SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2017

_____

BioLineRx Ltd.

(Translation of Registrant's name into English)

_____

2 HaMa'ayan Street
Modi'in 7177871, Israel
(Address of Principal Executive Offices)

_____

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☑ Form 40-F ☐

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes ☐ No ☑

On August 8, 2017, the Registrant will issue a press release announcing its financial results for the three and six months ended June 30, 2017. The Registrant is also publishing its unaudited interim consolidated financial statements, as well as its operating and financial review, as of June 30, 2017, and for the three and six months then ended. Attached hereto are the following exhibits:

Exhibit 1: Registrant's press release dated August 8, 2017;

Exhibit 2: Registrant's condensed consolidated interim financial statements as of June 30, 2017, and for the three and six months and then ended;

Exhibit 3 - Registrant's operating and financial review as of June 30, 2017, and for the three and six months then ended.

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.

BioLineRx Ltd.

By: /s/ Philip Serlin
Philip Serlin
Chief Executive Officer

Dated: August 8, 2017

Exhibit 1

BioLineRx Reports Second Quarter 2017 Financial Results

Tel Aviv, Israel, August 8, 2017 – BioLineRx Ltd. (NASDAQ/TASE: BLRX), a clinical-stage biopharmaceutical company focused on oncology and immunology, today reports its financial results for the second quarter ended June 30, 2017.

Highlights and achievements during the second quarter 2017 and to date:

Continued execution on multiple clinical development programs for the Company's lead project, BL-8040:

Announced plans to initiate Phase 3 pivotal study with BL-8040 as novel stem cell mobilization treatment for autologous bone-marrow transplantation in H2 2017, following successful meeting with the FDA;

Reported regulatory submissions of three Phase 1b/2 trials for BL-8040 in combination with atezolizumab, Genentech's anti-PDL1 cancer immunotherapy agent, in pancreatic, gastric and non-small cell lung cancers, under immunotherapy collaboration with Genentech, a member of the Roche Group. All three studies will be conducted as part of MORPHEUS, Roche's Novel Cancer Immunotherapy Development Platform, and are expected to commence in H2 2017;

Reported filing of regulatory submissions to commence Phase 1b/2 trial for BL-8040 in combination with Genentech's atezolizumab in acute myeloid leukemia (AML), to be led by BioLineRx. This study is expected to commence in H2 2017;

Announced initiation of first Phase 1b/2 trial under immunotherapy collaboration with Genentech - in pancreatic cancer;

The Company also announced an additional, direct investment by BVF Partners, L.P., its largest shareholder, increasing its economic interest in the Company to 24.9%. The $9.6 million investment was priced at $1.13 per unit, each unit consisting of 1 ordinary share, 0.35 of Series A warrant with an exercise price of $2.00 per share, and 0.35 of Series B warrant with an exercise price of $4.00 per share. The warrants are exercisable for a period of 4 years.

Expected significant upcoming milestones for 2017 and 2018:

- Partial results from immuno-oncology Phase 2a study in pancreatic cancer for BL-8040 in combination with Merck's KEYTRUDA® expected in H2 2017; top line results expected in H2 2018;
- Initiation of Phase 3 pivotal study for BL-8040 in stem-cell mobilization for autologous transplantation planned for H2 2017;
- Initiation of Phase 1b/2 immuno-oncology studies for BL-8040 in combination with Genentech's atezolizumab in gastric cancer and non-small cell lung cancer, as well as AML, all expected in H2 2017; partial results expected in H2 2018;
- Initiation of Phase 1 immuno-oncology study for AGI-134 in several solid tumor indications expected in H1 2018;
- Top-line results of Phase 2 study for BL-8040 in stem-cell mobilization for allogeneic transplantation expected by mid-2018.

Philip A. Serlin, Chief Executive Officer of BioLineRx, remarked, "We are pleased to report second quarter-to-date activities that reinforce our focus to deliver on our objectives. This included timely initiation of our cancer immunotherapy collaboration with Genentech for pancreatic cancer, as well as regulatory advancements for additional indications in other solid tumors, AML, and stem cell mobilization. Thus, by the end of the year, we remain poised to have one Phase 3 and seven Phase 2 or 1b/2 clinical trials up and running, in addition to announcing partial results in our Phase 2 study in pancreatic cancer under our immunotherapy collaboration with Merck."

"We are also pleased to have received a strong vote of confidence from BVF Partners last month. The $9.6 million direct investment we received will allow us to accelerate the development of our clinical programs. With over $60 million in cash on a pro forma basis, including BVF's investment, as of June 30th, we have a strong balance sheet which will enable us to fully execute on our current operating plans," Mr. Serlin concluded.

Financial Results for the Second Quarter Ended June 30, 2017

Research and development expenses for the three months ended June 30, 2017 were $4.0 million, an increase of $1.3 million, or 48.2%, compared to $2.7 million for the three months ended June 30, 2016. The increase resulted primarily from spending on AGI-134 and BL-8040 in the 2017 period. Research and development expenses for the six months ended June 30, 2017 were $7.7 million, an increase of $2.4 million, or 45.0%, compared to $5.3 million for the six months ended June 30, 2016. The reason for the increase is the same as that presented in the three-month comparison above.

Sales and marketing expenses for the three months ended June 30, 2017 were $0.3 million, similar to the comparable period in 2016. Sales and marketing expenses for the six months ended June 30, 2017 were $1.0 million, an increase of $0.5 million, or 86.3%, compared to $0.5 million for the six months ended June 30, 2016. The increase resulted primarily from market research activities and one-time professional fees related to business development activities.

General and administrative expenses for the three months ended June 30, 2017 were $0.8 million, similar to the comparable period in 2016. General and administrative expenses for the six months ended June 30, 2017 were $1.8 million, similar to the comparable period in 2016.

The Company's operating loss for the three months ended June 30, 2017 amounted to $5.2 million, compared with an operating loss of $3.9 million for the corresponding 2016 period. The Company's operating loss for the six months ended June 30, 2017 amounted to $10.5 million, compared with an operating loss of $7.6 million for the corresponding 2016 period.

Non-operating income (expenses) for the three and six months ended June 30, 2017 and 2016 were not material, and primarily relate to fair-value adjustments of warrant liabilities on the balance sheet.

Net financial income amounted to $0.3 million for the three months ended June 30, 2017 compared to net financial income of $0.1 million for the three months ended June 30, 2016. Net financial income amounted to $0.8 million for the six months ended June 30, 2017 compared to net financial income of $0.2 million for the six months ended June 30, 2016. The increase in net financial income relates primarily to gains recorded on foreign currency hedging transactions and investment income earned on our bank deposits.

The Company's net loss for the three months ended June 30, 2017 amounted to $4.9 million, compared with a net loss of $3.7 million for the corresponding 2016 period. The Company's net loss for the six months ended June 30, 2017 amounted to $9.8 million, compared with a net loss of $7.2 million for the corresponding 2016 period.

The Company held $52.6 million in cash, cash equivalents and short-term bank deposits as of June 30, 2017. In July 2017, the Company completed a direct placement of its securities for net proceeds of $9.5 million.

Net cash used in operating activities was $8.0 million for the six months ended June 30, 2017, compared with net cash used in operating activities of $7.5 million for the six months ended June 30, 2016. The $0.5 million increase in net cash used in operating activities during the six-month period in 2017, compared to the six-month period in 2016, was primarily the result of an increase in the Company's operating loss in the 2017 period.

Net cash used in investing activities for the six months ended June 30, 2017 was $16.0 million, compared to net cash provided by investing activities of $4.2 million for the six months ended June 30, 2016. The changes in cash flows from investing activities relate primarily to investments in, and maturities of, short-term bank deposits, as well as the investment in Agalimmune.

