

GALECTIN THERAPEUTICS INC

Form S-3/A

April 08, 2019

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As filed with the Securities and Exchange Commission on April 8, 2019.

Registration No. 333-230085

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2

To

FORM S-3

REGISTRATION STATEMENT

Under

The Securities Act of 1933

GALECTIN THERAPEUTICS INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of

04-3562325
(I.R.S. Employer

incorporation or organization)

Identification Number)

4960 Peachtree Industrial Blvd., Suite 240

Norcross, Georgia 30071

(678) 620-3186

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Harold H. Shlevin, Ph.D.

Chief Executive Officer and President

Galectin Therapeutics Inc.

4960 Peachtree Industrial Blvd., Suite 240

Norcross, Georgia 30071

(678) 620-3186

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Robert E. Tritt

Dentons US LLP

303 Peachtree Street

Atlanta, Georgia 30308

Tel No.: (404) 527-8130

Fax No.: (404) 527-4198

Approximate date of commencement of proposed sale to the public: From time to time, after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 selected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities

Proposed Maximum

Amount of

to be Registered	Aggregate Offering Price (1)	Registration Fee (5)
Units consisting of shares of the Registrant's common stock, \$0.001 par value per share (Common Stock), and warrants to purchase shares of Common Stock (Warrants)	\$87,500,000	\$10,605
Non-transferable rights to purchase units (2)	Included with units above	
Common Stock included as part of the Units	Included with units above	
Warrants to purchase shares of Common Stock included as part of the units (3)	Included with units above	
Common Stock issuable upon exercise of the Warrants	\$31,500,000	\$3,636
TOTAL (4)	\$119,000,000	\$14,423

- (1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act.
- (2) Non-transferable Rights to purchase Units are being issued without consideration. Pursuant to Rule 457(g) under the Securities Act, no separate registration fee is required for the Rights because the Rights are being registered in the same registration statement as the securities of the Registrant underlying the Rights.
- (3) Pursuant to Rule 457(g) under the Securities Act, no separate registration fee is required for the Warrants because the Warrants are being registered in the same registration statement as the securities of the Registrant underlying the Warrants.
- (4) Pursuant to Rule 416 under the Act, under the Securities Act, the securities being registered hereunder include such indeterminate number of additional securities as may be issuable to prevent dilution resulting from stock splits, stock dividends or similar transactions.
- (5) Previously paid.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED APRIL 8, 2019

PROSPECTUS

Galectin Therapeutics Inc.

Subscription Rights to Purchase Units Consisting of

a Maximum of 14,019,137 Shares of Common Stock and

Warrants to Purchase a Maximum of 3,504,783 Shares of Common Stock

Galectin Therapeutics Inc. is distributing at no charge to the holders of our common stock, par value \$0.001 per share, and holders of certain warrants issued to investors in 2015 (the 2015 Warrants) who are entitled to participate in this offering (the 2015 Warrant Holders), non-transferable subscription rights to purchase a unit (the Unit) consisting of 0.3 shares of our common stock and a warrant to purchase 0.075 shares of our common stock (representing 25% warrant coverage) (a Basic Subscription Right). The warrants for common stock will have an exercise price of \$[] per share (estimated to be between 25% and 50% higher than the Initial Price or Alternate Price) and are exercisable within 7 years of the closing of the offering. The subscription price for each share of common stock in the offering and the related warrant will be the lesser of (i) \$[] (the Initial Price) and (ii) [] ([]%) percent (estimated to be between 85% and 95%) of the volume weighted average price of our common stock for the five trading day period through and including on the Expiration Date (as defined below) (the Alternate Price). Each stockholder and 2015 Warrant Holder will receive one subscription right for each share of our common stock owned (or, in the case of the 2015 Warrant Holders, into which the participating warrants may be exercised) at 5:00 p.m., Eastern Time, on April 29, 2019, and each subscription right will entitle its holder to purchase a Unit. To the extent that the Alternate Price is lower than the Initial Price, we will issue additional shares in the rights offering. If you fully exercise your Basic Subscription Right and other stockholders or 2015 Warrant Holders do not fully exercise their Basic Subscription Rights, you may also exercise an over-subscription right to purchase additional Units that remain unsubscribed at the expiration of the rights offering, subject to the availability and pro rata allocation of shares among persons exercising this over-subscription right. Assuming a hypothetical subscription price of \$5.00 per share, if all the rights were exercised, the total purchase price of the shares offered in this rights offering would be approximately \$70.1 million.

