BIOTIME INC
Form 424B5
October 13, 2017

**Filed Pursuant to Rule 424(b)(5)**

**Registration No. 333-217182**

**PROSPECTUS SUPPLEMENT**

(To Prospectus dated May 5, 2017)

**9,615,385 Shares of Common Stock**

We are offering 9,615,385 shares of our common stock, no par value. Our common stock is listed on the NYSE American and on the Tel Aviv Stock Exchange under the symbol "BTX." On October 12, 2017, the last reported sale price for our common stock on the NYSE American was $2.73 per share.

**Investing in our common stock involves risks. See "Risk Factors" beginning on page S-8 of this prospectus supplement.**

| | Per Share | Total |
|---|---|---|
| Public offering price | $2.60 | $25,000,001.00 |
| Underwriting discounts and commissions[(1)] | $0.156 | $1,500,000.06 |
| Proceeds to us, before expenses | $2.444 | $23,500,000.94 |

(1) We have also agreed to reimburse the underwriters for certain of their expenses. See "Underwriting" beginning on page S-26 of this prospectus supplement for more information about these arrangements.

We have granted the underwriters the right to purchase up to an aggregate of 1,442,308 additional shares of our common stock. The underwriters may exercise this right at any time, in whole or in part, within 30 days following the date of this prospectus supplement to cover over allotments, if any. If the underwriters exercise the option in full, the

total underwriting discount payable by us will be $1,725,000.11, and the total proceeds to us, before expenses, will be $27,025,001.69.

Certain of our existing significant shareholders, Broadwood Partners, L.P. and Broadwood Capital, Inc., both of which are affiliated with Neal Bradsher, a member of our Board of Directors, have agreed to purchase 2,692,307 shares of our common stock in this offering at the public offering price of $2.60 per share.

We anticipate that delivery of the common stock against payment will be made on or about October 17, 2017.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

*Sole Book-Running Manager*

**RAYMOND JAMES**

*Co-Managers*

**Ladenburg Thalmann  Chardan  LifeSci Capital**

The date of this prospectus supplement is October 13, 2017

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**Prospectus Supplement**



**Prospectus**

Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons who come into possession of this prospectus and any free writing prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus and any free writing prospectus applicable to that jurisdiction.

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the U.S. Securities and Exchange Commission, or SEC, utilizing a "shelf" registration process. This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of the securities offered hereby and also adds to and updates the information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information, some of which may not apply to this offering and some of which may have been supplemented or superseded by information in this prospectus supplement or documents incorporated or deemed to be incorporated by reference into this prospectus supplement that we filed with the SEC subsequent to the date of the prospectus. To the extent that there is any conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or any document incorporated by reference herein or therein, on the other hand, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in this prospectus supplement, the accompanying prospectus or incorporated herein or therein by reference and in any free writing prospectus that we have authorized for use in connection with this offering. We have not, and the underwriters have not, authorized anyone to provide you with information that is different. We and the underwriters are offering to sell, and seeking offers to buy, the securities offered hereby only in jurisdictions where offers and sales are permitted. The information contained, or incorporated by reference, in this prospectus supplement and contained, or incorporated by reference, in the accompanying prospectus is accurate only as of the respective dates thereof, regardless of the time of delivery of those respective documents, or of any sale of our shares of common stock. It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus, including the documents we have referred you to in the sections titled "Where You Can Find More Information" and "Incorporation of Certain Information by Reference" below.

We own or have rights to trademarks or trade names that we use in conjunction with the operation of our business. HyStem®, Hextend®, and Renevia® are registered trademarks of BioTime, Inc., and ReGlyde™ and Premvia™ are trademarks of BioTime, Inc. OpRegen® is a registered trademark of Cell Cure Neurosciences Ltd. DetermaVu™ is a registered trademark of OncoCyte Corporation. Each trademark, trade name or service mark of any other company appearing in this prospectus supplement or the accompanying prospectus belongs to its holder. Use or display by us of other parties' trademarks, trade names or service marks is not intended to and does not imply a relationship with, or endorsement or sponsorship by us of, the trademark, trade name or service mark owner.

