

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2025

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File No. 001-31791

GALECTIN THERAPEUTICS INC.

Nevada
(State or other jurisdiction of incorporation)

04-3562325
(I.R.S. Employer Identification No.)

4960 Peachtree Industrial Blvd., Suite 240, Norcross, GA
(Address of Principal Executive Offices)

30071
(Zip Code)

(678) 620 -3186
(Registrant's Telephone Number, Including Area Code)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	GALT	The Nasdaq Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer

Non-Accelerated Filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's common stock as of November 7, 2025 was 64,472,792.

GALECTIN THERAPEUTICS INC.
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FOR THE QUARTER ENDED SEPTEMBER 30, 2025

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GALECTIN THERAPEUTICS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	September 30, 2025	December 31, 2024
	(in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,525	\$ 15,120
Prepaid expenses and other current assets	1,204	2,132
Total current assets	12,729	17,252
Other assets	136	243
Total assets	\$ 12,865	\$ 17,495
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 5,390	\$ 5,656
Accrued expenses and other	5,038	8,204
Accrued dividends payable	—	63
Convertible notes payable and accrued interest, net of discounts – related party (Note 3)	32,521	21,117
Derivative liabilities (Note 4)	3,742	369
Borrowing and accrued interest under convertible lines of credit, net of debt discount – related party (Note 9)	89,754	—
Total current liabilities	136,445	35,409
Convertible notes payable and accrued interest, net of discounts – related party (Note 3)	—	10,733
Derivative liabilities (Note 4)	—	47
Borrowing and accrued interest under convertible lines of credit, net of debt discount – related party (Note 9)	—	74,376
Total liabilities	136,445	120,565
Commitments and contingencies (Note 11)		
Series C super dividend redeemable convertible preferred stock; 1,000 shares authorized, 176 shares issued and outstanding at September 30, 2025 and December 31, 2024, redemption value: \$8,018,000, liquidation value: \$1,760,000 at September 30, 2025	1,723	1,723
Stockholders' equity (deficit):		
Undesignated stock, \$0.01 par value; 20,000,000 shares authorized, 20,000,000 designated at September 30, 2025 and December 31, 2024, respectively	—	—
Series A 12% convertible preferred stock; 1,742,500 shares authorized, 1,210,000 and 1,235,000 issued and outstanding at September 30, 2025 and December 31, 2024, respectively, liquidation value \$1,210,000 at September 30, 2025	490	500
Common stock, \$0.001 par value; 150,000,000 shares authorized at September 30, 2025 and December 31, 2024, 64,472,792 and 63,157,235 issued and outstanding at September 30, 2025 and December 31, 2024, respectively	64	62
Additional paid-in capital	301,127	296,217
Retained deficit	(426,984)	(401,572)
Total stockholders' deficit	(125,303)	(104,793)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	\$ 12,865	\$ 17,495

See notes to unaudited condensed consolidated financial statements.

GALECTIN THERAPEUTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands, except per share data)		(in thousands, except per share data)	
Operating expenses:				
Research and development	\$ 2,611	\$ 7,595	\$ 12,357	\$ 25,462
General and administrative	1,587	1,471	4,363	4,543
Total operating expenses	4,198	9,066	16,720	30,005
Total operating loss	(4,198)	(9,066)	(16,720)	(30,005)
Other income (expense):				
Interest income	39	93	101	254
Interest expense	(1,820)	(1,494)	(5,390)	(3,815)
Change in fair value of derivative	(2,205)	(753)	(3,327)	(1,514)
Total other income (expense)	(3,986)	(2,154)	(8,616)	(5,075)
Net loss	\$ (8,184)	\$ (11,220)	\$ (25,336)	\$ (35,080)
Preferred stock dividends	(39)	(18)	(76)	(90)
Net loss applicable to common stockholders	\$ (8,223)	\$ (11,238)	\$ (25,412)	\$ (35,170)
Net loss per common share — basic and diluted	\$ (0.13)	\$ (0.18)	\$ (0.40)	\$ (0.57)
Weighted average common shares outstanding — basic and diluted	64,205	62,278	63,623	62,163

See notes to unaudited condensed consolidated financial statements.

GALECTIN THERAPEUTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine Months Ended	
	September 30,	
	2025	2024
	(in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (25,336)	\$ (35,080)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Stock-based compensation expense	1,464	1,857
Amortization of right to use lease asset	12	27
Non-cash interest expense	911	748
Change in fair value of derivative liabilities	3,326	1,514
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	895	444
Accounts payable, accrued expenses and other liabilities	(3,584)	(1,553)
Accrued interest on convertible debt - related party	4,479	3,067
Net cash from operating activities	<u>(17,833)</u>	<u>(28,976)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from exercise of common stock options and warrants	1,167	376
Net proceeds from issuance of common stock	2,071	—
Net proceeds from convertible line of credit – related party	11,000	30,000
Net cash flows from financing activities	<u>14,238</u>	<u>30,376</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,595)	1,400
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	15,120	25,660
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 11,525</u>	<u>\$ 27,060</u>
NONCASH FINANCING ACTIVITIES:		
Payment of preferred stock dividends in common stock	\$ 76	\$ 90
Noncash right to use lease asset	61	—
Common stock purchase warrants issued in connection with related party line of credit	213	845

See notes to unaudited condensed consolidated financial statements.

GALECTIN THERAPEUTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED STOCK AND
STOCKHOLDERS' DEFICIT (UNAUDITED)
(amounts in thousands except share data)

	Series C Super Dividend Redeemable Convertible Preferred Stock	
	Number of Shares	Amount
Balance at December 31, 2023	176	\$ 1,723
Balance at September 30, 2024	176	\$ 1,723
Balance at December 31, 2024	176	\$ 1,723
Balance at September 30, 2025	176	\$ 1,723

	Series A 12% Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Retained Deficit	Total Stockholders' Equity (Deficit)
	Number of Shares	Amount	Number of Shares	Amount			
Balance at June 30, 2024	1,235,000	\$ 500	62,278,125	\$ 62	\$ 293,872	\$ (378,304)	\$ (83,870)
Series A 12% convertible preferred stock dividend			12,350		34	3	37
Series C super dividend redeemable convertible preferred stock dividend			17,600		47	(21)	26
Common stock purchase warrants issued in connection with related party line of credit					308		308
Stock-based compensation expense					515		515
Net loss						(11,220)	(11,220)
Balance at September 30, 2024	1,235,000	\$ 500	62,308,075	\$ 62	\$ 294,776	\$ (389,542)	\$ (94,204)
Balance at June 30, 2025	1,210,000	\$ 490	64,060,262	\$ 63	\$ 299,318	\$ (418,761)	\$ (118,890)
Series A 12% convertible preferred stock dividend			12,100		52	(16)	36
Series C super dividend redeemable convertible preferred stock dividend			11,432		49	(23)	26
Exercise of common stock options			214,398		360		360
Issuance of common stock			174,600	1	852		853
Stock-based compensation expense					496		496
Net loss						(8,184)	(8,184)
Balance at September 30, 2025	1,210,000	\$ 490	64,472,792	\$ 64	\$ 301,127	\$ (426,984)	\$ (125,303)

See notes to unaudited condensed consolidated financial statements.

GALECTIN THERAPEUTICS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS'
EQUITY (DEFICIT) — (Continued)
(amounts in thousands except share data)

	Series A 12% Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Retained Deficit	Total Stockholders' Equity (Deficit)
	Number of Shares	Amount	Number of Shares	Amount			
Balance at December 31, 2023	1,235,000	\$ 500	61,852,914	\$ 61	\$ 291,847	\$ (354,372)	\$ (61,964)
Series A 12% convertible preferred stock dividend			24,700		64	(27)	37
Series C super dividend redeemable convertible preferred stock dividend			35,200		89	(63)	26
Exercise of common stock options			19,620				
Exercise of common stock purchase warrants			125,093	1	375		376
Common stock purchase warrants issued in connection with related party line of credit					845		845
Stock-based compensation expense, net of shares forfeited to cover tax withholding			250,548		1,556		1,556
Net loss						(35,080)	(35,080)
Balance at September 30, 2024	1,235,000	\$ 500	62,308,075	\$ 62	\$ 294,776	\$ (389,542)	\$ (94,204)
Balance at December 31, 2024	1,235,000	\$ 500	63,157,235	\$ 62	\$ 296,217	\$ (401,572)	\$ (104,793)
Series A 12% convertible preferred stock dividend			24,450		67	(31)	36
Series C super dividend redeemable convertible preferred stock dividend			29,032		70	(45)	25
Conversion of Series A convertible preferred to common stock	(25,000)	(10)	4,167		10		
Common stock purchase warrants issued in connection with related party line of credit					213		213
Exercise of common stock options			561,004		1,107		1,107
Issuance of common stock			592,504	1	2,070		2,071
Stock-based compensation expense			104,400	1	1,373		1,374
Net loss						(25,336)	(25,336)
Balance at September 30, 2025	1,210,000	\$ 490	64,472,792	\$ 64	\$ 301,127	\$ (426,984)	\$ (125,303)

See notes to consolidated financial statements.

GALECTIN THERAPEUTICS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation and Liquidity

Galectin Therapeutics Inc. and subsidiaries (the “Company”) is a clinical stage biopharmaceutical company that is applying its leadership in galectin science and drug development to create new therapies for fibrotic disease and cancer. These candidates are based on the Company’s targeting of galectin proteins which are key mediators of biologic and pathologic function. These compounds also may have application for drugs to treat other diseases and chronic health conditions.

The unaudited condensed consolidated financial statements as reported in this Quarterly Report on Form 10-Q reflect all adjustments which are, in the opinion of management, necessary to present fairly the financial position of the Company as of September 30, 2025 and the results of its operations for the three and nine months ended September 30, 2025 and 2024 and its cash flows for the nine months ended September 30, 2025 and 2024. All adjustments made to the interim financial statements include all those of a normal and recurring nature. Amounts presented in the condensed consolidated balance sheet as of December 31, 2024 are derived from the Company’s audited consolidated financial statements as of that date, but do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. The Company considers events or transactions that occur after the balance sheet date but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through the date these financial statements are available to be issued. The results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year. The unaudited condensed consolidated financial statements of the Company should be read in conjunction with its Annual Report on Form 10-K for the year ended December 31, 2024.

These consolidated financial statements have been prepared in accordance with US generally accepted accounting principles (GAAP) assuming the Company will continue as a going concern. The going concern assumption contemplates the realization of assets and satisfaction of liabilities in the normal course of business. However, substantial doubt about the Company’s ability to continue as a going concern exists.

The Company has operated at a loss since its inception and has had no revenues. The Company anticipates that losses will continue for the foreseeable future. At September 30, 2025, the company had \$11,525,000 of unrestricted cash and cash equivalents available to fund future operations. Additionally, on July 8, 2025, we signed a new line of credit in the amount of \$10 million provided by our chairman, Richard Uihlein, (See Note 9). The Company believes there is sufficient cash, including availability of the line of credit, to fund currently planned operations through June 30, 2026. To meet its future capital needs, the Company intends to raise additional capital through debt or equity financings, collaborations, partnerships or other strategic transactions. However, there can be no assurance that the Company will be able to complete any such transactions on acceptable terms or otherwise. The inability of the Company to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on the Company’s business, results of operations and financial condition.

The Company was founded in July 2000, was incorporated in the State of Nevada in January 2001 under the name “Pro-Pharmaceuticals, Inc.,” and changed its name to “Galectin Therapeutics Inc.” on May 26, 2011.

2. Accrued Expenses and Other

Accrued expenses consist of the following:

	September 30, 2025	December 31, 2024
	(in thousands)	
Legal and accounting fees	\$ 94	\$ 74
Accrued compensation	1,100	1,523
Lease liability	37	19
Accrued research and development costs and other	3,807	6,588
Total	\$ 5,038	\$ 8,204

Research and development expenses, including personnel costs, allocated facility costs, lab supplies, outside services, contract laboratory costs related to manufacturing drug product, clinical trials and preclinical studies are charged to research and development expense as incurred. The Company accounts for nonrefundable advance payments for goods and services that will be used in future research and development activities as expense when the service has been performed or when the goods have been received. Our current NAVIGATE clinical trial is being supported by third-party contract research organizations, or CROs, and other vendors. We accrue expenses for clinical trial activities performed by CROs based upon the estimated amount of work completed on each trial. For clinical trial expenses and related expenses associated with the conduct of clinical trials, the significant factors used in estimating accruals include the number of patients enrolled, the number of active clinical sites, and the duration for which the patients have been enrolled in the trial. We monitor patient enrollment levels and related activities to the extent possible through internal reviews, review of contractual terms and correspondence with CROs. We base our estimates on the best information available at the time. We monitor patient enrollment levels and related activities to the extent possible through discussions with CRO personnel and based our estimates of clinical trial costs on the best information available at the time. However, additional information may become available to us which will allow us to make a more accurate estimate in future periods. In that event, we may be required to record adjustments to research and development expenses in future periods when the actual level of activity becomes more certain.

