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Can-Fite BioPharma Ltd. (NYSE/CANF)

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BUY Rated; Phase 2 Liver Fat (NASH and NAFLD) Results Getting Better and Better…

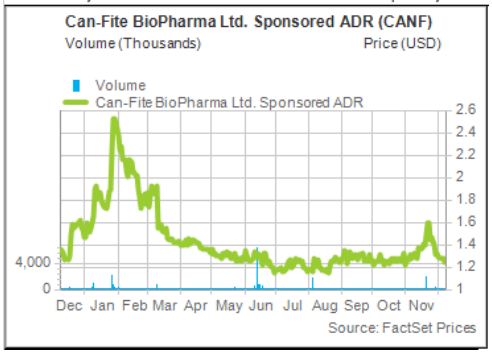
Can-Fite announced additional data from the Phase 2 study of Namodenoson in NASH patients. Most significantly, a more recent in-depth review of the Phase 2 data revealed 25 mg of Namodenoson was found to resolve significantly all cases of NASH, representing 25% of the 25 mg treated group, as compared to an increase in new NASH cases in the placebo group from a baseline of 0 to 5.9%.

Investment Highlights

Additional Data from the Phase 2 Trial:

- Additional findings from the Phase 2 study of Namodenoson in the treatment of the company reported topline results from the Phase 2 study indicating Namodenoson had achieved its efficacy endpoints in a dose dependent and statistically significant manner, while continuing to demonstrate a good safety profile. **Most significantly, a more recent in-depth review of the Phase 2 data revealed 25 mg of Namodenoson was found to resolve significantly all cases of NASH, representing 25% of the 25 mg treated group, as compared to an increase in new NASH cases in the placebo group from a baseline of 0 to 5.9%.**
- In the Phase 2 study, 25 mg of Namodenoson was shown to reduce hepatic fibrosis (scar tissue in the liver resulting from the liver trying to repair itself), reduce steatosis (fat buildup in the liver), and improve the FAST score, a measure for NASH (liver stiffness and an enzymatic biomarker of liver damage).
- Patients treated with 25 mg of Namodenoson had a statistically significant reduction in hepatic fibrosis as measured by the Fibrosis-4 (FIB-4) score, as compared to placebo. FIB-4 change from baseline improved by -0.089 in patients dosed with 25 mg of Namodenoson, as compared to the placebo group which deteriorated from baseline by 0.042 points, with p=0.026. FIB-4 is a non-invasive marker of hepatic fibrosis consisting of four parameters including age, platelet counts, and two liver enzymes, aspartate aminotransferase (AST) and alanine aminotransferase (ALT), which are elevated in a damaged liver.
- In the Namodenoson 25 mg treated group, the proportion of patients with high steatosis scores declined from 37.5% to 13.3% of the population, as compared to the placebo treated group in which the proportion of patients with high steatosis scores decreased from 37.5% to 35.3% of the population, with p=0.08. Steatosis was assessed by Controlled Attenuation Parameter (CAP) measurement of the FibroScan, a non-invasive marker of hepatic steatosis.
- 25% of patients randomized into the Namodenoson 25 mg dosed group had NASH at baseline, as compared to none in the placebo group, which comprised of patients who had NAFLD without NASH at baseline. Following 12 weeks of treatment, all NASH cases were resolved in patients treated with 25 mg of Namodenoson, as compared to new NASH that developed in the placebo group representing 5% of that population, with p<0.009. NASH was evaluated by FibroScan-AST (FAST) score, a noninvasive marker of NASH, the severe form of NAFLD (equivalent to biopsy findings of NAS≥4, F≥2), measured by FibroScan elastography, CAP and serum AST.

Current Price			**$2.00**
Price Target			**$9.00**
Estimates	**F2017A**	**F2018A**	**F2019E**
Revenues ($000s)	847	4452	2032
1Q March	73	632	299
2Q June	79	270	389
3Q September	588	2629	1152
4Q December	107	921	192
	F2017A	**F2018A**	**F2019E**
EPS (diluted)	(0.14)	(0.16)	(1.28)
1Q March	(0.04)	(0.04)	(0.04)
2Q June	(0.06)	(0.03)	(0.79)
3Q September	(0.05)	0.02	(0.33)
4Q December	0.01	(0.10)	(0.13)
EBITDA/Share	($0.15)	($0.16)	($0.69)
EV/EBITDA (x)	0.0	0.0	0.0
Stock Data			
52-Week Range	$1.08	-	$8.88
Shares Outstanding (mil.)			138.3
Market Capitalization (mil.)			$276.7
Enterprise Value (mil.)			$2.9
Debt to Capital			0.0%
Book Value/Share			$4.52
Price/Book			15.1
Average Three Months Trading Volume (M)			1.1
Insider Ownership			9.1%
Institutional Ownership			8.2%
Short interest (mil.)			0.3%
Dividend / Yield			$0.00/0.0%



Other Can-Fite Updates

COVID 19 Update - Trial Design. The pilot trial is planned as a randomized, open-label, 2-arm study of Piclidenoson plus standard supportive care, compared to standard supportive care alone, in n=40 hospitalized COVID-19 infected patients with moderate-to-severe symptomatic disease. Patients are to be randomized in a 1:1 ratio to one of the trial arms and treated for up to four weeks. Key efficacy measures include time to resolution of viral shedding, time to resolution of clinical symptoms, measures of respiratory function, need for ventilatory support, and overall mortality. Standard safety parameters will also be measured. Dr. Dror Diker, M.D., Head of Internal Medicine D at the Rabin Medical Center, is the Principal Investigator of the study.

ACROBAT catches up with COMFORT. Piclidenoson is now in two pivotal Phase 3 studies (ACROBAT and COMFORT), and both are halfway plus enrolled. The ACROBAT study is a 24-week, 525-person four-arm (high and low dose versus MTX and placebo) study designed to establish the drug as non-inferior to Methotrexate (MTX) in newly diagnosed patients with moderate-to-severe RA. The primary endpoint of ACROBAT is a disease activity score (DAS) after 12 weeks of treatment in patients dosed with Piclidenoson compared to those dosed with MTX. In a Phase 2b study (N=79) with Piclidenoson given twice daily, 49% of patients achieved ACR20, 19% ACR50, and 11% ACR70. The scores are comparable to MTX but with a benign AE profile. Patients have been selected for the study based on overexpression of the A3AR biomarker. The study should complete enrollment this year, with data to follow in nine months.

The COMFORT pivotal trial too. The study is designed to evaluate the efficacy and safety of daily Piclidenoson, administered orally, compared to Apremilast (Otezla) and placebo in 407 patients with moderate-to-severe plaque psoriasis. The study is being conducted in five countries in Europe, Israel, and Canada. The primary endpoint is to be based on the percent of patients which achieve a PASI 75 score at week 16 vs. placebo. The secondary endpoints are to include non-inferiority vs. Otezla at week 32. Psoriasis alone is estimated to be a $9B market.

So, it's ACROBAT & COMFORT. Not one, but two Phase 3 trials with Piclidenoson. ACROBAT in Rheumatoid Arthritis and COMFORT in Psoriasis. Both hold great promise as alternative therapies with what appears to be a more favorable side-effects profile.

