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Can-Fite BioPharma Ltd. (NYSE/CANF)

September 1, 2022

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BUY-Rated: 2nd Quarter Results

Can-Fite announced 2nd Quarter 22 results, reporting a net loss of \$4.6M and closing the quarter with \$12.7M in cash. Management highlighted positive results from the COMFORT pivotal trial for Piclidenoson in Psoriasis and the recent compassionate use approval for Namodenoson in Liver Cancer in Romania.

Investment Highlights

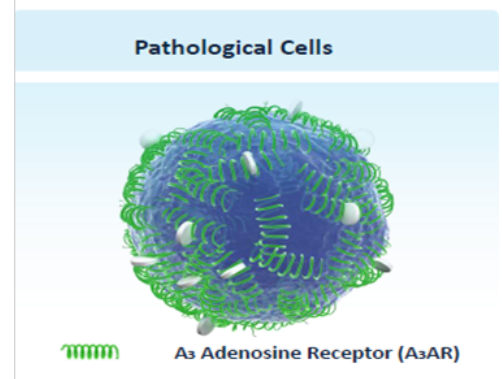
The COMFORT Trial: In the 2nd Quarter Can-Fite announced that the PIII trial for Psoriasis met its primary endpoint. The trial evaluated Piclidenoson in more than 400 adults with moderate to severe plaque psoriasis. At week 16, patients receiving Piclidenoson 3mg demonstrated statistically significant improvement when compared with placebo, as measured by the Psoriasis Area and Severity Index (PASI) 75 response (representing a 75% reduction in psoriasis severity): Piclidenoson 3mg: 9.7% vs. placebo: 2.6% (P< 0.04). A linear increase in the response of patients to Piclidenoson was achieved along the study period, on week 48 reaching a PASI 50 response (50% reduction in psoriasis severity) in 90% of patients, a PASI 90 response (90% reduction in psoriasis severity) in 10% of patients, and Psoriasis Disability Index (PDI) improvement in 60% of patients.

Namodenoson Approved for Compassionate Use in Romania: In August, Can-Fite announced Romania became the second country, following Israel, to approve Namodenoson for compassionate use in patients with advanced liver cancer. Namodenoson induced a complete response with disappearance of all metastases in a Romanian patient who was enrolled in Can-Fite's prior Phase IIb liver cancer study, and the patient will now continue treatment under the compassionate use program. Can-Fite's pivotal Phase III liver cancer study for Namodenoson is open for enrollment of approximately 450 patients diagnosed with hepatocellular carcinoma (HCC) and underlying Child Pugh B7 (CPB7) who have not responded to other approved therapies.

Valuation. We evaluate Piclidenoson in Psoriasis, Namodenoson in HCC, and NAFLD. We apply a probability of success factor in these patient-based models. These metrics then flow into our valuation models. For Can-Fite, we use a 30% discount rate (in addition to the risk rate), as Can-Fite is not yet profitable, and most of the products are still dependent on the outcome of the clinical trials. Our valuation conclusion is an equally-weighted average of our FCFE, EPS, and sum-of-the-parts analysis. We use a projected fully diluted end-year share count and assume multiple raises. The conclusion of this method is a \$5.00 price target.

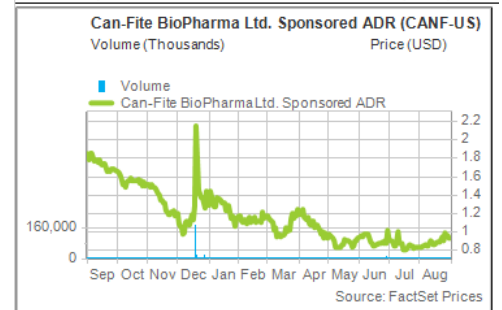
Risks to our thesis include the following: (1) commercial; (2) regulatory; (3) clinical; (4) manufacturing; (5) financial; (6) liability; and (7) intellectual property.

Price Target \$0.94
\$5.00 \$5.00



Source: Can-Fite

| Stock Data | | | |
|---|-------------|---|--------|
| 52-Week Range | \$0.78 | - | \$2.60 |
| Shares Outstanding (mil.) | 27.2 | | |
| Market Capitalization (mil.) | \$25.6 | | |
| Enterprise Value (mil.) | \$11.8 | | |
| Debt to Capital | 0.0% | | |
| Book Value/Share | \$4.52 | | |
| Price/Book | 2.4 | | |
| Average Three Months Trading Volume (M) | 0.1 | | |
| Insider Ownership | 0.1% | | |
| Institutional Ownership | 2.2% | | |
| Short interest (mil.) | 2.0% | | |
| Dividend / Yield | \$0.00/0.0% | | |



Please find Important Disclosures beginning on Page 4.

