UNITED STATES
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
Commission File No.: 001-35773

REDHILL BIOPHARMA LTD.
(Translation of registrant's name into English)

21 Ha'arba'a Street, Tel Aviv, 64739, Israel
(Address of principal executive office)

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 [X] Form 40-F [ ]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): __

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): __

Attached hereto and incorporated by reference herein is a press release issued by the Registrant entitled: *"RedHill Biopharma Reports First Quarter 2018 Financial Results".*

Exhibit 1: Registrant's press release entitled "*RedHill Biopharma Reports First Quarter 2018 Financial Results*".

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

This Form 6-K and related exhibits are incorporated by reference into the Company's Registration Statements on Form S-8 filed with the Securities and Exchange Commission on May 2, 2013 (Registration No. 333-188286), on October 29, 2015 (Registration No. 333-207654) and on July 25, 2017 (Registration No. 333-219441) and its Registration Statement on Form F-3 filed with the Securities and Exchange Commission on February 25, 2016 (Registration No. 333- 209702).

SIGNATURES

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.

REDHILL BIOPHARMA LTD.
(Registrant)

Date: May 8, 2018

By: /s/ Dror Ben-Asher
Dror Ben-Asher
Chief Executive Officer

Exhibit 1

RedHill Biopharma Reports First Quarter 2018 Financial Results

Key Highlights:

- **Top-line results from Phase III study with RHB-104 for Crohn's disease (MAP US study) expected in approximately 3 months**
- **Top-line results from confirmatory Phase III study with TALICIA® for *H. pylori* infection (ERADICATE Hp2 study) expected Q4/2018**
- **Net revenues of $2.4 million and gross profit of $1.5 million in Q1/2018, up 22% and 40%, respectively, sequentially over the previous quarter**
- **Operating loss of $9.9 million in Q1/2018, reduced 30% over the previous quarter and expected to continue to decrease over the coming quarters**
- **Debt-free balance sheet with $36.4 million in cash at the end of Q1/2018**
- **RedHill does not have plans to raise additional capital ahead of the MAP US Phase III study top-line results with RHB-104 for Crohn's disease**
- **Conference call today, Tuesday, May 8 at 8:30 am EDT to review the financial results and business highlights; Dial-in details are included below**

TEL-AVIV, Israel and RALEIGH, N.C., May 08, 2018 (GLOBE NEWSWIRE) -- RedHill Biopharma Ltd. (NASDAQ:RDHL) (Tel-Aviv Stock Exchange:RDHL) ("RedHill" or the "Company"), a specialty biopharmaceutical company primarily focused on late clinical-stage development and commercialization of proprietary drugs for gastrointestinal diseases, today reported its financial results for the quarter ended March 31, 2018.

Dror Ben-Asher, RedHill's CEO, said: "There is tremendous energy and enthusiasm within RedHill currently as we approach two planned Phase III readouts, with RHB-104 for Crohn's disease in approximately three months and with TALICIA® for *H. pylori* infection in the fourth quarter. We are attentive to our shareholders and do not have plans to raise additional capital ahead of the MAP US Phase III study top-line results with RHB-104 for Crohn's disease. Rapid quarter-on-quarter revenue growth from our commercial activities in the U.S. and decreased operational costs in the first quarter of 2018 underscore our continued commitment to reducing cash burn rate and building shareholder value."

Financial highlights for the quarter ended March 31, 2018[1]

Net Revenues for the first quarter of 2018 were $2.4 million, an increase of 22% from the fourth quarter of 2017.

Gross Profit for the first quarter of 2018 was $1.5 million, an increase of 40% from the fourth quarter of 2017. Gross margin increased from 54% for the fourth quarter of 2017 to 62% for the first quarter of 2018.

Research and Development Expenses for the first quarter of 2018 were $6.4 million, a decrease of 23% from the fourth quarter of 2017. The decrease from the fourth quarter of 2017 was mainly due to the completion of patient enrollment in the RHB-104 Phase III study for Crohn's disease (MAP US study).

