption from such registration) and an opinion of counsel satisfactory to OncoCyte Corporation to the effect that such transfer or exercise complies with applicable securities laws.

SUBSCRIPTION AGREEMENT

This Agreement is entered into by BioTime, Inc. ("Subscriber") and OncoCyte Corporation, a California corporation (the "Company).

1. Subscription Offer.

(a) *Subscription Allocation.* The Company is offering to each registered holder (each a "Shareholder") of shares of Company common stock, no par value ("Shares") the opportunity to subscribe to and purchase their respective pro rata percentage ("Allocation") of a total of 7,370,609 Shares (the "Subscription Shares") at a price of $1.54 per Share (the "Subscription Price"). A Shareholder's Allocation shall be the total number of Subscription Shares multiplied by the percentage determined by dividing (A) the total number of Shares owned of record by the Shareholder immediately before the Subscription Offer, by (B) the total number of Shares owned by all Shareholders in the aggregate immediately before the Subscription Offer.

Subscriber	Pro Rata Percentage	Shares in Allocation
BioTime, Inc.	73.56%	5,421,714

(b) *Expiration of Subscription Offer.* The Company's offer to sell to the Shareholders their respective Allocations of Shares is referred to as the "Subscription Offer." The Subscription Offer shall expire on the Expiration Date and may not be accepted by a Shareholder after that date. The Expiration Date is 5:00 p.m. California time on **October 12, 2015.**

(c) *Assignment of Rights*. Prior to the Expiration Date, any Shareholder may assign, in whole or in part, to another Shareholder the assigning Shareholder's rights to purchase their Allocation of Shares in the Subscription Offer. A Shareholder who so assigns their rights shall notify the Company in writing of such assignment on or before the Expiration Date.

2. Subscription For Shares.

(a) *Subscription Procedure.* Subscriber may irrevocably subscribe to, and thereby irrevocable agree to purchase, on the terms and conditions of this Agreement, all or a portion of the Subscriber's Allocation in the Subscription Offer by (a) entering the number of Shares to be purchased and the total Subscription Price for such Shares in the table on the Signature Page of this Agreement, (b) signing and dating this Agreement, and (c) delivering this Agreement, completed and signed as provided in clause (a) and (b), along with payment in full of the Subscription Price for the number of Shares to be purchased, to the Company as provided in this Agreement not later than the Expiration Date.

(b) *Subscription Irrevocable*. This Agreement will become an irrevocable obligation of Subscriber to purchase the number of Shares shown on the Signature Page, at the Subscription Price per Share, when a copy of this Agreement, signed by Subscriber, is countersigned by the Company.

(c) *Payment.* Subscriber shall pay the Subscription Price of the Shares by check for good funds payable to the order of the Company or by wire transfer to such account of the Company as the Company may specify. If this Agreement is rejected or not accepted for any reason by the Company, all sums paid by the Subscriber will be promptly returned, without interest or deduction.

(d) *Acceptance of Subscriptions*. The Company may accept subscriptions in the Subscription Offer at any time on or after receipt until the Expiration Date.

3. Registration Rights. If the Subscriber purchases Shares in the Subscription Offer, the Company will enter into an amendment to the September 2009 Registration Rights Agreement pursuant to which the Company will agree to register the Shares purchased by the Subscriber in the Subscription Offer for sale under the Securities Act of 1933, as amended (the "Securities Act").

4. Investment Representations. Subscriber represents and warrants to the Company that:

(a) *Due Diligence*. Subscriber has made such investigation of the Company as Subscriber deemed appropriate for determining to acquire (and thereby make an investment in) the Shares. In making such investigation, Subscriber has had access to such financial and other information concerning the Company as Subscriber requested. Subscriber acknowledges and understands that the Company is an early stage venture engaged in research and development, without only limited history of operations, and has received only limited capital. Subscriber acknowledges receipt of the Articles of Incorporation and Bylaws of the Company, and such copies of the minutes of the proceedings of the Board of Directors of the Company as Subscriber may have requested from the Company. Subscriber has had a reasonable opportunity to ask questions of and receive answers from the executive officers of the Company concerning the Company, and to obtain such additional information concerning the Company as may have been possessed or obtainable by the Company without unreasonable effort or expense. All such questions have been answered to Subscriber's satisfaction.

(b) *Unregistered Offer and Sale.* Subscriber understands that the Shares are being offered and sold without registration under the Securities Act, or qualification under the California Corporate Securities Law of 1968, or under the laws of any other states, in reliance upon the exemptions from such registration and qualification requirements for non-public offerings. Subscriber acknowledges and understands that the availability of the aforesaid exemptions depends in part upon the accuracy of certain of the representations, declarations and warranties made by Subscriber, and the information provided by Subscriber, in this Agreement, Subscriber is making such representations, declarations and warranties, and is providing such information, with the intent that the same may be relied upon by the Company and its officers and directors in determining Subscriber's suitability to acquire the Shares. Subscriber understands and acknowledges that no federal, state or other agency has reviewed or endorsed the offering of the Shares or made any finding or determination as to the fairness of the offering or completeness of the information provided to Subscriber by the Company.

