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 May 2018

_____

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 May 22, 2018, the Registrant will issue a press release announcing its financial results for the three months ended March 31, 2018. The Registrant is also publishing its unaudited interim consolidated financial statements, as well as its operating and financial review, as of March 31, 2018 and for the three months then ended. Attached hereto are the following exhibits:

Exhibit 1: Registrant's press release dated May 22, 2018;

Exhibit 2: Registrant's condensed consolidated interim financial statements as of March 31, 2018 and for the three months then ended; and

Exhibit 3 - Registrant's operating and financial review as of March 31, 2018 and for the three months then ended.

This Form 6-K, including all exhibits hereto, is hereby incorporated by reference into all effective registration statements filed by the registrant under the Securities Act of 1933.

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: May 22, 2018

Exhibit 1

For Immediate Release

BioLineRx Reports First Quarter 2018 Financial Results

Tel Aviv, Israel, May 22, 2018 – BioLineRx Ltd. (NASDAQ/TASE: BLRX), a clinical-stage biopharmaceutical company focused on oncology and immunology, today reports its financial results for the first quarter ended March 31, 2018.

Highlights and achievements during the first quarter 2018 and to date:

Steady progress made on multiple clinical trials for the Company's lead oncology program, BL-8040:

- Partial monotherapy results from Phase 2a COMBAT study, investigating the combination of BL-8040 and Merck's PD-1 inhibitor, Keytruda ® (pembrolizumab), in pancreatic cancer, showed significantly increased infiltration of T cells into liver metastases in almost half of the pancreatic cancer patients who underwent a biopsy, as well as an increase in the number of total immune cells in the peripheral blood, alongside a decrease in the frequency of peripheral blood regulatory T cells (Tregs) – all of which support the mechanism of action proposed by pre-clinical studies. Study enrollment has been completed, with top-line results expected in H2 2018;

- Results from Phase 2 study for BL-8040 as novel stem cell mobilization treatment for allogeneic bone-marrow transplantation support BL-8040 as a one-day dosing regimen for rapid mobilization of stem cells; primary endpoint of collection of ≥2 million CD34 cells/kg recipient weight after up to 2 leukapheresis (LP) sessions was reached in over 90% of patients (100% of patients at optimal BL-8040 dose of 1.25 mg/kg); all 19 transplanted recipients were successfully engrafted with BL-8040-mobilized grafts, and preliminary graft-versus-host disease (GVHD) data are in line with current standard-of-care incidence rates;

- Overall long-term survival results in Phase 2a trial in relapsed/refractory AML demonstrated that the combination of BL-8040 with high-dose Ara-C (HiDAC) significantly improved overall survival, compared with historical data of HiDAC monotherapy. In the BL-8040 dose selected for expansion (1.5 mg/kg), the overall response rate was 39% (N=23) and median overall survival for this cohort was 9.2 months with 1-year and 2-year survival rates of 31.6% and 21.1%, respectively;

- Grant of European patent covering use of BL-8040 with Cytarabine for treating AML; valid through March 2034 with up to five years' patent term extension, thus providing significant additional patent protection in AML, one of BL-8040's key indications.

The Company also announced advancements made in its second immuno-oncology compound, AGI-134:

- Pre-clinical data presented at ASCO-SITC showed direct regression of established primary tumors after injection with AGI-134 in the majority of mice treated, and that this regression is associated with activation of the innate immune system;

- Notice of Allowance issued by the United States Patent and Trademark Office (USPTO) for a patent application claiming the use of AGI-134 for the treatment of solid cancer tumors; this patent, when issued, will be valid until May 2035 with a possibility of up to five years patent term extension. Additional corresponding patent applications for AGI-134 are pending in Europe, Japan, China, Canada, Australia and Israel.

Expected significant upcoming milestones for 2018:

- Results from the lead-in part of the Phase 3 GENESIS study in stem-cell mobilization for autologous transplantation are due mid-year 2018;

- Top-line results in immuno-oncology Phase 2a COMBAT study in pancreatic cancer for BL-8040 in combination with KEYTRUDA, under collaboration with Merck, expected in H2 2018;

- Initiation of Phase 1/2a immuno-oncology study for AGI-134 in several solid tumor indications expected in mid-2018;

- Additional overall long-term survival data from Phase 2a trial in relapsed/refractory AML to be presented at EHA in June 2018;

- Full top-line results of Phase 2 study for BL-8040 in stem-cell mobilization for allogeneic transplantation to be presented at the 23rd Congress of European Hematology Association (EHA) in June 2018.