Selling, Marketing and Business Development Expenses for the first quarter of 2018 were $3.2 million, a decrease of 18% from the fourth quarter of 2017. The decrease was due to the Company's cost reduction plan.

General and Administrative Expenses for the first quarter of 2018 were $1.9 million, a decrease of 23% from the fourth quarter of 2017. The decrease was due to the Company's cost reduction plan.

Operating Loss for the first quarter of 2018 was $9.9 million, a decrease of 30% from fourth quarter of 2017. The decrease was due to the increase in net revenues and gross profit, and the decrease in operating expenses, as detailed above.

Net Cash Used in Operating Activities for the first quarter of 2018 was $9.5 million, compared to $14.2 million in the fourth quarter of 2017. The decrease was due to the Company's progress with the RHB-104 Phase III study for Crohn's disease (MAP US study) and the overall reduction in operating loss.

Cash Balance[2] as of March 31, 2018 was $36.4 million, compared to $46.2 million as of December 31, 2017. The decrease was a result of the Company's ongoing operational activities.

Conference Call and Webcast Information:

The Company will host a conference call **today, Tuesday, May 8, 2018 at 8:30 am EDT** to review the financial results and business highlights.

To participate in the conference call, please dial one of the following numbers 15 minutes prior to the start of the call: **United States: +1-800-289-0438; International: +1-929-477-0353; and Israel: +972-3-376-1315. The access code for the call is: 6285484.**

The conference call will be broadcasted live and will be available for replay on the Company's website, http://ir.redhillbio.com/events, for 30 days. Please access the Company's website at least 15 minutes ahead of the conference call to register, download and install any necessary audio software.

Select R&D highlights:

RHB-104 - Crohn's disease (first Phase III)

The last patient enrolled in the first Phase III study with RHB-104 for Crohn's disease (MAP US study) has completed 26 weeks of treatment for

primary endpoint evaluation. Top-line results from the MAP US study are expected to be announced in approximately 3 months.

TALICIA® (RHB-105) - *H. pylori* infection (confirmatory Phase III) (FDA Fast-Track QIDP status)

To date, over 300 of the planned total of 444 patients have been enrolled in the ongoing confirmatory Phase III study with TALICIA® (RHB-105)[3] for *H. pylori* infection (ERADICATE Hp2). RedHill expects to complete enrollment of the ERADICATE Hp2 study in the third quarter of 2018 and announce top-line results in the fourth quarter of 2018.

Subject to a successful outcome and additional regulatory feedback, the ERADICATE Hp2 study is expected to complete the package required for a potential U.S. NDA for TALICIA®. The filing is planned for early 2019 and, if accepted for review, the FDA could potentially approve TALICIA® in the second half of 2019 following a priority NDA review.

BEKINDA® (RHB-102) 12 mg - IBS-D (Phase II)

On January 16, 2018, RedHill announced positive final results[4] from the Phase II study with BEKINDA® 12 mg for the treatment of diarrhea-predominant irritable bowel syndrome (IBS-D). The randomized, double-blind, placebo-controlled Phase II study successfully met its primary endpoint, improving stool consistency (per FDA guidance definition) by an absolute difference of 20.7% vs. placebo (p-value=0.036). RedHill plans to meet with the FDA in the second quarter of 2018 to discuss the design for one or two pivotal Phase III studies.

An abstract[5] (number: 2908495), describing the results of the study, will be presented as a Poster of Distinction, at Digestive Disease Week® (DDW) 2018 on Sunday, June 3, 2018, from 12:00 PM to 2:00 PM EDT, at the Walter E. Washington Convention Center, Washington, DC.

