

Can-Fite BioPharma Ltd. (NYSE/CANF)

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Lowering to Neutral from Buy Ahead of Reverse Split

Can-Fite announced plans to adjust the ratio of its American Depositary Shares (ADSs) to ordinary shares from one (1) ADS representing thirty (30) ordinary shares to a new ratio of one (1) ADS representing three hundred (300) ordinary shares, basically a 10:1 reverse stock split. The change is planned for January 9, 2023. In advance of this we are lowering our rating from Buy to Neutral and removing our price target. We expect to revisit our rating and introduce a new target valuation once the reverse is effective.

Investment Highlights:

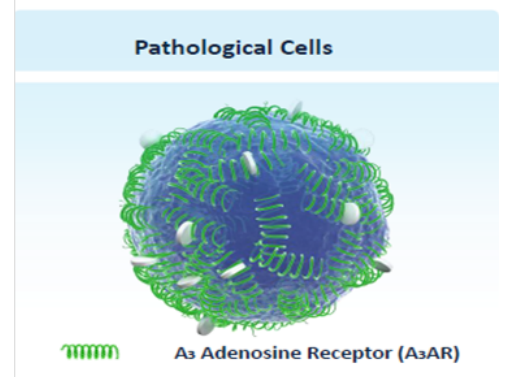
Namodenoson Update: Can-Fite's pivotal Phase 3 study in patients with advanced liver cancer is open for patient enrollment and intends to recruit patients in Israel, the U.S., and five countries in Europe. This pivotal study received a 'green light' to proceed from the FDA and the European Medicines Agency (EMA), and if successfully concluded, the company will be in a position to submit the drug for approval with each of the regulatory authorities. Namodenoson has Orphan Drug Status with both the FDA and EMA and Fast Track Status with the FDA. A registration plan has been submitted to and accepted by the FDA. Given the unmet medical need and the safety profile of the drug, we believe good results could open up a rapid pathway to approval.

Phase 2 Data: The Phase 2 study showed that median overall survival in the CPB7 patient population was 6.8 months for those treated with Namodenoson as compared to 4.3 months for those treated with placebo. The < 1-year survival in the whole patient population was 32% in the namodenoson treated group vs. 14% (p= 0.058) in the placebo treated patients whereas in the CPB7 population 44% survival was found in the namodenoson treated group vs. 18% in the placebo treated one (p=0.028). An article published in the peer-reviewed journal Cancers regarding Can-Fite's Phase 2 study reported on the fact that CPB patients are generally excluded from clinical studies due to their poor prognosis and low expected response rate and that as of July 2020, clinicaltrials.gov listed 110 enrolling/active Phase II or III clinical studies in advanced HCC, all of which excluded CPB patients, except for only two studies in addition to Can-Fite's. An interim analysis will be conducted by an Independent Data Monitoring Committee (IDMC) after 50% of enrolled patients are treated. Namodenoson will be evaluated as a 2nd or 3rd line treatment for CPB7 patients in whom other approved therapies have not been or are no longer effective.

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 FCFF, EPS, and sum-of-the-parts analysis. We use a projected fully diluted end-year share count and assume multiple raises. Once the ADR is adjusted we will revisit our target valuation.

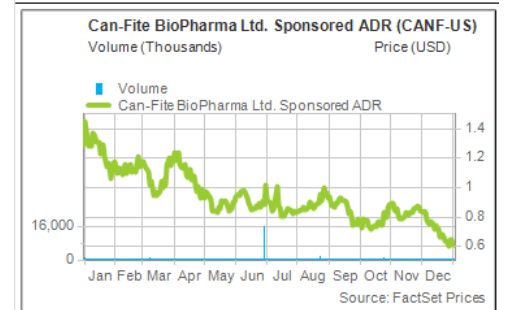
Risks to our thesis include the following: (1) commercial; (2) regulatory; (3) clinical; (4) manufacturing; (5) financial; (6) liability; and (7) intellectual property.

Current Price	\$0.61
Price Target	NA



Source: Can-Fite

Stock Data			
52-Week Range	\$0.58	-	\$1.45
Shares Outstanding (mil.)	27.2		
Market Capitalization (mil.)	\$16.7		
Enterprise Value (mil.)	\$6.6		
Debt to Capital	0.0%		
Book Value/Share	\$4.52		
Price/Book	2.4		
Average Three Months Trading Volume (M)	0.0		
Insider Ownership	#N/A		
Institutional Ownership	2.1%		
Short interest (mil.)	1.0%		
Dividend / Yield	\$0.00/0.0%		



Product Modeling Assumptions

1. We assume the program in RA does not continue, but Psoriasis does, to a second pivotal trial. We assume the size doubles from 400 to 800 for the pivotal study, which will likely have both PASI 75 and PGA endpoints.
2. We assume Can-Fite may partner with 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 is applied in our models for Psoriasis.
5. We assume Namodenoson will be approved and launched (U.S. and Europe) for late-stage liver cancer in 2025.
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 60% is applied to our HCC model-based, which is based on Phase 2 data.

