

## BioLineRx Ltd.

### CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(UNAUDITED)

|  | <b>December 31,</b>     | <b>June 30,</b> |
|--|-------------------------|-----------------|
|  | <b>2015</b>             | <b>2016</b>     |
|  | <b>in USD thousands</b> |                 |
| <b>Assets</b>                                  |                         |                 |
| <b>CURRENT ASSETS</b>                          |                         |                 |
| Cash and cash equivalents                      | 5,544                   | 3,877           |
| Short-term bank deposits                       | 42,119                  | 37,945          |
| Prepaid expenses                               | 229                     | 324             |
| Other receivables                              | 291                     | 548             |
| Total current assets                           | 48,183                  | 42,694          |
| <b>NON-CURRENT ASSETS</b>                      |                         |                 |
| Long-term prepaid expenses                     | 58                      | 54              |
| Property and equipment, net                    | 2,909                   | 2,770           |
| Intangible assets, net                         | 152                     | 162             |
| Total non-current assets                       | 3,119                   | 2,986           |
| <b>Total assets</b>                            | 51,302                  | 45,680          |
| <b>Liabilities and equity</b>                  |                         |                 |
| <b>CURRENT LIABILITIES</b>                     |                         |                 |
| Current maturities of long-term bank loan      | 93                      | 93              |
| Accounts payable and accruals:                 |                         |                 |
| Trade  | 1,910                   | 1,732           |
| Other  | 1,137                   | 980             |
| Total current liabilities                      | 3,140                   | 2,805           |
| <b>NON-CURRENT LIABILITIES</b>                 |                         |                 |
| Long-term bank loan, net of current maturities | 344                     | 296             |
| Warrants                                       | 208                     | 15              |
| Total non-current liabilities                  | 552                     | 311             |
| <b>COMMITMENTS AND CONTINGENT LIABILITIES</b>  |                         |                 |
| Total liabilities                              | 3,692                   | 3,116           |
| <b>EQUITY</b>                                  |                         |                 |
| Ordinary shares                                | 1,455                   | 1,459           |
| Share premium                                  | 196,201                 | 197,858         |
| Other comprehensive loss                       | (1,416)                 | (1,416)         |
| Capital reserve                                | 10,735                  | 11,251          |
| Accumulated deficit                            | (159,365)               | (166,588)       |
| Total equity                                   | 47,610                  | 42,564          |
| <b>Total liabilities and equity</b>            | 51,302                  | 45,680          |

## BioLineRx Ltd.

### CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)

|   | <u>Three months ended June 30,</u> |                   | <u>Six months ended June 30,</u> |                   |
|---|------------------------------------|-------------------|----------------------------------|-------------------|
|   | <u>2015</u>                        | <u>2016</u>       | <u>2015</u>                      | <u>2016</u>       |
|   | <u>in USD thousands</u>            |                   | <u>in USD thousands</u>          |                   |
| <b>RESEARCH AND DEVELOPMENT EXPENSES, NET</b>   | (2,891)                            | (2,740)           | (6,102)                          | (5,279)           |
| <b>SALES AND MARKETING EXPENSES</b>   | (299)                              | (272)             | (559)                            | (520)             |
| <b>GENERAL AND ADMINISTRATIVE EXPENSES</b>  | (976)                              | (854)             | (1,832)                          | (1,843)           |
| <b>OPERATING LOSS</b>   | (4,166)                            | (3,866)           | (8,493)                          | (7,642)           |
| <b>NON-OPERATING INCOME (EXPENSES), NET</b>   | (847)                              | 48                | (887)                            | 196               |
| <b>FINANCIAL INCOME</b>   | 205                                | 88                | 278                              | 232               |
| <b>FINANCIAL EXPENSES</b>   | (2)                                | (5)               | (19)                             | (9)               |
| <b>NET LOSS AND COMPREHENSIVE LOSS</b>  | <u>(4,810)</u>                     | <u>(3,735)</u>    | <u>(9,121)</u>                   | <u>(7,223)</u>    |
|   | <u>in USD</u>                      |                   | <u>in USD</u>                    |                   |
| <b>LOSS PER ORDINARY SHARE - BASIC AND DILUTED</b>  | <u>(0.09)</u>                      | <u>(0.07)</u>     | <u>(0.19)</u>                    | <u>(0.13)</u>     |
| <b>WEIGHTED AVERAGE NUMBER OF SHARES USED IN<br/>CALCULATION OF LOSS PER ORDINARY SHARE</b> | <u>53,562,019</u>                  | <u>56,423,601</u> | <u>48,095,879</u>                | <u>55,651,371</u> |

