Can-Fite BioPharma Ltd. (NYSE/CANF)

BUY Rated: Raises $8 M + $2M too

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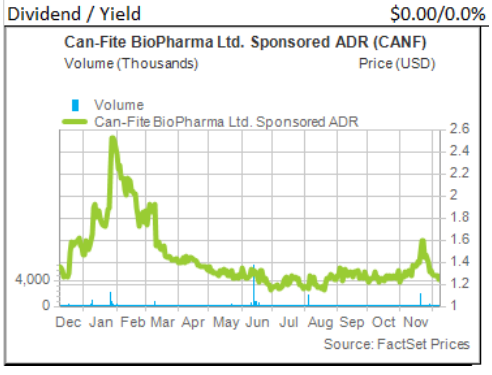
Can-Fite announced a capital raise selling 3.9M shares at $2.05 with 1.9M warrants. We have previously assumed multiple capital raises in our model and continue to do so. With no other changes the net effect is our price target drops from $9 to $7 based on the additional shares. We continue to believe in the fundamentals of both Piclidenoson and Namodenoson can be commercially developed. We also note that the company raised $2.5M in additional capital, in addition to today's $8M, as a result of prior warrant exercises.

Current Price	**$1.87**
Price Target	**$7.00**

Estimates	F2020A	F2021E	F2022E
Expenses ($000s)	16,945	16,669	19,648
1Q March	4,474	3,834	4,519
2Q June	3,887	4,001	4,715
3Q September	4,211	4,334	5,108
4Q December	4,373	4,501	5,305
	F2019A	F2021E	F2022E
EPS (diluted)	(1.28)	(0.66)	(0.59)
1Q March	(0.47)	(0.17)	(0.14)
2Q June	(0.30)	(0.17)	(0.14)
3Q September	(0.32)	(0.19)	(0.15)
4Q December	(0.19)	(0.14)	(0.16)
EBITDA/Share	($0.15)	($0.16)	($1.08)
EV/EBITDA (x)	0.0	0.0	0.0

Stock Data			
52-Week Range	$1.08	-	$4.95
Shares Outstanding (mil.)			147.1
Market Capitalization (mil.)			$274.3
Enterprise Value (mil.)			$7.1
Debt to Capital			0.0%
Book Value/Share			$4.52
Price/Book			15.1
Average Three Months Trading Volume (M)			0.8
Insider Ownership			8.5%
Institutional Ownership			7.7%
Short interest (mil.)			0.1%
Dividend / Yield			$0.00/0.0%



Investment Highlights

COVID 19. Can-Fite now, with FDA feedback, is planning to submit an IND application for Piclidenoson to be evaluated as a potential addition to the current standard of care treatment for COVID-19. Given the safety data base, we may see the drug jump into a Phase 2 Proof of Concept trial.

What might the trial look like? The pilot trial could be 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 & COMFORT – Both Are Half Way There. 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.

Namodenoson in Liver Cancer – Pivotal is Next. The FDA has agreed with Can-Fite's proposed pivotal Phase 3 trial design. The study protocol and registration plan have also been submitted to the European Medicines Agency (EMA). Namodenoson is currently being used to treat liver cancer patients in a compassionate use program in Israel, which has enrolled seven patients. In addition, two patients who were enrolled in the Company's former Phase 2 study, who responded well to the drug, are continuing treatment. Those two advanced liver cancer patients have reached an overall survival of over 2.5 years while being treated with Namodenoson.

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.