YELIVA® (ABC294640) - cholangiocarcinoma (Phase IIa) (FDA Orphan Drug designation)

To date, nine patients have been enrolled in the single-arm Phase IIa study with YELIVA® (ABC294640) for the treatment of cholangiocarcinoma (bile duct cancer). Enrollment is expected to be completed by the end of 2018. The study is being conducted at Mayo Clinic major campuses in Arizona and Minnesota, University of Texas MD Anderson Cancer Center and the Huntsman Cancer Institute, University of Utah Health, and is designed to enroll up to 39 patients.

RHB-106 - encapsulated bowel cleanser licensed to Salix Pharmaceuticals

RedHill recently amended its 2014 worldwide license agreement with Salix Pharmaceuticals related to RHB-106 encapsulated bowel cleanser, as well as additional related rights. The amendment clarifies the development efforts to be used by Salix, as well as provides for enhanced involvement by RedHill in certain intellectual property matters. In addition, the parties have agreed to increase the lower end of the range of royalty payments to be paid to RedHill on net sales from low single digits to high single digits, such that the potential royalties now range from high single digits up to low double digits. Milestone payments remain unchanged.

RHB-204 - nontuberculous mycobacteria (NTM) infections (planned pivotal Phase III) (FDA Fast-Track QIDP status)

A pivotal Phase III study with RHB-204 for the treatment of nontuberculous mycobacteria (NTM) infections is expected to be initiated in the second half of 2018, subject to completion of a supportive non-clinical program and additional input from the FDA. RHB-204 is planned to be assessed as a first-line treatment of NTM disease caused by *mycobacterium avium complex* (MAC) infection.

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 late clinical-stage, proprietary drugs for the treatment of gastrointestinal diseases. RedHill commercializes and promotes three gastrointestinal products in the U.S.: **Donnatal® -** a prescription oral adjunctive drug used in the treatment of IBS and acute enterocolitis; **Esomeprazole Strontium Delayed-Release Capsules 49.3 mg -** a prescription proton pump inhibitor indicated for adults for the treatment of gastroesophageal reflux disease (GERD) and other gastrointestinal conditions; and **EnteraGam® -** a medical food intended for the dietary management, under medical supervision, of chronic diarrhea and loose stools. RedHill's key clinical-stage development programs include: (i) **TALICIA® (RHB-105)** for the treatment of *Helicobacter pylori* infection with an ongoing confirmatory Phase III study and positive results from a first Phase III study; (ii) **RHB-104** with an ongoing first Phase III study for Crohn's disease; (iii) **RHB-204** with a planned pivotal Phase III study for nontuberculous mycobacteria (NTM) infections; (iv) **BEKINDA® (RHB-102)** with positive results from a Phase III study for acute gastroenteritis and gastritis and positive results from a Phase II 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 IIa study for cholangiocarcinoma; (vi) **RHB-106,** an encapsulated bowel preparation licensed to Salix Pharmaceuticals, Ltd. and (vii) **RHB-107 (formerly MESUPRON),** a Phase II-stage first-in-class, serine protease inhibitor, targeting cancer and inflammatory gastrointestinal diseases. More information about the Company is available at: 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, risks and uncertainties associated with (i) the initiation, timing, progress and results of the Company's research, manufacturing, preclinical studies, clinical trials, and other therapeutic candidate development efforts; (ii) the Company's ability to advance its therapeutic candidates into clinical trials or to successfully complete its preclinical studies or clinical trials; (iii) the extent and number 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; (v) the Company's ability to successfully promote Donnatal® and Esomeprazole Strontium Delayed-Release Capsules 49.3 mg and commercialize EnteraGam®; (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, preclinical 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; 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 February 22, 2018. 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] All financial highlights are approximate and are rounded to the nearest hundreds of thousands.

[2] Including cash and short-term investments (bank deposits and financial assets at fair value).

[3] TALICIA® (RHB-105), BEKINDA® (RHB-102) and YELIVA® (ABC294640) are an investigational new drugs, not available for commercial distribution.

[4] Final results remain subject to the Clinical Study Report (CSR).