Net cash provided by financing activities for the six months ended June 30, 2017 was $28.3 million, compared to net cash provided by financing activities of $1.6 million for the six months ended June 30, 2016. The increase in cash flows from financing activities primarily reflects the public offering completed in April 2017.

Conference Call and Webcast Information

BioLineRx will hold a conference call today, August 8, 2017, at 10:00 a.m. EDT. To access the conference call, please dial 1-888-668-9141 from the U.S. or +972-3-918-0609 internationally. The call will also be available via webcast and can be accessed through the Investor Relations page of BioLineRx's website. Please allow extra time prior to the call to visit the site and download any necessary software to listen to the live broadcast.

A replay of the conference call will be available approximately two hours after completion of the live conference call at the Investor Relations page of BioLineRx's website. A dial-in replay of the call will be available until August 11, 2017; please dial 1-877-456-0009 from the U.S. or +972-3-925-5946 internationally.

(Tables follow)

About BioLineRx

BioLineRx is a clinical-stage biopharmaceutical company focused on oncology and immunology. The Company in-licenses novel compounds, develops them through pre-clinical and/or clinical stages, and then partners with pharmaceutical companies for advanced clinical development and/or commercialization.

BioLineRx's leading therapeutic candidates are: BL-8040, a cancer therapy platform, which has successfully completed a Phase 2a study for relapsed/refractory acute myeloid leukemia (AML), is in the midst of a Phase 2b study as an AML consolidation treatment and a Phase 1b/2 study in pancreatic cancer, and is expected to initiate a Phase 3 study in stem cell mobilization for autologous transplantation; and AGI-134, an immunotherapy treatment in development for multiple solid tumors, which is expected to initiate a first-in-man study in the first half of 2018. In addition, BioLineRx has a strategic collaboration with Novartis Pharma AG for the co-development of selected Israeli-sourced novel drug candidates; a collaboration agreement with MSD (known as Merck in the US and Canada), on the basis of which the Company has initiated a Phase 2a study in pancreatic cancer using the combination of BL-8040 and Merck's KEYTRUDA®; and a collaboration agreement with Genentech Inc., a member of the Roche Group, to investigate the combination of BL-8040 and Genentech's atezolizumab in several Phase 1b/2 studies for multiple solid tumor indications and AML.

For additional information on BioLineRx, please visit the Company's website at www.biolinerx.com, where you can review the Company's SEC filings, press releases, announcements and events. BioLineRx industry updates are also regularly updated on Facebook, Twitter, and LinkedIn.

Various statements in this release concerning BioLineRx's future expectations constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include words such as "may," "expects," "anticipates," "believes," and "intends," and describe opinions about future events. These forward-looking statements involve known and unknown risks and uncertainties that may cause the actual results, performance or achievements of BioLineRx to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Some of these risks are: changes in relationships with collaborators; the impact of competitive products and technological changes; risks relating to the development of new products; and the ability to implement technological improvements. These and other factors are more fully discussed in the "Risk Factors" section of BioLineRx's most recent annual report on Form 20-F filed with the Securities and Exchange Commission on March 23, 2017. In addition, any forward-looking statements represent BioLineRx's views only as of the date of this release and should not be relied upon as representing its views as of any subsequent date. BioLineRx does not assume any obligation to update any forward-looking statements unless required by law.

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BioLineRx Ltd.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

	December 31, 2016	June 30, 2017
	in USD thousands	
Assets		
CURRENT ASSETS		
Cash and cash equivalents	2,469	6,946
Short-term bank deposits	33,154	45,616
Prepaid expenses	255	560
Other receivables	223	541
Total current assets	36,101	53,663
NON-CURRENT ASSETS		
Long-term prepaid expenses	52	53
Property and equipment, net	2,605	2,463
Intangible assets, net	181	6,869
Total non-current assets	2,838	9,385
Total assets	38,939	63,048
Liabilities and equity		
CURRENT LIABILITIES		
Current maturities of long-term bank loan	93	93
Accounts payable and accruals:		
Trade	2,590	4,262
Other	978	1,059
Total current liabilities	3,661	5,414
NON-CURRENT LIABILITIES		
Long-term bank loan, net of current maturities	250	203
Warrants	1	1
Total non-current liabilities	251	204
COMMITMENTS AND CONTINGENT LIABILITIES		
Total liabilities	3,912	5,618
EQUITY		
Ordinary shares	1,513	2,570
Share premium	199,567	231,368
Other comprehensive loss	(1,416)	(1,416)
Capital reserve	10,569	9,866
Accumulated deficit	(175,206)	(184,958)
Total equity	35,027	57,430
Total liabilities and equity	38,939	63,048

BioLineRx Ltd.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(UNAUDITED)

	Three months ended June 30,		Six months ended June 30,	
	2016	2017	2016	2017
	in USD thousands		in USD thousands	
RESEARCH AND DEVELOPMENT EXPENSES	(2,740)	(4,062)	(5,279)	(7,652)
SALES AND MARKETING EXPENSES	(272)	(288)	(520)	(969)
GENERAL AND ADMINISTRATIVE EXPENSES	(854)	(844)	(1,843)	(1,874)
OPERATING LOSS	(3,866)	(5,194)	(7,642)	(10,495)
NON-OPERATING INCOME (EXPENSES)	48	(4)	196	(9)
FINANCIAL INCOME	88	304	232	761
FINANCIAL EXPENSES	(5)	(3)	(9)	(9)
NET LOSS AND COMPREHENSIVE LOSS	(3,735)	(4,897)	(7,223)	(9,752)
	in USD		in USD	
LOSS PER ORDINARY SHARE - BASIC AND DILUTED	(0.07)	(0.05)	(0.13)	(0.13)
WEIGHTED AVERAGE NUMBER OF SHARES USED IN CALCULATION OF LOSS PER ORDINARY SHARE	56,423,601	94,487,470	55,651,371	76,571,351

BioLineRx Ltd.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

(UNAUDITED)

	Ordinary shares	Share premium	Other reserves	Capital reserve	Accumulated deficit	Total
	in USD thousands					
BALANCE AT JANUARY 1, 2016	1,455	196,201	(1,416)	10,735	(159,365)	47,610
CHANGES FOR SIX MONTHS ENDED JUNE 30, 2016:						
Issuance of share capital, net	4	1,591	-	-	-	1,595
Employee stock options forfeited and expired	-	66	-	(66)	-	-
Share-based compensation	-	-	-	582	-	582
Comprehensive loss for the period	-	-	-	-	(7,223)	(7,223)
BALANCE AT JUNE 30, 2016	1,459	197,858	(1,416)	11,251	(166,588)	42,564

	Ordinary shares	Share premium	Other reserves	Capital reserve	Accumulated deficit	Total
	in USD thousands					
BALANCE AT JANUARY 1, 2017	1,513	199,567	(1,416)	10,569	(175,206)	35,027
CHANGES FOR SIX MONTHS ENDED JUNE 30, 2017:						
Issuance of share capital, net	1,056	30,241	-	-	-	31,297
Employee stock options exercised	1	320	-	(321)	-	-
Employee stock options forfeited and expired	-	1,240	-	(1,240)	-	-
Share-based compensation	-	-	-	858	-	858
Comprehensive loss for the period	-	-	-	-	(9,752)	(9,752)
BALANCE AT JUNE 30, 2017	2,570	231,368	(1,416)	9,866	(184,958)	57,430

BioLineRx Ltd.