Funded Through Catalysts – Capital Raised. We had assumed in our model (and continue to assume) multiple raises. Can-Fite sold 3.3M shares at $1.50 per unit (an ADR and a warrant). In addition, a warrant exercise with several accredited investors brought into the company an additional $2.4M in capital (Jan. 9th, 2020).

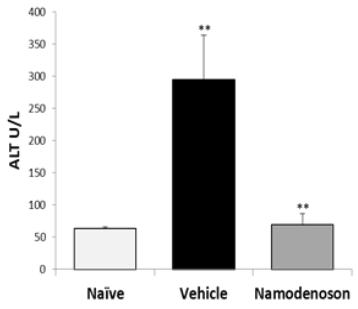
Valuation. We model the respective indications, Piclidenoson in RA and psoriasis, Namodenoson in HCC, and NAFLD. We apply a probability of success in these patient-based models. These metrics then flow into our valuation models. For Can-Fite, we apply a 30% discount rate, which is in addition to our therapeutic probability of success rate. We select 30% as the company is not yet profitable, and most of the products are still dependent on the outcome of the clinical trial. Our valuation conclusion is an equally-weighted average of our FCFF, EPS, and sum-of-the-parts analysis. We use a fully diluted end-year share count and assume multiple raises. The conclusion of this method is a $9.00 price target.

Risk to our thesis, include the following: (1) commercial; (2) regulatory; (3) clinical; (4) manufacturing; (5) financial; (6) liability; and (7) intellectual property.

Background on the Phase 2 Trial in NASH

Trial Design. Patients who suffer from NAFLD/NASH with evidence of active inflammation are treated twice daily with 12.5 mg or 25 mg of oral Namodenoson, or placebo for 12 weeks. The primary endpoint of the Phase 2 study is the anti-inflammatory effect of the drug, as determined by mean percent change from baseline in ALT blood levels and safety. Secondary endpoints include percentage change from baseline of liver fat, as measured by MRI-PDFF (proton density fat fraction).

Study Conclusions-Safety. Namodenoson was well-tolerated at both dose (12.5 & 25 mg) levels, reflecting consistent with the strong safety profile seen in previous trials. No hepato-toxicity and no adverse event (AE) were reported in more than a single Namodenoson-group patient with the exception of otitis media, occurring in two patients and classified as non-drug-related in both instances. There were no drug-related AEs considered serious or leading to withdrawal from the trial. Only four events across 40 treated patients were classified by the blinded investigator as being "related" to Namodenoson, and all were mild and self-limited. No safety concerns emerged from monitoring of vital signs, clinical laboratory tests, or electrocardiograms. **Efficacy Signal.** For a small Phase 2 exploratory study, there appears to be a significant efficacy signal. Please see exhibits 1-7 on the following pages. **The consistency of the data from the studies (pre-clinical and clinical), should support business development interest.**
The chart below is based on pre-clinical data, which created the rationale for the Phase 2 data now completed. The results appear quite consistent across the reported data sets.

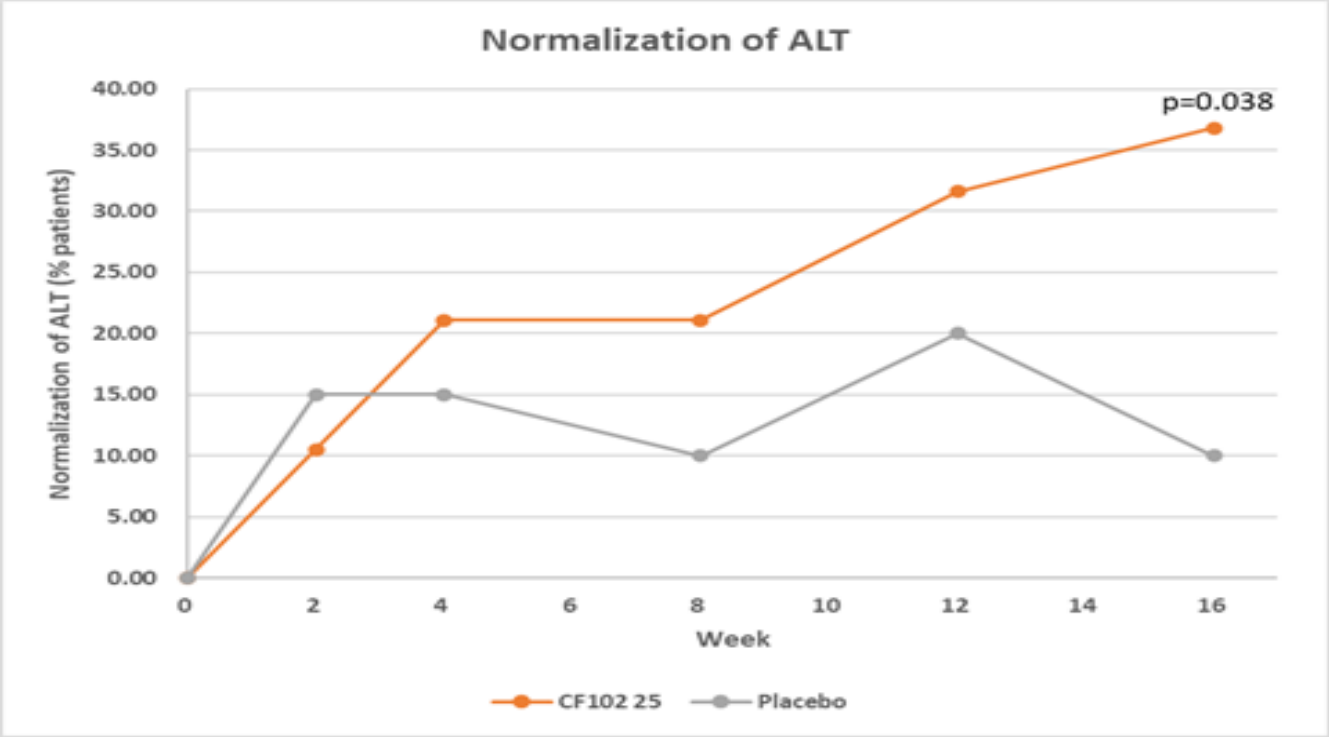


Source: Fishman et al. The A3 adenosine receptor agonist, namodenoson, ameliorates non-alcoholic steatohepatitis in mice. International Journal of Molecular Medicine. 44: 2256-2264. 2019. Can-Fite Pre-clinical data consistent with Phase 2 data.

NASH & NAFLD Trial Design & Results. Patients who suffer from NAFLD/NASH with evidence of active inflammation are treated twice daily with 12.5 mg or 25 mg of oral Namodenoson, or placebo for 12 weeks. The primary endpoint of the Phase 2 study is the anti-inflammatory effect of the drug, as determined by mean percent change from baseline in ALT blood levels and safety. Secondary endpoints include percentage change from baseline of liver fat, as measured by MRI-PDFF (proton density fat fraction). Please see exhibits 1-7. Data below is from Can-Fite.

