



Galecto Reports Third Quarter 2024 Financial Results

November 1, 2024

- Completed strategic review to focus on oncology and severe liver diseases
- Announced acquisition of global rights to BRM-1420, a dual ENL-YEATS and FLT3 inhibitor for multiple genetic subsets of AML from Bridge Medicines
- Appointed Dr. Amy Wechsler to the Board of Directors and Matthew Kronmiller as Executive Vice President of Strategy and Chief Business Officer

BOSTON, Nov. 01, 2024 (GLOBE NEWSWIRE) -- Galecto, Inc. (NASDAQ: GLTO), a clinical-stage biotechnology company focused on the development of novel treatments for cancer and severe liver diseases, today reported financial results for the third quarter ended September 30, 2024.

"The third quarter was a pivotal period for Galecto highlighted by the completion of a strategic review to prioritize oncology and liver diseases and subsequent acquisition of BRM-1420, a novel, dual ENL-YEATS, and FLT3 inhibitor for multiple genetic subsets of acute myeloid leukemia (AML) that further strengthens our existing portfolio of first-in-class small molecule agents," said Dr. Hans Schambye, CEO of Galecto. "As we complete the work required to advance BRM-1420 to clinical trials, our goal is to realize its potential in addressing the needs of underserved AML patient populations. We are also excited about the continued development of GB1211, currently being evaluated in two clinical studies for various oncology indications."

Corporate Highlights

- Entered into an Asset Purchase Agreement with Bridge Medicines and acquired global rights to Bridge Medicines' BRM-1420 program, a novel dual ENL-YEATS and FLT3 inhibitor for multiple genetic subsets of AML. BRM-1420 is a potent and selective inhibitor designed to disrupt key oncogenic pathway signaling. Preclinical data demonstrated BRM-1420's superior activity to both FLT3 and menin inhibitors in primary AML patient samples across multiple genotypes. Galecto plans to submit an investigational new drug application (IND) for BRM-1420 in the US in late 2025 or early 2026 and initiate clinical studies in patients with AML thereafter.
- Matthew Kronmiller, Bridge Medicine's Chief Executive Officer, joined Galecto's management team as the Executive Vice President of Strategy and Chief Business Officer.
- Appointed Dr. Amy Wechsler to the Board of Directors. Dr. Wechsler brings extensive biotech leadership experience, successfully guiding companies through critical growth stages.
- Continued enrollment in the ongoing Phase 2 IIT of GB1211 in combination with pembrolizumab (Keytruda®) in metastatic melanoma and head and neck squamous cell carcinoma.

Third Quarter 2024 Financial Results

Cash, cash equivalents, and investments as of September 30, 2024, were approximately \$19.7 million. The Company anticipates that its cash, cash equivalents and investments will be sufficient to fund operating expenses and capital requirements for at least the next twelve months.

Research and development expenses were \$1.1 million for the three months ended September 30, 2024, compared to \$2.6 million for the three months ended September 30, 2023. The decrease of \$1.5 million was due primarily to decreased research and development activities.

General and administrative expenses were \$2.7 million for the three months ended September 30, 2024, compared to \$3.3 million for the three months ended September 30, 2023. The decrease of \$0.6 million was primarily related to decreased personnel related costs.

Net loss attributable to common stockholders for the three months ended September 30, 2024 was \$3.9 million or \$(3.39) per basic and diluted share, compared with \$8.1 million, or \$(7.50) per basic and diluted share, for the three months ended September 30, 2023.

About Galecto

Galecto is a clinical-stage biopharmaceutical company committed to realizing the promise of novel treatments for cancer and liver diseases. The Company's pipeline consists of first-in-class small molecule drug candidates that target cancer and fibrosis signaling pathways, including (i) an orally active galectin-3 inhibitor (GB1211) for the treatment of liver cirrhosis; (ii) an orally active galectin-3 inhibitor (GB1211) in combination with a checkpoint inhibitor for various oncology indications; and (iii) as recently announced, a preclinical dual inhibitor of ENL-YEATS and FLT3 (BRM-1420) for multiple genetic subsets of AML, which Galecto acquired from Bridge Medicines. 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 preclinical and clinical development plans for its product candidates and pipeline, including BRM-1420 and GB1211; BRM-1420's potential to address challenging genetic subsets of AML; and that the Company anticipates that its cash, cash equivalents, and investments will be sufficient to fund operating expenses and capital requirements for at least the next twelve months. 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, Galecto's use of funds and whether Galecto's cash resources will be sufficient to fund its continuing operations for the periods and/or trials anticipated, 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 March 8, 2024 and Galecto Quarterly Report on Form 10-Q, as filed with the SEC on November 1, 2024. 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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GALECTO, INC.

Condensed Consolidated Balance Sheet

(in thousands, except share and per share amounts)

	September 30, 2024	December 31, 2023
	(unaudited)	
Cash and cash equivalents	\$ 19,678	\$ 21,465
Marketable securities	—	11,686
Prepaid expenses and other current assets	1,500	3,623
Operating lease right-of-use assets	32	247
Other assets, noncurrent	2,166	1,206
Total assets	\$ 23,376	\$ 38,227
Current liabilities	\$ 2,441	\$ 5,830
Operating lease liabilities, noncurrent	—	66
Total liabilities	2,441	5,896
Total stockholders' equity	20,935	32,331
Total liabilities and stockholders' equity	\$ 23,376	\$ 38,227

GALECTO, INC.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(in thousands, except share and per share amounts)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating expenses:				
Research and development	\$ 1,093	\$ 2,551	\$ 5,390	\$ 21,002
General and administrative	2,747	3,304	8,800	9,504
Restructuring costs	—	2,728	968	2,728
Total operating expenses	3,840	8,583	15,158	33,234
Loss from operations	(3,840)	(8,583)	(15,158)	(33,234)
Total other income (loss), net	(36)	447	509	1,360
Loss before income tax expense	(3,876)	(8,136)	(14,649)	(31,874)
Income tax expense	7	-	49	-
Net loss	\$ (3,883)	\$ (8,136)	\$ (14,698)	\$ (31,874)
Net loss per common share, basic and diluted	\$ (3.39)	\$ (7.50)	\$ (13.30)	\$ (30.20)

Weighted-average number of shares used in computing net loss per common share, basic and diluted

Other comprehensive gain, net of tax

Total comprehensive loss

1,144,978	1,084,191	1,104,849	1,055,580
468	183	285	290
\$ (3,415)	\$ (7,953)	\$ (14,413)	\$ (31,584)



Source: Galecto, Inc.