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENTS

(UNAUDITED)

	Six months ended June 30,	
	2016	2017
	in USD thousands	
CASH FLOWS - OPERATING ACTIVITIES		
Comprehensive loss for the period	(7,223)	(9,752)
Adjustments required to reflect net cash used in operating activities (see appendix below)	(223)	1,746
Net cash used in operating activities	(7,446)	(8,006)
CASH FLOWS - INVESTING ACTIVITIES		
Investments in short-term deposits	(19,804)	(36,422)
Maturities of short-term deposits	24,182	24,233
Purchase of property and equipment	(164)	(90)
Purchase of intangible assets	(24)	(3,721)
Net cash provided by (used in) investing activities	4,190	(16,000)
CASH FLOWS - FINANCING ACTIVITIES		
Issuances of share capital, net	1,595	28,312
Repayments of bank loan	(48)	(47)
Net cash provided by financing activities	1,547	28,265
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,709)	4,259
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	5,544	2,469
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS	42	218
CASH AND CASH EQUIVALENTS - END OF PERIOD	3,877	6,946

BioLineRx Ltd.

APPENDIX TO CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENTS

(UNAUDITED)

	Six months ended June 30,	
	2016	2017
	in USD thousands	
Adjustments required to reflect net cash used in operating activities:		
Income and expenses not involving cash flows:		
Depreciation and amortization	245	250
Long-term prepaid expenses	4	(1)
Interest and exchange rate differences on short-term deposits	(204)	(273)
Share-based compensation	582	858
Exchange differences on cash and cash equivalents	(42)	(218)
Gain on adjustment of warrants to fair value	(193)	-
	392	616
Changes in operating asset and liability items:		
Increase in prepaid expenses and other receivables	(352)	(623)
Increase (decrease) in accounts payable and accruals	(263)	1,753
	(615)	1,130
	(223)	1,746
Supplementary information on interest received in cash	192	258
Supplementary non-cash investment (see Note 4b)		2,985

Exhibit 2

BioLineRx Ltd.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
AS OF JUNE 30, 2017

BioLineRx Ltd.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(UNAUDITED)

AS OF JUNE 30, 2017

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BioLineRx Ltd.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(UNAUDITED)

	December 31, 2016	June 30, 2017
	in USD thousands	
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CURRENT ASSETS		
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Prepaid expenses	255	560
Other receivables	223	541
Total current assets	36,101	53,663
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Long-term prepaid expenses	52	53
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Intangible assets, net	181	6,869
Total non-current assets	2,838	9,385
Total assets	38,939	63,048
Liabilities and equity		
CURRENT LIABILITIES		
Current maturities of long-term bank loan	93	93
Accounts payable and accruals:		
Trade	2,590	4,262
Other	978	1,059
Total current liabilities	3,661	5,414
NON-CURRENT LIABILITIES		
Long-term bank loan, net of current maturities	250	203
Warrants	1	1
Total non-current liabilities	251	204
COMMITMENTS AND CONTINGENT LIABILITIES		
Total liabilities	3,912	5,618
EQUITY		
Ordinary shares	1,513	2,570
Share premium	199,567	231,368
Other comprehensive loss	(1,416)	(1,416)
Capital reserve	10,569	9,866
Accumulated deficit	(175,206)	(184,958)
Total equity	35,027	57,430
Total liabilities and equity	38,939	63,048

The accompanying notes are an integral part of these condensed financial statements.

BioLineRx Ltd.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(UNAUDITED)

	Three months ended June 30,		Six months ended June 30,	
	2016	2017	2016	2017
	in USD thousands		in USD thousands	
RESEARCH AND DEVELOPMENT EXPENSES	(2,740)	(4,062)	(5,279)	(7,652)
SALES AND MARKETING EXPENSES	(272)	(288)	(520)	(969)
GENERAL AND ADMINISTRATIVE EXPENSES	(854)	(844)	(1,843)	(1,874)
OPERATING LOSS	(3,866)	(5,194)	(7,642)	(10,495)
NON-OPERATING INCOME (EXPENSES)	48	(4)	196	(9)
FINANCIAL INCOME	88	304	232	761
FINANCIAL EXPENSES	(5)	(3)	(9)	(9)
NET LOSS AND COMPREHENSIVE LOSS	(3,735)	(4,897)	(7,223)	(9,752)
	in USD		in USD	
LOSS PER ORDINARY SHARE - BASIC AND DILUTED	(0.07)	(0.05)	(0.13)	(0.13)
WEIGHTED AVERAGE NUMBER OF SHARES USED IN CALCULATION OF LOSS PER ORDINARY SHARE	56,423,601	94,487,470	55,651,371	76,571,351

The accompanying notes are an integral part of these condensed financial statements.

BioLineRx Ltd.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

(UNAUDITED)

	Ordinary shares	Share premium	Other reserves	Capital reserve	Accumulated deficit	Total
	in USD thousands					
BALANCE AT JANUARY 1, 2016	1,455	196,201	(1,416)	10,735	(159,365)	47,610
CHANGES FOR SIX MONTHS ENDED JUNE 30, 2016:						
Issuance of share capital, net	4	1,591	-	-	-	1,595
Employee stock options forfeited and expired	-	66	-	(66)	-	-
Share-based compensation	-	-	-	582	-	582
Comprehensive loss for the period	-	-	-	-	(7,223)	(7,223)
BALANCE AT JUNE 30, 2016	1,459	197,858	(1,416)	11,251	(166,588)	42,564

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Issuance of share capital, net	1,056	30,241	-	-	-	31,297
Employee stock options exercised	1	320	-	(321)	-	-
Employee stock options forfeited and expired	-	1,240	-	(1,240)	-	-
Share-based compensation	-	-	-	858	-	858
Comprehensive loss for the period	-	-	-	-	(9,752)	(9,752)
BALANCE AT JUNE 30, 2017	2,570	231,368	(1,416)	9,866	(184,958)	57,430

The accompanying notes are an integral part of these condensed financial statements.

BioLineRx Ltd.
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENTS
(UNAUDITED)

	Six months ended June 30,	
	2016	2017
	in USD thousands	
CASH FLOWS - OPERATING ACTIVITIES		
Comprehensive loss for the period	(7,223)	(9,752)
Adjustments required to reflect net cash used in operating activities (see appendix below)	(223)	1,746
Net cash used in operating activities	(7,446)	(8,006)
CASH FLOWS - INVESTING ACTIVITIES		
Investments in short-term deposits	(19,804)	(36,422)
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CASH AND CASH EQUIVALENTS - END OF PERIOD	3,877	6,946

The accompanying notes are an integral part of the financial statements.

BioLineRx Ltd.
APPENDIX TO CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENTS
(UNAUDITED)

	Six months ended June 30,	
	2016	2017
	in USD thousands	
Adjustments required to reflect net cash used in operating activities:		
Income and expenses not involving cash flows:		
Depreciation and amortization	245	250
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Increase (decrease) in accounts payable and accruals	(263)	1,753
	(615)	1,130
	(223)	1,746
Supplementary information on interest received in cash	192	258
Supplementary non-cash investment (see Note 4b)		2,985

The accompanying notes are an integral part of the financial statements.

NOTE 1 – GENERAL INFORMATION

a. General

BioLineRx Ltd. ("BioLineRx"), headquartered in Modi'in, Israel, was incorporated and commenced operations in April 2003. BioLineRx and its subsidiaries (collectively, the "Company") are engaged in the development of therapeutics, from pre-clinical development to advanced clinical trials, primarily in the fields of oncology and immunology.

In February 2007, BioLineRx listed its ordinary shares on the Tel Aviv Stock Exchange ("TASE") and they have been traded on the TASE since that time. Since July 2011, BioLineRx's American Depositary Shares ("ADSs") have also been traded on the NASDAQ Capital Market.

In March 2017, the Company acquired Agalimmune Ltd. ("Agalimmune"), a privately-held company incorporated in the United Kingdom, with a focus on the field of immuno-oncology. See Notes 4b and 6.