Product Modeling Assumptions

1. We assume the program in RA does not continue but Psoriasis does, to a second pivotal trial. If we assume a similar size, cost, and time for the studies, it suggests we could see U.S. top-line data in a year from the current trial.
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 2% year-on-year increases for Piclidenoson in Psoriasis, and the target population is assumed to be high A₃AR expressers.
4. A probability success factor of 50% to our models for Psoriasis.
5. We 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. Product Market Models

| 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 | 923,558 | 942,039 | 960,890 | 980,097 | 999,699 | 1,019,693 | 1,040,087 |
| Market Penetration | | | | | | 0.0% | 3.0% | 6.0% | 7.0% | 8.0% | 8.0% | 10.0% | 11.0% |
| Patients receiving CF101 | | | | | | 27,707 | 56,522 | 67,262 | 78,408 | 89,973 | 101,969 | 114,410 | 127,253 |
| 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 | | | | | | 65% | 65% | 65% | 65% | 65% | 65% | 65% | 65% |
| Total Revenue ('000) | | | | | | \$ - | \$ 91,849 | \$ 191,119 | \$ 231,980 | \$ 275,831 | \$ 322,846 | \$ 373,211 | \$ 427,117 |

| Piclidenoson - CF101 (EU) | 2018E | 2019E | 2020E | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Hepatocellular Carcinoma 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 | 1,952,289 | 1,991,885 |
| Patients seeking treatment (84%) | 1,319,294 | 1,345,880 | 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 | | | | | | 3,000 | 3,060 | 3,121 | 3,184 | 3,247 | 3,312 | 3,378 | 3,446 |
| 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 | | | | | | 65% | 65% | 65% | 65% | 65% | 65% | 65% | 65% |
| Total Revenue ('000) | | | | | | \$ - | \$ 59,103 | \$ 276,707 | \$ 319,873 | \$ 366,076 | \$ 415,489 | \$ 468,298 | \$ 524,696 |

| Namodenoson - CF102 (US) | 2018E | 2019E | 2020E | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
|--|--------|--------|--------|--------|--------|--------|--------|-----------|-----------|-----------|------------|------------|------------|
| Hepatocellular Carcinoma incidence | 42,335 | 43,202 | 44,068 | 44,947 | 45,848 | 46,783 | 47,698 | 48,652 | 49,625 | 50,619 | 51,630 | 52,663 | 53,716 |
| Increase in incidence | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| % of deaths due to Sorafenib in patients with Barcelona Clinic Liver Cancer stage CHCC (84%) | 27,107 | 27,849 | 28,202 | 28,768 | 29,341 | 29,928 | 30,527 | 31,137 | 31,760 | 32,395 | 33,043 | 33,704 | 34,378 |
| Market Penetration | | | | | | 0.0% | 0.0% | 1.0% | 5.0% | 6.0% | 7.0% | 8.0% | 10.0% |
| Patients receiving CF101 | | | | | | | | 305 | 1,557 | 1,908 | 2,268 | 2,643 | 3,033 |
| Price of treatment | | | | | | | | \$ 50,000 | \$ 51,000 | \$ 52,020 | \$ 53,060 | \$ 54,122 | \$ 55,204 |
| Increase in Price | | | | | | | | 2% | 2% | 2% | 2% | 2% | 2% |
| Revenue ('000) | | | | | | | | \$ - | \$ 15,880 | \$ 82,608 | \$ 103,135 | \$ 125,185 | \$ 148,848 |
| Probability of Success | | | | | | | | 50% | 50% | 50% | 50% | 50% | 50% |
| Total Revenue ('000) | | | | | | | | \$ 7,340 | \$ 41,304 | \$ 51,567 | \$ 62,592 | \$ 74,424 | \$ 87,110 |

