Table of Contents

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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-39811

Dogwood Therapeutics, Inc.
(Exact name of registrant as specified in its charter)

Delaware	85-4314201
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

44 Milton Avenue
Alpharetta, GA 30009
(Address of Principal Executive Offices)

(866) 620-8655
(Registrant's telephone number)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading symbol	Name of Exchange on which registered
Common Stock, par value $0.0001 per share	**DWTX**	**Nasdaq Capital Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐		
Non-accelerated filer	☒	Smaller reporting company	☒	Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 5, 2025, there were 2,293,162 shares of the registrant's common stock outstanding.

TABLE OF CONTENTS

		Page
Part I	**Financial Information**	
Item 1.	Condensed Consolidated Financial Statements	3
	Condensed Consolidated Balance Sheets as of September 30, 2025 (Unaudited) and December 31, 2024	3
	Condensed Consolidated Statements of Operations and Comprehensive Loss for the three months and nine months ended September 30, 2025 and 2024 (Unaudited)	4
	Condensed Consolidated Statements of Changes in Series A Non-Voting Convertible Preferred Stock and Stockholders' Equity (Deficit) for the three and nine months ended September 30, 2025 and 2024 (Unaudited)	5
	Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2025 and 2024 (Unaudited)	7
	Notes to Condensed Consolidated Financial Statements (Unaudited)	8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	30
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	36
Item 4.	Controls and Procedures	37
Part II	**Other Information**	
Item 1.	Legal Proceedings	37
Item 1A.	Risk Factors	37
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	37
Item 3.	Defaults Upon Senior Securities	37
Item 4.	Mine Safety Disclosures	37
Item 5.	Other Information	38
Item 6.	Exhibits	38
Exhibit Index		
Signatures		

PART I —FINANCIAL INFORMATION

Item 1. Financial Statements

DOGWOOD THERAPEUTICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2025 (Unaudited)	December 31, 2024
Assets		
Current assets:		
Cash	**$ 10,126,710**	$ 14,847,949
Prepaid expenses and other current assets	**1,528,667**	1,696,513
Total current assets	**11,655,377**	16,544,462
Property and equipment, net	**15,293**	16,811
Right-of-use assets	**174,008**	205,837
Prepaid expenses, long-term	**18,743**	18,133
Goodwill	**12,209,591**	11,812,476
Intangible assets	**67,919,601**	65,710,527
Total assets	**$ 91,992,613**	$ 94,308,246
Liabilities, Series A Non-Voting Convertible Preferred Stock, and Stockholders' equity (deficit)		
Current liabilities:		
Accounts payable	**$ 584,602**	$ 1,231,805
Accrued expenses	**1,957,641**	1,894,835
Lease liability, current portion	**54,566**	49,696
Total current liabilities	**2,596,809**	3,176,336
Debt with related party, net of issuance costs	**—**	15,381,077
Lease liability, long-term portion	**120,212**	154,885
Deferred tax liability	**11,890,483**	11,314,925
Total liabilities	**14,607,504**	30,027,223
Commitments and contingencies (Note 12)		
Series A Non-Voting Convertible Preferred Stock, $0.0001 par value; 2,104 shares authorized and 2,103.1494 shares issued and outstanding at September 30, 2025 and 2,270 shares authorized and 2,213.8044 shares issued and outstanding at December 31, 2024	**70,126,957**	74,405,362
Stockholders' equity (deficit):		
Common stock, $0.0001 par value; 43,000,000 shares authorized; 2,300,880 and 2,293,162 shares issued and outstanding at September 30, 2025, respectively; and 1,339,896 and 1,332,178 shares issued and outstanding at December 31, 2024, respectively	**229**	133
Series A Non-Voting Convertible Preferred Stock, $0.0001 par value; 166.0000 shares authorized, issued and outstanding at September 30, 2025 and no shares authorized, issued and outstanding at December 31, 2024	**5,535,067**	—
Series A-1 Non-Voting Convertible Preferred Stock, $0.0001 par value; 285 shares authorized and 284.2638 issued and outstanding at September 30, 2025 and no shares authorized, issued and outstanding at December 31, 2024	**24,994,461**	—
Series A-2 Non-Voting Convertible Preferred Stock, $0.0001 par value; 190.0572 shares authorized, issued and outstanding at September 30, 2025 and no shares authorized, issued and outstanding at December 31, 2024	**9,800,839**	—
Preferred stock, $0.0001 par value; 1,997,254 and 1,997,730 shares authorized; no shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	**—**	—
Additional paid-in capital	**73,158,686**	67,856,589
Accumulated deficit	**(104,295,867)**	(73,818,946)
Accumulated other comprehensive loss	**(1,636,135)**	(3,862,987)
	7,557,280	(9,825,211)
Less: Treasury stock, 7,718 shares of common stock at cost	**(299,128)**	(299,128)
Total stockholders' equity (deficit)	**7,258,152**	(10,124,339)
Total liabilities, Series A Non-Voting Convertible Preferred Stock and Stockholders' equity (deficit)	**$ 91,992,613**	$ 94,308,246

See accompanying notes to the condensed consolidated financial statements.

DOGWOOD THERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue	**$ —**	$ —	**$ —**	$ —
Operating expenses:				
Research and development	**14,521,342**	535,162	**19,528,283**	1,214,964
General and administrative expenses	**1,287,783**	1,766,010	**4,633,883**	3,470,133
Total operating expenses	**15,809,125**	2,301,172	**24,162,166**	4,685,097
Loss from operations	**(15,809,125)**	(2,301,172)	**(24,162,166)**	(4,685,097)
Other income (expense):				
Loss on debt conversion with related party	**—**	—	**(6,134,120)**	—
Interest income, net	**80,582**	20,488	**44,871**	63,245
Exchange loss, net	**(17,509)**	—	**(36,251)**	—
Total other income (expense)	**63,073**	20,488	**(6,125,500)**	63,245
Loss before income taxes	**(15,746,052)**	(2,280,684)	**(30,287,666)**	(4,621,852)
Deferred income tax benefit (expense)	**1,436**	—	**(189,255)**	—
Net loss	**(15,744,616)**	(2,280,684)	**(30,476,921)**	(4,621,852)
Accrual of paid-in-kind dividends on Series A Non-Voting Convertible Preferred Stock	**—**	—	**(1,256,662)**	—
Net loss attributable to common stockholders	**$ (15,744,616)**	$ (2,280,684)	**$ (31,733,583)**	$ (4,621,852)
Net loss per common share, basic and diluted	**$ (8.20)**	$ (2.05)	**$ (18.02)**	$ (4.95)
Weighted average number of shares outstanding – basic and diluted	**1,919,433**	1,110,317	**1,761,237**	932,872
Comprehensive loss				
Net loss	**$ (15,744,616)**	$ (2,280,684)	**$ (30,476,921)**	$ (4,621,852)
Foreign currency translation adjustment	**(1,368,846)**	—	**2,226,852**	—
Comprehensive loss	**$ (17,113,462)**	$ (2,280,684)	**$ (28,250,069)**	$ (4,621,852)

See accompanying notes to the condensed consolidated financial statements.

DOGWOOD THERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SERIES A NON-VOTING CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

	Series A Non-Voting Convertible Preferred Stock		Series A Non-Voting Convertible Preferred Stock		Series A-1 Non-Voting Convertible Preferred Stock		Series A-2 Non-Voting Convertible Preferred Stock		Common Stock		Additional	Accumulated	Accumulated Other Comprehensive	Treasury	Total Stockholders'
	Shares	Amount	Shares	Par	Shares	Par	Shares	Par	Shares	Par	Paid-In Capital	Deficit	Loss	Stock	(Deficit) Equity
Balance, December 31, 2024	2,213.8044	$ 74,405,362	—	$ —	—	$ —	—	$ —	1,332,178	$133	$ 67,856,589	$ (73,818,946)	$ (3,862,987)	$(299,128)	$ (10,124,339)
Conversion of loan payable plus interest into Series A-1 Non-Voting Convertible Preferred Stock			—	—	284.2638	24,994,461	—	—	—	—	—	—	—	—	24,994,461
Proceeds from registered direct offering of common stock, net of offering costs	—	—	—	—	—	—	—	—	578,950	58	4,252,735	—	—	—	4,252,793
Accrual of paid-in-kind dividends on Series A Non-Voting Convertible Preferred Stock	—	1,256,662	—	—	—	—	—	—	—	—	(1,256,662)	—	—	—	(1,256,662)
Share-based compensation expense	—	—	—	—	—	—	—	—	—	—	84,474	—	—	—	84,474
Net loss	—	—	—	—	—	—	—	—	—	—	—	(10,924,952)	—	—	(10,924,952)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—	—	61,156	—	61,156
Balance, March 31, 2025	2,213.8044	$ 75,662,024	—	$ —	284.2638	$ 24,994,461	—	$ —	1,911,128	$191	$ 70,937,136	$ (84,743,898)	$ (3,801,831)	$(299,128)	$ 7,086,931
Issuance of paid-in-kind dividends on Series A Non-Voting Convertible Preferred Stock	55.3450	—	—	—	—	—	—	—	—	—	—	—	—	—	-
Additional fees associated with issuance of common stock	—	—	—	—	—	—	—	—	—	—	(548)	—	—	—	(548)
Share-based compensation expense	—	—	—	—	—	—	—	—	—	—	65,027	—	—	—	65,027
Net loss	—	—	—	—	—	—	—	—	—	—	—	(3,807,353)	—	—	(3,807,353)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—	—	3,534,542	—	3,534,542
Balance, June 30, 2025	2,269.1494	$ 75,662,024	—	$ -	284.2638	$ 24,994,461	—	$ -	1,911,128	$191	$ 71,001,615	$ (88,551,251)	$ (267,289)	$(299,128)	$ 6,878,599
Issuance of stock in connection with the License Agreement with Serpin	—	—	—	—	—	—	179.1878	9,240,328	382,034	38	2,108,790	—	—	—	11,349,156
License Agreement transaction costs paid through the issuance of stock	—	—	—	—	—	—	10.8694	560,511	—	—	—	—	—	—	560,511
Tungsten waiver of Series A Non-voting Convertible Preferred Stock	(16.0000)	(533,500)	16.0000	533,500	—	—	—	—	—	—	—	—	—	—	533,500
Sealbond waiver of Series A Non-voting Convertible Preferred Stock	(150.0000)	(5,001,567)	150.0000	5,001,567	—	—	—	—	—	—	—	—	—	—	5,001,567
Share-based compensation expense	—	—	—	—	—	—	—	—	—	—	48,281	—	—	—	48,281
Net loss	—	—	—	—	—	—	—	—	—	—	—	(15,744,616)	—	—	(15,744,616)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—	—	(1,368,846)	—	(1,368,846)
Balance, September 30, 2025	**2,103.1494**	**$ 70,126,957**	**166.0000**	**$ 5,535,067**	**284.2638**	**$ 24,994,461**	**190.0572**	**$ 9,800,839**	**2,293,162**	**$229**	**$ 73,158,686**	**$(104,295,867)**	**$ (1,636,135)**	**$(299,128)**	**$ 7,258,152**

	Series A Non-Voting Convertible Preferred Stock		Series A Non-Voting Convertible Preferred Stock		Series A-1 Non-Voting Convertible Preferred Stock		Series A-2 Non-Voting Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Par					
Balance, December 31, 2023	—	$ —	—	$ —	—	$ —	—	$ —	770,317	$ 77	$ 65,575,167	$(61,469,222)	$ —	$(299,128)	$ 3,806,894
Share-based compensation expense	—	—	—	—	—	—	—	—	—	—	138,969	—	—	—	138,969
Net loss	—	—	—	—	—	—	—	—	—	—	—	(1,291,335)	—	—	(1,291,335)
Balance, March 31, 2024	—	$ —	—	$ —	—	$ —	—	$ —	770,317	$ 77	$ 65,714,136	$(62,760,557)	$ —	$(299,128)	$ 2,654,528
Proceeds from issuance of shares, net of fees	—	—	—	—	—	—	—	—	340,000	34	1,382,136	—	—	—	1,382,170
Share-based compensation expense	—	—	—	—	—	—	—	—	—	—	148,948	—	—	—	148,948
Net loss	—	—	—	—	—	—	—	—	—	—	—	(1,049,833)	—	—	(1,049,833)
Balance, June 30, 2024	—	$ —	—	$ —	—	$ —	—	$ —	1,110,317	$111	$ 67,245,220	$(63,810,390)	$ —	$(299,128)	$ 3,135,813
Share-based compensation expense	—	—	—	—	—	—	—	—	—	—	94,302	—	—	—	94,302
Net loss	—	—	—	—	—	—	—	—	—	—	—	(2,280,684)	—	—	(2,280,684)
Balance, September 30, 2024	**—**	**$ —**	**—**	**$ —**	**—**	**$ —**	**—**	**$ —**	**1,110,317**	**$111**	**$ 67,339,522**	**$(66,091,074)**	**$ —**	**$(299,128)**	**$ 949,431**

See accompanying notes to the condensed consolidated financial statements.

