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Dogwood Therapeutics, Inc.

(DWTX-NASDAQ)

DWTX: Licenses SP16 for Treatment of Cancer Related Pain…

Based on our probability adjusted DCF model that takes into account potential future revenues of Halneuron, IMC-1, and IMC-2, DWTX is valued at $13.00/share. This model is highly dependent upon continued clinical success of its development products and will be adjusted accordingly based on future clinical results.

Current Price (10/10/25)	$6.38
Valuation	**$13.00**

OUTLOOK

On September 29, 2025, Dogwood Therapeutics, Inc. announced it had secured a worldwide, royalty free license to develop SP16 for the treatment of cancer related pain and chemotherapy induced neuropathy symptoms from Serpin Pharma. A Phase 1b study of SP16 in Chemotherapy Induced Peripheral Neuropathy (CIPN) that is fully funded by the National Cancer Institute is scheduled to begin patient enrollment in the first half of 2026. This deal expands Dogwood's research pipeline and complements the ongoing development of Halneuron®, which is currently in a Phase 2b clinical trial for Chemotherapy Induced Neuropathic Pain (CINP). An interim analysis for that trial is expected in the fourth quarter of 2025.

SUMMARY DATA

52-Week High	**$17.40**
52-Week Low	**$1.85**
One-Year Return (%)	**125.44**
Beta	**1.89**
Average Daily Volume (sh)	**2,282,619**
Shares Outstanding (mil)	**2**
Market Capitalization ($mil)	**$15**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**9**
Insider Ownership (%)	**4**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2025 Estimate	**N/A**
P/E using 2026 Estimate	**N/A**

Risk Level	**High**
Type of Stock	**Small-Value**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue
(In millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	0 A	0 A	0 A	0 A	0 A
2025	0 A	0 A	0 E	0 E	0 E
2026					0 E
2027					0 E

Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	-$1.68 A	-$1.15 A	-$2.05 A	-$5.88 A	-$12.02 A
2025	-$8.45 A	-$1.99 A	-$2.00 E	-$2.00 E	-$12.95 E
2026					-$5.67 E
2027					-$4.45 E

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WHAT'S NEW

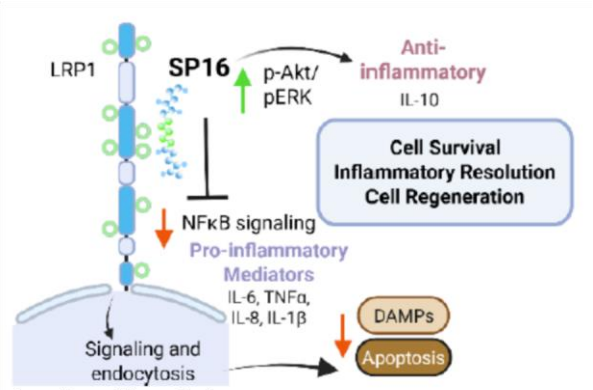
Business Update

All-Stock Licensing Deal for Treatment of Cancer Related Pain

On September 29, 2025, Dogwood Therapeutics, Inc. (DWTX) announced a royalty-free, global license deal with Serpin Pharma for SP16 for the management of cancer related pain (CRP), including a broad range of chemotherapy induced neuropathy symptoms. SP16 is an intravenously administered peptide that functions as an LRP1 agonist and has shown anti-inflammatory and neural repair activity. A Phase 1b trial of SP16 in Chemotherapy Induced Peripheral Neuropathy (CIPN) is scheduled to initiate in the first half of 2026 and is fully funded by the National Cancer Institute (NCI).

