MRA Research
Independent Investment Research

Research Update

United States
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Can-Fite BioPharma Ltd. (NYSE MKT: CANF)

Late Clinical Stage BioPharma Vendor With Potentially Revolutionary Discoveries – Very Large Disease Targets: Inflammatory Disease and Certain Cancer Indications

Reason for Report:
Research Update

RATING: ***OVERWEIGHT/BUY***
Price Target: $15

Recent Price: **$2.98**

Market Data	
Market Capitalization (mln)	$7.94
Fully Diluted Shrs Outstnd (mln)	10.44
Float (mln)	1.81
Ave. Volume (3 month 000)	23
Institutional Ownership	N/A
Insider Ownership	N/A
Exchange	NYSEMKT

Balance Sheet Data	
Shareholders' Equity (000s)	$(1,059)
Price / Book Value	n.m.
Net Cash (000's)	$150
Working Capital (000s)	$(1.057)
Long-term Debt (000s)	n.m.
Total Debt to Capital	n.m.

Summary and Investment Thesis

- **Can-Fite BioPharma Ltd. is an advanced clinical stage drug development company with a platform technology that addresses multi-billion markets in the treatment of inflammatory diseases, cancer, sexual dysfunction, and ophthalmic indications. The Company is conducting Phase I, II and III clinical trials for numerous indications in the U.S., Europe and Israel. Can-Fite currently maintains 14 patent families that include 74 international patents issued and pending and its science is well-founded with articles in 48 peer reviewed journals. The Company's drug candidates are primarily small molecule products which can be a significant advantage in certain indications. The company principally develops CF101 that is in Phase III study for the treatment of psoriasis, as well as completed Phase II study for the treatment of rheumatoid arthritis; completed Phase III study for the treatment of dry eye; completed Phase II study for the treatment of glaucoma; and initiating a Phase II study of CF101 for the treatment of uveitis. It also develops CF102, which is in Phase II study for the treatment of liver cancer; and CF602 that has completed pre-clinical trial for the treatment of inflammatory diseases. The company is headquartered in Petah-Tikva, Israel.**
- **The underlying technology is based on targeting the adenosine A3 receptor (A3AR), which has been shown to be overexpressed in inflammatory and tumor cells. The company appears to have established an unrecognized therapeutic approach with demonstrated efficacy in psoriasis, arthritis, and cancer. Can-Fite may be able to deliver a safe and convenient systemic therapy to reduce side effects certain cases.**
- **Macro fundamentals and the Company's product offerings support our rating of Overweight/Buy and price target of $15.**

Please see analyst certification and required disclosures at the end of this report.

Technical Analysis

Can-Fite BioPharma Ltd. Daily

Can-Fite BioPharma Ltd. **(NYSE MKT: CANF)** (CFBI.TA) **Daily ($2.98)**

DAILY: CANF has been in a technical downtrend since an enthusiastic price spike in late 2013 as the story became "discovered". The decline is not complete but we are nearing technical support that should generate a reaction. The true test will be to see if the reaction establishes a retest and sets up for a trend change.

- The best support candidate is the 100% Fibonacci price extension at $1.99. A break of that level would represent more serious technical damage and require us to reevaluate.
- The key now is for higher lows to be formed or the recent low to hold on any retest. We would also like to see an indication of volume increasing on rally days as a confirmation of emerging strength. Volumes spike have seen only modest follow through of short duration.
- There is resistance overhead at $4.61 that intensifies in the $5.09 area. It may take some time and volatility to reach that test level. Above there a test of $6.00 is likely.
- Key Support: $1.99.
- Technical Resistance: $5.09

Overview

CANF is a clinical-stage biopharmaceutical company focused on developing orally bioavailable small molecule therapeutic products for the treatment of autoimmune-inflammatory, oncological and ophthalmic diseases. The Company views this as a platform technology utilizing the Gi protein associated A3AR as a therapeutic target. A3AR is highly expressed in inflammatory and cancer cells, and not significantly expressed in normal cells, suggesting that the receptor could be a unique target for pharmacological intervention. The pipeline of drug candidates are synthetic, highly specific agonists and allosteric modulators, or ligands or molecules that initiate molecular events when binding with target proteins, targeting the A3AR.