The Company has been engaged in drug development since its incorporation. Although the Company has generated significant revenues from a number of out-licensing transactions in the past, the Company cannot determine with reasonable certainty when and if it will have sustainable profits.

b. Approval of financial statements

The condensed consolidated interim financial statements of the Company as of June 30, 2017, and for the three and six months then ended, were approved by the Board of Directors on August 7, 2017, and signed on its behalf by the Chairman of the Board, the Chief Executive Officer and the Chief Financial Officer.

NOTE 2 – BASIS OF PREPARATION

The Company's condensed consolidated interim financial statements as of June 30, 2017 and for the three and six months then ended (the "interim financial statements") have been prepared in accordance with International Accounting Standard No. 34, "Interim Financial Reporting" ("IAS 34"). These interim financial statements, which are unaudited, do not include all disclosures necessary for a fair statement of financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. The condensed consolidated interim financial statements should be read in conjunction with the Company's annual financial statements as of December 31, 2016 and for the year then ended and their accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The results of operations for the three and six months ended June 30, 2017 are not necessarily indicative of the results that may be expected for the entire fiscal year or for any other interim period.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and calculation methods applied in the preparation of the interim financial statements are consistent with those applied in the preparation of the annual financial statements as of December 31, 2016 and for the year then ended.

NOTE 4 – ISSUANCES OF SHARE CAPITAL

a. Share purchase agreement with Lincoln Park Capital

In May 2014, BioLineRx and Lincoln Park Capital Fund ("LPC"), entered into a $20 million, 36-month purchase agreement, whereby LPC agreed to purchase, from time to time, up to $20 million of BioLineRx's ADSs, subject to certain limitations, during the 36-month term of the purchase agreement.

During the six months ended June 30, 2017, BioLineRx issued a total of 2,124,952 ADSs to LPC for aggregate gross proceeds of $2,130,000. In connection with these issuances, a total of 53,124 ADSs was issued to LPC as a commitment fee and a total of $43,000 was paid to Oberon Securities as a finder's fee. On a cumulative basis, from the effective date of the purchase agreement through the date of these financial statements, BioLineRx has sold a total of 5,550,603 ADSs to LPC for aggregate gross proceeds of $7,000,000. In connection with these issuances, a total of 138,766 ADSs were issued to LPC as a commitment fee and a total of $140,000 was paid to Oberon Securities as a finder's fee. The purchase agreement with LPC expired in accordance with its terms on July 1, 2017.

b. Share issuance to Agalimmune shareholders

In March 2017, in connection with the Agalimmune acquisition, the Company issued 2,550,935 ADSs to the shareholders of Agalimmune. See Note 6.

c. Underwritten public offering

In April 2017, the Company completed an underwritten public offering of approximately 33.8 million ADSs at a public offering price of $0.85 per ADS. The offering raised a total of $28.8 million, with net proceeds of approximately $26.2 million, after deducting fees and expenses.

NOTE 5 – SHAREHOLDERS' EQUITY

As of December 31, 2016 and June 30, 2017, share capital is composed of ordinary shares, as follows:

	Number of ordinary shares	
	December 31, 2016	June 30, 2017
Authorized share capital	150,000,000	150,000,000
Issued and paid-up share capital	57,033,355	95,617,620

	In USD and NIS	
	December 31, 2016	June 30, 2017
Authorized share capital (in NIS)	15,000,000	15,000,000
Issued and paid-up share capital (in NIS)	5,703,336	9,561,762
Issued and paid-up share capital (in USD)	1,513,294	2,570,225

NOTE 6 – AGALIMMUNE ACQUISITION

In March 2017, the Company acquired substantially all the outstanding shares of Agalimmune Ltd. for initial consideration of approximately $6.0 million, of which $3.0 million was in cash and the remainder in the Company's ADSs. The acquisition expanded the Company's pipeline to include Agalimmune's primary asset, AGI-134, a novel immuno-oncology agent for various cancer indications at the near-clinical stage of development. Due in part to the early stage of AGI-134 and other elements evaluated by the Company's management as required by IFRS, the acquisition has been accounted for in the Company's financial statements as an asset transaction. Total costs associated with bringing the asset into the Company's pipeline include additional expenses of approximately $0.7 million, resulting in a total increase in intangibles reflected in the Company's financial statements of approximately $6.7 million as of June 30, 2017.

Additional consideration may be due to Agalimmune shareholders based on certain development and commercial milestones, including future sales of Agalimmune products.

NOTE 7 – EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

In July 2017, the Company completed a direct placement to BVF Partners L.P., its largest shareholder, for aggregate gross proceeds of $9.6 million. The placement consisted of 8,495,575 ADSs, Series A warrants to purchase an additional 2,973,451 ADSs and Series B warrants to purchase an additional 2,973,451 ADSs. The Series A warrants have an exercise price of $2.00 per ADS and are exercisable for a term of four years. The Series B warrants have an exercise price of $4.00 per ADS and are also exercisable for a term of four years. Net proceeds from the transaction were approximately $9.5 million, after deducting fees and expenses.

Exhibit 3

OPERATING AND FINANCIAL REVIEW

You should read the following discussion of our operating and financial condition and prospects in conjunction with the financial statements and the notes thereto included elsewhere in this 6-K, as well as in our Annual Report on Form 20-F filed on March 23, 2017 (the "Annual Report").

Forward Looking Statements

The following discussion contains "forward-looking statements," including statements regarding expectations, beliefs, intentions or strategies for the future. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms including "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would," and similar expressions intended to identify forward-looking statements. Forward-looking statements reflect our current views with respect to future events and are based on assumptions, and are subject to risks and uncertainties. You should not put undue reliance on any forward-looking statements. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those listed below as well as those discussed in the Annual Report (particularly those in "Item 3. Key Information – Risk Factors"). Unless we are required to do so under U.S. federal securities laws or other applicable laws, we do not intend to update or revise any forward-looking statements.

Factors that could cause our actual results to differ materially from those expressed or implied in such forward-looking statements include, but are not limited to:

- the initiation, timing, progress and results of our preclinical studies, clinical trials and other therapeutic candidate development efforts;
- our ability to advance our therapeutic candidates into clinical trials or to successfully complete our preclinical studies or clinical trials;
- our receipt of regulatory approvals for our therapeutic candidates, and the timing of other regulatory filings and approvals;
- the clinical development, commercialization and market acceptance of our therapeutic candidates;
- our ability to establish and maintain corporate collaborations;
- our ability to integrate new therapeutic candidates and new personnel
- the interpretation of the properties and characteristics of our therapeutic candidates and of the results obtained with our therapeutic candidates in preclinical studies or clinical trials;
- the implementation of our business model and strategic plans for our business and therapeutic candidates;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our therapeutic candidates and our ability to operate our business without infringing the intellectual property rights of others;
- estimates of our expenses, future revenues, capital requirements and our needs for additional financing;
- competitive companies, technologies and our industry; and
- the impact of the political and security situation in Israel on our business.

Overview

General

We are a clinical-stage biopharmaceutical development company focused on oncology and immunology. Our current development and commercialization pipeline consists of a clinical-stage therapeutic candidate, BL-8040; a near-clinical therapeutic candidate, AGI-134; and one commercialized product, BL-5010. In addition, we have four other therapeutic candidates in clinical and pre-clinical development. We generate our pipeline by systematically identifying, rigorously validating and in-licensing therapeutic candidates that we believe exhibit a relatively high probability of therapeutic and commercial success. Our strategy includes commercializing our therapeutic candidates through out-licensing arrangements with biotechnology and pharmaceutical companies and evaluating, on a case by case basis, the commercialization of our therapeutic candidates independently. Although our focus is principally on the therapeutic areas of oncology and immunology, we may also in-license therapeutic compounds outside of these areas in connection with our strategic collaboration with Novartis, as well as to a limited extent for our independent pipeline as the opportunities arise.

