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## Can-Fite BioPharma Ltd. (NYSE/CANF)

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### BUY: Namodenoson - A Phase 2a Pancreatic Cancer Study

Can-Fite announced an abstract for Namodenoson: "Inhibition of Pancreatic Carcinoma" – The study titled "Effects of Namodenoson on Pancreatic Carcinoma: Preclinical Evidence" is published online in the Journal of Clinical Oncology supplement of the 2023 ASCO Annual Meeting Proceedings.

### Investment Highlights:

**Namodenoson in Pancreatic Cancer:** The pre-clinical study used advanced pancreatic carcinoma patient cells that were treated with Namodenoson as a stand-alone and in combination with gemcitabine, the leading chemotherapy used to treat pancreatic cancer.

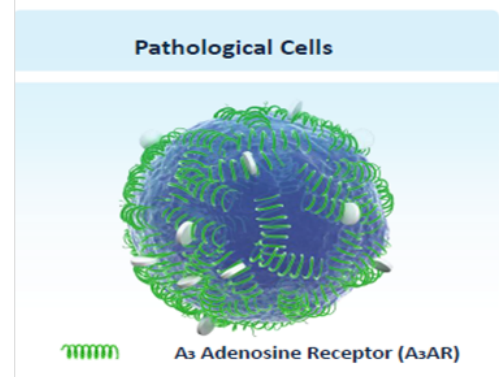
A significant dose-dependent inhibition of pancreatic cancer cell growth was found when the cells were exposed to Namodenoson. The combined treatment with Namodenoson plus gemcitabine had an additive inhibitory effect. The molecular mechanism of action, downregulation of the Wnt signaling pathway, is known to be active in pancreatic cancer and also reflects the well-established mechanism of action of Can-Fite's small molecule drug platform.

Can-Fite plans to initiate an open-label Phase 2a exploratory trial to assess the efficacy and safety of Namodenoson in the treatment of patients with pancreatic cancer who have received at least one previous systemic therapy. Safety and efficacy endpoints including objective response, progression-free survival, duration of response, disease control, and overall survival will be monitored. The study will be conducted by Dr. Salomon Stemmer, an oncology key opinion leader and Professor at the Institute of Oncology, Rabin Medical Center, Israel.

**Valuation.** We evaluate Piclidenoson in Psoriasis, Namodenoson in HCC, and NAFLD, we do not include pancreatic cancer (yet). 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 FCFF, EPS, and sum-of-the-parts analysis. We use a projected fully diluted end-year share count and assume multiple raises which results in our model.

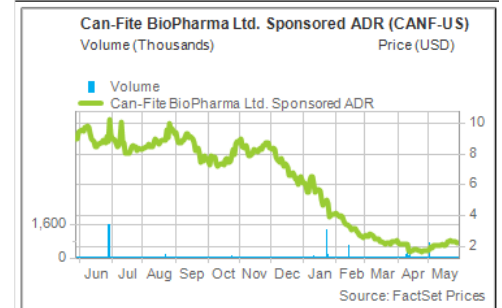
**Risks to our thesis include the following:** (1) commercial; (2) regulatory; (3) clinical; (4) manufacturing; (5) financial; (6) liability; and (7) intellectual property.

Current Price	\$2.24
Price Target	\$6.00



Source: Can-Fite

Stock Data			
52-Week Range	\$1.52	-	\$11.20
Shares Outstanding (mil.)	4.1		
Market Capitalization (mil.)	\$9.1		
Enterprise Value (mil.)	-\$0.9		
Debt to Capital	0.0%		
Book Value/Share	\$45.18		
Price/Book	3.7		
Average Three Months Trading Volume (M)	0.1		
Insider Ownership	-		
Institutional Ownership	9.5%		
Short interest (mil.)	2.3%		
Dividend / Yield	\$0.00/0.0%		