DOGWOOD THERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities		
Net loss	**$ (30,476,921)**	$ (4,621,852)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on foreign exchange	**16,953**	—
Amortization of loan costs	**52,373**	—
Depreciation	**2,063**	—
Reduction in carrying amount of right-of-use asset	**49,553**	—
Loss on debt conversion with related party	**6,134,120**	—
Acquisition of license for research and development	**12,030,667**	—
Deferred tax expense	**189,255**	—
Share-based compensation expense	**197,782**	382,219
Changes in operating assets and liabilities:		
Decrease in prepaid expenses and other current assets	**168,873**	605,066
(Decrease) increase in accounts payable	**(651,572)**	343,049
Increase in accrued expenses and other liabilities	**305,390**	632,221
Net cash used in operating activities	**(11,981,464)**	(2,659,297)
Cash flows from financing activities		
Proceeds from registered direct offering of common stock, net of offering costs	**4,252,245**	1,382,170
Proceeds from loan with related party	**3,000,000**	—
Net cash provided by financing activities	**7,252,245**	1,382,170
Net decrease in cash	**(4,729,219)**	(1,277,127)
Cash, beginning of period	**14,847,949**	3,316,946
Effect of foreign currency translation on cash	**7,980**	—
Cash, end of period	**$ 10,126,710**	$ 2,039,819
Supplemental disclosure of non-cash financing and investing activities:		
Legal costs related to the License Agreement included in accrued expenses	**$ 121,000**	$ —
Conversion of debt with related party into Series A-1 Non-Voting Convertible Preferred Stock	**$ 19,500,000**	$ —
Conversion of accrued interest on debt with related party into Series A-1 Non-Voting Convertible Preferred Stock	**$ 426,891**	$ —
Conversion of Series A Non-Voting Convertible Preferred Stock from temporary equity to permanent equity	**$ 5,535,067**	$ —
Accrual of paid-in-kind dividends on Series A Non-Voting Convertible Preferred Stock	**$ 1,256,662**	$ —
Preferred stock issued in connection with License Agreement	**$ 9,800,839**	$ —
Common stock issued in connection with License Agreement	**$ 2,108,828**	$ —

See accompanying notes to the condensed consolidated financial statements.

DOGWOOD THERAPEUTICS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1 Organization and Nature of Business

Dogwood Therapeutics, Inc. (the "Company"), formerly known as Virios Therapeutics, Inc., was incorporated under the laws of the State of Delaware on December 16, 2020 through a corporate conversion (the "Corporate Conversion") just prior to the Company's initial public offering ("IPO"). The Company was originally formed on February 28, 2012 as a limited liability company ("LLC") under the laws of the State of Alabama as Innovative Med Concepts, LLC. On July 23, 2020, the Company changed its name from Innovative Med Concepts, LLC to Virios Therapeutics, LLC. On October 7, 2024, the Company acquired Pharmagesic (Holdings) Inc., a Canadian corporation ("Pharmagesic") and the parent company of Wex Pharmaceuticals, Inc. ("Wex"), through a business combination, and changed its name from Virios Therapeutics, Inc. to Dogwood Therapeutics, Inc. (the "Name Change") on October 9, 2024. Prior to the business combination, Pharmagesic was a wholly-owned subsidiary of Sealbond Limited and an indirect wholly-owned subsidiary of CK Life Sciences Int'l., (Holdings) Inc. ("CKLS"), a listed entity on the Main Board of the Hong Kong Stock Exchange.

The Company operates in one segment and is a pre-revenue, development-stage biopharmaceutical company focused on developing new medicines to treat pain and peripheral neuropathy associated with cancer. The Company's drug candidates include Halneuron® and SP16. Halneuron® is a voltage gated sodium channel inhibitor (Nav 1.7 modulation) presently in Phase 2b development to treat the chronic pain resulting from cancer chemotherapy ("CINP"), with potential to expand into non-neuropathic cancer pain and acute post-surgical pain. Halneuron® has demonstrated effectiveness in reducing both cancer related pain, as well as CINP in prior phase 2 clinical. The Halneuron® Phase 2b CINP study ("HALT-CINP-203") commenced in the first quarter of 2025 and an interim analysis is planned in the fourth quarter of 2025. SP16 is a proprietary peptide drug that exhibits immunomodulatory and anti-inflammatory properties and is expected to enter Phase 1 development to treat peripheral neuropathy resulting from cancer chemotherapy (CIPN). The neurotrophic effects of SP16 as demonstrated in preclinical research shows potential neuroprotective effects by activating neurite survival and growth in the presence of paclitaxel, highlighting potential to preserve a patient's full chemotherapy regimen.

Additionally, our pipeline includes IMC-1, a novel, proprietary, fixed dose combination of a nucleoside analog and the anti-inflammatory agent celecoxib for the treatment of fibromyalgia.

Going Concern

Since its founding, the Company has been engaged in research and development activities, as well as organizational activities, including raising capital. The Company has not generated any revenues to date. As such, the Company is subject to all of the risks associated with any development-stage biotechnology company that has substantial expenditures for research and development. Since inception, the Company has incurred losses and negative cash flows from operating activities. The Company has funded its losses primarily through issuance of members' interests, convertible debt instruments and issuance of equity securities. For the three and nine months ended September 30, 2025 and 2024, the Company incurred net losses of $15,744,616 and $30,476,921, respectively, and $2,280,684 and $4,621,852, respectively, and had net cash outflows used in operating activities for the nine months ended September 30, 2025 and 2024 of $11,981,464 and $2,659,297, respectively. As of September 30, 2025, the Company had an accumulated deficit of $104,295,867 and is expected to incur losses in the future as it continues its development activities.

Concurrent with the Combination discussed below, on October 7, 2024, the Company entered into a Loan Agreement (the "Loan Agreement") with Conjoint Inc., a Delaware corporation ("Lender") and an affiliate of CKLS. Pursuant to the Loan Agreement, the Lender agreed to make a loan to the Company in the aggregate principal amount of $19,500,000, of which (i) $16,500,000 was disbursed on October 7, 2024 and (ii) $3,000,000 was disbursed on February 18, 2025. Pursuant to the terms of the Loan Agreement, the proceeds are to be used for the purpose of (1) funding operations and (2) performing clinical and research & development

activities related to Halneuron®. On March 12, 2025, the Company entered into a Debt Exchange and Cancellation Agreement (the "Exchange and Cancellation Agreement") with the Lender. Pursuant to the Exchange and Cancellation Agreement, the principal amount of all loans made to the Company under the Loan Agreement, along with accrued interest through March 12, 2025, was deemed repaid and all of the Company's obligations satisfied in full and cancelled in exchange for 284.2638 shares of the Company's Series A-1 Non-Voting Convertible Preferred Stock, par value $0.0001 per share (the "Debt Exchange and Cancellation Transaction").

On March 12, 2025, the Company entered into an agreement with Maxim Group LLC as placement agent in connection with the issuance and sale by the Company in a registered direct offering of 578,950 shares of its Common Stock at a price of $8.26 per share (the "March 2025 Offering"), pursuant to an effective shelf registration statement on Form S-3 (File No. 333-263700). The March 2025 Offering closed on March 14, 2025, and the gross proceeds from the March 2025 Offering were approximately $4.78 million. The net proceeds of the March 2025 Offering were approximately $4.25 million after deducting placement agent fees and offering expenses payable by the Company.

As of the issuance date of these condensed consolidated financial statements, the Company's cash is not sufficient to fund operating expenses and capital requirements for at least the next 12 months. Dogwood will need to secure additional financing to fund its ongoing clinical trials and operations beyond the first quarter of 2026 to continue to execute its strategy. Management plans to explore various dilutive and non-dilutive sources of funding, including equity financings, debt financings, collaboration and licensing arrangements or other financing alternatives. There is no assurance that such financings will be available when needed or on acceptable terms. Accordingly, there is substantial doubt about the Company's ability to operate as a going concern within one year after the issuance date of these condensed consolidated financial statements. The condensed consolidated financial statements have been prepared on a going concern basis and do not include any adjustments to reflect this uncertainty.

2 Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed interim consolidated financial statements are unaudited. These unaudited financial statements have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for interim financial information. Accordingly, they do not include all the information and notes required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for complete financial statements. These unaudited condensed interim financial statements should be read in conjunction with the audited financial statements and accompanying notes as found in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on March 31, 2025 (the "2024 Annual Report on Form 10-K"). In the opinion of management, the unaudited condensed interim consolidated financial statements reflect all the adjustments (consisting of normal recurring adjustments) necessary to state fairly the Company's financial position, results of operations and cash flows for the interim periods presented. The interim consolidated results of operations are not necessarily indicative of the results that may occur for the full fiscal year. The December 31, 2024 balance sheet included herein was derived from the audited consolidated financial statements, but does not include all disclosures, including notes, required by U.S. GAAP for complete financial statements. Any reference in these notes to applicable guidance is meant to refer to U.S. GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") of the Financial Accounting Standards Board ("FASB"). The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Pharmagesic, including Pharmagesic's wholly owned subsidiary, Wex, and Wex's wholly owned subsidiaries, IWT Bio, Inc. ("IWT"), Wex Medical Corporation ("WMC"), and Wex Medical Limited ("WML"). All intercompany accounts and transactions have been eliminated in consolidation. The Company has determined the functional currency of Pharmagesic, Wex, IWT, WMC and WML to be the Canadian dollar. The Company translates assets and liabilities of Pharmagesic, Wex, IWT, WMC and WML at exchange rates in effect at the balance sheet date with the resulting translation adjustments directly recorded as a separate component of accumulated

other comprehensive income. Income and expense accounts are translated at average exchange rates for the period. Transactions which are not in the functional currency are remeasured into the functional currency and gains and losses resulting from the remeasurement are recorded in foreign currency exchange and other gain (loss), net.

Use of Estimates

The preparation of these interim condensed consolidated financial statements and accompanying notes in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. The Company's significant estimates and assumptions include estimated work performed but not yet billed by contract manufacturers, engineers and research organizations, the valuation of equity and stock-based related instruments, the valuation allowance related to deferred taxes, the estimated fair value of the net assets acquired in connection with the business combination of Pharmagesic, including impairment of In-Process Research and Development and discount for lack of marketability, the estimated fair value of the contingent value rights ("CVRs") given to common stockholders at the time of the business combination and recurring reporting period assessments, impairment considerations of intangible assets, the fair value of the preferred stock modification, and the fair value of the consideration provided in connection with the license agreement with Serpin Pharma. Some of these judgments can be subjective and complex, and, consequently, actual results could differ from those estimates. Although the Company believes that its estimates and assumptions are reasonable, they are based upon information available at the time the estimates and assumptions were made. Actual results could differ from those estimates.

Segment Information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources in assessing performance. The Company has one reportable segment. The segment consists of the development of clinical and preclinical product candidates focused on advancing novel therapeutics for pain and peripheral neuropathy associated with cancer. The Company's chief operating decision maker ("CODM") is the Chief Executive Officer.

The accounting policies of the segment are the same as those described in the summary of significant accounting policies. The CODM assesses performance for the segment based on net loss, which is reported on the income statement as consolidated net loss. The measure of segment assets is reported on the balance sheet as total consolidated assets.

To date, the Company has not generated any product revenue. The Company expects to continue to incur significant expenses and operating losses for the foreseeable future as it advances product candidates through all stages of development and clinical trials and, ultimately, seeks regulatory approval. As such, the CODM uses cash forecast models in deciding how to invest into the segment. Such cash forecast models are reviewed to assess the entity-wide operating results and performance. Net loss is used to monitor budget versus actual results. Monitoring budget versus actual results is used in assessing performance of the segment and in establishing management's compensation, along with cash forecast models.

The table below summarizes the significant expense categories regularly reviewed by the CODM for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Operating expenses:				
Acquired in-process research and development	**$ 12,030,667**	$ —	**$ 12,030,667**	$ —
Clinical	**1,849,009**	2,048	**5,296,325**	6,370
Chemical, manufacturing and controls	**303,144**	49,229	**997,181**	117,284
Research and preclinical	**20,344**	289,940	**52,572**	476,220
Regulatory	**10,092**	1,310	**37,378**	1,294
Other research and development costs	**308,086**	192,635	**1,114,160**	613,796
Total research and development	**14,521,342**	535,162	**19,528,283**	1,214,964
General and administrative expenses	**1,287,783**	1,766,010	**4,633,883**	3,470,133
Total operating expenses	**15,809,125**	2,301,172	**24,162,166**	4,685,097
Loss from operations	**(15,809,125)**	(2,301,172)	**(24,162,166)**	(4,685,097)
Loss on debt conversion with related party	**—**	—	**(6,134,120)**	—
Interest income, net	**80,582**	20,488	**44,871**	63,245
Exchange loss, net	**(17,509)**	—	**(36,251)**	—
Net loss before income taxes	**$ (15,746,052)**	$ (2,280,684)	**$ (30,287,666)**	$ (4,621,852)

Concentrations of Credit Risk

Cash is potentially subject to concentrations of credit risk. The Company believes it is not exposed to significant credit risk due to the financial strength of the depository institutions in which the cash is held.