Main Therapeutic Candidates

The following is a description of our main programs:

- BL-8040 is a novel, short peptide that functions as a high-affinity antagonist for CXCR4, which we are developing for the treatment of solid tumors, acute myeloid leukemia, or AML, and stem-cell mobilization for bone-marrow transplantation.

  Solid tumors

  - In January 2016, we entered into a collaboration with MSD, known as Merck in the U.S. and Canada, in the field of cancer immunotherapy. Based on this collaboration, in September 2016 we initiated a Phase 2a study, known as the COMBAT study, focusing on evaluating the safety and efficacy of BL-8040 in combination with KEYTRUDA® (pembrolizumab), MSD's anti-PD-1 therapy, in up to 30 patients with metastatic pancreatic adenocarcinoma. The study is an open-label, multicenter, single-arm trial designed to evaluate the clinical response, safety and tolerability of the combination of these therapies as well as multiple pharmacodynamic parameters, including the ability to improve infiltration of T cells into the tumor and their reactivity. Partial results are expected in the second half of 2017, with top-line results expected in the second half of 2018.

  - In August 2016, in the framework of an agreement with MD Anderson Cancer Center, we entered into an additional collaboration for the investigation of BL-8040 in combination with KEYTRUDA in pancreatic cancer. The focus of this study, in addition to assessing clinical response, is the mechanism-of-action by which both drugs might synergize, as well as multiple assessments to evaluate the biological anti-tumor effects induced by the combination. We are supplying BL-8040 for a Phase 2a study, which commenced in January 2017.

  - In September 2016, we entered into a collaboration with Genentech, Inc., a member of the Roche Group, to support several Phase 1b/2 studies investigating BL-8040 in combination with atezolizumab (TECENTRIQ®), Genentech's anti-PDL1 cancer immunotherapy, in multiple cancer indications. The first of these Phase 1b/2 studies, in pancreatic cancer, recently commenced in July 2017. The additional Phase 1b/2 studies, in AML, gastric cancer and lung cancer, are all expected to commence by the end of 2017. These studies will evaluate the clinical response, safety and tolerability of the combination of these therapies, as well as multiple pharmacodynamic parameters, in various solid tumors and hematologic malignancies.

AML

- During 2016, we completed and reported on a Phase 2a proof-of-concept trial for the treatment of relapsed or refractory acute myeloid leukemia (r/r AML) which was conducted at six world-leading cancer research centers in the U.S. and at five premier sites in Israel. At the annual meetings of SOHO and ASH in September and December 2016, respectively, we presented detailed, positive results of the study.

- We are currently investigating BL-8040 as a consolidation treatment together with cytarabine (the current standard of care) for AML patients who have responded to standard induction treatment and are in complete remission and, in this regard, are running a significant Phase 2b trial in Germany, in collaboration with the German Study Alliance Leukemia Group. The Phase 2b trial is a double-blind, placebo-controlled, randomized, multi-center study aimed at assessing the efficacy of BL-8040 in addition to standard consolidation therapy in AML patients. Up to 194 patients will be enrolled in the trial. The primary endpoint of the study is to compare the relapse-free survival (RFS) time in AML subjects in their first remission during a minimum follow-up time of 18 months after randomization. We are considering carrying out an interim analysis on this study in 2018, with top-line results expected in 2020.

Stem-cell mobilization

- In March 2015, we reported successful top-line safety and efficacy results from a Phase 1 safety and efficacy trial for the use of BL-8040 as a novel stem-cell mobilization treatment for allogeneic bone marrow transplantation at Hadassah Medical Center in Jerusalem.

- In March 2016, we announced the initiation of a Phase 2 trial for BL-8040 for allogeneic stem-cell transplantation, conducted in collaboration with the Washington University School of Medicine, Division of Oncology and Hematology. Initial results of this study announced in March 2017 show that a single injection of BL-8040 mobilized sufficient amounts of cells required for transplantation at a level of efficacy similar to that achieved by using 4-6 injections of G-CSF, the current standard of care. Topline results of this study are now expected in mid-2018, as a result of certain delays in study recruitment in connection with the addition of two sites to the study and the regulatory filings associated therewith.

- In April 2017, we met with the FDA to discuss the clinical development pathway towards registration of BL-8040 as a stem-cell mobilization treatment for autologous bone-marrow transplantation. Our proposed clinical development pathway was based on prior understandings with the FDA achieved based on results from a Phase 1 trial for autologous stem-cell mobilization and transplantation in multiple myeloma patients completed in 2010. Following our recent successful meeting, we announced our plans to commence a phase 3 registration study in autologous stem cell mobilization in the second half of 2017.

Other matters

- In addition to the above, we are currently conducting, or planning to conduct, a number of investigator-initiated, open-label studies in a variety of indications, to support the interest of the scientific and medical communities in exploring additional uses for BL-8040. These studies serve to further elucidate the mechanism of action for BL-8040.

- In September 2013, the FDA granted an Orphan Drug Designation to BL-8040 as a therapeutic for the treatment of AML; and in January 2014, the FDA granted an Orphan Drug Designation to BL-8040 as a treatment for stem cell mobilization. In January 2015, the FDA modified this Orphan Drug Designation for BL-8040 for use either as a single agent or in combination with G-CSF.

- AGI-134, a near-clinical therapeutic candidate in-licensed by Agalimmune Ltd., or Agalimmune, is a synthetic alpha-Gal glycolipid immunotherapy in development for solid tumors. AGI-134 harnesses the body's pre-existing, highly abundant, anti-alpha-Gal antibodies to induce a systemic, specific anti-tumor response to the patient's own tumor neo-antigens. This response not only kills the tumor cells at the site of injection, but also brings about a durable, follow-on, anti-metastatic immune response. AGI-134 has completed numerous proof-of-concept studies, demonstrating robust protection against the development of secondary tumors in a model of melanoma with a single dose only. Synergy has also been demonstrated in the same model when combined with a PD-1 immune checkpoint inhibitor, offering the potential to broaden the utility of such immunotherapies and improve the rate and duration of responses in multiple cancer types. We expect to commence a first-in-man study using AGI-134 in patients with solid tumors in the first half of 2018.

- BL-5010 is a customized, proprietary pen-like applicator containing a novel, acidic, aqueous solution for the non-surgical removal of skin lesions. In December 2010, we announced positive results from a Phase 1/2 clinical trial of BL-5010. In June 2011, we received European confirmation from BSI of the regulatory pathway classification of BL-5010 as a Class IIa medical device. In December 2014, we entered into an exclusive out-licensing arrangement with Omega Pharma, now part of Perrigo Company plc, for the rights to BL-5010 for over-the-counter, or OTC, indications in the territory of Europe, Australia and additional selected countries. During 2015, Omega Pharma conducted a 30-patient, open-label clinical study in Turkey to evaluate the advantages of BL-5010 in one of the intended OTC indications. Study results indicate that BL-5010 is safe and efficacious. In March 2016, Omega Pharma received CE Mark approval for BL-5010 as a novel OTC treatment for the non-surgical removal of warts. The commercial launch of this first OTC indication (warts/verrucas) commenced in Europe in the second quarter of 2016 and sales are expected to slowly ramp up over the next 2-3 years.