The product pipeline is based on the research of Dr. Pnina Fishman, who investigated a clinical observation that tumor metastasis can be found in most body tissues, but are rarely found in muscle tissue, which constitutes approximately 60% of human body weight. Dr.Fishman's research revealed that one reason that striated muscle tissue is resistant to tumor metastasis is that muscle cells release small molecules which bind with high selectivity to the A3AR. As part of her research, Dr. Fishman also discovered that A3ARs have significant expression in tumor and inflammatory cells, whereas normal cells have low or no expression of this receptor. The A3AR agonists and allosteric modulators, currently our pipeline of drug candidates, bind with high selectivity and affinity to the A3ARs and upon binding to the receptor initiate down-stream signal transduction pathways resulting in apoptosis, or programmed cell death, of tumors and inflammatory cells and to the inhibition of inflammatory cytokines. Cytokines are proteins produced by cells that interact with cells of the immune system in order to regulate the body's response to disease and infection.

Overproduction or inappropriate production of certain cytokines by the body can result in disease. We have in-licensed certain patents and patent applications protecting three different A3AR ligands which represent our current pipeline of drug candidates under development and include two synthetic A3AR agonists, CF101 (known generically as IB-MECA) and CF102 (known generically as CI-IB-MECA) from the NIH, and an allosteric modulator at the A3AR, CF602 from Leiden University. In addition, we have out-licensed CF101 for (i) the treatment of autoimmune diseases to Seikagaku Corporation, a Japanese

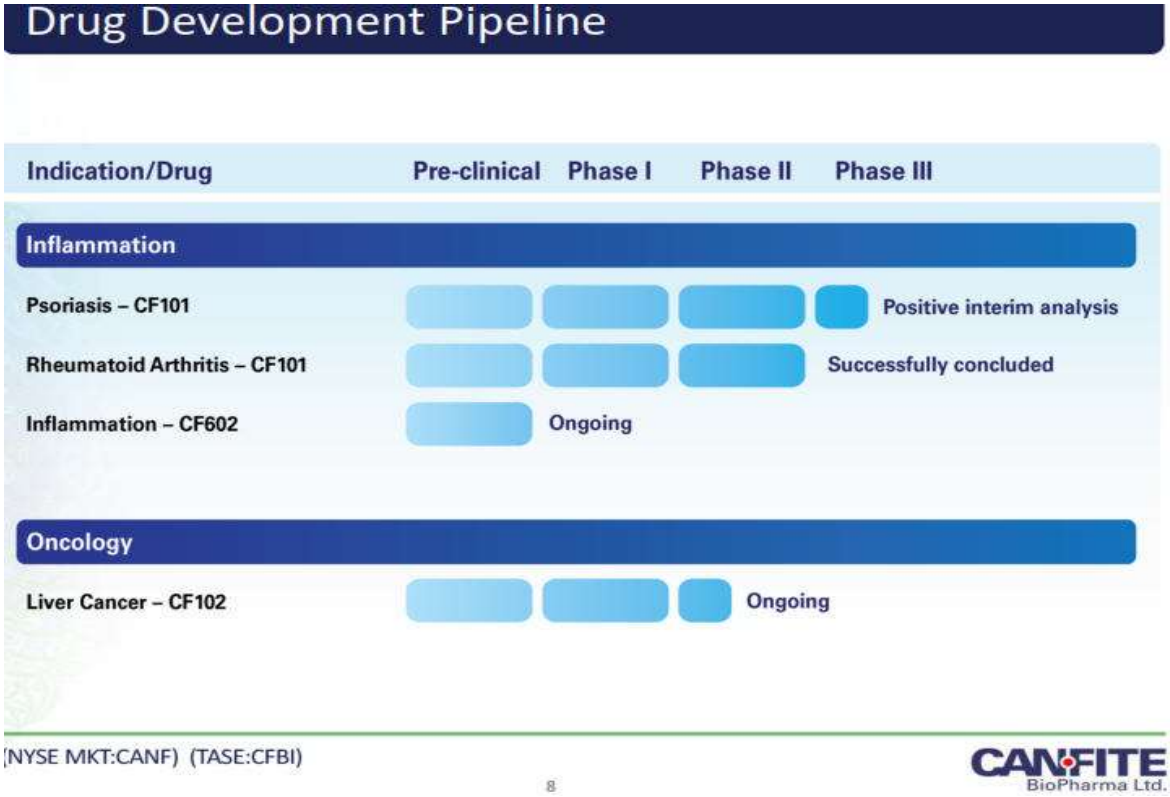
public corporation, or SKK, for the Japanese market, (ii) for the treatment of rheumatoid arthritis, or RA to Kwang Dong Pharmaceutical Co. Ltd., a South Korean limited company, or KD, for the Korean market and (iii) for the treatment of ophthalmic diseases to Eye-Fite, a wholly-owned subsidiary of OphthaliX for the global market.