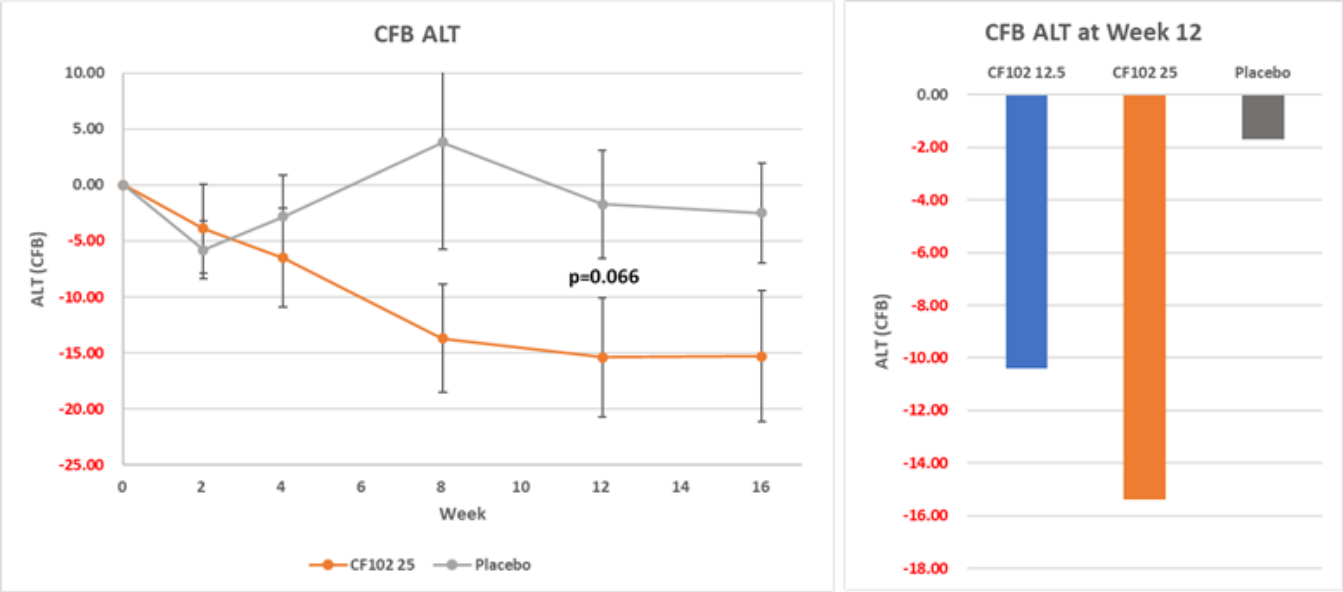
- ALT and AST - a dose response decrease compared to placebo, indicating a reduction of hepatic inflammation was achieved:
  - % of patients who reached ALT normalization at follow up was 36.8% in the 25 mg dose vs. 10% in the placebo (p=0.038). In the 12.5 mg dose, 23.8% was recorded at follow up.
  - ALT Change from baseline (CFB) and % change from baseline (PCFB) - in the 25 mg group, CFB decreased by 15.4 U/L (p=0.066) and PCFB by 22% (p=0.079) compared to placebo (1.7 U/L, 3.0%, respectively). In the 12.5 mg group, a decrease CFB of 10.4 U/L and PCFB of 8.2% was recorded.
  - AST CFB and PCFB - in the 25 mg group, CFB decreased by 8.1 U/L (p=0.03) and PCFB by 17.9% (p=0.05) compared to placebo (increase of 0.3 U/L, decrease of 1.3%, respectively). In the 12.5 mg group, a decrease in CFB of 7.4 U/L and PCFB of 8.1 % was recorded.
- PCFB of liver fat as measured by PDFF (proton density fat fraction on magnetic resonance imaging) and liver stiffness measured by CAP Fibroscan, showed a trend of decrease in the 25 mg and 12.5 mg groups throughout the study period, reflecting improvement in both parameters.
- Serum adiponection levels increased in the 25 mg by 220 ng/mL and the 12.5 mg dose group by 539 ng/mL (p=0.03). Adiponectin is a cytokine with robust anti-inflammatory and anti-fibrotic effects that is used as a biomarker in NAFLD/NASH trials.
- Body weight – a linear decrease was recorded in the 25 mg and 12.5 mg groups.
- The blood expression level of the A3 adenosine receptor (A3AR) biomarker was stable, demonstrating the presence of the receptor after chronic treatment and reflecting the validity of the target.
- Namodenoson continued to be safe and very well tolerated with no reported drug emergent severe adverse effects and no reported hepatotoxicity.
- All study parameters above continued to improve through week 16.

Exhibit 1. Decrease in ALT Levels



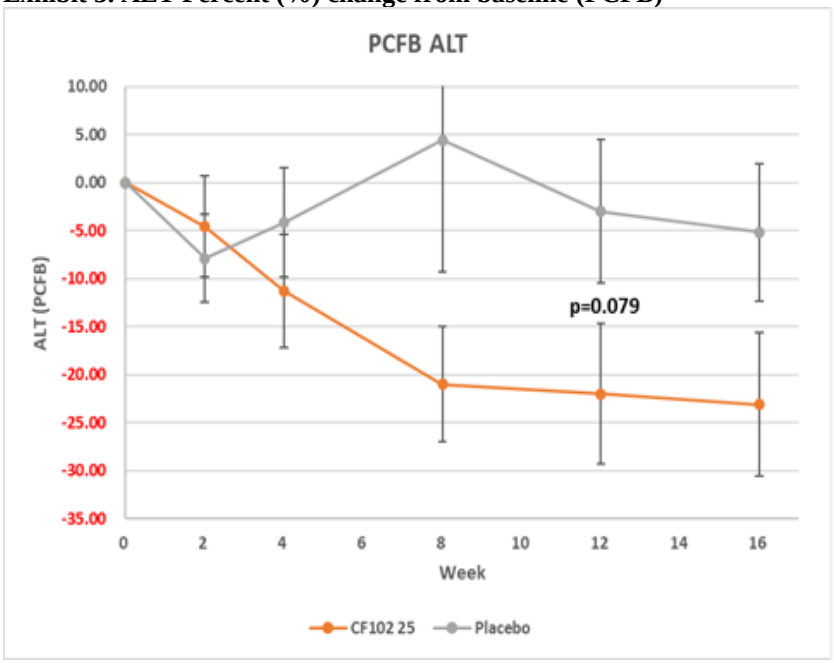
Source: Can-Fite

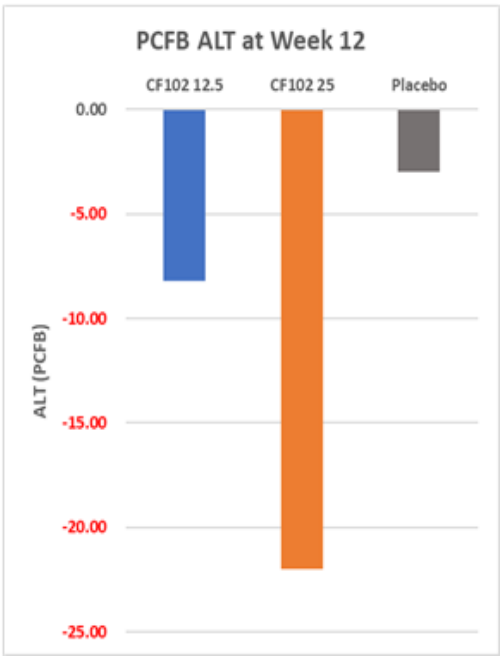
Exhibit 2. ALT Change from baseline (CFB)