3. Convertible Notes Payable – Related Party

On April 16, 2021, the Company and Richard E. Uihlein entered into a debt financing arrangement whereby Mr. Uihlein loaned \$10,000,000 to the Company. In consideration for the loan, the Company issued a convertible promissory note (the “April 2021 Note”) in the principal amount of ten million dollars.

The April 2021 Note had an original maturity date of April 16, 2025, is prepayable at the option of the Company in whole or in part at any time and is convertible into the Company’s common stock at a conversion price equal to \$5.00 per share at the option of the noteholder. The April 2021 Note bears interest at the rate of two percent (2%) per annum, compounded annually with an effective interest rate of approximately 3%. For the three months ended September 30, 2025 and 2024, approximately \$54,000 and \$54,000, respectively, of interest expense was accrued and included with the principal in the financial statements. For the nine months ended September 30, 2025 and 2024, approximately \$162,000 and \$159,000, respectively, of interest expense was accrued and included with the principal in the financial statements.

The April 2021 Note also includes a contingent interest component that requires the Company to pay additional interest at a rate of two and one-half percent (2.5%) per quarter (10% per annum) (the “Additional Interest”) beginning on the date of issuance of this Note and ending on the maturity date, provided however, that such payment is only required if and only if the noteholder elects to convert the entire balance of the April 2021 Note into the Company’s common stock on or prior to maturity. As the contingent event is not based on creditworthiness, such feature is not clearly and closely related to the host instrument and accordingly must be bifurcated and recognized as a derivative liability and a debt discount on the April 2021 Note at its inception. The fair value of the contingent interest derivative liability was \$420,000 at note inception (April 16, 2021). The fair value of the contingent interest derivative liability was \$1,594,000 and \$47,000 at September 30, 2025 and December 31, 2024, respectively, and is recognized as a derivative liability in the consolidated balance sheet. The change in the fair value of the derivative liability for the nine months ended September 30, 2025 and 2024 of \$1,547,000 and \$771,000 respectively, was charged to other expense for the nine months ended September 30, 2025 and 2024. The amortization of the original \$420,000 debt discount of \$31,000 and \$79,000 was recorded as additional interest expense for the nine months ended September 30, 2025 and 2024, respectively.

On May 14, 2024, Mr. Uihlein, as holder of the April 2021 Note irrevocably elected to convert the entire principal amount of such note, plus accrued and unpaid interest, into shares of common stock of the Company at a price of \$5.00 per share, effective as of April 16, 2025, which is the maturity date of the April 2021 Note. In connection with entering into the March 2025 Supplemental Line of Credit (see Note 9), the Company agreed to extend the maturity date of the Convertible Promissory Note dated April 2021 from April 16, 2025 to September 30, 2025. Additionally, in connection with entering into the July 2025 Supplemental Line of Credit (see Note 14), the Company agreed to extend the maturity date of the Convertible Promissory Note dated April 2021 from September 30, 2025 to September 30, 2026. The April 2021 Note will remain outstanding and accrue interest until maturity and no shares of common stock will be issued as a result of this election until September 30, 2026.

The September 2021 Note had an maturity date of September 17, 2025, which was also extended to September 30, 2026 (see Note 14), is prepayable at the option of the Company in whole or in part at any time and is convertible into the Company’s common stock at a conversion price equal to \$8.64 per share at the option of the noteholder. The September 2021 Note bears interest at the rate of two percent (2%) per annum, compounded annually with an effective interest rate of approximately 3%. For the three months ended September 30, 2025 and 2024, approximately \$54,000 and \$53,000, respectively, of interest expense was accrued and included with the principal in the financial statements. For the nine months ended September 30, 2025 and 2024, approximately \$160,000 and \$157,000, respectively, of interest expense was accrued and included with the principal in the financial statements.

The September 2021 Note also includes a contingent interest component that requires the Company to pay additional interest at a rate of two and one-half percent (2.5%) per quarter (10% per annum) (the “Additional Interest”) beginning on the date of issuance of this Note and ending on the maturity date, provided however, that such payment is only required if and only if the noteholder elects to convert the entire balance of the September 2021 Note into the Company’s common stock on or prior to maturity. As the contingent event is not based on creditworthiness, such feature is not clearly and closely related to the host instrument and accordingly must be bifurcated and recognized as a derivative liability and a debt discount on the September Note at its inception. The fair value of the contingent interest derivative liability was \$433,000 at note inception (September 17, 2021). The fair value of the contingent interest derivative liability was \$808,000 and \$94,000 and September 30, 2025 and December 31, 2024, respectively, and is recognized as a derivative liability in the consolidated balance sheet. The change in the fair value of the derivative liability for the nine months ended September 30, 2025 and 2024 of \$714,000 and \$189,000, respectively, was recorded to other expense for nine months ended September 30, 2025 and 2024. The amortization of the original \$433,000 debt discount of \$81,000 and \$81,000 was recorded as additional interest expense for the nine months ended September 30, 2025 and 2024.

On December 20, 2021, the second of the two promissory notes under the Loan Agreement was executed and delivered, (the “December 2021 Note”) to evidence the second loan in the principal amount of \$10,000,000. The December 2021 Note had a maturity date of December 20, 2025, which was also extended to September 30, 2026 (see Note 14), is prepayable at the option of the Company in whole or in part at any time and is convertible into the Company’s common stock at a conversion price equal to \$5.43 per share at the option of the noteholder. The December Note bears interest at the rate of two percent (2%) per annum, compounded annually with an effective interest rate of approximately 3%. For three months ended September 30, 2025 and 2024, approximately \$53,000 and \$52,000, respectively, of interest expense was accrued and included with the principal in the financial statements. For nine months ended September 30, 2025 and 2024, approximately \$159,000 and \$156,000, respectively, of interest expense was accrued and included with the principal in the financial statements.

The December 2021 Note also includes a contingent interest component that requires the Company to pay additional interest at a rate of two and one-half percent (2.5%) per quarter (10% per annum) (the “Additional Interest”) beginning on the date of issuance of this Note and ending on the maturity date, provided however, that such payment is only required if and only if the noteholder elects to convert the entire balance of the December 2021 Note into the Company’s common stock on or prior to maturity. As the contingent event is not based on creditworthiness, such feature is not clearly and closely related to the host instrument and accordingly must be bifurcated and recognized as a derivative liability and a debt discount on the December Note at its inception. The fair value of the contingent interest derivative liability was \$415,000 at note inception (December 20, 2021). The fair value of the contingent interest derivative liability was \$1,340,000 and \$275,000 at September 30, 2025 and December 31, 2024, respectively, and is recognized as a derivative liability in the consolidated balance sheet. The change in the fair value of the derivative liability for nine months ended September 30, 2025 and 2024 of \$1,065,000 and \$553,000, respectively was recorded to other expense for nine months ended September 30, 2025 and 2024. The amortization of the original \$415,000 debt discount of \$78,000 and \$78,000 was recorded as additional interest expense for nine months ended September 30, 2025 and 2024, respectively.

The Company’s contractual cash obligations related to the outstanding convertible notes payable is a repayment of the September 2021 Note of the \$10,000,000 plus accrued interest on September 30, 2026 and a repayment of the December 2021 Note of the \$10,000,000 plus accrued interest on September 30, 2026, unless converted at the option of the noteholder.

4. Fair Value of Financial Instruments

The Company has certain financial assets and liabilities recorded at fair value. Fair values determined by Level 1 inputs utilize observable data such as quoted prices in active markets. Fair values determined by Level 2 inputs utilize data points other than quoted prices in active markets that are observable either directly or indirectly. Fair values determined by Level 3 inputs utilize unobservable data points in which there is little or no market data, which require the reporting entity to develop its own assumptions. The carrying amounts reflected in the consolidated balance sheets for cash equivalents, accounts payable and accrued expenses approximate their carrying value due to their short-term nature. There were no level 1 or 2 assets or liabilities at September 30, 2025 or December 31, 2024. See below for Fair Value of Derivatives related to Convertible Notes Payable at September 30, 2025 and December 31, 2024, which are level 3 liabilities.

Level 3 assets and liabilities measured and recorded at fair value on a recurring basis at September 30, 2025 and December 31, 2024 were as follows:

	September 30, 2025	December 31, 2024
Derivative Liability – Contingent Interest April Note	\$ 1,594,000	\$ 47,000
Derivative Liability – Contingent Interest September Note	\$ 808,000	\$ 94,000
Derivative Liability – Contingent Interest December Note	\$ 1,340,000	\$ 275,000

The April Note derivative liability – contingent interest was valued using a Monte Carlo Geometric Brownian Stock Path Model. The key assumptions used in the model at September 30, 2025 and December 31, 2024 are as follows:

	September 30, 2025	December 31, 2024
Stock Price	\$ 4.24	\$ 1.29
Conversion Price of conversion feature	\$ 5.00	\$ 5.00
Term	1.00 years	0.29 years
Risk Free Interest Rate	3.68%	4.37%
Credit Adjusted Discount Rate	12.43%	12.43%
Volatility	110%	152%
Dividend Rate	0%	0%

The roll forward of the April Note derivative liability – contingent interest is as follows for the nine months ended September 30, 2025 and 2024:

Balance – December 31, 2024	\$ 47,000
Fair Value Adjustment	1,547,000
Balance – September 30, 2025	<u>\$ 1,594,000</u>
Balance – December 31, 2023	\$ 431,000
Fair Value Adjustment	771,000
Balance – September 30, 2024	<u>\$ 1,202,000</u>

The September Note derivative liability – contingent interest was valued using a Monte Carlo Geometric Brownian Stock Path Model. The key assumptions used in the model at September 30, 2025 and December 31, 2024 are as follows:

	September 30, 2025	December 31, 2024
Stock Price	\$ 4.24	\$ 1.29
Conversion Price of conversion feature	\$ 8.64	\$ 8.64
Term	1.00 years	0.72 years
Risk Free Interest Rate	3.68%	4.16%
Credit Adjusted Discount Rate	12.43%	12.43%
Volatility	110%	111%
Dividend Rate	0%	0%

The roll forward of the September Note derivative liability – contingent interest is as follows:

Balance – December 31, 2024	\$ 94,000
Fair Value Adjustment	714,000
Balance – September 30, 2025	<u>\$ 808,000</u>
Balance – December 31, 2023	\$ 169,000
Fair Value Adjustment	190,000
Balance – September 30, 2024	<u>\$ 359,000</u>

The December Note derivative liability – contingent interest was valued using a Monte Carlo Geometric Brownian Stock Path Model. The key assumptions used in the model at September 30, 2025 and December 31, 2024 are as follows:

	September 30, 2025	December 31, 2024
Stock Price	\$ 4.24	\$ 1.29
Conversion Price of conversion feature	\$ 5.43	\$ 5.43
Term	1.00 years	0.97 years
Risk Free Interest Rate	3.68%	4.16%
Credit Adjusted Discount Rate	12.43%	12.43%
Volatility	110%	102%
Dividend Rate	0%	0%

The roll forward of the December Note derivative liability – contingent interest is as follows:

Balance – December 31, 2024	\$ 275,000
Fair Value Adjustment	1,065,000
Balance – September 30, 2025	<u>\$ 1,340,000</u>
Balance – December 31, 2023	\$ 404,000
Fair Value Adjustment	553,000
Balance – September 30, 2024	<u>\$ 957,000</u>

5. Stock-Based Compensation

Following is the stock-based compensation expense related to common stock options, restricted common stock, common stock warrants and deferred stock units:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	<i>in thousands</i>			
Research and development	\$ 250	\$ 340	\$ 780	\$ 709
General and administrative	248	175	684	633
Total stock-based compensation expense	\$ 498	\$ 515	\$ 1,464	\$ 1,342

The following table summarizes the stock option activity in the Company's equity incentive plans, including non-plan grants to Company executives, from December 31, 2024 through September 30, 2025:

	Shares	Weighted Average Exercise Price
Outstanding, December 31, 2024	6,854,758	\$ 2.39
Granted	1,211,000	1.23
Exercised	(561,004)	1.98
Options forfeited/cancelled	(177,334)	(2.11)
Outstanding, September 30, 2025	<u>7,327,420</u>	<u>\$ 2.23</u>

As of September 30, 2025, there was \$717,000 of unrecognized compensation related to 1,339,502 unvested options, which is expected to be recognized over a weighted-average period of approximately 0.7 years. The weighted-average grant date fair value for options granted during the nine months ended September 30, 2025 was \$0.87. The Company granted 1,211,000 stock options during the nine months ended September 30, 2025.