Exhibit 1. Product Market Models

	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Piclidenoson - CF101 (US)													
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	1,254,841	1,279,944	1,305,543	1,331,654	1,358,287	1,385,453
Patients that only received non-biologics DMARDs (70%)	764,894	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%	0.0%	7.0%	8.0%	9.0%	10.0%	10.0%	15.0%
Patients receiving CF101					51,670	51,670	51,670	61,488	71,677	82,249	93,216	142,520	193,983
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	\$ 387,527	\$ 454,049	\$ 524,880	\$ 619,129
Probability of Success					0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Revenue ('000)					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Source: Company reports and Dawson James Securities													
Piclidenoson - CF101 (EU)													
Rheumatoid arthritis incidence	3,017,160	3,077,503	3,139,053	3,201,834	3,265,871	3,331,158	3,397,812	3,465,768	3,535,084	3,605,763	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%)	2,113,012	2,154,252	2,197,337	2,241,284	2,286,110	2,332,832	2,381,462	2,431,059	2,481,682	2,534,302	2,588,901	2,645,552	2,704,322
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%	15.0%	20.0%
Patients receiving CF101					-	-	83,246	166,492	190,541	212,000	234,292	275,732	374,900
Annual cost of treatment					\$ 3,000	\$ 3,000	\$ 3,121	\$ 3,247	\$ 3,374	\$ 3,502	\$ 3,631	\$ 3,761	\$ 3,891
Increase in Price					2%	2%	2%	2%	2%	2%	2%	2%	2%
Revenue ('000)					\$ -	\$ -	\$ 258,415	\$ 536,830	\$ 640,206	\$ 752,406	\$ 873,607	\$ 1,003,808	\$ 1,143,009
Probability of Success					0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Revenue ('000)					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Source: Company reports and Dawson James Securities													
Piclidenoson - CF101 (US)													
Psoriasis incidence	7,178,750	7,322,335	7,468,752	7,618,158	7,770,521	7,925,931	8,084,450	8,246,159	8,411,061	8,579,253	8,750,808	8,925,806	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	5,975,006	6,094,526	6,216,417	6,340,746	6,467,560	6,596,911	6,728,849	6,864,426	7,002,696	7,142,709	7,285,523
Moderate to severe plaque psoriasis (17%)	978,311	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%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%
Patients receiving CF101					-	-	-	-	-	-	-	-	-
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)					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Probability of Success					70%	70%	70%	70%	70%	70%	70%	70%	70%
Total Revenue ('000)					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Source: Company reports and Dawson James Securities													
Piclidenoson - CF101 (EU)													
Psoriasis incidence	11,348,440	11,779,400	12,014,997	12,256,297	12,500,403	12,750,411	13,006,419	13,265,528	13,528,838	13,801,455	14,077,484	14,357,024	14,640,214
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%)	1,570,688	1,600,000	1,634,040	1,668,720	1,703,056	1,737,056	1,770,737	1,804,152	1,837,298	1,870,176	1,902,782	1,935,120	1,967,288
Patients seeking treatment (84%)	1,319,294	1,348,680	1,378,593	1,408,405	1,438,046	1,467,507	1,496,789	1,525,892	1,554,733	1,583,321	1,611,654	1,640,736	1,670,564
Market Penetration					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%