[5] The abstract was authored by Terry Plasse, MD, Danielle Abramson, PhD, Gilead Raday, Reza Fathi, PhD and Ira Kalfus, MD from RedHill Biopharma; Gary Barton, MD from Arkansas Gastroenterology; Evelyne Davidson, MD from New Phase Research & Development and Louis Velez, MD from Applied Research Center of Arkansas.

REDHILL BIOPHARMA LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)

	Three months ended March 31,	
	2018	**2017**
	U.S. dollars in thousands	
NET REVENUES	2,445	—
COST OF REVENUES	930	—
GROSS PROFIT	1,515	—
RESEARCH AND DEVELOPMENT EXPENSES, net	6,416	8,137
SELLING, MARKETING AND BUSINESS DEVELOPMENT EXPENSES	3,170	605
GENERAL AND ADMINISTRATIVE EXPENSES	1,924	1,315
OTHER EXPENSES	—	45
OPERATING LOSS	9,995	10,102
FINANCIAL INCOME	134	1,556
FINANCIAL EXPENSES	74	50
FINANCIAL INCOME, net	60	1,506
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	9,935	8,596
LOSS PER ORDINARY SHARE, basic and diluted (U.S. dollars)	0.05	0.05

REDHILL BIOPHARMA LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

	March 31,	**December 31,**

	2018	2017
	Unaudited	Audited
	U.S. dollars in thousands	
CURRENT ASSETS:		
Cash and cash equivalents	7,560	16,455
Bank deposits	13,206	13,163
Financial assets at fair value through profit or loss	15,584	16,587
Trade receivables	1,809	1,528
Prepaid expenses and other receivables	2,019	3,290
Inventory	560	653
	40,738	51,676
NON-CURRENT ASSETS:		
Bank deposits	150	152
Fixed assets	221	230
Intangible assets	5,285	5,285
	5,656	5,667
TOTAL ASSETS	46,394	57,343
CURRENT LIABILITIES:		
Accounts payable	2,724	4,805
Accrued expenses and other current liabilities	6,481	6,025
Payable in respect of intangible asset purchase	500	1,000
	9,705	11,830
NON-CURRENT LIABILITIES:		
Derivative financial instruments	398	448
TOTAL LIABILITIES	10,103	12,278
COMMITMENTS		
EQUITY:		
Ordinary shares	577	575
Additional paid-in capital	177,787	177,434
Warrants	—	—
Accumulated deficit	(142,073)	(132,944)
TOTAL EQUITY	36,291	45,065
TOTAL LIABILITIES AND EQUITY	46,394	57,343

REDHILL BIOPHARMA LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited)

	Three months ended March 31,	
	2018	2017
	U.S. dollars in thousands	
OPERATING ACTIVITIES:		
Comprehensive loss	(9,935)	(8,596)
Adjustments in respect of income and expenses not involving cash flow:		
Share-based compensation to employees and service providers	806	307

Depreciation	22	14
Write-off of intangible assets	—	45
Fair value adjustments on derivative financial instruments	(50)	(1,262)
Fair value losses on financial assets at fair value through profit or loss	99	15
Revaluation of bank deposits	90	(18)
Exchange differences in respect of cash and cash equivalents	14	(242)
	981	(1,141)
Changes in assets and liability items:		
Decrease (increase) in trade receivables	(281)	99
Decrease (increase) in prepaid expenses and other receivables	1,271	(1,113)
Decrease in inventory	93	—
Decrease in accounts payable	(2,081)	(39)
Increase in accrued expenses and other current liabilities	456	470
	(542)	(584)
Net cash used in operating activities	**(9,496)**	**(10,322)**
INVESTING ACTIVITIES:		
Purchase of fixed assets	(13)	—
Purchase of intangible assets	(500)	—
Change in investment in current bank deposits	(131)	(15,544)
Purchase of financial assets at fair value through profit or loss	(1,046)	(3,453)
Proceeds from sale of financial assets at fair value through profit or loss	1,950	400
Net cash provided by (used in) investing activities	**260**	**(18,597)**
FINANCING ACTIVITIES:		
Proceeds from issuance of ordinary shares and warrants, net of expenses	—	1,282
Exercise of warrants and options into ordinary shares, net of expenses	355	3,232
Net cash provided by financing activities	**355**	**4,514**
DECREASE IN CASH AND CASH EQUIVALENTS	(8,881)	(24,404)
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS	(14)	242
BALANCE OF CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16,455	53,786
BALANCE OF CASH AND CASH EQUIVALENTS AT END OF PERIOD	7,560	29,624
SUPPLEMENTARY INFORMATION ON INTEREST RECEIVED IN CASH	267	71