The fair value of all other options granted is determined using the Black-Scholes option-pricing model. The following weighted average assumptions were used:

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Risk-free interest rate	4.48%	3.88%
Expected life of the options	5.6 years	5.4 years
Expected volatility of the underlying stock	83%	75%
Expected dividend rate	0%	0%

In January 2025, the Company's board chairman elected to take restricted stock grants in lieu of cash retainers for 2025. A total of 32,250 shares of restricted stock valued at approximately \$40,000 is being amortized to expense on a straight-line basis until December 31, 2025 when the stock vests in full. In January 2024, the Company's board chairman elected to take restricted stock grants in lieu of cash retainers for 2024. A total of 23,256 shares of restricted stock valued at approximately \$40,000 was amortized to expense on a straight-line basis until December 31, 2024 when the stock vested in full.

During the nine months ended September 30, 2025, the Company issued 504,000 restricted stock units to its employees valued at \$620,000 at the date of grant. These restricted stock units will vest 100% on the earlier of entering into a partnership or December 31, 2025. The Company believes that is probable that the vesting condition will be met and is amortizing the restricted stock unit expense ratably in 2025. The amount of expense recorded during the three and nine months ended September 30, 2025 was \$154,000 and \$421,000, respectively.

In September 2020, the Company entered into an employment agreement with its new Chief Executive Officer whereby 20% of his base salary and performance bonuses will be paid in cash, and 80% will be paid in the form of deferred stock units ("DSUs") through December 31, 2022 in accordance with the terms and subject to the provisions set forth in the DSU Agreement. DSUs credited to Mr. Lewis as of any date shall be fully vested and nonforfeitable at all times. Pursuant to an amendment to the DSU Agreement in July 2022, the Company shall issue the shares earned through December 31, 2022 underlying the outstanding whole number of DSUs credited to Mr. Lewis as follows: twenty five percent shall be issued on March 1, 2023, fifty percent shall be issued on March 1, 2024 and twenty five percent shall be issued on September 1, 2028. Additionally, a 2023 DSU Agreement was executed in July 2022, whereby Mr. Lewis would continue to receive 20% of salary in cash and 80% in DSUs through December 31, 2023. The shares under the 2023 DSU Agreement are to be issued fifty percent on March 1, 2025 and fifty percent on January 5, 2026.

On March 1, 2025, fifty percent of the DSU's were issued to Mr. Lewis in accordance with the 2023 DSU Agreement. A total of 137,563 shares were due to be issued; however, 56,420 shares were withheld to cover income tax withholding of \$88,579 (charged to additional paid in capital) resulting in 81,144 shares actually issued.

On March 1, 2024, fifty percent of the DSU's were issued to Mr. Lewis in accordance with the DSU Agreement. A total of 367,800 shares were due to be issued; however, 153,288 shares were withheld to cover income tax withholding of \$300,445 (charged to additional paid in capital) resulting in 214,512 shares actually issued.

There is no unrecognized compensation expense related to the DSUs.

6. Common Stock Warrants

The following table summarizes the common stock warrant activity from December 31, 2024 through September 30, 2025:

	Shares	Weighted Average Exercise Price
Outstanding, December 31, 2024	9,595,940	\$ 4.22
Granted	220,000	3.00
Exercised	—	—
Forfeited/cancelled	(5,843,786)	3.00
Outstanding, September 30, 2025	<u>3,972,154</u>	<u>\$ 5.93</u>

The weighted average expiration of the warrants outstanding as of September 30, 2025 is 1.7 years.

7. Loss Per Share

Basic net loss per common share is computed by dividing the net loss available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted net loss per common share is computed by dividing the net loss available to common stockholders by the weighted average number of common shares and other potential common shares then outstanding. Potential common shares consist of common shares issuable upon the assumed exercise of in-the-money stock options and warrants and potential common shares related to the conversion of the preferred stock. The computation of diluted net loss per share does not assume the issuance of common shares that have an anti-dilutive effect on net loss per share.

Dilutive shares which could exist pursuant to the exercise of outstanding stock instruments and which were not included in the calculation because their affect would have been anti-dilutive are as follows:

	September 30, 2025	September 30, 2024
	(shares)	(shares)
Warrants to purchase shares of common stock	3,972,154	9,622,945
Options to purchase shares of common stock	7,324,420	7,308,508
Restricted stock units	496,520	401,256
Shares of common stock issuable upon conversion of convertible notes payable – related party	7,479,217	6,872,504
Shares of common stock issuable upon conversion of convertible line of credit – related party	30,103,330	24,698,459
Shares of common stock issuable upon conversion of preferred stock	495,007	499,174
	<u>49,870,648</u>	<u>49,402,846</u>

During the quarter ended September 30, 2025, the Company discovered that 5,732,253 common stock purchase warrants held by 10X Fund L.P. or 10X Capital Management LLC (collectively, “10X”) had expired without being exercised in February 2025. In September 2023, the Company and 10X Fund L.P. entered into an agreement to extend the expiration date for the 5,732,253 common stock purchase warrants to the earliest of (a) September 30, 2026, (b) thirty days after 10X fails to vote all of the shares common stock then owned by them in the manner recommended by the Company’s Board of Directors, or (c) thirty days after the Company’s common stock has a closing price of at least \$6.00 per share for 10 consecutive trading days. 10X failed to vote at least 4.8 million shares at the January 23, 2025 Annual Meeting of Stockholders, and thus common stock purchase warrants held by 10X expired on February 22, 2025. The Company had included these common stock purchase warrants in the footnotes regarding potentially dilutive shares in its March 31, 2025 and June 30, 2025 Form 10-Qs. After the expiration of these warrants in February 2025, the adjusted number of warrants outstanding as of March 31, 2025 and June 30, 2025 were 3,863,524 and 3,972,177, respectively. The adjusted total potentially dilutive shares as of March 31, 2025 and June 30, 2025 were 45,590,704 and 49,454,730, respectively.

8. Common Stock

On May 11, 2020, the Company entered into an At Market Issuance Sales Agreement (the “2020 At Market Agreement”) with a sales agent under which the Company may issue and sell shares of its common stock having an aggregate offering price of up to \$40.0 million from time to time through the sales agent. Sales of the Company’s common stock through the sales agent, if any, will be made by any method that is deemed an “at the market” offering as defined by the U.S. Securities and Exchange Commission. The Company will pay to the sales agent a commission rate equal to 3.0% of the gross proceeds from the sale of any shares of common stock sold through the sales agent under the 2020 At Market Agreement. During the nine months ended September 30, 2025, 592,504 shares of common stock were issued under the 2020 At Market Agreement for net proceeds of approximately \$2,071,000. During the nine months ended September 30, 2024, there were no issuances of shares of common stock under the 2020 At Market Agreement.

For each of the nine months ended September 30, 2025 and 2024, the Company issued a total of 24,450 and 29,032 shares of common stock, respectively, for dividends on Series A and Series C Preferred Stock. During the three months ended June 30, 2025, 25,000 shares of Series A Convertible Preferred Stock were converted into 4,167 shares of common stock.

9. Convertible Line of Credit – Related Party and Supplemental Convertible Lines of Credit – Related Party

On July 25, 2022, the Company and Richard E. Uihlein (the “Lender”) entered into a Line of Credit Letter Agreement (the “Credit Agreement”), pursuant to which the Lender shall provide the Company a line of credit of up to \$60.0 million (the “Line of Credit”) to finance the Company’s working capital needs. The Company may draw upon the Line of Credit through July 31, 2024.

Each advance made pursuant to the Credit Agreement shall be evidenced by an unsecured, convertible promissory note (individually, a “Promissory Note,” and collectively, the “Promissory Notes”), and bear interest at the Applicable Federal Rate for short term loans, plus two (2%) percent. Principal and interest on the Promissory Notes were originally due on or before January 31, 2026, however, the maturity date was extended to September 30, 2026 in connection with a new line of credit dated July 8, 2025. Due to the extension of the maturity date for all lines of credit, the remaining amortization expense of the warrants issued with each draw was adjusted prospectively from July 8, 2025 through September 30, 2026. Only with the consent of the Lender, may the Promissory Notes be prepaid, in whole or in part, at any time without premium or penalty, but with interest on the amount or amounts prepaid.

At the election of Lender, the principal and accrued interest on Promissory Note(s) may be converted into the number of shares of the Company’s Common Stock equal to the amount of principal and accrued interest on such Promissory Note divided by the price equal to the closing price of the Common Stock on the date of such Promissory Note, but in no event less than \$3.00 per share.

In connection with the Credit Agreement, the Company agreed to issue the Lender warrants to purchase up to an aggregate of 1,700,000 shares of the Company’s common stock, par value \$0.001 per share (collectively, the “Warrants”). Upon execution of the Credit Agreement, the Company issued the Lender a Warrant to purchase up to 500,000 shares of Company’s Common Stock at an exercise price of \$5.00 per share, which Warrant is exercisable upon issuance. Further, pursuant to the Credit Agreement, the Company shall issue to the Lender additional Warrants to purchase up to the remaining 1,200,000 shares of the Company’s common stock, ratably, upon borrowings under the Credit Agreement, with exercise prices equal to 150% of the closing price of the Company’s common Stock on the date of the Promissory Note evidencing such draw, but in no event more than \$10.00 per share nor less than \$3.00 per share. The Warrants expire on July 31, 2029. The fair value of warrants that vest in the future based on borrowings will be computed when those borrowings occur and amortized over the remaining period through January 31, 2026.

The fair value of the 500,000 warrants vested at closing on July 25, 2022 was \$738,000 at the date of issuance based on the following assumptions: an expected life of 7 years, volatility of 92%, risk free interest rate of 3.19% and zero dividends. The fair value of the vested warrants was recorded in other assets (non-current) as a deferred financing cost and will be amortized on a straight-line basis from July 25, 2022 through January 31, 2026, which was adjusted to September 30, 2025 in connection with the extension of maturity in July 2025. Amortization for the three months ended September 30, 2025 and 2024 of \$25,000 and \$53,000, respectively, was recorded as interest expense. Amortization for the nine months ended September 30, 2025 and 2024 of \$129,000 and \$157,000, respectively, was recorded as interest expense.

On December 19, 2022, the Company executed a \$10 million Promissory Note under the Line of Credit. The interest rate on this draw is 6.46% (Applicable Federal Rate for short term loans on date of draw of 4.46% plus 2%). The effective interest rate is approximately 7.1%. Accrued interest on this draw was \$1,963,000 and \$1,399,000 at September 30, 2025 and December 31, 2024, respectively. The principal and accrued interest is convertible at the option of the Lender at \$3.00 per share. In accordance with the Credit Agreement, the Company issued the Lender a Warrant to purchase up to 200,000 shares of Company’s Common Stock at an exercise price of \$3.00 per share, which Warrant is exercisable upon issuance.

The fair value of the 200,000 warrants vested at closing on December 19, 2022 was \$160,780 at the date of issuance based on the following assumptions: an expected life of 7 years, volatility of 91%, risk free interest rate of 4.06% and zero dividends. The proceeds were allocated between the Promissory Note and the warrants issued, and the amount allocated to the warrants was recorded as a debt discount netted against principal to be amortized on a straight-line basis, which is not materially different than the effective interest method, from December 19, 2022 through January 31, 2026, which was adjusted to September 30, 2026 in connection with the extension of maturity in July 2025. Amortization for the three months ended September 30, 2025 and 2024 of \$6,000 and \$13,000, respectively, was recorded as interest expense. Amortization for the nine months ended September 30, 2025 and 2024 of \$32,000 and \$39,000, respectively, was recorded as interest expense.

On March 31, 2023, the Company executed an additional \$10 million Promissory Note under the Line of Credit. The interest rate on this draw is 6.41% (Applicable Federal Rate for short term loans on date of draw of 4.41% plus 2%). The effective interest rate is approximately 7.1%. Accrued interest on this draw was approximately \$1,733,000 and \$1,184,000 at September 30, 2025 and December 31, 2024, respectively. The principal and accrued interest is convertible at the option of the Lender at \$3.00 per share. In accordance with the Credit Agreement, the Company issued the Lender a Warrant to purchase up to 200,000 shares of Company’s Common Stock at an exercise price of \$3.26 per share, which Warrant is exercisable upon issuance.