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 2024, followed by approval in Psoriasis.
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.
10. We do not include any estimates for COVID

Exhibit 1. U.S. Market Model for RA

Piclidenoson - CF101 (US)	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
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	1,902,363	1,940,410	1,979,218
Increase in incidence	2%	2%	2%	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	1,331,654	1,358,287	1,385,453
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	932,158	950,801	969,817
Market Penetration					0.0%	0.0%	6.0%	7.0%	8.0%	9.0%	10.0%	11.0%	12.0%
Patients receiving CF101					-	-	51,670	61,488	71,677	82,249	93,216	104,588	116,378
Annual cost of treatment					$ 5,000	$ 5,100	$ 5,202	$ 5,306	$ 5,412	$ 5,520	$ 5,631	$ 5,743	$ 5,858
Increase in Price					2%	2%	2%	2%	2%	2%	2%	2%	2%
Revenue ('000)					$ -	$ -	$ 268,788	$ 326,255	$ 387,927	$ 454,049	$ 524,880	$ 600,694	$ 681,777
Probability of Success					50%	50%	50%	50%	50%	50%	50%	50%	50%
Total Revenue ('000)					**$ -**	**$ -**	**$ 134,394**	**$ 163,128**	**$ 193,963**	**$ 227,024**	**$ 262,440**	**$ 300,347**	**$ 340,889**

Source: Dawson James

Exhibit 2. EU Market Model for RA

Piclidenoson - CF101 (EU)	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
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	3,677,901	3,751,459	3,826,488
Increase in incidence	2%	2%	2%	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	2,574,531	2,626,021	2,678,542
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	1,802,172	1,838,215	1,874,979
Market Penetration					0.0%	0.0%	5.0%	10.0%	11.0%	12.0%	13.0%	14.0%	15.0%
Patients receiving CF101					-	-	83,246	169,823	190,541	212,020	234,282	257,350	281,247
Annual cost of treatment					$ 3,000	$ 6,600	$ 6,732	$ 6,867	$ 7,004	$ 7,144	$ 7,287	$ 7,433	$ 7,581
Increase in Price					2%	2%	2%	2%	2%	2%	2%	2%	2%
Revenue ('000)					$ -	$ -	$ 560,415	$ 1,166,111	$ 1,334,544	$ 1,514,683	$ 1,707,200	$ 1,912,799	$ 2,132,224
Probability of Success					50%	50%	50%	50%	50%	50%	50%	50%	50%
Total Revenue ('000)					**$ -**	**$ -**	**$ 280,207**	**$ 583,056**	**$ 667,272**	**$ 757,342**	**$ 853,600**	**$ 956,399**	**$ 1,066,112**

Source: Dawson James

Exhibit 3. U.S. Market Model for Psoriasis

Piclidenoson - CF101 (US)	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
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	8,750,868	8,925,886	9,104,403
Increase in incidence	2%	2%	2%	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	7,000,695	7,140,709	7,283,523
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	1,190,118	1,213,920	1,238,199
Patients seeking treatment (84%)	820,102	836,504	853,234	870,298	887,704	905,458	923,568	942,039	960,880	980,097	999,699	1,019,693	1,040,087
Market Penetration						0.0%	3.0%	6.0%	7.0%	8.0%	9.0%	10.0%	11.0%
Patients receiving CF101						-	27,707	56,522	67,262	78,408	89,973	101,969	114,410
Annual cost of treatment						$ 5,000	$ 5,100	$ 5,202	$ 5,306	$ 5,412	$ 5,520	$ 5,631	$ 5,743
Increase in Price						2%	2%	2%	2%	2%	2%	2%	2%
Revenue ('000)						$ -	$ 141,306	$ 294,029	$ 356,893	$ 424,356	$ 496,687	$ 574,170	$ 657,103
Probability of Success					50%	50%	50%	50%	50%	50%	50%	50%	50%
Total Revenue ('000)					**$ -**	**$ -**	**$ 70,653**	**$ 147,015**	**$ 178,446**	**$ 212,178**	**$ 248,343**	**$ 287,085**	**$ 328,552**