Exhibit 2

REDHILL BIOPHARMA LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(UNAUDITED)

MARCH 31, 2018

REDHILL BIOPHARMA LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(UNAUDITED)

MARCH 31, 2018

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REDHILL BIOPHARMA LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited)

	Three months ended March 31,	
	2018	2017
	U.S. dollars in thousands	
NET REVENUES	2,445	—
COST OF REVENUES	930	—
GROSS PROFIT	1,515	—
RESEARCH AND DEVELOPMENT EXPENSES, net	6,416	8,137
SELLING, MARKETING AND BUSINESS DEVELOPMENT EXPENSES	3,170	605
GENERAL AND ADMINISTRATIVE EXPENSES	1,924	1,315
OTHER EXPENSES	—	45
OPERATING LOSS	9,995	10,102
FINANCIAL INCOME	134	1,556
FINANCIAL EXPENSES	74	50
FINANCIAL INCOME, net	60	1,506
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	9,935	8,596
LOSS PER ORDINARY SHARE, basic and diluted (U.S. dollars)	0.05	0.05
WEIGHTED AVERAGE OF ORDINARY SHARES (in thousands)	213,192	170,072

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

REDHILL BIOPHARMA LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(unaudited)

	March 31, 2018	December 31, 2017
	U.S. dollars in thousands	
CURRENT ASSETS:		
Cash and cash equivalents	7,560	16,455
Bank deposits	13,206	13,163
Financial assets at fair value through profit or loss	15,584	16,587
Trade receivables	1,809	1,528
Prepaid expenses and other receivables	2,019	3,290
Inventory	560	653
	40,738	51,676
NON-CURRENT ASSETS:		
Bank deposits	150	152
Fixed assets	221	230
Intangible assets	5,285	5,285
	5,656	5,667
TOTAL ASSETS	46,394	57,343
CURRENT LIABILITIES:		
Accounts payable	2,724	4,805
Accrued expenses and other current liabilities	6,481	6,025
Payable in respect of intangible asset purchase	500	1,000
	9,705	11,830
NON-CURRENT LIABILITIES:		
Derivative financial instruments	398	448
TOTAL LIABILITIES	10,103	12,278
EQUITY:		
Ordinary shares	577	575
Additional paid-in capital	177,787	177,434
Accumulated deficit	(142,073)	(132,944)
TOTAL EQUITY	36,291	45,065
TOTAL LIABILITIES AND EQUITY	46,394	57,343

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REDHILL BIOPHARMA LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

