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Press Release

Can-Fite to Develop CF101 for Psoriasis, Among Other Indications

The company will commence preparations for phase II clinical trial in psoriasis

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Prof. Pnina Fishman, CEO of Can-Fite: "Through extensive research, Can-Fite has found that CF101 is also suitable for the treatment of psoriasis. We hope that our drug could provide relief for the many patients who suffer from psoriasis, a condition that affects the quality of life of many in the western world. The psoriasis trial is consistent with our statements in the share prospectus regarding our intention to develop CF101 for the treatment of other inflammatory disorders. As recently reported, the company is also progressing as planned with advanced phases of clinical trials with drugs for arthritis and dry eye syndrome".

Can-Fite, a biotechnology company traded on the Tel Aviv Stock Exchange, is pursuing a new indication in inflammatory disorders, a field which the Company has specialized in over the past few years. The Company will also develop its CF101 drug for the treatment of psoriasis skin disorder. This adds to the other indications currently in different phases of clinical trials, including rheumatoid arthritis (RA) and dry eye syndrome. Once this phase II clinical trial is initiated, Can-Fite will have 3 applications for CF101 in its development pipeline.

The Company's laboratory studies in patients with psoriasis have shown that the target of the drug (Adenosine A3 Receptor) is highly expressed on the surface of psoriatic cells, and therefore patients with psoriasis should respond to CF101. Moreover, the drug's mechanism of action (suppression of the inflammatory mediator TNF- α) was found to support the potential use of CF101 for the treatment of psoriasis.

Can-Fite is planning to commence preparations for phase II clinical trials in patients with psoriasis, after the safety profile of the drug was demonstrated in couple of phase studies. The psoriasis study protocol is being developed by the Company's clinical team in the US and by Prof. Gottlieb, a world renowned psoriasis expert from TUFFTS University, Boston.

Psoriasis is a skin condition that affects 2% to 3% of the general population. The market share for this condition is estimated at US\$ 3 billion annually. The oral administration of Can-Fite's CF101 will be able to provide a significant benefit for patients who require long term treatment.

Prof. Pnina Fishman, CEO of Can-Fite, said today that "through extensive research, Can-Fite has found that CF101 is also suitable for the treatment of

psoriasis. We hope that our drug could provide relief for the many patients who suffer from psoriasis, a condition that affects the quality of life of many in the western world. The psoriasis trial is consistent with our statements in the share prospectus regarding our intention to develop CF101 for the treatment of other inflammatory disorders. As recently reported, the company is also progressing as planned with advanced phases of clinical trials with drugs for arthritis and dry eye syndrome".

Can-Fite's CF101 is a targeted drug that specifically attacks affected cells without compromising normal body systems, and therefore has a favorable safety profile. CF101 is based on a scientific concept suggesting that the target of the drug is only present on the surface of affected cells. The Company's phase IIa clinical trial with CF101 in the treatment of RA has shown a significant correlation between the presence of the target on affected cells and a positive response to the drug.

Last week Can-Fite announced that it had received approval from the Israeli Ministry of Health to conduct phase II clinical trials with CF101 in the treatment of DES. The Company concurrently initiated a phase IIb trial with CF101 in the treatment of RA, involving 250 subjects in the US, Europe and Israel.

About 2 weeks ago, Can-Fite announced that it had decided to go ahead with a forced conversion of debentures at a conversion rate of 0.985 per share. Subsequently, NIS 28.5 million in obligations to debenture holders will be converted to equity.

CAN-FITE BIOPHARMA LTD is a public company listed on the Tel Aviv Stock Exchange. The Company, which commenced business activity in 2000, was co-founded by investigator Prof. Pnina Fishman and patent attorney Dr. Ilan Cohn. The Company focuses on the development of molecule-based drugs that inhibit the development of cancer and inflammatory cells.

The potential market for RA treatments is estimated at approx. US\$ 7 billion annually and is projected to grow at an annual rate of approx. 20%. Can-Fite is also developing a drug for the treatment of KCS; the potential market for KCS treatments is estimated at US\$ 1 billion. The Company announced today that it intends to develop the drug for the treatment of psoriasis; the potential market for psoriasis treatments is estimated at US\$ 3 billion annually.

For details: Amir Eisenberg, 0528-260285; Shai Elias 0522-546635; Liron Singer 0525-476661 Office: 03-7538828