



UNDER EMBARGO UNTIL 7:30 am, JANUARY 7, 2020

Galecto and PharmAkea merge to create strong clinical-stage company developing first-in-class therapeutics in fibrosis and cancer

- Clinical programs in IPF, NASH and cancer
- Joint entity to be named Galecto, Inc.

San Diego, CA/Copenhagen, Denmark, January 7, 2020 – Galecto, the leading developer of galectin modulators for the treatment of fibrotic diseases including idiopathic pulmonary fibrosis (IPF) and cancer, and PharmAkea, Inc., a privately held San Diego-based pharmaceutical company developing novel small molecules against protein targets involved in fibroproliferative disease, today announced the two companies will merge. Financial terms have not been disclosed. Following completion, the joint company will retain the Galecto name and current senior management team, including Hans Schambye as CEO. Galecto, Inc. will be incorporated in the US and will retain its operating headquarters in Copenhagen, Denmark.

The merger brings together two clinical stage companies with strong programs in fibrosis and cancer, including an inhaled galectin-3 modulator currently in phase IIb for the potential treatment of idiopathic pulmonary fibrosis. Galecto has built a broad pipeline of drug candidates targeting the role of galectin-3 in inhibiting cells involved in fibrosis. This is complemented by PharmAkea, which has developed small molecules that target LOXL2, a key enzyme involved in the formation of the extracellular matrix during the fibrotic process.

“The merger between Galecto and PharmAkea brings together two highly complementary companies, which with our strengths in fibrosis and cancer will help us build a future global player in this space. PharmAkea, which included team members from Amira Pharmaceuticals, previously acquired by BMS, has a highly validated target and an exciting next generation small molecule inhibitor that is very potent and penetrates the fibrotic tissue. We are very much looking forward to working as a combined entity,” said Hans Schambye, CEO of Galecto.

“Galecto has vast experience in developing galectin-3 modulators that have potential to open up new treatment options, particularly in fibrotic indications. The synergy achieved by combining our complementary scientific approaches, first-in-class product candidates, supportive long-term investors and dedicated employees with extensive experience of drug development, will ensure that we address these debilitating diseases sooner,” said Robert Williamson, CEO of PharmAkea.

As a consequence of the merger, Carl Goldfischer from Bay City Capital will join the Galecto Board of Directors.

About Galecto, Inc.

Galecto is focused on developing novel drugs for the treatment of fibrosis, inflammation, and other serious human diseases. The company's products target galectins or galactoside binding lectins, which are a group of proteins shown to be involved in many disease processes. Since its founding in 2011, Galecto's R&D team has proven that galectin-3 is an attractive drug target and that galectin-3 inhibitors are effective in reducing fibrosis in several different organs in preclinical models. Based on this research and recently completed clinical studies, Galecto's high potency galectin modulators may open new treatment possibilities for many patients. The company is incorporated in the US and has its operating headquarters in Copenhagen, Denmark. Galecto is funded by Novo Holdings, OrbiMed, Ysios, HBM Healthcare Investments, Sunstone Capital, M Ventures, Bristol-Myers Squibb, Maverick Ventures, Seventure and SEED Capital.

Further information can be found at www.galecto.com.

About PharmAkea, Inc.

PharmAkea is a privately held San Diego-based clinical-stage pharmaceutical company developing novel small molecules against protein targets involved in fibroproliferative diseases. The company was funded through a collaboration with Celgene and a venture round by Bay City Capital. The company's lead program is PAT-1251, a Phase 2 ready LOXL2 inhibitor, for the treatment of fibrotic diseases and some cancers. PharmAkea spun out PAT-409, a Phase 1 ready autotaxin inhibitor, in 2019, and that program was subsequently purchased by Blade Therapeutics.

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