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Can-Fite BioPharma Ltd. (NYSE/CANF)

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BUY: Valuation Rolls Forward – New Shares Registered

Can-Fite announced Armistice Capital Masters Fund, Ltd. registers shares ~1.2B ordinary shares (represented by 4.1M ADS) for holders. At the same time, we roll our valuation metrics out a year (YE 2024). Our valuation remains unchanged. We have had many calls with the management teams of the Israeli based companies we follow. The Israeli's have a great capacity to adapt as personnel (reservists) are now active and their duties are being covered by the folks remaining at the company. On a personal note, our thoughts and prayers are with Israel and the hostages being held by terrorists that they may be returned home.

Investment Highlights:

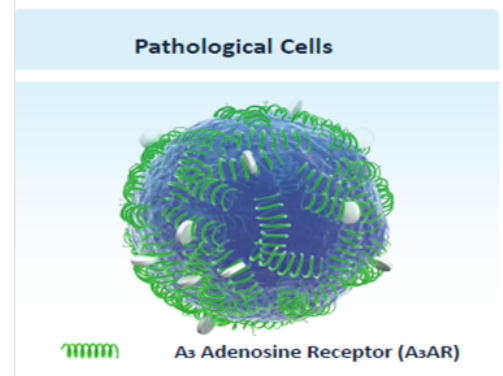
Namodenoson: Exploratory Phase II Pancreatic Cancer Study— The study is planned as a multicenter open-label trial in patients with advanced pancreatic adenocarcinoma whose disease has progressed on at least 1st-line therapy or who refuse standard treatment. The trial will evaluate the safety, clinical activity, and pharmacokinetics (PK) of Namodenoson in this population. Patients will receive oral Namodenoson 25 mg administered twice daily for consecutive 28-day cycles. Patients will be evaluated regularly for safety. Approximately 20 evaluable patients are to be enrolled. The primary objective of this trial is to characterize the safety profile of Namodenoson and the secondary objective is to evaluate the clinical activity as determined by the Objective Response Rate (ORR) using Response Evaluation Criteria in Solid Tumors (RECIST 1.1), Progression-Free Survival (PFS), Disease Control Rate (DCR), Duration of Response (DoR), and Overall Survival (OS). The study will be conducted by Salomon Stemmer, a leading key opinion leader, at the Institute of Oncology, Rabin Medical Center, Israel.

Namodenoson: Pivotal Phase III Advanced Liver Cancer Study continues its enrollment in patients with advanced hepatocellular carcinoma (HCC) and underlying Child Pugh B7 (CPB7) who have not responded to one or two other lines of therapy. The primary endpoint is overall survival. An interim analysis will be conducted by an Independent Data Monitoring Committee (IDMC) after 50% of the planned 450 patients are enrolled and treated.

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 FCFE, 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 | \$2.02 |
| Price Target | \$6.00 |



Source: Can-Fite

| Stock Data | |
|---|-----------------|
| 52-Week Range | \$1.52 - \$7.60 |
| Shares Outstanding (mil.) | 1,359.8 |
| Market Capitalization (mil.) | \$2,746.9 |
| 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) | 0.0 |
| Insider Ownership | - |
| Institutional Ownership | 1.6% |
| Short interest (mil.) | 0.0% |
| Dividend / Yield | \$0.00/0.0% |