	Ordinary shares	Additional paid-in capital	Warrants	Accumulated deficit	Total equity
	U.S. dollars in thousands				
BALANCE AT JANUARY 1, 2018	575	177,434	—	(132,944)	45,065
CHANGES DURING THE THREE-MONTH PERIOD ENDED MARCH 31, 2018:					
Share-based compensation to employees and service providers	—	—	—	806	806
Exercise of options into ordinary shares	2	353	—	—	355
Comprehensive loss	—	—	—	(9,935)	(9,935)
BALANCE AT MARCH 31, 2018	577	177,787	—	(142,073)	36,291
BALANCE AT JANUARY 1, 2017	441	150,838	1,057	(89,635)	62,701
CHANGES DURING THE THREE-MONTH PERIOD ENDED MARCH 31, 2017:					
Share-based compensation to employees and service providers	—	—	—	307	307
Issuance of ordinary shares, net of expenses	3	1,279		—	1,282
Exercise of warrants and options into ordinary shares	11	3,241	—	—	3,252
Warrants expiration	—	1,057	(1,057)	—	—
Comprehensive loss	—	—	—	(8,596)	(8,596)
BALANCE AT MARCH 31, 2017	455	156,415	—	(97,924)	58,946

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

REDHILL BIOPHARMA LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited)

	Three months ended March 31,	
	2018	2017
	U.S. dollars in thousands	
OPERATING ACTIVITIES:		
Comprehensive loss	(9,935)	(8,596)
Adjustments in respect of income and expenses not involving cash flow:		
Share-based compensation to employees and service providers	806	307
Depreciation	22	14
Write-off of intangible assets	—	45
Fair value adjustments on derivative financial instruments	(50)	(1,262)
Fair value losses on financial assets at fair value through profit or loss	99	15
Revaluation of bank deposits	90	(18)
Exchange differences in respect of cash and cash equivalents	14	(242)
	981	(1,141)
Changes in assets and liability items:		
(Increase) decrease in trade receivables	(281)	99
Decrease (increase) in prepaid expenses and other receivables	1,271	(1,113)
Decrease in inventory	93	—
Decrease in accounts payable	(2,081)	(39)
Increase in accrued expenses and other current liabilities	456	470
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Net cash used in operating activities	**(9,496)**	**(10,322)**
INVESTING ACTIVITIES:		
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Purchase of intangible assets	(500)	—
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Purchase of financial assets at fair value through profit or loss	(1,046)	(3,453)
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DECREASE IN CASH AND CASH EQUIVALENTS	(8,881)	(24,405)
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS	(14)	242
BALANCE OF CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16,455	53,786
BALANCE OF CASH AND CASH EQUIVALENTS AT END OF PERIOD	7,560	29,623
SUPPLEMENTARY INFORMATION ON INTEREST RECEIVED IN CASH	267	71

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

NOTE 1 - GENERAL:

a. General

RedHill Biopharma Ltd. (the "Company"), incorporated in Israel on August 3, 2009, together with its wholly-owned subsidiary RedHill Biopharma Inc. incorporated in Delaware on January 19, 2017, is a specialty biopharmaceutical company, primarily focused on late clinical-stage development and commercialization of proprietary and in-licensed or acquired drugs for gastrointestinal ("GI") diseases and cancer.

In February 2011, the Company listed its securities on the Tel-Aviv Stock Exchange ("TASE") and since December 2012, the Company's American Depositary Shares ("ADSs") have been listed on the NASDAQ Capital Market ("NASDAQ").

The Company's registered address is 21 Ha'arba'a St, Tel-Aviv, Israel.

The Company is primarily engaged in the research and development of its therapeutic candidates and, since January 2017, has pursued its commercial activities in the U.S. through RedHill Biopharma Inc. To date, the Company has out-licensed on an exclusive worldwide basis only one of its therapeutic candidates and has generated limited revenues from its commercial activities. Accordingly, there is no assurance that the Company's business will generate sustainable positive cash flows. Through March 31, 2018, the Company has an accumulated deficit and its activities have been funded primarily through public and private offerings of the Company's securities.

The Company plans to further fund its future operations through commercialization and out-licensing or selling and marketing of its therapeutic candidates, commercialization of in-licensed or acquired products and raising additional capital through the sale of equity, debt or through other financing that does not cause dilution to the Company's shareholders. The Company's current cash resources are not sufficient to complete the research and development of all of the Company's therapeutic candidates and to fully support its commercial operations until generation of sustainable positive cash flows. Management expects that the Company will incur additional losses as it continues to focus its resources on advancing the development of its therapeutic candidates, as well as advancing its commercial operations, based on a prioritized plan that will result in negative cash flows from operating activities. The Company believes its existing capital resources should be sufficient to fund its current and planned operations for at least the next 12 months.