Philip A. Serlin, Chief Executive Officer of BioLineRx, stated, "We continue to strongly focus on clinical execution of our oncology programs. Since the beginning of 2018, we have made significant progress with BL-8040, our lead clinical asset, with clinical results from our Phase 2a COMBAT study in pancreatic cancer showing robust mobilization and increased infiltration of anti-tumor-specific T cells into the tumor microenvironment; positive results from our Phase 2 study in allogeneic bone marrow transplantation; very encouraging overall survival data from our proof-of-concept Phase 2a study in relapsed/refractory AML; as well as significant strengthening of our patent protection for BL-8040 in the AML space. In addition, we also reported very encouraging pre-clinical data on our near-clinical second oncology asset, AGI-134, demonstrating induced regression of primary tumors following intra-tumoral injection."

"Over the next three to nine months, we look forward to reporting on key milestones. This includes the results from the lead-in part of our Phase 3 GENESIS trial in autologous stem cell mobilization, data read-outs from our Phase 2a COMBAT study in pancreatic cancer, and initiation of a Phase 1/2a study in multiple solid tumor indications for AGI-134," concluded Mr. Serlin.

Financial Results for the First Quarter Ended March 31, 2018

Research and development expenses for the three months ended March 31, 2018 were $5.1 million, an increase of $1.5 million, or 41.2%, compared to $3.6 million for the three months ended March 31, 2017. The increase resulted primarily from higher expenses associated with new BL-8040 clinical studies commenced during 2017, spending on our new AGI-134 near-clinical project, and higher expenses related to our BL-1230 project.

Sales and marketing expenses for the three months ended March 31, 2018 were $0.5 million, a decrease of $0.2 million, or 28.9%, compared to $0.7 million for the three months ended March 31, 2017. The decrease resulted primarily from one-time legal fees related to AGI-134 incurred in the 2017 period.

General and administrative expenses for the three months ended March 31, 2018 were $1.1 million, similar to the comparable period in 2017.

The Company's operating loss for the quarter ended March 31, 2018 amounted to $6.6 million, compared with an operating loss of $5.3 million for the quarter ended March 31, 2017.

Non-operating income (expenses) for both periods primarily relate to fair-value adjustments of warrant liabilities. These fair-value adjustments were highly influenced by the Company's share price at each period end (revaluation date).

The Company recorded an immaterial amount of net financial expenses for the three months ended March 31, 2018 compared to net financial income of $0.5 million for the three months ended March 31, 2017. Net financial expenses for the 2018 period primarily relate to investment income earned on bank deposits, offset by losses recorded on foreign currency hedging transactions. Net financial income for the 2017 period relates primarily to gains recorded on foreign currency hedging transactions and investment income earned on bank deposits.

The Company's net loss for the three months ended March 31, 2018 amounted to $6.2 million, compared with a net loss of $4.9 million for the corresponding period.

The Company held $44.2 million in cash, cash equivalents and short-term bank deposits as of March 31, 2018.

Net cash used in operating activities was $6.8 million for the three months ended March 31, 2018, compared with net cash used in operating activities of $3.8 million for the three months ended March 31, 2017. The $3.0 million increase in net cash used in operating activities during the three-month period in 2018, compared to the three-month period in 2017, was the result of increased research and development expenses in the 2018 period, as well as a decrease in accounts payable.

Net cash provided by investing activities was $8.1 million for the three months ended March 31, 2018, compared to net cash provided by investing activities of $1.4 million for the three months ended March 31, 2017. 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 in 2017 period.

Net cash provided by financing activities was $1.4 million for the three months ended March 31, 2018, compared to net cash provided by financing activities of $2.1 million for the three months ended March 31, 2017. The cash flows from financing activities result primarily from funding under an ATM facility in the 2018 period and a share purchase agreement with Lincoln Park Capital in the 2017 period.

Conference Call and Webcast Information

BioLineRx will hold a conference call today, May 22, 2018 at 10:00 a.m. EDT. To access the conference call, please dial +1-888-281-1167 from the U.S. or +972-3-918-0685 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 on the Investor Relations page of BioLineRx's website. A dial-in replay of the call will be available until May 25, 2018; please dial +1-877-456-0009 from the U.S. or +972-3-925-5942 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 AML, is in the midst of a Phase 2b study as an AML consolidation treatment and has initiated 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 mid-2018. In addition, BioLineRx has a strategic collaboration with Novartis 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, 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 6, 2018. 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, 2017	March 31, 2018
	in USD thousands	
Assets		
CURRENT ASSETS		
Cash and cash equivalents	5,110	7,810
Short-term bank deposits	44,373	36,388
Prepaid expenses	307	564
Other receivables	586	782
Total current assets	50,376	45,544
NON-CURRENT ASSETS		
Long-term prepaid expenses	61	60
Long-term investment	1,000	1,000
Property and equipment, net	2,505	2,432
Intangible assets, net	7,023	7,039
Total non-current assets	10,589	10,531
Total assets	60,965	56,075
Liabilities and equity		
CURRENT LIABILITIES		
Current maturities of long-term bank loan	93	93
Accounts payable and accruals:		
Trade	5,516	4,941
Other	1,113	1,146
Total current liabilities	6,722	6,180
NON-CURRENT LIABILITIES		
Long-term bank loan, net of current maturities	157	133
Warrants	1,205	740
Total non-current liabilities	1,362	873
COMMITMENTS AND CONTINGENT LIABILITIES		
Total liabilities	8,084	7,053
EQUITY		
Ordinary shares	2,836	2,874
Share premium	240,682	242,177
Capital reserve	10,337	11,143
Other comprehensive loss	(1,416)	(1,416)
Accumulated deficit	(199,558)	(205,756)
Total equity	52,881	49,022
Total liabilities and equity	60,965	56,075