Source: Dawson James

Exhibit 4. EU Market Model for Psoriasis

Piclidenoson - CF101 (EU)	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
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	14,077,484	14,359,034	14,646,214
Increase in incidence	2%	2%	2%	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	11,261,987	11,487,227	11,716,971
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	1,914,538	1,952,829	1,991,885
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	1,608,212	1,640,376	1,673,184
Market Penetration						0.0%	2.0%	9.0%	10.0%	11.0%	12.0%	13.0%	14.0%
Patients receiving CF101						-	29,715	136,391	154,576	173,435	192,985	213,249	234,246
Price of treatment						$ 3,000	$ 3,060	$ 3,121	$ 3,184	$ 3,247	$ 3,312	$ 3,378	$ 3,446
Increase in Price						2%	2%	2%	2%	2%	2%	2%	2%
Revenue ('000)						$ -	$ 90,927	$ 425,703	$ 492,113	$ 563,194	$ 639,214	$ 720,459	$ 807,224
Probability of Success					50%	50%	50%	50%	50%	50%	50%	50%	50%
Total Revenue ('000)					**$ -**	**$ -**	**$ 45,464**	**$ 212,852**	**$ 246,056**	**$ 281,597**	**$ 319,607**	**$ 360,229**	**$ 403,612**

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 40M shares are outstanding by 2030. 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 5. Discounted Free-Cash-Flow Model

Average	7

Price Target	9
Year	2020

DCF Valuation Using FCF (mln):

units ('000)	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
EBIT	(16,747)	(16,669)	(19,648)	(23,881)	112,405	298,356	386,317	484,325	562,494	626,365	694,472
Tax Rate	0%	0%	0%	0%	5%	8%	12%	25%	30%	32%	34%
EBIT (1-t)	(16,747)	(16,669)	(19,648)	(23,881)	106,785	274,488	339,959	363,244	393,746	425,928	458,351
CapEx	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Change in NWC											
FCF	(16,747)	(16,669)	(19,648)	(23,881)	106,785	274,488	339,959	363,244	393,746	425,928	458,351
PV of FCF	(16,747)	(12,823)	(11,626)	(10,870)	37,388	73,928	70,431	57,889	48,269	40,165	33,248
Discount Rate	30%										
Long Term Growth Rate	1%										
Cash Flow	1,596,327										
Terminal Value YE2030	115,795										
NPV	425,048										
NPV-Debt											
Shares out ('000)	46,453	2030E									
NPV Per Share	9.2										

Source: Dawson James

Exhibit 6. EPS Model

Current Year	2020
Year of EPS	2030
Earnings Multiple	5
Discount Factor	30%
Selected Year EPS	14.95
NPV	5.42

	Discount Rate and Earnings Multiple Varies, Year is Constant					
	5%	10%	15%	20%	25%	30%
Earnings Multiple 2	18	12	7	5	3	2
5	46	29	18	12	8	5
10	92	58	37	24	16	11
15	138	86	55	36	24	16
20	184	115	74	48	32	22
25	229	144	92	60	40	27
30	275	173	111	72	48	33
35	321	202	129	85	56	38

Source: Dawson James

Exhibit 7. 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%	$227	$783
NPV						$2.1
Piclidenoson (RA) EU	1%	30%	5	50%	$757	$2,612
NPV						$5.3
Piclidenoson (Psoriasis) U.S.	1%	30%	4	50%	$212	$732
NPV						$1.9
Piclidenoson (Psoriasis) EU	1%	30%	5	50%	$282	$971
NPV						$2.0
Namodenoson (Liver Cancer) U.S.	1%	30%	5	50%	$63	$216
NPV						$0.4
Namodenoson (Liver Cancer) EU	1%	30%	5	50%	$87	$302
NPV						$0.6
Namodenoson (NAFLD/NASAH) U.S.	1%	30%	6	50%	$366	$1,263
NPV						$2.0
Namodenoson (NAFLD/NASAH) EU	1%	30%	7	50%	$220	$758
NPV						$0.9
Pipeline	1%	30%	7	0%	$50	$172
NPV						$0.0
Net Margin						70%
MM Shrs OS (2030E)						46
Total						$7.9