Disease Targets/Market Opportunity

CANF's strategy is to build a fully integrated biotechnology company that discovers, in-licenses and develops an innovative and effective small molecule drug portfolio of ligands that bind to a specific therapeutic target for the treatment of autoimmune-inflammatory, oncological, ophthalmic diseases and more. CANF continues to develop and test the existing pipeline, while also testing other indications for existing drugs and examining, from time to time, the potential of other small molecules that may fit the platform technology of utilizing small molecules to target the A3AR. CANF generally focuses on drugs with global market potential and we seek to create global partnerships to effectively assist in developing our portfolio and to market products. The approach allows management to:

- continue to advance the clinical and preclinical pipeline;
- test the products for additional indications which fit the molecules' mechanism of action;
- identify other small molecule drugs or ligands;
- focus on product candidates closest to realizing their potential; and
- avoid dependency on a small number of small molecules and indications.

The lead product candidates, CF101, CF102 and CF602 are being developed to treat several autoimmune-inflammatory, oncological and ophthalmic indications. CF101 is in various stages of clinical development for the treatment of autoimmune-inflammatory diseases, including RA; psoriasis and osteoarthritis, or OA. CF101 is also being developed by OphthaliX for the treatment of ophthalmic indications, including glaucoma and uveitis. CF602 is a second generation allosteric drug candidate for the treatment of inflammatory diseases, which has shown proof of concept in in vitro and in vivo studies. The CF102 drug candidate is being developed for the treatment of HCC, and for the treatment of HCV. In addition, CANF recently announced that they are planning to develop CF602 to treat sexual dysfunction. Preclinical studies revealed that CANF drug candidates have potential to treat additional inflammatory diseases, such as Crohn's disease, oncological diseases and viral diseases, such as the JC virus, a virus that causes a potentially fatal brain disease in persons with an immunodeficiency.



CF102 is a small orally bioavailable drug that binds with high affinity and selectivity to the A3 adenosine receptor (A3AR). A3AR is highly expressed in tumor cells whereas low expression is found in normal cells. This differential effect accounts for the excellent safety profile of the drug. In Can-Fite's pre-clinical and clinical studies, CF102 has demonstrated a robust anti-tumor effect via deregulation of the Wnt signaling pathway, resulting in apoptosis of liver cancer cells. CF102 is in Phase II clinical trials for the treatment of liver cancer in the U.S., Israel, and Europe. The U.S. Food and Drug Administration has agreed with Can-Fite's Phase II study protocol and had previously granted Can-Fite Orphan Drug Designation for CF102 in the treatment of hepatocellular carcinoma, the most common form of liver cancer.

CF101 – Lead compound in inflammatory indications

CF101 (also referred to as IB-MECA, with a half-life of 8-9 hours) is under investigation in multiple indications. Safety data compiled through several Phase II studies pooling over 700 patients (527 taking CF101, 203 placebo) at doses up to 4mg twice daily for 12 weeks, showed that CF101 was generally well tolerated and there was no statistically significant difference in adverse event (AE) frequency between treatment and placebo, nor a dose-response relationship in AE frequency. Phase II studies testing oral formulations of 1, 2 and 4mg twice daily have been assessed in RA.

We believe CANF's pipeline of drug candidates represent a significant market opportunity. For instance, according to Visiongain, the world RA market size is predicted to generate revenues of $38.5 billion in 2017. According to GlobalData, the psoriasis drug market is forecasted to grow from $3.6 billion in 2010 to $6.7 billion by 2018. According to Global Industry Analysts, the global liver cancer drug market is expected to exceed $2 billion by 2015. GlobalData estimated the glaucoma market to exceed $3 billion by 2018.

