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Press Release

Can-Fite granted US patent on CF101 for Rheumatoid Arthritis (RA)

The patent confers exclusive right to CF101 in the treatment of RA until 2023

Dr. Ilan Cohn, Deputy CEO of Can-Fite, said today that "this current patent and the previously issued patent on CF101 for the treatment of cancer are substantial additions to the patent portfolio of Can-Fite because these patents afford a significant extension of the Company's exclusive right to the drugs it develops. Can-Fite estimates that these patents, combined with previously issued and future patents, will set an extremely high barrier to entry for any potential competitors and will secure Can-Fite's dominant position in its field".

Can-Fite, a biotechnology company traded on the Tel Aviv Stock Exchange, has been granted an exclusive patent by the US Patent and Trademark Office (USPTO) on CF101 for the treatment of RA, valid until 2023.

This patent, which sets a significant barrier to entry for competition in the field of RA, constitutes a substantial addition to Can-Fite's patent portfolio and promotes the Company's ability to secure long term exclusive rights to the RA drugs it develops. It is important to note that the US market represents an estimated 40% of the global pharmaceutical market, and securing long term exclusive rights in this major pharmaceutical market is of utmost importance.

Can-Fite was also granted another patent, which secures exclusive rights to drugs that target the A3 adenosine receptor, including the CF101 and CF102 drugs which are being developed for the treatment of cancer.

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Can-Fite develops targeted drugs that specifically attacks affected cells without compromising normal body systems, and therefore have a favourable safety profile. The company's drugs are based on a scientific concept suggesting A3 Adenosine receptor (A3AR), the drug target is expressed on the surface of affected cells. The A3AR was found during the Phase IIa study to serve as a biological marker to predict patient response to the drug. It is analyzed in a simple blood test assay.

Can-Fite is developing its first drug, CF101, for 3 clinical indications in the field of inflammatory diseases, including: RA (ongoing phase IIb clinical trials in the US), Dry Eye Syndrome and Psoriasis (Phase II trials scheduled to begin in Israel). The company has also commenced the development of CF102 in the treatment of liver cancer.

Can-Fite recently announced that it had entered into an exclusive license agreement with the Japanese Seikagaku Corporation to develop and market CF101 in Japan for the treatment of inflammatory diseases, including RA but excluding ophthalmology indications. Under the terms of this agreement, **Can-Fite is to receive an aggregate sum of up to US\$ 19.5 million**, contingent to achieving agreed milestones, and collect substantial royalties from the sales of CF101 in Japan and from the sales of raw materials needed for manufacturing. **In the third quarter of 2006, the Company reported initial income of about NIS 12.9 million from the first payment under the terms of this agreement.**

CAN-FITE BIOPHARMA LTD is a public company traded on the Tel Aviv Stock Exchange. The Company, which commenced business activity in 2000, was founded by researcher 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 or inflammatory cells. The market for the company's drugs is estimated at billions of dollars.

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