UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer Pursuant to Rule 13a-16 or 15d-16
Under the Securities Exchange Act of 1934

For the Month of September 2014

001-36203
(Commission File Number)

CAN-FITE BIOPHARMA LTD.

(Exact name of Registrant as specified in its charter)

10 Bareket Street
Kiryat Matalon, P.O. Box 7537
Petach-Tikva 4951778, Israel
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☑ Form 40-F £

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

On September 17, 2014, Can-Fite BioPharma Ltd. issued unaudited interim condensed consolidated financial statements as of June 30, 2014. Attached hereto and incorporated by reference herein are the following exhibits:

99.1	Operating and Financial Review and Prospects as of June 30, 2014.
99.2	Unaudited Interim Condensed Consolidated Financial Statements as of June 30, 2014.

Exhibit Index

Exhibit No.	Description
99.1	Operating and Financial Review and Prospects as of June 30, 2014.
99.2	Unaudited Interim Condensed Consolidated Financial Statements as of June 30, 2014.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Can-Fite BioPharma Ltd.

Date September 17, 2014

By: /s/ Motti Farbstein
Motti Farbstein
Chief Operating and Financial Officer

Exhibit 99.1

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion of our operating and financial condition and prospects in conjunction with the financial statements and the notes thereto included elsewhere in this 6-K, as well as in our Annual Report on Form 20-F filed on March 31, 2014.

Our financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board, and reported in NIS. We maintain our accounting books and records in NIS and our functional currency is NIS. For the convenience of the reader, the reported NIS amounts as of June 30, 2014 have been translated into U.S. dollars at the representative rate of exchange on June 30, 2014 (U.S. $1 = NIS 3.438). The U.S. dollar amounts presented should not be construed as representing amounts that are receivable or payable in dollars or convertible into U.S. dollars, unless otherwise indicated. Certain amounts presented herein may not sum due to rounding.

Forward Looking Statements

The following discussion contains "forward-looking statements," including statements regarding expectations, beliefs, intentions or strategies for the future. These statements may identify important factors which could cause our actual results to differ materially from those indicated by the forward-looking statements. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause our actual results to differ materially from those expressed or implied in such forward-looking statements include, but are not limited to:

- the initiation, timing, progress and results of our preclinical studies, clinical trials and other product candidate development efforts;
- our ability to advance our product candidates into clinical trials or to successfully complete our preclinical studies or clinical trials;
- our receipt of regulatory approvals for our product candidates, and the timing of other regulatory filings and approvals;
- the clinical development, commercialization and market acceptance of our product candidates;
- our ability to establish and maintain corporate collaborations;
- the implementation of our business model and strategic plans for our business and product candidates;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates and our ability to operate our business without infringing the intellectual property rights of others;
- estimates of our expenses, future revenues, capital requirements and our needs for additional financing;
- competitive companies, technologies and our industry; and
- statements as to the impact of the political and security situation in Israel on our business.

All forward-looking statements attributable to us or persons acting on our behalf speak only as of the date of the 6-K to which this discussion is attached and are expressly qualified in their entirety by the cautionary statements included herein. We undertake no obligations to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events. In evaluating forward-looking statements, you should consider these risks and uncertainties.

Glossary of Certain Terms

As used herein, unless the context otherwise requires:

- references to "ADSs" refer to the Registrant's American Depositary Shares;
- references to "A3AR" refer to the A3 adenosine receptor;
- references to the "Company," "we," "our" and "Can-fite" refer to Can-fite BioPharma Ltd. (the "Registrant") and its consolidated subsidiaries;
- references to "$" are to United States Dollars;
- references to "HCC" refer to hepatocellular carcinoma, also known as primary liver cancer;
- references to "HCV" refer to hepatitis C virus;
- references to "ordinary shares," "our shares" and similar expressions refer to the Registrant's Ordinary Shares, NIS 0.25 nominal (par) value per share;
- references to "OA" refer to osteoarthritis;
- references to "RA" refer to rheumatoid arthritis; and
- references to "NIS" are to New Israeli Shekels, the Israeli currency.

Overview

We are a clinical-stage biopharmaceutical company focused on developing orally bioavailable small molecule therapeutic products for the treatment of autoimmune-inflammatory, oncological and ophthalmic diseases. Our platform technology utilizes the Gi protein associated A3AR as a therapeutic target. A3AR is highly expressed in inflammatory and cancer cells, and not significantly expressed in normal cells, suggesting that the receptor could be a unique target for pharmacological intervention. Our pipeline of drug candidates are synthetic, highly specific agonists and allosteric modulators, or ligands or molecules that initiate molecular events when binding with target proteins, targeting the A3AR. Our strategy is to build a fully integrated biotechnology company that discovers, in-licenses and develops an innovative and effective small molecule drug portfolio of ligands that bind to a specific therapeutic target for the treatment of autoimmune-inflammatory, oncological, ophthalmic diseases and more. We continue to develop and test our existing pipeline, while also testing other indications for our existing drug candidates and examining, from time to time, the potential of other small molecules that may fit our platform technology of utilizing small molecules to target the A3AR. We generally focus on drugs with global market potential and we seek to create global partnerships to effectively assist us in developing our portfolio and to market our products.