It appears that CANF's candidates have certain unique characteristics and advantages over drugs currently available on the market and under development to treat these indications. To date, CANF has generated its pipeline by in-licensing, researching and developing two synthetic A3AR agonists, CF101 and CF102, and an allosteric modulator, CF602. For example, the technology platform is based on the finding that the A3AR is highly expressed in pathological cells, such as various tumor cell types and inflammatory cells. High A3AR expression levels are also found in peripheral blood mononuclear cells, or PBMCs, of patients with cancer, inflammatory and viral diseases. CANF has been granted a U.S. patent with respect to the intellectual property related to such assay and utilized this assay in our Phase IIb study of CF101 tor the treatment of RA. Moreover, management believes characteristics of CF101, as exhibited in clinical studies to date, including its good safety profile, clinical activity, simple and less frequent delivery through oral administration and its low cost of production, position it well against the competition in the autoimmune-inflammatory markets, including the RA and psoriasis markets, where treatments, when available, often include injectable drugs, many of which can be highly toxic, expensive and not always effective.

Competition

Other drugs on the market, new drugs under development (including drugs that are in more advanced stages of development in comparison to CANF drug candidates) and additional drugs that were originally intended for other purposes, but were found effective for purposes targeted by CANF, may all be competitive to the current drugs in the pipeline. In fact, some of these drugs are well established and accepted among patients and physicians in their respective markets, are orally bioavailable, can be efficiently produced and marketed, and are relatively safe. None of the product candidates have been approved for sale or marketing and, to date, there have been noncommercial sales of any of the product candidates. Research further suggests that A3AR affects pathological and normal cells differently. While specific A3AR agonists, such as CF101 and CF102, and allosteric modulators, such as CF602, appear to inhibit growth and induce apoptosis of cancer and inflammatory cells, normal cells are refractory, or unresponsive to the effects of these drugs. To date, the A3AR agonists have had a positive safety profile as a result of this differential effect. Readers are urged to consult company filings and disclosures to regulatory authorities as this is complex technology with many facets that are beyond the scope of this report.

Recent Developments

Can-Fite CEO Dr. Pnina Fishman to Present Recently Released Positive Data from its Rheumatoid Arthritis Phase IIb Study at the 2014 American College of Rheumatology Annual Meeting

Phase IIb Study at the 2014 American College of Rheumatology Annual Meeting
PETACH TIKVA, Israel, Nov. 13, 2014 /PRNewswire/ -- Can-Fite BioPharma Ltd. (NYSE MKT: CANF) (CFBI.TA), a biotechnology company advancing a pipeline of proprietary small molecule drugs that address cancer and inflammatory diseases, today announced that the Company's CEO, Dr. Pnina Fishman, will present at the American College of Rheumatology (ACR) and the Association for Rheumatology Health Professionals (ARHP)'s 2014 Annual Meeting. The meeting will take place in Boston, Massachusetts, from November 14-19, 2014.

Dr. Fishman's presentation, titled "Safety and Efficacy of CF101 in Rheumatoid Arthritis Patients: A Phase II Study," will be delivered on Sunday, November 16, at 5:15 pm Eastern Time during a session that will discuss novel therapies in rheumatoid arthritis. During her presentation, Dr. Fishman will discuss Can-Fite's completed 12-week, placebo-controlled Phase IIb study involving 79 patients with active rheumatoid arthritis (RA). The study entailed 2 arms; a placebo arm and a CF101 1 mg treated group, in which CF101 was administered orally twice-daily as a monotherapy for 12 weeks to patients with rheumatoid arthritis. In the study, patients treated with CF101 met all primary efficacy endpoints, showing statistically significant superiority over placebo in reducing signs and symptoms of RA as compared to the placebo.

"I am honored to present our Phase IIb rheumatoid arthritis data at the ACR/ARHP annual meeting," said Dr. Fishman. "Rheumatoid arthritis represents an unmet medical need, and novel approaches such as CF101 are needed. Based on the safety and efficacy data we have reported from clinical studies to date, we believe CF101 has the potential to significantly improve patient outcomes."

The ACR/ARHP Annual Meeting brings together nearly 15,000 domestic and international participants, including physicians, health professionals, and industry partners from over 100 countries. This six-day meeting will showcase cutting edge and timely topics in clinical and basic science of rheumatologic care, as well as the prevention, diagnosis, and treatment of rheumatic diseases and its comorbid conditions.