Source: Can-Fite

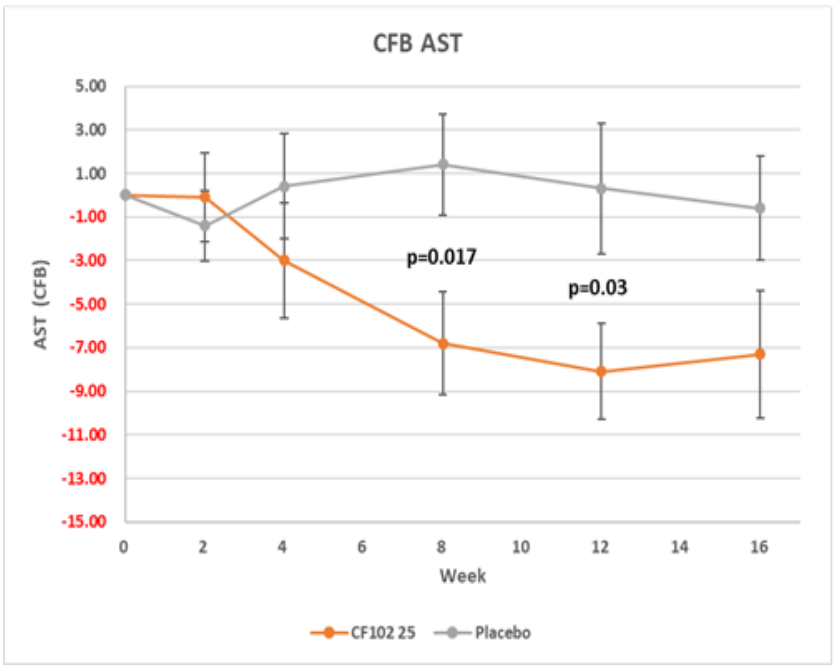
Exhibit 3. ALT Percent (%) change from baseline (PCFB)