Principal Partnering and Collaboration Agreements

In December 2014, we entered into a strategic collaboration with Novartis for the co-development of selected Israeli-sourced novel drug candidates. Under the agreement, we intend, in collaboration with Novartis, to co-develop a number of pre-clinical and early clinical therapeutic projects through clinical proof-of-concept for potential future licensing by Novartis. During 2016, we in-licensed three pre-clinical projects – BL-1210, BL-1220 and BL-1230 – in the framework of this collaboration. Through the date of this report, Novartis has flagged several late-stage, pre-clinical projects, some of which we may bring into our pipeline during 2017.

In December 2014, we entered into an exclusive out-licensing arrangement with Omega Pharma for the rights to BL-5010 for over-the-counter or OTC indications in the territory of Europe, Australia and additional selected countries. We retain all OTC rights to BL-5010 in the United States and the rest of the world, as well as all non-OTC rights on a global basis. Under our out-licensing arrangement with Omega Pharma, Omega Pharma is obligated to use commercially reasonable best efforts to obtain regulatory approval in the licensed territory for at least two OTC indications and to commercialize BL-5010 for those two OTC indications. In addition, Omega Pharma will sponsor and manufacture BL-5010 in the relevant regions. Omega Pharma will pay us an agreed amount for each unit sold, and we will be entitled to certain commercial milestone payments. We will have full access to all clinical and research and development data, as well as manufacturing data, generated during the performance of the development plan and may use these data in order to develop or license the product in other territories and fields of use where we retain the rights.

For information on our collaborations with Merck, Genentech and MD Anderson Cancer Center, see "— *Main Therapeutic Candidates*" above.

Other Partnering and Collaboration Agreements

In August 2016, we announced the establishment of a joint venture with I-Bridge Capital, a Chinese venture capital fund focused on developing innovative therapies in China. The joint venture, named iPharma, will develop innovative clinical and pre-clinical therapeutic candidates originating primarily in Israel to serve the Chinese and global healthcare markets. Under the terms of the joint venture agreement, each partner will provide seed capital of one million dollars to the venture. We will screen and identify promising early-stage drug candidates originating primarily in Israel with emphasis on therapeutic indications that are of special interest for the Chinese population. These therapeutic candidates will then be in-licensed by iPharma for further development and commercialization in China and possibly in other countries as well. The project screening process has begun and the in-licensing of two candidates is being negotiated.

In 2009, we entered into an exclusive, worldwide, royalty-bearing licensing arrangement with Bellerophon. Under the agreement, we granted Bellerophon an exclusive, worldwide license to develop, manufacture and commercialize BL-1040 for use in the prevention, mitigation and treatment of injuries to the myocardial tissue of the heart. Under the arrangement, Bellerophon is obligated to use commercially reasonable efforts to complete clinical development of, and to commercialize, BL-1040 or products related thereto.

In January 2014, we signed a collaboration agreement with JHL Biotech, or JHL, a biopharmaceutical company that develops, manufactures, and commercializes biologic medicines, pursuant to which we will collaborate with JHL in the development and commercialization of BL-9020, a novel monoclonal antibody in the preclinical development stage for the treatment of Type 1 diabetes. JHL Biotech is responsible for all process development and manufacturing of BL-9020 during its pre-clinical and clinical development stages, and we are responsible for all pre-clinical development of BL-9020.

Funding

We have funded our operations primarily through the sale of equity securities (both in public and private offerings), funding received from a government body which previously was called the Office of the Chief Scientist of the Israeli Ministry of the Economy (OCS) (and which in 2016 was replaced by the newly established Israel Innovation Authority), payments received under out-licensing arrangements, and interest earned on investments. We expect to continue to fund our operations over the next several years through our existing cash resources, potential future milestone and royalty payments that we may receive from our existing out-licensing agreements, potential future upfront or milestone payments that we may receive from out-licensing transactions for our other therapeutic candidates, interest earned on our investments and additional capital to be raised through public or private equity offerings or debt financings. As of June 30, 2017, we held $52.6 million of cash, cash equivalents and short-term bank deposits. In July 2017, we received additional net proceeds of $9.5 million from a direct placement of securities, see "— *Capital Resources*" below.

Recent Company Developments

Pre-Clinical and Clinical Development

BL-8040

In April 2017, we met with the FDA to discuss the clinical development pathway towards registration of BL-8040 as a stem-cell mobilization treatment for autologous bone-marrow transplantation. Following this successful meeting, we announced our plans to commence a phase 3 registration study in autologous stem cell mobilization in the second half of 2017. The study will investigate BL-8040 in combination with granulocyte colony-stimulating factor (G-CSF) for mobilization of stem cells from the bone marrow to the peripheral blood, followed by collection and subsequent autologous transplantation in patients with multiple myeloma.

In May 2017, we filed the regulatory submissions required to commence a Phase 1b/2 trial for BL-8040 in combination with Genentech's atezolizumab in AML. This study, which will be led by BioLineRx, is expected to commence in the second half of 2017 following receipt of regulatory approval. The Phase 1b/2 study will evaluate the clinical response, safety and tolerability of the combination of these therapies, as well as multiple pharmacodynamic parameters.

In June 2017, we announced the filing by Genentech of regulatory submissions required to commence three Phase 1b/2 trials for BL-8040 in combination with Genentech's atezolizumab for the treatment of patients with solid tumors. These trials for pancreatic (which recently commenced – see next paragraph), gastric and non-small cell lung cancer are expected to commence during the second half of 2017, after receipt of regulatory approval.

In July 2017, we announced the initiation by Genentech of a Phase 1b/2 study for BL-8040 in combination with atezolizumab in pancreatic cancer. Up to 40 patients are planned to be enrolled in this multicenter, randomized, controlled, open-label study. The clinical study collaboration between BioLineRx and Genentech is part of MORPHEUS, a phase 1b/2 adaptive platform to assess the efficacy and safety of combination cancer immunotherapies.

AGI-134

In April 2017, AGI-134 was featured at the American Association for Cancer Research (AACR) Annual Meeting in Washington, DC held on April 1-5, 2017. An abstract titled "The novel α-Gal-based immunotherapy AGI-134 invokes CD8+ T cell-mediated immunity by driving tumor cell destruction, phagocytosis and tumor-associated antigen cross-presentation via multiple antibody-mediated effector functions" was presented in a poster at the T-Cell Immunity to Cancer: New Progress session.

Capital Resources

In April 2017, we closed an underwritten public offering of approximately 33.8 million of our ADSs for gross proceeds of $28.8 million and net proceeds of $26.2 million, after deducting fees and expenses. The public offering price was $0.85 per ADS.

In July 2017, we completed a direct placement to BVF Partners L.P., our largest shareholder, of an additional 8,495,575 ADSs and 5,946,902 warrants to purchase an additional 5,946,902 ADSs, at a unit price of $1.13. The warrants were issued in two series: 2,973,451 Series A warrants with an exercise price of $2.00 per ADS and exercisable for a term of four years; and 2,973,451 Series B warrants with an exercise price of $4.00 per ADS and exercisable for a term of four years. The offering raised gross proceeds of $9.6 million, with net proceeds of approximately $9.5 million after deducting fees and expenses.

Addition and Termination of Therapeutic Candidates

As part of our business strategy, we continue to actively source, rigorously evaluate and in-license selected therapeutic candidates. In line with our business strategy, during the period beginning April 1, 2017 through the date of this announcement, we terminated BL-1210 in light of scientific, regulatory and commercial considerations. BL-1210 was intended for the treatment of liver fibrosis, and in particular, non-alcoholic steatohepatitis (NASH).

Revenues

Our revenues to date have been generated primarily from milestone payments under current and previously existing out-licensing agreements.

We expect our revenues for the next several years to be derived primarily from future payments under our current out-licensing agreement with Omega Pharma, our collaboration agreement with Novartis and other potential collaboration arrangements, including future royalties on product sales.