We have in-licensed three different A3AR ligands which represent our current pipeline of drug candidates under development and include two synthetic A3AR agonists, CF101 (known generically as IB-MECA) and CF102 (known generically as CI-IB-MECA) from the National Institute of Health, or NIH, and an allosteric modulator at the A3AR, CF602 from Leiden University. In addition, we have out-licensed CF101 for (i) the treatment of autoimmune diseases to Seikagaku Corporation, a Japanese public corporation, or SKK, for the Japanese market, (ii) for the treatment of rheumatoid arthritis or RA to Kwang Dong Pharmaceutical Co. Ltd., a South Korean limited company, or KD, for the Korean market and (iii) for the treatment of ophthalmic diseases to Eye-Fite Ltd., or Eye-Fite, a wholly-owned subsidiary of OphthaliX for the global market.

Our drug candidates, CF101, CF102 and CF602 are being developed to treat several autoimmune-inflammatory, oncological and ophthalmic indications. CF101 is in various stages of clinical development for the treatment of autoimmune-inflammatory diseases, including RA, psoriasis, and OA. CF101 is also being developed by OphthaliX for the treatment of ophthalmic indications, including glaucoma and uveitis. The CF102 drug candidate is being developed for the treatment of HCC and for the treatment of HCV. CF602 is our second generation allosteric drug candidate for the treatment of inflammatory diseases, which has shown proof of concept in *in vitro* and *in vivo* studies. In addition, we recently announced that we are planning to develop CF602 to treat sexual dysfunction. Preclinical studies revealed that our drug candidates have potential to treat additional inflammatory diseases, such as Crohn's disease, oncological diseases and viral diseases, such as the JC virus.

We are currently: (i) conducting a Phase II/III trial with respect to the development of CF101 for the treatment of psoriasis; (ii) preparing for a Phase III study with respect to the development of CF101 for the treatment of RA; (iii) preparing for a Phase II study with respect to the development of CF101 for the treatment of OA; (iv) preparing for a Phase II study with respect to the development of CF102 for the treatment of HCC (and as part of this study, we will also test CF102 in patients with both HCC and HCV); and (v) preparing for further preclinical work with respect to the development of CF602. OphthaliX is currently: (i) conducting a Phase II trial with respect to the development of CF101 for the treatment of glaucoma or related syndromes of ocular hypertension; and (ii) initiating a Phase II study of CF101 for the treatment of uveitis.

Since inception, we have incurred significant losses in connection with our research and development. At June 30, 2014, we had an accumulated deficit of approximately NIS 292.4 million. Although we have begun to recognize revenues in connection with our out-licensing agreements with SKK, KD and OphthaliX, we expect to generate losses in connection with the research and development activities relating to our pipeline of drug candidates. Such research and development activities are budgeted to expand over time and will require further resources if we are to be successful. As a result, we expect to incur operating losses, which may be substantial over the next several years, and we will need to obtain additional funds to further develop or research and development programs.

We have funded our operations primarily through the sale of equity securities (both in private placements and in public offerings on the Tel Aviv Stock Exchange) and payments received under the licensing arrangements with SKK and KD. We expect to continue to fund our operations over the next several years through our existing cash resources, potential future milestone payments that we expect to receive from our licensees, interest earned on our investments, if any, and additional capital to be raised through public or private equity offerings or debt financings. As of June 30, 2014, we had approximately $5.58 million or NIS 19.18 million, of cash and cash equivalents.

Results of Operations

Revenues

We did not record any revenues during each the six-month periods ended June 30, 2014 and 2013.

Research and development expenses

Research and development expenses for the six months ended June 30, 2014 were NIS 8.64 million (U.S. $2.51 million) compared with NIS 7.66 million (U.S. $2.23 million) for the same period in 2013. Research and developments expenses for the first half of 2014 comprised primarily of expenses associated with the initiation of a planned Phase II study for CF102 as well as expenses for pre-clinical studies of CF102.

General and administrative expenses

General and administrative expenses were NIS 5.42 million (U.S. $1.58 million) for the six months ended June 30, 2014 and NIS 6.59 million (U.S. $1.92 million) for the same period in 2013. The decrease is primarily due to a reduction in share based compensation expenses.

Financial income, net

Financial income, net for the six months ended June 30, 2014 aggregated NIS 1.71 million (U.S. $0.50 million) compared to financial expenses, net of NIS 0.03 million (U.S. $0.01 million) for the same period in 2013. The increase in financial income, net in the first half of 2014 was mainly due to a decrease in the fair value of our warrants.

Liquidity and Capital Resources

Since inception, we have funded our operations primarily through public (in Israel) and private offerings of our equity securities and payments received under our strategic licensing arrangements. At June 30, 2014, we had approximately NIS 19.19 million (U.S. $5.58 million) in cash and cash equivalents, and have invested most of our available cash funds in short-term bank deposits. As of June 30, 2014, we raised approximately NIS 92 million, after deduction of offering expenses, as a private company until the consummation of the IPO and approximately NIS 200 million, after deduction of offering expenses, as a public company since the completion of the IPO. During 2013, we raised net proceeds of NIS 23.93 million from our Israeli public offering of ordinary shares, Series 10 and Series 11 Warrants in February, 2013 and further net proceeds of NIS 20.14 million from our private offering of ordinary shares and Series 12 Warrants in October of 2013. On March 10, 2014, we sold to accredited investors ADSs, and warrants to purchase additional ADSs resulting in net proceeds of approximately NIS 15.77 million.

We may be able to use U.S. taxes withheld as credits against Israeli corporate income tax when we have income, if at all, but there can be no assurance that we will be able to realize the credits. In addition, we believe that we may be entitled to a refund of such withholding tax from the U.S. government but there can be no assurance that we will be entitled to such a refund.