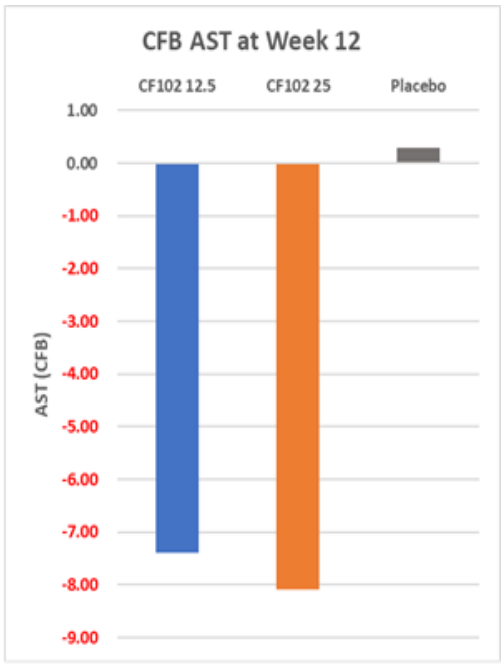




Source: Can-Fite

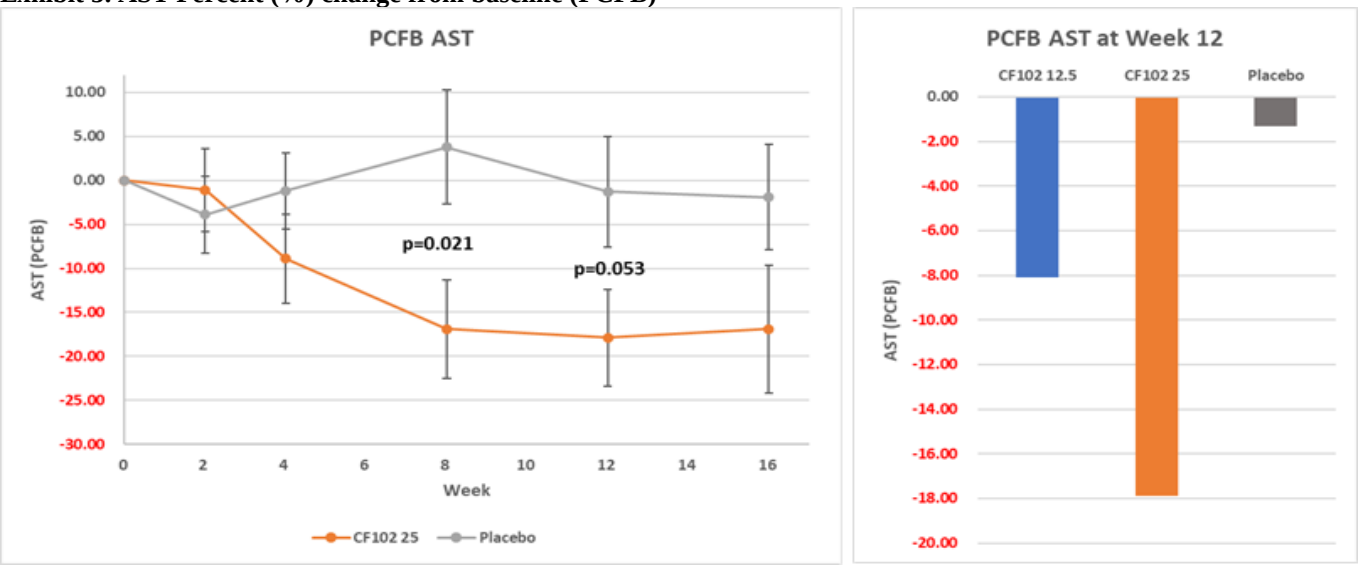
Exhibit 4. Decrease in AST Levels





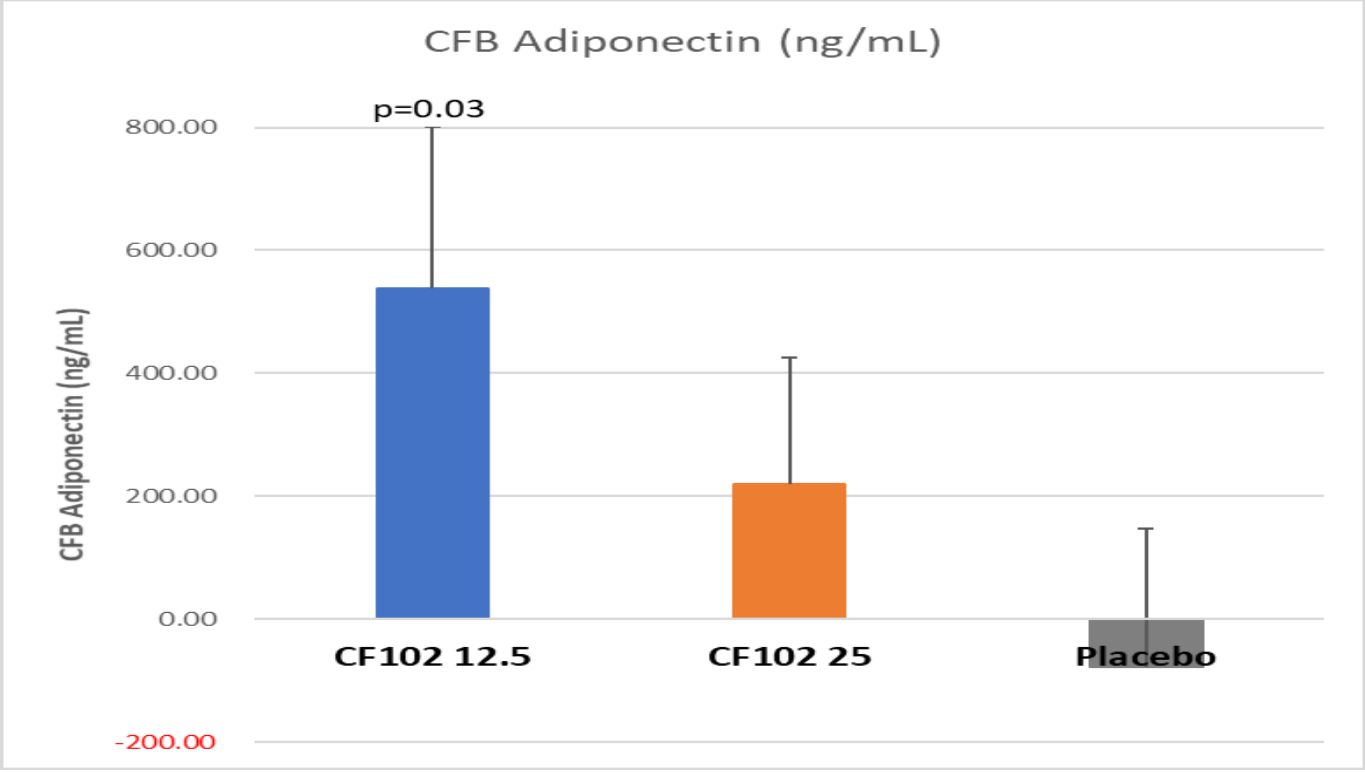
Source: Can-Fite

Exhibit 5. AST Percent (%) change from baseline (PCFB)



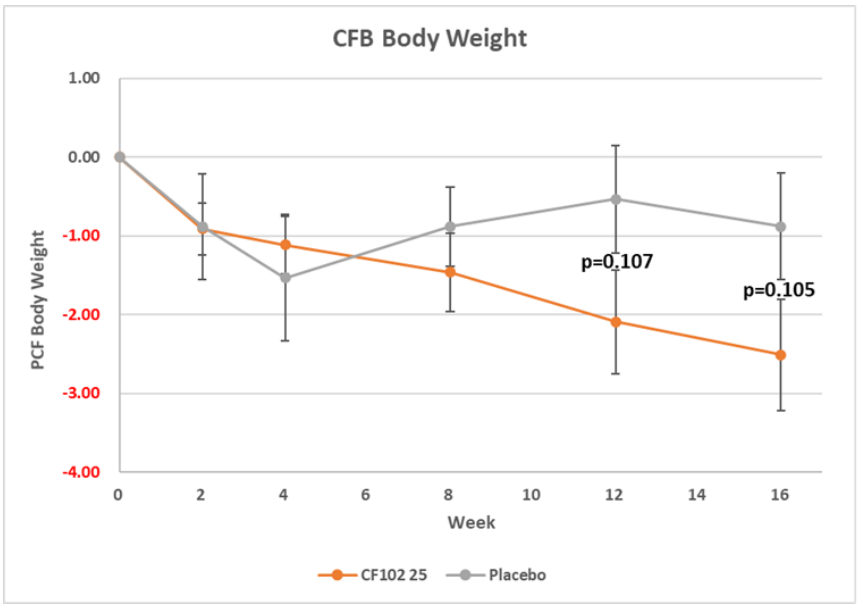
Source: Can-Fite

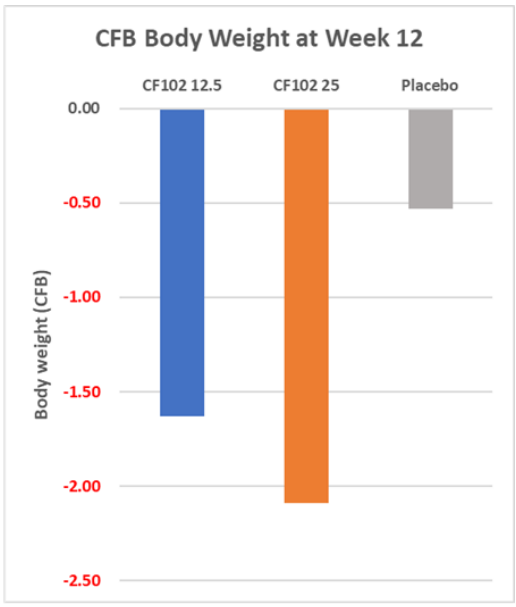
Exhibit 6. Increase in Adiponectin from Baseline. All Groups. Adiponectin is a cytokine with robust anti-inflammatory and anti-fibrotic effects that is used as a biomarker in NAFLD/NASH trials



Source: Can-Fite

Exhibit 7. Decrease in Body Weight Dose Response





Source: Can-Fite

Product Modeling Assumptions

1. We assume a second study is likely to follow the current pivotal programs for Piclidenoson in RA and psoriasis. If we assume a similar size, cost, and time for the studies, it suggests we could see a U.S. and EU approval in rheumatoid arthritis in 2022, followed by approval in psoriasis in 2023.
2. We assume Can-Fite may partner Piclidenoson (and Namodenoson). For the purpose of our model, we assume a sliding scale royalty at a base of 25% but rising to 30% based on sales levels. In accordance with this assumption, we only moderately increase G&A expenses as the company is not likely to build a salesforce in this scenario.
3. We assume pricing of $5,000 in the U.S. and $3,000 in Europe with a 2% year on year increases for Piclidenoson in RA and Psoriasis, and the target population is assumed to be high A_3AR expressers.
4. A probability success factor of 50% to our models for RA and Psoriasis as this is still a Phase 2 product.
5. We now assume Namodenoson is approved and launches (U.S. and Europe), for late-stage liver cancer in 2024.
6. We assume Namodenoson pricing of $50,000 in the U.S. and $35,000 in Europe with a 2% y/y increase.
7. A probability success factor of 50% is applied to our HCC model-based, which is based on Phase 2 data.
8. A probability success factor of 10% to our U.S. and EU models for NAFLD/NASH as the current Phase 2 study is exploratory, and the clinical development pathway for this indication is long and expensive and may require a partner to pay development costs. As such, we believe it's prudent to heavily discount the indication.
9. We do not include CF 602 for the ED indication in our model as the product is still in early stages of testing. We assume a partner is needed to move the project into the clinic.