The purpose of this rights offering is to raise equity capital in a cost-effective manner that provides all of our existing stockholders the opportunity to participate. We currently intend to use the net proceeds from this offering, if any, for

general working capital purposes and for a portion of the cost of our NASH-RX Phase 3 clinical trial evaluating the efficacy of our drug candidate GR-MD-02 for the treatment of NASH cirrhosis patients without esophageal varices. We anticipate that the cost of the Phase 3 trial, which will take approximately one year to enroll, followed by the two years of the study, and our general operating expenses over this period, will be approximately \$100 million.

The subscription rights will be distributed and exercisable beginning on April 29, 2019, which is the record date of this rights offering. The subscription rights will expire and will have no value if they are not exercised prior to the expiration date of this rights offering, which is currently expected to be 5:00 p.m. Eastern Time, on May 23, 2019 (the Expiration Date), unless we, in our sole discretion, extend the period for exercising the subscription rights. We will extend the duration of the rights offering as required by applicable law, and may choose to extend the rights offering if we decide that changes in the market price of our common stock warrant an extension or if we decide that the degree of participation in this rights offering by holders of our common stock or 2015 Warrants is less than the level we desire. You should carefully consider whether or not to exercise your subscription rights before the Expiration Date. We reserve the right to cancel the rights offering at any time before the expiration of the rights offering, for any reason.

Richard E. Uihlein, our chairman of our board of directors and the beneficial owner of approximately 5.7% of our outstanding common stock prior to this rights offering (excluding shares issuable upon exercise of options and warrants), has indicated that he intends to exercise all of his Basic Subscription Rights and his oversubscription rights pursuant to this rights offering in the aggregate amount of \$20.0 million, but has not made any formal binding commitment to do so. Depending on the number of our stockholders and 2015 Warrant Holders who exercise their Basic Subscription Rights and over subscription rights, there may be insufficient Units available to allow Mr. Uihlein to invest \$20.0 million in this rights offering.

There is no minimum number of Units that we must sell in order to complete the rights offering. If you exercise your rights in full, you may also exercise an over-subscription right to purchase additional Units that remain unsubscribed at the expiration of the rights offering, subject to the availability and allocation of Units among persons exercising this over-subscription right and certain other limitations as further described elsewhere in this prospectus. Stockholders who do not participate in the rights offering will continue to own the same number of shares, but will own a smaller percentage of the total shares outstanding to the extent that other rights holders participate in the rights offering. Rights that are not exercised by the Expiration Date will expire and have no value.

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We are distributing the rights and offering the underlying Units directly to you. We have not employed any brokers, dealers or underwriters in connection with the solicitation or exercise of rights in the rights offering, and no commissions, fees or discounts will be paid in connection with the rights offering. Continental Stock Transfer & Trust Company is acting as the subscription agent, and Broadridge Corporate Issuer Solutions, Inc. is acting as the information agent for the rights offering. While certain of our directors, officers and other employees may solicit responses from you, those directors, officers and other employees will not receive any commissions or compensation for their services other than their normal compensation.

The subscription rights may not be sold or transferred except as required by operation of law.

Our common stock is listed on the Nasdaq Capital Market under the symbol GALT. On April 5, 2019, the last reported sale price for our common stock on the Nasdaq Capital Market was \$4.77 per share.

Investing in our common stock involves risks. You should carefully review and consider the information contained in this prospectus, including the risk factors beginning on page 15 of this prospectus, as well as the risk factors and other information contained in any documents we incorporate by reference into this prospectus before exercising your subscription rights. See Where You Can Find Additional Information beginning on page 41. Neither the Securities and Exchange Commission nor any state securities regulators have approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is [], 2019.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the United States Securities and Exchange Commission (the "SEC"). Under this registration statement, we may distribute, at any time and from time to time, in one or more offerings, non-transferable subscription rights to purchase Units consisting of 0.3 shares of our common stock and warrants to purchase 0.075 shares of our common stock.

You should only rely on the information contained or incorporated by reference in this prospectus and any prospectus supplement. No person has been authorized to give any information or make any representations other than those contained or incorporated by reference in this prospectus or any accompanying prospectus supplement in connection with the offering described herein and therein, and, if given or made, such information or representations must not be relied upon as having been authorized by us or the selling stockholders.