Research and Development

Our research and development expenses consist primarily of salaries and related personnel expenses, fees paid to external service providers, up-front and milestone payments under our license agreements, patent-related legal fees, costs of preclinical studies and clinical trials, drug and laboratory supplies and costs for facilities and equipment. We primarily use external service providers to manufacture our product candidates for clinical trials and for the majority of our preclinical and clinical development work. We charge all research and development expenses to operations as they are incurred. We expect our research and development expense to remain our primary expense in the near future as we continue to develop our therapeutic candidates.

The following table identifies our current major research and development projects:

Project	**Status**	**Expected Near Term Milestones**
BL-8040	1. Phase 2a study for relapsed or refractory AML completed	1. Follow-up for overall survival rate is ongoing
	2. Phase 2b consolidation treatment for AML ongoing	2. Completion of enrollment and possible interim results expected in H2 2018; top-line results expected in 2020
	3. Phase 2 study in stem cell mobilization ongoing	3. Top-line results expected in mid-2018
	4. Phase 2a study in pancreatic cancer, in collaboration with Merck, ongoing	4. Partial results expected in H2 2017; top-line results expected in H2 2018
	5. Phase 2a study in pancreatic cancer, in collaboration with MD Anderson Cancer Center, ongoing	5. Top-line results expected in H2 2018
	6. Phase 1b/2 study in AML, in collaboration with Genentech, regulatory submission made	6. Commencement of study expected in H2 2017; top-line results expected in 2019
	7. Phase 1b/2 studies in various solid tumors, in collaboration with Genentech, regulatory submissions made; pancreatic cancer study commenced	7. Commencement of additional studies expected in H2 2017; top-line results expected in 2019
	8. Phase 3 registration study in autologous stem cell mobilization in final planning stages	8. Commencement of study expected in H2 2017
AGI-134	Near-clinical development studies	Regulatory submission for first-in-man study expected in H2 2017; commencement of study expected in H1 2018
BL-5010	Out-licensed to Omega Pharma; CE mark approval obtained; commercial launch of first OTC indication in Europe commenced	Gradual full roll-out of commercial launch over next two-three years; pursuit of potential out-licensing partner(s) for OTC and non-OTC rights still held by us

In addition to the projects set forth above, we have four additional projects in clinical and pre-clinical stages of development (BL-9020, BL-1220, BL-1230 and BL-1040) that are significantly less material to the Company's ongoing research and development expenditures.

Set forth below is a summary of the costs allocated to our main projects on an individual basis, as well as the costs allocated to our less significant projects on an aggregate basis, for the years ended December 31, 2014, 2015 and 2016; for the six months ended June 30, 2017; and on an aggregate basis since project inception.

	Year Ended December 31,			Six Months Ended June 30,	Total Costs Since Project
	2014	2015	2016	2017	Inception
	(in thousands of U.S. dollars)				
BL-8040	4,698	7,045	8,281	4,783	29,440
AGI-134	-	-	-	1,256	1,256
BL-5010	1,282	400	75	18	4,162
Other projects	5,293	3,573	2,647	1,226	115,357
Total gross direct project costs	11,273	11,018	11,003	7,283	150,215

From our inception through June 30, 2017, we have incurred research and development expense of approximately $184.7 million. We expect that a large percentage of our research and development expense in the future will be incurred in support of our current and future preclinical and clinical development projects. Due to the inherently unpredictable nature of preclinical and clinical development processes and given the early stage of our preclinical product development projects, we are unable to estimate with any certainty the costs we will incur in the continued development of the therapeutic candidates in our pipeline for potential commercialization. Clinical development timelines, the probability of success and development costs can differ materially from expectations. We expect to continue to test our product candidates in preclinical studies for toxicology, safety and efficacy, and to conduct additional clinical trials for each product candidate. If we are not able to enter into an out-licensing arrangement with respect to any therapeutic candidate prior to the commencement of later stage clinical trials, we may fund the trials for the therapeutic candidate ourselves.

While we are currently focused on advancing each of our product development projects, our future research and development expenses will depend on the clinical success of each therapeutic candidate, as well as ongoing assessments of each therapeutic candidate's commercial potential. In addition, we cannot forecast with any degree of certainty which therapeutic candidates may be subject to future out-licensing arrangements, when such out-licensing arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

As we obtain results from clinical trials, we may elect to discontinue or delay clinical trials for certain therapeutic candidates or projects in order to focus our resources on more promising therapeutic candidates or projects. Completion of clinical trials by us or our licensees may take several years or more, but the length of time generally varies according to the type, complexity, novelty and intended use of a therapeutic candidate.

The cost of clinical trials may vary significantly over the life of a project as a result of differences arising during clinical development, including, among others:

- the number of sites included in the clinical trials;
- the length of time required to enroll suitable patients;
- the number of patients that participate in the clinical trials;
- the duration of patient follow-up;
- whether the patients require hospitalization or can be treated on an out-patient basis;
- the development stage of the therapeutic candidate; and
- the efficacy and safety profile of the therapeutic candidate.

We expect our research and development expenses to remain our most significant cost as we continue the advancement of our clinical trials and preclinical product development projects and place significant emphasis on in-licensing new product candidates. The lengthy process of completing clinical trials and seeking regulatory approval for our product candidates requires expenditure of substantial resources. Any failure or delay in completing clinical trials, or in obtaining regulatory approvals, could cause a delay in generating product revenue and cause our research and development expenses to increase and, in turn, have a material adverse effect on our operations. Due to the factors set forth above, we are not able to estimate with any certainty when we would recognize any net cash inflows from our projects.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of compensation for employees in business development and marketing functions. Other significant sales and marketing costs include costs for marketing and communication materials, professional fees for outside market research and consulting, legal services related to partnering transactions and travel costs.

General and Administrative Expenses

General and administrative expenses consist primarily of compensation for employees in executive and operational functions, including accounting, finance, legal, investor relations, information technology and human resources. Other significant general and administration costs include facilities costs, professional fees for outside accounting and legal services, travel costs, insurance premiums and depreciation.

Non-Operating Expense and Income

Non-operating expense and income includes fair-value adjustments of liabilities on account of the warrants issued in the private and direct placements which we conducted in February 2012 and 2013. These fair-value adjustments are highly influenced by our share price at each period end (revaluation date). Non-operating expense and income also includes the pro-rata share of issuance expenses from the placements related to the warrants. In addition, non-operating expense and income includes the initial commitment and finder's fees, as well as other one-time expenses, associated with the initial set-up of a share purchase agreement with Lincoln Park Capital.

Financial Expense and Income

Financial expense and income consists of interest earned on our cash, cash equivalents and short-term bank deposits; bank fees and other transactional costs. In addition, it may also include gains/losses on foreign exchange hedging transactions, which we carry out from time to time to protect against a portion of our NIS-denominated expenses (primarily compensation) in relation to the dollar.

Significant Accounting Policies and Estimates

We describe our significant accounting policies more fully in Note 2 to our consolidated financial statements for the year ended December 31, 2016.

The discussion and analysis of our financial condition and results of operations is based on our financial statements, which we prepare in accordance with IFRS. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses during the reporting periods. On an ongoing basis, we evaluate such estimates and judgments, including those described in greater detail below. We base our estimates on historical experience and on various assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Results of Operations – Overview

Revenues

We did not record any revenues during each of the three- or six-month periods ended June 30, 2017 and 2016.

Cost of revenues

We did not record any cost of revenues during each of the three- or six-month periods ended June 30, 2017 and 2016.