(c) *Restrictions on Transfer*. Subscriber understands that the Shares may not be offered, sold, or transferred in any manner unless subsequently registered under the Securities Act, or unless there is an exemption from such registration available for such offer, sale or transfer. Subscriber agrees that Subscriber will not sell, offer for sale, or transfer any of the Shares unless those Shares have been registered under the Securities Act, or unless there is an exemption from such registration and an opinion of counsel reasonably acceptable to the Company has been rendered stating that such offer, sale, or transfer will not violate any United States federal or state securities laws. Subscriber acknowledges that (i) the certificates evidencing the Shares will contain a legend to the effect that transfer is prohibited except pursuant to registration under the Securities Act, or pursuant to an available exemption from registration under the Securities Act, and (ii) The Company will refuse to register the transfer, and will issue instructions to any transfer agent and registrar of the Shares to refuse to register the transfer, of any Shares not made pursuant to registration under the Securities Act or pursuant to an available exemption from registration under the Securities Act.

(d) *Knowledge and Experience.* Subscriber has such knowledge and experience in financial and business matters to enable Subscriber to utilize the information provided or otherwise made available to Subscriber by the Company to evaluate the merits and risks of an investment in the Shares and to make an informed investment decision.

(e) *Investment Intent.* Subscriber is acquiring the Shares solely for Subscriber's own account and for investment purposes, and not with a view to, or for sale in connection with, any distribution of the Shares other than pursuant to an effective registration statement under the Securities Act or unless there is an exemption from such registration available for such offer, sale or transfer, such as SEC Rule 144.

(f) *Forward Looking Statements.* Information provided to Subscriber by the Company include matters that may be considered "forward looking" statements within the meaning of Section 27(a) of the Securities Act and Section 21(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which statements Subscriber acknowledges and agrees are not guarantees of future performance and involve a number of risks and uncertainties, and with respect to which the Company makes no representations or warranties. Subscriber understands that the level of disclosure provided by the Company is less than that which would be provided in a securities offering registered under the Securities Act in reliance on the sophistication and investment experience of Subscriber.

(g) *No Assurance of Return on Investment*. It has never been represented, guaranteed or warranted to Subscriber by the Company or BioTime or any officer, director, employee, or agent of the Company or BioTime, that Subscriber will realize any specific value, sale price, or profit as a result of acquiring the Shares.

(h) *Nonpublic Information.* Subscriber understands that (1) this Agreement and other information provided to Subscriber by the Company contains confidential financial information about the Company and BioTime, Inc. that has not yet been publicly disclosed by the Company or BioTime, and therefore may be deemed material non-public information, (2) the Company is providing Subscriber the confidential information solely to satisfy its disclosure obligations under the Securities Act in connection with the offer and sale of the Shares to Subscriber pursuant to this Agreement, and (3) until such time as BioTime files a Form 8-K or other report under the Exchange Act with the Securities and Exchange Commission, Subscriber shall not (A) disclose to any other person any of the information contained in this Agreement or otherwise provided to Subscriber concerning the Company that has not previously been disclosed in a report filed by BioTime under the Exchange Act, or (B) purchase or sell any common shares of BioTime.

(i) *Authority; Enforceability*. The Subscriber has the power and authority to execute and deliver, and to perform all of Subscriber's obligations under, this Agreement. This Agreement has been duly executed and delivered by Subscriber. This Agreement is the valid and binding agreements of the Subscriber, enforceable in accordance with their respective terms, except to the extent limited by any bankruptcy, insolvency, or similar law affecting the rights of creditors generally.

(j) *No Conflict*. The execution and delivery of this Agreement and consummation of the transactions contemplated under this Agreement, including the purchase of the Shares, by the Subscriber do not and will not violate any provisions of (i) any rule, regulation, statute, or law applicable to the Subscriber, (ii) the terms of any order, writ, or decree of any court or judicial or regulatory authority or body by which the Subscriber is bound, or (iii) if the Subscriber is not a natural person, the certificate of incorporation, bylaws, or similar charter or governing documents of the Subscriber.

5. Accredited Investor Qualification. Subscriber represents that Subscriber qualifies as an "accredited investor" under Regulation D, promulgated under the Securities Act, in the following manner. (Please check or initial all that apply to verify that you qualify as an "accredited investor.")

_____(a) Subscriber is a natural person whose net worth, or joint net worth with spouse, at the date of purchase exceeds $1,000,000 (not including the value of Subscriber's principal residence and excluding mortgage debt secured by Subscriber's principal residence up to the estimated fair market value of the home, except that any mortgage debt incurred by Subscriber within 60 days prior to the date of this Agreement shall not be excluded from the determination of Subscriber's net worth unless such mortgage debt was incurred to acquire the residence).