Fair Value Measurements

The fair value of the Company's interim condensed consolidated financial instruments is determined and disclosed in accordance with the three-tier fair value hierarchy specified in ASC Topic 820, *Fair Value Measurements.* The Company is required to disclose the estimated fair value of its consolidated financial instruments. As of September 30, 2025 and December 31, 2024, the Company's consolidated financial instruments included cash, miscellaneous receivables, accounts payable, and accrued expenses which all approximate their fair values. The Company determined that the fair value of the CVRs were immaterial on the date of issuance as well as at September 30, 2025 and December 31, 2024, as there were no imminent transactions to indicate value. The fair values of the Company's debt at December 31, 2024 were estimated using market rates the Company believes would be available for similar types of financial instruments and represent level 2 measurements. See Notes 3, 9, and 10 below.

Business Combinations

The Company evaluates acquisitions of assets and other similar transactions to assess whether or not the transaction should be accounted for as a business combination or asset acquisition by first applying a screen to determine if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the screen is met, the transaction is accounted for as an asset acquisition. If the screen is not met, further determination is required as to whether or not the Company has acquired inputs and processes that have the ability to create outputs, which would meet the requirements of a business. If determined to be a business combination, the Company accounts for the transaction under the acquisition method of accounting as indicated in ASU 2017-01, *Business Combinations (ASC 805)*, which

requires the acquiring entity in a business combination to recognize the fair value of all assets acquired, liabilities assumed, and any non-controlling interest in the acquiree and establishes the acquisition date as the fair value measurement point. Accordingly, the Company recognizes assets acquired and liabilities assumed in business combinations based on the fair value estimates as of the date of acquisition. In accordance with ASC 805, *Business Combinations*, the Company recognizes and measures goodwill as of the acquisition date, as the excess of the fair value of the consideration paid over the fair value of the identified net assets acquired. If determined to be an asset acquisition, the Company accounts for the transaction in accordance with ASC 805, *Business Combinations*, and ASC Subtopic 730-10, *Research and Development*. If the assets acquired are in-process research and development assets that are to be used in a particular research and development project and have no alternative future use, under ASC Subtopic, 730-10, *Research and Development,* these costs along with direct transaction costs are expensed immediately.

Cash

Cash is maintained in bank deposit accounts in amounts which exceed the federally insured limits of $250,000. The Company does not have any cash equivalents.

Property and Equipment

Property and equipment are carried at acquisition cost less accumulated depreciation, subject to review for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable as described further under the heading "Impairment of Long-Lived Assets" below.

Depreciation and amortization are computed using the straight-line method based on the estimated useful lives of the related assets. Leasehold improvements are amortized over the term of the lease. Office equipment and furniture are depreciated over five years and computer software and equipment are depreciated over two years.

When an asset is disposed of, the associated cost and accumulated depreciation is removed from the related accounts on the Company’s consolidated balance sheet with any resulting gain or loss included in the Company's consolidated statement of operations.

Indefinite-Lived Intangible Assets

Indefinite-lived intangible assets consist of In-Process Research and Development (“IPR&D”). The fair values of IPR&D project assets acquired in business combinations are capitalized. The Company generally utilizes the Multi-Period Excess Earning Method to determine the estimated fair value of the IPR&D assets acquired in a business combination. The projections used in this valuation approach are based on many factors, such as relevant market size, the estimated probability of regulatory success rates, anticipated patent protection, expected pricing, expected treated population, and estimated payments (e.g., royalty). The estimated future net cash flows are then discounted to the present value using an appropriate discount rate. These assets are treated as indefinite-lived intangible assets until completion or abandonment of the projects, at which time the assets are amortized over the remaining useful life or written off, as appropriate.

Intangible assets with indefinite lives, including IPR&D, are tested for impairment if impairment indicators arise and, at a minimum, annually. However, an entity is permitted to first assess qualitative factors to determine if a quantitative impairment test is necessary. Further testing is only required if the entity determines, based on the qualitative assessment, that it is more likely than not that an indefinite-lived intangible asset’s fair value is less than its carrying amount. Otherwise, no further impairment testing is required. The indefinite-lived intangible asset impairment test consists of a one-step analysis that compares the fair value of the intangible asset with its carrying amount. If the carrying amount of an intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. The Company considers many factors in evaluating whether the value of our intangible assets with indefinite lives may not be recoverable, including, but not limited

to, expected growth rates, the cost of equity and debt capital, general economic conditions, outlook and market performance of the Company's industry and recent and forecasted financial performance.

The Company evaluates indefinite-lived intangible assets for impairment at least annually on October 1 and whenever facts and circumstances indicate that their carrying amounts may not be recoverable. For the nine months ended September 30, 2025, the Company determined that there was no impairment to IPR&D.

Goodwill

Goodwill represents the amount of consideration paid in excess of the fair value of net assets acquired as a result of the Company's business acquisitions accounted for using the acquisition method of accounting. The intangible assets acquired represented the fair value of IPR&D which has been recorded on the accompanying consolidated balance sheet as indefinite-lived intangible assets. A deferred tax liability was recorded for the difference between the fair value of the acquired IPR&D and its tax basis which was recognized as goodwill in applying the purchase method of accounting. Goodwill is not amortized and is subject to impairment testing at a reporting unit level on an annual basis or when a triggering event occurs that may indicate the carrying value of the goodwill is impaired. An entity is permitted to first assess qualitative factors to determine if a quantitative impairment test is necessary. Further testing is only required if the entity determines, based on the qualitative assessment, that it is more likely than not that the fair value of the reporting units is less than its carrying amount.

The Company evaluates goodwill for impairment at least annually on October 1 and whenever facts and circumstances indicate that its carrying amounts may not be recoverable. For the nine months ended September 30, 2025, the Company determined that there was no impairment to goodwill.

Operating Lease Right-of-use Asset and Lease Liability

The Company accounts for leases under ASC 842, *Leases*. Operating leases are included in "Right-of-use assets" within the Company's consolidated balance sheets and represent the Company's right to use an underlying asset for the lease term. The Company's related obligation to make lease payments is included in "Lease liability" and "Lease liability, net of current portion" within the Company's consolidated balance sheets. Operating lease right-of-use ("ROU") assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rates, which are the rates incurred to borrow on a collateralized basis over a similar term, an amount equal to the lease payments in a similar economic environment. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The ROU assets are tested for impairment according to ASC 360, *Property, Plant, and Equipment* ("ASC 360"). Leases with an initial term of 12 months or less are not recorded on the balance sheet and are recognized as lease expense on a straight-line basis over the lease term.

As of September 30, 2025 and December 31, 2024, the Company's operating lease ROU assets and corresponding short-term and long-term lease liabilities primarily relate to the operating lease for an office in Vancouver, British Columbia, that was acquired as part of the Combination with Pharmagesic. The office lease expires on August 31, 2028.

Impairment of Long-Lived Assets

In accordance with ASC 360-10-35, *Impairment or Disposal of Long-Lived Assets*, the Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable (i.e., impaired). Once an impairment is determined, the actual impairment recognized is the difference between the carrying amount and the fair value (less costs to sell for assets to be disposed of) as estimated using one of the following approaches: income, cost, and/or market. Fair value using the income approach is determined primarily using a discounted cash flow model that uses the estimated cash flows associated with the asset or asset group under review, discounted at a rate commensurate

with the risk involved. Fair value utilizing the cost approach is determined based on the replacement cost of the asset reduced for, among other things, depreciation and obsolescence. Fair value utilizing the market approach benchmarks the fair value against the carrying amount.

Redeemable and Convertible Preferred Stock

The Company applies ASC 480, *Distinguishing Liabilities from Equity* ("ASC 480"), when determining the classification and measurement of its preferred stock. Preferred shares subject to mandatory redemption are classified as liability instruments and are measured at fair value. Conditionally redeemable preferred shares (including preferred shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) are classified as temporary equity. At all other times, preferred shares are classified as stockholders' (deficit) equity. See Note 10 to these condensed consolidated financial statements.

Net Income (Loss) per Common Share Applicable to Common Stockholders

The Company uses the two-class method to compute net income per common share during periods the Company realizes net income and has securities outstanding (e.g., redeemable convertible preferred stock) that entitle the holder to participate in dividends and earnings of the Company. In addition, the Company analyzes the potential dilutive effect of outstanding redeemable convertible preferred stock under the "if-converted" method when calculating diluted earnings per share and reports the more dilutive of the approaches (two class or "if-converted"). The two-class method is not applicable during periods with a net loss, as the holders of the redeemable convertible preferred stock have no obligation to fund losses. The Company also analyzes the potential dilutive effect of outstanding stock options and warrants under the treasury stock method (as applicable), during periods of income.

Basic and Diluted Net Loss per Share

Basic net loss per common share ("EPS") is computed by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted EPS reflects potential dilution and is computed by dividing net loss by the weighted average number of common shares outstanding during the period increased by the number of additional common shares that would have been outstanding if all potential common shares had been issued and were dilutive. However, potentially dilutive securities are excluded from the computation of diluted EPS to the extent that their effect is anti-dilutive. For the three and nine months ended September 30, 2025 and 2024, the Company had options to purchase 188,130 and 92,777 shares of Common Stock, respectively, warrants to purchase 7,755 and 7,755 shares of Common Stock, respectively, and preferred shares which may convert into 27,434,704 and none, of Common Stock, respectively, outstanding that were anti-dilutive.

Emerging Growth Company Status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it is (i) no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided by the JOBS Act. As a result, these interim condensed consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. The Company will lose its status as an emerging growth company as of December 31, 2025.

Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Improvements to Income Tax Disclosures (Topic 740)*, which establishes new income tax disclosure requirements in addition to modifying and eliminating certain existing requirements. The new guidance requires consistent categorization and greater disaggregation of information in the rate reconciliation, as well as further disaggregation of income taxes paid. This change is effective for annual periods beginning after December 15, 2024. This change will apply on a prospective basis to annual financial statements for periods beginning after the effective date. However, retrospective application in all prior periods presented is permitted. The Company is currently evaluating the impact of this ASU on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which improves disclosures about an entity's expenses and addresses requests from investors for more detailed information about types of expenses including purchases of inventory, employee compensation, depreciation, amortization, and depletion, commonly presented in cost of sales, research and development and general and administrative expenses. In January 2025, the FASB issued ASU 2025-01 which revises the effective date of ASU 2024-03. Adoption of these new disclosure requirements are effective for public entities for annual reporting periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027 and early adoption is permitted. The Company is currently evaluating the impact of this ASU on its consolidated financial statements.

In May 2025, the FASB issued ASU 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*, to improve the requirements for identifying the accounting acquirer in Topic 805, *Business Combinations*. The amendments in ASU 2025-03 revise current guidance for determining the accounting acquirer for a transaction effected primarily by exchanging equity interests in which the legal acquiree is a variable interest entity ("VIE") that meets the definition of a business. The amendments require that an entity consider the same factors that are currently required for determining which entity is the accounting acquirer in other acquisition transactions. Entities will be required to apply the new guidance prospectively to any acquisition transaction that occurs after the initial application date. Adoption of this guidance is effective for all entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods and early adoption is permitted as of the beginning of an interim or annual reporting period. The Company is currently evaluating the impact of this ASU on its consolidated financial statements.

3 Business Combination

On October 7, 2024, the Company entered into a Share Exchange Agreement (the "Exchange Agreement") with Sealbond Limited, a British Virgin Islands corporation ("Sealbond"), pursuant to which the Company acquired 100% of the issued and outstanding common shares of Pharmagesic (such transaction, the "Combination"). Prior to the Combination, Pharmagesic was a wholly-owned subsidiary of Sealbond and an indirect wholly-owned subsidiary of CKLS, a listed entity on the Main Board of the Hong Kong Stock Exchange.

Under the terms of the Exchange Agreement, on October 7, 2024 (the "Closing"), in exchange for all of the outstanding common shares of Pharmagesic immediately prior to the Effective Time, as defined in the Exchange Agreement, the Company issued to Sealbond, as sole shareholder of Pharmagesic, an aggregate of (A) 211,383 shares of the Company's unregistered Common Stock, which shares represented a number of shares equal to no more than 19.99% of the outstanding shares of Common Stock as of immediately before the Effective Time and (B) 2,108.3854 shares of the Company's unregistered Series A Non-Voting Convertible Preferred Stock, par value $0.0001 per share ("Series A Preferred Stock") (as described below). The issuance of the shares of Common Stock and Series A Preferred Stock to Sealbond occurred on October 9, 2024. Each share of Series A Preferred Stock is convertible into 10,000 shares of Common Stock, subject to certain conditions described in the Exchange Agreement.