Research and development expenses

At December 31, 2013, our drug development pipeline consisted of 10 therapeutic candidates. During 2014, we added a new compound to our pipeline and discontinued the development of two compounds from the pipeline, so that our drug development pipeline as of December 31, 2014 consisted of nine therapeutic candidates. During 2015, we did not add any new compounds to our pipeline and we discontinued the development of one compound from the pipeline, so that our drug development pipeline as of December 31, 2015 consisted of eight therapeutic candidates. During 2016, we added three compounds to our pipeline and discontinued the development of three compounds in our pipeline, so that our drug development pipeline of as of December 31, 2016 consisted of eight therapeutic candidates. Subsequent to December 31, 2016, we terminated two therapeutic candidates in our pipeline, and added one therapeutic candidate to the pipeline, so that our drug development pipeline of the date of this report consists of seven therapeutic candidates.

Operating Results Comparison between Periods

Revenues and cost of revenues

See discussion under “Results of Operations - Overview” above.

Research and development expenses

	Three months ended June 30,			Six months ended June 30,		
	2016	2017	Increase (decrease)	2016	2017	Increase (decrease)
			(in thousands of U.S. dollars)			
Research and development expenses, net	2,740	4,062	1,322	5,279	7,652	2,373

Comparison of three-month periods ending June 30, 2017 and 2016

Research and development expenses for the three months ended June 30, 2017 were $4.0 million, an increase of $1.3 million, or 48.2%, compared to $2.7 million for the three months ended June 30, 2016.

The increase resulted primarily from spending on AGI-134 and BL-8040 in the 2017 period.

Comparison of six-month periods ending June 30, 2017 and 2016

Research and development expenses for the six months ended June 30, 2017 were $7.7 million, an increase of $2.4 million, or 45.0%, compared to $5.3 million for the six months ended June 30, 2016. The reason for the increase is the same as that presented in the three-month comparison above.

Sales and marketing expenses

	Three months ended June 30,			Six months ended June 30,		
	2016	2017	Increase (decrease)	2016	2017	Increase (decrease)
			(in thousands of U.S. dollars)			
Sales and marketing expenses	272	288	16	520	969	449

Comparison of three-month periods ending June 30, 2017 and 2016

Sales and marketing expenses for the three months ended June 30, 2017 were $0.3 million, similar to the comparable period in 2016.

Comparison of six-month periods ending June 30, 2017 and 2016

Sales and marketing expenses for the six months ended June 30, 2017 were $1.0 million, an increase of $0.5 million, or 86.3%, compared to $0.5 million for the six months ended June 30, 2016. The increase resulted primarily from market research activities and one-time professional fees related to business development activities.

General and administrative expenses

	Three months ended June 30,			Six months ended June 30,		
	2016	2017	Increase (decrease)	2016	2017	Increase (decrease)
			(in thousands of U.S. dollars)			
General and administrative expenses	854	844	(10)	1,843	1,874	31

Comparison of three-month periods ending June 30, 2017 and 2016

General and administrative expenses for the three months ended June 30, 2017 were $0.8 million, similar to the comparable period in 2016.

Comparison of six-month periods ending June 30, 2017 and 2016

General and administrative expenses for the six months ended June 30, 2017 were $1.8 million, similar to the comparable period in 2016.

Non-operating income (expenses), net

	Three months ended June 30,			Six months ended June 30,		
	2016	2017	Increase (decrease)	2016	2017	Increase (decrease)
			(in thousands of U.S. dollars)			
Non-operating income (expenses), net	48	(4)	(52)	196	(9)	(205)

Comparison of three-month and six-month periods ending June 30, 2017 and 2016

Non-operating income (expenses) for the three and six months ended June 30, 2017 and 2016 were not material, and primarily relate to fair-value adjustments of warrant liabilities on our balance sheet. These fair-value adjustments are highly influenced by our share price at each period end (revaluation date).

Financial income (expenses), net

	Three months ended June 30,			Six months ended June 30,		
	2016	2017	Increase (decrease)	2016	2017	Increase (decrease)
			(in thousands of U.S. dollars)			
Financial income	88	304	216	232	761	529
Financial expenses	(5)	(3)	2	(9)	(9)	-
Net financial income (expense)	83	301	218	223	752	529

Comparison of three-month periods ending June 30, 2017 and 2016

We recognized net financial income of $0.3 million for the three months ended June 30, 2017 compared to net financial income of $0.1 million for the three months ended June 30, 2016. The increase in net financial income relates primarily to gains recorded on foreign currency hedging transactions.

Comparison of six-month periods ending June 30, 2017 and 2016

We recognized net financial income of $0.8 million for the six months ended June 30, 2017 compared to net financial income of $0.2 million for the six months ended June 30, 2016. The increase in net financial income relates primarily to gains recorded on foreign currency hedging transactions and investment income earned on our bank deposits.

Liquidity and Capital Resources

Since inception, we have funded our operations primarily through public and private offerings of our equity securities, funding from the OCS, and payments received under our strategic licensing arrangements. At June 30, 2017, we held $52.6 million in cash, cash equivalents and short-term bank deposits. We have invested substantially all our available cash funds in short-term bank deposits. In July 2017, we raised an additional $9.5 million in net proceeds from a public offering of our securities.

Net cash used in operating activities was $8.0 million for the six months ended June 30, 2017, compared with net cash used in operating activities of $7.5 million for the six months ended June 30, 2016. The $0.5 million increase in net cash used in operating activities during the six-month period in 2017, compared to the six-month period in 2016, was primarily the result of an increase in our operating loss in the 2017 period.

Net cash used in investing activities for the six months ended June 30, 2017 was $16.0 million, compared to net cash provided by investing activities of $4.2 million for the six months ended June 30, 2016. The changes in cash flows from investing activities relate primarily to investments in, and maturities of, short-term bank deposits, as well as the investment in Agalimmune.

Net cash provided by financing activities for the six months ended June 30, 2017 was $28.3 million, compared to net cash provided by financing activities of $1.6 million for the six months ended June 30, 2016. The increase in cash flows from financing activities primarily reflects our public offering completed in April 2017.

Developing drugs, conducting clinical trials and commercializing products is expensive and we will need to raise substantial additional funds to achieve our strategic objectives. Although we believe our existing cash and other resources will be sufficient to fund our projected cash requirements through 2019, we will require significant additional financing in the future to fund our operations. Our future capital requirements will depend on many factors, including:

- the progress and costs of our preclinical studies, clinical trials and other research and development activities;

the scope, prioritization and number of our clinical trials and other research and development programs;

the amount of revenues we receive under our collaboration or licensing arrangements;

the costs of the development and expansion of our operational infrastructure;

the costs and timing of obtaining regulatory approval of our therapeutic candidates;

the ability of our collaborators to achieve development milestones, marketing approval and other events or developments under our collaboration agreements;

the costs of filing, prosecuting, enforcing and defending patent claims and other intellectual property rights;

the costs and timing of securing manufacturing arrangements for clinical or commercial production;

the costs of establishing sales and marketing capabilities or contracting with third parties to provide these capabilities for us;

the costs of acquiring or undertaking development and commercialization efforts for any future product candidates;

the magnitude of our general and administrative expenses;

any cost that we may incur under current and future licensing arrangements relating to our therapeutic candidates; and

payments to the OCS.

Until we can generate significant continuing revenues, we expect to satisfy our future cash needs through payments received under our collaborations, debt or equity financings, or by out-licensing other product candidates. We cannot be certain that additional funding will be available to us on acceptable terms, or at all.

If funds are not available, we may be required to delay, reduce the scope of, or eliminate one or more of our research or development programs or our commercialization efforts.

Off-Balance Sheet Arrangements

Since inception, we have not entered into any transactions with unconsolidated entities whereby we have financial guarantees, subordinated retained interests, derivative instruments or other contingent arrangements that expose us to material continuing risks, contingent liabilities, or any other obligations under a variable interest in an unconsolidated entity that provides us with financing, liquidity, market risk or credit risk support.