



Galecto Reports First Quarter Operating and Financial Results

April 29, 2022

BOSTON, April 29, 2022 (GLOBE NEWSWIRE) -- Galecto, Inc. (NASDAQ: GLTO), a clinical stage biotechnology company focused on the development of novel treatments for cancer and fibrosis, today announced its operating and financial results for the quarter ended March 31, 2022.

"We continued to execute this quarter, and importantly completed enrollment in two of our three ongoing Phase 2 trials: GALACTIC-1 in IPF and GULLIVER-2 in liver cirrhosis," said Hans Schambye, CEO of Galecto. "As we await topline data from GULLIVER-2 later this year, we look forward to other important milestones, including initiating enrollment in GALLANT-1, our Phase 2 trial in first-line NSCLC, and completing enrollment in MYLOX-1, our Phase 2 trial in myelofibrosis. We look forward to multiple data read-outs over the next year from our broad clinical stage pipeline and remain optimistic and focused on progressing all our clinical projects."

Recent Highlights

- Completed target enrollment of 141 patients in the GALACTIC-1 Phase 2b clinical trial in idiopathic pulmonary fibrosis (IPF).
- Completed enrollment of Parts 2 and 3 of the GULLIVER-2 trial in liver cirrhosis. Part 2 of the trial is designed to assess the effect of 12-week dosing of GB1211 on a wide series of biological markers of hepatic function and structure in participants with moderate hepatic impairment; and Part 3 of the GULLIVER-2 trial is designed to evaluate patients with liver cirrhosis and severe hepatic impairment.

Expected Upcoming Milestones

- Initiation of enrollment in Phase 2a GALLANT-1 trial of GB1211 in combination with Tecentriq® in first-line Non-Small-Cell Lung Cancer in Q2 2022.
- Interim readout of MYLOX-1 trial in mid-2022 followed by completion of enrollment in 2H 2022.
- Top-line results from Parts 2 and 3 of the GULLIVER-2 Phase 1b/2a trial in Q4 2022.

First Quarter 2022 Financial Highlights

Cash, cash equivalents, and investments as of March 31, 2022 were approximately \$101.8 million. The Company anticipates that its cash, cash equivalents and investments will be sufficient to fund operating expenses and capital requirements into the second half of 2024.

Research and development expenses were \$13.2 million for the three months ended March 31, 2022, compared to \$10.0 million for the three months ended March 31, 2021. The increase of \$3.2 million was due primarily to increased clinical spending associated with three active clinical trials.

General and administrative expenses were \$3.7 million for the three months ended March 31, 2022, compared to \$3.6 million for the three months ended March 31, 2021. The increase of \$0.1 million was primarily related to increased headcount and non-cash stock-based compensation.

Net loss attributable to common stockholders for the three months ended March 31, 2022 was \$16.9 million or \$(0.67) per basic and diluted share, compared with \$13.3 million, or \$(0.53) per basic and diluted share, for the prior year period.

About Galecto

Galecto is a clinical stage company incorporated in the U.S. that is developing small molecule-based inhibitors of galectin-3 (and the galectin family generally) and LOXL2. Galecto has multiple ongoing Phase 2 clinical programs in fibrosis and cancer, including (i) an inhaled galectin-3 modulator (GB0139) in a phase 2b trial for the treatment of idiopathic pulmonary fibrosis (IPF); (ii) an orally active LOXL2 inhibitor (GB2064) in a phase 2a trial for the treatment of myelofibrosis; (iii) an orally active galectin-3 inhibitor (GB1211) in a phase 1b/2a trial in liver cirrhosis and a separate planned phase 2a trial for the treatment of NSCLC in combination with atezolizumab (Tecentriq®).

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 Galecto's ability to make progress across its clinical pipeline of asset; the potential of Galecto's product candidates to address significant areas of unmet need; Galecto's plans for timing of completing enrollment in its MYLOX-1 and GULLIVER-2 trials; Galecto's plans for initiating its GALLANT-1 trial, and Galecto's expectation that its cash, cash equivalents and marketable securities will be sufficient to fund its operating expenses and capital requirements into the second half 2024. 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 (SEC), including, but not limited to, Galecto's Annual Report on Form 10-K, as filed with the SEC on February 17, 2022. 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, 2022	December 31, 2021
	(unaudited)	
Cash and cash equivalents	\$ 45,388	\$ 62,563
Marketable securities	48,210	37,628
Prepaid expenses and other current assets	3,434	9,911
Marketable securities, noncurrent	8,160	9,048
Operating lease right-of-use assets	702	834
Other assets, noncurrent	3,036	2,231
Total assets	\$ 108,930	\$ 122,215
Current liabilities	\$ 7,214	\$ 4,544
Operating lease liabilities, noncurrent	402	448
Total liabilities	7,616	4,992
Total stockholders' equity	101,314	117,223
Total liabilities and stockholders' equity	\$ 108,930	\$ 122,215

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

	For the Three Months Ended March 31,	
	2022	2021
Operating expenses:		
Research and development	\$ 13,235	\$ 9,990
General and administrative	3,704	3,562
Total operating expenses	16,939	13,552
Loss from operations	(16,939)	(13,552)
Total other income (expense), net	1	207
Net loss	\$ (16,938)	\$ (13,345)
Net loss per common share, basic and diluted	\$ (0.67)	\$ (0.53)
Weighted-average number of shares used in computing net loss per common share, basic and diluted	25,261,832	25,261,832
Other comprehensive loss, net of tax	(375)	(604)
Total comprehensive loss	\$ (17,313)	\$ (13,949)



Source: Galecto, Inc.