Source: Dawson James

Exhibit 8. Income Statement

Can-Fite Biopharma.: Income Statement ($000)																										
.: YE December 31	2015A	2016A	2017A	2018A	2019A	1Q20A	2Q20E	3Q20E	4Q20E	2020E	1Q21E	2Q21E	3Q21E	4Q21E	2021E	1Q22E	2Q22E	3Q22E	4Q22E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Revenue:	165	170	847		2,032	198				198																	
Piclidenoson (CF-101), Rheumatoid Arthritis U.S.																-	-	-	-	-	-	134,394	163,128	193,963	227,024	262,440	300,347	340,889
Piclidenoson (CF-101), Rheumatoid Arthritis EU																-	-	-	-	-	-	280,207	583,056	667,272	757,342	853,600	956,399	1,066,112
Piclidenoson (CF-101), Psoriasis U.S.																-	-	-	-	-	-	70,653	147,015	178,446	212,178	248,343	287,085	328,552
Piclidenoson (CF-101), Psoriasis EU																-	-	-	-	-	-	45,464	212,852	246,056	281,597	319,607	360,229	403,612
Namodenoson HCC U.S.																-	-	-	-	-	-	7,940	41,304	51,567	62,592	74,424	87,110	100,699
Namodenoson HCC EU																-	-	-	-	-	-	11,095	57,716	72,057	87,463	103,996	121,722	140,711
Namodenoson NASH/NAFLD U.S.																-	-	-	-	-	-	81,284	169,135	263,953	366,155	380,948	396,338	412,350
Namodenoson NASH/NAFLD EU																-	-	-	-	-	-	-	67,654	140,775	219,693	304,758	317,071	329,880
Total Product Sales	165	170	847	-	2,032	198	-	-	-	198	-	-	-	-	-	-	-	-	-	-	-	538,658	1,147,353	1,337,305	1,540,733	1,758,415	1,991,171	2,239,863
Milestone From Gebro Holdings				3,820																							
Piclidenoson (CF-101), Rheumatoid Arthritis U.S.																-	-	-	-	-	-	33,599	48,938	58,189	68,107	78,732	90,104	102,267
Royalty Rate from Global Partnership																25%	25%	25%	25%	#DIV/0!	#DIV/0!	25%	30%	30%	30%	30%	30%	30%
Piclidenoson (CF-101), Rheumatoid Arthritis EU																-	-	-	-	-	-	70,052	174,917	200,182	227,202	256,080	286,920	319,834
Royalty Rate from Global Partnership																25%	25%	25%	25%	#DIV/0!	#DIV/0!	25%	30%	30%	30%	30%	30%	30%
Piclidenoson (CF-101), Psoriasis U.S.																-	-	-	-	-	-	17,663	36,754	44,612	53,044	62,086	71,771	82,138
Royalty Rate from Global Partnership																25%	25%	25%	25%		#DIV/0!	39%	17%	18%	19%	19%	20%	20%
Piclidenoson (CF-101), Psoriasis EU																-	-	-	-	-	-	17,663	36,754	44,612	53,044	62,086	71,771	82,138
Royalty Rate from Global Partnership																25%	25%	25%	25%		#DIV/0!	39%	17%	18%	19%	19%	20%	20%
Namodenoson HCC U.S.																-	-	-	-	-	-	1,985	10,326	12,892	15,648	18,606	21,777	25,175
Royalty Rate from Global Partnership																25%	25%	25%	25%	#DIV/0!	#DIV/0!	25%	25%	25%	25%	25%	25%	25%
Namodenoson HCC EU																-	-	-	-	-	-	2,774	14,429	18,014	23,615	28,079	32,865	37,992
Royalty Rate from Global Partnership																25%	25%	25%	25%	#DIV/0!	#DIV/0!	25%	25%	25%	27%	27%	27%	27%
Namodenoson NASH/NAFLD U.S.																-	-	-	-	-	-	20,321	42,284	65,988	93,223	96,989	100,908	104,984
Royalty Rate from Global Partnership																25%	25%	25%	25%			25%	25%	25%	25%	25%	25%	25%
Namodenoson NASH/NAFLD EU																-	-	-	-	-	-	-	16,914	35,194	54,923	76,190	79,268	82,470
Royalty Rate from Global Partnership																25%	25%	25%	25%				25%	25%	25%	25%	25%	25%
Total royalties, collaborative revenue	-	-	-	**4,452**																							
Total Revenue	-	170	847	4,452	2,032	198	-	-	-	198	-	-	-	-	-	-	-	-	-	-	-	164,057	381,315	479,682	588,808	678,848	755,384	836,997
