

Zacks Small-Cap Research

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Dogwood Therapeutics, Inc.

(DWTX-NASDAQ)

DWTX: Financing Secures Funding Through Phase 2b Data Readout

Based on our probability adjusted DCF model that takes into account potential future revenues of Halneuron and SP16, DWTX is valued at \$15.00/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 (02/02/26)	\$2.79
Valuation	\$15.00

OUTLOOK

On January 12, 2026, Dogwood Therapeutics, Inc. announced a financing of up to \$26.8 million that will fund the company through the Phase 2b data readout in the third quarter of 2026. The company received approximately \$12.5 million in gross proceeds from the sale of 4,386,037 shares of common stock (or pre-funded warrants) together with warrants to purchase up to an aggregate of 4,386,037 shares of common stock at a combined purchase price of \$2.85. The warrants have an exercise price of \$3.28 per share, are exercisable upon shareholder approval, and will expire five and one-half years from the effective date of shareholder approval. If exercised in full, the warrants could bring in an additional \$14.4 million in gross proceeds.

SUMMARY DATA

52-Week High	\$14.18	Risk Level	High
52-Week Low	\$2.67	Type of Stock	Small-Value
One-Year Return (%)	-77.66	Industry	Med-Biomed/Gene
Beta	1.88		
Average Daily Volume (sh)	61,203		
Shares Outstanding (mil)	2	ZACKS ESTIMATES	
Market Capitalization (\$mil)	\$6		
Short Interest Ratio (days)	N/A		
Institutional Ownership (%)	9		
Insider Ownership (%)	4		
Annual Cash Dividend	\$0.00	Revenue	
Dividend Yield (%)	0.00	(In millions of \$)	
		Q1	Q2
		(Mar)	(Jun)
		2024	0 A
		2025	0 A
		2026	0 A
		2027	0 E
5-Yr. Historical Growth Rates		Q3	Q4
Sales (%)	N/A	(Sep)	(Dec)
Earnings Per Share (%)	N/A	2024	0 A
Dividend (%)	N/A	2025	0 A
		2026	0 E
		2027	0 E
P/E using TTM EPS	N/A	Earnings per Share	
P/E using 2026 Estimate	N/A	Q1	Q2
P/E using 2027 Estimate	N/A	(Mar)	(Jun)
		2024	-\$1.68 A
		2025	-\$8.45 A
		2026	-\$1.99 A
		2027	-\$8.20 A
			-\$2.00 E
			-\$12.02 A
			-\$19.55 E
			-\$5.67 E
			-\$4.45 E

WHAT'S NEW

Financial Update

On January 15, 2026, Dogwood Therapeutics, Inc. (DWTX) announced a securities purchase agreement with a single healthcare-focused institutional investor for up to approximately \$12.5 million in gross proceeds through a registered direct offering and a concurrent private placement. An aggregate of 4,386,037 shares of common stock were sold together with one warrant to purchase one share of common stock at a combined purchase price of \$2.85. The warrants have an exercise price of \$3.28 and are exercisable for five and one-half years following the effective date of shareholder approval. In addition to the upfront gross proceeds of \$12.5 million, an additional \$14.4 million in gross proceeds is possible upon the exercise of the warrants. Following this financing, we estimate that the company now has sufficient funding past the anticipated data readout for the Phase 2b HALT-CINP trial of Halneuron® in patients with moderate-to-severe chemotherapy-induced neuropathic pain (CINP).

Business Update

Positive Interim Results for Phase 2b Trial of Halneuron® in CINP

On December 22, 2025, Dogwood announced positive interim results for the Phase 2b HALT-CINP (Halneuron® Treatment of Chemotherapy-Induced Neuropathic Pain) trial. Unblinded data from the trial was reviewed by the independent statistical review committee and concluded that Halneuron-treated patients are demonstrating separation from placebo-treated patients in pain improvement over the four-week study. The interim analysis included data from 97 patients that have completed treatment.

On February 2, 2026, Dogwood announced that it has completed over 50% of the planned enrollment of the study. The company is planning to finish enrollment at the end of July 2026 with a projected total patient population of 210 to 240 patients, which would provide 80-85% power to detect a statistically significant Halneuron treatment difference. We anticipate topline results from the trial in the third quarter of 2026.

In addition, the company announced that data from the first 116 patients to complete the study showed an overall dropout rate of approximately 4.3%, which is much lower than the dropout rates for both duloxetine (20%+) and pregabalin (30-40%). The patient population had a mean 5-year duration of moderate-to-severe neuropathic pain and it includes a majority of refractory CINP patients, as judged by the fact that approximately 2/3rd of the population was on concomitant pain medications.

The Phase 2b trial is a four-week study that is examining 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 (PGIC), PROMIS Fatigue, PROMIS Sleep, PROMIS-29, Pain Interference, Hospital Anxiety and Depression Scale (HADS), and Neuropathic Pain Symptom Inventory (NPSI).

The recent financing will also allow Dogwood to initiate an open-label extension that will test different dosing regimens and frequencies to help complete the data package that the company intends to present to the FDA following release of the Phase 2b topline data, if positive. The data obtained from these studies will be used to guide the design of a Phase 3 program. In addition, Dogwood now has sufficient capital to conduct a bridging study with synthetic Halneuron, which the company is planning to use in the Phase 3 program.

