



## NEWS RELEASE

# RedHill Biopharma Announces Definitive Agreement for Up To \$6 Million Private Placement with a Single Investor

3/8/2023

TEL AVIV, Israel and RALEIGH, NC, March 8, 2023 /PRNewswire/ -- **RedHill Biopharma Ltd.** (Nasdaq: RDHL) ("RedHill" or the "Company"), a specialty biopharmaceutical company, today announced agreement, with a single investor, for the issuance of convertible promissory note in the principal amount of up to \$6 million, convertible into American Depositary Shares ("ADS") and warrants to purchase ADSs of the Company, pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended.

Gross proceeds to the Company under the promissory note will be up to \$6 million, subject to certain conditions, before costs and fees, including prepaid interest of eight (8%) percent. Advances under the promissory note are to be made in three tranches of \$2 million, \$1 million, and \$3 million, respectively. The first tranche will be paid upon closing, and the second and third tranches will be advanced following effectiveness of a registration statement that the Company will file with the Securities and Exchange Commission covering the resale of ADSs to be acquired by the investor under the convertible promissory note and the warrants. The promissory note has a one-year term and must be converted by the end of the term. The conversion price of the promissory note is 93% of the closing price of the Company's ADSs on the trading day immediately preceding the date of any conversion by the investor.

The number of warrants to be issued will be one-fourth of the value of each tranche divided by \$0.21, today's ADS closing price. Each warrant will have a term of three years commencing six months following closing and have an

exercise price equal to \$0.21.

RedHill intends to use the net proceeds from this placement for general working capital, acquisitions, research and development and general corporate purposes.

The convertible promissory note and warrants described above were offered in a private placement under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Act"), and Regulation D promulgated thereunder and, along with the ADSs underlying the promissory note and the warrants, have not been registered under the Act, or applicable state securities laws. Accordingly, the warrants and underlying ADSs may not be offered or sold in the United States except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Act and such applicable state securities laws.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or other jurisdiction.

## About RedHill Biopharma

RedHill Biopharma Ltd. (Nasdaq: [RDHL](#)) is a specialty biopharmaceutical company primarily focused on gastrointestinal and infectious diseases. RedHill promotes the gastrointestinal drugs **Talicia**<sup>®</sup>, for the treatment of *Helicobacter pylori* (H. pylori) infection in adults[1], and **Aemcolo**<sup>®</sup>, for the treatment of travelers' diarrhea in adults[2]. RedHill's key clinical late-stage development programs include: (i) **RHB-204**, with an ongoing Phase 3 study for pulmonary nontuberculous mycobacteria (NTM) disease; (ii) **opaganib (ABC294640)**, a first-in-class oral broad-acting, host-directed, SPHK2 selective inhibitor targeting multiple indications, including for pandemic preparedness, with a Phase 2/3 program for hospitalized COVID-19 and a Phase 2 program in oncology and a nuclear radiation protection program ongoing; (iii) **RHB-107 (upamostat)**, an oral broad-acting, host-directed serine protease inhibitor with potential for pandemic preparedness, is in late-stage development for treatment of non-hospitalized symptomatic COVID-19, and is targeting multiple other cancer and inflammatory gastrointestinal diseases; (iv) **RHB-104**, with positive results from a first Phase 3 study for Crohn's disease; and (v) **RHB-102**, with expected UK submission for chemotherapy and radiotherapy induced nausea and vomiting, positive results from a Phase 3 study for acute gastroenteritis and gastritis and positive results from a Phase 2 study for IBS-D. More information about the Company is available at [www.redhillbio.com/](http://www.redhillbio.com/) [twitter.com/RedHillBio](https://twitter.com/RedHillBio).

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements may be preceded by the words "intends," "may," "will," "plans," "expects," "anticipates," "projects," "predicts," "estimates," "aims," "believes," "hopes," "potential" or similar words and include statements regarding the expected tranches of the convertible note and the proposed use of proceeds. Forward-

looking statements are based on certain assumptions and are subject to various known and unknown risks and uncertainties, many of which are beyond the Company's control and cannot be predicted or quantified, and consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, the risk that the growth in prescriptions will not continue and the addition of new generating products will not occur, that we will not be successful in obtaining non-dilutive development funding for RHB-107, that we will not be successful in increasing sales of our commercial products, including due to market conditions, that the Phase 2/3 COVID-19 study for RHB-107 may not be successful and, even if successful, such studies and results may not be sufficient for regulatory applications, including emergency use or marketing applications, and that additional COVID-19 studies for opaganib and RHB-107 are likely to be required, as well as risks and uncertainties associated with the risk that the Company will not successfully commercialize its products; as well as risks and uncertainties associated with (i) the initiation, timing, progress and results of the Company's research, manufacturing, pre-clinical studies, clinical trials, and other therapeutic candidate development efforts, and the timing of the commercial launch of its commercial products and ones it may acquire or develop in the future; (ii) the Company's ability to advance its therapeutic candidates into clinical trials or to successfully complete its pre-clinical studies or clinical trials or the development of a commercial companion diagnostic for the detection of MAP; (iii) the extent and number and type of additional studies that the Company may be required to conduct and the Company's receipt of regulatory approvals for its therapeutic candidates, and the timing of other regulatory filings, approvals and feedback; (iv) the manufacturing, clinical development, commercialization, and market acceptance of the Company's therapeutic candidates and Talicia®; (v) the Company's ability to successfully commercialize and promote Talicia® and Aemcolo®; (vi) the Company's ability to establish and maintain corporate collaborations; (vii) the Company's ability to acquire products approved for marketing in the U.S. that achieve commercial success and build its own marketing and commercialization capabilities; (viii) the interpretation of the properties and characteristics of the Company's therapeutic candidates and the results obtained with its therapeutic candidates in research, pre-clinical studies or clinical trials; (ix) the implementation of the Company's business model, strategic plans for its business and therapeutic candidates; (x) the scope of protection the Company is able to establish and maintain for intellectual property rights covering its therapeutic candidates and its ability to operate its business without infringing the intellectual property rights of others; (xi) parties from whom the Company licenses its intellectual property defaulting in their obligations to the Company; (xii) estimates of the Company's expenses, future revenues, capital requirements and needs for additional financing; (xiii) the effect of patients suffering adverse experiences using investigative drugs under the Company's Expanded Access Program; (xiv) competition from other companies and technologies within the Company's industry; and (xv) the hiring and employment commencement date of executive managers. More detailed information about the Company and the risk factors that may affect the realization of forward-looking statements is set forth in the Company's filings with the Securities and Exchange Commission (SEC), including the Company's Annual Report on Form 20-F filed with the SEC on March 17, 2022. All forward-looking statements included in this press release are made only as of the date of this press release. The Company assumes

no obligation to update any written or oral forward-looking statement, whether as a result of new information, future events or otherwise unless required by law.

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[1] Talicia<sup>®</sup> (omeprazole magnesium, amoxicillin and rifabutin) is indicated for the treatment of H. pylori infection in adults. For full prescribing information see: [www.Talicia.com](http://www.Talicia.com).

[2] Aemcolo<sup>®</sup> (rifamycin) is indicated for the treatment of travelers' diarrhea caused by noninvasive strains of Escherichia coli in adults. For full prescribing information see: [www.aemcolo.com](http://www.aemcolo.com).

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