



Galecto Reports Second Quarter Operating and Financial Results

July 29, 2022

BOSTON, July 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 June 30, 2022.

"The second quarter proved to be very productive for Galecto as we continued to advance our clinical programs, highlighted by completing enrollment in our Phase 2b GALACTIC-1 trial of GB0139 for the treatment of idiopathic pulmonary fibrosis (IPF) and initiating our Phase 2a GALLANT-1 trial of GB1211 in combination with atezolizumab (Tecentriq®) for first-line treatment of non-small cell lung cancer (NSCLC)," said Hans Schambye, CEO of Galecto. "We remain on track to report topline results from our Phase 1b/2a GULLIVER-2 trial for the treatment of liver cirrhosis and results from an intermediate review of our Phase 2a MYLOX-1 trial for the treatment of myelofibrosis, both later this quarter. Including these readouts, we anticipate that over the next 12 months we will report either interim or topline data from all four of our clinical programs, all of which address highly significant areas of unmet medical need. We remain well-capitalized and expect our available cash and cash equivalents to fund our operations through all of these data readouts and into the second half of 2024."

Recent Highlights

- Initiated Phase 2a GALLANT-1 trial of GB1211 in combination with Tecentriq® for first-line treatment of NSCLC in Q2 2022.
- Completed enrollment of 141 patients in the Phase 2b GALACTIC-1 trial for idiopathic pulmonary fibrosis (IPF).
- Presented data at the 2022 ASCO Annual Meeting showing that GB1211 reversed a galectin-3 induced blockage of PD-1/PD-L1 checkpoint inhibitors and exhibited synergistic effects with checkpoint inhibitors in preclinical models.

Expected Upcoming Milestones

- Topline results from Phase 1b/2a GULLIVER-2 trial later in Q3 2022.
- Intermediate review of Phase 2a MYLOX-1 trial later in Q3 2022.
- Top-line results from Phase 2b GALACTIC-1 trial and Phase 2a GALLANT-1 trial in mid-2023.

Second Quarter 2022 Financial Highlights

Cash, cash equivalents, and investments as of June 30, 2022 were approximately \$85.9 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 \$ 13.7 million for the three months ended June 30, 2022, compared to \$8.6 million for the three months ended June 30, 2021. The increase of \$5.1 million was due primarily to increased clinical spending associated with four active clinical trials.

General and administrative expenses were \$3.4 million for the three months ended June 30, 2022, compared to \$3.6 million for the three months ended June 30, 2021. The decrease of \$(0.2) million was primarily related to decreased consulting expenses.

Net loss attributable to common stockholders for the three months ended June 30, 2022 was \$16.9 million or \$(0.67) per basic and diluted share, compared with \$12.3 million, or \$(0.49) 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 inhibitor (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 (iv) an orally active galectin-3 inhibitor (GB1211) in combination with atezolizumab (Tecentriq®) in a Phase 2a trial for the treatment of NSCLC.

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 assets; Galecto's plans for timing of readouts in its GULLIVER-2, MYLOX-1, GALACTIC-1 and GALLANT-1 trials; the potential of Galecto's product candidates to address significant areas of unmet need; 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.

For more information, contact:

Galecto, Inc.

Hans Schambye, CEO
 Jon Freve, CFO
 +45 70 70 52 10

Investors/US

Ashley R. Robinson
arr@lifesciadvisors.com
 +1 617 430 7577

Media/EU

Sandya von der Weid
svonderweid@lifesciadvisors.com
 +41 78 680 0538

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	(unaudited)	
Cash and cash equivalents	\$ 29,795	\$ 62,563
Marketable securities	49,231	37,628
Prepaid expenses and other current assets	3,176	9,911
Marketable securities, noncurrent	6,888	9,048
Operating lease right-of-use assets	554	834
Other assets, noncurrent	3,214	2,231
Total assets	<u>\$ 92,858</u>	<u>\$ 122,215</u>
Current liabilities	\$ 7,488	\$ 4,544
Operating lease liabilities, noncurrent	305	448
Total liabilities	<u>7,793</u>	<u>4,992</u>
Total stockholders' equity	<u>85,065</u>	<u>117,223</u>
Total liabilities and stockholders' equity	<u>\$ 92,858</u>	<u>\$ 122,215</u>

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

	<u>For the Three Months Ended June 30,</u>		<u>For the Six Months Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Operating expenses:				
Research and development	\$ 13,707	\$ 8,635	\$ 26,942	\$ 18,625
General and administrative	3,414	3,633	7,118	7,195
Total operating expenses	<u>17,121</u>	<u>12,268</u>	<u>34,060</u>	<u>25,820</u>
Loss from operations	(17,121)	(12,268)	(34,060)	(25,820)
Total other income (expense), net	234	(34)	235	173
Net loss	<u>\$ (16,887)</u>	<u>\$ (12,302)</u>	<u>\$ (33,825)</u>	<u>\$ (25,647)</u>
Net loss per common share, basic and diluted	\$ (0.67)	\$ (0.49)	\$ (1.34)	\$ (1.02)
Weighted-average number of shares used in computing net loss per common share, basic and diluted	<u>25,270,314</u>	<u>25,261,832</u>	<u>25,266,096</u>	<u>25,261,832</u>
Other comprehensive gain (loss), net of tax	(804)	176	(1,179)	(428)
Total comprehensive loss	<u>\$ (17,691)</u>	<u>\$ (12,126)</u>	<u>\$ (35,004)</u>	<u>\$ (26,075)</u>



Source: Galecto, Inc.