**Please find Important Disclosures beginning on Page 3.**

**Exhibit 1. Income Statement**

<b>Can-Fite Biopharma.: Income Statement (\$000)</b>												
<b>:: YE December 31</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
<b>Revenue:</b>	2,032	763	853	810	-	-	-	-	-	-	-	-
Piclidonoson (CF-101), Rheumatoid Arthritis U.S.	-	-	-	-	-	-	-	-	-	-	-	-
Piclidonoson (CF-101), Rheumatoid Arthritis EU	-	-	-	-	-	-	-	-	-	-	-	-
Piclidonoson (CF-101), Psoriasis U.S.	-	-	-	-	-	-	-	-	53,044	110,375	172,251	238,947
Piclidonoson (CF-101), Psoriasis EU	-	-	-	-	-	-	-	-	51,199	106,536	166,260	230,635
Namodenoson HCC U.S.	-	-	-	-	-	-	8,261	17,189	26,825	37,212	48,394	60,419
Namodenoson HCC EU	-	-	-	-	-	-	11,543	24,019	37,484	51,998	67,624	84,427
Namodenoson NASH/NAFLD U.S.	-	-	-	-	-	-	-	-	-	-	-	-
Namodenoson NASH/NAFLD EU	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Product Sales</b>	<b>2,032</b>	<b>763</b>	<b>853</b>	<b>810</b>	<b>-</b>	<b>-</b>	<b>19,804</b>	<b>41,208</b>	<b>168,553</b>	<b>306,121</b>	<b>454,529</b>	<b>614,428</b>
Milestone From Gebro Holdings	-	-	-	-	-	-	-	-	-	-	-	-
Piclidonoson (CF-101), Rheumatoid Arthritis U.S.	-	-	-	-	-	-	-	-	-	-	-	-
Royalty Rate from Global Partnership	-	-	-	-	-	-	-	-	-	-	-	-
Piclidonoson (CF-101), Rheumatoid Arthritis EU	-	-	-	-	-	-	-	-	-	-	-	-
Royalty Rate from Global Partnership	-	-	-	-	-	-	-	-	-	-	-	-
Piclidonoson (CF-101), Psoriasis U.S.	-	-	-	-	-	-	-	-	13,261	27,594	43,063	59,737
Royalty Rate from Global Partnership	-	-	-	-	-	-	-	-	26%	26%	26%	26%
Piclidonoson (CF-101), Psoriasis EU	-	-	-	-	-	-	-	-	13,261	27,594	43,063	59,737
Royalty Rate from Global Partnership	-	-	-	-	-	-	-	-	26%	26%	26%	26%
Namodenoson HCC U.S.	-	-	-	-	-	-	2,065	4,297	6,706	9,303	12,099	15,105
Royalty Rate from Global Partnership	-	-	-	-	-	-	25%	25%	25%	25%	25%	25%
Namodenoson HCC EU	-	-	-	-	-	-	2,886	6,485	10,121	14,040	18,258	22,795
Royalty Rate from Global Partnership	-	-	-	-	-	-	25%	27%	27%	27%	27%	27%
Namodenoson NASH/NAFLD U.S.	-	-	-	-	-	-	-	-	-	-	-	-
Royalty Rate from Global Partnership	-	-	-	-	-	-	-	-	-	-	-	-
Namodenoson NASH/NAFLD EU	-	-	-	-	-	-	-	-	-	-	-	-
Royalty Rate from Global Partnership	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total royalties, collaborative revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue</b>	<b>2,032</b>	<b>763</b>	<b>853</b>	<b>810</b>	<b>-</b>	<b>-</b>	<b>4,951</b>	<b>10,782</b>	<b>43,349</b>	<b>78,530</b>	<b>116,482</b>	<b>157,373</b>
<b>Expenses:</b>												
Partnership Costs including COGS	-	-	-	-	-	-	990	2,060	8,428	15,306	22,726	30,721
%COGS				0%	5%	5%	5%	5%	5%	5%	5%	5%
Research and Development	10,976	11,951	9,850	7,763	7,918	8,077	8,238	8,403	8,571	8,742	8,917	9,096
%R&D												
General and Administrative	3,059	2,951	3,845	3,143	12,000	12,600	13,230	13,892	14,586	15,315	16,081	16,885
%SG&A												
<b>Total Expenses</b>	<b>14,035</b>	<b>14,902</b>	<b>13,695</b>	<b>10,906</b>	<b>19,918</b>	<b>20,677</b>	<b>22,458</b>	<b>24,355</b>	<b>31,585</b>	<b>39,364</b>	<b>47,725</b>	<b>56,702</b>
Operating Income (Loss)	(12,003)	(14,139)	(12,842)	(10,096)	(19,918)	(20,677)	(17,507)	(13,572)	11,765	39,166	68,758	100,671
Finance expenses	693	-	-	-	-	-	-	-	-	-	-	-
Finance income	3,109	(304)	227	(77)	-	-	-	-	-	-	-	-
<b>Total Other Income</b>	<b>2,416</b>	<b>(304)</b>	<b>227</b>	<b>(77)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Pretax Income</b>	<b>(9,587)</b>	<b>(13,835)</b>	<b>(12,615)</b>	<b>(10,173)</b>	<b>(19,918)</b>	<b>(20,677)</b>	<b>(17,507)</b>	<b>(13,572)</b>	<b>11,765</b>	<b>39,166</b>	<b>68,758</b>	<b>100,671</b>
Taxes on income	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	(715)	(2,590)	-	-	(1,034)	(1,401)	-	588	3,917	11,001	25,168
Remeasurement loss from defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-
Tax Rate						0%	0%	0%	5%	10%	16%	25%
<b>GAAP Net Income (Loss)</b>	<b>(9,587)</b>	<b>(14,443)</b>	<b>(12,615)</b>	<b>(10,173)</b>	<b>(19,918)</b>	<b>(20,677)</b>	<b>(17,507)</b>	<b>(13,572)</b>	<b>11,176</b>	<b>35,250</b>	<b>57,756</b>	<b>75,503</b>
<b>GAAP-EPS</b>	<b>(1.77)</b>	<b>(1.02)</b>	<b>(0.58)</b>	<b>(0.28)</b>	<b>(3.33)</b>	<b>(1.84)</b>	<b>(1.37)</b>	<b>(1.06)</b>	<b>0.87</b>	<b>2.72</b>	<b>4.44</b>	<b>5.78</b>
GAAP-EPS (Dil)	(1.35)	(0.48)	(0.33)	(0.13)	(1.89)	(1.15)	(0.87)	(0.67)	0.55	1.73	2.83	3.68
Wgtd Avg ADR Shrs (Bas) - '000s	5,833	17,191	21,416	37,202	5,977	11,258	12,807	12,858	12,910	12,962	13,014	13,066
Wgtd Avg ADR Shrs (Dil) - '000s	8,910	29,866	38,014	80,120	10,514	18,026	20,090	20,171	20,251	20,333	20,414	20,496

