UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

# FORM 8-K

**CURRENT REPORT**

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

Date of Report (date of earliest event reported): **May 13, 2016**

# BioTime, Inc.

(Exact name of registrant as specified in its charter)

| **California** | **1-12830** | **94-3127919** |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

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

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

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

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

**Forward-Looking Statements**

*Any statements that are not historical fact (including, but not limited to statements that contain words such as "may, "will," "believes," "plans," "intends," "anticipates," "expects," "estimates") should also be considered to be forward-looking statements. Additional factors that could cause actual results to differ materially from the results anticipated in these forward-looking statements are contained in BioTime's periodic reports filed with the SEC under the heading "Risk Factors" and other filings that BioTime may make with the Securities and Exchange Commission. Undue reliance should not be placed on these forward-looking statements which speak only as of the date they are made, and the facts and assumptions underlying these statements may change. Except as required by law, BioTime disclaims any intent or obligation to update these forward-looking statements.*

*References in this Report to "BioTime," "we" or "us" refer to BioTime, Inc.*

**Section 2 - Financial Information**

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

On May 13, 2016, our subsidiary Asterias Biotherapeutics, Inc. ("Asterias") completed the sale of 5,147,059 shares of its Series A common stock, $0.0001 par value per share ("Asterias Common Stock"), and warrants to purchase 2,959,559 shares of Asterias Common Stock, through an underwritten public offering (the "Offering"). Asterias received approximately $16.2 million in proceeds from the Offering, after deduction of underwriting discounts, commissions and other expenses of the Offering.

Pursuant to the Underwriting Agreement with the underwriters of the Offering, Asterias granted the underwriters a 30-day option to purchase up to an additional 772,059 shares of Asterias Common Stock at a price of $3.1527 per share to cover over-allotments, if any.

Broadwood Partners, L.P. purchased 2,058,823 shares of Asterias Common Stock and 1,029,412 warrants in the Offering. Neal C. Bradsher, a director of BioTime, is the President, of Broadwood Capital, Inc., the investment adviser of Broadwood Partners, L.P. Broadwood Partners, L.P. beneficially owns more than 5% of the outstanding common shares of BioTime and as a result of its purchase of Asterias Common Stock and warrants in the Offering beneficially owns more than 5% of the outstanding Asterias Common Stock.

As a result of the sale of Asterias Common Stock in the Offering and the issuance of 708,333 shares of Asterias Common Stock upon the exercise of certain stock options by a former Asterias executive, as of May 13, 2016, BioTime owns 48.8% of the outstanding shares of Asterias Common Stock. Because BioTime's ownership percentage in Asterias has decreased to below 50%, we no longer have a controlling financial interest in Asterias and will deconsolidate Asterias' financial statements and results of operations from BioTime (the "Deconsolidation"), effective May 13, 2016, in accordance with Accounting Standards Codification, or ASC, 810-10-40-4(c), *Consolidation*. Beginning on May 13, 2016, we will account for the retained noncontrolling investment in Asterias under the equity method of accounting and may elect the fair value option under ASC 825-10, *Financial Instruments*, with all changes in fair value of the investment recognized in our consolidated statements of operations, if elected.

We have included as exhibits to this Report unaudited pro forma condensed combined balance sheet as of March 31, 2016, derived from our latest condensed consolidated balance sheet filed in our quarterly report on Form 10-Q, the unaudited pro forma condensed combined statements of operations for the three months ended March 31, 2016 and for the year ended December 31, 2015. The pro forma statements of operations give effect to the Deconsolidation as if the Deconsolidation had occurred on January 1, 2015.

**Item 9.01 Financial Statements and Exhibits**

(a) Pro Forma Financial Information

Unaudited Pro Forma Condensed Combined Balance Sheet as at March 31, 2016

Unaudited Pro Forma Condensed Combined Statements of Operations for the Three Months Ended March 31, 2016

Unaudited Pro Forma Condensed Combined Statements of Operations for the Year-Ended December 31, 2015

Notes to Unaudited Pro Forma Condensed Combined Financial Information.

(b) Exhibits

| Exhibit Number | Description |
|---|---|
| 99.1 | Pro Forma Financial Statements |

**SIGNATURES**

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

BIOTIME, INC.