Net cash used in operating activities was NIS 17.46 million for the six months ended June 30, 2014, compared with net cash used in operating activities of NIS 15.09 million for the same period in 2013. The NIS 2.37 million increase in the net cash used in operating activities during the six months ended June 30, 2014 compared to the same period in 2013, was primarily the result of a decrease in fair value of warrants exercisable into shares and also the result of decrease in other accounts payable.

Net cash used in investing activities for the six months ended June 30, 2014 was NIS 0.03 compared to net cash used in investing activities of NIS 3.29 million for the same period in 2013. The NIS 3.32 million decrease in the net cash used in investing activities during the six months ended June 30, 2014 compared to the same period in 2013, was due to the fact that as of June 30, 2013 NIS 3.26 million from the cash was deposited in the bank for more than three months and therefor recorded as assets measured by fair value.

Net cash provided by financing activities was NIS 15.77 million for the six months ended June 30, 2014 compared to net cash provided by financing activities of NIS 25.84 million for the same period in 2013. The NIS 10.07 million decrease during the six months ended June 30, 2014 compared to the same period in 2013, was primarily the result of fact that the company raised less amounts from issuance of share capital and warrants and also the result that during the first six months of 2014 there were no sale of treasury shares.

Developing drugs, conducting clinical trials and commercializing products is expensive and we will need to raise substantial additional funds to achieve our strategic objectives. Although we believe our existing financial resources as of June 30, 2014, will be sufficient to fund our projected cash requirements through for the next twelve months, we will require significant additional financing to fund our operations. Additional financing may not be available on acceptable terms, if at all. Our future capital requirements will depend on many factors, including:

- the progress and costs of our preclinical studies, clinical trials and other research and development activities;
- the scope, prioritization and number of our clinical trials and other research and development programs;
- the amount of revenues we receive under our licensing arrangements;

- the costs of the development and expansion of our operational infrastructure;
- the costs and timing of obtaining regulatory approval of our platform and products;
- the ability of us or our collaborators to achieve development milestones, marketing approval and other events or developments under our licensing agreements;
- the costs of filing, prosecuting, enforcing and defending patent claims and other intellectual property rights;
- the costs and timing of securing manufacturing arrangements for clinical or commercial production;
- the costs of contracting with third parties to provide sales and marketing capabilities for us;
- the costs of acquiring or undertaking development and commercialization efforts for any future products or platforms;
- the magnitude of our general and administrative expenses;
- any cost that we may incur under current and future licensing arrangements relating to our platform and products; and
- payments to the OCS.

Until we can generate significant continuing revenues, we expect to satisfy our future cash needs through payments received under our license agreements, debt or equity financings, or by out-licensing other product candidates. We cannot be certain that additional funding will be available to us on acceptable terms, or at all. We have also other alternative plans for financing our ongoing activities, if necessary, such as having the flexibility to control clinical trials costs and/or by monetizing our shares held by OphthaliX. There are no assurances that we will be successful in obtaining an adequate level of financing needed for our long-term research and development activities. If funds are not available, we may be required to delay, reduce the scope of, or eliminate one or more of our research or development programs or our commercialization efforts. We believe that our current financial resources will be sufficient to continue the development of our products for at least twelve months from the balance sheet date.

Research and Development, Patents and Licenses, Etc.

Our research and development expenses consist primarily of salaries and related personnel expenses, fees paid to external service providers, up-front and milestone payments under our license agreements, patent-related legal fees, costs of preclinical studies and clinical trials, drug and laboratory supplies and costs for facilities and equipment. We charge all research and development expenses to operations as they are incurred. We expect our research and development expense to remain our primary expense in the near future as we continue to develop our products. Increases or decreases in research and development expenditures are attributable to the number and/or duration of the pre-clinical and clinical studies that we conduct.

The following table identifies our current major research and development projects:

Project	Status	Expected or Recent Near Term Milestone
CF 101	Preparing for a Phase III study in RA	Completion of preparatory work for Phase III study
	Ongoing Phase II/III in Psoriasis	Top line results are expected in first quarter 2015
	Ongoing Phase II in Glaucoma (via OphthaliX)	The full study data is expected to be announced in the third quarter of 2015
	Preparing for Phase II in Uveitis (via OphthaliX)	Completion of preparatory work for Phase II study
	Preparing for a Phase II in OA	Completion of preparatory work for Phase II study
CF 102	Phase II in HCC	Initiate patient enrollment in third quarter 2014
CF 602	Pre-Clinical Stage	Preparing for further pre-clinical work

We record certain costs for each development project on a "direct cost" basis, as they are recorded to the project for which such costs are incurred. Such costs include, but are not limited to, CRO expenses, drug production for pre-clinical and clinical studies and other pre-clinical and clinical expenses. However, certain other costs, including but not limited to, salary expenses (including salaries for research and development personnel), facilities, depreciation, share-based compensation and other overhead costs are recorded on an "indirect cost" basis, i.e., they are shared among all of our projects and are not recorded to the project for which such costs are incurred. We do not allocate direct salaries to projects due to the fact that our project managers are generally involved in several projects at different stages of development, and the related salary expense is not significant to the overall cost of the applicable projects. In addition, indirect labor costs relating to our support of the research and development process, such as manufacturing, controls, pre-clinical analysis, laboratory testing and initial drug sample production, as well as rent and other administrative overhead costs, are shared by many different projects and have never been considered by management to be of significance in its decision-making process with respect to any specific project. Accordingly, such costs have not been specifically allocated to individual projects.