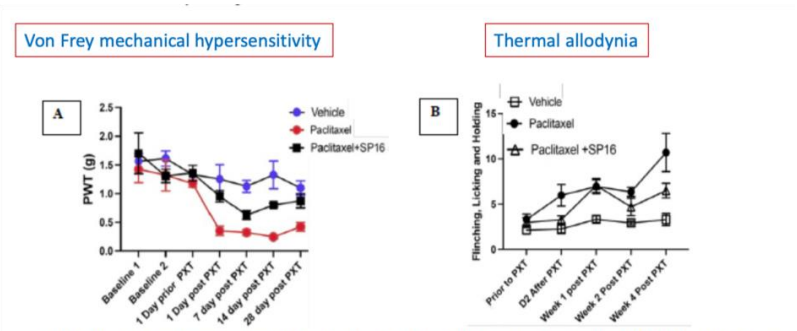
Background on SP16

SP16 is a 17 amino acid peptide that contains the active portion of Alpha 1 antitrypsin (A1AT) that binds to LDL-receptor related protein-1 (LRP1). LRP1 is a signaling and endocytic receptor that is vital for proper immune system responses, has potent anti-inflammatory properties, and is expressed on virtually all cell types. Multiple studies have shown how loss of LRP1 function can promote inflammation and neuropathic pain. Loss of LRP1 in microglia enhances experimental autoimmune encephalomyelitis in mice (Chuang *et al*., 2016), and genetic deletion of LRP1 in Schwann cells increases the extent and magnitude of neuropathic pain before and after injury (Orita *et al*., 2013). Binding of SP16 to LRP1 activates pAKT and pERK signaling that increases expression of the anti-inflammatory cytokine IL-10 (Wang *et al*., 2022). In addition, SP16 binding to LRP1 down regulates the expression of NF-κB, which leads to decreased expression of pro-inflammatory mediators IL-6, IL-8, IL-1β, and TNF-α (Soler *et al*., 2023). These results are summarized in the figure below.



Source: Dogwood Therapeutics, Inc.

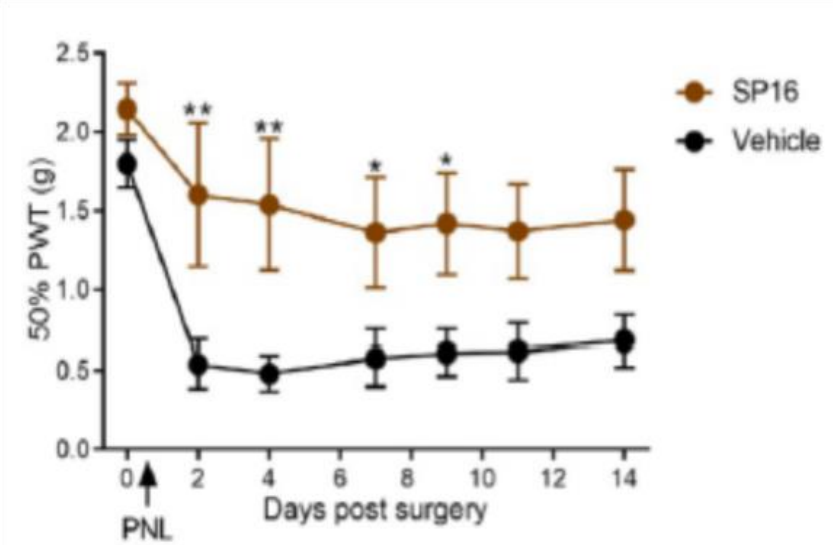
Multiple lines of preclinical research show that SP16 can reduce pain sensitivity in different animal models. In a mouse model of paclitaxel induced neuropathy, SP16 reduced both mechanical and cold hypersensitivity.



SP16 reduces sensory hypersensitivity in taxane induced model. C57BL/6 mice were administered PXT (4 mg/kg, IP) every other day for 8 days. Mice were treated with SP16 (2mg/kg, SC) or vehicle control at the start of PXT treatment and 3x/week for 3 weeks, dropping to 1x/week at the start of the 4th week. **A) mechanical hypersensitivity (von Frey)** and **B) Cold allodynia (acetone test)** was evaluated every week for 4 weeks. n=6 mice

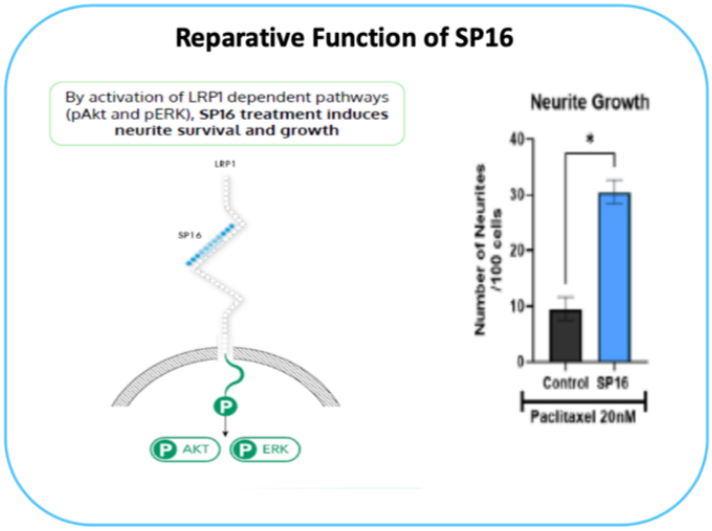
Source: Dogwood Therapeutics, Inc.