The industry and market data contained or incorporated by reference into this prospectus supplement are based on independent industry publications, reports by market research firms or other published independent sources. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness, as industry and market data are subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data

gathering process and other limitations and uncertainties inherent in any statistical survey of market shares. Although we are not aware of any misstatements regarding the market and industry data presented or incorporated by reference into this prospectus supplement, these estimates involve risks and uncertainties and are subject to change based on various factors including those discussed in the section titled “Risk Factors.” Accordingly, investors should not place undue reliance on this information.

**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights certain information about this offering and selected information contained elsewhere in or incorporated by reference into this prospectus supplement. This summary is not complete and does not contain all of the information that you should consider before deciding whether to invest in our shares of common stock. You should read this entire prospectus supplement and the accompanying prospectus carefully, including the "Risk Factors" section contained in this prospectus supplement and in the accompanying prospectus. References to "we," "us," and "our" mean BioTime, Inc. and its consolidated subsidiaries unless the context otherwise indicates. In this regard, references to "we," "us," and "our" in the context of rights or obligations under any contract or agreement mean BioTime, Inc. only and not its consolidated subsidiaries.*

**Business Overview**

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

We also have significant equity holdings in two publicly traded companies, Asterias Biotherapeutics, Inc., or Asterias, and OncoCyte Corporation, or OncoCyte, which we founded and which, until recently, were our majority-owned consolidated subsidiaries. Asterias (NYSE American: AST) is presently focused on advancing three clinical-stage programs that have the potential to address areas of very high unmet medical need in the fields of neurology (spinal cord injury) and oncology (Acute Myeloid Leukemia and lung cancer). OncoCyte (NYSE American: OCX) is developing confirmatory diagnostic tests for lung cancer, breast cancer, and bladder cancer utilizing novel liquid biopsy technology. As of October 6, 2017, we owned 14,674,244 shares of OncoCyte common stock with a value of approximately $87.3 million and 21,747,569 shares of Asterias common stock with a value of approximately $72.9 million.

We also seek to leverage our substantial intellectual property portfolio by advancing early-stage programs. In January 2017 we formed AgeX Therapeutics, Inc., or AgeX, to continue development of early-stage programs. In August 2017 AgeX completed an asset acquisition and stock sale pursuant to which it received certain assets from us for use in its research and development programs and raised $10 million in cash to finance its operations. AgeX will focus on the development of regenerative medicine technologies targeting the diseases of aging and metabolic disorders. Its initial programs are focusing on utilizing brown adipose tissue ("brown fat") targeting diabetes and obesity, regenerative vascular progenitors for cardiovascular repair and our PureStem® technology with new discoveries in telomerase manipulation to create induced tissue regeneration (iTR). We now own approximately 85% of the issued and outstanding shares of AgeX common stock.

*Facial Aesthetics*

Renevia® consists of our cell-transplantation delivery matrix (HyStem®) combined with the patient's own adipose progenitor cells. As our lead facial aesthetics product, Renevia® is a potential treatment for HIV-associated facial lipoatrophy, a syndrome that occurs in HIV-infected patients who are being treated with antiretroviral medications. "Lipoatrophy" is another word for "fat loss" or "deficiency." Approximately 350,000 people in Europe have HIV-related lipoatrophy or facial wasting.

Renevia® met the primary endpoint in a pivotal clinical trial in Europe to assess its safety and efficacy in restoring normal skin contours in patients whose subcutaneous fat, or adipose tissue, has been lost due to the use of certain drugs often used to treat patients with HIV. In this pivotal clinical trial, we studied patients with HIV-associated lipoatrophy. All Renevia® transplants were well tolerated and there were no device-related serious adverse events noted in this pivotal clinical trial. The most common adverse events were gastrointestinal disorders, infections and infestations and general disorders and administration site conditions. The primary endpoint was the change in hemifacial volume at six months in the treated patients compared to patients in the delayed treatment arm as measured by 3-D photographic volumetric assessment. The 3-D volumetric endpoint directly measures retained volume over time.