BioLineRx Ltd.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(UNAUDITED)

	Three months ended March 31,	
	2017	2018
	in USD thousands	
RESEARCH AND DEVELOPMENT EXPENSES	(3,590)	(5,070)
SALES AND MARKETING EXPENSES	(681)	(484)
GENERAL AND ADMINISTRATIVE EXPENSES	(1,030)	(1,075)
OPERATING LOSS	(5,301)	(6,629)
NON-OPERATING INCOME (EXPENSES), NET	(5)	462
FINANCIAL INCOME	457	175
FINANCIAL EXPENSES	(6)	(206)
NET LOSS AND COMPREHENSIVE LOSS	(4,855)	(6,198)
LOSS PER ORDINARY SHARE - BASIC AND DILUTED	(0.08)	(0.06)
WEIGHTED AVERAGE NUMBER OF SHARES USED IN CALCULATION OF LOSS PER ORDINARY SHARE	58,620,094	106,169,273

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

	Ordinary shares	Share premium	Capital Reserve	Other comprehensive loss	Accumulated deficit	Total
	in USD thousands					
BALANCE AT JANUARY 1, 2017	1,513	199,567	10,569	(1,416)	(175,206)	35,027
CHANGES FOR THREE MONTHS ENDED MARCH 31, 2017:						
Issuance of share capital, net	128	4,944	-	-	-	5,072
Employee stock options exercised	1	296	(297)	-	-	-
Employee stock options forfeited and expired	-	1,085	(1,085)	-	-	-
Share-based compensation	-	-	472	-	-	472
Comprehensive loss for the period	-	-	-	-	(4,855)	(4,855)
BALANCE AT MARCH 31, 2017	1,642	205,892	9,659	(1,416)	(180,061)	35,716

	Ordinary shares	Share premium	Capital Reserve	Other comprehensive loss	Accumulated deficit	Total
	in USD thousands					
BALANCE AT JANUARY 1, 2018	2,836	240,682	10,337	(1,416)	(199,558)	52,881
CHANGES FOR THREE MONTHS ENDED MARCH 31, 2018:						
Issuance of share capital, net	37	1,386	-	-	-	1,423
Employee stock options exercised	1	29	(30)	-	-	-
Employee stock options forfeited and expired	-	80	(80)	-	-	-
Share-based compensation	-	-	916	-	-	916
Comprehensive loss for the period	-	-	-	-	(6,198)	(6,198)
BALANCE AT MARCH 31, 2018	2,874	242,177	11,143	(1,416)	(205,756)	49,022

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

	Three months ended March 31,	
	2017	2018
	in USD thousands	
CASH FLOWS - OPERATING ACTIVITIES		
Comprehensive loss for the period	(4,855)	(6,198)
Adjustments required to reflect net cash used in operating activities (see appendix below)	1,062	(609)
Net cash used in operating activities	(3,793)	(6,807)
CASH FLOWS - INVESTING ACTIVITIES		
Investments in short-term deposits	(7,013)	(4,000)
Maturities of short-term deposits	12,143	12,167
Purchase of property and equipment	(45)	(54)
Purchase of intangible assets	(3,718)	(29)
Net cash provided by investing activities	1,367	8,084
CASH FLOWS - FINANCING ACTIVITIES		
Issuance of share capital, net of issuance costs	2,087	1,423
Repayments of bank loan	(23)	(23)
Net cash provided by financing activities	2,064	1,400
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(362)	2,677
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	2,469	5,110
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS	94	23
CASH AND CASH EQUIVALENTS - END OF PERIOD	2,201	7,810