Set forth below is a summary of the gross direct costs allocated to our main projects on an individual basis, as well as the gross direct costs allocated to our less significant projects on an aggregate basis, for the years ended December 31, 2011, 2012 and 2013 and for the six months ended June 30, 2014; and on an aggregate basis since project inception:

	($ in thousands) Year Ended December 31,			Six Months Ended June 30,	Costs Since Project
	2011	**2012**	**2013**	**2014**	**Inception**
CF 101	1,117	1,987	2,624	971	17,669
CF 102	250	15	268	890	2,278
CF 602	-	-	-	-	-
Other projects	-	-	-	-	1,710
Total gross direct project costs [(1)]	1,367	2,002	2,892	1,861	21,657

(1) Does not include indirect project costs and overhead, such as payroll and related expenses (including stock-based compensation), facilities, depreciation and impairment of intellectual property, which are included in total research and development expenses in our financial statements.

Under our licensing agreement with Eye-Fite, Eye-Fite is responsible for making payments to our licensor, the NIH, for certain patent rights relating to CF101.

From our inception through June 30, 2014, we have incurred research and development expenses of approximately $56 million. We expect that a large percentage of our research and development expense in the future will be incurred in support of our current and future preclinical and clinical development projects. Due to the inherently unpredictable nature of preclinical and clinical development processes and given the early stage of our preclinical product development projects, we are unable to estimate with any certainty the costs we will incur in the continued development of the product candidates in our pipeline for potential commercialization. Clinical development timelines, the probability of success and development costs can differ materially from expectations. We expect to continue to test our product candidates in preclinical studies for toxicology, safety and efficacy, and to conduct additional clinical trials for each product candidate. If we are not able to enter into an out-licensing arrangement with respect to any product candidate prior to the commencement of later stage clinical trials, we may fund the trials for the product candidates ourselves.

While we are currently focused on advancing each of our product development projects, our future research and development expenses will depend on the clinical success of each product candidate, as well as ongoing assessments of each product candidate's commercial potential. In addition, we cannot forecast with any degree of certainty which product candidates may be subject to future out-licensing arrangements, when such out-licensing arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

As we obtain results from clinical trials, we may elect to discontinue or delay clinical trials for certain product candidates or projects in order to focus our resources on more promising product candidates or projects. Completion of clinical trials by us or our licensees may take several years or more, but the length of time generally varies according to the type, complexity, novelty and intended use of a product candidate.

The cost of clinical trials may vary significantly over the life of a project as a result of differences arising during clinical development, including, among others:

- the number of sites included in the clinical trials;
- the length of time required to enroll suitable patients;
- the number of patients that participate in the clinical trials;
- the duration of patient follow-up;
- the development stage of the product candidate; and
- the efficacy and safety profile of the product candidate.

We expect our research and development expenses to increase in the future from current levels as we continue the advancement of our clinical trials and preclinical product development and to the extent we in-license new product candidates. The lengthy process of completing clinical trials and seeking regulatory approval for our product candidates requires expenditure of substantial resources. Any failure or delay in completing clinical trials, or in obtaining regulatory approvals, could cause a delay in generating product revenue and cause our research and development expenses to increase and, in turn, have a material adverse effect on our operations. Because of the factors set forth above, we are not able to estimate with any certainty when we would recognize any net cash inflows from our projects.

Trend Information.

We are a development stage company and it is not possible for us to predict with any degree of accuracy the outcome of our research, development or commercialization efforts. As such, it is not possible for us to predict with any degree of accuracy any significant trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause financial information to not necessarily be indicative of future operating results or financial condition. However, to the extent possible, certain trends, uncertainties, demands, commitments and events are identified in the preceding subsections.

Off-Balance Sheet Arrangements.

We have no off-balance sheet arrangements that have had or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Exhibit 99.2

CAN-FITE BIOPHARMA LTD. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2014

UNAUDITED

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INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
In thousands (except share and per share data)

	June 30, 2014		December 31, 2013
	USD	NIS	NIS
	Note 2(c)		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	5,580	19,185	20,767
Accounts receivable	790	2,716	2,161
Total current assets	6,370	21,901	22,928
NON-CURRENT ASSETS:			
Lease deposits	10	34	34
Property, plant and equipment, net	43	147	143
Total long-term assets	53	181	177
Total assets	6,423	22,082	23,105

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
In thousands (except share and per share data)

	June 30, 2014		December 31, 2013
	USD	NIS	NIS
	Note 2(c)		
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Trade payables	549	1,887	2,056
Other accounts payable	739	2,540	5,276
Warrants exercisable into shares (series 7)	-	-	119
Total current liabilities	1,288	4,427	7,451
NON-CURRENT LIABILITIES:			
Warrants exercisable into shares	456	1,569	-
Severance pay, net	36	125	129
Total long-term liabilities	492	1,694	129
COMMITMENTS AND CONTINGENT LIABILITIES (Note 3)			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (Note 4):			
Share capital	1,319	4,535	4,037
Share premium	81,354	279,694	267,946
Capital reserve from share-based payment transactions	4,729	16,257	15,761
Warrants exercisable into shares (series 9-12)	2,807	9,652	9,652
Treasury shares at cost	(1,055)	(3,628)	(3,628)
Accumulated other comprehensive loss	(29)	(99)	(151)
Accumulated deficit	(85,051)	(292,405)	(280,391)
Total equity attributable to equity holders of the Company	4,074	14,006	13,226
Non-controlling interests	569	1,955	2,299
Total shareholders' equity	4,643	15,961	15,525
Total liabilities and shareholders' equity	6,423	22,082	23,105

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)
In thousands (except share and per share data)