We now have the remaining required data, secondary endpoints and safety report to complete the clinical data package necessary to file for a CE mark in Europe. The secondary endpoints, such as qualitative improvements, trended positive and support the statistically significant primary endpoint. Secondary data points were not powered for statistical significance, but positive trends were seen in both the Mid-Face Volume Deficit Scale and Body Image Quality of Life Inventory. We remain on track for filing the CE mark application by the end of this year with possible approval and launch next year.

We also see this trial as supportive of U.S. development of Renevia® for providing additional forms of facial volume restorations, whether from drugs, trauma or aging, which would be a much larger market opportunity. Developed as an alternative for traditional fat transfer procedures, Renevia® is designed to mimic the naturally-occurring extracellular matrix and provide a 3-D scaffold that enables effective cell transplant, engraftment and proliferation. Renevia® may address an immediate need in cosmetic and reconstructive surgeries and other procedures by improving the process of transplanting adipose fat derived cells or other cells. Cell types such as adipose stem cells obtained from a patient through liposuction can be transplanted back into the same patient at another location in the body, without the risk of rejection associated with the transplant of donor tissues.

Renevia® is also being developed with the goal of providing a natural, long-lasting improvement to the patient's skin contouring. It is estimated that the global facial aesthetics market was valued at $2.5 billion in 2013 and is expected to reach $5.4 billion by 2020. We believe there are approximately 460,000 procedures per year in which Renevia® could possibly be utilized apart from the current developed use as a potential treatment for HIV related facial lipoatrophy. In addition, in 2014 there were approximately one million augmentation or reconstruction surgical procedures performed in the United States. Such procedures include approximately 70,000 reimbursed facial fat transfer procedures and an estimated 500,000 cash pay facial fat transfer procedures, approximately 220,000 liposuction procedures, approximately 125,000 rhytidectomy procedures, and approximately 125,000 abdominoplasty procedures. In addition, we believe Renevia® may be able to serve as a premium alternative to dermal fillers, of which approximately 2.3 million procedures are performed in the United States per year. We believe Renevia® has the potential for better, long-lasting and more natural outcome than fillers by enabling the growth of new facial tissue. We recently announced that an investigator-led clinical trial has successfully treated its first patient in a study of Premvia™ as a carrier for stromal vascular fraction, or SVF, cells for the treatment of age-related volume loss in the face. This is the first clinical trial to study Premvia™ in a purely cosmetic application. The objective of this investigator-led clinical trial is to evaluate the safety and performance of Premvia™ as a carrier for autologous SVF in non-HIV patients. Premvia™ has 510(k) clearance in the U.S. for wound management, and, known as Renevia® in Europe, was the subject of the European pivotal clinical trial.

*Ophthalmology*

OpRegen® is our lead product candidate for ophthalmological disorders. It is a suspension of retinal pigment epithelial, or RPE, cells that are derived from pluripotent cells. RPE cells form the back lining of the retina, and

support the function of photoreceptors (rods and cones). RPE cells can be damaged and lost in various forms of retinal degeneration. The OpRegen® therapeutic approach is designed to replace damaged or lost RPE cells and possibly slow disease progression and/or preserve or restore visual function. It is currently in a Phase I/IIa clinical trial for the treatment of the dry form of age-related macular degeneration. AMD affects more than 30 million people worldwide and approximately 1.6 million people are newly diagnosed annually in the U.S. AMD is the leading cause of blindness in people over the age of 60. Approximately 90 percent of AMD patients suffer from the dry form, for which the U.S. Food and Drug Administration, or FDA, has not approved any therapies. Two approved therapies in Wet-AMD, Lucentis and Eylea, account for approximately $6.0 billion in worldwide sales in 2016.

The Data Safety Monitoring Board, or DSMB, has authorized us to move forward with enrollment for cohort 3. The DSMB is an independent group of medical experts closely monitoring the Phase I/IIa OpRegen® clinical trial. In cohort 3 we plan to treat patients at our current sites in Israel and at two U.S. sites. The administration of the implant in cohort 3 is being optimized for cell concentration and volume prior to cohort 4. In cohort 4, we plan to treat patients in earlier stages of the disease that are likely be the target patient population for the therapy.