Date: May 19, 2016

By /s/ Russell Skibsted
Chief Financial Officer

| Exhibit Number | Description |
|---|---|
| 99.1 | Pro Forma Financial Statements |

Exhibit 99.1

**BIOTIME, INC. AND SUBSIDIARIES**
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**
**AS OF MARCH 31, 2016**
**(IN THOUSANDS)**

| | Registrant Historical | Adjustments | Notes | Pro Forma |
|---|---|---|---|---|
| **ASSETS** | | | | |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | $ 27,132 | $ (7,568) | (a) | $ 19,564 |
| Available for sale securities | 829 | | | 829 |
| Trade accounts and grants receivable, net | 1,125 | | | 1,125 |
| Landlord receivable | 943 | | | 943 |
| Prepaid expenses and other current assets | 2,878 | (1,157) | (a) | 1,721 |
| Total current assets | 32,907 | | | 24,182 |
| | | | | |
| Equity method investment in Asterias, at fair value | - | 65,678 | (b) | 65,678 |
| Deferred tax assets | - | - | (c) | - |
| Property, plant and equipment, net and construction in progress | 8,932 | (5,539) | (a) | 3,393 |
| Deferred license fees | 293 | | | 293 |
| Deposits and other long-term assets | 1,268 | (425) | (a) | 843 |
| Equity method investment | 4,436 | | | 4,436 |
| Intangible assets, net | 32,278 | (20,145) | (a) | 12,133 |
| TOTAL ASSETS | $ 80,114 | | | $ 110,958 |
| | | | | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts payable and accrued liabilities | 10,674 | (3,058) | (a) | 7,616 |
| Capital lease liability, current portion | 22 | (7) | (a) | 15 |
| Promissory notes, current portion | 95 | | | 95 |
| Deferred grant income | 2,269 | (2,269) | (a) | - |
| Deferred license and subscription revenue, current portion | 609 | | | 609 |
| Total current liabilities | 13,669 | | | 8,335 |
| | | | | |
| LONG-TERM LIABILITIES | | | | |
| Deferred revenues, net of current portion | 538 | | | 538 |
| Deferred rent liabilities, net of current portion | 261 | (203) | (a) | 58 |
| Lease liability | 5,408 | (4,300) | (a) | 1,108 |
| Related party convertible debt, net of discount | 394 | | | 394 |
| Promissory notes, net of current portion | 220 | | | 220 |
| Capital lease, net of current and other liabilities | 32 | (25) | (a) | 7 |
| Deferred tax liability related to equity method investment retained | - | - | (c) | - |
| TOTAL LIABILITIES | 20,522 | | | 10,660 |
| | | | | |
| Commitments and contingencies | | | | |
| | | | | |
| SHAREHOLDERS' EQUITY | | | | |
| Preferred shares, no par value, 2,000 shares authorized; none issued and outstanding | - | - | | |
| Common shares, no par value, 125,000 shares authorized; 94,894 issued and 90,421 shares outstanding actual and 94,274 pro forma, as of March 31, 2016 | 275,238 | (6,783) | (a) | 268,455 |
| Accumulated other comprehensive loss | (60) | | | (60) |
| Accumulated deficit | (246,293) | 52,109 | (e) | (194,184) |
| Treasury stock at cost: 4,473 shares actual and 620 shares pro-forma as of March 31, 2016 | (18,033) | 15,142 | (d) | (2,891) |
| BioTime, Inc. shareholders' equity | 10,852 | | | 71,320 |
| | | | | |
| Non-controlling interest | 48,740 | (19,762) | (a) | 28,978 |
| Total shareholders' equity | 59,592 | | | 100,298 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | $ 80,114 | | | $ 110,958 |