	Six months ended June 30,		
	2014	2014	2013
	USD	NIS	NIS
	Note 2(c)		
Research and development expenses	2,512	8,636	7,663
General and administrative expenses	1,578	5,425	6,591
Operating loss	4,090	14,061	14,254
Finance expenses	228	780	445
Finance income	(723)	(2,485)	(412)
Net loss	3,595	12,356	14,287
Other comprehensive income:			
Exchange differences of foreign operations	(19)	(65)	291
Total comprehensive loss	3,576	12,291	14,578
Loss attributable to:			
Equity holders of the Company	3,496	12,014	13,125
Non-controlling interests	99	342	1,162
	3,595	12,356	14,287
Comprehensive loss attributable to:			
Equity holders of the Company	3,480	11,962	13,364
Non-controlling interests	96	329	1,214
	3,576	12,291	14,578
Net loss per share attributable to equity holders of the Company :			
Basic and diluted net loss per share	0.21	0.71	1.11

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

In thousands (except share and per share data)

	Share capital	Share premium	Capital reserve from share-based payment transactions	Warrants exercisable into shares	Treasury shares at cost	Accumulated other comprehensive income (loss)	Accumulated deficit	Total	Non-controlling interests	Total equity
	NIS									
Balance as of January 1, 2013	2,734	233,754	15,279	669	(5,805)	67	(251,342)	(4,644)	1,999	(2,645)
Loss	-	-	-	-	-	-	(29,049)	(29,049)	(1,763)	(30,812)
Foreign currency translation reserve	-	-	-	-	-	(169)	-	(169)	(37)	(206)
Remesurments of defined benefit plan	-	-	-	-	-	(49)	-	(49)	-	(49)
Total comprehensive loss	-	-	-	-	-	(218)	(29,049)	(29,267)	(1,800)	(31,067)
Exercise of unlisted share options	87	-	-	-	-	-	-	87	-	87
Exercise of warrants (Series 8, Series 10 and Series 11)	1	41	-	-	-	-	-	42	-	42
Issuance of share capital and warrants (Series 12) net of issue expenses of NIS 3,749	1,206	34,083	283	2,739	-	-	-	38,311	-	38,311
Reclassification of warrants (Series 10 and Series 11)	-	-	-	6,244	-	-	-	6,244	-	6,244
Sale of treasury shares	-	(277)	-	-	2,177	-	-	1,900	(61)	1,839
Share-based payments	9	345	199	-	-	-	-	553	2,161	2,714
Balance as of December 31, 2013	4,037	267,946	15,761	9,652	(3,628)	(151)	(280,391)	13,226	2,299	15,525

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

In thousands (except share and per share data)

	Share capital	Share premium	Capital reserve from share-based payment transactions	Warrants exercisable into shares	Treasury shares at cost	Accumulated other comprehensive income (loss)	Accumulated deficit	Total	Non-controlling interests	Total equity
	NIS									
Balance as of December 31, 2013	4,037	267,946	15,761	9,652	(3,628)	(151)	(280,391)	13,226	2,299	15,525
Loss	-	-	-	-	-	-	(12,014)	(12,014)	(342)	(12,356)
Foreign currency translation reserve	-	-	-	-	-	52	-	52	13	65
Total comprehensive income (loss)	-	-	-	-	-	52	(12,014)	(11,962)	(329)	(12,291)
Issuance of shares, net of issuance expenses of NIS 1,405	491	11,560	381	-	-	-	-	12,432	-	12,432
Share-based payment	7	188	115	-	-	-	-	310	(15)	295
Balance as of June 30, 2014	4,535	279,694	16,257	9,652	(3,628)	(99)	(292,405)	14,006	1,955	15,961

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

In thousands (except share and per share data)

	Share capital	Share premium	Capital reserve from share-based payment transactions	Warrants exercisable into shares	Treasury shares at cost	Accumulated other comprehensive income (loss)	Accumulated deficit	Total	Non-controlling interests	Total equity
	USD (Note 2(c))									
Balance as of December 31, 2013	1,174	77,937	4,584	2,807	(1,055)	(44)	(81,556)	3,847	669	4,516
Loss	-	-	-	-	-	-	(3,495)	(3,495)	(99)	(3,594)
Foreign currency translation reserve	-	-	-	-	-	15	-	15	3	18
Total comprehensive income (loss)	-	-	-	-	-	15	(3,495)	(3,480)	(96)	(3,576)
Issuance of shares, net of issuance expenses of $ 409	143	3,362	111	-	-	-	-	3,616	-	3,616
Share-based payment	2	55	34	-	-	-	-	91	(4)	87
Balance as of June 30, 2014	1,319	81,354	4,729	2,807	(1,055)	(29)	(85,051)	4,074	569	4,643

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
In thousands (except share and per share data)

	Six months ended June 30,		
	2014	2014	2013
	USD	NIS	NIS
	Note 2(c)		
Cash flows from operating activities:			
Net loss	(3,594)	(12,356)	(14,287)
Adjustments to reconcile net loss to net cash used :			
Depreciation of property, plant and equipment	7	22	27
Share-based payment	86	295	1,701
Issuance expenses related to warrants exercisable into shares	137	472	650
Interest on deposits	(7)	(25)	(9)
Gain from sale of property, plant and equipment	-	-	(6)
Decrease in severance pay, net	(1)	(4)	(2)
Decrease in fair value of warrants exercisable into shares	(652)	(2,243)	-
Increase in fair value of warrants exercisable into shares (series 6-8,10-11)	(35)	(119)	(453)
Exchange differences on balances of cash and cash equivalents	(38)	(131)	(227)
	(503)	(1,733)	1,681
Working capital adjustments:			
Decrease (increase) in accounts receivable and lease deposit	(163)	(559)	8
Decrease in trade payables	(52)	(180)	(1,353)
Decrease in other accounts payable	(772)	(2,656)	(1,152)
	(987)	(3,395)	(2,497)
Cash paid and received during the period for:			
Interest received	7	25	9
Net cash used in operating activities	(5,077)	(17,459)	(15,094)