We presented data from the Phase I/IIa clinical trial of OpRegen® at the Association for Research in Vision and Ophthalmology, or ARVO, annual meeting in May. The presentation reported clinical trial data from patients in the first two cohorts. Imaging analysis suggests the transplanted OpRegen cells remained in place (engrafted) even at the one year follow up and particularly uniquely in an area of the scar that was completely depleted of retinal pigment epithelium (RPE) because of the advanced stages of the disease. There was also possible evidence of a biological response with some areas appearing to show structural improvement (a thickening of the area of the neural retina above the scar) without any signs of retinal edema, a fluid build-up that can further compromise vision.

In February 2017, we expanded our ophthalmology portfolio through the acquisition of exclusive global rights to technology from the University of Pittsburgh through the execution of an exclusive license agreement. This technology allows the generation of three-dimensional laminated human retinal tissue derived from human pluripotent cells. This tissue contains all the cell types and layers of the human retina and has shown evidence of functional integration in proof of concept animal models for advanced retinal degeneration. The technology is being developed for implantation in patients to potentially treat or prevent a variety of retinal degenerative diseases.

*Cell and Drug Delivery*

In addition to Renevia®, we have two additional primary programs utilizing our proprietary HyStem® technology. HyStem®-BDNF is a preclinical development program for the delivery of recombinant human brain-derived neurotrophic factor, or BDNF, directly into the stroke cavity of patients with the goal of aiding in tissue repair and functional recovery. ReGlyde™ is in preclinical development as a device for viscosupplementation and a combination product for drug delivery in osteoarthritis, or OA. The viscosupplementation device program aims to administer ReGlyde™ directly into affected OA joints to provide joint lubrication to reduce pain and improve quality of life. The drug delivery programs seek to enable the sustained release of therapeutics in affected OA joints to slow or reverse disease progression, in addition to improving pain and joint function. Also included in our delivery platform is Premvia™, which is a HyStem® hydrogel formulation for the management of wounds including partial and full-thickness wounds, ulcers, tunneled/undermined wounds, surgical wounds, and burns. Premvia™ was cleared by the FDA via the 510(k) device pathway.

In addition to these programs, we are developing HyStem® product enhancements. Current efforts are focused on the development of a frozen liquid product format, which, if successful, will make significant improvements in end-user convenience.

**Our Subsidiaries and Our Affiliates**

In order to efficiently advance product candidates through the clinical trial process, we have historically created operating subsidiaries for each program and product line. Our management believes this approach has fostered an efficient use of resources and reduced shareholder dilution, especially during the early stages of development for therapeutic and non-therapeutic product lines, as compared to strategies commonly deployed by other companies in the biotechnology industry. As a result, we, with our subsidiaries and affiliates, have been able to develop multiple clinical-stage products rather than being dependent on a single product program. We and some of our subsidiaries and affiliates have also received substantial amounts of non-dilutive financial support from government and nonprofit organizations that are seeking, based on rigorous scientific review processes, to identify and accelerate the development of potential breakthroughs in the treatment of various major diseases.

More recently, as many of our programs are maturing, we have focused on simplifying our business, focusing on therapeutic development programs and increasing transparency. Simplification of our corporate structure and operations is important as it helps us focus on our high-priority activities, especially candidates in human clinical development. Simplification also helps us communicate more effectively to prospective investors, analysts and partners. Asterias and OncoCyte, our affiliates, have evolved into publicly traded companies with shares traded on the NYSE American.

In July 2017, we purchased all of the outstanding convertible notes and ordinary shares of Cell Cure Neurosciences Ltd., or Cell Cure, held by Hadasit Bio-Holdings Ltd., or HBL, a shareholder of Cell Cure that owned 21.2% of Cell Cure's issued and outstanding ordinary shares and substantially all of its outstanding convertible notes other than those held by us. On the same date, we also purchased all of the Cell Cure ordinary shares owned by Teva Pharmaceutical Industries Ltd., or Teva. Following the consummation of the transactions with HBL and Teva, we held 99.8% of the issued and outstanding ordinary shares of Cell Cure.

In August 2017 AgeX completed an asset acquisition and stock sale pursuant to which it received certain assets from us for use in its research and development programs and raised $10 million in cash to finance its operations. We own approximately 85% of the issued and outstanding shares of AgeX common stock.