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

	Three months ended March 31,	
	2017	2018
	in USD thousands	
Adjustments required to reflect net cash used in operating activities:		
Income and expenses not involving cash flows:		
Depreciation and amortization	119	140
Long-term prepaid expenses	(3)	1
Exchange differences on cash and cash equivalents	(94)	(23)
Gain on adjustment of warrants to fair value	-	(465)
Share-based compensation	472	916
Interest and exchange differences on short-term deposits	(143)	(182)
Interest and linkage differences on bank loan	-	(1)
	351	386
Changes in operating asset and liability items:		
Increase in prepaid expenses and other receivables	(802)	(453)
Increase (decrease) in accounts payable and accruals	1,513	(542)
	711	(995)
	1,062	(609)
Supplementary information on interest received in cash	137	167

Exhibit 2

BioLineRx Ltd.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
AS OF MARCH 31, 2018

BioLineRx Ltd.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
AS OF MARCH 31, 2018

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Warrants	1,205	740
Total non-current liabilities	1,362	873
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Total liabilities	8,084	7,053
EQUITY		
Ordinary shares	2,836	2,874
Share premium	240,682	242,177
Capital reserve	10,337	11,143
Other comprehensive loss	(1,416)	(1,416)
Accumulated deficit	(199,558)	(205,756)
Total equity	52,881	49,022
Total liabilities and equity	60,965	56,075

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

BioLineRx Ltd.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(UNAUDITED)

	Three months ended March 31,	
	2017	2018
	in USD thousands	
RESEARCH AND DEVELOPMENT EXPENSES	(3,590)	(5,070)
SALES AND MARKETING EXPENSES	(681)	(484)
GENERAL AND ADMINISTRATIVE EXPENSES	(1,030)	(1,075)
OPERATING LOSS	(5,301)	(6,629)
NON-OPERATING INCOME (EXPENSES), NET	(5)	462
FINANCIAL INCOME	457	175
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WEIGHTED AVERAGE NUMBER OF SHARES USED IN CALCULATION OF LOSS PER ORDINARY SHARE	58,620,094	106,169,273

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(UNAUDITED)

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CHANGES FOR THREE MONTHS ENDED MARCH 31, 2017:						
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Share-based compensation	-	-	472	-	-	472
Comprehensive loss for the period	-	-	-	-	(4,855)	(4,855)
BALANCE AT MARCH 31, 2017	1,642	205,892	9,659	(1,416)	(180,061)	35,716

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Employee stock options forfeited and expired	-	80	(80)	-	-	-
Share-based compensation	-	-	916	-	-	916
Comprehensive loss for the period	-	-	-	-	(6,198)	(6,198)
BALANCE AT MARCH 31, 2018	2,874	242,177	11,143	(1,416)	(205,756)	49,022

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

	Three months ended March 31,	
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CASH FLOWS - OPERATING ACTIVITIES		
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Net cash used in operating activities	(3,793)	(6,807)
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BioLineRx Ltd.
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(UNAUDITED)

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	2017	2018
	in USD thousands	
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	711	(995)
	1,062	(609)
Supplementary information on interest received in cash	137	167

The accompanying notes are an integral part of these condensed consolidated interim 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.

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 March 31, 2018, and for the three months then ended, were approved by the Board of Directors on May 22, 2018, 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 March 31, 2018 and for the three 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 International Financial Reporting Standards ("IFRS"). The condensed consolidated interim financial statements should be read in conjunction with the Company's annual financial statements as of December 31, 2017 and for the year then ended and their accompanying notes, which have been prepared in accordance with IFRS. The results of operations for the three months ended March 31, 2018 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 these interim financial statements are consistent with those applied in the preparation of the annual financial statements as of December 31, 2017 and for the year then ended, except as follows: (i) IFRS No. 9, "Financial Instruments," which was effective from January 1, 2018, did not have a material effect on the Company's financial statements; (ii) IFRS No. 15, "Revenue from Contracts with Customers," also effective from January 1, 2018, is not relevant to the Company's financial statements because the Company does not have any revenues; (iii) IFRS No. 16, "Leases," which is not yet in effect and which the Company has not adopted early, was disclosed in the 2017 annual financial statements. The Company is currently evaluating the potential effect of this new guidance on its consolidated financial statements.

NOTE 4 – ISSUANCES OF SHARE CAPITAL AND WARRANTS

a. At-the-market ("ATM") sales agreement with BTIG

In October 2017, the Company entered into an at-the-market ("ATM") sales agreement with BTIG, LLC ("BTIG"), pursuant to which the Company may, at its sole discretion, offer and sell through BTIG, acting as sales agent, ADSs having an aggregate offering price of up to $30.0 million throughout the period during which the ATM facility remains in effect. The Company will pay BTIG a commission of 3.0% of the gross proceeds from the sale of ADSs under the facility. From the effective date of the agreement through March 31, 2018, 2,242,149 ADSs were sold under the program for total net proceeds of approximately $2.5 million, leaving an available balance under the facility of approximately $27.5 million as of March 31, 2018.

b. Direct placement of share capital and warrants to BVF

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.