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
In thousands (except share and per share data)

	Six months ended June 30,		
	2014	2014	2013
	USD	NIS	NIS
	Note 2(c)		
Cash flows from investing activities:			
Purchase of property, plant and equipment	(8)	(26)	(35)
Proceeds from sale of property, plant and equipment	-	-	7
Purchase of assets measured by fair value	-	-	(3,265)
Net cash used in investing activities	(8)	(26)	(3,293)
Cash flows from financing activities:			
Issuance of shares capital and warrants, net of issuance expenses	4,587	15,772	23,920
Exercise of unlisted share options	*) -	*) -	86
Sale of treasury shares	-	-	1,838
Net cash provided by financing activities	4,587	15,772	25,844
Exchange rate differences on balances of cash and cash equivalents	38	131	(64)
Increase (decrease) in cash and cash equivalents	(460)	(1,582)	7,393
Cash and cash equivalents at the beginning of the period	6,040	20,767	4,278
Cash and cash equivalents at the end of the period	5,580	19,185	11,671

*) Represent an amount lower than NIS 1.

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
In thousands (except share and per share data)

NOTE 1:- GENERAL

a. These financial statements have been prepared in a condensed format as of June 30, 2014 and for the six months then ended. These financial statements should be read in conjunction with the Company's annual consolidated financial statements as of December 31, 2013 and for the year then ended and accompanying notes.

b. Definitions:

In these consolidated financial statements:

The Company	-	Can-Fite Biopharma Ltd.
The Group	-	The Company and its subsidiaries (as defined below).
Subsidiaries	-	Companies that are controlled by the Company (as defined in IFRS 10) and whose accounts are consolidated with those of the Company.
OphthaliX	-	OphthaliX Inc. (owned 82% by the Company).
Related company	-	Eye-Fite Ltd. (OphthaliX Inc.'s wholly owned subsidiary).
Related parties	-	As defined in IAS 24.
NIS	-	New Israeli Shekel.
USD	-	U.S. dollar.

c. In the six months ended June 30, 2014, the Company incurred net losses of NIS 12,356 and it had negative cash flows from operating activities in the amount of NIS 17,459 as well as accumulated losses from previous years. In addition, based on the decision of the Company's board of directors, the Company has undertaken to finance OphthaliX's clinical development until the latter raises capital. The Company has not yet generated any material revenues from sales of its own developed products and has financed its activities by raising capital and by collaborating with multinational companies in the industry. In March 2014, the Company raised a net total of NIS 15,772. Furthermore, the Company is continuing to finance its operating activities by raising capital and collaborating with multinational companies in the industry. The Company has other alternative plans for financing its ongoing activities, if necessary, such as having the flexibility to control clinical trials costs and/or by monetizing the Company's shares held by OphthaliX. There are no assurances that the Company will be successful in obtaining an adequate level of financing needed for its long-term research and development activities. If the Company will not have sufficient liquidity resources, the Company may not be able to continue the development of all of its products or may be required to delay part of its development programs. The Company's management and board of directors are of the opinion that these financial resources will be sufficient to continue the development of the company's products at least for twelve months from the balance sheet date.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of the interim condensed consolidated financial statements:

The interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting".

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2013.

The preparation of the financial statements requires management to make critical accounting estimates as well as exercise judgment in the process of adopting significant accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

b. New standards, interpretations and amendments applied for the first time by the Company:

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2013, except as noted below:

IFRS 10, "Consolidated Financial Statements":

IFRS 10 supersedes IAS 27 regarding the accounting treatment in respect of consolidated financial statements and includes the accounting treatment for the consolidation of structured entities previously accounted for under SIC 12, "Consolidation - Special Purpose Entities".

The application of IFRS 10 for the first time did not have a material effect on the Company's financial statements.

IAS 19 (Revised), "Employee Benefits":

In June 2011, the IASB issued IAS 19 (Revised) which is to be applied commencing January 1, 2013. The principal amendments address the accounting treatment of defined benefit plans.

The application of IAS 19 for the first time did not have a material effect on the Company's financial statements.

c. Convenience translation

For the convenience of the reader, the reported NIS amounts as of June 30, 2014 have been translated into U.S. dollars at the representative rate of exchange on June 30, 2014 (U.S. $1 = NIS 3.438). The U.S. dollar amounts presented in these financial statements should not be construed as representing amounts that are receivable or payable in dollars or convertible into U.S. dollars, unless otherwise indicated. The U.S. dollar amounts were rounded to whole numbers for convenience.

NOTE 3:- CONTINGENT LIABILITIES AND COMMITMENTS

a. Liabilities to pay royalties:

1. According to the license agreement signed on January 29, 2003 with the U.S. National Institute of Health ("NIH") (through the US Public Health Service, "PHS") (the "PHS Agreement"), the Company is committed to pay royalties as follows:

   a) A minimum annual payment of $50, which is non-refundable.

   b) 4%-5.5% of the Company's total net revenues from sales of licensed products or from conducting tests, as defined in the PHS Agreement, on a consolidated basis, out of which 1.75%-2.75% may be offset against royalties that the Company is required to pay another third party. As of June 30, 2014, no accrual or payment has been made hereunder.

   c) Royalties in a total of up to $700, subject to meeting certain drug development milestones as defined in the PHS Agreement. as follows: (i) $25 upon first Phase I initiation per indication; (ii) $75 upon first Phase II initiation per indication; (iii) $100 upon first Phase III initiation per indication; and (iv) $500 upon approval by the FDA or any other regulatory authority.

   d) Additional payments totaling 20% of total payments received from any sub-licensee, out of which 2% may be offset against royalties that the Company is required to pay another third party. As of June 30, 2014, no accrual or payment has been made hereunder.