In a peripheral nerve injury mouse model, administration of SP16 blocks the development of mechanical hypersensitivity. Partial nerve ligation (PNL) in the sciatic nerve induces mechanical hypersensitivity that begins two days after injury (Orita *et al*., 2013). Paw withdrawal thresholds (PWT) showed that mice treated with placebo developed tactile allodynia (pain caused by touch or pressure) by Day 2 post PNL, while mice treated with SP16 did not develop mechanical hypersensitivity. These results suggest that LRP1 activation may prevent the development of pain sensitivity induced by direct nerve damage.



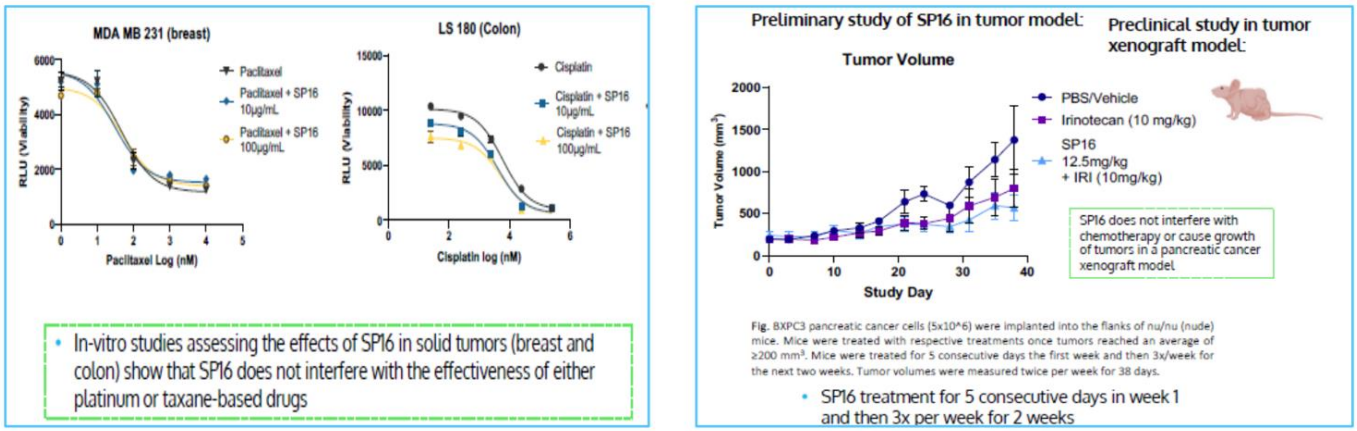
Source: Dogwood Therapeutics, Inc.

In addition to its anti-inflammatory properties, SP16 may have the potential to prevent and/or repair nerve damage associated with chemotherapy treatment. In a preclinical study, SP16 was evaluated for its ability to regenerate neurons. The following figure shows that neurite growth and survival were stimulated by SP16 in the presence of paclitaxel. This is likely due to the stimulation of the pAKT and pERK signaling pathways.



Source: Dogwood Therapeutics, Inc.

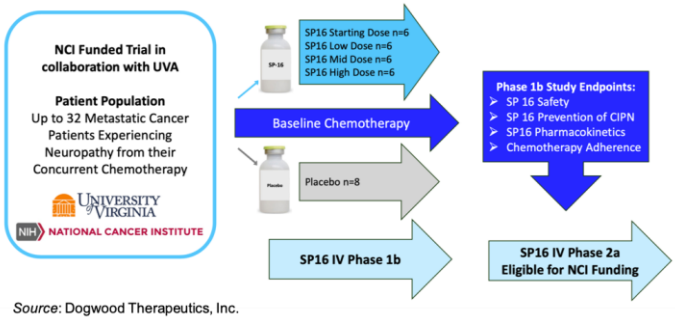
Importantly, multiple *in vitro* assays showed that SP16 does not interfere with common chemotherapy regimens, which is critical for the ability of the drug to be used in cancer patients undergoing chemotherapy treatment. The following figures show that SP16 does not interfere with the effectiveness of platinum-based drugs, taxanes, or topoisomerase 1 inhibitors, all classes of chemotherapeutic agents that are associated with the development of neuropathic pain.



Source: Dogwood Therapeutics, Inc.