You should read the entire prospectus and any prospectus supplement, as well as the documents incorporated by reference into this prospectus or any prospectus supplement, before making an investment decision. Neither the delivery of this prospectus or any prospectus supplement nor any sale made hereunder shall under any circumstances imply that the information contained or incorporated by reference herein or in any prospectus supplement is correct as of any date subsequent to the date hereof or of such prospectus supplement, as applicable. You should assume that the information appearing in this prospectus, any prospectus supplement or any document incorporated by reference is accurate only as of the date of the applicable documents, regardless of the time of delivery of this prospectus or any sale of securities. Our business, financial condition, results of operations and prospects may have changed since that date.

This prospectus may be supplemented from time to time by one or more prospectus supplements. Any such prospectus supplements may include additional or different information, such as additional or different risk factors or other special considerations applicable to us or our business, financial condition or results of operations. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information contained in the prospectus supplement.

This prospectus is neither an offer to sell nor a solicitation of an offer to buy any securities other than those registered by this prospectus, nor it is an offer to sell or a solicitation of an offer to buy securities in any jurisdiction where an offer or solicitation would be unlawful.

Unless the context requires otherwise, references in this prospectus to Galectin, the Company, we, us and our refer to Galectin Therapeutics Inc., a Nevada corporation. This prospectus, including the documents incorporated herein by reference, contains references to a number of trademarks that are our registered trademarks or those of our affiliates, or trademarks for which we or our affiliates have pending registration applications or common law rights. This prospectus may also include trade names, trademarks and service marks of other companies and organizations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference contain, in addition to historical information, forward-looking statements. These statements relate to future events or our future financial performance and can be identified by the use of forward-looking terminology such as may, could, expect, anticipate, estimate, continue, or other similar words. These forward-looking statements are based on management's current expectations and are subject to a number of factors and uncertainties which could cause actual results to differ materially from those described in these statements. We caution investors that actual results or business conditions may differ materially from those projected or suggested in forward-looking statements as a result of various factors including, but not limited to, those

described in, or incorporated by reference into, the Risk Factors section of this prospectus. We cannot assure you that we have identified all the factors that create uncertainties. Readers should not place undue reliance on forward-looking statements. We undertake no obligation to publicly release the result of any revision of these forward-looking statements to reflect events or circumstances after the date they are made or to reflect the occurrence of unanticipated events.

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PROSPECTUS SUMMARY

This summary description about us and our business highlights selected information contained elsewhere in this prospectus or incorporated in this prospectus by reference. This summary does not contain all of the information you should consider before investing in our common stock. You should carefully read this entire prospectus and any applicable prospectus supplement, including each of the documents incorporated herein or therein by reference, before making an investment decision.

Overview

We are a clinical stage biopharmaceutical company engaged in drug research and development to create new therapies for fibrotic disease, severe skin disease, and cancer. 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 galectins have a demonstrated role in the pathogenesis of a given disease. We focus on diseases with serious, life-threatening consequences to patients and those where current treatment options are limited. 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 a program becomes advanced and requires significant additional resources.

Our lead galectin-3 inhibitor is GR-MD-02, which has been demonstrated in preclinical models to reverse liver fibrosis and cirrhosis. GR-MD-02 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 gene responsible for galectin-3 knocked-out can no longer develop fibrosis in response to experimental stimuli compared to animals with an intact galectin-3 gene. Galectin Therapeutics Inc. is using this inhibitor to treat advanced liver fibrosis and liver cirrhosis in NASH (non-alcoholic steatohepatitis) 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 well compensated cirrhosis. We announced, in December 2017 top line results from our Phase 2b study in NASH patients with cirrhosis (NASH-CX) and results of an End of Phase 2 meeting with the FDA, which provided direction on potentially acceptable end points for a Phase 3 trial. The company with its external NASH consultants has designed a Phase 3 study that has been sent to various contract research organizations (CROs) for their input on feasibility, timing costs and other important considerations. NASH cirrhosis is a progressive disease, currently not treatable and ultimately may result in liver failure that has poor prognosis and no effective, approved medical therapies other than liver transplant. Galectin-3 expression is highly increased in the liver of patients with liver fibrosis and liver cirrhosis. We believe that our galectin-3 inhibitor, by reducing galectin-3 at the cellular level, ultimately showing a strong anti-fibrotic potential may provide a novel treatment for various forms of liver fibrosis.