Exhibit 8. U.S. Market Model for RA

Piclidenoson - CF101 (US)	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Rheumatoid arthritis incidence	1,560,600	1,591,812	1,623,648	1,656,121	1,689,244	1,723,029	1,757,489	1,792,639	1,828,492	1,865,061
Increase in incidence	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Patients with RA and high levels of A3AR biomarker expression (70%)	1,092,420	1,114,268	1,136,554	1,159,285	1,182,471	1,206,120	1,230,242	1,254,847	1,279,944	1,305,543
Patients that only received non-biologics DMARDS (70%)	764,694	779,988	795,588	811,499	827,729	844,284	861,170	878,393	895,961	913,880
Market Penetration					1.0%	2.0%	6.2%	11.9%	18.1%	22.1%
Patients receiving CF101					8,277	16,886	53,393	104,529	162,169	201,968
Annual cost of treatment					$ 5,000	$ 5,100	$ 5,202	$ 5,306	$ 5,412	$ 5,520
Increase in Price					2%	2%	2%	2%	2%	2%
Revenue ('000)					$ 41,386	$ 86,117	$ 277,748	$ 554,634	$ 877,684	$ 1,114,942
Probability of Success					50%	50%	50%	50%	50%	50%
Total Revenue ('000)					**$ 20,693**	**$ 43,058**	**$ 138,874**	**$ 277,317**	**$ 438,842**	**$ 557,471**

Source: Dawson James

Exhibit 9. EU Market Model for RA

Piclidenoson - CF101 (EU)	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Rheumatoid arthritis incidence	3,017,160	3,077,503	3,139,053	3,201,834	3,265,871	3,331,188	3,397,812	3,465,768	3,535,084	3,605,785
Increase in incidence	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Patients with RA and high levels of A3AR biomarker expression (70%)	2,112,012	2,154,252	2,197,337	2,241,284	2,286,110	2,331,832	2,378,469	2,426,038	2,474,559	2,524,050
Patients that only received non-biologics DMARDS (70%)	1,478,408	1,507,977	1,538,136	1,568,899	1,600,277	1,632,282	1,664,928	1,698,227	1,732,191	1,766,835
Market Penetration					1.0%	2.0%	5.0%	11.0%	13.5%	18.2%
Patients receiving CF101					16,003	32,646	83,246	186,805	233,846	321,564
Annual cost of treatment					$ 3,000	$ 6,600	$ 6,732	$ 6,867	$ 7,004	$ 7,144
Increase in Price					2%	2%	2%	2%	2%	2%
Revenue ('000)					$ 48,008	$ 215,461	$ 560,415	$ 1,282,722	$ 1,637,850	$ 2,297,270
Probability of Success					50%	50%	50%	50%	50%	50%
Total Revenue ('000)					**$ 24,004**	**$ 107,731**	**$ 280,207**	**$ 641,361**	**$ 818,925**	**$ 1,148,635**

Source: Dawson James

Exhibit 10. U.S. Market Model for Psoriasis

Piclidenoson - CF101 (US)	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Psoriasis incidence	7,178,760	7,322,335	7,468,782	7,618,158	7,770,521	7,925,931	8,084,450	8,246,139	8,411,061	8,579,283
Increase in incidence	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Plaque psoriasis (80%)	5,743,008	5,857,868	5,975,026	6,094,526	6,216,417	6,340,745	6,467,560	6,596,911	6,728,849	6,863,426
Moderate to severe plaque psoriasis (17%)	976,311	995,838	1,015,754	1,036,069	1,056,791	1,077,927	1,099,485	1,121,475	1,143,904	1,166,782
Patients seeking treatment (84%)	820,102	836,504	853,234	870,298	887,704	905,458	923,568	942,039	960,880	980,097
Market Penetration						1.0%	3.0%	6.0%	9.0%	15.0%
Patients receiving CF101						9,055	27,707	56,522	86,479	147,015
Annual cost of treatment						$ 5,000	$ 5,100	$ 5,202	$ 5,306	$ 5,412
Increase in Price						2%	2%	2%	2%	2%
Revenue ('000)						$ 45,273	$ 141,306	$ 294,029	$ 458,862	$ 795,667
Probability of Success					50%	50%	50%	50%	50%	50%
Total Revenue ('000)					**$ -**	**$ 22,636.46**	**$ 70,653**	**$ 147,015**	**$ 229,431**	**$ 397,833**

Source: Dawson James

Exhibit 11. EU Market Model for Psoriasis

Piclidenoson - CF101 (EU)	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Psoriasis incidence	11,548,440	11,779,409	12,014,997	12,255,297	12,500,403	12,750,411	13,005,419	13,265,528	13,530,838	13,801,455
Increase in incidence	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Plaque psoriasis (80%)	9,238,752	9,423,527	9,611,998	9,804,238	10,000,322	10,200,329	10,404,335	10,612,422	10,824,670	11,041,164
Moderate to severe plaque psoriasis (17%)	1,570,588	1,602,000	1,634,040	1,666,720	1,700,055	1,734,056	1,768,737	1,804,112	1,840,194	1,876,998
Patients seeking treatment (84%)	1,319,294	1,345,680	1,372,593	1,400,045	1,428,046	1,456,607	1,485,739	1,515,454	1,545,763	1,576,678
Market Penetration						1.0%	2.0%	9.0%	12.0%	14.0%
Patients receiving CF101						14,566	29,715	136,391	185,492	220,735
Price of treatment						$ 3,000	$ 3,060	$ 3,121	$ 3,184	$ 3,247
Increase in Price						2%	2%	2%	2%	2%
Revenue ('000)						$ 43,698	$ 90,927	$ 425,703	$ 590,535	$ 716,792
Probability of Success					50%	50%	50%	50%	50%	50%
Total Revenue ('000)					**$ -**	**$ 21,849**	**$ 45,464**	**$ 212,852**	**$ 295,268**	**$ 358,396**

Source: Dawson James

Valuation. Our valuation is based on our therapeutic models, which include probability of success factors for each product and each model. For Picledenoson, we use a probability of success of just 50% in RA and psoriasis. The same is true for Namodenoson, except that here the mechanism of action is new, and the data is based on Phase 2 trials, and the disease conditions can be heterogeneous. For example, in HCC, there are often multiple mechanisms of action behind cancer's growth. Blocking one path often results in the cancer adapting to leverage a different pathway. In NASH, we assume just a 10% probability as the current study is exploratory. The result of these models then drives the company's income statement. The valuation conclusion is an equally-weighted average of our FCFF, EPS, and sum-of-the-parts analysis, discounted at a rate of 30% to account for the risks of development and rounded to the nearest whole number. For companies that are well established with mature products and revenues, we typically use a 10% risk rate. For companies in the early stages of product commercialization, we typically choose a higher risk rate of 15%. For Can-Fite, we use our maximum discount rate of 30% as the company does not yet have an approved therapeutic product.

Can-Fite has received approximately $14 million in upfront and milestone payments from multiple partners including Kwang Dong (Korea: A009290; not rated) to develop and commercialize Picledenoson for RA in Korea, Cipher (TSX: CPH; not rated), Chong Kun Dang (Korea: 185750; not rated) for Namodenoson for HCC and most recently Gebro Pharma (private) for Piclidenoson in RA and psoriasis in Spain and Austria. We expect to see additional and larger partnership deals (such as the one recently announced with Kyongbo), which represent a source of non-dilutive capital to the company.

In our model, we assume multiple raises. For purposes of our model, we now assume 52M shares are outstanding by 2027. We assume Can-Fite is likely to be back in the markets raising capital this year and for the next several years. We are hopeful that positive data from ACROBAT study in RA and the COMFORT trial in Psoriasis will set the stage for a rise in valuation.