Phase 1b Trial Planned for 1H26

Plans are already in place to conduct a Phase 1b clinical trial of SP16. The trial is fully funded by the NCI, thus alleviating Dogwood of any financial responsibility for the study. It will take place at the University of Virginia. Up to 32 patients with metastatic cancer who are experiencing neuropathy from their concurrent chemotherapy will be enrolled into one of four dosing cohorts, with each cohort having six patients on SP16 and two on placebo. Endpoints for the study include safety, pharmacokinetics of SP16, the prevention of CIPN, and adherence to chemotherapy. We anticipate the study will begin enrolling patients in the first half of 2026. Positive results from the trial may lead to a Phase 2a trial that could be eligible for funding from NCI.



Source: Dogwood Therapeutics, Inc.

Financial Terms of the SP16 Licensing Transaction

Upon closing of the transaction, Serpin Pharma will receive 382,034 common shares of Dogwood stock and 179.1878 Series A-2 preferred shares (which convert at a ratio of preferred to common at 1:10,000). The license includes a mutual support agreement between Serpin Pharma and CK-Life Sciences to convert respective preferred shares to common shares at a special shareholder meeting that will likely take place in the fourth quarter of 2025. Following conversion of all preferred shares, Serpin will own approximately 7.3% and CK-Life Sciences will own approximately 83% of Dogwood's common stock on a fully diluted basis.

Update on Phase 2b Trial of Halneuron® in CINP

Dogwood is currently conducting the Phase 2b HALT-CINP (Halneuron® Treatment of Chemotherapy-Induced Neuropathic Pain) trial. This is a four-week study that will examine the safety and efficacy of Halneuron in patients with moderate-to-severe CINP. The primary efficacy endpoint is the change from baseline at Week 4 in the weekly average of daily 24-hour recall pain intensity scores, which will be recorded in e-diary's on participants smartphones. Secondary efficacy endpoints include Patient Global Impression of Change (PIGC), PROMIS Fatigue, PROMIS Sleep, PROMIS-29, Pain Interference, Hospital Anxiety and Depression Scale (HADS), and Neuropathic Pain Symptom Inventory (NPSI).

The company recently announced that 82 patients have been randomized into the study. The target enrollment is currently 200 patients. We continue to anticipate an interim analysis in the fourth quarter of 2025,

which may alter the final enrollment numbers. Importantly, there continues to be a low discontinuation rate thus far due to adverse events, suggesting that Halneuron and placebo treatments have been generally well tolerated.

Conclusion

The licensing of SP16 is a great deal for Dogwood as it expands the company's pipeline in a synergistic way while preserving the company's cash balance. Halneuron is designed to treat established CINP pain while SP16 could potentially be used for both treating already established neuropathy and/or preventing the development of neuropathy as the compound exhibits both anti-inflammatory and neuro-regenerative characteristics. In addition, the potential exists to study the use of the two compounds synergistically as a combination therapy further down the road. Lastly, the two drugs would have common commercial call points and could be co-promoted at chemotherapy infusion sites and pain clinics.

We have added SP16 to our model both as a treatment and preventative for neuropathic pain. As a treatment for neuropathic pain, SP16 would be targeting the same cohort of patients that Halneuron is presently targeting, thus we consider that a wash in regards to valuation. However, as a potential preventative agent for neuropathic pain, that could be a larger market opportunity as the drug could be utilized by all patients who are taking chemotherapy and are at risk for developing neuropathy. We assign a low probability of approval in that indication, and will adjust accordingly as clinical data is generated, but that could represent a potential multi-hundred-million-dollar indication.