_____(b) Subscriber is a natural person whose individual gross income (excluding that of spouse) exceeded $200,000 in each of the past two calendar years, and who reasonably expects individual gross income exceeding $200,000 in the current calendar year.

_____(c) Subscriber is a natural person whose joint gross income with spouse exceeded $300,000 in each of the past two calendar years, and who reasonably expects joint gross income with spouse exceeding $300,000 in the current calendar year.

_____X____(d) Subscriber is a tax-exempt organization described in Section 501(c) (3) of the Internal Revenue Code, or a corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring Shares, with total assets in excess of $5,000,000.

_____(e) Subscriber is a trust with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring Shares, whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of an investment in the Shares.

6. Miscellaneous.

(a) This Agreement shall be governed by, interpreted, construed and enforced in accordance with the laws of the State of California, as such laws are applied to contracts by and among residents of California, and which are to be performed wholly within California.

(b) The representations and warranties set forth herein shall survive the sale of Shares to Subscriber.

(c) Neither this Agreement nor any provisions hereof shall be modified, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

(d) Any notice, demand or other communication that any party hereto may be required, or may elect, to give shall be sufficiently given if (i) deposited, postage prepaid, in the United States mail addressed to such address as may be specified under this Agreement, (ii) delivered personally at such address, (iii) delivered to such address by air courier delivery service, or (iv) delivered by electronic mail (email) to such electronic mail address as may be specified under this Agreement. The address for notice to the Company is: OncoCyte Corporation, 1301 Harbor Bay Parkway, Suite 100, Alameda, California 94502; Attention: Robert W. Peabody, Chief Financial Officer; email; rpeabody@biotimemail.com. The address for notice of Subscriber is shown in Section 7. Either party may change its address for notice by giving the other party notice of a new address in the manner provided in this Agreement. Any notice sent by mail shall be deemed given three days after being deposited in the United States mail, postage paid, and addressed as provided in this Agreement.

(e) This Agreement may be executed through the use of separate signature pages or in any number of counterparts, and each of such counterparts shall, for all purposes, constitute one agreement binding on all the parties, notwithstanding that all parties are not signatories to the same counterpart. Counterparts sent by electronic mail, facsimile, or other electronic means, including signatures thereon, shall be deemed originals.

(f) Except as otherwise provided herein, the Agreement shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives and assigns. If the undersigned is more than one person, the obligation of the undersigned shall be joint and several and the agreements, representations, warranties and acknowledgments herein contained shall be deemed to be made by and be binding upon each such person and his heirs, executors, administrators and successors.

(g) This Agreement contains the entire agreement of the parties, and there are no representations, covenants or other agreements except for those stated or referred to herein.

(h) This Agreement is not transferable or assignable by the undersigned except as may be provided herein.

7. Subscriber Information.

(a)	Address:	1301 Harbor Bay Parkway Alameda, California 94502
(b)	email:	rpeabody@biotimemail.com
(c)	Telephone:	(510) 921-5300
(d)	Social Security Number: or Taxpayer Identification Number:	
(e)	State of Residence or Principal Place of Business:	California

SUBSCRIBER SIGNATURE

IN WITNESS WHEREOF, the undersigned has entered into this Agreement and hereby agrees to purchase Shares for the price stated above and upon the terms and conditions set forth herein. The undersigned hereby agrees to all of the terms of the Registration Rights Agreement and agrees to be bound by the terms and conditions thereof.

Dated: September 29, 2015

Subscription:

Number of Shares		Total Subscription Price of Subscription
5,421,714	x $1.54 =	$8,349,439.56

BioTime, Inc.

By: /s/R.W. Peabody

Title: SR VP

ACCEPTANCE BY COMPANY

The Company hereby agrees to sell to the Subscriber the Shares referenced above in reliance upon all the representations, warranties, terms and conditions contained in this Agreement.

IN WITNESS WHEREOF, the undersigned, on behalf of the Company, has executed this acceptance as of the date set forth below.

Dated: September 29, 2015

ONCOCYTE CORPORATION

By: /s/William Annett

Title: CEO

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 officers 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 the periodic reports are 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.

5. The registrant's other certifying officers 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, 2015

/s/ Michael D. West

Michael D. West
Co-Chief Executive Officer

Exhibit 31

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 officers 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 the periodic reports are 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.

5. The registrant's other certifying officers 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, 2015

/s/ Aditya Mohanty

Aditya Mohanty
Co-Chief Executive Officer

Exhibit 31

CERTIFICATIONS

I, Robert W. Peabody, 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 officers 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 the periodic reports are 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.

5. The registrant's other certifying officers 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, 2015

/s/ Robert W. Peabody

Robert W. Peabody
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, 2015 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 Robert W. Peabody, 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, 2015

/s/ Michael D. West

Michael D. West
Co-Chief Executive Officer

/s/ Aditya Mohanty

Aditya Mohanty
Co-Chief Executive Officer

/s/ Robert W. Peabody

Robert W. Peabody
Chief Financial Officer