The Board of Directors of the Company (the "Board") approved the Exchange Agreement and the related transactions, and the consummation of the Combination was not subject to approval of Company stockholders. Pursuant to the Exchange Agreement, the Company agreed to hold a stockholders' meeting to submit the certain matters to its stockholders for their consideration, including: (i) the approval of the conversion of shares of Series A Preferred Stock into shares of Common Stock in accordance with the rules of the Nasdaq Stock Market LLC (the "Conversion Proposal") and (ii) the approval of a "change of control" under Nasdaq Listing Rules 5110 and 5635(b) (the "Change of Control Proposal"); and together with the Conversion Proposal, the "Meeting Proposals"). In connection with these matters, the Company agreed to file a proxy statement on Schedule 14A with the SEC at any time between the interim analysis readout of the Phase 2b study for Halneuron® and June 30, 2026, or earlier, if mutually agreed upon by both parties.

The Combination was accounted for under the acquisition method of accounting. Under the acquisition method, the total purchase price of the acquisition is allocated to the net tangible and identifiable intangible assets acquired and liabilities assumed based on the fair values as of the date of the acquisition. Consideration paid is comprised of the estimated fair value of various securities issued including the Series A Preferred Stock and Common Stock issued to Sealbond, the sole shareholder of Pharmagesic.

The fair value of the consideration totaled approximately $71.3 million, summarized as follows:

Fair value of common stock issued	$	893,093
Fair value of preferred stock issued		70,372,634
Total Consideration Paid	$	71,265,727

The Company recorded the assets acquired and liabilities assumed as of the date of the Combination based on the information available at that date. The following table presents the allocation of the purchase price to the estimated fair values of the assets acquired and liabilities assumed as of the Combination date:

Assets acquired:		
Cash	$	3,762,000
Prepaid expenses and other current assets		380,000
Property and equipment		19,000
In-process research and development assets		69,500,000
Goodwill		12,493,727
Right-of-use asset - operating leases		230,000
Total assets acquired	$	86,384,727
Liabilities assumed:		
Accounts payable	$	904,000
Accrued expenses and other current liabilities		2,017,000
Deferred tax liability		11,968,000
Operating lease liabilities		230,000
Total liabilities assumed	$	15,119,000
Net assets acquired	$	71,265,727

The fair value of IPR&D was capitalized as of the date of the Combination and accounted for as indefinite-lived intangible assets until completion or disposition of the assets or abandonment of the associated research and development efforts. Upon successful completion of the development efforts, the useful lives of the IPR&D assets will be determined based on the anticipated period of regulatory exclusivity and will be amortized within operating expenses. Until that time, the IPR&D assets will be subject to impairment testing and will not be amortized. The goodwill recorded related to the acquisition is the excess of the fair value of the consideration transferred by the acquirer over the fair value of the net identifiable assets acquired and liabilities assumed at the date of the Combination. The goodwill recorded is not deductible for tax purposes.

The following summarizes the Company's intangible assets and goodwill acquired in connection with the Combination and their carrying value as of September 30, 2025.

	Combination Date Fair Value	Impairment	Translation Adj	Carrying Value as of September 30, 2025
Halneuron® for Cancer Related Pain	$ 59,900,000	$ —	$ (1,362,099)	$ 58,537,901
Halneuron® for Chemotherapy Induced Neuropathic Pain	9,600,000	—	(218,300)	9,381,700
Total in-process research and development (IPR&D)	$ 69,500,000	$ —	$ (1,580,399)	$ 67,919,601
Goodwill	$ 12,493,727	$ —	$ (284,136)	$ 12,209,591

Intangible asset fair values for the two IPR&D programs were determined using the Multi-Period Excess Earnings Method ("MPEEM") which is a form of the income approach. Under the MPEEM, the fair value of an intangible asset is equal to the present value of the asset's incremental after-tax cash flows (excess earnings) remaining after deducting the market rates of return on the estimated value of contributory assets (contributory charge) over its remaining useful life. To calculate fair value of acquired IPR&D programs under the MPEEM, the Company uses probability-weighted cash flows discounted at a rate considered appropriate given the significant inherent risks associated with drug development by development-stage companies. Cash flows were calculated based on estimated projections of revenues and expenses related to each program and then reduced by a contributory charge on requisite assets employed. Contributory assets included debt-free working capital, net fixed assets and assembled workforce. Rates of return on the contributory assets were based on rates used for comparable market participants. Cash flows were assumed to extend through the market exclusivity period estimated to be provided by trade-secrets and patents for the synthetic manufacture of drug product. The resultant cash flows were then discounted to present value using a weighted-average cost of equity capital for companies with profiles substantially similar to that of each acquired IPR&D program, which the Company believes represents the rate that market participants would use to value the assets. The Company compensated for the phase of development of each program by probability-adjusting its estimation of the expected future cash flows. The projected cash flows were based on significant assumptions, such as the time and resources needed to complete the development and approval of each IPR&D program, estimates of revenue and operating profit related to the program considering its stage of development, the life of the potential commercialized product and associated risks, including the inherent difficulties and uncertainties in drug development, such as obtaining marketing approval from the FDA and other regulatory agencies, and risks related to the viability of and potential alternative treatments in any future target markets.

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information reflects the consolidated results of operations of the Company for the three and nine months ended September 30, 2024 as if the Combination had taken place on January 1, 2024. The unaudited pro forma financial information is not necessarily indicative of the results of operations as they would have been had the transactions been effected on the assumed date.

(In thousands)	Three months ended September 30, 2024	Nine months ended September 30, 2024
Net revenues	$ —	$ —
Net loss before taxes	$ (5,022,733)	$ (10,185,991)

4 Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

	September 30, 2025	December 31, 2024
Prepaid insurance	**$ 172,649**	$ 667,257
Prepaid clinical research costs	**1,119,715**	835,603
Prepaid franchise taxes	**161,400**	—
Prepaid travel	**2,991**	96,749
Prepaid professional fees	**28,320**	55,525
Prepaid services	**24,770**	13,373
Other miscellaneous current assets	**18,822**	28,006
	1,528,667	1,696,513
Long-term		
Security deposit on leased premises	**18,743**	18,133
	$ 1,547,410	$ 1,714,646

5 Property and Equipment

Property and equipment consist of the following:

	September 30, 2025	December 31, 2024
Computer equipment	**$ 6,152**	$ 5,952
Office furniture and equipment	**12,853**	12,435
Total property and equipment, at cost	**19,005**	18,387
Less: Accumulated depreciation and amortization	**(3,712)**	(1,576)
Property and equipment, net	**$ 15,293**	$ 16,811

6 License Agreements

Serpin License Agreement

On September 29, 2025, the Company entered into an Exclusive Licensing Agreement (the “Licensing Agreement”) with Serpin Pharma Inc. (“Serpin Pharma”) and Rejuvenation Labs, Inc. (“Rejuvenation” and, together with Serpin Pharma, “Serpin”), pursuant to which Serpin granted the Company a royalty-free, sublicensable global license to develop Serpin Pharma’s intravenous formulation of SP16. SP16 is a first-in-class low density lipoprotein receptor-related protein-1 (LRP1) agonist which has demonstrated both anti-inflammatory, immunomodulatory and neural repair activity that has the potential to treat chemotherapy-induced peripheral neuropathy. In consideration of the Licensing Agreement, the Company issued shares of common stock and Series A-2 Non-Voting Convertible Preferred Stock to Serpin Pharma and Rejuvenation. The Licensing Agreement was treated as an asset acquisition and expensed in research and development expense during the current period as acquired IPR&D. Consideration paid is comprised of the estimated fair value of various securities issued including the Series A-2 Preferred Stock and Common Stock issued to Serpin Pharma and Rejuvenation. See Note 10 – “Stockholders’ Equity.”

The fair value of the consideration totaled approximately $12.0 million, summarized as follows:

Fair value of common stock issued	$ 2,108,828
Fair value of preferred stock issued	9,800,839
Direct transaction costs	121,000
Total Consideration Paid	$ 12,030,667

University of Alabama License Agreement

The Company entered into a Know-How License Agreement (the "Agreement") with the University of Alabama ("UA") in 2012. In consideration for the Agreement, UA received a 10% non-voting membership interest in the Company. Upon the adoption of the Second Amended and Restated Operating Agreement (the "Amended Operating Agreement") on May 1, 2020, the non-voting membership interest converted to a voting membership interest. In conjunction with the Corporate Conversion, all of the Company's outstanding membership interest converted into shares of Common Stock. The Agreement is in effect for 25 years and will terminate on June 1, 2037.

7 Accrued Expenses

Accrued expenses consist of the following:

	September 30, 2025	December 31, 2024
Accrued interest on preferred members' interests and related party loan	**$ 188,085**	$ 417,539
Accrued compensation	**597,278**	737,281
Accrued clinical research costs	**711,371**	611,741
Accrued professional fees	**425,243**	97,093
Accrued director fees	**16,105**	30,054
Other miscellaneous accrued expenses	**19,559**	1,127
	$ 1,957,641	$ 1,894,835

8 Leases

In connection with the Combination, the Company acquired a right-of-use asset which was revalued at the date of the Combination. Pharmagesic has obtained the right to control the use of office premises for a period of time through a lease arrangement. The lease arrangement was negotiated on an individual basis and contains a wide range of different terms and conditions including lease payments and remaining lease terms to August 31, 2028. The lease arrangement does not impose any covenants other than the security interests in the leased asset that is held by the lessor. The Company maintains a security deposit totaling $18,743 and $18,133 as of September 30, 2025 and December 31, 2024, respectively.

There were no additions or extensions to the right-of-use asset during the nine months ended September 30, 2025. Total cash outflows for the lease were $26,283 and $89,443 for the three and nine months ended September 30, 2025, respectively, and these costs were included in net cash used in operating activities.

The following table presents the components of the lease costs included in general and administrative expenses in the statements of operations for the three and nine months ended September 30, 2025:

Component of lease cost	Three months ended September 30, 2025	Nine months ended September 30, 2025
Operating lease cost	$ 16,771	$ 49,554
Variable lease cost	14,228	36,676
Total lease expense	$ 30,999	$ 86,230

Future minimum annual commitments under the operating leases are as follows:

Year ending December 31,	
2025 (remaining)	$ 17,891
2026	66,026
2027	67,198
2028	43,236
Total lease payments	194,351
Less: amount representing interest	(19,573)
Present value of net minimum lease payments	$ 174,778
Less: current obligations	(54,566)
Long-term obligations under leases	$ 120,212

Other information related to this operating lease and the calculation of related right-of-use assets and operating lease liabilities consists of the following:

	September 30, 2025
Cash paid for amounts included in the measurement of lease liabilities	$ 89,443
Weighted-average remaining lease term (in years) - operating leases	2.9
Weighted-average discount rate - operating leases	7.82%

9 Promissory Note with Related Party

On October 7, 2024, in connection with the Exchange Agreement, the Company entered into a Loan Agreement (the "Loan Agreement") with Conjoint Inc., a Delaware corporation ("Lender") and an affiliate of CKLS. Pursuant to the Loan Agreement, Lender agreed to make a loan to the Company in the aggregate principal amount of $19,500,000, of which (i) $16,500,000 was disbursed on October 7, 2024 and (ii) $3,000,000 was disbursed on February 18, 2025. Pursuant to the terms of the Loan Agreement, the proceeds were to be used for the purpose of (1) funding operations and (2) performing clinical and research & development activities related to Halneuron®. The Loan Agreement bore interest at the Secured Overnight Financing Rate ("SOFR") plus 2.00%, that increases by 1.00% in the event of default that resets on an annual basis on October 1st. The Loan Agreement was payable in full with principal and accrued interest on October 7, 2027. The promissory note was recorded net of issuance costs of $1,177,355. The issuance costs were being amortized to interest expense using an effective interest rate of 7.82%. For the three and nine months ended September 30, 2025, the Company recognized interest expense of $0 and $197,437, respectively, and amortization of issuance costs of $0 and $52,373, respectively, in the accompanying condensed consolidated statement of operations and comprehensive loss.

On March 12, 2025, the Company entered into the Exchange and Cancellation Agreement with the Lender. Pursuant to the Exchange and Cancellation Agreement, the principal amount of all loans made to the Company under the Loan Agreement, along with accrued interest through March 12, 2025 (as of such date, an aggregate of $19,926,891), was deemed repaid and all of the Company's obligations satisfied in full and cancelled in exchange for 284.2638 shares of the Company's Series A-1 Non-Voting Convertible Preferred Stock, par value $0.0001 per share (the "Series A-1 Preferred Stock"), based on a price per underlying share of common stock of $7.01. The price was determined by reference to the average Nasdaq Official Closing Price of the Company's common stock for the five trading days immediately prior to the signing of the Exchange and Cancellation Agreement. Each share of Series A-1 Preferred Stock is convertible into 10,000 shares of common stock, subject to certain conditions set forth in the Series A-1 Preferred Stock Certificate of Designation ("Series A-1 Certificate of Designation"), as discussed below.

The Company evaluated the transaction in accordance with ASC 470-50-40, *Debt Modifications and Extinguishment*. As such, the Company recognized a loss on the debt extinguishment that was charged to other

expense in the accompanying condensed consolidated statements of operations and comprehensive income of $6,134,120. The loss was determined by the difference between the closing price of the Company's common stock of $11.13 on the transaction date to the price per share used to determine the conversion price of the debt, discounted for lack of marketability.