The warrants issued have been classified as a non-current financial liability due to a net settlement provision. This liability is initially recognized at its fair value on the date the contract is entered into and subsequently accounted for at fair value at each balance sheet date. The fair value changes are charged to non-operating income and expense in the statement of comprehensive loss.

The fair value of the warrants is computed using the Black and Scholes option pricing model. The fair value of the warrants upon issuance was computed based on the then current price of an ADS, a risk-free interest rate of 1.66% and an average standard deviation of 57.8%. The fair value of the warrants as of March 31, 2018 was based on the then current price of an ADS, a risk-free interest rate of 1.73% and an average standard deviation of 59.4%.

NOTE 5 – SHAREHOLDERS' EQUITY

As of December 31, 2017 and March 31, 2018, share capital is composed of ordinary shares, as follows:

	Number of ordinary shares	
	December 31, 2017	March 31, 2018
Authorized share capital	250,000,000	250,000,000
Issued and paid-up share capital	105,063,437	106,384,408

	In USD and NIS	
	December 31, 2017	March 31, 2018
Authorized share capital (in NIS)	25,000,000	25,000,000
Issued and paid-up share capital (in NIS)	10,506,344	10,638,441
Issued and paid-up share capital (in USD)	2,836,139	2,873,803

NOTE 6 – EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

In 2016, the Company established a joint venture with I-Bridge Capital, a Chinese venture capital fund focused on developing innovative therapies in China, with each party contributing initial seed capital to the venture of $1.0 million. The joint venture, named iPharma, has been focusing on the development of innovative clinical and pre-clinical therapeutic candidates to serve the Chinese and global healthcare markets. In April 2018, the Company sold its holdings in the joint venture to I-Bridge Capital for cash consideration of $1.5 million. The gain of $0.5 million will be recorded in the June 30, 2018 financial statements.

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 6, 2018 (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 two 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 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 from the monotherapy portion of this study show that BL-8040 increases infiltration of T cells into the tumor in patients with metastatic pancreatic cancer. Top-line results from the trial are 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 this Phase 2b study, which commenced in January 2017.

  - In September 2016, we entered into a collaboration with Genentech, in the framework of which both companies would carry out Phase 1b/2 studies investigating BL-8040 in combination with TECENTRIQ® (atezolizumab), Genentech's anti-PDL1 cancer immunotherapy, in various solid tumors and hematologic malignancies. Genentech commenced a Phase 1b/2 study for the treatment of pancreatic cancer in July 2017, as well as a Phase 1b/2 study in gastric cancer in October 2017. We anticipate that Genentech will commence an additional Phase 1b/2 study in lung cancer in 2018. These studies will evaluate the clinical response, safety and tolerability of the combination of these therapies, as well as multiple pharmacodynamic parameters.

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, or r/r AML, which was conducted on 42 patients at six world-leading cancer research centers in the U.S. and at five premier sites in Israel. The study included both a dose-escalation and a dose-expansion phase. At the annual meetings of the Society of Hematologic Oncology and ASH in September and December 2016, respectively, we presented detailed, positive safety and response rate data for subjects treated with a combination of BL-8040 and high dose cytarabine, or HiDAC. In May 2018, we announced positive overall survival data from the long-term follow-up part of this study. We continue to monitor long-term survival data for patients in 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 conducting 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 conducting an interim analysis on this study in the second half of 2018, with top-line results expected in 2020.

- In September 2017, we initiated a Phase 1b/2 trial in AML under the collaboration with Genentech referred to above in "— Solid tumors." The trial will focus on the maintenance treatment of patients with intermediate- and high-risk AML who have achieved a complete response following induction and consolidation therapy. Up to 60 patients are planned to be enrolled in this single arm, open-label study, planned to take place at approximately 22 sites in the U.S., Europe and Israel.

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 initiated 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, or WUSM. 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. In May 2018, we announced positive top-line results of this study.

- In December 2017, we commenced a randomized, controlled Phase 3 registrational trial of BL-8040 for the mobilization of HSCs for autologous transplantation in patients with multiple myeloma. The trial will commence with a lead-in period for dose confirmation, which will include 10-30 patients, and progress to the placebo-controlled main part, which is designed to include 177 patients in more than 15 centers. Results from the lead-in period of the study are expected in mid-2018, and top-line results of placebo-controlled main part of the study are expected in 2020.

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 our subsidiary, 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 hyper-acute, 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. A 28-day, repeated-administration GLP toxicology study in monkeys with AGI-134 has also been successfully completed. We expect to commence a first-in-man study using AGI-134 in patients with solid tumors in mid-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 2014, we entered into an exclusive out-licensing arrangement with a subsidiary of Perrigo Company plc, or Perrigo, for the rights to BL-5010 for over-the-counter, or OTC, indications in the territory of Europe, Australia and additional selected countries. In March 2016, Perrigo 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. We are currently developing one pre-clinical project, BL-1230, in the framework of this collaboration, with the ongoing scientific support of Novartis. The companies are continually evaluating late pre-clinical and early clinical projects, with the goal of potentially bringing additional projects into our pipeline.