Patients receiving CF101					-	-	-	-	-	-	-	-	-
Annual cost of treatment					\$ 3,000	\$ 3,000	\$ 3,121	\$ 3,247	\$ 3,374	\$ 3,502	\$ 3,631	\$ 3,761	\$ 3,891
Increase in Price					2%	2%	2%	2%	2%	2%	2%	2%	2%
Revenue ('000)					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Probability of Success					70%	70%	70%	70%	70%	70%	70%	70%	70%
Total Revenue ('000)					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Source: Company reports and Dawson James Securities													
Namodenoson - CF102 (US)													
Hepatocellular Carcinoma incidence	42,355	43,202	44,066	44,947	45,846	46,763	47,698	48,652	49,625	50,618	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 C HCC (64%)	27,107	27,649	28,202	28,766	29,341	29,928	30,527	31,137	31,760	32,395	33,043	33,704	34,378
Market Penetration					0.0%	0.0%	0.0%	1.0%	4.0%	7.0%	9.0%	10.0%	15.0%
Patients receiving CF101					-	-	-	-	-	-	-	-	-
Price of treatment					\$ 50,000	\$ 51,000	\$ 52,000	\$ 53,000	\$ 54,122	\$ 55,204	\$ 56,308	\$ 57,434	\$ 58,583
Increase in Price					2%	2%	2%	2%	2%	2%	2%	2%	2%
Revenue ('000)					\$ -	\$ -	\$ -	\$ -	\$ 16,522	\$ 68,756	\$ 125,185	\$ 167,454	\$ 193,577
Probability of Success					60%	60%	60%	60%	60%	60%	60%	60%	60%
Total Revenue ('000)					\$ -	\$ -	\$ -	\$ -	\$ 9,813	\$ 41,254	\$ 75,111	\$ 100,473	\$ 115,146
Source: Company reports and Dawson James Securities													
Namodenoson - CF102 (EU)													
Hepatocellular Carcinoma incidence	54,111	55,193	56,297	57,423	58,572	59,743	60,936	62,151	63,386	64,652	65,941	67,253	68,588
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	39,768	40,578	41,387	42,215	43,060	43,921
Market Penetration					0.0%	0.0%	0.0%	1.0%	4.0%	7.0%	9.0%	10.0%	15.0%
Patients receiving CF101					-	-	-	-	-	-	-	-	-
Price of treatment					\$ 35,000	\$ 35,700	\$ 36,414	\$ 37,142	\$ 37,885	\$ 38,643	\$ 39,416	\$ 40,204	\$ 41,008
Increase in Price					2%	2%	2%	2%	2%	2%	2%	2%	2%
Revenue ('000)					\$ -	\$ -	\$ -	\$ -	\$ 23,086	\$ 96,077	\$ 174,927	\$ 253,392	\$ 270,494
Probability of Success					60%	60%	60%	60%	60%	60%	60%	60%	60%
Total Revenue ('000)					\$ -	\$ -	\$ -	\$ -	\$ 19,852	\$ 57,646	\$ 104,956	\$ 149,395	\$ 162,297
Source: Company reports and Dawson James Securities													
Namodenoson - CF102 (US)													
NAFLD/ASH	11,548,440	11,779,400	12,014,997	12,256,297	12,500,403	12,750,411	13,006,419	13,265,528	13,528,838	13,801,455	14,077,484	14,357,024	14,640,214
Increase in incidence	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Market Penetration					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Patients receiving CF101					-	-	-	-	-	-	-	-	-
Price of treatment					\$ 25,000	\$ 25,500	\$ 26,010	\$ 26,530	\$ 27,061	\$ 27,603	\$ 28,156	\$ 28,720	\$ 29,295
Increase in Price					2%	2%	2%	2%	2%	2%	2%	2%	2%
Revenue ('000)					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Probability of Success					10%	10%	10%	10%	10%	10%	10%	10%	10%
Total Revenue ('000)					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Source: Company reports and Dawson James Securities													
Namodenoson - CF102 (EU)													
NAFLD/ASH	11,548,440	11,779,400	12,014,997	12,256,297	12,500,403	12,750,411	13,006,419	13,265,528	13,528,838	13,801,455	14,077,484	14,357,02	