Can-Fite to Participate in BIO-Europe International Partnering Conference
Europe's largest partnering conference for the global biotechnology industry

PETACH TIKVA, Israel, Oct. 30, 2014 /PRNewswire/ -- Can-Fite BioPharma Ltd. (NYSE MKT: CANF) (CFBI.TA), a biotechnology company advancing a pipeline of proprietary small molecule drugs that address cancer and inflammatory diseases, today announced that the Company's CEO, Dr. Pnina Fishman and its Director of Business Development, Dr. Sari Fishman, will participate in approximately 40 scheduled one-on-one meetings with potential industry partners at BIO-Europe® in Frankfurt, Germany on November 3 to 5, 2014.

BIO-Europe® is Europe's largest partnering conference serving the global biotechnology industry. The conference attracts leading dealmakers from biotech, pharma and finance along with emerging biotech companies.

"With our Phase II and Phase III trials ongoing, this is an opportune time for Can-Fite to get in front of potential partners, including large pharmaceutical and biotechnology companies that are looking for innovative new treatments in large disease indications. We look forward to a full schedule of one-on-one meetings at BIO Europe and believe it will be a very productive partnering conference for us," Dr. Fishman stated.

U.S. Patent and Trademark Office Issues Can-Fite Patent for CF102 in the Treatment of Liver Regeneration and Function Following Surgery
CF102 has shown to induce healthy liver cell proliferation resulting in improved liver status

PETACH TIKVA, Israel, Sept. 30, 2014 /PRNewswire/ -- Can-Fite BioPharma Ltd. (NYSE MKT: CANF) (CFBI.TA), a biotechnology company advancing a pipeline of proprietary small molecule drugs that address cancer and inflammatory diseases, today announced the United States Patent and Trademark Office has issued a patent to the Company which covers its drug candidate, CF102, in the treatment of liver regeneration and function following liver surgery. The issued patent # 8,846,635 is titled, "Method for inducing hepatocyte proliferation and uses thereof." Can-Fite has recently been granted a patent for this technology in Japan and the European Union.

CF102 is now entering Phase II trials for the treatment of hepatocellular carcinoma, the most common form of liver cancer in the U.S., Europe and Israel. The U.S. Food and Drug Administration has granted Orphan Drug Status to Can-Fite's CF102 for this indication and Israel's Ministry of Health has approved CF102 for Compassionate Use in liver cancer.

"The treatment of post-surgery liver function is an indication that would complement our current portfolio of indications in clinical trials. CF102 may offer important healing benefits for the liver not only to cancer patients, but also for patients who have other diseases or injuries of the liver," stated Can-Fite CEO Pnina Fishman.

In preclinical studies, CF102 has induced proliferation of hepatocytes following liver resection (surgery), increased liver weight and reduced elevated levels of serum liver enzymes, reflecting improved liver status. In patients with preexisting liver diseases, such as cirrhosis or cancer, normal hepatocellular proliferation following injury is impaired, exposing patients to liver dysfunction and associated complications that can lead to liver failure and death.

Can-Fite's intellectual property portfolio consists of 150 issued and pending patents worldwide. Additional patents relating to induction of hepatocyte proliferation and uses thereof are pending in several other markets, including Israel.

Financial Snapshot

Because the Company is Israeli and files reports in support of its ADS we will be prudently restricting the scope of financial commentary presented and suggest that readers consult the forms referenced for further information. We refer to the Registration Statement on Form F-3 (the “Registration Statement”) to be filed with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended (the “Act”), on or about the date hereof by Can-Fite BioPharma Ltd., an Israeli company (the “Company”), relating to the sale, from time to time, by the Company of up to $50,000,000 aggregate amount of:

a. ordinary shares, par value NIS 0.25 per share, of the Company which may be represented by American Depositary Shares (the “Ordinary Shares”);

b. warrants to purchase Ordinary Shares which may represented by American Depositary Shares (the “Warrants”); and

c. units comprised of one or more of the Ordinary Shares and Warrants in any combination (the “Units” and, together with the Ordinary Shares and the Warrants, the “Securities”).

