

BIOTIME INC  
Form 10-Q  
November 12, 2013

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FORM 10-Q  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

(Mark One)

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

For the quarterly period ended September 30, 2013

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. T Yes o 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). x Yes o 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 o Accelerated filer T

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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: 67,202,678 common shares, no par value, as of November 8, 2013.

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PART 1--FINANCIAL INFORMATION

Statements made in this Report that are not historical facts may constitute forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those discussed. Such risks and uncertainties include but are not limited to those discussed in this report under Item 1 of the Notes to Financial Statements, and in BioTime's Annual Report on Form 10-K filed with the Securities and Exchange Commission. Words such as "expects," "may," "will," "anticipates," "intends," "plans," "believes," "seeks," "estimates," and similar expressions identify forward-looking statements.

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

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

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## Item 1. Financial Statements

## BIOTIME, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2013 (UNAUDITED)	December 31, 2012
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 6,717,343	\$ 4,349,967
Inventory	61,132	55,316
Prepaid expenses and other current assets	1,900,913	2,774,196
Total current assets	8,679,388	7,179,479
Equipment, net	2,905,842	1,348,554
Deferred license and consulting fees	583,208	669,326
Deposits	126,152	64,442
Intangible assets, net	18,559,074	20,486,792
<b>TOTAL ASSETS</b>	<b>\$ 30,853,664</b>	<b>\$ 29,748,593</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 4,201,098	\$ 3,989,962
Deferred grant income	47,349	—
Deferred license and subscription revenue, current portion	349,849	400,870
Total current liabilities	4,598,296	4,390,832
<b>LONG-TERM LIABILITIES</b>		
Deferred license revenue, net of current portion	644,273	768,678
Deferred rent, net of current portion	42,095	57,214
Other long-term liabilities	200,582	237,496
Total long-term liabilities	886,950	1,063,388
Commitments and contingencies		
<b>EQUITY</b>		
Preferred Shares, no par value, authorized 2,000,000 and 1,000,000 shares respectively, as of September 30, 2013 and December 31, 2012; none issued	—	—
Common shares, no par value, authorized 125,000,000 and 75,000,000 shares respectively, as of September 30, 2013 and December 31, 2012; 57,938,220 issued and 55,622,934 outstanding at September 30, 2013 and 51,183,318 issued and 49,383,209 outstanding as of December 31, 2012	149,008,287	119,821,243
Contributed capital	93,972	93,972
Accumulated other comprehensive income/(loss)	124,740	(59,570 )
Accumulated deficit	(126,166,233 )	(101,895,712)
Treasury stock at cost: 2,315,286 and 1,800,109 shares at September 30, 2013 and at December 31, 2012, respectively	(10,120,653 )	(8,375,397 )
Total shareholders' equity	12,940,113	9,584,536
Non-controlling interest	12,428,305	14,709,837
Total equity	25,368,418	24,294,373

TOTAL LIABILITIES AND EQUITY	\$ 30,853,664	\$ 29,748,593
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See accompanying notes to the condensed consolidated interim financial statements.

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## BIOTIME, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS  
(UNAUDITED)

	Three Months Ended		Nine Months Ended	
	September	September	September	September
	30,	30,	30,	30,
	2013	2012	2013	2012
<b>REVENUES:</b>				
License fees	\$382,767	\$337,633	\$1,094,843	\$549,521
Royalties from product sales	80,592	133,946	291,505	407,803
Grant income	160,431	441,630	941,226	1,518,086
Sale of research products	90,272	90,342	214,277	217,380
Total revenues	714,062	1,003,551	2,541,851	2,692,790
Cost of sales	(206,678 )	(169,734 )	(570,237 )	(273,916 )
Total revenues, net	507,384	833,817	1,971,614	2,418,874
<b>EXPENSES:</b>				
Research and development	(6,441,462 )	(4,545,470)	(17,389,409)	(13,323,410)
General and administrative	(4,267,875 )	(2,234,905)	(11,273,948)	(7,037,807 )
Total expenses	(10,709,337)	(6,780,375)	(28,663,357)	(20,361,217)
Loss from operations	(10,201,953)	(5,946,558)	(26,691,743)	(17,942,343)
<b>OTHER INCOME/(EXPENSES):</b>				
Interest income, net	509	5,624	2,033	17,321
Gain/(loss) on sale of fixed assets	5,830	(1,451 )	5,120	