



Cosmo licenses Aemcolo™ for the USA to RedHill Biopharma and takes a 19.56% stake in the company

Dublin, Ireland – October 18, 2019 – Cosmo Pharmaceuticals N.V. (SIX: COPN) today announced that it has concluded a licensing agreement for Aemcolo™ for the USA and a simultaneous share subscription agreement with RedHill Biopharma (NASDAQ: RDHL, Tel-Aviv Stock Exchange: RDHL).

Aemcolo™ is Cosmo's recently FDA approved antibiotic for the treatment of Travelers' Diarrhea and is also in Phase II clinical trials for IBS-D.

RedHill Biopharma is focused on the development and commercialization of clinical late-stage drugs for the treatment of gastrointestinal diseases. RedHill already commercializes gastrointestinal products in the U.S. and currently has a sales force of approximately 40 sales representatives, which it plans to further expand to approximately 140 sales representatives assuming approval of its drug RHB-105 (Talicia) for the treatment of *H. pylori* infection. RHB-105's PDUFA date is set for November 2, 2019.

The license agreement provides for high twenty percent royalties and potential regulatory and commercial cash milestones totalling up to USD 100m, plus a USD 12m down-payment in RedHill ADSs (American Depositary Shares listed on NASDAQ). Cosmo will be the exclusive supplier of Aemcolo™.

The share subscription agreement provides for an investment of USD 36.3m in RedHill ADSs at a price equal to the last 30-day average. Together with the ADSs received as down-payment, Cosmo will hold an overall stake in the company of 19.56% and will become the largest shareholder in RedHill. Cosmo will be entitled to appoint one board member of RedHill.

Mauro Ajani, Chairman of Cosmo, said: *"This deal is another big step in the transformation of Cosmo and it is closer to our history. After the deals with Medtronic, where we partnered Al and Eleview, we have now found the right US partner for Aemcolo™. We are most pleased to become RedHill's largest shareholder: this stake is strategic and a demonstration of trust. We look forward to contributing towards making RedHill a rousing success."*

Alessandro Della Chà, CEO of Cosmo, said: *"After having received several offers, we believe we have found in RedHill the features for a long and successful collaboration: a strong and expert management team with a history of commercial success, a very interesting pipeline, a company size where our contribution could make a substantial difference and the opportunity of an equity for product deal. We are very happy to start this new partnership"*.

“Cosmo is a world leader in optimized therapies for gastrointestinal diseases with a strong track record of success, expertise and commitment to changing the treatment landscape for patients”, said Dror Ben-Asher, RedHill’s CEO. “The strategic partnership with Cosmo is an important validation of RedHill’s commercial capabilities, promising late-stage pipeline and overall strategy to become a leading gastrointestinal-focused company in the US. Cosmo’s investment in RedHill ahead of the potential FDA approval and if approved by the FDA, the launch of RHB-105 (Talcia) and the addition of Aemcolo® to our GI product portfolio positions us well for the future. We are proud to have Cosmo as our partner and look forward to a successful strategic collaboration.”

About Cosmo Pharmaceuticals

Cosmo is a specialty pharmaceutical company focused in treating selected Gastrointestinal Disorders and Endoscopy. The Company’s proprietary clinical development pipeline specifically addresses innovative treatments for IBD, Colonic Infections and detection of colonic lesions. Cosmo has also developed medical devices for endoscopy and has recently entered into a partnership with Medtronic for the global distribution of its novel Artificial Intelligence device to be used in colonoscopies and GI procedures. Further, Cosmo is the licensee for US of the novel agent for procedural sedation, Remimazolam. For additional information on Cosmo and its products please visit the Company’s website: www.cosmopharma.com

About RedHill Biopharma Ltd.

RedHill Biopharma Ltd. (Nasdaq: RDHL) (Tel-Aviv Stock Exchange: RDHL) is a specialty biopharmaceutical company, primarily focused on the development and commercialization of clinical late-stage, proprietary drugs for the treatment of gastrointestinal diseases. RedHill commercializes and promotes several gastrointestinal products in the U.S.: **Donnatal®** - a prescription oral adjunctive drug used in the treatment of IBS and acute enterocolitis; **EnteraGam®** - a medical food intended for the dietary management, under medical supervision, of chronic diarrhea and loose stools and **Mytesi®** - an anti-diarrheal drug indicated for the symptomatic relief of non-infectious diarrhea in adult patients with HIV/AIDS on antiretroviral therapy. RedHill’s key clinical late-stage development programs include: (i) **RHB-105 (Talcia®)** for the treatment and eradication of *Helicobacter pylori* infection with a U.S. NDA submitted and accepted for priority review with a target PDUFA action date of November 2, 2019; (ii) **RHB-104**, with positive top-line results from a first Phase 3 study for Crohn’s disease; (iii) **RHB-204**, with a planned pivotal Phase 3 study for pulmonary nontuberculous mycobacteria (NTM) infections; (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) **Yeliva® (ABC294640)**, a first-in-class SK2 selective inhibitor, targeting multiple oncology, inflammatory and gastrointestinal indications, with an ongoing Phase 2a study for cholangiocarcinoma; (vi) **RHB-106**, an encapsulated bowel preparation licensed to Salix Pharmaceuticals, Ltd. and (vii) **RHB-107**, a Phase 2-stage first-in-class, serine protease inhibitor, targeting cancer and inflammatory gastrointestinal diseases. More information about the Company is available at: www.redhillbio.com

Calender

Credit Suisse Small & Mid Cap Conference, Zurich
Jefferies Global Health Care Conference, London
FY Results
Annual General Meeting

November 13, 2019
November 20, 2019
March 2020
May 2020

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