In December 2014, we entered into an exclusive out-licensing arrangement with Perrigo 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 Perrigo, it 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, Perrigo will sponsor and manufacture BL-5010 in the relevant regions. Perrigo 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 2016, we established a joint venture with I-Bridge Capital, a Chinese venture capital fund focused on developing innovative therapies in China, with each party contributing initial seed capital to the venture of $1.0 million. The joint venture, named iPharma, has been focusing on the development of innovative clinical and pre-clinical therapeutic candidates to serve the Chinese and global healthcare markets. As the joint venture's activities are not part of our current strategic focus, we recently determined that participation in the joint venture would no longer be advantageous for the Company. Accordingly, in April 2018, we sold our holdings in the joint venture to I-Bridge Capital for cash consideration of $1.5 million. The gain of $0.5 million will be recorded in our June 30, 2018 financial statements.

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 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 collaborated 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. As a result of our termination of the BL-9020 project, by its terms the collaboration agreement with JHL ended as well. See "Recent Company Developments — Termination of Therapeutic Candidates."

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 March 31, 2018, we held $44.2 million of cash, cash equivalents and short-term bank deposits.

Recent Company Developments

Changes in Company Management

In February 2018, we announced the appointment of Hillit Mannor Shachar, M.D., MBA, M.S.F.S., as Vice President Business Development, effective April 1. Dr. Shachar has over 15 years of experience in senior business development, corporate development and venture capital positions in the life sciences field. Her last position before joining the Company was Vice President Business Development of Pluristem Therapeutics (NASDAQ:PSTI).

Pre-Clinical and Clinical Development

BL-8040

Preclinical Results

At the ASCO-SITC Clinical Immuno-Oncology Symposium, or ASCO-SITC, in January 2018, we presented preclinical data showing that BL-8040 augments the ability of the immune system to fight cancer by increasing the infiltration of anti-tumor-specific T cells into the tumor micro-environment, or TME, resulting in decreased tumor growth and prolonged survival in a murine model of cancer. In the preclinical study, a murine model of cancer was used to assess the effects of BL-8040 in combination with a cancer vaccine that primes the immune system against the tumor. The results of the study show that combining BL-8040 with the cancer vaccine leads to a significantly enhanced anti-tumor immune response, which attenuates tumor growth and prolongs mouse survival better than either agent administered alone. The results go on to demonstrate that BL-8040 significantly increases the abundance of tumor-specific T cells in the TME, suggesting an explanation for the enhanced efficacy of the combination over either agent when administered alone.

Clinical Trials

We presented partial results from the BL-8040 monotherapy portion of the COMBAT trial at the ASCO Gastrointestinal Cancers Symposium in January 2018. These results show that BL-8040 was safe and well-tolerated, and that it induced an increase in the number of total immune cells in the peripheral blood, while the frequency of peripheral blood regulatory T cells (Tregs), known to impede the anti-tumor immune response, was decreased. In addition, analysis of available biopsies (N = 7) showed infiltration of effector T cells, known to attack cancer cells, into the tumor periphery and TME. In this regard, the results show up to a 15-fold increase in CD3+ T cells, and up to a 2-fold increase in CD8+ T cells, in the TME of 43% (3/7) of the patients, after five days of BL-8040 monotherapy.

In May 2018, we reported on long-term survival data that showed significantly enhanced overall survival of r/r AML patients treated with a combination of BL-8040 and HiDAC in the Phase 2a proof-of-concept trial carried out in the U.S. and Israel. The response rate for all dosing levels was 29% and median overall survival was 9.1 months, compared with historical data on overall survival of 6.1 months for HiDAC alone. In patients receiving the 1.5 mg/kg dose selected for expansion (n=23), the response rate was 39% and median overall survival was 9.2 months with 1-year and 2-year survival rates of 31.6% and 21.1%, respectively. Furthermore, median overall survival for responding patients (CR/CRi) at the 1.5 mg/kg dose was 16.7 months, with 1- and 2-year survival rates of 50% and 37.5%, respectively. We will be presenting these data at the 23rd Congress of European Hematology Association (EHA), to take place in June 2018 in Stockholm, Sweden.