**BIOTIME, INC. AND SUBSIDIARIES**
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**
**THREE MONTHS ENDED MARCH 31, 2016**
**(IN THOUSANDS, EXCEPT PER SHARE DATA)**

| | Registrant Historical | Adjustments | Notes | Pro Forma |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Subscription and advertisement revenues | $ 420 | $ - | | $ 420 |
| Royalties from product sales | 123 | (107) | (f) | 16 |
| Grant income | 1,487 | (1,487) | (f) | - |
| Sale of research products and services | 43 | - | | 43 |
| Total revenues | 2,073 | (1,594) | | 479 |
| Cost of sales | (225) | 53 | (f) | (172) |
| Gross Profit | 1,848 | (1,541) | | 307 |
| **OPERATING EXPENSES:** | | | | |
| Research and development | 13,734 | (6,343) | (g) | 7,391 |
| General and administrative | 11,872 | (6,218) | (g) | 5,654 |
| Total operating expenses | 25,606 | (12,561) | | 13,045 |
| Loss from operations | (23,758) | 11,020 | | (12,738) |
| **OTHER INCOME/(EXPENSES):** | | | | |
| Total other income/(expense), net | (239) | 147 | (h) | (92) |
| LOSS BEFORE INCOME TAX BENEFIT | (23,997) | 11,167 | | (12,830) |
| Deferred income tax benefit | - | - | (i) | - |
| NET LOSS | (23,997) | 11,167 | | (12,830) |
| Net loss attributable to non-controlling interest | 6,885 | (4,401) | (j) | 2,484 |
| **NET LOSS ATTRIBUTABLE TO BIOTIME, INC.** | $ (17,112) | $ 6,766 | | $ (10,346) |
| BASIC AND DILUTED NET LOSS PER COMMON SHARE | $ (0.19) | | | $ (0.11) |
| WEIGHTED AVERAGE NUMBER OF COMMON STOCK OUTSTANDING: BASIC AND DILUTED | 90,421 | | | 90,421 |

**BIOTIME, INC. AND SUBSIDIARIES**
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**
**YEAR ENDED DECEMBER 31, 2015**
**(IN THOUSANDS, EXCEPT PER SHARE DATA)**

| | Registrant Historical | Adjustments | Notes | Pro Forma |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Subscription and advertisement revenues | $ 1,357 | $ - | | $ 1,357 |
| Royalties from product sales | 719 | (535) | (f) | 184 |
| Grant income | 4,502 | (3,007) | (f) | 1,495 |
| Sale of research products and services | 458 | - | | 458 |
| Total revenues | 7,036 | (3,542) | | 3,494 |
| Cost of sales | (1,107) | 228 | (f) | (879) |
| Gross Profit | 5,929 | (3,314) | | 2,615 |
| **OPERATING EXPENSES:** | | | | |
| Research and development | 42,604 | (17,321) | (g) | 25,283 |
| General and administrative | 29,134 | (7,712) | (g) | 21,422 |
| Total operating expenses | 71,738 | (25,033) | | 46,705 |
| Loss from operations | (65,809) | 21,719 | | (44,090) |
| **OTHER INCOME/(EXPENSES):** | | | | |
| Total other income/(expense), net | 3,159 | 347 | (h) | 3,506 |
| LOSS BEFORE INCOME TAX BENEFIT | (62,650) | 22,066 | | (40,584) |
| Deferred income tax benefit | 4,516 | (4,516) | (i) | - |
| NET LOSS | (58,134) | 17,550 | | (40,584) |
| Net loss attributable to non-controlling interest | 11,143 | (5,553) | (j) | 5,590 |
| NET LOSS ATTRIBUTABLE TO BIOTIME, INC. | (46,991) | 11,997 | | (34,994) |
| Dividends on preferred shares | (415) | - | | (415) |
| **NET LOSS ATTRIBUTABLE TO BIOTIME, INC. COMMON SHAREHOLDERS** | $ (47,406) | $ 11,997 | | $ (35,409) |
| BASIC AND DILUTED NET LOSS PER COMMON SHARE | $ (0.59) | | | $ (0.44) |
| WEIGHTED AVERAGE NUMBER OF COMMON STOCK OUTSTANDING: BASIC AND DILUTED | 79,711 | | | 79,711 |

**Notes to Unaudited Pro Forma Condensed Combined Financial Information.**

(a) This adjustment reflects the deconsolidation of the assets and liabilities attributable to Asterias, including our carrying value of noncontrolling interest in Asterias, as of March 31, 2016, due to a loss of control of Asterias that occurred on May 13, 2016. This adjustment also reflects the equity impact, as of March 31, 2016, of certain intercompany transactions and balances previously eliminated in consolidation upon deconsolidation of Asterias.