   The agreement will remain in effect until the expiration of the last patent, unless it is terminated sooner by one of the parties, according to the PHS Agreement.

   On February 4, 2013, a second revised agreement was signed for updating the milestone dates. These revised agreements have no effect on the original license terms. In addition, CF101 and CF102 are defined in the agreements. As of June 30, 2014, the Company accrued amount of NIS 1,215 ($350).

2. According to the patent license agreement signed on November 2, 2009 with the Leiden University in the Netherlands, which is affiliated with the NIH, the Company is committed to pay royalties as follows:

   a) A one-time concession commission of €25;

   b) Annual royalties of € 10 until the clinical trials commence;

   c) 2%-3% of net sales (as defined in the agreement) received by the Company;

   d) Royalties in a total amount of up to €850 based on certain progress milestones in the license stages of the products, which are the subject of the patent under the agreement, as follows: (i) €50 upon initiation of Phase I studies; (ii) €100 upon initiation of Phase II studies; (iii) €200 upon initiation of Phase III studies; and (iv) €500 upon marketing approval by any regulatory authority.

   e) If the agreement is sublicensed to another company, the Company will provide the Leiden University royalties at a rate of 10%. A merger, consolidation or any other change in ownership will not be viewed as an assignment of the agreement as discussed in this paragraph.

   As of June 30, 2014, no accrual has been recorded with respect to Leiden University.

NOTE 3:- CONTINGENT LIABILITIES AND COMMITMENTS (Cont.)

b. Commitments and license agreements:

1. On September 22, 2006, the Company signed an exclusive license agreement regarding inflammatory indications, including rheumatoid arthritis indications (excluding eye disease indications) with a public Japanese company, Seikagaku Corporation (the "Japanese Corporation"), for the use, development and marketing of the Company's CF101 drug in Japan only.

   According to the agreement, the Company is entitled to receive the following amounts:

   a) A non-refundable amount of $3 million (gross) (NIS 13 million) paid immediately upon signing the agreement. This amount was included in the Company's revenues in its financial statements for 2006.

   b) An amount of $0.5 million (gross) on January 1 of each year starting from January 1, 2007, until the earlier of the date of filing an application for a new drug with the Japanese regulatory authorities and the beginning of the fifth year from the date of signing (until January 1, 2011).

   c) An amount equal to $12 million (gross) based on the Japanese Corporation's progress milestones in the development of the CF101 for treating rheumatoid arthritis in Japan as follows: (i) $1 million following the commencement of a Phase I clinical trial of the CF101 drug by the Japanese Corporation (such amount was received and included in the Company's revenues in the year ended December 31, 2008); (ii) $5 million upon marketing authorization in Japan for the first indication; (iii) $1.5 million upon commencement of a Phase II clinical trial of the CF101 drug by the Japanese Corporation for the first indication in Japan; (vi) $2.5 million upon submission of a new drug application to the appropriate regulatory authority in Japan for the first indication; and (v) $2 million if the Japanese Corporation does not employ Bridging Strategy (as defined in the agreement) upon commencement of a Phase III clinical trial by the Japanese corporation for the first indication.

   d) An aggregate amount of $2 million (gross) was received in 2006 and 2007 ($ 1 million each year) based on milestones underlying the Company's Phase IIb clinical trial in rheumatoid arthritis indications. These amounts were included in the Company's financial statements for said years under participation in research and development expenses, based on the milestones met by the Company according to the agreement.

   e) If the Japanese Corporation decides to develop CF101 for the treatment of indications other than rheumatoid arthritis, the Company will be entitled to at least an additional $1 million (gross) based on milestones met in the development of CF101 for such other indications as follow: (i) $3 million upon marketing authorization in Japan for the second indication; and (ii) $1 million upon the commencement of each Phase III clinical trial in Japan for each indication after the first indication.

NOTE 3:- CONTINGENT LIABILITIES AND COMMITMENTS (Cont.)

In addition to the amounts detailed above, the Company will be entitled to royalties of 7%-12% on sales of the CF101 marketed by the Japanese Corporation according to the agreement and on additional revenues from sales of raw materials to the Japanese corporation for the purpose of the development, production and marketing of the CF101. If the Japanese corporation decides to produce the raw materials itself, the Company will be entitled to an additional $1 million (gross). Furthermore, according to the agreement, the Company will be entitled to receive additional amounts if the Japanese corporation requests information regarding the results of other clinical trials conducted by the Company in the future. The Company is committed to pay 5% of the above amounts as brokerage commission to a Japanese company which brokered the agreement. The agreement is for an indefinite period.

2. On December 22, 2008, the Company signed an agreement regarding the provision of a license for its CF101 drug with a South Korean pharmaceutical company, Kwang Dong Pharmaceutical Co. Ltd. (the "Korean License Agreement" and the "Korean Company", respectively). According to the license agreement, the Company granted the Korean company a license to use, develop and market its CF101 drug for treating only rheumatoid arthritis only in the Republic of Korea.