As of December 31, 2024, the Company evaluated the fair value of its related party note payable by analyzing the terms of the instrument in comparison to a synthetic credit rating and implied market cost of debt rate. Based on this evaluation, which included consideration of current rates and other terms available to the Company for similar debt instruments, the Company believes the fair value of the note was approximately $15.7 million.

10 Stockholders' Equity

Preferred Stock

The restated certificate of incorporation, as amended, of the Company permits its Board of Directors to issue up to 2,000,000 shares of preferred stock, par value of $0.0001 per share, in one or more series, to designate the number of shares constituting such series, and fix by resolution, the powers, privileges, preferences and relative, option or special rights thereof, including liquidation preferences and dividends, and conversion and redemption rights of each such series.

After giving effect to the designation of Series A Preferred Stock, Series A-1 Preferred Stock and Series A-2 Preferred Stock discussed below, the Company had 1,997,254 and 1,997,730 authorized and remaining to be issued shares of preferred stock at September 30, 2025 and December 31, 2024, respectively.

Series A Preferred Stock

In October 2024, the Board of Directors designated 2,270 of the 2,000,000 shares of preferred stock to be Series A Preferred Stock. As of September 30, 2025, the Company has 2,270 authorized and 2,269.1494 issued and outstanding shares of Series A Preferred Stock and as of December 31, 2024, the Company had 2,270 authorized and 2,213.8044 issued and outstanding shares of Series A Preferred Stock.

Except as otherwise required by law, the Series A Preferred Stock does not have voting rights. However, as long as any shares of Series A Preferred Stock are outstanding, the Company may not, without the affirmative vote of the holders of a majority of the then-outstanding shares of the Series A Preferred Stock, (i) alter or change adversely the powers, preferences or rights given to the Series A Preferred Stock or alter or amend the Series A Preferred Stock Certificate of Designation ("Series A Certificate of Designation"), amend or repeal any provision of, or add any provision to, the Charter or Amended and Restated Bylaws of the Company, or file any articles of amendment, certificate of designations, preferences, limitations and relative rights of any series of Preferred Stock, if such action would adversely alter or change the preferences, rights, privileges or powers of, or restrictions provided for the benefit of the Series A Preferred Stock, regardless of whether any of the foregoing actions shall be by means of amendment to the Charter or by merger, consolidation, recapitalization, reclassification, conversion or otherwise, (ii) issue further shares of Series A Preferred Stock, or increase or decrease (other than by conversion) the number of authorized shares of Series A Preferred Stock, (iii) prior to the Stockholder Approval (as defined in the Series A Certificate of Designation) or at any time while at least 30% of the originally issued Series A Preferred Stock remains issued and outstanding, consummate either: (A) any Fundamental Transaction (as defined in the Series A Certificate of Designation) or (B) any merger or consolidation of the Company with or into another entity or any stock sale to, or other business combination in which the stockholders of the Company immediately before such transaction do not hold at least a majority of the capital stock of the Company immediately after such transaction, or (iv) enter into any agreement with respect to any of the foregoing.

The Series A Preferred Stock shall rank on parity with the Common Stock as to distributions of assets upon liquidation, dissolution or winding-up of the Company, whether voluntarily or involuntarily. The Series A

Preferred Stock are entitled to receive on an as-converted basis dividends equal to and in the same form, and in the same manner, as dividends paid to shares of Common Stock. If, prior to conversion of the Series A Preferred Stock into Common Stock, the Company effects any Fundamental Transaction (as defined in the Series A Certificate of Designation) then upon conversion of the Series A Preferred Stock, the holders of the Series A Preferred Stock shall be entitled to receive, in lieu of shares of Common Stock, the consideration that would have been issuable upon such Common Stock had the conversion occurred prior to such Fundamental Transaction.

Following stockholder approval of the Conversion Proposal, each share of Series A Preferred Stock will automatically convert into 10,000 shares of Common Stock, subject to certain limitations provided in the Series A Certificate of Designation, including that the Company shall not affect any conversion of Series A Preferred Stock into shares of Common Stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own more than a specified percentage of the total number of shares of Common Stock issued and outstanding immediately after giving effect to such conversion (the "Beneficial Ownership Limitation"); provided, however, that the Beneficial Ownership Limitation will not apply after the stockholder approval of the Change of Control Proposal and upon the occurrence of certain other events as set forth in the Series A Certificate of Designation. If at any time following the earliest of (a) Stockholder Approval, (b) the interim analysis of the Phase 2b study for Halneuron® proves futile, (c) Dogwood is delisted from Nasdaq, (d) the interim analysis of the Phase 2b study for Halneuron® is not completed by December 31, 2025, or (e) June 30, 2026, the Company fails to deliver to a holder of Series A Preferred Stock certificates representing shares of Common Stock or electronically deliver such shares, the Series A Preferred Stock is redeemable for cash at the option of the holder thereof at a price per share equal to the then-current Fair Value (as defined and described in the Series A Certificate of Designation) of the Series A Preferred Stock for any undeliverable shares.

In accordance with ASC 480-10-S99-3A, the Company has classified the Series A Preferred Stock outside of permanent equity, in the mezzanine section of the consolidated condensed balance sheet. In addition, this guidance requires that redeemable equity securities be accreted to their redemption value if it becomes probable that the security will become redeemable. The guidance further clarifies that accretion is required when redemption is likely to occur, and that the assessment of probability should be updated at each reporting period. The term "probable" is defined in ASC 450, *Contingencies,* subparagraph 450-20-20 as "the future event or events are likely to occur." With this framework in mind, the Company has evaluated each conditional repurchase (as described below under "Form of Repurchase Agreement") and redemption right embedded in the Series A Preferred Stock to determine whether exercise of any right is probable for purposes of accretion to redemption value. Based on the current facts and circumstances, none of the conditional repurchase or redemption rights are considered probable as of September 30, 2025 and there has been no accretion to redemption value included in the consolidated condensed financial statements.

Per the Series A Certificate of Designation, holders of Series A Preferred Stock were entitled to receive a PIK dividend accruing at a rate equal to five percent (5.0%) per annum payable in shares of Series A Preferred Stock on the date that was 180 days after the original issue date of the Series A Preferred Stock. As of March 31, 2025, the Company had accrued the full value of the dividend payable of $1,770,767. On April 7, 2025, 180 days after the original issue date, the Company issued an aggregate of 55.345 shares of Series A Preferred stock as a PIK dividend to the holders of Series A Preferred Stock.

Form of Repurchase Agreement

The terms of the Exchange Agreement provides that Sealbond has the right to exercise an option, but not an obligation, after the Closing and upon the occurrence of certain conditional events including continued listing requirements, to acquire all of the Company's and its direct and indirect subsidiaries' intellectual property, rights, title, regulatory submissions, assignment of contracts, data and interests, as of the time of such acquisition, in and to tetrodotoxin and Halneuron®, in accordance with the terms and conditions of the form of Repurchase Agreement attached to the Exchange Agreement for a cash settlement value as defined in the agreement.

In September 2025, holders of certain Series A Preferred Stock irrevocably waived the cash settlement and related repurchase rights for 166 shares of Series A Preferred Stock. As such, the Company reclassified approximately $5.5 million and 166 shares from temporary equity to permanent equity as the shares no longer qualified for temporary equity classification under ASC 480-10-S99-3A. In addition, the Company considered under ASC 470, *Debt*, whether or not the Series A Preferred Stock underlying the waivers should be treated as a modification or as an extinguishment for financial reporting purposes. The Company used the fair value method and determined that the fair value of the Series A Preferred Stock before the waiver was not significantly different (e.g. less than 10%) than the fair value of the Series A Preferred Stock immediately after the waiver and thus the waiver was considered a modification. Accordingly, there was no impact to net income or earnings per share, and any directly related fees were expensed as incurred.

Contingent Value Rights Agreement

Concurrently with the Closing of the Combination, the Company entered into a contingent value rights agreement (the "CVR Agreement") with a rights agent (the "Rights Agent"), pursuant to which each holder of Common Stock as of October 17, 2024, including those holders receiving shares of Common Stock in connection with the Combination, was entitled to one contractual contingent value right (each, a "CVR") issued by the Company, subject to and in accordance with the terms and conditions of the CVR Agreement, for each share of Common Stock held by such holder as of 5:00 p.m. Eastern Daylight Time on October 17, 2024. The CVR Agreement has a term of seven years.

Each contingent value right entitles the holders (the "CVR Holders") thereof, in the aggregate, to 87.75% of any Upfront Payment (as defined in the CVR Agreement) or Milestone Payment (as defined in the CVR Agreement) received by the Company in a given calendar quarter.

The distributions in respect of the CVRs that become payable will be made on a quarterly basis and will be subject to a number of deductions, subject to certain exceptions or limitations, including but not limited to for certain taxes and certain out-of-pocket expenses incurred by the Company.

Under the CVR Agreement, the Rights Agent has, and CVR Holders of at least 30% of the CVRs then-outstanding have, certain rights to audit and enforcement on behalf of all CVR Holders. The CVRs may not be sold, assigned, transferred, pledged, encumbered or in any other manner transferred or disposed of, in whole or in part, other than as permitted pursuant to the CVR Agreement. The CVR Holders do not have the rights of a shareholder and do not have the ability to vote, rights to dividends, or other interests. The CVRs also establish certain restrictions of mergers and change in control activities, as defined in the agreement.

The Company determined that the fair value of the CVRs were immaterial on the date of issuance as well as at September 30, 2025 and December 31, 2024, as there were no imminent transactions to indicate value. The Company will evaluate the fair value of the CVRs at least annually on October 1 and whenever facts and circumstances indicate that their carrying amounts may have changed.

Series A-1 Preferred Stock

In March 2025, the Board of Directors designated 285 shares of the preferred stock to be Series A-1 Preferred Stock. As of September 30, 2025, the Company has 285 shares authorized and 284.2638 issued and outstanding shares of Series A-1 Preferred Stock. There were no authorized, issued and outstanding shares of Series A-1 Preferred stock at December 31, 2024.

The Series A-1 Preferred Stock shall rank on parity with the Common Stock as to distributions of assets upon liquidation, dissolution or winding-up of the Company, whether voluntarily or involuntarily. The Series A-1 Preferred Stock are entitled to receive on an as-converted basis dividends equal to and in the same form, and in the same manner, as dividends paid to shares of Common Stock. If, prior to conversion of the Series A Preferred Stock into Common Stock, the Company effects any Fundamental Transaction (as defined in the Series A-1 Certificate of Designation) then upon conversion of the Series A-1 Preferred Stock, the holders of

the Series A-1 Preferred Stock shall be entitled to receive, in lieu of shares of Common Stock, the consideration that would have been issuable upon such Common Stock had the conversion occurred prior to such Fundamental Transaction.

Except as otherwise required by law, the Series A-1 Preferred Stock does not have voting rights. However, as long as any shares of Series A-1 Preferred Stock are outstanding, the Company may not, without the affirmative vote of the holders of a majority of the then-outstanding shares of the Series A-1 Preferred Stock, (i) alter or change adversely the powers, preferences or rights given to the Series A-1 Preferred Stock or alter or amend the Series A-1 Certificate of Designation, amend or repeal any provision of, or add any provision to, the Charter or Amended and Restated Bylaws of the Company, or file any articles of amendment, certificate of designations, preferences, limitations and relative rights of any series of Preferred Stock, if such action would adversely alter or change the preferences, rights, privileges or powers of, or restrictions provided for the benefit of the Series A-1 Preferred Stock, regardless of whether any of the foregoing actions shall be by means of amendment to the Charter or by merger, consolidation, recapitalization, reclassification, conversion or otherwise, (ii) issue further shares of Series A-1 Preferred Stock, or increase or decrease (other than by conversion) the number of authorized shares of Series A-1 Preferred Stock, (iii) prior to the Stockholder Approval (as defined in the Series A-1 Certificate of Designation) or at any time while at least 30% of the originally issued Series A-1 Preferred Stock remains issued and outstanding, consummate either: (A) any Fundamental Transaction (as defined in the Series A-1 Certificate of Designation) or (B) any merger or consolidation of the Company with or into another entity or any stock sale to, or other business combination in which the stockholders of the Company immediately before such transaction do not hold at least a majority of the capital stock of the Company immediately after such transaction, or (iv) enter into any agreement with respect to any of the foregoing.

Following the stockholder approval of the conversion of Series A-1 Preferred Stock into shares of Common Stock in accordance with the listing rules of the Nasdaq Stock Market, each share of Series A-1 Preferred Stock will automatically convert into 10,000 shares of Common Stock, subject to the Beneficial Ownership Limitation. The terms of the Beneficial Ownership Limitation with respect to the Series A-1 Preferred Stock are identical to the Beneficial Ownership Limitation with respect to the Series A Preferred Stock, which terms are discussed above under the heading “Series A Preferred Stock.”

Series A-2 Preferred Stock

In September 2025, the Board of Directors designated 190.0572 shares of the preferred stock to be Series A-2 Preferred Stock. As of September 30, 2025, the Company has 190.0572 authorized, issued and outstanding shares of Series A-2 Preferred Stock. There were no authorized, issued and outstanding shares of Series A-2 Preferred stock at December 31, 2024.