The fair value of the 200,000 warrants vested at closing on March 31, 2023 was \$296,680 at the date of issuance based on the following assumptions: an expected life of 6.33 years, volatility of 88%, risk free interest rate of 3.94% and zero dividends. The proceeds were allocated between the Promissory Note and the warrants issued, and the amount allocated to the warrants was recorded as a debt discount netted against principal amortized on a straight-line basis, which is not materially different than the effective interest method, from March 31, 2023 through January 31, 2026, which was adjusted to September 30, 2026 in connection with the extension of maturity in July 2025. Amortization for the three months ended September 30, 2025 and 2024 of \$12,000 and \$26,000, respectively, was recorded as interest expense. Amortization for the nine months ended September 30, 2025 and 2024 of \$64,000 and \$78,000, respectively, was recorded as interest expense.

On June 30, 2023, the Company executed an additional \$10 million Promissory Note under the Line of Credit. The interest rate on this draw is 6.34% (Applicable Federal Rate for short term loans on date of draw of 4.34% plus 2%). The effective interest rate is approximately 7.1%. Accrued interest on this draw was approximately \$1,529,000 and \$995,000 at September 30, 2025 and December 31, 2024, respectively. The principal and accrued interest is convertible at the option of the Lender at \$3.00 per share. In accordance with the Credit Agreement, the Company issued the Lender a Warrant to purchase up to 200,000 shares of Company's Common Stock at an exercise price of \$3.00 per share, which Warrant is exercisable upon issuance.

The fair value of the 200,000 warrants vested at closing on June 30, 2023 was \$179,920 at the date of issuance based on the following assumptions: an expected life of 6.08 years, volatility of 85%, risk free interest rate of 3.59% and zero dividends. The proceeds were allocated between the Promissory Note and the warrants issued, and the amount allocated to the warrants was recorded as a debt discount netted against principal amortized on a straight-line basis, which is not materially different than the effective interest method, from June 30, 2023 through January 31, 2026, which was adjusted to September 30, 2026 in connection with the extension of maturity in July 2025. Amortization for the three months ended September 30, 2025 and 2024 of \$8,000 and \$17,000, respectively, was recorded as interest expense. Amortization for the nine months ended September 30, 2025 and 2024 of \$43,000 and \$52,000, respectively, was recorded as interest expense.

On December 29, 2023, the Company executed an additional \$10 million Promissory Note under the Line of Credit. The interest rate on this draw is 7.13% (Applicable Federal Rate for short term loans on date of draw of 5.13% plus 2%). The effective interest rate is approximately 7.5%. Accrued interest on this draw was approximately \$1,325,000 and \$737,000 at September 30, 2025 and December 31, 2024, respectively. The principal and accrued interest is convertible at the option of the Lender at \$3.00 per share. In accordance with the Credit Agreement, the Company issued the Lender a Warrant to purchase up to 200,000 shares of Company's Common Stock at an exercise price of \$3.00 per share, which Warrant is exercisable upon issuance.

The fair value of the 200,000 warrants vested at closing on December 31, 2023 was \$193,745 at the date of issuance based on the following assumptions: an expected life of 5.7 years, volatility of 79%, risk free interest rate of 4.49% and zero dividends. The proceeds were allocated between the Promissory Note and the warrants issued, and the amount allocated to the warrants was recorded as a debt discount netted against principal amortized on a straight-line basis, which is not materially different than the effective interest method, from December 29, 2023 through January 31, 2026, which was adjusted to September 30, 2026 in connection with the extension of maturity in July 2025. Amortization for the three months ended September 30, 2025 and 2024 of \$11,000 and \$23,000, respectively, was recorded as interest expense. Amortization for the nine months ended September 30, 2025 and 2024 of \$58,000 and \$70,000, respectively, was recorded as interest expense.

On March 29, 2024, the Company executed an additional \$10 million Promissory Note under the Line of Credit. The interest rate on this draw is 6.62% (Applicable Federal Rate for short term loans on date of draw of 4.62% plus 2%). The effective interest rate is approximately 7.1%. Accrued interest on this draw was \$1,041,000 and \$508,000 at September 30, 2025 and December 31, 2024, respectively. The principal and accrued interest is convertible at the option of the Lender at \$3.00 per share. In accordance with the Credit Agreement, the Company issued the Lender a Warrant to purchase up to 200,000 shares of Company's Common Stock at an exercise price of \$3.59 per share, which Warrant is exercisable upon issuance.

The fair value of the 200,000 warrants vested at closing on March 29, 2024, was \$277,389 at the date of issuance based on the following assumptions: an expected life of 5.33 years, volatility of 75%, risk free interest rate of 4.19% and zero dividends. The proceeds were allocated between the Promissory Note and the warrants issued, and the amount allocated to the warrants was recorded as a debt discount netted against principal amortized on a straight-line basis, which is not materially different than the effective interest method, from March 29, 2024 through January 31, 2026, which was adjusted to September 30, 2025 in connection with the extension of maturity in July 2025. Amortization for the three months ended September 30, 2025 and 2024 of \$18,000 and \$38,000, respectively, was recorded as interest expense. Amortization for the nine months ended September 30, 2025 and 2024 of \$94,000 and \$76,000, respectively, was recorded as interest expense.

On June 28, 2024, the Company executed an additional \$10 million Promissory Note under the Line of Credit. The interest rate on this draw is 7.01% (Applicable Federal Rate for short term loans on date of draw of 5.01% plus 2%). The effective interest rate is approximately 7.4%. Accrued interest on this draw was \$860,000 and \$336,000 at September 30, 2025 and December 31, 2024, respectively. The principal and accrued interest is convertible at the option of the Lender at \$3.00 per share. In accordance with the Credit Agreement, the Company issued the Lender a Warrant to purchase up to 200,000 shares of Company's Common Stock at an exercise price of \$3.39 per share, which Warrant is exercisable upon issuance.

The fair value of the 200,000 warrants vested at closing on June 28, 2024, was \$260,000 at the date of issuance based on the following assumptions: an expected life of 5.03 years, volatility of 77%, risk free interest rate of 4.29% and zero dividends. The proceeds were allocated between the Promissory Note and the warrants issued, and the amount allocated to the warrants was recorded as a debt discount netted against principal amortized on a straight-line basis, which is not materially different than the effective interest method, from June 28, 2024 through January 31, 2026, which was adjusted to September 30, 2026 in connection with the extension of maturity in July 2025. Amortization for the three months ended September 30, 2025 and 2024 of \$19,000 and \$41,000, respectively, was recorded as interest expense. Amortization for the nine months ended September 30, 2025 and 2024 of \$102,000 and \$41,000, respectively, was recorded as interest expense.

On March 29, 2024, the Company and Richard E. Uihlein (the “Lender”) entered into a Supplemental Line of Credit Letter Agreement (the “Supplemental Credit Agreement”), pursuant to which the Lender shall provide the Company a line of credit of up to \$10.0 million (the “Supplemental Line of Credit”) to finance the Company’s working capital needs. The Company may draw upon the Supplemental Line of Credit through March 31, 2025.

Each advance made pursuant to the Supplemental Credit Agreement shall be evidenced by an unsecured, convertible promissory note (individually, a “Promissory Note,” and collectively, the “Promissory Notes”), and bear interest at the Applicable Federal Rate for short term loans, plus two (2%) percent. Principal and interest on the Promissory Notes were originally due on or before January 31, 2026; however, the maturity date was extended to September 30, 2026 in connection with a new line of credit dated July 8, 2025. Only with the consent of the Lender, may the Promissory Notes be prepaid, in whole or in part, at any time without premium or penalty, but with interest on the amount or amounts prepaid.

At the election of Lender, the principal and accrued interest on Promissory Note(s) may be converted into the number of shares of the Company’s Common Stock equal to the amount of principal and accrued interest on such Promissory Note divided by the price equal to the closing price of the Common Stock on the date of such Promissory Note, but in no event less than \$3.00 per share.

In connection with the Supplemental Credit Agreement, the Company agreed to issue the Lender warrants to purchase up to an aggregate of 200,000 shares of the Company’s common stock, par value \$0.001 per share (collectively, the “Warrants”). The Company shall issue to the Lender Warrants ratably, upon borrowings under the Supplemental Line of Credit, with exercise prices equal to 150% of the closing price of the Company’s common Stock on the date of the Promissory Note evidencing such draw, but in no event more than \$10.00 per share nor less than \$3.00 per share. The Warrants expire on July 31, 2029.

On September 30, 2024, the Company executed a \$10 million Promissory Note under the Supplemental Line of Credit. The interest rate on this draw is 6.13% (Applicable Federal Rate for short term loans on date of draw of 5.01% plus 2%). The effective interest rate is approximately 6.4%. Accrued interest on this draw was \$631,000 and \$154,000 at September 30, 2025 and December 31, 2024, respectively. The principal and accrued interest is convertible at the option of the Lender at \$3.00 per share. In accordance with the Credit Agreement, the Company issued the Lender a Warrant to purchase up to 200,000 shares of Company’s Common Stock at an exercise price of \$4.13 per share, which Warrant is exercisable upon issuance.

The fair value of the 200,000 warrants vested at closing on September 30, 2024, was \$307,780 at the date of issuance based on the following assumptions: an expected life of 4.83 years, volatility of 78%, risk free interest rate of 3.58% and zero dividends. The proceeds were allocated between the Promissory Note and the warrants issued, and the amount allocated to the warrants was recorded as a debt discount netted against principal amortized on a straight-line basis, which is not materially different than the effective interest method, from October 1, 2024 through January 31, 2026, which was adjusted to September 30, 2026 in connection with the extension of maturity in July 2025. Amortization for the three and nine months ended September 30, 2025 of \$27,000 and \$143,000, respectively, was recorded as interest expense.

On November 14, 2024, the Company and Richard E. Uihlein (the “Lender”) entered into an additional Supplemental Line of Credit Letter Agreement (the “November 2024 Supplemental Credit Agreement”), pursuant to which the Lender shall provide the Company a line of credit of up to \$6.0 million (the “November 2024 Supplemental Line of Credit”) to finance the Company’s working capital needs. The Company may draw upon the November 2024 Supplemental Line of Credit, as amended, through May 31, 2025.

Each advance made pursuant to the November 2024 Supplemental Credit Agreement shall be evidenced by an unsecured, convertible promissory note (individually, a “Promissory Note,” and collectively, the “Promissory Notes”), and bear interest at the Applicable Federal Rate for short term loans, plus two (2%) percent. Principal and interest on the Promissory Notes are due on or before March 31, 2026; however, the maturity date was extended to September 30, 2026 in connection with a new line of credit dated July 8, 2025. Only with the consent of the Lender, may the Promissory Notes be prepaid, in whole or in part, at any time without premium or penalty, but with interest on the amount or amounts prepaid.

At the election of Lender, the principal and accrued interest on Promissory Note(s) may be converted into the number of shares of the Company’s Common Stock equal to the amount of principal and accrued interest on such Promissory Note divided by the price equal to the closing price of the Common Stock on the date of such Promissory Note, but in no event less than \$3.00 per share.

In connection with the November 2024 Supplemental Credit Agreement, the Company agreed to issue the Lender warrants to purchase up to an aggregate of 120,000 shares of the Company’s common stock, par value \$0.001 per share (collectively, the “Warrants”). The Company shall issue to the Lender Warrants ratably, upon borrowings under the November 2024 Supplemental Line of Credit, with exercise prices equal to 150% of the closing price of the Company’s common Stock on the date of the Promissory Note evidencing such draw, but in no event more than \$10.00 per share nor less than \$3.00 per share. The Warrants expire on July 31, 2029.

On April 30, 2025, the Company executed a \$6 million Promissory Note under the November 2024 Supplemental Line of Credit. The interest rate on this draw is 6.13% (Applicable Federal Rate for short term loans on date of draw of 4.13% plus 2%). The effective interest rate is approximately 6.4%. Accrued interest on this draw was \$154,000 at September 30, 2025. The principal and accrued interest is convertible at the option of the Lender at \$3.00 per share. In accordance with the Credit Agreement, the Company issued the Lender a Warrant to purchase up to 120,000 shares of Company’s Common Stock at an exercise price of \$3.00 per share, which Warrant is exercisable upon issuance.