The following table summarizes our subsidiaries and affiliates, their respective principal fields of business, our approximate percentage ownership, directly and through subsidiaries, as of October 6, 2017, and the country where their principal business is located:

| **Subsidiaries and Affiliates** | **Field of Business** | **BioTime Ownership** | **Country** |
|---|---|---|---|
| Cell Cure Neurosciences Ltd. | Products to treat age-related macular degeneration | 98.8%(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 | 82%(2) | USA |
| OncoCyte Corporation(3) | Cancer diagnostics | 47% | USA |
| OrthoCyte Corporation | Developing bone grafting products for orthopedic diseases and injuries | 99.8% | USA |
| ReCyte Therapeutics, Inc.(2) | 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 |
| Asterias Biotherapeutics, Inc.(4) | Therapeutic products derived from pluripotent cells, and immunotherapy products. Clinical programs include: AST-OPC1 for spinal cord injury, AST-VAC1 for acute myelogenous leukemia, and AST-VAC2 for non-small cell lung cancer | 43% | USA |
| AgeX Therapeutics, Inc. | Research and development relating to cell immortality and regenerative biology by developing products for the treatment of aging and age-related diseases | 85% | USA |

(1) Includes shares owned by us and ES Cell International Pte. Ltd. but does not include shares that would be owned by us, if we were to convert certain convertible debt into Cell Cure ordinary shares.

(2) Percentage directly owned by AgeX.

(3) As of February 17, 2017, we deconsolidated OncoCyte, and OncoCyte is no longer a subsidiary of ours as of that date, but remains an affiliate.

(4) Since the deconsolidation of Asterias in May 2016, Asterias is an affiliate.

We intend to continue to work on simplifying our corporate, financial and organizational structure to allow us to execute our objectives more efficiently, while also making it much easier for investors, and other external stakeholders, to better understand our company. Our purpose is to deliver therapies for significant unmet, or under-met, needs to patients, while creating value for our investors. We believe that we have several valuable assets within our company, our subsidiaries and our affiliates.

**Product Candidates of our Publicly-Traded Affiliates**

*Asterias - Therapeutic Products in Neurology and Oncology*

Asterias is presently focused on advancing three clinical-stage programs, which have the potential to address areas unmet medical need in the fields of neurology and oncology. Asterias' lead products are:

AST-OPC1, a therapy derived from pluripotent cells that is currently in a Phase I/IIa clinical trial for spinal cord injuries. The 12-month data showed 67% (4/6) of cohort 2 (AIS-A injuries administered 10 million AST-OPC1 cells) subjects have recovered 2 or more motor levels on at least one side through 12 months, which is more than double the rates of recovery seen in both matched historical controls and published data in a similar population. Also, the FDA granted Asterias' request for AST-OPC1 to be designated a Regenerative Medicine Advanced Therapy under the 21$^{st}$Century Cures Act;

AST-VAC1, a patient-specific cancer immunotherapy with promising Phase II clinical trial data in acute myeloid leukemia, or AML, indicating that AST-VAC1 was well-tolerated over multiple vaccinations; and

AST-VAC2, a non-patient specific cancer immunotherapy for which the initiation of a Phase I/IIa clinical trial in non-small cell lung cancer is planned for October 2017. In September 2017, the Medicines and Healthcare Products Regulatory Agency and the NHS Research Ethics Committee have provided the necessary approvals to initiate the first-in-human clinical trial of AST-VAC2 in the United Kingdom. The trial, which is being sponsored and managed by Cancer Research UK, will examine the safety, tolerability, immunogenicity and activity of AST-VAC2 in non-small cell lung cancer patients and is expected to be initiated later this year.

*OncoCyte - Liquid Biopsies for Diagnosis of Cancer*

OncoCyte is developing confirmatory diagnostic tests for lung cancer, breast cancer, and bladder cancer utilizing novel liquid biopsy technology. While current biopsy tests use invasive surgical procedures to provide tissue samples to determine if a tumor is benign or malignant, OncoCyte is developing a next generation of diagnostic tests that will

be based on liquid biopsies using blood or urine samples. OncoCyte recently conducted a 300-patient study of its lung cancer test. In March 2017, OncoCyte announced the successful completion of the study. In September 2017, OncoCyte announced that its CLIA laboratory has successfully completed a rigorous validation study of DetermaVu™, OncoCyte's diagnostic test for lung cancer. The CLIA lab validation study included specific protocols to confirm the accuracy, reproducibility, and precision/repeatability of DetermaVu™.