The Series A-2 Preferred Stock shall rank on parity with the Common Stock as to distributions of assets upon liquidation, dissolution or winding-up of the Company, whether voluntarily or involuntarily. The Series A-2 Preferred Stock are entitled to receive on an as-converted basis dividends equal to and in the same form, and in the same manner, as dividends paid to shares of Common Stock. If, prior to conversion of the Series A-2 Preferred Stock into Common Stock, the Company effects any Fundamental Transaction (as defined in the Series A-2 Certificate of Designation) then upon conversion of the Series A-2 Preferred Stock, the holders of the Series A-2 Preferred Stock shall be entitled to receive, in lieu of shares of Common Stock, the consideration that would have been issuable upon such Common Stock had the conversion occurred prior to such Fundamental Transaction.

Except as otherwise required by law, the Series A-2 Preferred Stock does not have voting rights. However, as long as any shares of Series A-2 Preferred Stock are outstanding, the Company will not, without the affirmative vote of the holders of a majority of the then-outstanding shares of the Series A-2 Preferred Stock, (i) alter or change adversely the powers, preferences or rights given to the Series A-2 Preferred Stock or alter or amend the Certificate of Designation, amend or repeal any provision of, or add any provision to, the Charter or Amended and Restated Bylaws of the Company, or file any articles of amendment, certificate of designations,

preferences, limitations and relative rights of any series of Preferred Stock, if such action would adversely alter or change the preferences, rights, privileges or powers of, or restrictions provided for the benefit of the Series A-2 Preferred Stock, regardless of whether any of the foregoing actions shall be by means of amendment to the Charter or by merger, consolidation, recapitalization, reclassification, conversion or otherwise, (ii) issue further shares of Series A-2 Preferred Stock, or increase or decrease (other than by conversion) the number of authorized shares of Series A-2 Preferred Stock (iii) prior to the Stockholder Approval (as defined in the Certificate of Designation) or at any time while at least 30% of the originally issued Series A-2 Preferred Stock remains issued and outstanding, consummate either: (A) any Fundamental Transaction (as defined in the Certificate of Designation) or (B) any merger or consolidation of the Company with or into another entity or any stock sale to, or other business combination in which the stockholders of the Company immediately before such transaction do not hold at least a majority of the capital stock of the Company immediately after such transaction, or (iv) enter into any agreement with respect to any of the foregoing.

Following stockholder approval of the conversion of Series A-2 Preferred Stock into shares of Common Stock in accordance with the listing rules of the Nasdaq Stock Market, each share of Series A-2 Preferred Stock will automatically convert into 10,000 shares of Common Stock, subject to the Beneficial Ownership Limitation. The terms of the Beneficial Ownership Limitation with respect to the Series A-1 Preferred Stock are identical to the Beneficial Ownership Limitation with respect to the Series A Preferred Stock, which terms are discussed above under the heading “Series A Preferred Stock.”

On September 29, 2025, in consideration of the Licensing Agreement with Serpin, pursuant to which Serpin granted the Company a royalty-free, sublicensable global license to develop Serpin Pharma’s intravenous formulation of SP16, the Company issued 191,017 shares of common stock, par value $0.0001 per share (“Common Stock”) and 89.5939 shares of Series A-2 Non-Voting Convertible Preferred Stock, par value $0.0001 per share (“Series A-2 Preferred Stock”) to Serpin Pharma and (ii) 191,017 shares of Common Stock and 89.5939 shares of Series A-2 Preferred Stock to Rejuvenation, as further described under “Serpin Equity Issuance and Registration Rights Agreement” below.

Tungsten Advisors (through its Broker-Dealer, Finalis Securities LLC) (together with its affiliates, “Tungsten”) acted as the financial advisor to the Company in connection with the License Agreement. As compensation for services rendered by Tungsten, the Company issued to Tungsten and its affiliates and designees an aggregate of 10.8694 shares of Series A-2 Preferred Stock.

Serpin Equity Issuance and Registration Rights Agreement

On September 29, 2025, in connection with the Licensing Agreement, the Company also entered into an Equity Issuance and Registration Rights Agreement (the “Serpin Registration Rights Agreement”) with Serpin.

Pursuant to the Serpin Registration Rights Agreement, the Company filed a Form S-3 registration statement registering the shares issued under the Serpin Registration Rights Agreement and to use commercially reasonable efforts to cause such registration statement to be declared effective by the Securities and Exchange Commission as soon as practicable after such registration statement is filed. The Company also granted Serpin customary demand registration and indemnification rights and entered into customary issuer covenants.

Support Agreements

On September 29, 2025, in connection with the execution of the Licensing Agreement and the Serpin Registration Rights Agreement, the Company entered into stockholder support agreements with (i) Serpin Pharma and Rejuvenation Labs, Inc. (the “Serpin Support Agreement”) and (ii) each affiliate of Tungsten holding shares of Common Stock (the “Tungsten Support Agreements”). Pursuant to the Serpin Support Agreement, among other things, each Serpin party agreed to vote or cause to be voted all of the shares of Common Stock owned by each of them in favor of the approval of the following matters: (i) for the purposes of complying with the applicable provisions of Nasdaq Listing Rule 5635 (“Rule 5635”), the potential issuance of our Common Stock upon conversion of the Series A Non-Voting Convertible Preferred Stock (“Series A

Preferred Stock"), par value $0.0001 per share ("Series A Issuance Proposal"), (ii) for the purposes of complying with the applicable provisions of Rule 5635, the potential issuance of our Common Stock upon conversion of the Series A-1 Non-Voting Convertible Preferred Stock ("Series A-1 Preferred Stock"), par value $0.0001 per share (the "Series A-1 Issuance Proposal"), and (iii) the adjournment of the stockholder meeting where the foregoing proposals are being voted upon to a later date or dates, if necessary or appropriate ("Adjournment Proposal"). Pursuant to the Tungsten Support Agreements, among other things, Tungsten agreed to vote or cause to be voted all of the shares of Common Stock owned by each of them in favor of the approval of the following matters: (i) the Series A-1 Issuance Proposal, (ii) for the purposes of complying with the applicable provisions of Rule 5635, the potential issuance of our Common Stock upon conversion of the Series A-2 Preferred Stock (the "Series A-2 Issuance Proposal"), (iii) if an amendment and restatement of the Company's current Amended and Restated 2020 Equity Incentive Plan is contemplated ("Plan Proposal") at the stockholder meeting where the foregoing proposals are being voted upon, such Plan Proposal and (iv) the Adjournment Proposal.

On September 29, 2025, the Company also entered into a support agreement with Sealbond Limited (the "Sealbond Support Agreement") whereby Sealbond Limited agreed to, among other things, vote or cause to be voted all of the shares of Common Stock owned by Sealbond Limited and its affiliates in favor of the approval of the matters contemplated by the Series A-1 Issuance Proposal, the Series A-2 Issuance Proposal, the Plan Proposal, and the Adjournment Proposal.

Common Stock

The Company's certificate of incorporation, adopted on December 16, 2020, and subsequently amended, authorizes the issuance of 43,000,000 shares of Common Stock with a par value of $0.0001 per share.

Registered Direct Offering

On March 12, 2025, the Company entered into an agreement with Maxim Group LLC as placement agent in connection with the issuance and sale by the Company in a registered direct offering of 578,950 shares of our Common Stock at a price of $8.26 per share (the "March 2025 Offering"), pursuant to an effective shelf registration statement on Form S-3 (File No. 333-263700). The March 2025 Offering closed on March 14, 2025, and the gross proceeds from the March 2025 Offering were approximately $4.78 million. The net proceeds of the March 2025 Offering were approximately $4.25 million after deducting placement agent fees and offering expenses payable by the Company.

11 Related Parties

The Company uses Gendreau Consulting, LLC, a consulting firm ("Gendreau"), for drug development, clinical trial design and planning, implementation and execution of contracted activities with the clinical research organization. Gendreau's managing member is the Company's Chief Medical Officer ("CMO"). From time to time, the Company contracts the services of the CMO's spouse through Gendreau to perform certain activities in connection with the Company's ongoing clinical development of its product candidates. In the past, the Company has contracted the CMO's spouse to serve as the Company's Medical Monitor. Currently, the Company has contracted the services of the CMO's spouse to serve as the Company's Chief Safety Officer for the HALT-CINP-203 clinical trial. In addition, the Company has contracted the services of the CMO's daughter to serve as an assistant for various clinical site related activities. During the three and nine months ended September 30, 2025 and 2024, the Company paid Gendreau $76,915 and $317,492, respectively and $1,848 and $3,231, respectively, and had accounts payable of $14,450 and $21,260 to Gendreau as of September 30, 2025 and December 31, 2024, respectively.

See Note 9 – "Promissory Note with Related Party" for discussion of related party promissory note with Conjoint Inc.

12 Commitments and Contingencies

Litigation and Other

The Company is subject, from time to time, to claims by third parties under various legal disputes. The defense of such claims, or any adverse outcome relating to any such claims, could have a material adverse effect on the Company's liquidity, financial condition and cash flows. Although the results of litigation and claims cannot be predicted with certainty, we do not currently have any pending or ongoing litigation to which we are a party or to which our property is subject that we believe to be material.

13 Share-based compensation

Equity Incentive Plan

On June 18, 2025, the stockholders of the Company approved Amendment No. 2 to the Amended and Restated 2020 Equity Incentive Plan (the "Plan") to increase the total number of shares of Common Stock reserved for issuance under the Plan by 108,612 shares to 191,112 total shares issuable under the Plan. As of September 30, 2025, 14,682 shares of Common Stock were available for future grants under the Plan. On June 27, 2025, the Board approved a further amendment to the Plan which removed the annual individual grant limit of 20,000 shares.

The table below sets forth the outstanding options to purchase shares of Common Stock under the Plan:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)
Outstanding at December 31, 2024	81,077	$ 98.93	7.39
Granted	109,853	4.71	—
Forfeited	(14,500)	4.71	—
Outstanding at September 30, 2025	176,430	$ 48.01	8.32
Exercisable at September 30, 2025	78,910	$ 101.46	6.63

During the nine months ended September 30, 2025, the Company granted certain individuals options to purchase 109,853 shares of the Company's Common Stock with an average exercise price of $4.711 per share, contractual terms of 10 years and vesting periods ranging from 100% after one year to 33.333% after one year and the remaining 66.667% in 24 equal monthly installments, thereafter. The options had an aggregate grant date fair value of $413,950 that was calculated using the Black-Scholes option-pricing model. Variables used in the Black-Scholes option-pricing model included: (1) discount rates ranging from 3.88% to 4.0275% based on the daily par yield curve rates for U.S. Treasury obligations, (2) expected lives ranging from 5.5 years 6.0 years based on the simplified method (vesting plus contractual term divided by two), (3) expected volatility ranging from 96.92% to 99.57% based on the average historical volatility of comparable companies' stock, (4) no expected dividends and (5) fair market value of the Company's stock ranging from $4.71 to $4.80 per share.

As of September 30, 2025 the aggregate intrinsic value of options outstanding was $303,869.

The Company recognized share-based compensation expense related to stock options during the three and nine months ended September 30, 2025 and 2024, of $48,281 and $197,782, respectively, and $94,302 and $382,219, respectively. The unrecognized compensation expense for stock options at September 30, 2025 was $330,083.

Stock Options for Unregistered Securities

In addition to the stock options issued under the Plan, and in conjunction with the IPO, the Company granted non-qualified stock options to purchase 11,700 shares of Common Stock as provided for in the employment agreement of our former President, Richard Burch (the "President Options"). The President Options are exercisable within 10 years of the date of grant at $250.00 per share, were 100% vested at the grant date and have a remaining contractual term of 5.21 years. As of September 30, 2025, there was no unrecognized compensation expense related to these options as they were 100% vested upon issuance. The shares of Common Stock issuable upon exercise of the President Options will be unregistered, and the option agreement does not include any obligation on the part of the Company to register such shares of Common Stock. Consequently, the Company has not recognized a contingent liability associated with registering the securities for the arrangement. As of September 30, 2025, the aggregate intrinsic value of the President Options was $0.

Underwriters Warrants

In conjunction with the IPO, the Company granted the underwriters warrants to purchase 6,900 shares of Common Stock at an exercise price of $312.50 per share, of which all remain outstanding as of September 30, 2025. The warrants became 100% exercisable on December 21, 2021.

In conjunction with the Offering in September 2022, the Company granted the Underwriter warrants to purchase 20,000 shares of Common Stock at an exercise price of $15.625 per share (the "Representative Warrants"), of which 855 warrants remain outstanding as of September 30, 2025. The Representative Warrants became 100% exercisable on March 18, 2023.

There were no warrant exercises for the nine months ended September 30, 2025 and 2024 and there is no unrecognized compensation expense for these awards as of September 30, 2025.

The table below sets forth the outstanding warrants to purchase common shares:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)
Outstanding at December 31, 2024	7,755	$ 279.77	1.15
Granted	—	—	—
Outstanding at September 30, 2025	7,755	$ 279.77	0.40
Exercisable at September 30, 2025	7,755	$ 279.77	0.40

As of September 30, 2025, the aggregate intrinsic value of the warrants outstanding was $0.