| Namodenoson - CF102 (EU) | 2018E | 2019E | 2020E | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
|---|--------|--------|--------|--------|--------|--------|--------|-----------|-----------|------------|------------|------------|------------|
| Hepatocellular Carcinoma incidence | 54,111 | 55,193 | 56,297 | 57,423 | 58,572 | 59,743 | 60,938 | 62,157 | 63,400 | 64,668 | 65,961 | 67,280 | 68,626 |
| Increase in incidence | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| % of death occurrence due to Sorafenib in patients with Barcelona Clinic Liver Cancer stage C HCC (84%) | 34,631 | 35,324 | 36,030 | 36,751 | 37,486 | 38,236 | 39,000 | 39,780 | 40,577 | 41,387 | 42,215 | 43,060 | 43,921 |
| Market Penetration | | | | | | | | 0.0% | 0.0% | 1.0% | 5.0% | 6.0% | 7.0% |
| Patients receiving CF101 | | | | | | | | 609 | 3,108 | 3,804 | 4,527 | 5,277 | 6,055 |
| Price of treatment | | | | | | | | \$ 35,000 | \$ 35,700 | \$ 36,414 | \$ 37,142 | \$ 37,885 | \$ 38,643 |
| Increase in Price | | | | | | | | 2% | 2% | 2% | 2% | 2% | 2% |
| Revenue ('000) | | | | | | | | \$ - | \$ 22,190 | \$ 115,432 | \$ 144,115 | \$ 174,927 | \$ 207,993 |
| Probability of Success | | | | | | | | 50% | 50% | 50% | 50% | 50% | 50% |
| Total Revenue ('000) | | | | | | | | \$ 11,095 | \$ 57,716 | \$ 72,057 | \$ 87,463 | \$ 103,996 | \$ 121,722 |

| Namodenoson - CF102 (US) | 2018E | 2019E | 2020E | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| NAFLD/NASH | 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% |
| Patients receiving CF101 | | | | | | | | | | | | | |
| Price of treatment | | | | | | | | | | | | | |
| Increase in Price | | | | | | | | | | | | | |
| Revenue ('000) | | | | | | | | | | | | | |
| Probability of Success | | | | | | | | | | | | | |
| Total Revenue ('000) | | | | | | | | | | | | | |

| Namodenoson - CF102 (EU-5) | 2018E | 2019E | 2020E | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
| NAFLD/NASH | 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% |
| Market Penetration | | | | | | | | 0.0% | 0.25% | 0.50% | 0.75% | 1.00% | 1.00% |
| Patients receiving CF101 | | | | | | | | | 33,164 | 67,654 | 103,511 | 140,775 | 143,590 |
| Price of treatment | | | | | | | | | \$ 20,000 | \$ 20,400 | \$ 20,808 | \$ 21,224 | \$ 21,649 |
| Increase in Price | | | | | | | | | 2% | 2% | 2% | 2% | 2% |
| Revenue ('000) | | | | | | | | | \$ - | \$ 676,542 | \$ 1,407,748 | \$ 2,196,935 | \$ 3,047,584 |
| Probability of Success | | | | | | | | | 10% | 10% | 10% | 10% | 10% |
| Total Revenue ('000) | | | | | | | | | \$ 67,654 | \$ 140,775 | \$ 219,693 | \$ 304,758 | \$ 317,071 |