In May 2018, we announced positive results from the Phase 2 clinical trial being carried out at WUSM to assess BL-8040 as a single agent for hematopoietic stem cell mobilization in an allogeneic transplantation setting. Mobilization of hematopoietic stem and progenitor cells, or HSPCs, for the purpose of donor (allogeneic) transplantation after high-dose chemotherapy is currently performed using a 4-5 day treatment cycle with G-CSF and a 1-2 day apheresis procedure. Single-agent treatment with BL-8040 showed similar efficacy in only one administration. In addition, BL-8040 showed non-inferiority in recipient engraftment, with all transplanted recipients successfully engrafting with BL-8040-mobilized grafts. The full top-line results of the study will be presented at the EHA Congress in June 2018.

Intellectual Property

In May 2018, the European Patent Office (EPO) issued a Decision to Grant a patent claiming the use of BL-8040 with cytarabine for the treatment of AML. This patent will be valid through March 2034, with the option of up to five years' patent term extension, thus providing significant additional intellectual property protection for the use of BL-8040 for AML. Member patents were also granted in Japan and Hong Kong. Additional corresponding patent applications are pending in China (a Notice of Acceptance was received), Israel (a Notice of Acceptance was received), the United States, India, Korea, Mexico, Brazil, Canada and Australia.

AGI-134

Preclinical Results

At ASCO-SITC in January 2018, we presented preclinical findings demonstrating successful results in the treatment of primary tumors with AGI-134. Intratumoral administration of AGI-134 induced regression of established tumors in two murine melanoma models. Moreover, treatment with AGI-134 showed a beneficial effect on survival, compared to the control group, with fewer mice dying or requiring euthanasia due to tumor burden. In addition, the results show that injection of AGI-134 into the tumors induces activation of the complement system, an important component of the innate immune system. Activation of the complement system within tumors by AGI-134 is predicted to destroy tumor cells and create a pro-inflammatory tumor microenvironment that attracts and activates other immune cells, ultimately resulting in adaptive anti-tumor immunity.

Intellectual Property

In March 2018, the United States Patent and Trademark Office (USPTO) issued a Notice of Allowance for a patent application claiming the use of AGI-134 for the treatment of solid cancer tumors. This patent, when issued, will be valid until May 2035 with a possibility of up to five years patent term extension. Additional corresponding patent applications for AGI-134 are pending in Europe, Japan, China, Canada, Australia and Israel.

Capital Resources

In October 2017, we entered into an at-the-market sales agreement with BTIG, LLC, or BTIG, whereby we may, in our discretion and at such times as we shall determine from time to time, offer and sell through BTIG, acting as sales agent, up to $30 million of our ADSs throughout the period during which the sales agreement remains in effect (the "ATM Program"). As of the date of this report, the available balance under the facility is $27.5 million.

Corporate matters

On April 23, 2018, we received written notice (the "Notification Letter") from The Nasdaq Stock Market ("Nasdaq") stating that we were not in compliance with the minimum bid price requirement set forth in Nasdaq's rules for continued listing on The Nasdaq Capital Market. Nasdaq Listing Rule 5550(a)(2) (the "Rule") requires listed securities to maintain a minimum bid price of $1.00 per share, and Listing Rule 5810(c)(3)(A) provides that a failure to meet the minimum bid price requirement exists if the deficiency continues for a period of 30 consecutive business days. Based on the closing bid price of our ADSs for the 30 consecutive business days beginning March 8, 2018, we no longer met the minimum bid price requirement as of the date of the Notification Letter. We were provided with 180 days, or until October 22, 2018, to regain compliance with the Rule.

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 January 1, 2018 through the date of this announcement, we terminated BL-9020 in light of scientific, regulatory and commercial considerations. BL-9020 was being investigated as a treatment of Type 1 diabetes.

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 Perrigo, 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 is ongoing
	2. Phase 2b consolidation treatment for AML ongoing	2. 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 (COMBAT), ongoing; partial results presented at ASCO-GI in January 2018	4. Top-line results expected in H2 2018
	5. Phase 2b 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 (BATTLE), commenced	6. Top-line results expected in 2019
	7. Phase 1b/2 studies in pancreatic and gastric cancer, under collaboration with Genentech (MORPHEUS) commenced	7. Top-line results expected in 2019; commencement of additional study in lung cancer expected in 2018
	8. Phase 3 registration study in autologous stem-cell mobilization commenced (GENESIS)	8. Partial results from initial lead-in, dose-confirmation part of the study expected mid-2018; top-line results from full study expected in 2020
AGI-134	Near-clinical development studies	Commencement of first-in-man study expected in mid-2018
BL-5010	Out-licensed to Perrigo; CE mark approval obtained; commercial launch of first OTC indication in Europe commenced	Gradual full roll-out of commercial launch over next 2-3 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 two additional projects in clinical and pre-clinical stages of development (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, 2015, 2016 and 2017; for the three months ended March 31, 2018; and on an aggregate basis since project inception.