Expenses:																											
Partnership Costs including COGS			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,933	57,368	66,865	77,037	87,921	99,559	111,993
%COGS																5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Research and Development	3,858	6,081	5,285	6,075	10,976	3,771	2,687	2,911	3,023	11,196	2,626	2,741	2,969	3,083	11,419	2,679	2,795	3,028	3,145	11,648	11,881	12,118	12,361	12,608	12,860	13,117	13,380	13,647
%R&D																												
General and Administrative	2,725	2,726	2,956	3,159	3,059	703	1,200	1,300	1,350	5,000	1,208	1,260	1,365	1,418	5,250	1,840	1,920	2,080	2,160	8,000	12,000	12,600	13,230	13,892	14,586	15,315	16,081	16,885
%SG&A																												
Total Expenses	6,583	8,807	8,241	9,234	14,035	4,474	3,887	4,211	4,373	16,945	3,834	4,001	4,334	4,501	16,669	4,519	4,715	5,108	5,305	19,648	23,881	51,651	82,958	93,365	104,483	116,353	129,019	142,526
Operating Income (Loss)	(6,418)	(8,637)	(7,394)	(5,414)	(12,003)	(4,276)	(3,887)	(4,211)	(4,373)	(16,747)	(3,834)	(4,001)	(4,334)	(4,501)	(16,669)	(4,519)	(4,715)	(5,108)	(5,305)	(19,648)	(23,881)	112,405	298,356	386,317	484,325	562,494	626,365	694,472
Finance expenses	564	178	1,102	1,204	693																							
Finance income	(1,920)	(1,820)	(2,999)	(51)	3,109	(66)																						
Total Other Income	**(1,356)**	**(1,642)**	**(1,897)**	**1,153**	2,416	**(66)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pretax Income	5,062	(6,995)	(4,963)	(6,567)	(9,587)	(4,342)	(3,887)	(4,211)	(4,373)	(16,747)	(3,834)	(4,001)	(4,334)	(4,501)	(16,669)	(4,519)	(4,715)	(5,108)	(5,305)	(19,648)	(23,881)	112,405	298,356	386,317	484,325	562,494	626,365	694,472
Taxes on income	4	29		4																								
Adjustments arising from translating financial statements of foreign operations		9	30			(715)																5,620	23,869	46,358	121,081	168,748	200,437	236,120
Remeasurement loss from defined benefit plans	99		-																									
Tax Rate																						5%	8%	12%	25%	30%	32%	34%
GAAP Net Income (Loss)	5,066	(6,966)	(4,993)	(6,571)	(9,587)	(4,342)	(3,887)	(4,211)	(4,373)	(16,747)	(3,834)	(4,001)	(4,334)	(4,501)	(16,669)	(4,519)	(4,715)	(5,108)	(5,305)	(19,648)	(23,881)	112,405	298,356	386,317	484,325	562,494	626,365	694,472
Total comprehensive loss	5,066	(6,957)	(4,993)	(6,571)	(9,587)	(5,057)	(3,887)	(4,211)	(4,373)	(16,747)	(3,834)	(4,001)	(4,334)	(4,501)	(16,669)	(4,519)	(4,715)	(5,108)	(5,305)	(19,648)	(23,881)	118,026	274,488	339,959	363,244	393,746	425,928	458,351
GAAP-EPS	#DIV/0!	(0.25)	(0.14)	(0.17)	(1.77)	(0.47)	(0.30)	(0.32)	(0.19)	(1.14)	(0.17)	(0.17)	(0.19)	(0.14)	(0.65)	(0.14)	(0.14)	(0.15)	(0.16)	(0.59)	(0.71)	3.35	8.84	11.40	14.24	16.47	18.27	20.18
GAAP-EPS (Dil)			(0.14)	(0.16)	(1.35)	(0.31)	(0.20)	(0.21)	(0.13)	(0.76)	(0.11)	(0.11)	(0.12)	(0.10)	(0.45)	(0.10)	(0.10)	(0.11)	(0.12)	(0.44)	(0.53)	2.48	6.55	8.45	10.55	12.21	13.54	14.95
Wgtd Avg ADR Shrs (Bas) - '000s	-	28,096	32,994	38,793	5,833	9,222	13,133	13,146	23,160	14,665	23,183	23,206	23,229	33,252	25,717	33,286	33,319	33,352	33,385	33,335	33,469	33,603	33,738	33,873	34,009	34,145	34,282	34,419
Wgtd Avg ADR Shrs (Dil) - '000s	-	28,096	32,994	41,953	8,910	13,833	19,700	19,720	34,739	21,998	34,774	34,809	34,844	44,878	37,326	44,923	44,968	45,013	45,058	44,991	45,171	45,352	45,534	45,716	45,899	46,083	46,268	46,453

