

July 30<sup>th</sup>, 2017**Immediate Report further to Bioline's update dated 26<sup>th</sup> July 2017****BioLineRx Ltd.: Additional Investment by A Principal Investor Reflects a Confidence in the Company. Target Price Unchanged**

Primary exchange: TASE

Secondary exchange (1 ADS = share 1):  
NASDAQ

Symbol: TASE, NASDAQ:BLRX

Sector: Biotechnology

Sub-sector: Drug Development

Stock target price: NIS 4.90

As of July 26<sup>th</sup>, 2017

Closing price: NIS 3.39

Market cap: NIS 324.0M

# of shares: 95.6M

Stock performance (YTD): 7.9%

Daily-trading-vol. (12 months):  
NIS 444.5K

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[www.frost.com/EquityResearch](http://www.frost.com/EquityResearch)**Company overview**

BioLineRx Ltd. ("The Company") is an Israeli clinical-stage biopharmaceutical company focused on oncology and immunology. In 2007, the company was listed on the Tel Aviv Stock Exchange (TASE). In July 2011, the company registered American Depositary (ADSs) in the NASDAQ Capital Market. The Company in-licenses compounds, develops them through pre-clinical or clinical stages, and then partners with pharmaceutical companies for advanced clinical development or commercialization.

BioLineRx's leading therapeutic clinical platform is BL-8040, a cancer therapy platform: a phase IIa study was successfully completed for relapsed/refractory AML; a Phase IIb study as an AML consolidation treatment is ongoing; and a Phase II study

**Company's Update - Highlights**

- On July 26<sup>th</sup>, 2017 the company announced that BVF Partners L.P. (BVF), its largest shareholder, 18.3% has entered into a definitive agreement to make an additional, direct investment of \$9.6 million in BioLineRx, increasing its economic interest in the Company to 24.99%. The sale is expected to close by July 31, 2017.
- BVF's new investment is priced at \$1.13 per unit. Each unit consists of 1 ordinary share, 0.35 of a Series A warrant, and 0.35 of a Series B warrant. The Series A warrants have an exercise price of \$2.00 per ordinary share and a 4-year term. The Series B warrants have an exercise price of \$4.00 per ordinary share and a 4-year term. The securities are being offered pursuant to a prospectus as a registered direct placement.
- Unit price is \$1.13, while warrants have a Black Scholes value of approximately \$0.11 in total. Therefore, the ordinary shares have an intrinsic value of approximately \$1.02, which is 10.9% premium to share closing price.
- BVF Partners LP is a principal investment firm focuses on undervalued, early venture, small-cap biotechnology investment opportunities in the public biotechnology sector. BVF Partners LP is based in San Francisco, California ([www.bloomberg.com](http://www.bloomberg.com)).

**Analysis:**

- **The investor is the principal shareholder and possesses the in-depth knowledge that most investors lack regarding clinical developments and realization of the company's strategy.**
- **This knowledge is significant in terms of the company's share pricing, which was purchased at a premium of over 10% above the July 25, 2017 market price**
- **The additional funds will increase the company's equity, while diluting its current investors.**
- **Thus, we do not change our target price, NIS 4.90/ \$ 1.38 for 1 ADS (price range of NIS 4.76 - NIS 5.04); however, equity value is higher: NIS 502.3M / \$ 141.1M (previous EV was 468.1M NIS / \$ 131.5M, as elaborated in the initiation report dated July 20<sup>th</sup> 2017).**

## Upcoming Potential Catalysts

Program	Event	Significance	Timeline
<b>BL-8040</b>	Completion of Phase II (allogenic SCM)	Medium	<b>H2 2017</b>
	Initiation Phase III (autologous SCM)	Medium	<b>H2 2017</b>
	Partial results Phase II (pancreatic cancer)	Medium	<b>H2 2017</b>
	Top-line results Phase II (pancreatic) cancer)	High	<b>H1 2018</b>
	Initiation Phase Ib (AML maintenance)	Medium	<b>H2 2017</b>
	Partial results Phase Ib	Low	<b>H2 2018</b>
	Initiation Phase Ib (multiple solid tumors)	Medium	<b>H2 2017</b>
Partial results Phase Ib (multiple solid tumors)	Low	<b>H2 2018</b>	
	Top-line Phase IIb results (AML consolidation)	Medium	<b>H2 2019</b>
<b>AGI-134</b>	Initiation of Phase I/II (multiple solid tumors)	Low	<b>H1 2018</b>

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