

## **Can Fite is spinning off its ophthalmic indications to a US based public company in a \$50 million valuation**

**Petah Tikva, Israel, 16 November, 2011:** Can-Fite Biopharma Ltd (TASE: CFBI), an Israeli biopharmaceutical company with a pipeline of small molecule oral drugs under development for autoimmune inflammatory, ophthalmic and liver diseases, announced today the closing of the spinoff of its ophthalmic indications to a US based public company, Denali Concrete Management Inc. (OTC BB: DCMG.OB, "Denali").

According to the transaction, Can-Fite granted a sublicense for the use in the ophthalmic field of its CF101 drug to Denali, which will continue to develop CF101 for the ophthalmic indications including Dry Eye Syndrome (phase 3), Glaucoma (phase 2) and Uveitis.

Upon conclusion of the transaction, an investment of \$3.3 million was made in Denali mostly by foreign institutional investors in a pre-money valuation of \$50 million. In parallel, Can-Fite invested in Denali \$500K in cash and \$2.4 million in ordinary shares of Can-Fite. The post value of Denali is approximately \$56 million and its equity will be above \$5 million. Can-Fite is now the main shareholder of Denali, holding approximately 82% of Denalis' shares.

Denali and Can-Fite further agreed to enter into a service agreement to set forth the terms by which Can-Fite will manage, as an independent contractor, all activities relating to pre-clinical and clinical studies performed for the development of the ophthalmic indications of CF101.

US traded Denali will become a specialized ophthalmology company with an advanced clinical stage ophthalmic drug addressing a market of approximately \$8 billion. Prior to this transaction, a Phase II clinical trial with CF101 for dry eye syndrome was completed successfully by Can Fite and the study results were published in "Ophthalmology," one of the leading journals in the field. In this phase II study it was also found that CF101 may have a potential as a treatment for Glaucoma. A Phase III trial, under US IND, will be conducted in the United States, Europe and Israel for Dry Eye Syndrome and a Phase II clinical trial for glaucoma is on-going.

### **The ophthalmic indications are specified below:**

**Dry Eye Syndrome** - a chronic disease that causes impairment in the production of tears, and as a result, in irritation and discomfort in the eyes. The disease can also cause temporary or permanent damage to vision.

**Glaucoma** - one of the main causes of blindness worldwide, with about 90 million sufferers. Glaucoma is a disease that causes damage to the optic nerve. It is usually



linked to an increase in intraocular pressure, and as a result, the visual field gradually shrinks from the periphery to a gradual, total blindness.

**Uveitis** - a disease causing an inflammation of the middle layer of the eye with high risk of blindness.

### **About Can-Fite Biopharma Ltd**

Can-Fite Biopharma Ltd is a public company, trading on the Tel Aviv Stock Exchange. The company, which commenced business activity on 2000, was founded by Prof Pnina Fishman, researcher in the Rabin Medical Center, and Dr Ilan Cohen, patent attorney and senior partner at Reinhold Cohen Patent Attorneys. Prof Fishman serves as CEO of the company. The company was founded on the basis of Prof Fishman's scientific findings, and is focused on the development of small molecule drugs, ligands to the A3 adenosine receptor. The latter mediates anti-inflammatory and anti-cancer effects and is suggested as a biological predictive marker. The company's lead drug, CF101, is in advanced clinical development for the treatment of autoimmune inflammatory and ophthalmic diseases. The CF102 drug candidate is being developed for the treatment of liver diseases including liver cancer and Hepatitis C. Can-Fite has a wealth of clinical experience: to date, more than 700 patients have participated in clinical trials conducted by the company.

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