(b) This adjustment reflects the fair value of our retained noncontrolling investment in Asterias on May 13, 2016, the date of our deconsolidation of Asterias subsidiary due to a loss of control in accordance with ASC 810-10-40-4(c). This amount was determined by multiplying 21.7 million shares of Asterias common stock we hold as of May 13, 2016, by the $3.02 per share closing price of Asterias common stock on the NYSE: MKT on that date. We may account for our retained noncontrolling investment in Asterias at fair value using the equity method of accounting by electing the fair value option under ASC 825-10, in which all subsequent changes in fair value of our investment in Asterias will be recorded in our consolidated statements of operations included in other income and expenses, net.

(c) This adjustment reflects a $23.6 million deferred tax liability based on the difference in our financial reporting basis retained in Asterias, at fair value, and our tax basis in Asterias, computed based on our historical tax rate of 36%, in accordance with ASC 740, Income Taxes. This adjustment also reflects a $23.6 million release of the valuation allowance we have on our deferred tax assets to the extent of this deferred tax liability since the deferred tax liability is considered to be a source of taxable income as prescribed by ASC 740-10-30-17 that will result in the more likely than not realization of our deferred tax assets, thereby reducing the need for a valuation allowance to the extent of the deferred tax liability recorded on the retained noncontrolling investment in Asterias as of May 13, 2016. See footnote (e).

(d) This adjustment reflects the carrying value of our treasury stock, which represents our shares held by Asterias as of March 31, 2016. These shares will continue to be held by Asterias as outstanding BioTime common stock.

(e) This adjustment reflects the estimated gain of approximately $52.1 million arising from the deconsolidation of Asterias on May 13, 2016, due to a loss of control of Asterias on that date. This pro forma estimated gain was computed in accordance with ASC 810-10-40-5, as the difference between (i) the aggregate fair value of our retained noncontrolling investment in Asterias on May 13, 2016 and the carrying amount of our noncontrolling interest in Asterias as of March 31, 2016, and (ii) the carrying amount of Asterias' assets and liabilities as of March 31, 2016. The actual gain on deconsolidation will be determined using the fair value of our retained noncontrolling investment in Asterias on May 13, 2016 and, based on the actual carrying amounts of Asterias' assets and liabilities, including the actual carrying amount of our noncontrolling interest in Asterias, as of May 13, 2016, the date of deconsolidation. We are not able to estimate the actual gain until we determine the actual balances of our carrying amounts, as applicable, as of May 13, 2016, which will be completed during the second quarter ended June 30, 2016. The actual gain may differ materially from the pro forma estimated gain shown herein.

This pro forma estimated gain has not been reflected in the pro forma condensed combined statements of operations because it is considered to be nonrecurring in nature.

The computation of the pro forma estimated gain was computed as follows (in thousands):

| | | | | |
|---|---|---|---|---|
| (i) | Retained noncontrolling investment in Asterias, at fair value, as of May 13, 2016 | $ | 65,678 | |
| | BioTime deferred tax liability for retained noncontrolling investment in Asterias | | (23,644) | |
| | BioTime deferred tax asset (release of valuation allowance) | | 23,644 | |
| | Carrying amount of BioTime noncontrolling interest in Asterias at March 31, 2016 | | 19,762 | |
| | | | 85,440 | (i) |
| (ii) | Carrying amount of Asterias assets and liabilities as of March 31, 2016: | | | |
| | Carrying amount of Asterias assets | | 54,650 | |
| | Less: Carrying amount of Asterias liabilities | | 21,319 | |
| | Net assets of Asterias as of March 31, 2016 | | 33,331 | (ii) |
| (iii) | Pro forma estimated gain on deconsolidation of Asterias | $ | 52,109 | (i) - (ii) |

(f) This adjustment reflects the deconsolidation of revenues and cost of sales attributable to Asterias.

(g) This adjustment reflects the deconsolidation of operating expenses attributable to Asterias.

(h) This adjustment reflects the deconsolidation of other income and expenses, net, attributable to Asterias.

(i) This adjustment reflects the estimated income tax effect of the pro-forma adjustments. The tax effect of the pro-forma adjustments was calculated using the historical statutory rates in effect for the periods presented

(j) This adjustment reflects the deconsolidation of the net loss attributable to noncontrolling interests of Asterias.