Period Ending	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011
Total Revenue	-	-	**467**
Cost of Revenue	-	-	-
Gross Profit	-	-	**467**
Operating Expenses			
Research and Development	4,434	3,527	3,392
Sales, General and Admin.	4,587	2,485	1,813
Non-Recurring Items	-	-	-
Other	-	-	-
Operating Income	**(9,021)**	**(6,012)**	**(4,738)**
Income From Continuing Operations			
Add'l Income/Expense Items	216	145	(2,570)
Earnings Before Interest and Tax	(8,805)	(5,867)	(7,308)
Interest Expense	69	7	61
Earnings Before Tax	(8,874)	(5,874)	(7,369)
Income Tax	3	3	50
Minority Interest	-	-	-
Equity Earnings Unconsolidated Subsidiary	-	-	-
Net Income Cont. Operations	(8,877)	(5,877)	(7,419)
Non Recurring Events			
Discontinued Operations	-	-	-
Extraordinary Items	-	-	-
Effect of Accounting Changes	-	-	-
Other Items	-	-	-
Net Income	**(8,877)**	**(5,877)**	**(7,419)**
Preferred Stock and Other Adjustments	-	-	-
Net Income Applicable to Common Shareholders	**(8,877)**	**(5,877)**	**(7,419)**

Liabilities			
Current Liabilities			
Accounts Payable	2,112	1,985	1,207
Short Term and Current Long Term Debt	-	-	-
Other Current Liabilities	34	343	140
Total Current Liabilities	**2,147**	**2,328**	**1,347**
Long Term Debt	-	-	-
Other Liabilities	37	18	257
Deferred Long Term Liability Charges	-	-	-
Minority Interest	662	536	581
Negative Goodwill	-	-	-
Total Liabilities	**2,846**	**2,882**	**2,185**
Stockholders' Equity			
Misc. Stock Options Warrants	-	-	-
Redeemable Preferred Stock	-	-	-
Preferred Stock	-	-	-
Common Stock	1,163	733	682
Retained Earnings	(80,781)	(67,364)	(60,291)
Treasury Stock	1,045	1,556	1,518
Capital Surplus	77,196	62,650	59,967
Other Stockholder Equity	7,278	4,292	3,857
Total Stockholder Equity	**3,810**	**(1,245)**	**2,695**
Net Tangible Assets	**3,810**	**(1,245)**	**2,695**

Period Ending	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011
Net Income	**(8,877)**	**(5,877)**	**(7,419)**
Operating Activities			
Depreciation	17	23	57
Adjustments to Net Income	424	183	2,582
Changes in Liabilities	(72)	745	173
Changes in Accounts Receivables	151	(573)	864
Changes in Inventories	-	-	-
Changes in Other Operating Activities	-	-	(1)
Total Cash Flow From Operating Activities	**(8,659)**	**(4,354)**	**(5,470)**
Investing Activities			
Capital Expenditures	12	5	21
Investments	-	-	-
Other Cash Flows From Investing Activities	(2)	(25)	(43)
Total Cash Flow From Investing Activities	**(10)**	**20**	**21**
Financing Activities			
Dividends Paid	-	-	-
Sale/Purchase of Stock	13,259	1,501	4,623
Net Borrowings	-	-	-
Other Cash Flows From Financing Activities	-	-	-
Total Cash Flow From Financing Activities	**13,259**	**1,501**	**4,623**
Effect of Exchange Rate Changes	161	60	72
Change in Cash and Cash Equivalents	**4,751**	**(2,772)**	**(754)**

Summary/Conclusion

Spotlight on 2014 Milestones

Indication	Milestone	Status
Liver Cancer	**Patients' enrollment to Phase II** 78 patients study	Initiation: Q3-2014
Rheumatoid Arthritis	**Phase III planning**	Q4-2014
Psoriasis	**Data from Phase II/III** 300 patients study	Q1-2015
Biomarker	**Development of a commercial kit**	2014