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.

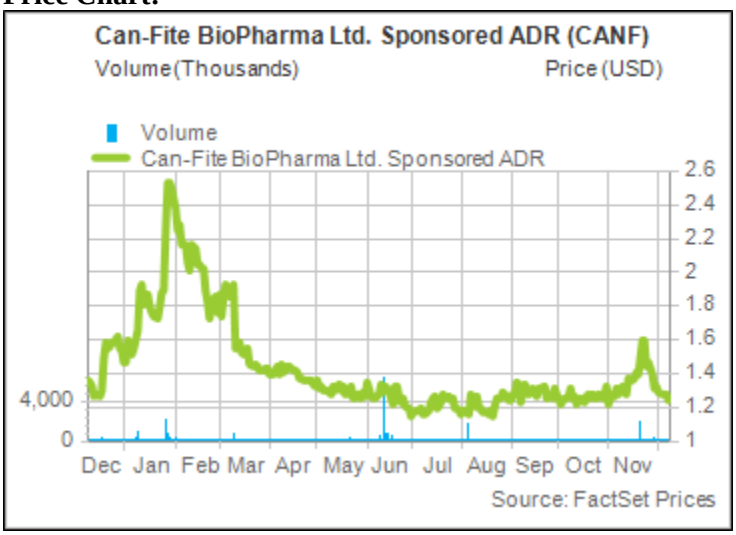
Legal and intellectual property risk. The Company may have to defend its patents and technical know-how, and there can be no assurances that the patents will not be infringed or will be held as valid if challenged, and or that the Company may infringe on third party's patents.

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
Update – Buy – June 1, 2020 – Price Target $9
Update – Buy – June 9, 2020 – Price Target $9
PT Change – Buy – June 10, 2020 – Price Target lowered from $9 to $7.0

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Rating Definitions:

1) **Buy**: the analyst believes the price of the stock will appreciate and produce a total return of at least 20% over the next 12-18 months;
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)	22	88%	3	14%
Market Perform (Neutral)	3	12%	1	33%
Market Underperform (Sell)	0	0%	0	0%
Total	25	100%	4	16%

Analyst Certification:

The analyst(s) whose name appears on this research report certifies that 1) all of the views expressed in this report accurately reflect his (their) personal views about any and all of the subject securities or issuers discussed; and 2) no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst in this research report; and 3) all Dawson James employees, including the analyst(s) responsible for preparing this research report, may be eligible to receive non-product or service specific monetary bonus compensation that is based upon various factors, including total revenues of Dawson James and its affiliates as well as a portion of the proceeds from a broad pool of investment vehicles consisting of components of the compensation generated by investment banking activities, including but not limited to shares of stock and/or warrants, which may or may not include the securities referenced in this report.