The Clinical Validation Study is underway and is expected to be completed in the fourth quarter of 2017. In this study, approximately 300 new blinded blood samples, which have been prospectively collected will be assayed in the CLIA lab using DetermaVu™. The performance of the test will be assessed against the clinical diagnosis of the patients from whom the samples were collected. If the Clinical Validation Study is successful and the results meet commercial requirements, OncoCyte expects to commence the commercial launch of DetermaVu™.

**Product and Product Candidate Pipeline**

In addition to the product candidates described above, together with our subsidiaries and affiliates, we are advancing a robust pipeline which includes the following additional programs:

We have a regenerative medicine orthopedic program that is a collaboration between our subsidiary OrthoCyte Corporation and Heraeus Medical GmbH. The companies are developing innovative bone grafting therapies to address difficult to heal and/or compromised bone fractures based on the use of our proprietary PureStem ® human embryonic progenitor cell technology.

Our subsidiary LifeMap Sciences, Inc., or LifeMap, is currently developing and marketing technology healthcare solutions, such as an integrated online database and other software research tools for biomedical and stem cell research.

cGMP-compliant human embryonic stem cell lines are available for research and clinical studies through our subsidiary ES Cell.

Hextend®, our FDA-approved blood plasma expander, is marketed in collaboration with Hospira, Inc. in the United States and under an agreement with CJ Corporation in South Korea.

**Recent Developments**

***Preliminary Unaudited Third Quarter 2017 Financial Expectations***

On a preliminary unaudited basis, we expect our cash and cash equivalents as of September 30, 2017 to be approximately $16.7 million. This estimate of cash and cash equivalents is our preliminary estimate based on currently available information. It does not present all necessary information for an understanding of our financial condition as of September 30, 2017 or our results of operations for the three months ended September 30, 2017. As we complete our quarter-end financial close process and finalize our third quarter 2017 unaudited financial statements, we will be required to make significant judgments in a number of areas that may result in a the estimate provided herein being different than the final audited financial information. This preliminary estimate has been prepared by and is the responsibility of our management. Our independent registered public accounting firm has not audited, reviewed or performed any procedures with respect to this preliminary estimate or the accounting treatment thereof and does not express an opinion or any other form of assurance with respect thereto. We expect to complete our unaudited financial statements for the quarter ended September 30, 2017 subsequent to the completion of this offering. It is possible that we or our independent registered public accounting firm may identify items that require us to make adjustments to the preliminary estimated cash balance set forth above and those changes could be material. Accordingly, undue reliance

should not be placed on this preliminary estimate. The preliminary estimate is not necessarily indicative of any future period and should be read together with the sections titled “Risk Factors,” “Disclosure Regarding Forward-Looking Statements,” and our financial statements, related notes and other financial information incorporated by reference in this prospectus supplement.

Company Information

We were incorporated in the State of California on November 30, 1990. Our common stock is listed on the NYSE American and the Tel Aviv Stock Exchange under the symbol “BTX.” The address of our principal executive office is 1010 Atlantic Avenue, Suite 102, Alameda, California 94501, and our phone number at that address is 510-521-3390. Our corporate website address is www.biotimeinc.com. The information contained on our website is not a part of, and should not be construed as being incorporated by reference into, this prospectus supplement.

**THE OFFERING**

| | |
|---|---|
| **Common stock offered** | 9,615,385 shares |
| **Underwriters' over allotment option** | 1,442,308 shares |
| **Offering Price** | $2.60 |
| **Common stock to be outstanding after this offering** | 120,490,995 shares (or 121,933,303 shares if the underwriters exercise their option to purchase additional shares in full) |
| **Use of proceeds** | We intend to use the net proceeds from this offering for general corporate purposes, including, without limitation, to fund clinical trials, research and development activities and for general working capital. See "Use of Proceeds" on page S-22. |
| **Risk factors** | See "Risk Factors" beginning on S-8 of this prospectus supplement for a discussion of factors you should consider carefully before investing in our common stock. |

**NYSE American Symbol** "BTX"

Certain of our existing significant shareholders, Broadwood Partners, L.P. and Broadwood Capital, Inc., both of which are affiliated with Neal Bradsher, a member of our Board of Directors, have agreed to purchase 2,692,307 shares of our common stock in this offering at the public offering price of $2.60 per share.

