

December 11, 2013

Can-Fite CEO Issues Letter to Shareholders

PETACH TIKVA, Israel, Dec. 11, 2013 /PRNewswire/ -- [Can-Fite BioPharma](#) (NYSE MKT: CANF), (TASE: CFBI), a biotechnology company with a pipeline of proprietary small molecule drugs that address anti-inflammatory and cancer diseases, today issued a Letter to Shareholders.

Dear Fellow Can-Fite Shareholders,

2013 has truly been a pivotal year for Can-Fite. We have achieved numerous clinical, corporate, and financial milestones. Before the end of the year, we expect to announce results from two of our advanced stage clinical trials. I thank all of our shareholders and partners for their support. We appreciate our long-term shareholders for their belief in our purpose and our ability to execute on our goals, while we welcome our newer shareholders, many of whom are in the U.S., for seeing the potential that our science offers and the value that this science can create for investors.

Corporate and Financial Developments

\$6 Million Fund Raise: In October we successfully closed on a public offering of our common shares on the Tel Aviv Stock Exchange in the amount of approximately U.S. \$6,000,000 with an over-subscription of 300%. The offering represented the equivalent of 916,400 U.S. ADRs priced at \$6.60 per ADR. Options representing approximately 687,000 U.S. ADRs were also issued to investors. Each option has an exercise price that translates into approximately \$8.69 per ADR with a 3 year term. We intend to use these funds to support our clinical programs, as well as for general corporate and working capital purposes.

NYSE MKT Uplisting: On November 19th our ADRs began trading on the U.S. NYSE MKT. We believe this listing will enable us to increase the trading liquidity of our ADRs, broaden our shareholder base, and raise our profile in the global investment community. We rang the opening bell at the [NYSE MKT's Opening Bell Ceremony](#) on December 5, 2013.

Clinical Developments

Trial Results to be Released in Coming Weeks: We plan to announce results of our Phase II study in Europe and Israel for CF101 for the treatment of rheumatoid arthritis before the end of 2013. In addition, during the last two weeks of December we expect to announce results of our Phase III trial for CF101 for the treatment of dry eye syndrome. This dry eye syndrome study is being conducted by our subsidiary, OphthaliX Inc. (OTCQB: OPLI). As we await these results, we are pleased to reiterate that, to date, CF101 has an excellent safety profile with experience in over 1,000 patients.

Four Additional Ongoing Trials: In addition to the two trials for which we expect to announce results in December, we intend to also announce results from an ongoing Phase II glaucoma study in mid-2014 and our Phase II/III psoriasis study in the fourth quarter of 2014.

Additionally, we are scheduled to initiate patient enrollment in early 2014 in our Phase II trial for liver cancer and our Phase II trial for uveitis. Collectively, the markets addressed by Can-Fite's drugs currently in clinical trials top \$30 billion. According to Global Data, the psoriasis market is estimated to be at \$6.7 billion per year by 2018, while DataMonitor estimates that the rheumatoid arthritis market is expected to grow to \$18 billion by 2020. Also according to Global Data, the global liver cancer drug market is expected to grow to \$1.2 billion by 2017 and the sexual dysfunction market is estimated at \$3 billion as of 2010.

IP Portfolio

Patent for Glaucoma: In November we announced that the U.S. Patent and Trademark Office granted to Can-Fite patent No. 8,557,790, titled, "A3 Adenosine receptor agonists for the reduction of intraocular pressure". This patent relates to the use of our CF101 and addresses increased intraocular pressure (IOP), which is the most important and only modifiable risk factor for glaucoma.

Patent for Sexual Dysfunction: We announced in July that we filed a patent application for use of our technology for the treatment of sexual dysfunction. While conducting clinical studies for our drugs for other indications, we discovered that patients suffering from sexual dysfunction reported they returned to normal function following the treatment. Sexual dysfunction is an indication we intend to pursue in the future.

Can-Fite is an exclusive licensee of the U.S. National Institutes of Health (NIH) and Leiden University in the Netherlands for patents covering A3AR ligands. We have 15 patent families, with over 150 patents issued and pending internationally.

Partnerships and Licensing Opportunities

12 Confidentiality Agreements: Over the course of 2013, we increased the number of confidentiality agreements we have executed with established pharmaceutical and biotechnology companies to 12. This provides us with the opportunity to collaborate with established pharmaceutical companies, and is another vote of confidence to the strength and recognition in our treatments on a global scale.