The fair value of the 120,000 warrants vested at closing on April 30, 2025, was \$80,040 at the date of issuance based on the following assumptions: an expected life of 4.25 years, volatility of 84%, risk free interest rate of 3.65% and zero dividends. The proceeds were allocated between the Promissory Note and the warrants issued, and the amount allocated to the warrants was recorded as a debt discount netted against principal amortized on a straight-line basis, which is not materially different than the effective interest method, from April 30, 2025 through March 31, 2026, which was adjusted to September 30, 2026 in connection with the extension of maturity in July 2025. Amortization for the three and nine months ended September 30, 2025 of \$12,000 and \$31,000, respectively, was recorded as interest expense.

On March 31, 2025, the Company and Richard E. Uihlein (the “Lender”) entered into a Supplemental Line of Credit Letter Agreement (the “March 2025 Supplemental Credit Agreement”), pursuant to which the Lender shall provide the Company a line of credit of up to \$5.0 million (the “March 2025 Supplemental Line of Credit”) to finance the Company’s working capital needs. The Company may draw upon the March 2025 Supplemental Line of Credit through September 30, 2025.

Each advance made pursuant to the March 2025 Supplemental Credit Agreement shall be evidenced by an unsecured, convertible promissory note (individually, a “Promissory Note,” and collectively, the “Promissory Notes”), and bear interest at the Applicable Federal Rate for short term loans, plus two (2%) percent. Principal and interest on the Promissory Notes are due on or before March 31, 2026, which was adjusted to September 30, 2026 in connection with the extension of maturity in July 2025. Only with the consent of the Lender, may the Promissory Notes be prepaid, in whole or in part, at any time without premium or penalty, but with interest on the amount or amounts prepaid.

At the election of Lender, the principal and accrued interest on Promissory Note(s) may be converted into the number of shares of the Company’s Common Stock equal to the amount of principal and accrued interest on such Promissory Note divided by the price equal to the closing price of the Common Stock on the date of such Promissory Note, but in no event less than \$3.00 per share.

In connection with the March 2025 Supplemental Credit Agreement, the Company agreed to issue the Lender warrants to purchase up to an aggregate of 100,000 shares of the Company’s common stock, par value \$0.001 per share (collectively, the “Warrants”). The Company shall issue to the Lender Warrants ratably, upon borrowings under the March 2025 Supplemental Line of Credit, with exercise prices equal to 150% of the closing price of the Company’s common Stock on the date of the Promissory Note evidencing such draw, but in no event more than \$10.00 per share nor less than \$3.00 per share. The Warrants expire on July 31, 2029.

On June 30, 2025, the Company executed a \$5 million Promissory Note under the March 2025 Supplemental Line of Credit. The interest rate on this draw is 5.93% (Applicable Federal Rate for short term loans on date of draw of 3.93% plus 2%). The effective interest rate is approximately 6.4%. Accrued interest on this draw was \$75,000 at September 30, 2025. The principal and accrued interest is convertible at the option of the Lender at \$3.00 per share. In accordance with the Credit Agreement, the Company issued the Lender a Warrant to purchase up to 100,000 shares of Company's Common Stock at an exercise price of \$3.00 per share, which Warrant is exercisable upon issuance.

The fair value of the 100,000 warrants vested at closing on June 30, 2025, was \$132,000 at the date of issuance based on the following assumptions: an expected life of 4.08 years, volatility of 86%, risk free interest rate of 3.75% and zero dividends. The proceeds were allocated between the Promissory Note and the warrants issued, and the amount allocated to the warrants was recorded as a debt discount netted against principal amortized on a straight-line basis, which is not materially different than the effective interest method, from April 30, 2025 through September 30, 2026. Amortization for the three and nine months ended September 30, 2025 of \$26,000 was recorded as interest expense.

On July 8, 2025, the Company and Richard E. Uihlein (the "Lender") entered into a Supplemental Line of Credit Letter Agreement (the "July 2025 Supplemental Credit Agreement"), pursuant to which the Lender shall provide the Company a line of credit of up to \$10.0 million (the "July 2025 Supplemental Line of Credit") to finance the Company's working capital needs. The Company may draw upon the July 2025 Supplemental Line of Credit through April 30, 2026. Additionally, in connection with the July 2025 Supplemental Credit Agreement, the maturity dates of the Convertible Notes Payable – Related Party and all borrowings under the Convertible Lines of Credit – Related Party were extended to September 30, 2026.

Each advance made pursuant to the July 2025 Supplemental Credit Agreement shall be evidenced by an unsecured, convertible promissory note (individually, a "Promissory Note," and collectively, the "Promissory Notes"), and bear interest at the Applicable Federal Rate for short term loans, plus two (2%) percent. Principal and interest on the Promissory Notes are due on or before September 30, 2026. Only with the consent of the Lender, may the Promissory Notes be prepaid, in whole or in part, at any time without premium or penalty, but with interest on the amount or amounts prepaid.

At the election of Lender, the principal and accrued interest on Promissory Note(s) may be converted into the number of shares of the Company's Common Stock equal to the amount of principal and accrued interest on such Promissory Note divided by the price equal to the closing price of the Common Stock on the date of such Promissory Note, but in no event less than \$3.00 per share.

In connection with the July 2025 Supplemental Credit Agreement, the Company agreed to issue the Lender warrants to purchase up to an aggregate of 200,000 shares of the Company's common stock, par value \$0.001 per share (collectively, the "Warrants"). The Company shall issue to the Lender Warrants ratably, upon borrowings under the July 2025 Supplemental Line of Credit, with exercise prices equal to 150% of the closing price of the Company's common Stock on the date of the Promissory Note evidencing such draw, but in no event more than \$10.00 per share nor less than \$3.00 per share. The Warrants expire on July 31, 2029.

The fair value of warrants that vest in the future based on borrowings will be computed when those borrowings occur and amortized over the remaining period through September 30, 2026.

10. Segments

Operating segments are identified as components of an entity about which separate discrete financial information is available for evaluation by the CODM, or decision-making group, in making decisions on how to allocate resources and assess performance. The Company's CODM, the Chief Executive Officer, views the Company's operations as one operating segment, which is focused on creating new therapies for fibrotic disease based on targeting galectin proteins. The Company does not have revenue in the current comparative period, incurs expenses primarily in North America and manages the business activities on a consolidated basis.

The accounting policies of the fibrotic disease therapeutics segment are the same as those described in the summary of significant accounting policies.

The CODM assesses performance for the fibrotic disease therapeutics segment and decides how to allocate resources based on net loss that also is reported on the income statement as consolidated net loss. The measure of segment assets is reported on the balance sheet as cash and cash equivalents.

The Company has not generated any product revenue in the current period and expects to continue to incur significant expenses and operating losses for the foreseeable future as the Company advances its product candidates through all stages of development and clinical trials.

As such, the CODM uses cash forecast models in deciding how to invest into the fibrotic disease therapeutics segment. Such cash forecast models are reviewed to assess the entity-wide operating results and performance. Net loss is used to monitor budget versus actual results. Monitoring budgeted versus actual results, net cash used in operating activities for the period and cash on hand are used in assessing performance of the segment.

The table below summarizes the significant expense categories regularly reviewed by the CODM for the nine month periods ended September 30, 2025 and 2024 (in thousands).

	Nine Months Ended June 30,	
	2025	2024
	(in thousands)	
Operating expenses:		
Research and development	\$ 12,357	\$ 25,462
General and administrative	4,363	4,543
Total operating expenses	16,720	30,005
Total operating loss	(16,720)	(30,005)
Other income (expense):		
Interest income	101	254
Interest expense	(5,390)	(3,815)
Change in fair value of derivatives	(3,327)	(1,514)
Total other expense	(8,616)	(5,075)
Net loss	\$ (25,336)	\$ (35,080)
Preferred stock dividends	(76)	(90)
Net loss applicable to common stockholders	\$ (25,412)	\$ (35,170)

Other segment items included in segment loss include interest income and interest expense.

The Company is a single operating segment and therefore the measure of segment net loss is the same as consolidated net loss and does not require reconciliation.

For the nine-month periods ended September 30, 2025 and 2024, the net cash used in operating activities was \$17.8 million and \$29.0 million, respectively. The table below summarizes the significant asset categories regularly reviewed by the CODM as of September 30, 2025 and December 31, 2024 (in thousands).

	September 30, 2025	December 31, 2024
	(in thousands)	
Cash and cash equivalents	\$ 11,525	\$ 15,120

11. Commitments and Contingencies

Other Legal Proceedings

The Company records accruals for such contingencies to the extent that the Company concludes that their occurrence is probable, and the related damages are estimable. There are no significant pending legal proceedings.

Clinical Trial and Research Commitments

The Company has entered into agreements with contractors for research and development activities to further its product candidates. The contracts generally may be canceled at any time by providing thirty days' notice. The Company is involved in a negotiation with a contract vendor for clinical trial management services provided in the United States. The Company has accrued its estimate of the amount owed to the contract vendor.

12. Leases

The Company has one operating lease for its office space which was amended effective March 1, 2022 for a term of 38 months with no residual value guarantees or material restrictive covenants. The amended lease provided for free rent for the first six and a half months of the lease and continues the security deposit of \$6,000. In addition to base rental payments included in the contractual obligations table above, the Company is responsible for our pro-rata share of the operating expenses for the building. Our lease cost for the nine-month periods ended September 30, 2025 and 2024 was approximately \$41,000 and \$32,000, respectively, for and is included in general and administrative expenses. In March 2025, the Company renewed its existing office space lease effective for twelve months at substantially the same terms. As of September 30, 2025, the right to use lease asset consisted of \$37,000 and is included in other assets. Also, at September 30, 2025, current lease liability of \$37,000 is included in accrued expenses.

Maturity of operating lease as of September 30, 2025 in thousands:

2025	\$	16
2026		22
Total		38
Less imputed interest		(1)
Present value of lease liability	\$	37

The discount rate used in calculating the present value of the lease payments was 14%.

13. Galectin Sciences LLC

In January 2014, we created Galectin Sciences, LLC (the “LLC” or “Investee”), a collaborative joint venture co-owned by SBH Sciences, Inc. (“SBH”), to research and develop small organic molecule inhibitors of galectin-3 for oral administration. The LLC was initially capitalized with a \$400,000 cash investment to fund future research and development activities, which was provided by the Company, and specific in-process research and development (“IPR&D”) contributed by SBH. The estimated fair value of the IPR&D contributed by SBH, on the date of contribution, was \$400,000. Initially, the Company and SBH each had a 50% equity ownership interest in the LLC, with neither party having control over the LLC. Accordingly, from inception through the fourth quarter of 2014, the Company accounted for its investment in the LLC using the equity method of accounting. Under the equity method of accounting, the Company’s investment was initially recorded at cost with subsequent adjustments to the carrying value to recognize additional investments in or distributions from the Investee, as well as the Company’s share of the Investee’s earnings, losses and/or changes in capital. The estimated fair value of the IPR&D contributed to the LLC was immediately expensed upon contribution as there was no alternative future use available at the point of contribution. The operating agreement provides that if either party does not desire to contribute its equal share of funding required after the initial capitalization, then the other party, providing all of the funding, will have its ownership share increased in proportion to the total amount contributed from inception. In the fourth quarter of 2014, after the LLC had expended the \$400,000 in cash, SBH decided not to contribute its share of the funding required. Cumulatively as of September 30, 2025, the Company has contributed a total of \$4,172,000, including \$42,000 and \$313,000 for the nine months ended September 30, 2025 and 2024, respectively, for expenses of the LLC. Since the end of 2014, SBH has contributed \$711,000 for expenses in the LLC. As of June 30, 2025, the Company’s ownership percentage in the LLC was 85.4%. The Company accounts for the interest in the LLC as a consolidated, less than wholly owned subsidiary. Because the LLC’s equity is immaterial, the value of the non-controlling interest is also deemed to be immaterial.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

In addition to historical information, the following Management’s Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements as defined under Section 21E of the Securities Exchange Act of 1934, as amended, and is subject to the safe harbor created therein for forward-looking statements. Such statements include, but are not limited to, statements concerning our anticipated operating results, research and development, clinical trials, regulatory proceedings, and financial resources, and can be identified by use of words such as, for example, “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe” and “would,” “should,” “could” or “may.” All statements, other than statements of historical facts, included herein that address activities, events, or developments that the Company expects or anticipates will or may occur in the future, are forward-looking statements, including statements regarding: plans and expectations regarding clinical trials; plans and expectations regarding regulatory approvals; our strategy and expectations for clinical development and commercialization of our products; potential strategic partnerships; expectations regarding the effectiveness of our products; plans for research and development and related costs; statements about accounting assumptions and estimates; expectations regarding liquidity and the sufficiency of cash to fund currently planned operations through June 30, 2026; our commitments and contingencies; and our market risk exposure. Forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which Galectin Therapeutics operates, and management’s beliefs and assumptions. These statements are not guarantees of future performance and involve certain known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties are related to and include, without limitation,

- our early stage of development,
- we have incurred significant operating losses since our inception and cannot assure you that we will generate revenue or profit,
- our dependence on additional outside capital,
- we may be unable to enter into strategic partnerships for the development, commercialization, manufacturing and distribution of our proposed product candidates,
- uncertainties related to any litigation,
- uncertainties related to our technology and clinical trials, including expected dates of availability of clinical data,
- we may be unable to demonstrate the efficacy and safety of our developmental product candidates in human trials,
- we may be unable to improve upon, protect and/or enforce our intellectual property,
- we are subject to extensive and costly regulation by the U.S. Food and Drug Administration (FDA) and by foreign regulatory authorities, which must approve our product candidates in development and could restrict the sales and marketing and pricing of such products,
- competition and stock price volatility in the biotechnology industry,
- limited trading volume for our stock, concentration of ownership of our stock, and other risks detailed herein and from time to time in our SEC reports, and
- the impact resulting from a pandemic or the reemergence of COVID-19, which delayed our clinical trial and development efforts, as well as the impact that such a pandemic has on the volatility of the capital market and our ability to access the capital market and,
- other risks detailed herein and from time to time in our SEC reports, including our Annual Report on Form 10-K filed with the SEC for the fiscal year ended December 31, 2024, and our subsequent SEC filings.