Source: Dawson James Securities estimates, company reports

Exhibit 2. Income Statement

| Can-Fite Biopharma.: Income Statement (\$'000) | | | | | | | | | | | | | | | | |
|---|----------|----------|----------|---------|---------|---------|---------|----------|----------|---------|---------|---------|---------|---------|---------|-----------|
| .. YE December 31 | 2019A | 2020A | 2021A | 1Q22A | 2Q22A | 3Q22E | 4Q22E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
| Revenue: | 2,032 | 763 | 853 | 205 | 409 | - | - | - | - | - | - | - | - | - | - | - |
| Piclidensoson (CF-101), Rheumatoid Arthritis U.S. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Piclidensoson (CF-101), Rheumatoid Arthritis EU | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Piclidensoson (CF-101), Psoriasis U.S. | - | - | - | - | - | - | - | - | - | 91,849 | 191,119 | 231,980 | 275,831 | 322,846 | 373,211 | 427,117 |
| Piclidensoson (CF-101), Psoriasis EU | - | - | - | - | - | - | - | - | - | 59,103 | 276,707 | 319,873 | 366,076 | 415,489 | 468,298 | 524,696 |
| 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 | 2,032 | 763 | 853 | 205 | 409 | - | - | - | - | 158,892 | 509,130 | 603,421 | 704,499 | 812,760 | 928,618 | 1,052,512 |
| Milestone From Gebro Holdings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Piclidensoson (CF-101), Rheumatoid Arthritis U.S. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Royalty Rate from Global Partnership | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Piclidensoson (CF-101), Rheumatoid Arthritis EU | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Royalty Rate from Global Partnership | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Piclidensoson (CF-101), Psoriasis U.S. | - | - | - | - | - | - | - | - | - | 22,962 | 47,780 | 57,995 | 68,958 | 80,712 | 93,303 | 106,779 |
| Royalty Rate from Global Partnership | - | - | - | 25% | 25% | 25% | 25% | - | - | 39% | 17% | 18% | 19% | 19% | 20% | 20% |
| Piclidensoson (CF-101), Psoriasis EU | - | - | - | - | - | - | - | - | - | 22,962 | 47,780 | 57,995 | 68,958 | 80,712 | 93,303 | 106,779 |
| Royalty Rate from Global Partnership | - | - | - | 25% | 25% | 25% | 25% | - | - | 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% | - | - | 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% | - | - | 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 | - | - | - | - | - | - | - | 614 | - | 71,004 | 179,512 | 248,078 | 325,325 | 381,287 | 421,423 | 464,180 |
| Total Revenue | 2,032 | 763 | 853 | 205 | 409 | - | - | 614 | - | 71,004 | 179,512 | 248,078 | 325,325 | 381,287 | 421,423 | 464,180 |
| Expenses: | | | | | | | | | | | | | | | | |
| Partnership Costs including COGS | - | - | - | - | - | - | - | - | - | 7,945 | 25,457 | 30,171 | 35,225 | 40,638 | 46,431 | 52,626 |
| Research and Development | 10,976 | 11,951 | 9,850 | 1,821 | 3,273 | 2,612 | 2,713 | 10,047 | 10,248 | 10,453 | 10,662 | 10,875 | 11,093 | 11,315 | 11,541 | 11,772 |
| General and Administrative | 3,059 | 2,951 | 3,845 | 754 | 1,576 | 2,080 | 2,160 | 8,000 | 12,000 | 12,600 | 13,230 | 13,892 | 14,586 | 15,315 | 16,081 | 16,885 |
| Total Expenses | 14,035 | 14,902 | 13,695 | 2,575 | 4,849 | 4,692 | 4,873 | 18,047 | 22,248 | 30,997 | 49,348 | 54,938 | 60,904 | 67,268 | 74,053 | 81,282 |
| Operating Income (Loss) | (12,003) | (14,139) | (12,842) | (2,370) | (4,440) | (4,692) | (4,873) | (17,433) | (22,248) | 40,007 | 130,163 | 193,140 | 264,421 | 314,019 | 347,370 | 382,897 |
| Finance expenses | 693 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Finance income | 3,109 | (304) | 227 | (64) | (185) | - | - | - | - | - | - | - | - | - | - | - |
| Total Other Income | 2,416 | (304) | 227 | (64) | (185) | - | - | - | - | - | - | - | - | - | - | - |
| Pretax Income | (9,587) | (13,835) | (12,615) | (2,434) | (4,625) | (4,692) | (4,873) | (17,433) | (22,248) | 40,007 | 130,163 | 193,140 | 264,421 | 314,019 | 347,370 | 382,897 |
| Taxes on income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Adjustments arising from translating financial statements of foreign operations | - | (715) | (2,590) | - | - | - | - | - | - | 2,000 | 10,413 | 23,177 | 66,105 | 94,206 | 111,158 | 130,185 |
| Remeasurement loss from defined benefit plans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Tax Rate | - | - | - | - | - | - | - | - | - | 5% | 8% | 12% | 25% | 30% | 32% | 34% |
| GAAP Net Income (Loss) | (9,587) | (14,443) | (12,615) | (2,434) | (4,625) | (4,692) | (4,873) | (17,433) | (22,248) | 40,007 | 130,163 | 193,140 | 264,421 | 314,019 | 347,370 | 382,897 |
| Total comprehensive loss | (9,587) | (15,158) | (15,205) | (2,434) | (4,625) | (4,692) | (4,873) | (17,433) | (22,248) | 42,007 | 119,750 | 169,964 | 198,316 | 219,814 | 236,212 | 252,712 |
| GAAP-EPS | (1.77) | (1.02) | (0.58) | (0.09) | (0.11) | (0.12) | (0.12) | (0.44) | (0.55) | 0.98 | 3.17 | 4.69 | 6.40 | 7.57 | 8.34 | 9.15 |
| GAAP-EPS (Dil) | (1.35) | (0.48) | (0.33) | (0.03) | (0.06) | (0.06) | (0.06) | (0.22) | (0.28) | 0.50 | 1.61 | 2.37 | 3.23 | 3.83 | 4.22 | 4.63 |
| Wgtd Avg ADR Shrs (Bas) - '000s | 5,833 | 17,191 | 21,416 | 27,191 | 40,498 | 40,538 | 40,579 | 37,202 | 40,681 | 40,844 | 41,007 | 41,171 | 41,336 | 41,502 | 41,668 | 41,835 |
| Wgtd Avg ADR Shrs (Dil) - '000s | 8,910 | 29,866 | 38,014 | 80,000 | 80,080 | 80,160 | 80,240 | 80,120 | 80,441 | 80,763 | 81,087 | 81,412 | 81,738 | 82,065 | 82,394 | 82,724 |

Source: Dawson James Securities estimates, company reports

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.