Exhibit 12. Discounted Free-Cash-Flow Model

	Average	9

Price Target	10
Year	2020

DCF Valuation Using FCF (mln):

units ('000)	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
EBIT	(6,567)	(7,840)	(12,156)	(12,549)	(15,445)	4,579	76,442	227,032	390,148	631,427
Tax Rate	0%	0%	0%	0%	0%	0%	5%	8%	12%	15%
EBIT (1-t)	(6,567)	(7,840)	(12,156)	(12,549)	(15,445)	4,579	72,620	208,870	343,330	536,713
CapEx	(33)	-	-	-	-	-	-	-	-	-
Depreciation	14	-	-	-	-	-	-	-	-	-
Change in NWC										
FCF	(6,586)	(7,840)	(12,156)	(12,549)	(15,445)	4,579	72,620	208,870	343,330	536,713
PV of FCF	(11,130)	(10,192)	(12,156)	(9,653)	(9,139)	2,084	25,426	56,255	71,130	85,534
Discount Rate	30%									
Long Term Growth Rate	1%									
Cash Flow	1,869,241									
Terminal Value YE2027	297,894									
NPV	507,374									
NPV-Debt										
Shares out ('000)	52,042	2027E								
NPV Per Share	9.7									

Source: Dawson James

Exhibit 13. EPS Model

Current Year	2020
Year of EPS	2027
Earnings Multiple	5
Discount Factor	30%
Selected Year EPS	12.13
NPV	9.67

	Discount Rate and Earnings Multiple Varies, Year is Constant					
	5%	10%	15%	20%	25%	30%
Earnings Multiple 2	17	12	9	7	5	4
Earnings Multiple 5	43	31	23	17	13	10
Earnings Multiple 10	86	62	46	34	25	19
Earnings Multiple 15	129	93	68	51	38	29
Earnings Multiple 20	172	125	91	68	51	39
Earnings Multiple 25	216	156	114	85	64	48
Earnings Multiple 30	259	187	137	102	76	58
Earnings Multiple 35	302	218	160	119	89	68

Source: Dawson James

Exhibit 14. Sum-of-the-Parts Model

	LT Gr	Discount Rate	Yrs to Mkt	% Success	Peak Sales (M)	NPV
Piclidenoson (RA) U.S.	1%	30%	4	50%	$252	$870
NPV						$2.0
Piclidenoson (RA) EU	1%	30%	5	50%	$757	$2,612
NPV						$4.7
Piclidenoson (Psoriasis) U.S.	1%	30%	4	50%	$371	$1,280
NPV						$3.0
Piclidenoson (Psoriasis) EU	1%	30%	5	50%	$333	$1,148
NPV						$2.1
Namodenoson (Liver Cancer) U.S.	1%	30%	5	50%	$179	$617
NPV						$1.1
Namodenoson (Liver Cancer) EU	1%	30%	5	50%	$250	$862
NPV						$1.6
Namodenoson (NAFLD/NASAH) U.S.	1%	30%	6	10%	$366	$1,263
NPV						$0.4
Namodenoson (NAFLD/NASAH) EU	1%	30%	7	10%	$220	$758
NPV						$0.2
Pipeline	1%	30%	7	0%	$50	$172
NPV						$0.0
Net Margin						70%
MM Shrs OS (2024E)						52
Total						$6.2

Source: Dawson James

Exhibit 15. Income Statement

Can-Fite Biopharma.: Income Statement ($000)																				
.: YE December 31	2015A	2016A	2017A	2018A	1Q19A	2Q19A	3Q19A	4Q19E	2019E	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Revenue:	165	170	847		299	389	1,152		1,840												
Piclidenoson (CF-101), Rheumatoid Arthritis U.S.																-	21,529	44,798	93,216	169,718	252,249
Piclidenoson (CF-101), Rheumatoid Arthritis EU																-	53,865	168,124	349,833	485,289	757,342
Piclidenoson (CF-101), Psoriasis U.S.																-	22,636	70,653	147,015	254,923	371,311
Piclidenoson (CF-101), Psoriasis EU																-	21,849	45,464	212,852	295,268	332,796
Namodenoson HCC U.S.																-	-	7,940	41,304	85,946	178,836
Namodenoson HCC EU																-	-	11,095	57,716	120,096	249,895
Namodenoson NASH/NAFLD U.S.																-	-	81,284	169,135	263,953	366,155
Namodenoson NASH/NAFLD EU																-	-	-	67,654	140,775	219,693
Total Product Sales	165	170	847	-	299	389	1,152	-	1,840	-	-	-	-	-	-	-	119,880	336,979	844,219	1,291,143	1,892,534
Milestone From Gebro Holdings				3,820																	
Piclidenoson (CF-101), Rheumatoid Arthritis U.S.																-	5,382	11,200	27,965	50,915	75,675
Royalty Rate from Global Partnership																#DIV/0!	25%	25%	30%	30%	30%
Piclidenoson (CF-101), Rheumatoid Arthritis EU																-	13,466	42,031	104,950	145,587	227,202
Royalty Rate from Global Partnership																#DIV/0!	25%	25%	30%	30%	30%
Piclidenoson (CF-101), Psoriasis U.S.																-	5,659	17,663	36,754	63,731	92,828
Royalty Rate from Global Partnership																	26%	39%	17%	22%	28%
Piclidenoson (CF-101), Psoriasis EU																-	5,659	17,663	36,754	63,731	92,828
Royalty Rate from Global Partnership																	26%	39%	17%	22%	28%
Namodenoson HCC U.S.																-	-	1,985	10,326	21,486	44,709
Royalty Rate from Global Partnership																#DIV/0!	#DIV/0!	25%	25%	25%	25%
Namodenoson HCC EU																-	-	2,774	14,429	30,024	67,472
Royalty Rate from Global Partnership																#DIV/0!	#DIV/0!	25%	25%	25%	27%
Namodenoson NASH/NAFLD U.S.																-	-	20,321	42,284	65,988	93,223
Royalty Rate from Global Partnership																		25%	25%	25%	25%
Namodenoson NASH/NAFLD EU																-	-	-	16,914	35,194	54,923
Royalty Rate from Global Partnership																			25%	25%	25%
Total royalties, collaborative revenue	-	-	-	4,452																	
Total Revenue	-	170	847	4,452	299	389	1,152	-	1,840	-	-	-	-	-	-	-	30,167	113,637	290,374	476,656	748,860
Expenses:																					
Partnership Costs including COGS			-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,994	16,849	42,211	64,557	94,627
%COGS																5%	5%	5%	5%	5%	5%
Research and Development	3,858	6,081	5,285	6,075	1,443	2,517	3,056		7,016	1,646	1,718	1,861	1,932	7,156	7,299	7,445	7,594	7,746	7,901	8,059	8,220
%R&D																					
General and Administrative	2,725	2,726	2,956	3,159	567	766	887		2,220	1,150	1,200	1,300	1,350	5,000	5,250	8,000	12,000	12,600	13,230	13,892	14,586
%SG&A																					
Total Expenses	6,583	8,807	8,241	9,234	2,010	3,283	3,943	-	9,236	2,796	2,918	3,161	3,282	12,156	12,549	15,445	25,588	37,195	63,342	86,508	117,433
Operating Income (Loss)	(6,418)	(8,637)	(7,394)	(5,414)	(1,711)	(2,894)	(2,791)	-	(7,396)	(2,796)	(2,918)	(3,161)	(3,282)	(12,156)	(12,549)	(15,445)	4,579	76,442	227,032	390,148	631,427
Finance expenses	564	178	1,102	1,204	130	194	184		508												
Finance income	(1,920)	(1,820)	(2,999)	(51)	(9)	(27)	(28)		(64)												
Total Other Income	**(1,356)**	**(1,642)**	**(1,897)**	**1,153**	**121**	**167**	**156**	-	444	-	-	-	-	-	-	-	-	-	-	-	-
Pretax Income	5,062	(6,995)	(4,963)	(6,567)	(1,832)	(3,061)	(2,947)	-	(7,840)	(2,796)	(2,918)	(3,161)	(3,282)	(12,156)	(12,549)	(15,445)	4,579	76,442	227,032	390,148	631,427
Taxes on income	4	29	4																		
Adjustments arising from translating financial statements of foreign operations		9	30															3,822	18,163	46,818	94,714
Remeasurement loss from defined benefit plans	99		-																		
Tax Rate																		5%	8%	12%	15%
GAAP Net Income (Loss)	5,066	(6,966)	(4,993)	(6,571)	(1,832)	(3,061)	(2,947)	-	(7,840)	(2,796)	(2,918)	(3,161)	(3,282)	(12,156)	(12,549)	(15,445)	4,579	76,442	227,032	390,148	631,427
Total comprehensive loss	5,066	(6,957)	(4,993)	(6,571)	(1,832)	(3,061)	(2,947)	-	(7,840)	(2,796)	(2,918)	(3,161)	(3,282)	(12,156)	(12,549)	(15,445)	4,579	80,264	208,870	343,330	536,713
GAAP-EPS	#DIV/0!	(0.25)	(0.14)	(0.17)	(0.04)	(0.92)	(0.51)	-	(1.47)	(0.24)	(0.13)	(0.15)	(0.15)	(0.63)	(0.47)	(0.57)	0.17	2.82	8.34	14.27	23.01
GAAP-EPS (Dil)			(0.14)	(0.16)	(0.04)	(0.79)	(0.33)	-	(1.15)	(0.14)	(0.07)	(0.08)	(0.08)	(0.34)	(0.25)	(0.30)	0.09	1.49	4.40	7.53	12.13
Wgtd Avg Shrs (Bas) - '000s	-	28,096	32,994	38,793	42,863	3,324	5,827	8,333	8,333	11,675	21,686	21,708	21,730	19,200	26,791	26,899	27,007	27,115	27,223	27,332	27,442
Wgtd Avg Shrs (Dil) - '000s	-	28,096	32,994	41,953	48,403	3,897	8,901	13,910	13,910	20,589	40,610	40,651	40,691	35,635	50,808	51,012	51,216	51,421	51,627	51,834	52,042