14 Income Taxes

As of result of the Combination discussed above, the Company acquired operations in Canada. The foreign loss before taxes and the deferred tax expense disclosed below relates to the Company's new operations in Canada.

For the three and nine months ended September 30, 2025 and 2024, the domestic and foreign components of net loss before income taxes are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
United States	**$ (15,328,270)**	$ (2,280,684)	**$ (28,703,914)**	$ (4,621,852)
Foreign	**(417,782)**	—	**(1,583,752)**	—
Loss before income taxes	**$ (15,746,052)**	$ (2,280,684)	**$ (30,287,666)**	$ (4,621,852)

The Company recorded a deferred tax benefit of $1,436 and a deferred tax expense of $189,255 for the three and nine months ended September 30, 2025, respectively. There was no deferred tax (benefit) expense for the three and nine months ended September 30, 2024. The components of the deferred tax (benefit) expense are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Domestic	**$ —**	$ —	**$ —**	$ —
Foreign	**(1,436)**	—	**189,255**	—
	$ (1,436)	$ —	**$ 189,255**	$ —

As of December 31, 2024, the Company had U.S. federal net operating loss carryforwards of approximately $36,669,000, which have an indefinite carryforward and Georgia and Florida state net operating loss carryforwards of approximately $44,443,000 and $1,372,000, respectively, which have a twenty-year carryforward and begin expiring in 2037. As of December 31, 2024, the Company had Canadian non-capital loss carryforwards of approximately $25,277,000, which have a twenty year carryforward and begin expiring in 2025 and Hong Kong tax losses carryforwards or approximately $58,126,000 which have no expiry. These net operating loss carryforwards may be limited under Section 382 of the internal revenue code. The Company will need to perform a formal Section 382 study to determine how the equity transactions discussed above impact the limitation of the utilization of its net operating loss carryforwards.

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was enacted. The OBBBA did not change the US federal corporate income-tax rate and did not materially affect Dogwood’s US income-tax position. The OBBBA did reinstate the immediate expensing of domestic research and development (“R&D”) expenditures under Section 174A, effective for tax years beginning after December 31, 2024. This change reverses the prior requirement to capitalize and amortize R&D costs over five years. The Company maintains a full valuation allowance against its deferred tax assets, including those related to net operating loss carryforwards and R&D credits. As a result, the remeasurement of deferred tax assets due to the OBBBA’s enactment had no impact on the Company’s income tax provision for the quarter ended September 30, 2025. Although the reinstatement of immediate expensing for domestic R&D expenditures increases the Company’s deferred tax assets, the full valuation allowance reflects management’s assessment that it is more likely than not that these assets will not be realized in the foreseeable future. Accordingly, no benefit has been recognized in the financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the financial statements and the related notes appearing elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. See our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the Security and Exchange Commission ("SEC") on March 31, 2025 (the "2024 Annual Report on Form 10K"), under "Risk Factors", available on the SEC EDGAR website at www.sec.gov, Part II, and Item 1A of the report, for a discussion of the uncertainties, risks and assumptions associated with these statements. Actual results and the timing of events could differ materially from those discussed in our forward-looking statements as a result of many factors, including those risks noted above.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements", within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by the words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "objective," "ongoing," "plan," "predict," "project," "potential," "should," "will," or "would," and or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements, including the risks set forth in the 2024 Annual Report on Form 10-K. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Quarterly Report on Form 10-Q, we caution you that these statements are based on a combination of facts and factors currently known by us and our expectations of the future, about which we cannot be certain.

The forward-looking statements contained in this Quarterly Report on Form 10-Q include, among other things, statements about:

- our business strategies;
- our ability to obtain regulatory approval of our product candidate and any other product candidates we may develop, and the labeling under any regulatory approval we may obtain;
- risks relating to the timing and costs of clinical trials and the timing and costs of other expenses;
- timing and likelihood of success of our clinical trials and regulatory approval of our product candidates;
- risks associated with our reliance on third-party organizations;
- our competitive position;
- assumptions regarding the size of the available market, product pricing and timing of commercialization of our product candidates, if approved;
- our intellectual property position and our ability to maintain and protect our intellectual property rights;
- our results of operations, financial condition, liquidity, prospects, and growth strategies;
- our strategies to maintain the listing of our common stock;

- our cash needs and financing plans;
- the fluctuations in the exchange rates in the United States dollar versus the Canadian dollar;
- the industry in which we operate; and
- the economic trends that may affect the industry or us.

Overview

We are a pre-revenue, development-stage biopharmaceutical company focused on developing new medicines to treat pain and peripheral neuropathy associated with cancer, with the ability to expand into other pain states with continued clinical success. Pain and neuropathy affect the majority of patients undergoing chemotherapy treatment with deleterious effects on patient quality of life and function and can result in patients lowering their dose or stopping their chemotherapy resulting from progression to moderate or severe forms of the illness. There are no FDA approved treatments for patients suffering from chemotherapy induced pain or neuropathy.

Our priority pipeline drug candidates includes:

- Halneuron®- a voltage gated sodium channel inhibitor (Nav 1.7 modulation) presently in Phase 2b development to treat the chronic pain resulting from cancer chemotherapy (“CINP”), with potential to expand into non-neuropathic cancer pain and acute post-surgical pain. Halneuron® has demonstrated effectiveness in reducing both cancer related pain, as well as CINP in prior phase 2 clinical research, as well as an acceptable safety profile. Halneuron® has been granted FDA fast-track review designation by FDA as a treatment for CINP.

- SP16, a proprietary peptide drug that exhibits immunomodulatory and anti-inflammatory properties and it poised to enter Phase 1 development to treat peripheral neuropathy resulting from cancer chemotherapy (“CIPN”). The neurotrophic effects of SP16 as demonstrated in preclinical research portends potential neuroprotective effects by activating neurite survival and growth in the presence of paclitaxel, highlighting potential to preserve a patient’s full chemotherapy regimen rather than reducing or stopping their regimen altogether due to the debilitating effects of chemotherapy induced neuropathy.

Additionally, our pipeline includes IMC-1, a novel, proprietary, fixed dose combination of a nucleoside analog and the anti-inflammatory agent celecoxib for the treatment of fibromyalgia. Given the size and scope of the IMC-1 fibromyalgia Phase 3 development program agreed upon by the FDA, its forward development is dependent upon us finding a suitable partner. We intend to disclose progress on any potential partnership in a timely manner.

Na_v 1.7 Non-Opioid Analgesic Program

Halneuron® is in Phase 2b clinical development (“HALT-CINP-203”) for the treatment of CINP. The active pharmaceutical ingredient is highly purified Tetrodotoxin (“TTX”), a potent sodium channel modulator found in puffer fish and several other marine animals. Halneuron® works as an analgesic by modulating the activity of $Na_v1.7$, a key sodium channel located in the peripheral nervous system that is directly involved in pain signal transmission. By reducing the activity of the $Na_v1.7$ channel, Halneuron® has the potential to reduce pain associated with conditions involving neuropathic pain, chronic pain and acute forms of pain.

In the first quarter of 2025, we commenced dosing of patients in the HALT-CINP-203 clinical trial in the United States. HALT-CINP-203 is a Phase 2b, double-blind, placebo controlled clinical trial intended to assess the efficacy and safety of Halneuron® in approximately 200 patients with moderate to severe neuropathic pain

caused by previous platinum and/or taxane based cancer chemotherapy. The primary efficacy endpoint is the change from baseline to week 4 in the weekly average of daily 24-hour recall pain intensity scores captured on an electronic diary, comparing Halneuron® to placebo. The secondary endpoints include patient global impression of change, PROMIS fatigue, PROMIS sleep, PROMIS-29, pain interference, hospital anxiety and depression scale and the neuropathic pain symptom inventory. We expect to release an interim analysis of data from approximately 40-50% of the patients enrolled in HALT-CINP-203 in the fourth quarter of 2025. The planned interim analysis is designed to explore one of four possible outcomes, (i) early stopping due to achievement of statistically significant pain reduction with the smaller sample size, (ii) a futility determination, (iii) a recommendation to continue the study to the planned sample size of 200 total patients, or (iv) a recommendation to increase the HALT-CINP patients sample size based on the Halneuron® observed treatment effect size versus placebo at the interim analysis. Top-line data from the trial are presently expected in the second-half of 2026.

SP16 Chemotherapy Induced Peripheral Neuropathy Program (CIPN)

We recently licensed the rights to the IV formulation of SP16 for the treatment of CIPN. SP16 is a 17 amino acid peptide drug that has been designed to mimic the anti-inflammatory and immunomodulatory properties of Alpha-1 Antitrypsin, without the limitations seen with the much larger Alpha-1 Antitrypsin protein. The initial Phase 1 evaluation of SP16's safety when used to treat CIPN will be conducted by the University of Virginia Cancer Center under a National Cancer Institute ("NCI") grant. Patient recruitment for this initial evaluation is expected to start in the first half of 2026. We will be providing our clinical development expertise, but with the NCI funding the trial, we will incur no other expenses in connection with this initial evaluation of the safety of SP16 in cancer patients.

Exchange and Cancellation Agreement

On October 7, 2024, the Company entered into a Loan Agreement (the "Loan Agreement") with Conjoint Inc., a Delaware corporation ("Lender"). Pursuant to the Loan Agreement, Lender agreed to make a loan to the Company in the aggregate principal amount of $19,500,000, of which (i) $16,500,000 was disbursed on October 7, 2024 and (ii) $3,000,000 was disbursed on February 18, 2025. Prior to the Debt Exchange and Cancellation Transaction described below, the Loan Agreement bore interest at the Secured Overnight Financing Rate ("SOFR") plus 2.00%. The Loan Agreement was payable in full with principal and accrued interest on October 7, 2027.

On March 12, 2025, we entered into a Debt Exchange and Cancellation Agreement (the "Exchange and Cancellation Agreement") with Lender. Pursuant to the Exchange and Cancellation Agreement, the principal amount of all loans made to the Company under the Loan Agreement, along with accrued interest through March 12, 2025, was deemed repaid and all of the Company's obligations satisfied in full and cancelled in exchange for 284.2638 shares of the Company's Series A-1 Non-Voting Convertible Preferred Stock, par value $0.0001 ("Series A-1 Preferred Stock" and such transaction, the "Debt Exchange and Cancellation Transaction"). Following the stockholder approval of the conversion of Series A-1 Preferred Stock into shares of Common Stock in accordance with the listing rules of the Nasdaq Stock Market, each share of Series A-1 Preferred Stock will automatically convert into 10,000 shares of Common Stock.

Registered Direct Offering

On March 12, 2025, we entered into an agreement with Maxim Group LLC as placement agent in connection with the issuance and sale by the Company in a registered direct offering of 578,950 shares of our Common Stock at a price of $8.26 per share (the "March 2025 Offering"), pursuant to an effective shelf registration statement on Form S-3 (File No. 333-263700). The March 2025 Offering closed on March 14, 2025, and the gross proceeds from the March 2025 Offering were approximately $4.78 million. The net proceeds of the March 2025 Offering were approximately $4.25 million after deducting placement agent fees and offering expenses payable by the Company.

Licensing Agreement

On September 29, 2025, we entered into an Exclusive Licensing Agreement (the "Licensing Agreement") with Serpin Pharma Inc. ("Serpin Pharma") and Rejuvenation Labs, Inc. ("Rejuvenation" and, together with Serpin Pharma, "Serpin"), pursuant to which Serpin granted the Company a royalty-free, sublicensable global license to develop Serpin Pharma's intravenous formulation of SP16. SP16 is a first-in-class low density lipoprotein receptor-related protein-1 (LRP1) agonist which has demonstrated both anti-inflammatory, immunomodulatory and neural repair activity that has the potential to treat chemotherapy-induced peripheral neuropathy. In consideration of the Licensing Agreement, we issued 191,017 shares of common stock, par value $0.0001 per share ("Common Stock") and 89.5939 shares of Series A-2 Non-Voting Convertible Preferred Stock, par value $0.0001 per share ("Series A-2 Preferred Stock") to Serpin Pharma and (ii) 191,017 shares of Common Stock and 89.5939 shares of Series A-2 Preferred Stock to Rejuvenation, as further described under "Serpin Equity Issuance and Registration Rights Agreement" below.

Tungsten Advisors (through its Broker-Dealer, Finalis Securities LLC) (together with its affiliates, "Tungsten") acted as the financial advisor to the Company in connection with the Licensing Agreement. As compensation for services rendered by Tungsten, the Company issued to Tungsten and its affiliates and designees an aggregate of 10.8694 shares of Series A-2 Preferred Stock.

Serpin Equity Issuance and Registration Rights Agreement

On September 29, 2025, in connection with the Licensing Agreement, we also entered into an Equity Issuance and Registration Rights Agreement (the "Serpin Registration Rights Agreement") with Serpin,

Pursuant to the Serpin Registration Rights Agreement, we filed a Form S-3 registration statement registering the shares issued under the Serpin Registration Rights Agreement and to use commercially reasonable efforts to cause such registration statement to be declared effective by the Securities and Exchange Commission as soon as practicable after such registration statement is filed. We also granted Serpin customary demand registration and indemnification rights and entered into customary issuer covenants.