These agreements and associated negotiations are for the commercialization of CF101 for the treatment of autoimmune inflammatory indications. Our CF101 was also selected as one of the "Top Autoimmune/Anti-Inflammatory Disease Projects to Watch" by Elsevier Business Intelligence. Elsevier selects projects that they deem to have the most potential for partnering and commercialization.

2 Current Partnerships: Prior to 2013, Can-Fite had executed two out-licensing deals in South Korea and Japan for CF101. These licensing agreements are ongoing and our partners are conducting clinical trials for anti-inflammatory diseases. Under these agreements, Can-Fite may be entitled to a total of \$21.8 million in up-front fees and milestone payments with additional royalties to be earned following approvals and commercialization. We have collected \$8 million of the up-front and milestone payments to date.

In the remainder of 2013, we will continue to advance our science and we look forward to sharing results from two of our clinical trials. We move into 2014 with numerous ongoing

advanced stage trials to treat multiple indications. Our goals are to expand our licensing and partnership agreements in accordance with our ability to demonstrate continued safety and efficacy through our clinical results. We wish our shareholders a happy and healthy 2014.

Sincerely,

Pnina Fishman, PhD
Founder and Chief Executive Officer
Can-Fite BioPharma

About Can-Fite BioPharma Ltd.

Can-Fite BioPharma Ltd is an Israeli public company, the ordinary shares of which are traded on the Tel Aviv Stock Exchange (the "TASE") (TASE: CFBI). Level II American Depository Receipts of the Company currently trade on the NYSE MKT (NYSE MKT: CANF). Can-Fite, which commenced business activity in 2000, was founded by Pnina Fishman, Ph.D., researcher in the Rabin Medical Center, and Ilan Cohn Ph.D., patent attorney and senior partner at Reinhold Cohn Patent Attorneys in Israel. Dr. Fishman serves as the Chief Executive Officer of Can-Fite. Dr. Fishman founded Can-Fite on the basis of her scientific findings, and Can-Fite is focused on the development of small molecule orally bioavailable drugs, in particular, ligands that bind to the A3 adenosine receptor. Such drugs mediate anti-inflammatory and anti-cancer effects and are suggested as a biological predictive marker. Can-Fite's lead drug candidate, CF101, is in clinical development for the treatment of autoimmune inflammatory diseases. Can-Fite's CF102 drug candidate is being developed for the treatment of liver diseases and its CF602 drug is being developed for the treatment of inflammation and sexual dysfunction. To date, more than 700 patients have participated in clinical trials conducted by Can-Fite. Can-Fite previously licensed its activity in the ophthalmic field to OphthaliX Inc., in which it holds a controlling interest and which is currently listed on the U.S. Over-the-Counter Markets (OTCQB: OPLI).

Forward-Looking Statements

This press release contains forward-looking statements, about Can-Fite's expectations, beliefs or intentions regarding, among other things, its product development efforts, business, financial condition, results of operations, strategies or prospects. In addition, from time to time, Can-Fite or its representatives have made or may make forward-looking statements, orally or in writing. Forward-looking statements can be identified by the use of forward-looking words such as "believe," "expect," "intend," "plan," "may," "should" or "anticipate" or their negatives or other variations of these words or other comparable words or by the fact that these statements do not relate strictly to historical or current matters. These forward-looking statements may be included in, but are not limited to, various filings made by Can-Fite with the U.S. Securities and Exchange Commission (the "SEC"), press releases or oral statements made by or with the approval of one of Can-Fite's authorized executive officers. Forward-looking statements relate to anticipated or expected events, activities, trends or results as of the date they are made. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties that could cause Can-Fite's actual results to differ materially from any future results expressed or implied by the forward-looking statements. Many factors could cause Can-Fite's actual activities or results to differ materially from the activities and results anticipated in such forward-looking statements, including, but not

limited to, the factors summarized in Can-Fite's filings with the SEC and in its periodic filings with the TASE. In addition, Can-Fite operates in an industry sector where securities values are highly volatile and may be influenced by economic and other factors beyond its control. Can-Fite does not undertake any obligation to publicly update these forward-looking statements, whether as a result of new information, future events or otherwise.

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