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, sophisticated physical and chemical characterization, and commercial development. We also have established several collaborative scientific discovery programs with leading experts in carbohydrate chemistry and characterization. These discovery programs are generally aimed at the targeted development of new

carbohydrate molecules that bind galectin proteins and offer alternative options to larger market segments in our primary disease indications. We also have established through Galectin Sciences LLC, a discovery program aimed at the targeted development of small molecules (generally, non-carbohydrate) that bind galectin proteins and may afford options for alternative means of drug delivery (e.g., oral) and as a result expand the potential uses of our galectin-3 inhibitor compounds. We are also pursuing a development pathway to clinical enhancement and commercialization for our lead compounds in immuno-oncology for cancer therapy. However, our clinical development efforts are focused on both liver fibrosis and fatty liver disease as represented by a Phase 2 clinical trial in NASH-cirrhosis which reported top line data in December 2017 and on planning for Phase 3 studies. All of our proposed products are presently in development, including pre-clinical and clinical trials.

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Corporate Information

We were founded in July 2000 as Pro-Pharmaceuticals, Inc., a Massachusetts corporation. On April 25, 2001, DTR-Med Pharma Corp. (DTR), which was incorporated in Nevada on January 26, 2001, entered into a stock exchange agreement with Pro-Pharmaceuticals, Inc., whereby DTR acquired all of the outstanding shares of common stock of Pro-Pharmaceuticals, Inc. On May 10, 2001, DTR changed its name to Pro-Pharmaceuticals, Inc. and on June 7, 2001, the Massachusetts corporation was merged into the Nevada corporation. On May 26, 2011, Pro-Pharmaceuticals, Inc. changed its name to Galectin Therapeutics Inc. In October, 2012, we moved our headquarters to a suburb of Atlanta, GA to be closer to a center of discovery collaboration while maintaining a laboratory operation in the Boston area.

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OFFERING SUMMARY

Securities Offered

We are distributing to you, at no charge, one non-transferable subscription right for each share of our common stock that you owned as of 5:00 p.m., Eastern Time, on April 29, 2019, either as a holder of record or, in the case of shares held of record by custodian banks, brokers, dealers or other nominees on your behalf, as a beneficial owner of such shares.

Basic Subscription Rights

Each subscription right will entitle the holder to purchase a unit (the "Unit") consisting of 0.3 shares of our common stock and a warrant to purchase 0.075 shares of our common stock (representing 25% warrant coverage) (a "Basic Subscription Right"). The price for each share of common stock in the offering and the related warrant will be at the Initial Price (as defined below), which shall be paid in cash. To the extent that the Alternate Price (as defined below) is lower than the Initial Price, any excess subscription amounts paid by a subscriber will be put towards the purchase of additional units in the rights offering. The warrants for common stock will have an exercise price of [] per share (estimated to be between 25% and 50% higher than the Initial Price or Alternate Price) and are exercisable within 7 years of the closing of the offering.

Over-Subscription Rights

We do not expect that all of our stockholders and 2015 Warrant Holders will exercise all of their Basic Subscription Rights. If you fully exercise your Basic Subscription Right and other stockholders and 2015 Warrant Holders do not fully exercise their Basic Subscription Rights, the over-subscription right of each subscription right entitles you to subscribe for additional Units unclaimed by other holders of subscription rights in this rights offering at the same subscription price per share. If an insufficient number of shares is available to fully satisfy all over-subscription right requests, the available shares will be distributed proportionately among rights holders who exercise their over-subscription right based on the number of shares each rights holder subscribed for under the Basic Subscription Right. The proration process will be repeated until all Units have been allocated or all over-subscription exercises have been fulfilled, whichever occurs earlier.

Subscription Price

The subscription price for each share of common stock in the offering and the related warrant will be the lesser of (i) \$[] (the "Initial Price") and (ii) [] ([]%) percent (estimated to be between 85% and 95%) of the volume weighted average price of our common stock for the five trading day period through and including on the Expiration Date (as defined below) (the "Alternate Price"). Subscribers must fund their subscriptions pursuant to both the Basic Subscription Right and over-subscription right at the Initial Price. To be effective, any payment related to the exercise of a Right must clear prior to the expiration of the rights offering.