Results of Operations

Below is a summary of the results of operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating expenses:	(Unaudited)		(Unaudited)	
Research and development	$ 14,521,342	$ 535,162	$ 19,528,283	$ 1,214,964
General and administrative	1,287,783	1,766,010	4,633,883	3,470,133
Total operating expenses	$ 15,809,125	$ 2,301,172	$ 24,162,166	$ 4,685,097

Three and Nine Months Ended September 30, 2025 and 2024

Research and Development Expenses

Research and development expenses increased by $14.0 million and $18.3 million for the three and nine months ended September 30, 2025, respectively, compared to prior periods. The increase of $14.0 million for the three months ended September 30, 2025 was primarily due to $12.0 million of acquired In-Process Research and Development ("IPR&D") related to the Licensing Agreement with Serpin discussed above and the impact of the Combination including increases in expenses related to the ongoing HALT-CINP-203 clinical trial of $1.9 million, drug development and manufacturing costs of $0.3 million, and salaries and related personnel costs of $0.1 million offset by a decrease in research and preclinical costs of $0.3 million. The increase in expenses of $18.3 million for the nine months ended September 30, 2025 compared to the prior

year period was also primarily due to $12.0 million of acquired In-Process Research and Development ("IPR&D") related to the Licensing Agreement with Serpin and the impact of the Combination including increases in expenses for clinical trials of $5.3 million related to the HALT-CINP-203 study, drug development and manufacturing costs of $0.9 million and salaries and related personnel costs of $0.5 million offset by a decrease in research and preclinical costs of $0.4 million.

General and Administrative Expenses

General and administrative expenses decreased by $0.5 million and increased by $1.2 million for the three and nine months ended September 30, 2025, respectively, compared to prior periods. The decrease of $0.5 million for the three months ended September 30, 2025 was primarily due to decreases in expenses for legal and professional fees of $0.5 million and in expenses associated with being a public company of $0.2 million offset by an increase in salaries and related personnel costs of $0.2 million. The increase in expenses of $1.2 million for the nine months ended September 30, 2025 compared to the prior year period was primarily due to increases in expenses for legal and professional fees of $0.3 million related to the Combination, franchise tax fees of $0.2 million, salaries and related personnel costs of $0.7 million and other general and administrative costs of $0.2 million offset by a decrease in expenses associated with being a public company of $0.2 million.

Liquidity and Capital Resources

Since our inception, we have financed our operations through public offerings of common stock and proceeds from private placements of membership interests and convertible promissory notes. To date, we have not generated any revenue from the sale of products and we do not anticipate generating any revenue from the sales of products for the foreseeable future. We have incurred losses and generated negative cash flows from operations since inception. As of September 30, 2025, our principal source of liquidity was our cash, which totaled $10.1 million.

The global economy, including credit and financial markets, has experienced extreme volatility and disruptions including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates, increases in inflation rates and uncertainty about economic stability. For example, the ongoing conflicts between Israel-Hamas and Ukraine-Russia, the effect of these wars and the resulting sanctions by the U.S. and European governments, has created extreme volatility in the global capital markets and is expected to have further global economic consequences, including disruptions of the global supply chain and energy markets. Any such volatility and disruptions may have adverse consequences on us or the third parties on whom we rely. If the equity and credit markets deteriorate, including as a result of political unrest or war, it may make any necessary debt or equity financing more difficult to obtain in a timely manner or on favorable terms, if at all.

Equity Financings

On March 14, 2025, we closed a registered direct offering of 578,950 shares of our Common Stock, raising gross proceeds of approximately $4.78 million and net proceeds of approximately $4.25 million, after deducting placement agent fees and offering expenses.

Debt Financings

On February 18, 2025, we received $3,000,000 in loan proceeds pursuant the Loan Agreement dated October 7, 2024 with the Lender. There were no debt financings during the three and nine months ended September 30, 2024. There was no debt outstanding at September 30, 2025 due to the Debt Exchange and Cancellation Transaction discussed above. At December 31, 2024, the debt with related party, net of issuance costs was $15,381,077.

Future Capital Requirements

We anticipate our cash on hand at September 30, 2025 of approximately $10.1 million will fund operations through the first quarter of 2026. The Company will need to secure additional financing to fund its ongoing clinical trials and operations beyond the first quarter of 2026 to continue to execute its strategy. We will need to finance our cash needs through public or private equity offerings, debt financings, collaboration and licensing arrangements or other financing alternatives. To the extent that we raise additional funds by issuing equity or equity-linked securities, our shareholders will experience dilution. We can give no assurances that we will be able to secure such additional sources of funds to support our operations, or, if such funds are available to us, that such additional financing will be sufficient to meet our needs. As a result, substantial doubt exists regarding our ability to continue as a going concern 12 months from the issuance of this Quarterly Report on Form 10-Q. Failure to secure the necessary financing in a timely manner and on favorable terms could have a material adverse effect on the Company's strategy and value and could require the delay of product development and clinical trial plans.

Summary of Cash Flows

The following table summarizes our cash flows for the nine months ended September 30, 2025 and 2024, respectively:

	Nine Months Ended September 30,	
	2025	2024
	(Unaudited)	
Statement of Cash Flows Data:		
Net cash (used in) provided by:		
Operating activities	$ **(11,981,464)**	$ (2,659,297)
Financing activities	**7,252,245**	1,382,170
Decrease in cash	$ **(4,729,219)**	$ (1,277,127)

Cash Flows for the Nine Months Ended September 30, 2025 and 2024

Operating Activities

For the nine months ended September 30, 2025, net cash used in operations was $12.0 million and consisted of a net loss of $30.5 million and a net change in operating assets and liabilities of $0.2 million attributable to a decrease in accounts payable of $0.7 million offset by an increase in accrued liabilities of $0.3 million and a decrease in prepaid expenses and other current assets of $0.2 million further offset by non-cash items of $18.7 million attributable to the acquisition of a license of $12.0 million, loss on conversion of debt with related party of $6.1 million, deferred tax expense of $0.2 million and share-based compensation, depreciation and amortization of $0.4 million.

For the nine months ended September 30, 2024, net cash used in operations was $2.6 million and consisted of a net loss of $4.6 million offset by a net change in operating assets and liabilities of $1.6 million attributable to an increase in accounts payable and accrued liabilities of $1.0 million and a decrease in prepaid expenses and other current assets of $0.6 million and non-cash items of $0.4 million attributable to share-based compensation.

Financing Activities

Net cash provided by financing activities during the nine months ended September 30, 2025 was $7.3 million and was attributable to cash proceeds from the Loan Agreement of $3.0 million and gross proceeds from our registered direct offering in March 2025 of $4.8 million, net of placement agent fees and offering costs paid by us during the nine months ended September 30, 2025 of $0.5 million.

Net cash provided by financing activities during the nine months ended September 30, 2024 was $1.4 million and was attributable to gross cash proceeds from our public offering in May 2024 of $1.7 million, net of placement agent fees and offering costs paid by us during the nine months ended September 30, 2024 of $0.3 million.

Off-Balance Sheet Arrangements

As of September 30, 2025, we did not have any off-balance sheet arrangements or relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities.

Discussion of Critical Accounting Policies and Significant Judgements and Estimates

The preparation of financial statements in conformity with U.S. GAAP requires us to use judgment in making certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Critical accounting policies are those that are most important to the portrayal of our financial condition and results of operations and require difficult, subjective and complex judgments by management in order to make estimates about the effect of matters that are inherently uncertain. During the nine months ended September 30, 2025, holders of certain Series A Preferred Stock irrevocably waived the cash settlement and related repurchase rights for 166 shares of Series A Preferred Stock. As such, the Company reclassified approximately $5.5 million and 166 shares from temporary equity to permanent equity as the shares no longer qualified for temporary equity classification under ASC 480-10-S99-3A. In addition, the Company considered under ASC 470, *Debt*, whether or not the Series A Preferred Stock underlying the waivers should be treated as a modification or as an extinguishment for financial reporting purposes. The Company used the fair value method and determined that the fair value of the Series A Preferred Stock before the waiver was not significantly different (e.g. less than 10%) than the fair value of the Series A Preferred Stock immediately after the waiver and thus the waiver was considered a modification. Accordingly, there was no impact to net income or earnings per share, and any directly related fees were expensed as incurred.

JOBS Act

On April 5, 2012, the Jumpstart Our Business Startups Act of 2012, or JOBS Act, was signed into law. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for an “emerging growth company.” As an “emerging growth company,” we are electing to take advantage of the extended transition period afforded by the JOBS Act for the implementation of new or revised accounting standards.

Subject to certain conditions set forth in the JOBS Act, as an “emerging growth company,” we are not required to, among other things, (i) provide an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (auditor discussion and analysis), and (iv) disclose certain executive compensation-related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer’s compensation to median employee compensation. These exemptions will apply until December 31, 2025, which is the last day of the fiscal year following the fifth anniversary of the completion of our IPO, or until we no longer meet the requirements for being an “emerging growth company,” whichever occurs first.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

This item is not required for smaller reporting companies.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost benefit relationship of possible controls and procedures.

Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective in ensuring that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules, regulations and forms of the SEC, including ensuring that such material information is accumulated by and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(f) of the Exchange Act that occurred during the quarter covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

From time to time we may be involved in claims that arise during the ordinary course of business. Regardless of the outcome, litigation can be costly and time consuming, and it can divert management's attention from important business matters and initiatives, negatively impacting our overall operations. Although the results of litigation and claims cannot be predicted with certainty, we do not currently have any pending or ongoing litigation to which we are a party or to which our property is subject that we believe to be material.

Item 1A. Risk Factors

There are no material changes from risk factors as previously disclosed in our 2024 Annual Report on Form 10-K. You should carefully consider the risk factors discussed in Part I, "Item 1A. Risk Factors" in our 2024 Annual Report on Form 10-K which could materially affect our business, financial condition or future results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Arrangements

During the nine months ended September 30, 2025, no director or "officer" (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

See Exhibit Index.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Certificate of Designation of Series A-2 Non-Voting Convertible Preferred Stock of Dogwood Therapeutics, Inc. dated September 29, 2025 (incorporated by reference herein from Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on September 29, 2025).
4.1	Specimen Certificate evidencing shares of the Registrant's common stock (incorporated by reference herein from Exhibit 4.1 to the Company's Registration Statement on Form S-1, filed with the SEC on October 16, 2020).
10.1	Exclusive License Agreement, dated September 29, 2025, by and between Dogwood Therapeutics, Inc. and Serpin Pharma, Inc. (incorporated by reference herein from Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on September 29, 2025).
10.2	Equity Issuance and Registration Rights Agreement, dated September 29, 2025, by and among Dogwood Therapeutics, Inc., Serpin Pharma, Inc. and Rejuvenation Labs, Inc. (incorporated by reference herein from Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on September 29, 2025).
10.3	Support Agreement, dated September 29, 2025, by and among Dogwood Therapeutics, Inc., Serpin Pharma, Inc. and Rejuvenation Labs, Inc. (incorporated by reference herein from Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on September 29, 2025).
10.4	Form of Support Agreement by and among Dogwood Therapeutics, Inc. and certain affiliates of Tungsten Advisors (incorporated by reference herein from Exhibit 10.4 to the Company's Current Report on Form 8-K, filed with the SEC on September 29, 2025).
10.5	Support Agreement, dated September 29, 2025, by and between Dogwood Therapeutics, Inc. and Sealbond Limited (incorporated by reference herein from Exhibit 10.5 to the Company's Current Report on Form 8-K, filed with the SEC on September 29, 2025).
31.1†	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2†	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1†	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2†	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS†	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH†	XBRL Taxonomy Extension Schema Document

101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document
104†	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

† Filed herewith.

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, duly authorized.

Date: November 7, 2025

DOGWOOD THERAPEUTICS, INC.

By: /s/ Greg Duncan
Name: Greg Duncan
Title: Chairman of the Board of Directors and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Angela Walsh
Name: Angela Walsh
Title: Chief Financial Officer, Corporate Secretary and Treasurer
(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Greg Duncan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dogwood Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2025

/s/ Greg Duncan
Greg Duncan
Chairman of the Board of Directors
and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Angela Walsh, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dogwood Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2025

/s/ Angela Walsh
Angela Walsh
Chief Financial Officer, Corporate Secretary and Treasurer
(Principal Financial and Accounting Officer)

Exhibit 32.1

Certification of CEO Pursuant to 18 U.S.C. Section 1350,

As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report of Dogwood Therapeutics, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2025 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2025

/s/ Greg Duncan
Greg Duncan
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification of CFO Pursuant to 18 U.S.C. Section 1350,

As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report of Dogwood Therapeutics, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2025 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2025

/s/ Angela Walsh

Angela Walsh
Chief Financial Officer, Corporate Secretary and Treasurer
(Principal Financial and Accounting Officer)