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.

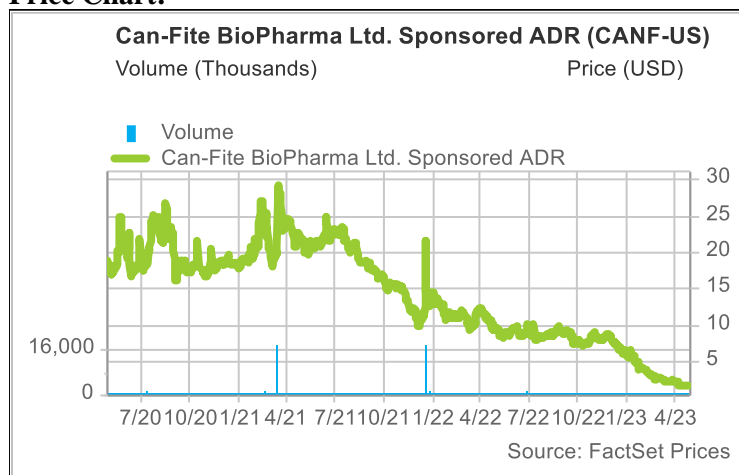
**Partnership risk.** Can-Fite may seek partnerships for clinical development support and commercialization. We have no specific knowledge of any discussions with possible partners today, and there can be no assurances that the Company will be able to secure a favorable partnership.

**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  
Update – Buy – September 12, 2022 – Price Target \$5  
Update – Buy – September 21, 2022 – Price Target \$5  
Update – Buy – October 14, 2022 – Price Target \$5  
Update – Buy – October 25, 2022 – Price Target \$5  
Update – Buy – November 29, 2022 – Price Target \$5  
Price Target Change – Buy – December 12, 2022 – Price Target \$8  
Update – Buy – December 28, 2022 – Price Target \$8  
Rating Change – Buy to Neutral – January 3, 2023 – Price Target NA  
Update – Neutral – January 12, 2023 – Price Target NA  
Update – Neutral – March 14, 2023 – Price Target NA  
Update – Neutral – April 10, 2023 – Price Target NA  
Rating Change – Neutral to Buy – May 1, 2023 – Price Target \$6.0  
Update – Buy – May 30, 2023 – Price Target \$6.0

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- 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 25-May-23

	<b>Company Coverage</b>		<b>Investment Banking</b>	
<b>Ratings Distribution</b>	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	26	72%	2	6%
Market Perform (Neutral)	10	28%	1	3%
Market Underperform (Sell)	0	0%	0	0%
<b>Total</b>	<b>36</b>	<b>100%</b>	<b>3</b>	<b>9%</b>

#### **Analyst Certification:**

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