Unless we indicate otherwise, all information in this prospectus supplement is based on 110,875,610 shares of common stock outstanding as of June 30, 2017, and excludes:

9,394,862 shares of common stock that may be issued upon exercise of warrants, at a weighted average exercise price of $4.55 per share;

7,868,187 shares of common stock that may be issued upon exercise of options under our 2002 Stock Option Plan and our 2012 Equity Incentive Plan, with a weighted average exercise price of $3.49 per share;

75,000 restricted stock units issued to our executive officers under our 2012 Equity Incentive Plan; and

7,795,006 shares of common stock available for future issuance under our 2002 Stock Option Plan and our 2012 Equity Incentive Plan.

In addition, as of June 30, 2017, up to $25.0 million of common stock may be issued pursuant to our Controlled Equity Offering℠ Sales Agreement with Cantor Fitzgerald & Co., provided that no common stock may be issued prior to the expiration of the 90-day lock-up period following this offering.

Unless otherwise indicated, all information in this prospectus supplement assumes no exercise by the underwriters of their option to purchase additional shares of our common stock and no exercise of outstanding stock options or warrants.

**RISK FACTORS**

*Investing in our common stock involves risk. Before deciding whether to invest in our shares of common stock, you should consider carefully the risks and uncertainties described below and discussed under the section titled "Risk Factors" on page 5 of the accompanying prospectus. There may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that could have material adverse effects on our future results. If any of these risks actually occurs, our business, business prospects, financial condition or results of operations could be seriously harmed. This could cause the trading price of our shares of common stock to decline, resulting in a loss of all or part of your investment. Please also read carefully the section below titled "Disclosure Regarding Forward-Looking Statements."*

Risks Related to This Offering

Investors in our common shares will experience immediate and substantial dilution in the book value per share of the shares of common stock purchased in this offering and may experience further dilution in the future.

The public offering price of the common stock offered pursuant to this prospectus supplement is substantially higher than the net tangible book value per share of our common stock. Therefore, purchasers of shares of common stock in this offering will incur immediate and substantial dilution in the pro forma net tangible book value per share of common stock from the public offering price per share of $2.60. See the section titled "Dilution" below for a more detailed discussion of the dilution investors in this offering will incur if they purchase shares in this offering.

***The exercise of outstanding stock options would cause additional dilution, which could cause the price of our common stock to decline.***

We also expect to continue to utilize equity-based compensation including warrants and options to acquire shares of our common stock. As of June 30, 2017, there were 9,394,862 shares of common stock issuable upon exercise of warrants at a weighted average exercise price of $4.55 per share, 7,868,187 shares of common stock issuable upon exercise of options under our 2002 Stock Option Plan and our 2012 Equity Incentive Plan with a weighted average exercise price of $3.49 per share, 75,000 shares of common stock issuable upon vesting of restricted stock units and 7,795,006 shares of common stock available for future issuance under our 2002 Stock Option Plan and our 2012 Equity Incentive Plan. To the extent any warrants or options are exercised or if we issue additional stock options, warrants and other types of equity in the future as part of stock-based compensation, capital raising transactions, financings or other strategic transactions in the future, investors may experience further dilution.

Investors in our common shares may experience dilution of their ownership interests as a result of potential future issuances of additional common shares and preferred shares by us and our subsidiaries.

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

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

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

Future sales of substantial amounts of our common stock could adversely affect the market price of our common stock.

We may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. If additional capital is raised through the sale of equity or convertible debt securities, or perceptions that those sales could occur, the issuance of these securities could result in further dilution to investors purchasing our common stock in this offering or result in downward pressure on the price of our common stock, and our ability to raise capital in the future. Furthermore, certain of our existing shareh