The following discussion should be read in conjunction with the accompanying consolidated financial statements and notes thereto of Galectin Therapeutics appearing elsewhere herein.

Overview

We are a clinical stage biopharmaceutical company engaged in drug research and development to create new therapies for fibrotic disease, cancer and selected other diseases. Our drug candidates are based on our method of targeting galectin proteins, which are key mediators of biologic and pathologic functions. We use naturally occurring, readily-available plant products as starting material in manufacturing processes to create proprietary, patented complex carbohydrates with specific molecular weights and other pharmaceutical properties. These complex carbohydrate molecules are appropriately formulated into acceptable pharmaceutical formulations. Using these unique carbohydrate-based candidate compounds that largely bind and inhibit galectin proteins, particularly galectin-3, we are undertaking the focused pursuit of therapies for indications where galectin proteins have a demonstrated role in the pathogenesis of a given disease. We focus on diseases with serious, life-threatening consequences and those where current treatment options are limited specifically in NASH (non-alcoholic steatohepatitis) with cirrhosis and certain cancer indications. Our strategy is to establish and implement clinical development programs that add value to our business in the shortest period of time possible and to seek strategic partners when one of our programs becomes advanced and requires significant additional resources.

Our lead galectin-3 inhibitor is belapectin (GR-MD-02), which has been demonstrated in preclinical models to reverse liver fibrosis and cirrhosis and in clinical studies to decrease portal hypertension and prevent its complication: the development of esophageal varices. Belapectin has the potential to treat many diseases due to galectin-3's involvement in multiple key biological pathways such as fibrosis, immune cell function and immunity, cell differentiation, cell growth, and apoptosis (cell death). The importance of galectin-3 in the fibrotic process is supported by experimental evidence. Animals with the galectin-3 gene "knocked-out" can no longer develop fibrosis in response to experimental stimuli compared to animals with an intact galectin-3 gene. We are using our galectin-3 inhibitor to treat advanced liver fibrosis and liver cirrhosis in NASH patients. We have completed two Phase 1 clinical studies, a Phase 2 clinical study in NASH patients with advanced fibrosis (NASH-FX) and a second Phase 2b clinical trial in NASH patients with compensated cirrhosis and portal hypertension (NASH-CX).

In February 2023, we completed randomizations totaling 357 patients in a large, global Phase 2b/3 clinical trial, the NAVIGATE trial. Our study protocol was filed with the FDA on April 30, 2020, for a seamless adaptively-designed Phase 2b/3 clinical study evaluating the safety and efficacy of our galectin-3 inhibitor, belapectin, for the prevention of esophageal varices in patients with non-alcoholic steatohepatitis (NASH) cirrhosis. Further details are available at www.clinicaltrials.gov under study NCT04365868. The information contained therein is not incorporated herein by reference. In September 2020, the Company received a letter from the FDA providing comments, asking questions and providing guidance on various aspects of the ongoing NAVIGATE trial. These comments were addressed, and the study proceeded accordingly.

Based on feedback from the U.S. Food and Drug Administration (FDA), the Company decided to analyze stage 1 of the NAVIGATE clinical trial results as a stand-alone trial. Therefore, the decision was made to present full top-line efficacy and safety results, following last patient last visit and database lock which occurred in fall 2024. In December 2024, we presented top-line results of the NAVIGATE clinical trial. In the intent-to-treat (ITT) population (N=355), while the incidence of varices was 43.2% reduced in the belapectin 2 mg/kg dose group vs placebo, the composite endpoint did not reach statistical significance. The per-protocol population (PPP) was pre-defined as subjects who completed 18 months of therapy with upper endoscopy performed at both baseline and 18 months. In the PPP (n=287), the incidence of varices was reduced by 49.3% (compared to the targeted 52.5% reduction) in the belapectin 2 mg/kg dose group (p-value < 0.05). The Company further analyzed the two thirds of the completer patients in the NAVIGATE trial enrolled in the U.S. (n=186). The incidence of varices in this population was significantly reduced by 68.1% (p=0.02) in patients treated with belapectin 2 mg (4 out of 60) vs placebo (13 out of 62) in the U.S. While all three cohorts of patients in the U.S. had a higher percentage use of GLP-1 and statins than the rest of the world, the belapectin cohorts performed much better than placebo in the U.S. The Company continues to analyze trial data and expects to report additional information as it becomes available.

As in prior trials, the safety profile of belapectin remains highly encouraging with incidence of adverse events and serious adverse events comparable across the three cohorts. Rates of discontinuation, adverse events (AEs), and serious adverse events (SAEs) were comparable to placebo, with no drug-related SAEs reported in the NAVIGATE trial.

The Company continues to analyze data from approximately 55 patients that completed 36 months of treatment prior to the ending of the trial in February 2025. While data from this group would not change the results of the NAVIGATE clinical trial for patients completing 18 months of treatment, the Company believes that any encouraging results from this group of patients may draw interest from potential strategic partners.

Additionally, a study protocol entitled "A Single-dose, Open-label, Pharmacokinetic Study of Belapectin (GR-MD-02) in Subjects With Normal Hepatic Function and Subjects With Varying Degrees of Hepatic Impairment" has been filed with the FDA to examine the effects of the drug in subjects with normal hepatic function and subjects with varying degrees of hepatic impairment (study details are listed under study NCT04332432 on www.clinicaltrials.gov); this study became fully enrolled in February 2022 and favorable results were reported in 2023. The information contained therein is not incorporated herein by reference.

We endeavor to leverage our scientific and product development expertise as well as established relationships with outside sources to achieve cost-effective and efficient drug development. These outside sources, amongst others, provide us with expertise in preclinical models, pharmaceutical development, toxicology, clinical trial operations, pharmaceutical manufacturing, including physical and chemical drug characterization, and commercial development. We also have established through our majority-owned joint venture subsidiary, Galectin Sciences LLC, a discovery program developing small molecules that inhibit galectin-3 and may afford alternative drug delivery (e.g., oral) and as a result expand the potential uses of galectin-3 inhibitor beyond belapectin. Three chemical series of composition of matter patents have been filed.

We are also pursuing a development pathway to clinical enhancement and commercialization for our lead compounds in immuno-oncology following our previous successful collaboration with Providence Portland Cancer Center. In 2022, we filed a new IND with FDA for advanced or metastatic head and neck cancer using belapectin in combination with a checkpoint (PD-1) inhibitor and received a Study May Proceed letter. The proposed phase 2 trial commencement is dependent on timing of financing.

All of our proposed products are presently in development, including pre-clinical and clinical trials.

Our Drug Development Programs

Galectins are a class of proteins that are made by many cells in the body, but predominantly in cells of the immune system. As a group, these proteins are able to bind to sugar molecules that are attached to other proteins, called glycoproteins that are responsible for various functions within the body, most notably inflammation and fibrosis. Galectins, in particular galectin-3, act as a molecular glue, bringing together molecules that have sugars on them. Galectin-3, is known to be markedly increased in a number of significant diseases including inflammatory diseases leading to organs scarring (e.g. liver, lung, kidney, and heart) and cancers. The increase in galectin-3, by creating the so-called galectin-3 fibrosome, promotes the progression of multiple diseases. Published data substantiating the importance of galectin-3 in the fibrotic process arises from gene knockout experiments in animal studies. For instance, mice genetically altered to eliminate the galectin-3 gene, and thus unable to produce galectin-3, do not develop liver fibrosis in response to toxic insult to the liver.

We have one new proprietary chemical entity (NCE) in development, belapectin, which has shown promise in preclinical and clinical studies for the treatment of liver fibrosis, severe skin disease, and cancer (melanoma and head and neck squamous cell carcinoma). Currently, we are focusing on development of belapectin for the treatment of NASH cirrhosis and head and neck cancer. Belapectin is a proprietary, patented compound derived from natural, plant-based, starting materials, which following chemical processing, exhibits the properties of binding to and inhibiting galectin-3.

Our product pipeline is shown below:

Indication	Drug	Status
<p>Prevention of esophageal varices in NASH cirrhosis</p>		
<p>Phase 1 interaction trial: NASH-CX trial and NASH-FX trial</p>	<p>belapectin</p>	<p>IND submitted January 2013. Results from the Phase 1 interaction trial were reported in 2014, with final results reported in January 2015.</p> <p>The Phase 2 NASH FX trial was conducted in patients with advanced fibrosis but not cirrhosis. Its principal purpose was to evaluate various imaging modalities. The NASH FX trial top line data was reported in September 2016 and published in <i>Alimentary Pharmacology and Therapeutics</i> in 2016.</p> <p>The Phase 2 NASH CX trial was conducted in patients with compensated cirrhosis and portal hypertension. The NASH CX trial top line data was reported in December 2017 and was published in <i>Gastroenterology</i> in 2020.</p>
<p>NASH NAVIGATE</p>		<p>Following FDA feedback, the NAVIGATE trial was for the prevention of esophageal varices in NASH patients with compensated cirrhosis and clinical signs of portal hypertension. The final patient was randomized in February 2023 and top-line results were presented in December 2024. Additional analysis from the trial has been presented in 2025 and continues.</p>
<p>Phase 1 study: hepatic insufficiency</p>		<p>A hepatic impairment study was conducted in subjects with normal hepatic function and subjects with varying degrees of hepatic impairment (www.clinicaltrials.gov NCT04332432) and began enrolling patients in the second quarter of 2020. The study completed enrollment in February 2022 and favorable results were presented in 2023.</p>
<p>Cancer Immunotherapy</p>		
<p>Melanoma, Head, Neck Squamous Cell Carcinoma (HNSCC)</p>	<p>belapectin</p>	<p>Investigator IND study was completed. A Phase 1B study began in Q-1 2016. Early data was reported in February 2017 and additional data were reported in September 2018. Data from an extension trial was reported in July 2021 for additional melanoma and HNSCC patients which provided a rational basis for additional trials which the Company is exploring. In the third quarter of 2022, the Company announced its IND application for belapectin in combination with a checkpoint inhibitor for the treatment of HNSCC was filed and a Study May Proceed letter was received from FDA. The Company is reviewing options for financing this trial which will determine when such trial could commence.</p>

Liver cirrhosis. Belapectin is our lead product candidate for treatment of compensated NASH cirrhosis in patients with portal hypertension. Our preclinical data show that belapectin has a significant therapeutic effect on liver fibrosis as shown in several relevant animal models. In addition, in NASH animal models, belapectin has been shown to reduce liver fat, inflammation, portal pressure, and ballooning degeneration (death of liver cells). Therefore, we chose belapectin as the lead candidate in a development program targeted initially at fibrotic liver disease associated with non-alcoholic steatohepatitis (NASH). In January 2013, an Investigational New Drug (“IND”) was submitted to the FDA with the goal of initiating a Phase 1 study in patients with NASH and advanced liver fibrosis to evaluate the safety of belapectin and pharmacodynamics biomarkers of disease. On March 1, 2013, the FDA indicated we could proceed with a US Phase 1 clinical trial for belapectin with a development program aimed at obtaining support for a proposed indication of belapectin for treatment of NASH with advanced fibrosis. The Phase 1 trial was completed and demonstrated that belapectin up to 8 mg/kg Lean Body Mass (LBM), i.v. was safe and well tolerated.