Excess Subscription Amount

If, on the Expiration Date, the Alternate Price is lower than the Initial Price, any excess subscription amounts paid by a subscriber (the "Excess Subscription Amount") will be put towards the purchase of additional Units in the rights offering. For more information, see "Questions and Answers About the Rights Offering" below.

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Record Date

5:00 p.m., Eastern Time, on April 29 2019.

Expiration of the Rights Offering

5:00 p.m., Eastern Time, on May 23, 2019 (the Expiration Date), subject to extension or earlier termination.

Amendment, Extension and Termination

We have the option to extend the rights offering and the period for exercising your subscription rights, although we do not presently intend to do so. The board of directors, in its sole discretion, reserves the right to amend or modify the terms of the rights offering. We also reserve the right to terminate the rights offering at any time prior to the Expiration Date for any reason, in which event all funds received in connection with the rights offering will be returned without interest or deduction to those persons who exercised their subscription rights.

Fractional Shares

We will not issue fractional shares including upon exercise of any warrants, but rather will round down the aggregate number of shares you are entitled to receive to the nearest whole number.

Non-Transferability of Rights

The subscription rights may not be sold, transferred or assigned and will not be listed for trading on the Nasdaq Capital Market or any other stock exchange or trading market.

Procedure for Exercising Rights

You may exercise your subscription rights by properly completing and executing your rights certificate and delivering it, together with the subscription price for each Unit for which you subscribe under the basic subscription right and over-subscription right, to the subscription agent, Continental Stock Transfer & Trust Company, on or prior to the Expiration Date. If you use mail, we recommend that you use insured, registered mail, with return receipt requested. If you cannot deliver your rights certificate to the subscription agent on time, you may follow the guaranteed delivery procedures described under The Rights Offering Guaranteed Delivery Procedures beginning on page 30.

How Rights Holders Can Exercise Rights Through Others

If you hold our common stock through a custodian bank, broker, dealer, or other nominee, we will ask your custodian bank, broker, dealer or other nominee to notify you of the rights offering. If you wish to exercise your rights, you will need to have your custodian bank, broker, dealer or other nominee act for you. To indicate your decision, you should complete and return to your custodian bank, broker, dealer or other nominee the form entitled Beneficial Owners Election Form. You should receive this form from your custodian bank, broker, dealer or other nominee with the other rights offering materials. You should contact your custodian bank, broker, dealer or other nominee if you believe you are entitled to participate in the rights offering but you have not received this form.

How Foreign Stockholders and Other Stockholders Can Exercise Rights

The subscription agent will not mail rights certificates to you if you are a stockholder or 2015 Warrant Holder whose address is outside the United States or if you have an Army Post Office or a Fleet Post Office address. Instead, we will have the subscription agent hold the subscription rights certificates for your account. To exercise your rights, you must notify the subscription agent prior to 11:00 a.m., Eastern Time, at least three (3) business days prior to the Expiration Date, and establish to the satisfaction of the subscription agent that it is permitted to exercise your subscription rights under applicable law. If you do not follow these procedures by such time, your rights will expire and will have no value.

No Revocation

Once you submit the form of rights certificate to exercise any subscription rights, you may not revoke or change your exercise or request a refund of monies paid. All exercises of rights are irrevocable, even if you subsequently learn information about us that you consider to be unfavorable. You should not exercise your subscription rights unless you are certain that you wish to purchase Units consisting of shares of our common stock and warrants exercisable into shares of our common stock in the rights offering.

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Payment Adjustments

If you send a payment that is insufficient to purchase the number of Units requested, or if the number of Units requested is not specified in the rights certificate, the payment received will be applied to exercise your subscription rights to the extent of the payment. If the payment exceeds the amount necessary for the full exercise of your subscription rights, including any over-subscription rights exercised and permitted and, on the Expiration Date, the Alternate Price is lower than the Initial Price, any Excess Subscription Amount will be put towards the purchase of additional Units in the rights offering (either towards your Basic Subscription Right, if available, or towards the Over-Subscription Right if you have already exercised your Basic Subscription Right in full). Otherwise, the excess will be returned to you as soon as practicable, in the form in which made. You will not receive interest or a deduction on any payments refunded to you under the rights offering.

Conditions

See The Rights Offering Conditions to the Rights Offering beginning on page 27.