Exhibit 2. Income Statement

Can-Fite Biopharma.: Income Statement (\$'000)																
.. YE December 31	2019A	2020A	2021A	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Revenue:	2,032	763	853	813	-	-	-	-	-	-	-	-	-	-	-	-
Piclidensoson (CF-101), Rheumatoid Arthritis U.S.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Piclidensoson (CF-101), Rheumatoid Arthritis EU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Piclidensoson (CF-101), Psoriasis U.S.	-	-	-	-	-	-	-	-	-	-	-	-	74,262	386,312	602,879	1,045,391
Piclidensoson (CF-101), Psoriasis EU	-	-	-	-	-	-	-	-	-	-	-	-	179,198	372,875	581,909	1,009,030
Namodenoson HCC U.S.	-	-	-	-	-	-	-	-	-	-	9,913	41,254	75,111	100,473	116,146	181,258
Namodenoson HCC EU	-	-	-	-	-	-	-	-	-	-	13,852	57,646	104,956	140,395	162,297	253,280
Namodenoson NASH/NAFLD U.S.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Namodenoson NASH/NAFLD EU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Product Sales	2,032	763	853	813	-	-	-	-	-	-	23,765	98,900	433,527	1,000,055	1,463,231	2,488,960
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.	-	-	-	-	-	-	-	-	-	-	-	-	18,566	96,578	150,720	261,348
Royalty Rate from Global Partnership	-	-	-	-	-	-	-	-	-	-	-	-	10%	26%	26%	26%
Piclidensoson (CF-101), Psoriasis EU	-	-	-	-	-	-	-	-	-	-	-	-	18,566	96,578	150,720	261,348
Royalty Rate from Global Partnership	-	-	-	-	-	-	-	-	-	-	-	-	10%	26%	26%	26%
Namodenoson HCC U.S.	-	-	-	-	-	-	-	-	-	-	2,478	10,313	18,778	25,118	29,037	45,315
Royalty Rate from Global Partnership	-	-	-	-	-	-	-	-	-	-	25%	25%	25%	25%	25%	25%
Namodenoson HCC EU	-	-	-	-	-	-	-	-	-	-	3,463	14,411	28,338	37,907	43,820	68,386
Royalty Rate from Global Partnership	-	-	-	-	-	-	-	-	-	-	25%	25%	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	813	-	-	-	-	-	-	5,941	24,725	84,247	256,181	374,296	636,396
Expenses:																
Partnership Costs including COGS	-	-	-	-	-	-	-	-	-	-	1,188	4,945	21,676	50,003	73,162	124,448
Research and Development	10,976	11,951	9,850	6,309	1,480	1,544	1,673	1,737	6,435	6,564	6,695	6,829	6,966	7,105	7,247	7,392
General and Administrative	3,059	2,951	3,845	3,067	2,760	2,880	3,120	3,240	12,000	12,600	13,230	13,892	14,586	15,315	16,081	16,885
Total Expenses	14,035	14,902	13,695	9,376	4,240	4,424	4,793	4,977	18,435	19,164	21,113	25,666	43,228	72,423	96,490	148,725
Operating Income (Loss)	(12,003)	(14,139)	(12,842)	(8,763)	(4,240)	(4,424)	(4,793)	(4,977)	(18,435)	(19,164)	(15,172)	(941)	41,019	183,758	277,806	487,671
Finance expenses	693	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance income	3,109	(304)	227	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Income	2,416	(304)	227	-	-	-	-	-	-	-	-	-	-	-	-	-
Pretax Income	(9,587)	(13,835)	(12,615)	(8,763)	(4,240)	(4,424)	(4,793)	(4,977)	(18,435)	(19,164)	(15,172)	(941)	41,019	183,758	277,806	487,671
Taxes on income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	(715)	(2,590)	-	-	-	-	-	-	(958)	(1,214)	-	2,051	18,376	44,449	121,918
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)	(8,763)	(4,240)	(4,424)	(4,793)	(4,977)	(18,435)	(19,164)	(15,172)	(941)	38,968	165,382	233,357	365,753
GAAP-EPS	(1.77)	(1.02)	(0.58)	(0.25)	(0.10)	(0.11)	(0.12)	(0.12)	(0.45)	(0.47)	(0.37)	(0.02)	0.94	3.98	5.60	8.74
GAAP-EPS (Dil)	(1.35)	(0.48)	(0.33)	(0.11)	(0.05)	(0.06)	(0.06)	(0.06)	(0.23)	(0.24)	(0.19)	(0.01)	0.48	2.02	2.83	4.42
Wgtd Avg ADR Shrs (Bas) - '000s	5,833	17,191	21,416	37,202	40,620	40,660	40,701	40,742	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	80,120	80,320	80,401	80,481	80,562	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.

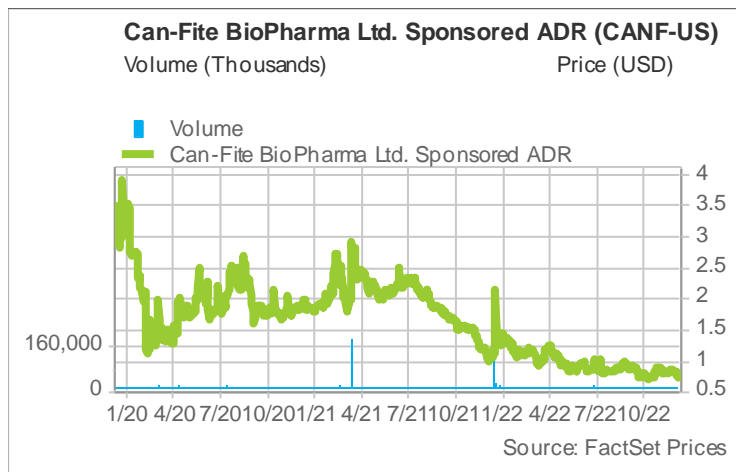
Partnership risk. Can-Fite may seek partnerships for clinical development support and commercialization. We have no specific knowledge of any discussions with possible partners today, and there can be no assurances that the Company will be able to secure a favorable partnership.

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
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

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Information about risks can be found in the "RISK ANALYSIS" sections of this report.

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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 3-Jan-23

	Company Coverage		Investment Banking	
Ratings Distribution	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	21	70%	1	5%
Market Perform (Neutral)	8	26%	1	14%
Market Underperform (Sell)	1	3%	0	0%
Total	30	100%	2	7%

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.