



Galecto Reports First Quarter Financial Results and Provides a Corporate Update

May 4, 2021

BOSTON, May 04, 2021 (GLOBE NEWSWIRE) -- Galecto, Inc. (NASDAQ: GLTO), a clinical stage biotechnology company focused on the development of novel treatments for fibrosis and cancer, today announced its operating and financial results for the period ended March 31, 2021 and provided a corporate update.

"The first quarter was one of continued focus on our pipeline, as we look forward to initiating three Phase 2 trials this year and continue building upon our strategy," said Hans Schambye, CEO of Galecto. "As we evaluate and modify our ongoing GALACTIC-1 Phase 2b trial of GB0139 in IPF, we established additional validation of our platform, specifically the role of galectin-3 and its potential in new cancer indications, in a paper published in a peer-reviewed journal *Gastric Cancer*. The planned clinical study in non-small cell lung cancer (NSCLC) with our oral galectin-3 inhibitor GB 1211 is very exciting and we are pleased to have a balance sheet supporting development in these meaningful indications."

Recent Highlights & Developments

- Published a paper in *Gastric Cancer*, a joint official peer-reviewed journal of the International Gastric Cancer Association and the Japanese Gastric Cancer Association.
- Announced plans to work with both study investigators and appropriate regulatory authorities to modify and continue the GALACTIC-1 Phase 2b trial following the recommendation from a data safety monitoring board, maintaining our opportunity to demonstrate an effect in the treatment of IPF. We continue to believe that GB0139 is well positioned to address a significant unmet need for a safer and more efficacious treatment.
- Hosted a well-attended Key Opinion Leader event discussing the current treatment landscape for IPF, the unmet clinical need, and the potential for GB0139. To access a recording of the event please visit the Event page on the Investor tab on Galecto's website or follow this link: <https://ir.galecto.com/news-and-events/events>

Expected Upcoming Milestones

- COVID data in early Q2 2021
- Completion of enrollment in GALACTIC-1 Phase 2b clinical trial in IPF patients in 2H 2021
- Initiation of enrollment in three Phase 2 trials:
 - MYLOX-1 trial (myelofibrosis) in 1H 2021
 - GALLANT-1 trial (NSCLC) in 2H 2021
 - GULLIVER-2 trial (liver cirrhosis) in 2H 2021

Three Months Ended March 31, 2021 Financial Highlights

Cash, cash equivalents, and investments as of March 31, 2021 were approximately \$149 million. We currently expect that our cash and cash equivalents will be sufficient to fund our operating expenses and capital requirements into 2024.

Research and development expenses were \$10.0 million for the three months ended March 31, 2021, compared to \$4.7 million for the three months ended March 31, 2020. The increase of \$5.3 million was due primarily to increased clinical spending associated with the GALACTIC-1 study.

General and administrative expenses were \$3.6 million for the three months ended March 31, 2021, compared to \$1.1 million for the three months ended March 31, 2020. The increase of \$2.5 million was primarily related to public company costs and non-cash stock-based compensation.

Net loss attributable to common stockholders for the three months ended March 31, 2021 was \$13.3 million, or \$(0.53) per basic and diluted share, compared with \$5.7 million, or \$(21.83) per basic and diluted share, for the prior year period.

About Galecto

Galecto is a clinical stage biotechnology company incorporated in the U.S. that is developing small molecule-based galectin inhibitors and the collagen cross-linking enzyme, LOXL2, inhibitors. Galecto has multiple clinical programs in fibrosis and cancer focused on galectin-3 and LOXL2, including an inhaled galectin-3 modulator (GB0139) currently in a phase 2b trial for the potential treatment of idiopathic pulmonary fibrosis. The company's pipeline also includes an orally active galectin-3 inhibitor (GB1211) that is expected to be part of (i) a phase 2 trial for the potential treatment of NSCLC in combination with an anti-PD1 product and (ii) a phase 1b/2 trial in liver cirrhosis, as well as an orally active LOXL2 inhibitor (GB2064) that is expected to part of a phase 2 trial for the potential treatment of myelofibrosis. It is anticipated that enrollment for all of these trials will be initiated in 2021.

Galecto intends to use its website as a means of disclosing material non-public information. For regular updates about Galecto, visit www.galecto.com.

Forward-Looking Statements

Certain statements in this press release are forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements include statements about the role of galectin-3 and its potential in new cancer indications; the announcement of COVID data in early Q2 2021; our plans to work with both study investigators and appropriate regulatory authorities to modify and continue the GALACTIC-1 Phase 2b trial following the recommendation from a data safety monitoring board and our ability to complete of enrollment in GALACTIC-1 Phase 2b clinical trial in IPF patients in 2H 2021; our initiation of enrollment in three Phase 2 trials: MYLOX-1 trial (myelofibrosis) in 1H 2021, GALLANT-1 trial (NSCLC) in 2H 2021 and GULLIVER-2 trial (liver cirrhosis) in 2H 2021; and our expectation that our cash and cash equivalents will be sufficient to fund our operating expenses and capital requirements into 2024. Such forward-looking statements include statements about Galecto's focus, plans for clinical

development, product candidates and pipeline. The words “may,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “project,” “potential,” “continue,” “target” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. For such statements, Galecto claims the protection of the Private Securities Litigation Reform Act of 1995. Actual events or results may differ materially from Galecto’s expectations. Factors that could cause actual results to differ materially from the forward-looking statements include risks and uncertainties related to the development of Galecto’s product candidates and their therapeutic potential, having adequate funds and their use, and those disclosed in Galecto’s filings with the Securities and Exchange Commission. These forward-looking statements represent Galecto’s judgment as of the time of this release. Galecto disclaims any intent or obligation to update these forward-looking statements, other than as may be required under applicable law.

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Financial Tables to Follow

GALECTO, INC.
Condensed Consolidated Balance Sheets
(in thousands)

	March 31, 2021	December 31, 2020
	(unaudited)	
Cash and cash equivalents	\$ 74,253	\$ 163,582
Marketable securities	36,081	—
Prepaid expenses and other current assets	6,568	5,713
Marketable securities, long-term	38,576	—
Operating lease right-of-use assets	933	885
Other assets	2,244	1,416
Total assets	\$ 158,655	\$ 171,596
Current liabilities	\$ 5,540	\$ 5,566
Operating lease liabilities, noncurrent	544	541
Total liabilities	6,084	6,107
Total stockholders' equity	152,571	165,489
Total liabilities and stockholders' equity	\$ 158,655	\$ 171,596

GALECTO, INC.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2021	2020
Operating expenses:		
Research and development	\$ 9,990	\$ 4,707
General and administrative	3,562	1,123
Total operating expenses	13,552	5,830
Loss from operations	(13,552)	(5,830)
Total other income (expense), net	207	156
Net loss	(13,345)	(5,674)
Net loss per common share, basic and diluted	\$ (0.53)	\$ (21.83)
Weighted-average number of shares used in computing net loss per common share, basic and diluted	25,261,832	259,966
Other comprehensive loss:		

Net loss	(13,345)	(5,674)
Currency translation loss	(524)	(210)
Unrealized loss on marketable securities	(80)	—
Total comprehensive loss	<u>\$ (13,949)</u>	<u>\$ (5,884)</u>