	Year Ended December 31,			Three Months Ended March 31, 2018	Total Costs Since Project Inception
	2015	2016	2017		
	(in thousands of U.S. dollars)				
BL-8040	7,045	8,281	12,369	2,957	39,983
AGI-134	-	-	3,730	783	4,513
BL-5010	400	75	32	14	4,190
Other projects	3,573	2,647	2,628	863	117,622
Total gross direct project costs	11,018	11,003	18,759	4,617	166,308

From our inception through March 31, 2018, we have incurred research and development expenses of approximately $201.6 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 and the direct placement we conducted in July 2017. 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.

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, 2017.

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-month periods ended March 31, 2018 and 2017.

Cost of revenues

We did not record any cost of revenues during each of the three-month periods ended March 31, 2018 and 2017.

Research and development expenses

At December 31, 2014, our drug development pipeline 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 as of December 31, 2016 consisted of eight therapeutic candidates. During 2017, we terminated two therapeutic candidates in our pipeline, and added one therapeutic candidate to the pipeline, so that our drug development pipeline as of December 31, 2017 consisted of seven therapeutic candidates. Subsequent to December 31, 2017, we terminated two therapeutic candidates in our pipeline, so that our drug development pipeline as of the date of this report consists of five 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 March 31,		
	2017	2018	Increase (decrease)
	(in thousands of U.S. dollars)		
Research and development expenses	3,590	5,070	1,480

Research and development expenses for the three months ended March 31, 2018 were $5.1 million, an increase of $1.5 million, or 41.2%, compared to $3.6 million for the three months ended March 31, 2017. The increase resulted primarily from higher expenses associated with new BL-8040 clinical studies commenced during 2017, spending on our new AGI-134 near-clinical project, and higher expenses related to our BL-1230 project.

Sales and marketing expenses

	Three months ended March 31,		
	2017	2018	Increase (decrease)
	(in thousands of U.S. dollars)		
Sales and marketing expenses	681	484	(197)

Sales and marketing expenses for the three months ended March 31, 2018 were $0.5 million, a decrease of $0.2 million, or 28.9%, compared to $0.7 million for the three months ended March 31, 2017. The decrease resulted primarily from one-time legal fees related to AGI-134 paid in the 2017 period.

General and administrative expenses

	Three months ended March 31,		
	2017	2018	Increase (decrease)
	(in thousands of U.S. dollars)		
General and administrative expenses	1,030	1,075	45

General and administrative expenses for the three months ended March 31, 2018 were $1.1 million, similar to the comparable period in 2017.

Non-operating income (expenses), net

	Three months ended March 31,		
	2017	2018	Increase (decrease)
	(in thousands of U.S. dollars)		
Non-operating income (expenses), net	(5)	462	467

Non-operating income (expenses) for both periods primarily relate to fair-value adjustments of warrant liabilities on our balance sheet. These fair-value adjustments were highly influenced by our share price at each period end (revaluation date).

Financial income (expenses), net

	Three months ended March 31,		
	2017	2018	Increase (decrease)
	(in thousands of U.S. dollars)		
Financial income	457	175	(282)
Financial expenses	(6)	(206)	(200)
Net financial income (expenses)	451	(31)	(482)

We recognized an immaterial amount of net financial expenses for the three months ended March 31, 2018 compared to net financial income of $0.5 million for the three months ended March 31, 2017. Net financial expenses for the 2018 period primarily relate to investment income earned on our bank deposits, offset by losses recorded on foreign currency hedging transactions. Net financial income for the 2017 period 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 March 31, 2018, we held $44.2 million in cash, cash equivalents and short-term bank deposits. We have invested substantially all our available cash funds in short-term bank deposits.

Pursuant to the sales agreement signed with BTIG in October 2017, we may sell, from time to time, and at our discretion, up to $30 million of our ADSs through BTIG during the term of the sales agreement. As of the date of this report, we have an available balance under the facility of approximately $27.5 million.

Net cash used in operating activities was $6.8 million for the three months ended March 31, 2018, compared with net cash used in operating activities of $3.8 million for the three months ended March 31, 2017. The $3.0 million increase in net cash used in operating activities during the three-month period in 2018, compared to the three-month period in 2017, was the result of increased research and development expenses in the 2018 period, as well as a decrease in accounts payable.

Net cash provided by investing activities was $8.1 million for the three months ended March 31, 2018, compared to net cash provided by investing activities of $1.4 million for the three months ended March 31, 2017. 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 in 2017 period.

Net cash provided by financing activities was $1.4 million for the three months ended March 31, 2018, compared to net cash provided by financing activities of $2.1 million for the three months ended March 31, 2017. The cash flows from financing activities result primarily from the funding under an ATM facility with BTIG, LLC in 2018 period and a share purchase agreement with Lincoln Park Capital Fund, LLC in 2017 period.

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.