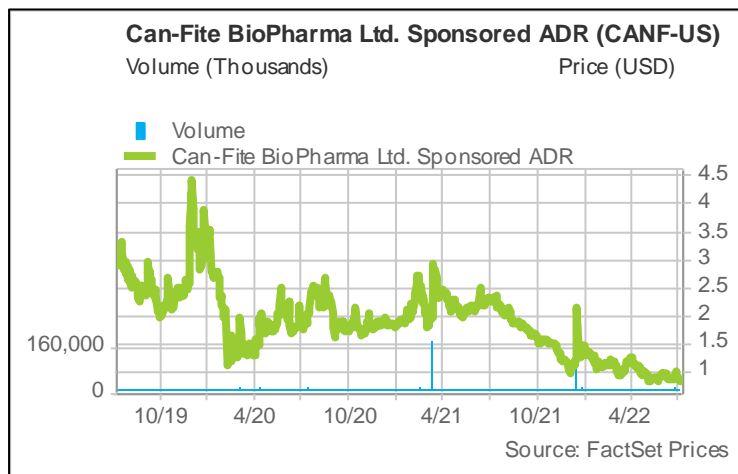
Partnership risk. Can-Fite may seek partnerships for clinical development support and commercialization. We have no specific knowledge of any discussions with possible partners today, and there can be no assurances that the Company will be able to secure a favorable partnership.

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 parties' patents.

Important Disclosures:

Price Chart:



Price target and rating changes over the past three years:

- Initiated – Buy – December 13, 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
Update – Buy – June 30, 2020 – Price Target \$7
Update – Buy – July 30, 2020 – Price Target \$7
Update – Buy – August 31, 2020 – Price Target \$7
PT Change – Buy – October 6, 2020 – Price Target \$5
Update – Buy – November 16, 2020 – Price Target \$5
Update – Buy – December 1, 2020 – Price Target \$5
Update – Buy – January 25, 2021 – Price Target \$5
Update – Buy – February 23, 2021 – Price Target \$5
Update – Buy – March 5, 2021 – Price Target \$5
Update – Buy – March 29, 2021 – Price Target \$5
Update – Buy – April 22, 2021 – Price Target \$5
Update – Buy – April 29, 2021 – Price Target \$5
Update – Buy – May 27, 2021 – Price Target \$5
Update – Buy – June 4, 2021 – Price Target \$5
Update – Buy – July 8, 2021 – Price Target \$5
Update – Buy – August 27, 2021 – Price Target \$5
Update – Buy – December 7, 2021 – Price Target \$5
Update – Buy – December 20, 2021 – Price Target \$5
Update – Buy – January 5, 2022 – Price Target \$5
Update – Buy – January 31, 2022 – Price Target \$5
Update – Buy – March 8, 2022 – Price Target \$5
Update – Buy – March 25, 2022 – Price Target \$5
Update – Buy – May 26, 2022 – Price Target \$5
Update – Buy – June 29, 2022 – Price Target \$5
Update – Buy – July 11, 2022 – Price Target \$5
Update – Buy – August 22, 2022 – Price Target \$5
Update – Buy – August 23, 2022 – Price Target \$5
Update – Buy – September 1, 2022 – Price Target \$5

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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) **Neutral:** the analyst believes the price of the stock is fairly valued for the next 12-18 months;
- 3) **Sell:** 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.

Current as of 29-Aug-22

| | Company Coverage | | Investment Banking | |
|-----------------------------|-------------------------|------------|---------------------------|-------------|
| Ratings Distribution | # of Companies | % of Total | # of Companies | % of Totals |
| Market Outperform (Buy) | 28 | 90% | 5 | 18% |
| Market Perform (Neutral) | 2 | 6% | 0 | 0% |
| Market Underperform (Sell) | 1 | 3% | 0 | 0% |
| Total | 31 | 100% | 5 | 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.