If the Company is unable to out-license, sell or commercialize its therapeutic candidates, generate sufficient and sustainable revenues from its commercial operations, or obtain future financing, the Company may be forced to delay, reduce the scope of, or eliminate one or more of its research and development or commercialization programs, any of which may have a material adverse effect on the Company's business, financial condition and results of operations.

b. Approval of the condensed consolidated interim financial statements

These condensed consolidated interim financial statements were approved by the Board of Directors (the "BoD") on May 7, 2018.

NOTE 2 - BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS:

a. Basis of presentation

The Company's condensed consolidated interim financial statements for the three months ended March 31, 2018 (the "Condensed Consolidated Interim Financial Statements") have been prepared in accordance with International Accounting Standard IAS 34, "Interim Financial Reporting". These Condensed Consolidated Interim Financial Statements, which are unaudited, do not include all the information and disclosures that would otherwise be required in a complete set of annual financial statements and should be read in conjunction with the annual financial statements as of December 31, 2017 and their accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). 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.

The accounting policies applied in the preparation of the Condensed Consolidated Interim Financial Statements are consistent with those applied in the preparation of the annual financial statements as of December 31, 2017, except for the adoption of International Financial Reporting Standard No. 9 "Financial Instruments ("IFRS 9"), effective from January 1, 2018, which did not have a material effect on the Company's financial statements.

b. International Financial Reporting Standard No. 16 "Leases" ("IFRS 16"), which is not yet in effect, and the Company did not elect to early adopt , was disclosed in the 2017 annual financial statements.

NOTE 3 - EQUITY:

In January 2018, the Company received notifications of exercise with respect to options that had been issued to directors of the Company. Accordingly, the Company issued 710,000 ordinary shares for approximately $0.4 million.

NOTE 4 - SHARE-BASED PAYMENTS:

a. The following is information on options granted during the three months ended March 31, 2018:

	Number of options granted				
	According to the award plan of the Company				
Date of BoD	Other than to directors (1)	To directors (1),(2)	Total	Exercise price for 1 ordinary share ($)	Fair value of options on date of grant in U.S.$ thousands (3)
January 2018	1,455,000	—	1,455,000	0.56	433
March 2018	3,210,000	500,000	3,710,000	0.65	919
	4,665,000	500,000	5,165,000		1,352

1) The options will vest as follows: for employees of the Company and the Company's subsidiary who had provided services exceeding one year as of the grant date, options will vest in 16 equal quarterly installments over a four-year period. For employees of the Company and the Company's subsidiary who had not provided services exceeding one year as of the grant date, the options will vest as follows: 1/4 of the options will vest one year following the grant date and the rest over 12 equal quarterly installments. During the contractual term, the options will be exercisable, either in full or in part, from the vesting date until the end of 10 years from the date of grant.

   The options include both options exercisable into the Company's ordinary shares and options exercisable into the Company's ADSs.

2) The general meeting of the Company's shareholders held on May 2, 2018 (the "May 2018 AGM"), subsequent to approval of the Company's BoD, granted 500,000 options under the Company's stock options plan to the Company's Chief Executive Officer.