Source: Dawson James Securities

Risk Analysis
In addition to the typical risks associated with development stage specialty pharmaceutical companies, potential risks specific to Can-Fite are as follows:

Financial risk. The company may need to raise capital in the marketplace, and there can be no assurances that the company will be able to successfully raise capital and or do so on favorable terms.

Clinical and regulatory risk. Lead products must start and complete clinical trials. Trials may not produce results sufficient for regulatory approval.

Partnership risk. Can-Fite may seek partnerships for clinical development support and commercialization. We have no specific knowledge of any discussions with possible partners today, and there can be no assurances that the company will be able to secure a favorable partnership.

Commercial risk. There are no assurances that the company will be able to secure favorable pricing, commercially launch products, and achieve significant market share to become profitable.

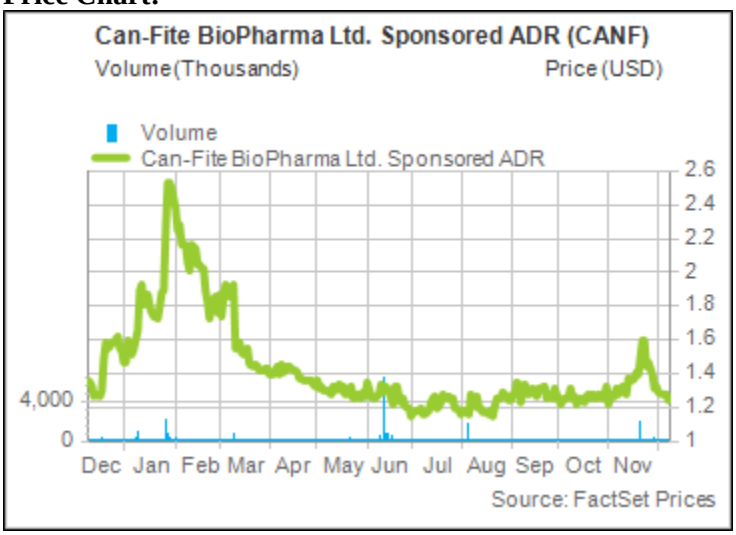
Legal and intellectual property risk. The company may have to defend its patents and technical know-how, and there can be no assurances that the patents will not be infringed or will be held as valid if challenged, and or that the company may infringe on third party's patents.

Companies mentioned in this report:

Kwang Dong (Korea: A009290; Not rated)
Kyongbo Pharm (Korea XKRX; Not Rated)
Cipher (TSX: CPH; Not rated)
Chong Kun Dang (Korea: 185750; Not rated)
Gebro Pharma (private)

Important Disclosures:

Price Chart:



Price target and rating changes over the past three years:
Initiated – Buy – December 12, 2018 – Price Target $7
Update – Buy – March 26, 2019 – Price Target $6
Update – Buy – May 21, 2019 – Price Target $9 (adjusted down after reverse stock split).
Update – Buy – August 7, 2019 – Price Target $9
Update – Buy – September 11, 2019 – Price Target $9
Update – Buy – September 18, 2019 – Price Target $9
Update – Buy – September 23, 2019 – Price Target $9
Update – Buy – October 15, 2019 – Price Target $9
Update – Buy – October 31, 2019 – Price Target $9
Update – Buy – November 4, 2019 – Price Target $9
Update – Buy – December 2, 2019 – Price Target $9
Update – Buy – December 11, 2019 – Price Target $9
Update – Buy – February 3, 2020 – Price Target $9
Update – Buy – February 19, 2020 – Price Target $9
Update – Buy – March 5, 2020 – Price Target $9
Update – Buy – April 13, 2020 – Price Target $9
Update – Buy – April 20, 2020 – Price Target $9
Update – Buy – May 19, 2020 – Price Target $9

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2) **Neutra**l: the analyst believes the price of the stock is fairly valued for the next 12-18 months;
3) **Sel**l: the analyst believes the price of the stock will decline by at least 20% over the next 12-18 months and should be sold.

The following chart reflects the range of current research report ratings for all companies followed by the analysts of the Firm. The chart also reflects the research report ratings relating to those companies for which the Firm has performed investment banking services.

	Company Coverage		Investment Banking	
Ratings Distribution	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	21	88%	3	14%
Market Perform (Neutral)	3	13%	1	33%
Market Underperform (Sell)	0	0%	0	0%
Total	24	100%	4	17%

Analyst Certification:

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