   According to the license agreement, the Company is entitled to receive the following amounts:

   a) A non-refundable amount of $300 that was received on the effective date of the license agreement in 2006, and up to $1.2 million (gross) based on the Company's achievement of certain milestones as follows: (i) $200 upon the public announcement of the data from the Can-Fite Phase IIb clinical trial (such amount was received and included in the Company's revenue for the year ended December 31, 2010); (ii) $200 upon commencement of the first clinical study by the Korean Company in the Republic of Korea; (iii) $200 upon submission by the Korean Company of a new drug application in the Republic of Korea; (iv) $300 upon all approval, licenses or authorizations of any regulatory authority necessary for the commercial marketing, sale and use of the product in the United States, in the European Union as a whole or in any one of the following countries: Germany, Italy, the United Kingdom, France or Switzerland; and (v) $300 upon commercial launch of the product in the Republic of Korea.

   b) The Company is entitled to annual royalties of 7% based on sales of CF101 in Korea as marketed by the Korean Company according to the Korean License Agreement.

As of June 30, 2014, the Company estimates that such contingent payments are remote.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
In thousands (except share and per share data)

NOTE 4:- EQUITY

a. Composition of share capital:

	June 30, 2014		December 31, 2013	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
	Number of Shares			
Ordinary shares of NIS 0.25 par value each	40,000,000	18,140,765	40,000,000	16,149,554

b. Treasury shares:

As of December 31, 2013 and June 30, 2014, the Company's shares held by its subsidiary were 446,827 ordinary shares, NIS 0.25 par value per share.

	June 30, 2014	December 31, 2013
	%	
Percentage of issued capital	2.46	2.77

c. Share Issuance:

In March 2014, the Company completed a private placement with certain institutional and accredited investors, pursuant to which it sold an aggregate of 1,964,688 ordinary shares and warrants to purchase 982,344 additional ordinary shares for an aggregate purchase price of NIS 17,567 (the "March 2014 Financing"). The warrants may be exercised at any time after September 10, 2014 for a period of four years from the date of issuance and have an exercise price of $3.21 per share, subject to adjustment as set forth therein. The issuance costs in relation to the March 2014 financing were NIS 1,795. The Company also issued placement agent warrants to purchase 98,234 ordinary shares exercisable at $3.21 per share for four years. The placement agent warrants may be exercised on a cashless basis at any time after September 10, 2014 and contain registration rights covering the resale of the ordinary shares represented by ADSs underlying the placement agent warrants. The fair value of the warrants at the grant date was NIS 381 and considered as additional issuance costs.

In relation to the issuance of March 2014 Financing, the Company first allocated the proceeds to the warrant, that due to the dollar exercise price terms and in accordance with IAS 39 is being considered a freestanding liability instrument that is measured at fair value at each reporting date, based on its fair value, with changes in the fair values being recognized in the Company's statement of comprehensive loss as financial income or expense. The remaining proceeds were allocated to the shares and were recorded to equity. The issuance costs were allocated between the warrants and the shares in proportion to the allocation of the proceeds. The portions of the issuance costs that were allocated to the warrants and to the ordinary share were recorded as financial expense in the Company's statement of comprehensive loss and to the additional paid in capital in the Company's balance sheet, respectively.

NOTE 4:- EQUITY (Cont.)

The fair value of the warrants at the commitment date was NIS 3,812. The value of the warrants as of June 30, 2014 was NIS 1,569 and the change in value was recorded as financial income.

d. Warrants classified as liability:

As of December 31, 2013, the Company had 9,907,500 registered warrants (Series 7) that were exercisable into 396,300 ordinary shares, NIS 0.25 par value per share, of the Company, in every trading day except from the 12th to the 16th of each calendar month from their admission to trading through November 16, 2013 for the exercise price of NIS 20 per share, linked to the Israeli CPI for October 2011. Since the exercise price is linked to the Israeli CPI, these warrants are classified as a liability in the financial statements which are measured at fair value through profit or loss.

On November 7, 2013 the Company filed an application with the District Court in Petach-Tikva, Israel to approve an extension of all warrants (Series 7) until March 31, 2014. On November 20, 2013, the District Court in Petach-Tikva, Israel approved the convening of a general meeting of the Company's shareholders and a meeting of the holders of warrants (Series 7) of the Company to approve the extension of the exercise period of the warrants (Series 7) until March 31, 2014. The meetings that convened on January 6, 2014 approved the extension and on January 27, 2014 the District Court in Petach-Tikva approved the extension until March 31, 2014.

On March 31, 2014, all warrants (Series 7) were expired. Accordingly, the Company recorded an amount of NIS 119 as financial income in its statement of comprehensive loss.

e. Unlisted share options:

On February 20, 2014, 37,148 of the Company's unlisted options expired.

On February 20, 2014, 13,080 unlisted options were exercised into 523 shares of the Company by an external advisor of the Company for total consideration of NIS 0.13.

f. Share based payment:

On April 1, 2014, the Company engaged an external advisor for investor relation services. Pursuant to the agreement with the external advisor, and as partial consideration, the Company issued 26,000 ordinary shares and agreed to issue an additional 26,000 ordinary shares within 180 days of the date of the agreement, provided that the agreement was not terminated. As of June 30, 2014 the Company recorded an amount of NIS 263 for share based payment expenses relating to this transaction.

During the six months ended June 30, 2013 and 2014 the Company recorded share based payment expenses in total amount of NIS 1,701 and NIS 295, respectively.

NOTE 5:- SUBSEQUENT EVENTS

In July 2014, the Company granted an amount of 10,000 options to acquire up to 10,000 of the Company's ordinary shares to one of its directors at an exercise price of NIS 12 per share. The options will vest over a period of three years on a quarterly basis for 12 consecutive quarters from the date of the grant. The term of the options is 10 years.