



## Press Release

### **RedHill Biopharma Seeks SEC Review of Suspicious Trading Activity**

**TEL-AVIV, Israel and RALEIGH, NC, July 21, 2020, [RedHill Biopharma Ltd.](#)** (Nasdaq: [RDHL](#)) (“RedHill” or the “Company”), a specialty biopharmaceutical company, announced today it is seeking regulatory review by the Securities and Exchange Commission (“SEC”), and intends to approach the Financial Industry Regulatory Authority, Inc. (“FINRA”), regarding suspicious trading activity including potential naked short selling of the Company’s stock.

The Company engaged with a leading securities law expert and a forensic investigation firm specializing in trading irregularities and market integrity analysis. The resulting analysis identified trading patterns indicating potentially illegal conduct which warrant scrutiny by the regulatory authorities.

The Company is concerned that its shareholders are being harmed by various manipulative trading practices and is determined to take all appropriate actions to stop further market abuse and support any resulting regulatory investigation.

#### **About RedHill Biopharma**

RedHill Biopharma Ltd. (Nasdaq: [RDHL](#)) is a specialty biopharmaceutical company primarily focused on gastrointestinal diseases. RedHill promotes the gastrointestinal drugs, **Movantik**® for opioid-induced constipation in adults<sup>1</sup>, **Talicia**® for the treatment of *Helicobacter pylori* (*H. pylori*) infection in adults<sup>2</sup> and **Aemcolo**® for the treatment of travelers’ diarrhea in adults<sup>3</sup>. RedHill’s key clinical late-stage development programs include: (i) **RHB-204**, with a planned pivotal Phase 3 study

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<sup>1</sup> Full prescribing information for Movantik® (naloxegol) is available at: [www.Movantik.com](http://www.Movantik.com).

<sup>2</sup> Full prescribing information for Talicia® (omeprazole magnesium, amoxicillin and rifabutin) is available at: [www.Talicia.com](http://www.Talicia.com).

<sup>3</sup> Full prescribing information for Aemcolo® (rifamycin) is available at: [www.Aemcolo.com](http://www.Aemcolo.com).

for pulmonary nontuberculous mycobacteria (NTM) infections; (ii) **opaganib (Yeliva®)**, a first-in-class SK2 selective inhibitor targeting multiple indications with a Phase 2/3 program for COVID-19 and ongoing Phase 2 studies for prostate cancer and cholangiocarcinoma; (iii) **RHB-104**, with positive results from a first Phase 3 study for Crohn's disease; (iv) **RHB-102 (Bekinda®)**, with positive results from a Phase 3 study for acute gastroenteritis and gastritis and positive results from a Phase 2 study for IBS-D; (v) **RHB-106**, an encapsulated bowel preparation, and (vi) **RHB-107**, a Phase 2-stage first-in-class, serine protease inhibitor, targeting cancer and inflammatory gastrointestinal diseases and is also being evaluated for COVID-19. More information about the Company is available at [www.redhillbio.com](http://www.redhillbio.com).

*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. 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 SEC or FINRA will not initiate a regulatory review regarding the suspicious trading activity including potential naked short selling of the Company’s stock, the risk that the SEC or FINRA investigation, if conducted, will not find any suspicious trading activity in the Company’s stock, 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® and Movantik®; (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 and sustain 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 commercial products 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; and (xiv) competition from other companies and technologies within the Company's industry. 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 4, 2020. 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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