CANF appears to be a relatively undiscovered and underappreciated gem in BioPharma which now has a chance to come into its own as a developer and marketer of small molecule drugs for multiple indications. CANF's strategy is to build a fully integrated

biotechnology company that discovers, in-licenses and develops an innovative and effective small molecule drug portfolio of ligands that bind to a specific therapeutic target for the treatment of autoimmune-inflammatory, oncological, ophthalmic diseases and more. We believe CANF's pipeline of drug candidates represent a significant market opportunity. For instance, according to Visiongain, the world RA market size is predicted to generate revenues of $38.5 billion in 2017. According to GlobalData, the psoriasis drug market is forecasted to grow from $3.6 billion in 2010 to $6.7 billion by 2018. According to Global Industry Analysts, the global liver cancer drug market is expected to exceed $2 billion by 2015. GlobalData estimated the glaucoma market to exceed $3 billion by 2018. The lead product candidates, CF101, CF102 and CF602 are being developed to treat several autoimmune-inflammatory, oncological and ophthalmic indications. CF101 is in various stages of clinical development for the treatment of autoimmune-inflammatory diseases, including RA; psoriasis and osteoarthritis, or OA. CF101 is also being developed by OphthaliX for the treatment of ophthalmic indications, including glaucoma and uveitis. CF602 is a second generation allosteric drug candidate for the treatment of inflammatory diseases, which has shown proof of concept in in vitro and in vivo studies. The CF102 drug candidate is being developed for the treatment of HCC, and for the treatment of HCV. In addition, CANF recently announced that they are planning to develop CF602 to treat sexual dysfunction. Preclinical studies revealed that CANF drug candidates have potential to treat additional inflammatory diseases, such as Crohn's disease, oncological diseases and viral diseases, such as the JC virus, a virus that causes a potentially fatal brain disease in persons with an immunodeficiency. Can CF102 be effective on liver cancer? It appears so. Liver cancer is linked to chronic inflammation and the A3 adenosine receptor is thought to be preferentially expressed in Hepatocellular carcinoma (HCC, also called malignant hepatoma). Phase 1/2 results demonstrate that CF102 offers the most benefit. CF102, the Company's liver cancer drug now in Phase II, has been granted Orphan Drug Status by the U.S. FDA and has shown proof of concept to potentially treat four other cancers. CF101, which is in Phase II and III to treat inflammatory and ophthalmic diseases, has an excellent safety profile with experience in over 1,000 patients**.**

In addition to the very large available markets, validated unmet needs and milestones approaching we want to also be aware of hidden value in retained shares of a spinoff company that could pay off similar to the way Yahoo benefitted from Alibaba shares. The Company's diversified asset portfolio includes a large stake in spinout OphthaliX. CANF spun out the ocular indications for CF101 to OphthaliX (OPLI: OTCBB) and still retains 82% ownership of the company. Due to large available markets, products in and entering late stage clinical trials, underappreciated assets and the current valuations of comparables and leading biopharma stocks we rate the shares Overweight/Buy and assign a 12-18 month price target of $15.

Risk Factors

Readers should carefully consider the risks described below, in addition to the other information set forth elsewhere in this prospectus, before deciding to invest in the ordinary shares and the ADSs. These material risks could adversely impact results of operations, possibly causing the trading price of ordinary shares and the ADSs to decline, and you could lose all or part of your investment. This is not a complete list and readers should consult filings with regulatory authorities for more details.

Risks Related to Financial Position and Capital Requirements

The Company has incurred operating losses since inception and anticipate that it will continue to incur substantial operating losses for the foreseeable future. These losses will likely increase as CANF:

- initiates and manages pre-clinical development and clinical trials for current and new product candidates;
- seeks regulatory approvals for product candidates;
- implements internal systems and infrastructures;
- seeks to license additional technologies to develop;
- hires management and other personnel; and
- moves towards commercialization.

Our Rating System

We rate companies based on the appreciation potential we believe their shares represent, and the "riskiness" we perceive in our ratings. The business results of those companies "NOT RATED" are often highly dependent on some future event, such as FDA drug approval or the option of a new key technology.

Explanation of Ratings Issued by MRA Research

OVERWEIGHT/BUY	Overweight (O or Over) - The stock's total return is expected to exceed the total return of the relevant country Index average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis over the next 6-12 months.
EQUAL WEIGHT/HOLD	Equal-weight (E or Equal) - The stock's total return is expected to be in line with the total return of the relevant country Index or the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis over the next 6-12 months.
NOT RATED	Not-Rated (NR) - Currently the analyst does not have adequate conviction about the stock's total return relative to the relevant country Index or the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 6-12 months.
UNDERWEIGHT/ SELL	Underweight (U or Under) - The stock's total return is expected to be below the total return of the relevant country's equity indices and/or the total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 6-12 months.

Analyst Certification

I, Michael Anderegg, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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