3) The fair value of the options was computed using the binomial model and the underlying data used was mainly the following: price of the Company's ordinary share: $0.48-$0.55, expected volatility: 50.99%-57.96%, risk-free interest rate: 2.65%-2.97% and the expected term was derived based on the contractual term of the options, the expected behavior and expected post-vesting forfeiture rates.

b. During the three months ended March 31, 2018, the BoD approved a 3-years extension of the exercise period of fully-vested options exercisable into the Company's ordinary shares granted to employees and consultants that were originally scheduled to expire in February 2018 and March 2018. Accordingly, 2,844,210 options and 120,000 options were extended with the new terms: the exercise price will increase by 50% to $0.75 per ordinary share and $1.575 per ordinary share, respectively, and will not be exercisable within one year of the extension. The total incremental fair value of the options as of the date of the extension was approximately $0.2 million and was recorded to the Statements of Comprehensive Loss immediately.

c. The May 2018 AGM, subsequent to approval of the Company's BoD, granted 3-years extension of the exercise period of 1,540,000 fully-vested options exercisable into the Company's ordinary shares and 150,000 fully-vested options exercisable into the Company's ordinary shares granted to the Company's Chief Executive Officer and to a non-executive director of the Company, respectively, that were originally scheduled to expire in February 2018 and May 2018, respectively. The extensions are under the same terms as detailed above. The total incremental fair value of the above options on the date of the approval was $0.1 million and will be recorded in the Statement of Comprehensive Loss in the second quarter of 2018.

NOTE 5 - NET REVENUES:

The Company's net revenues for the three months ended March 31, 2018, consist of revenues from the commercialization of products and revenues from promotional services, in the amounts of $1.6 million and $0.8 million, respectively. Revenues from commercialization of products and promotional services were initially recorded in June 2017.

NOTE 6 - FINANCIAL INSTRUMENTS:

a. Fair value hierarchy

The following table presents Company assets and liabilities measured at fair value:

	Level 1	Level 3	Total
	U.S. dollars in thousands		
March 31, 2018:			
Assets -			
Financial assets at fair value through profit or loss	15,584	—	15,584
Liabilities -			
Derivative financial instruments	—	398	398
December 31, 2017:			
Assets -			
Financial assets at fair value through profit or loss	16,587	—	16,587
Liabilities -			
Derivative financial instruments	—	448	448

During the three months ended March 31, 2018, there were no transfers of financial assets and liabilities between Levels 1, 2 or 3 fair value measurements. There have been no changes in the methodologies used at March 31, 2018, since December 31, 2017.

b. Fair value measurements using significant unobservable input (Level 3)

The following table presents the change in derivative financial liabilities measured at Level 3 for the periods ended March 31, 2018 and 2017:

	Three months ended March 31,	
	2018	**2017**
	U.S. dollars in thousands	
Balance at beginning of the period	448	6,155
Exercise of derivative into shares	—	(20)
Fair value adjustments recognized in profit or loss	(50)	(1,262)
Balance at end of the period	398	4,873

The fair value of the above-mentioned derivative financial liabilities that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions at the end of each reporting period.

The fair value of the above-mentioned derivative financial liabilities is computed using the Black-Scholes option pricing model. The fair value of the warrants as of March 31, 2018 is based on the price of an ordinary share on March 31, 2018 and on the following key parameters: risk-free interest rate of 2.22% and an average standard deviation of 50.27% . The fair value of the warrants as of December 31, 2017, was based on the price of an ordinary share on December 31, 2017 and on the following key parameters: risk-free interest rate of 1.89% and an average standard deviation of 48.59%.

c. The carrying amount of cash equivalents, current and non-current bank deposits, receivables, account payables and accrued expenses approximate their fair value due to their short-term characteristics.

NOTE 7 – SEGMENT INFORMATION

The Company has two segments, Commercial Operations and Research and Development. The following tables present net revenues and operating loss for the Company's segments for the three months ended March 31, 2018 and 2017:

	Three months ended March 31		
	2018		
	Commercial Operations	**Research and Development**	**Consolidated**
	U.S. dollars in thousands		
Net revenues	2,445	—	2,445
Operating loss	2,095	7,900	9,995

	Three months ended March 31		
	2017		
	Commercial Operations	**Research and Development**	**Consolidated**
	U.S. dollars in thousands		
Operating loss	324	9,778	10,102