Additionally, an open label drug-drug phase 1 interaction study was completed in healthy volunteers during the second quarter of 2015 with belapectin and it showed that with 8 mg/kg LBM dose of belapectin and 2 mg/kg LBM dose of midazolam there was no drug-drug interaction, and no serious adverse events or drug-related adverse events were observed. The secondary objective was to assess the safety and tolerability of belapectin when administered concomitantly with midazolam.

Our Phase 2 program in fibrotic disease consisted of two separate human clinical trials. The main clinical trial was the Phase 2b NASH-CX study for one year for patients with NASH with compensated cirrhosis and portal hypertension, which began enrolling patients in June 2015. This study was a randomized, placebo-controlled, double-blind, parallel-group Phase 2b trial to evaluate the safety and efficacy of belapectin for treatment of liver fibrosis and resultant portal hypertension in NASH patients with compensated cirrhosis. A smaller, exploratory NASH-FX trial was conducted to explore potential use of various non-invasive imaging techniques in NASH patients with advanced fibrosis but not cirrhosis.

NASH-FX Trial: The NASH-FX trial was a Phase 2a pilot trial for patients with NASH and advanced fibrosis that explored use of three non-invasive imaging technologies. It was a short, single site, four-month trial in 30 NASH patients with advanced fibrosis (F3) randomized 1:1 to either 9 bi-weekly doses of 8 mg/kg LBM of belapectin or placebo. The trial did not meet its primary endpoint as measured using multi-parametric magnetic resonance imaging (LiverMultiScan^(R), Perspectum Diagnostics). The trial also did not meet secondary endpoints that measure liver stiffness as a surrogate for fibrosis using, magnetic resonance-elastography and FibroScan^(R) score. With a four-month treatment period and a small number of patients per arm the study was not powered to demonstrate efficacy results in established advanced liver fibrosis. In the trial however, belapectin was found to be safe and well tolerated with no serious adverse events and showing evidence of a pharmacodynamic effect. These results provided support for further development in NASH.

NASH-CX Trial: The NASH-CX trial was a larger multi-center clinical trial that explored the use of belapectin for the treatment of patients with well-compensated NASH cirrhosis and portal hypertension. Enrollment was completed in September 2016, and a total of 162 patients at 36 sites in the United States were randomized to receive either 2 mg/kg LBM of belapectin, 8 mg/kg LBM of belapectin or placebo. Approximately 50% of patients at baseline had esophageal varices (a complication of portal hypertension). The primary endpoint was a reduction in hepatic venous pressure gradient (HVPG), a hemodynamic measure that estimates portal hypertension. Patients received an infusion of belapectin or placebo every other week for one year and were evaluated to determine the change in HVPG as compared with placebo. Secondary or exploratory endpoints included evaluation of fibrosis on liver biopsy, measurement of liver stiffness (FibroScan) and assessment of liver metabolism (¹³C-methacetin breath test). Top line data readout was reported in December 2017. The study demonstrated a favorable safety profile and clinically meaningful efficacy results in patients without esophageal varices at baseline as demonstrated by a decrease in portal pressure associated with the prevention of development of varices when compared to placebo.

In the total patient population, the primary endpoint HVPG showed a trend toward benefit with belapectin treatment, but the difference from placebo was not statistically significant. The mean change in HVPG of placebo from baseline to week 54 was 0.3 mm Hg. The mean change in HVPG from baseline was -0.37 and -0.42 for the 2 mg/kg LBM dose and 8 mg/kg LBM dose of belapectin, respectively.

In those NASH cirrhosis patients with portal hypertension who have not yet developed esophageal varices at baseline (about 50% of the total population), there was a statistically significant effect of the 2 mg/kg LBM dose of belapectin on the absolute change in HVPG (-1.08 mm Hg, p<0.01). The effect of the 8 mg/Kg LBM dose of belapectin on absolute or percent change in HVPG from baseline to week 54 was not significant.

Also because of the clinical relevance of this population, a responder analysis was performed on those patients without esophageal varices at baseline. Analysis was performed looking at two groups: those with an equal to or greater than 2 mm Hg decrease in HVPG from baseline or those with an equal to or greater than 2 mm Hg and a greater than or equal to 20% decrease in HVPG from baseline. In both cases, the change observed in the belapectin 2 mg/kg LBM group was statistically significant (p<0.01) while that of the 8 mg/kg LBM group was not.

Over the 54-week treatment period, in patients without varices at baseline there were also a statistically significantly fewer new varices that developed in the belapectin treatment groups (0% and 4% in the 2 mg/kg LBM and the 8 mg/kg LBM, respectively) vs placebo (18%). This meant that the decrease seen in portal pressure was associated with a decreased incidence of esophageal varices. The results were noticeable in the belapectin 2 mg/Kg LBM group as statistical significance against placebo was achieved for both parameters. As esophageal varices can lead to hemorrhagic complication, which can be fatal, and are a severe complication of liver cirrhosis, we believe the prevention of esophageal varices may represent a clinically relevant measure of clinical efficacy in patients with NASH cirrhosis.

The major conclusions from the NASH-CX trial results were that: (i) belapectin had a statistically significant and clinically meaningful effect in improving HVPG vs placebo in patients with NASH cirrhosis who did not have esophageal varices at baseline, (ii) Belapectin in the total patient population was associated with a statistically significant improvement in hepatocyte ballooning (i.e. cell death), (iii) There was a statistically significant reduction (p=0.02) in the development of new esophageal varices in drug-treated patients compared to placebo. We believe that the prevention of esophageal varices is a clinically relevant endpoint related to patient outcomes, (iv) While there was a drug effect in both the 2 mg/kg LBM and 8 mg/kg LBM groups on the development of varices and liver biopsy there was a consistently greater and statistically significant effect of the 2 mg/kg LBM dose of belapectin, (v) belapectin appears to be safe and well tolerated in this one year clinical trial, a feature that is of prime importance for a cirrhotic population and (vi) This is the first large, randomized clinical trial to demonstrate a clinically meaningful improvement in portal hypertension in patients with compensated NASH cirrhosis who have not yet developed esophageal varices.

Further information and details on the NASH-CX results is available in public presentations posted to our website and filed with the SEC and in a peer reviewed publication in *Gastroenterology* 2020;158:1334–1345.

NASH NAVIGATE Trial: Building on the experience of the NASH-CX trial, the NAVIGATE Trial was designed as a seamless adaptively-designed Phase 2b/3 clinical study evaluating the safety and efficacy of our galectin-3 inhibitor, belapectin, for the prevention of esophageal varices in patient with non-alcoholic steatohepatitis (NASH) cirrhosis. The major features of this innovative Phase 2b/3 study design are: i) In patients with NASH cirrhosis and clinical signs of portal hypertension but without esophageal varices at baseline, evaluated by an esophago-gastro-duodeno endoscopy, this trial will assess the effect of belapectin on the incidence of new varices (the primary endpoint) – as well as assessing the effect of belapectin on the incidence of additional clinically significant cirrhosis-related outcomes (a key secondary efficacy endpoint), (ii) The study targets NASH patients with a clearly identified unmet medical need: patients with compensated cirrhosis who have clinical signs of portal hypertension and, thus, are at risk of developing esophageal varices, a potentially life-threatening complication of cirrhosis (bleeding varices are a cause of death in about one-third of cirrhotic patients). There is currently no approved treatment for preventing varices in these patients. In addition, the development of esophageal varices reflects the progression of hepatic cirrhosis and thus portends the development of other cirrhosis complications such as ascites, hepatic encephalopathy, and liver failure, and (iii) During the first 18 months, two belapectin dose levels (2 mg/kg LBM and 4 mg/kg LBM) will be compared to placebo (phase 2b).

Based on feedback from the U.S. Food and Drug Administration (FDA), the Company has decided to analyze stage 1 of the NAVIGATE clinical trial results as a stand-alone trial. Therefore, a decision was made to present full top-line efficacy and safety results, following last patient last visit and database lock which occurred in fall 2024. In December 2024, we presented top-line results of the NAVIGATE clinical trial. In the intent-to-treat (ITT) population (N=355), while the incidence of varices was 43.2% reduced in the belapectin 2 mg/kg dose group vs placebo, the composite endpoint did not reach statistical significance. The per-protocol population (PPP) was pre-defined as subjects who completed 18 months of therapy with upper endoscopy performed at both baseline and 18 months. In the PPP (n=287), the incidence of varices was reduced by 49.3% (compared to the targeted 52.5% reduction) in the belapectin 2 mg/kg dose group (p-value < 0.05). The Company further analyzed the two thirds of the completer patients in the NAVIGATE trial enrolled in the U.S. (n=186). The incidence of varices in this population was significantly reduced by 68.1% (p=0.02) in patients treated with belapectin 2 mg (4 out of 60) vs placebo (13 out of 62) in the U.S. While all three cohorts of patients in the U.S. had a higher percentage use of GLP-1 and statins than the rest of the world, the belapectin cohorts performed much better than placebo in the U.S. The Company continues to analyze trial data and expects to report additional information as it becomes available.

As in prior trials, the safety profile of belapectin remains highly encouraging with incidence of adverse events and serious adverse events comparable across the three cohorts. Rates of discontinuation, adverse events (AEs), and serious adverse events (SAEs) were comparable to placebo, with no drug-related SAEs reported in the NAVIGATE trial.

The Company continues to analyze data from the 55 patients that completed 36 months of treatment prior to the ending of the trial in February 2025. While data from this group would not change the results of the NAVIGATE clinical trial for patients completing 18 months of treatment, the Company believes that any encouraging data from this group of patients may draw interest from potential strategic partners.

In the NAVIGATE trial, as proposed in the protocol, secondary endpoints include a composite clinical outcomes endpoint, including varices requiring treatment (development of large varices or varices with a red wale), decompensating events, all-cause mortality, MELD score increase, liver transplant. Also, NASH non-invasive biomarkers will be evaluated. To target a population at risk of developing esophageal varices, patient selection was based on clinical signs of portal hypertension, including, but not limited to, a low platelet count, an increased spleen size, an increased liver stiffness, and/or evidence of abdominal collaterals circulation.

The focus and goal of the therapeutic program is to stop the progression of and/or reverse portal hypertension and thereby prevent the development of varices, potentially one of the most life-threatening complications of cirrhosis. Based on the results of the NASH-CX trial and subject to confirmation in later stage clinical trials, we believe that this goal is achievable in a significant portion of the NASH cirrhosis patient population i.e. those NASH cirrhosis patients with clinical signs of portal hypertension for whom, currently, apart from a liver transplantation, no specific liver targeted, treatments are available.

We activated more than 150 clinical trial sites in 14 countries for the NAVIGATE trial.

The COVID-19 pandemic delayed our regulatory and ethics approvals, recruitment of sites, and enrollment of patients for our NAVIGATE trial. For several reasons, the pandemic made enrolling patients for the NAVIGATE trial more challenging, notably because patients eligible for the NAVIGATE trial have liver cirrhosis and, as such, were at a greater health risk of complications from COVID-19 and needed to be vaccinated before taking the risk of infection associated with a visit to a healthcare facility. As we emerged from the COVID-19 pandemic, site recruitment and patient enrollment accelerated and we experienced increases in the speed of enrollment, particularly in the United States. However, we did not see the enrollment in Europe that we anticipated. Consequently, we activated multiple sites in Latin America.

Further details on the NAVIGATE trial can be found on www.clinicaltrials.gov under study NCT04365868 and on our NAVIGATE website (navigatenash.com). The information contained therein is not incorporated herein by reference.