Conclusion

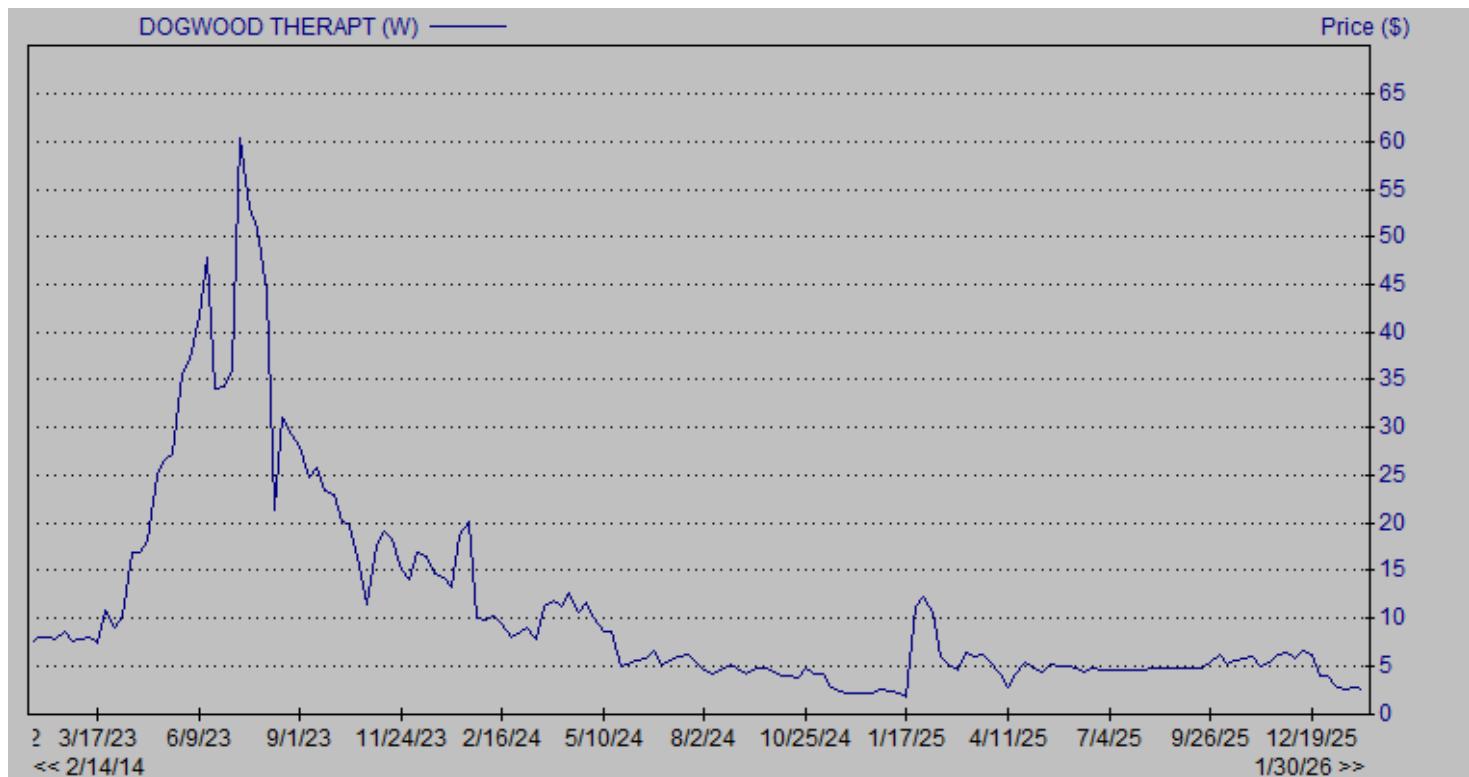
Now that Dogwood has secured sufficient financing to fund operations past the anticipated data release from the Phase 2b HALT-CINP trial, the company can turn its attention to finishing enrollment ahead of the anticipated data readout in the third quarter of 2026. The financing will also allow the company to collect additional data on dosing regimens through an open-label extension that will help guide the design of the Phase 3 program. Since the current financing had already been accounted for in our model, our valuation remains at \$15 per share.

PROJECTED FINANCIALS

Dogwood Therapeutics, Inc.	2024 A	Q1 A	Q2 A	Q3 A	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
SP16	\$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	\$14.5	\$2.0	\$21.5	\$8.5	\$8.8
SG&A	\$8.7	\$2.0	\$1.4	\$1.3	\$2.0	\$6.6	\$8.5	\$9.0
Operating Income	(\$12.2)	(\$4.4)	(\$3.9)	(\$15.8)	(\$4.0)	(\$28.2)	(\$17.0)	(\$17.8)
<i>Operating Margin</i>	-	-	-	-	-	-	-	-
Interest & Other Income	(\$0.1)	\$6.3	\$0.1	\$0.1	\$0.0	(\$6.1)	\$0.0	\$0.0
Pre-Tax Income	(\$12.4)	(\$10.7)	(\$3.8)	(\$15.7)	(\$4.0)	(\$34.3)	(\$17.0)	(\$17.8)
Taxes & Other Accrual of paid-in-kind dividends on Series A Preferred Stock	\$0.0	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Income	(\$12.4)	(\$12.2)	(\$3.8)	(\$15.7)	(\$4.0)	(\$35.5)	(\$17.0)	(\$17.8)
Reported EPS	(\$12.02)	(\$8.45)	(\$1.99)	(\$8.20)	(\$2.00)	(\$19.55)	(\$5.67)	(\$4.45)
Weighted Shares Outstanding	1.0	1.4	1.9	1.9	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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