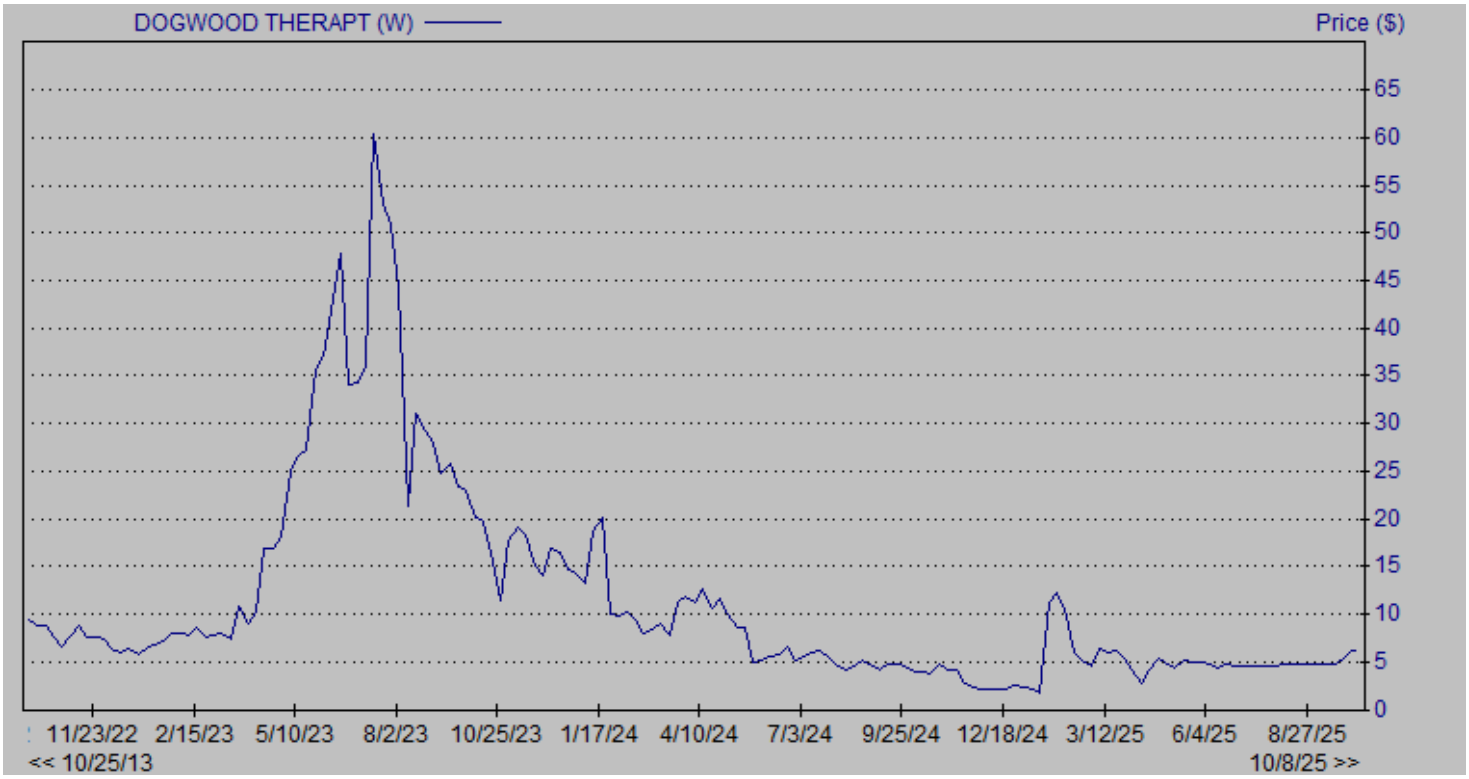
We look forward to the interim analysis of the Halneuron Phase 2b data, which we continue to expect in the fourth quarter of 2025. We also anticipate the company filing an IND for SP16 for the Phase 1b trial such that it can initiate in the first half of 2026. With the changes to our model, our valuation is now $13 per share.

PROJECTED FINANCIALS

Dogwood Therapeutics, Inc.	2024 A	Q1 A	Q2 A	Q3 E	Q4 E	2025 E	2026 E	2027 E
Halneuron	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
IMC-2	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Other Income	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total Revenues	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
CoGS	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
R&D	$3.5	$2.4	$2.6	$2.0	$2.0	$9.0	$8.5	$8.8
SG&A	$8.7	$2.0	$1.4	$2.0	$2.0	$7.3	$8.5	$9.0
Operating Income	($12.2)	($4.4)	($3.9)	($4.0)	($4.0)	($16.4)	($17.0)	($17.8)
Operating Margin	-	-	-	-	-	-	-	-
Interest & Other Income	($0.1)	$6.3	$0.1	$0.0	$0.0	($6.2)	$0.0	$0.0
Pre-Tax Income	($12.4)	($10.7)	($3.8)	($4.0)	($4.0)	($22.5)	($17.0)	($17.8)
Taxes & Other	$0.0	$0.2	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Accrual of paid-in-kind dividends on Series A Preferred Stock	$0.0	$1.3	$0.0	$0.0	$0.0	$1.3	$0.0	$0.0
Net Income	($12.4)	($12.2)	($3.8)	($4.0)	($4.0)	($23.8)	($17.0)	($17.8)
Reported EPS	**($12.02)**	**($8.45)**	**($1.99)**	**($2.00)**	**($2.00)**	**($12.95)**	**($5.67)**	**($4.45)**
Weighted Shares Outstanding	1.0	1.4	1.9	2.0	2.0	1.8	3.0	4.0

Source: Zacks Investment Research, Inc. *David Bautz, PhD*

HISTORICAL STOCK PRICE



Source: Zacks Small Cap Research

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