**BioLineRx Ltd.**  
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY  
(UNAUDITED)

|  | Ordinary<br>shares | Share<br>premium | Other<br>comprehensive<br>loss | Capital<br>reserve | Accumulated<br>deficit | Total         |
|--|--------------------|------------------|--------------------------------|--------------------|------------------------|---------------|
|  | in USD thousands   |                  |                                |                    |                        |               |
| <b>BALANCE AT JANUARY 1, 2015</b>                  | 1,055              | 167,331          | (1,416)                        | 9,800              | (144,965)              | 31,805        |
| <b>CHANGES FOR SIX MONTHS ENDED JUNE 30, 2015:</b> |                    |                  |                                |                    |                        |               |
| Issuance of share capital, net                     | 393                | 28,252           | -                              | -                  | -                      | 28,645        |
| Share-based compensation                           | -                  | -                | -                              | 487                | -                      | 487           |
| Comprehensive loss for the period                  | -                  | -                | -                              | -                  | (9,121)                | (9,121)       |
| <b>BALANCE AT JUNE 30, 2015</b>                    | <u>1,448</u>       | <u>195,583</u>   | <u>(1,416)</u>                 | <u>10,287</u>      | <u>(154,086)</u>       | <u>51,816</u> |

|  | Ordinary<br>shares | Share<br>premium | Other<br>comprehensive<br>loss | Capital<br>reserve | Accumulated<br>deficit | Total         |
|--|--------------------|------------------|--------------------------------|--------------------|------------------------|---------------|
|  | in USD thousands   |                  |                                |                    |                        |               |
| <b>BALANCE AT JANUARY 1, 2016</b>                  | 1,455              | 196,201          | (1,416)                        | 10,735             | (159,365)              | 47,610        |
| <b>CHANGES FOR SIX MONTHS ENDED JUNE 30, 2016:</b> |                    |                  |                                |                    |                        |               |
| 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)       |
| <b>BALANCE AT JUNE 30, 2016</b>                    | <u>1,459</u>       | <u>197,858</u>   | <u>(1,416)</u>                 | <u>11,251</u>      | <u>(166,588)</u>       | <u>42,564</u> |

## BioLineRx Ltd.

### CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENTS

(UNAUDITED)

|  | <b>Six months ended June 30,</b> |                     |
|--|----------------------------------|---------------------|
|  | <b>2015</b>                      | <b>2016</b>         |
|  | <b>in USD thousands</b>          |                     |
| <b>CASH FLOWS - OPERATING ACTIVITIES</b>   |                                  |                     |
| Comprehensive loss for the period  | (9,121)                          | (7,223)             |
| Adjustments required to reflect net cash used in operating activities (see appendix below) | 1,976                            | (223)               |
| Net cash used in operating activities  | <u>(7,145)</u>                   | <u>(7,446)</u>      |
| <b>CASH FLOWS - INVESTING ACTIVITIES</b>   |                                  |                     |
| Investments in short-term deposits   | (39,184)                         | (19,804)            |
| Maturities of short-term deposits  | 22,738                           | 24,182              |
| Maturities of restricted deposits  | 166                              | -                   |
| Purchase of property and equipment   | (1,586)                          | (164)               |
| Purchase of intangible assets  | (7)                              | (24)                |
| Net cash provided by (used in) investing activities  | <u>(17,873)</u>                  | <u>4,190</u>        |
| <b>CASH FLOWS - FINANCING ACTIVITIES</b>   |                                  |                     |
| Issuances of share capital, net  | 28,645                           | 1,595               |
| Repayments of bank loan  | -                                | (48)                |
| Net cash provided by financing activities  | <u>28,645</u>                    | <u>1,547</u>        |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                    | <b>3,627</b>                     | <b>(1,709)</b>      |
| <b>CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD</b>                                     | <b>5,790</b>                     | <b>5,544</b>        |
| <b>EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>                                   | <b>(13)</b>                      | <b>42</b>           |
| <b>CASH AND CASH EQUIVALENTS - END OF PERIOD</b>   | <b><u>9,404</u></b>              | <b><u>3,877</u></b> |

## BioLineRx Ltd.

### APPENDIX TO CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENTS

(UNAUDITED)

|  | <b>Six months ended June 30,</b> |              |
|--|----------------------------------|--------------|
|  | <b>2015</b>                      | <b>2016</b>  |
|  | <b>in USD thousands</b>          |              |
| <b>Adjustments required to reflect net cash used in operating activities:</b>      |                                  |              |
| <b>Income and expenses not involving cash flows:</b>                               |                                  |              |
| Depreciation and amortization  | 195                              | 245          |
| Long-term prepaid expenses   | (8)                              | 4            |
| Interest and exchange rate differences on short-term deposits                      | (49)                             | (204)        |
| Share-based compensation   | 487                              | 582          |
| Exchange differences on cash and cash equivalents                                  | 13                               | (42)         |
| Loss (gain) on adjustment of warrants to fair value                                | 887                              | (193)        |
|  | <u>1,525</u>                     | <u>392</u>   |
| <b>Changes in operating asset and liability items:</b>                             |                                  |              |
| Increase in prepaid expenses and other receivables                                 | (425)                            | (352)        |
| Increase (decrease) in accounts payable and accruals                               | 876                              | (263)        |
|  | <u>451</u>                       | <u>(615)</u> |
|  | <u>1,976</u>                     | <u>(223)</u> |
| <b>Supplementary information on investing activities not involving cash flows:</b> |                                  |              |
| Property and equipment acquired on supplier trade credit                           | <u>512</u>                       | <u>-</u>     |
| <b>Supplementary information on interest received in cash</b>                      | <u>30</u>                        | <u>192</u>   |

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