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Can-Fite Signs an MOU for Out-licensing Rights of CF101 for Inflammatory Indications in Japan

Can-Fite BioPharma, a world leader in development of drugs that are agonists of the A_3 adenosine receptor (A_3AR agonists), announced today on the signing of a memorandum of understanding (MOU) with a Japanese Company for out-licensing of rights for use of CF101 for treatment of inflammatory diseases in Japan.

The MOU is non-binding and the conclusion of the license is subject to the signing of a definitive agreement among the parties, which is expected to occur within a few months. The license will provide the Japanese company with exclusivity for use of CF101 in Japan, both by oral administration and by injection, for treating inflammatory diseases. It may be expanded in the future, subject to further negotiation, to a few other Asian countries. Financial terms of the license agreement are expected to include an upfront license-signing fee, milestone payments based on certain regulatory approvals stages, participation in Can-Fite's clinical development costs related to CF101 and royalties based on sales of CF101 in Japan.

About Can-Fite

Can-Fite BioPharma Ltd. is a public company, traded on the Tel-Aviv Stock Exchange that is headquartered in Petach-Tikva, Israel. The company, which began its operations at the end of 2000 was founded based on the work by Professor Pnina Fishman, formerly a Tumor Immunologist in the Rabin Medical Center and currently the company's CEO, together with Dr Ilan Cohn, Patent Attorney and Senior Partner at Reinhold Cohn and Partners, a leading Israeli Patent Attorney firm. The Company has research laboratories and offices in Israel. The Company's lead drug, CF101, for the treatment of rheumatoid arthritis is currently in Phase II clinical trials and to date went through clinical trials in the USA, UK and Israel.

About CF101

CF101 is a small molecule, which is administered to patients orally. This drug, which is developed for the treatment of rheumatoid arthritis, was tested to date in clinical trials in the USA, UK and Israel. The drug is active against a wide variety of autoimmune and cancer diseases and has a preferential safety profile. The drug's main advantage is in its ability to specifically attack pathological cells without affecting healthy ones. In addition, the fact that the drug is administered orally in the form of a capsule creates a huge advantage vs. current treatments which are administered by IV infusion or injection, at much higher costs.

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Rheumatoid arthritis (RA) is a severe and chronic autoimmune disease that affects more than 1% of the population in the Western World. The disease is characterized mainly by inflammation of the lining, or synovium, of the joints that can lead to long-term joint damage, resulting in chronic pain, loss of function and disability. The market of disease modifying anti-rheumatic drugs is estimated to be about US$ 5 billion and is expected to rise to about $7 billion by 2007.

More information can be found at www.canfite.com

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