The Company also has completed a Hepatic Impairment Study, which ran in parallel with the phase 2b/3 trial as part of the development program. The Hepatic Impairment Study was conducted at three sites and involved approximately 40 patients (divided amongst normal healthy volunteers, and patients with hepatic impairment categorized as Child-Turcotte-Pugh (CTP) classes A (mild), B (moderate), and C (severe). Each subject received a single infusion of belapectin (4 mg/kg LBM) and their serum belapectin levels were monitored for up to approximately two weeks to define the effects of various stages of cirrhosis on serum belapectin levels. The tolerance and safety of belapectin was evaluated. Enrollment in this study was completed in February 2022, and the final results were presented at The Liver Meeting™ 2023, hosted by the American Association for the Study of Liver Diseases. The data indicated that belapectin exposure did not increase with the degree of hepatic insufficiency, a property that is consistent with the observed distribution of the drug into activated macrophages. Further details on this hepatic impairment study can be found on www.clinicaltrials.gov study NCT04332432.

Cancer Immunotherapy. We believe there is potential for galectin inhibition to play a key role in the innovative area of cancer immunotherapy. For example, there have been several recent approvals of drugs that enhance a patient's immune system to fight cancer. It is our goal to use our galectin-3 inhibitor to further enhance the immune system function to help the body to fight cancer in a way that complements other approaches to this type of therapy. This hypothesis is supported by the fact that galectin-3 is expressed at high levels in multiple types of tumors and their micro-environment, where it fosters the malignant nature of the tumors, and protects the tumors from immune attack by the patient's own defense mechanism. Our drug candidates provide a promising new therapeutic approach to enhance the activity of the immune system against cancer cells. Preclinical studies have indicated that belapectin enhances the immune response to cancer cells, increased tumor shrinkage and enhanced survival in immune competent mice with prostate, breast, melanoma and sarcoma cancers when combined with one of the immune checkpoint inhibitors, anti-CTLA-4 or anti-PD-1, or with the immune cell activator anti-OX40. These preclinical data led to the filing of two Investigator-sponsored INDs and the initiation of Phase 1B studies of belapectin in combination with Yervoy® (ipilimumab) in metastatic melanoma and another phase 1B study in combination with KEYTRUDA (pembrolizumab) in patients with metastatic melanoma and head and neck squamous cell carcinoma. These studies were conducted under the sponsorship of Providence Portland Medical Center's Earle A. Chiles Research Institute (EACRI).

The phase 1B study in combination with Yervoy was rapidly discontinued after the first patients were recruited because of the availability of new treatment in the selected population.

Promising results were reported in the Phase 1b trial combining belapectin with pembrolizumab (KEYTRUDA®). When aggregated cohorts are combined, in advanced melanoma, a 50% objective response rate with belapectin in combination with KEYTRUDA, was documented. In addition, a 33% response rate was documented in patients with head and neck cancer. The results have been published in 2021 in a highly rated peer reviewed journal (Curti et al. *Journal of Immunotherapy of cancer* 2021;9:e002371). There was also a suggestion that the combination of belapectin with pembrolizumab could decrease the auto-immune side-effect induced by pembrolizumab. These side-effects, which are directly linked to the mechanism of action of pembrolizumab, can be poorly tolerated and even severe enough to lead to treatment interruption, even if the effect on the cancer was encouraging. This is, a very frustrating situation for patients who have to discontinue an active treatment but have no other options available to them. We believe these data, taken together with the observed favorable safety and tolerability of the combination, provide a rationale to move the belapectin program in oncology forward.

Late in 2021, we engaged three noted physicians – Dr. Chetan Bettgowda, from Johns Hopkins, and Dr. Nishant Agrawal and Dr. Ari Rosenberg, both from University of Chicago Medical Center – as consultants to help define the path forward in oncology. In consultation with our oncology experts, we have now selected the treatment of recurrent or metastatic head and neck cancer as the lead indication to pursue for belapectin in combination with an immune checkpoint inhibitor. The decision is notably based on the lack of available treatments for these patients, the limited number of therapies in development, and the resulting very high medical need. We filed an IND with FDA and are planning a phase 2 trial to be filed with the FDA oncology division.

Results of Operations

Three and Nine Months Ended September 30, 2025 Compared to Three and Nine Months Ended September 30, 2024

Research and Development
Expense.

	Three Months Ended		Nine Months Ended		2025 as Compared to 2024			
	September 30,		September 30,		Three Months		Nine Months	
	2025	2024	2025	2024	\$ Change	% Change	\$ Change	% Change
	(In thousands, except %)							
Research and development	\$ 2,612	\$ 7,595	\$ 12,358	\$ 25,462	\$ (4,983)	(66)%	(13,104)	(51)%

We generally categorize research and development expenses as either direct external expenses, comprised of amounts paid to third party vendors for services, or all other research and development expenses, comprised of employee payroll and general overhead allocable to research and development. We consider a clinical program to have begun upon acceptance by the FDA, or similar agency outside of the United States, to commence a clinical trial in humans, at which time we begin tracking expenditures by the product candidate. Clinical program expenses comprise payments to vendors related to preparation for, and conduct of, all phases of the clinical trial, including costs for drug manufacture, patient dosing and monitoring, data collection and management, oversight of the trials and reports of results. Pre-clinical expenses comprise all research and development amounts incurred before human trials begin, including payments to vendors for services related to product experiments and discovery, toxicology, pharmacology, metabolism, and efficacy studies, as well as manufacturing process development for a drug candidate.

Our research and development expenses were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Direct external expenses:	(in thousands)			
Clinical programs	\$ 962	\$ 5,937	\$ 7,135	\$ 19,666
Pre-clinical activities	43	204	581	947
All other research and development expenses	1,607	1,454	4,642	4,849
	\$ 2,612	\$ 7,595	\$ 12,358	\$ 25,462

Clinical activities decreased primarily due to lower incurrence of expenses related to our NAVIGATE clinical trial which ended in the first quarter of 2025.

Both the time required and costs we may incur in order to commercialize a drug candidate that would result in material net cash inflow are subject to numerous variables, and therefore we are unable at this stage of our development to forecast useful estimates. Variables that make estimates difficult include the number of clinical trials we may undertake, the number of patients needed to participate in the clinical trial, patient recruitment uncertainties, trial results as to the safety and efficacy of our product, and uncertainties as to the regulatory agency response to our trial data prior to receipt of marketing approval. Moreover, the FDA or other regulatory agencies may suspend clinical trials if we or an agency believes patients in the trial are subject to unacceptable risks or find deficiencies in the conduct of the clinical trial. Delays or rejections may also occur if governmental regulation or policy changes during our clinical trials or in the course of review of our clinical data. Due to these uncertainties, accurate and meaningful estimates of the ultimate cost to bring a product to market, the timing of costs and completion of our program and the period during which material net cash inflows will commence are unavailable at this time.

General and Administrative Expense.

	Three Months		Nine Months		2025 as Compared to 2024			
	Ended September 30,		Ended September 30,		Three Months		Nine Months	
	2025	2024	2025	2024	\$ Change	% Change	\$ Change	% Change
	(In thousands, except %)							
General and administrative	\$ 1,587	\$ 1,471	\$ 4,363	\$ 4,543	\$ 116	8%	\$ (180)	(4)%

General and administrative expenses consist primarily of salaries including stock-based compensation, legal and accounting fees, insurance, investor relations, business development and other office related expenses. The primary reasons for the increase in general and administrative expenses for the three months ended September 30, 2025, as compared to the same period in 2024 is due to increases in legal and investor relations/business development expenses. The primary reasons for the decrease in general and administrative expenses for the nine-months ended September 30, 2025 as compared to the same period in 2024 is due to a decrease in stock compensation expense of \$292,000 somewhat offset by increases legal expenses of \$80,000.

Liquidity and Capital Resources

Since our inception on July 10, 2000, we have financed our operations from proceeds of public and private offerings of debt and equity. At September 30, 2025, the Company had \$11.5 million of unrestricted cash and cash equivalents in addition to a \$10 million line of credit entered into on July 8, 2025 provided by our chairman available to fund future operations. The Company believes there is sufficient cash to fund currently planned operations through June 30, 2026. We will require more cash to fund our operations after June 30, 2026. There can be no assurance that we will be successful in obtaining such new financing or, if available, that such financing will be on terms favorable to us.

Net cash used in operations decreased by \$11,143,000 to \$17,833,000 for the nine months ended September 30, 2025, as compared to \$28,976,000 for the nine months ended September 30, 2024. Cash operating expenses increased principally due to decreased expenses related to our NAVIGATE clinical trial with belapectin which ended in the first quarter of 2025. Cash provided by financing activities decreased by \$16,138,000 to \$14,238,000 for the nine months ended September 30, 2025, as compared to \$30,376,000 for the nine months ended September 30, 2024 primarily due to a decrease in borrowings under related party lines of credit.

Off-Balance Sheet Arrangements

We have not created, and are not a party to, any special-purpose or off-balance sheet entities for the purpose of raising capital, incurring debt or operating parts of our business that are not consolidated into our financial statements. We do not have any arrangements or relationships with entities that are not consolidated into our financial statements that are reasonably likely to materially affect our liquidity or the availability of capital resources.

Application of Critical Accounting Policies and Estimates

The preparation of condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to accrued expenses, stock-based compensation, contingencies and litigation. We base our estimates on historical experience, terms of existing contracts, our observance of trends in the industry, information available from other outside sources and on various other factors that we believe to be appropriate under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are those policies that affect our more significant judgments and estimates used in preparation of our consolidated financial statements. We believe our critical accounting policies include our policies regarding stock-based compensation, accrued expenses and income taxes. For a more detailed discussion of our critical accounting policies, please refer to our 2024 Annual Report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk represents the risk of loss that may impact our financial position, operating results or cash flows due to changes in the U.S. interest rates. The primary objective of our investment activities is to preserve cash until it is required to fund operations. To minimize risk, we maintain our portfolio of cash and cash equivalents in operating bank accounts and money market funds. Since our investments are short-term in duration, we believe that we are not subject to any material market risk exposure.

Item 4. Controls and Procedures***Evaluation of Disclosure Controls and Procedures***

Our management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934) and concluded that, as of September 30, 2025, our disclosure controls and procedures were effective.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

Changes in Internal Control Over Financial Reporting

During the quarter ended September 30, 2025, no change in our internal control over financial reporting has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION**Item 1. Legal Proceedings**

None.

Item 1A. Risk Factors

The information set forth in this report should be read in conjunction with the risk factors set forth in Item 1A, “Risk Factors,” of Part I of our Annual Report on Form 10-K for the year ended December 31, 2024, which could materially impact our business, financial condition or future results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not Applicable

Item 5. Other Information***Securities Trading Plans of Directors and Executive Officers***

One of our executive officers of the Company, as defined in Rule 16a-1(f), adopted a replacement “Rule 10b5-1 trading arrangement”, as defined in Regulation S-K Item 408, during the fiscal quarter ended September 30, 2025.

Item 6. Exhibits

Exhibit Number	Description of Document	Note Reference
31.1*	Certification Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934	
31.2*	Certification Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934	
32.1**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	
32.2**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	
101.INS	Inline XBRL Instance Document** (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).	

Exhibit Number	Description of Document	Note Reference
101.SCH	Inline XBRL Taxonomy Extension Schema Document**	
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document**	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document**	
101.LAB	Inline XBRL Taxonomy Label Linkbase Document**	
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document**	
104*	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document and included in Exhibit 101)	

* Filed herewith.

** Furnished herewith and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on November 14, 2025.

GALECTIN THERAPEUTICS INC.

By: /s/ Joel Lewis
Name: Joel Lewis
Title: Chief Executive Officer and President
(principal executive officer)

By: /s/ Jack W. Callicutt
Name: Jack W. Callicutt
Title: Chief Financial Officer
(principal financial and accounting officer)

Certification Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934

I, Joel Lewis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Galectin Therapeutics Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2025

/s/ Joel Lewis

Name: Joel Lewis
Title: Chief Executive Officer and President
(principal executive officer)

Certification Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934

I, Jack W. Callicutt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Galectin Therapeutics Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2025

/s/ Jack W. Callicutt

Name: Jack W. Callicutt

Title: Chief Financial Officer

(principal financial and accounting officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED**PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Galectin Therapeutics Inc. (the "Company") on Form 10-Q for the period ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joel Lewis, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2025

/s/ Joel Lewis

Name: Joel Lewis

Title: Chief Executive Officer and President
(principal executive officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Galectin Therapeutics Inc. and will be retained by Galectin Therapeutics Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED**PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Galectin Therapeutics Inc. (the "Company") on Form 10-Q for the period ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jack W. Callicutt, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2025

/s/ Jack W. Callicutt
Name: Jack W. Callicutt
Title: Chief Financial Officer
(principal financial and accounting officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Galectin Therapeutics Inc. and will be retained by Galectin Therapeutics Inc. and furnished to the Securities and Exchange Commission or its staff upon request.