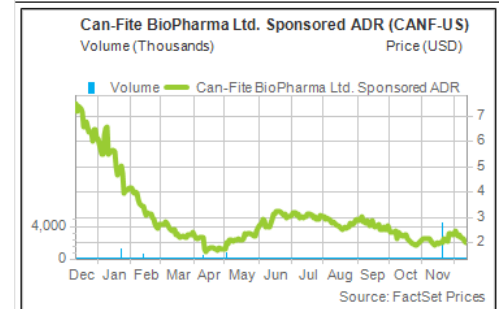


Exhibit 1. Income Statement

| Can-Fite Biopharma.: Income Statement (\$'000) | | | | | | | | | | | | | | | | |
|---|----------|----------|----------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| .. YE December 31 | 2019A | 2020A | 2021A | 2022A | 1Q23A | 2Q23A | 3Q23A | 4Q23E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
| Revenue: | 2,032 | 763 | 853 | 810 | - | - | - | - | - | - | - | - | - | - | - | - |
| Piclidensoson (CF-101), Rheumatoid Arthritis U.S. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Piclidensoson (CF-101), Rheumatoid Arthritis EU | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Piclidensoson (CF-101), Psoriasis U.S. | - | - | - | - | - | - | - | - | - | - | - | - | 53,044 | 110,375 | 172,251 | 238,947 |
| Piclidensoson (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 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Product Sales | 2,032 | 763 | 853 | 810 | - | - | - | - | - | - | 19,804 | 41,208 | 168,553 | 306,121 | 454,529 | 614,428 |
| 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. | - | - | - | - | - | - | - | - | - | - | - | - | 13,261 | 27,594 | 43,063 | 59,737 |
| Royalty Rate from Global Partnership | - | - | - | - | - | - | - | - | - | - | - | - | 26% | 26% | 26% | 26% |
| Piclidensoson (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 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total royalties, collaborative revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue | 2,032 | 763 | 853 | 810 | 196 | 196 | 196 | - | 588 | - | 4,951 | 10,782 | 43,349 | 78,530 | 116,482 | 157,373 |
| Expenses: | | | | | | | | | | | | | | | | |
| Partnership Costs including COGS | - | - | - | - | - | - | - | - | - | - | 990 | 2,060 | 8,428 | 15,306 | 22,726 | 30,721 |
| Research and Development | 10,976 | 11,951 | 9,850 | 7,763 | 2,061 | 1,356 | 1,299 | 1,200 | 5,916 | 6,034 | 6,155 | 6,278 | 6,404 | 6,532 | 6,662 | 6,796 |
| General and Administrative | 3,059 | 2,951 | 3,845 | 3,143 | 847 | 624 | 762 | 750 | 2,983 | 3,132 | 3,289 | 3,453 | 3,626 | 3,807 | 3,998 | 4,197 |
| Total Expenses | 14,035 | 14,902 | 13,695 | 10,906 | 2,908 | 1,980 | 1,473 | 1,950 | 8,899 | 9,166 | 10,434 | 11,792 | 18,457 | 25,645 | 33,386 | 41,714 |
| Operating Income (Loss) | (12,003) | (14,139) | (12,842) | (10,096) | (2,712) | (1,784) | (1,277) | (1,950) | (7,723) | (9,166) | (5,483) | (1,009) | 24,892 | 52,885 | 83,096 | 115,659 |
| Finance expenses | 693 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Finance income | 3,109 | (304) | 227 | (77) | 162 | 114 | 103 | - | - | - | - | - | - | - | - | - |
| Total Other Income | 2,416 | (304) | 227 | (77) | 162 | 114 | 103 | - | - | - | - | - | - | - | - | - |
| Pretax Income | (9,587) | (13,835) | (12,615) | (10,173) | (2,550) | (1,670) | (1,174) | (1,950) | (7,723) | (9,166) | (5,483) | (1,009) | 24,892 | 52,885 | 83,096 | 115,659 |
| Taxes on income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Taxes | - | (715) | (2,590) | - | - | - | - | - | - | (458) | (439) | - | 1,245 | 5,289 | 13,295 | 28,915 |
| Remeasurement loss from defined benefit plans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Tax Rate | - | - | - | - | - | - | - | - | - | 0% | 0% | 0% | 5% | 10% | 16% | 25% |
| GAAP Net Income (Loss) | (9,587) | (14,443) | (12,615) | (10,173) | (2,550) | (1,670) | (1,174) | (1,950) | (7,723) | (9,166) | (5,483) | (1,009) | 23,648 | 47,597 | 69,801 | 86,744 |
| GAAP-EPS | (1.77) | (1.02) | (0.58) | (0.28) | (0.31) | (0.20) | (0.09) | (0.16) | (0.75) | (0.54) | (0.30) | (0.05) | 1.27 | 2.55 | 3.72 | 4.60 |
| GAAP-EPS (Dil) | (1.35) | (0.48) | (0.33) | (0.13) | (0.43) | (0.28) | (0.09) | (0.16) | (0.84) | (0.51) | (0.27) | (0.05) | 1.17 | 2.34 | 3.42 | 4.23 |
| Wgtd Avg ADR Shrs (Bas) - '000s | 5,833 | 17,191 | 21,416 | 37,202 | 8,298 | 8,298 | 12,358 | 12,370 | 10,331 | 16,906 | 18,478 | 18,552 | 18,626 | 18,701 | 18,776 | 18,851 |
| Wgtd Avg ADR Shrs (Dil) - '000s | 8,910 | 29,866 | 38,014 | 80,120 | 6,000 | 6,000 | 12,358 | 12,370 | 9,182 | 18,111 | 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.

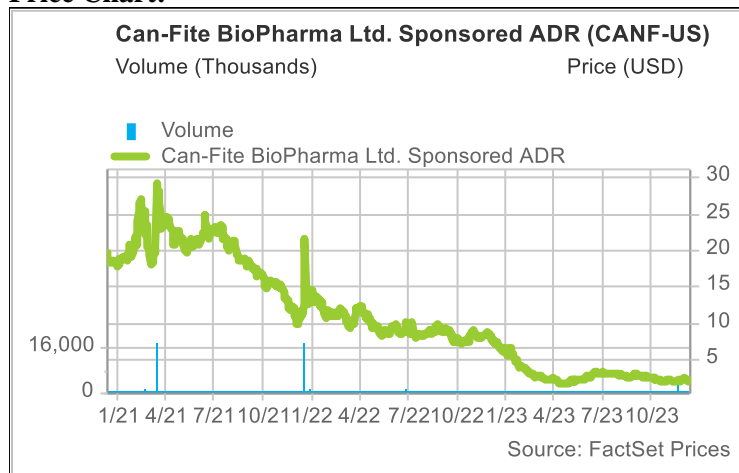
Partnership risk. Can-Fite may seek partnerships for clinical development support and commercialization. We have no specific knowledge of any discussions with possible partners today, and there can be no assurances that the Company will be able to secure a favorable partnership.

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:

- 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
Update – Buy – June 1, 2023 – Price Target \$6.0
Update – Buy – June 15, 2023 – Price Target \$6.0
Update – Buy – June 29, 2023 – Price Target \$6.0
Update – Buy – July 18, 2023 – Price Target \$6.0
Update – Buy – August 31, 2023 – Price Target \$6.0
Update – Buy – November 30, 2023 – Price Target \$6.0
Update – Buy – December 4, 2023 – Price Target \$6.0
Update – Buy – December 13, 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 14-Nov-23

| | Company Coverage | | Investment Banking | |
|----------------------------|------------------|------------|--------------------|-------------|
| Ratings Distribution | # of Companies | % of Total | # of Companies | % of Totals |
| Market Outperform (Buy) | 21 | 61.76% | 3 | 8.80% |
| Market Perform (Neutral) | 13 | 38.24% | 2 | 5.90% |
| Market Underperform (Sell) | 0 | 0% | 0 | 0.00% |
| Total | 34 | 100% | 5 | 14.70% |

Analyst Certification:

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