Purchase Commitments

Richard E. Uihlein, our chairman of our board of directors and the beneficial owner of approximately 5.7% of our outstanding common stock prior to this rights offering (excluding shares issuable upon exercise of options and warrants), has indicated that he intends to exercise all of his Basic Subscription Rights and his oversubscription rights pursuant to this rights offering in the aggregate amount of \$20.0 million, but has not made any formal binding commitment to do so. Depending on the number of our stockholders and 2015 Warrant Holders who exercise their Basic Subscription Rights and over subscription rights, there may be insufficient Units available to allow Mr. Uihlein to invest \$20.0 million in this rights offering.

No Recommendation to Rights Holders

Although many of our directors may invest their own money in the rights offering, our board of directors is making no recommendation regarding your exercise of the subscription rights. You are urged to make your decision based on your own assessment of our business and the rights offering. An investment in the Units comprised of our common stock and warrants to purchase our common stock must be made according to your evaluation of your own best interests and after considering all of the information herein, including the Risk Factors section beginning on page 15 of this prospectus. Neither we nor our board of directors are making any recommendation regarding whether you should exercise your subscription rights.

Use of Proceeds

Although we cannot determine what the actual net proceeds from the sale of the shares of the Units in the rights offering will be until the rights offering is completed, assuming that all subscription rights are exercised and assuming a hypothetical subscription price of \$5.00 per share, we estimate that the aggregate net proceeds from the rights offering, after deducting estimated offering expenses, will be approximately \$70.1 million. We currently intend to use the net proceeds from this offering, if any, for general working capital purposes and for a portion of the cost of our Phase 3 clinical trial evaluating the efficacy of our drug candidate GR-MD-02 for the treatment of NASH patients without esophageal varices. We anticipate that the cost of the Phase 3 trial, which will take approximately one year to enroll, followed by the two years of the study, plus our general overhead expenses during this period, will be approximately \$100 million. See Use of Proceeds beginning on page 22.

Material U.S. Federal Income Tax Consequences.

Although the authorities governing transactions such as this rights offering are complex and unclear in certain respects, we believe and intend to take the position that the distribution of subscription rights to you with respect to your shares of common stock should generally be treated, for United States federal income tax purposes, as a non-taxable distribution if you are a United States person. For a detailed discussion, see **Certain Material U.S. Federal Income Tax Considerations** beginning on page 34. You should consult your tax advisor as to the particular consequences to you of the rights offering.

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Issuance of Our Common Stock

As soon as practicable after the expiration of the rights offering, the Subscription Agent will arrange for the issuance of the shares of common stock purchased pursuant to the rights offering. If you hold your shares in the name of a custodian bank, broker, dealer or other nominee, the Depository Trust Company (the "DTC") will credit your account with your nominee with the securities you purchased in the rights offering. If you are a holder of record of shares, all shares of common stock that are purchased by you in the rights offering will be issued in book-entry, or uncertificated, form meaning that you will receive a direct registration (DRS) account statement from our transfer agent reflecting ownership of these securities.

Listing of Common Stock

Our common stock is listed on the Nasdaq Capital Market under the symbol "GALT". The shares of common shares that are an element of the Units purchased will also be listed on the Nasdaq Capital Market under the same symbol. Neither the subscription rights nor the warrants that are an element of the Units will be listed for trading on the Nasdaq Capital Market or any other stock exchange or market.

Fees and Expenses

We are not charging any fee or sales commission to issue subscription rights to you or to issue the Units to you if you exercise your subscription rights (other than the subscription price). If you exercise your subscription rights through a custodian bank, broker, dealer or other nominee, you are responsible for paying any fees your nominee may charge you.

Treatment of Warrants

As of March 1, 2019, we had outstanding warrants to purchase an aggregate of 10,400,428 additional shares of common stock. Holders of our warrants, other than the 2015 Warrants, may not participate in the rights offering without first exercising their warrants for shares of common stock before the record date, unless they hold a contractual right to do so. The 2015 Warrant Holders have a contractual right to participate in this rights offering under the terms of their warrants with respect to 2015 Warrants outstanding on the record date. As of March 1, 2019, the outstanding 2015 Warrants represented the right to purchase an aggregate of 1,180,234 shares of our common stock. The 2015 Warrant Holders are entitled to participate in this rights offering under the same terms as the holders of our common stock.

Subscription Agent

Continental Stock Transfer & Trust Company.

Information Agent

You should direct any questions or requests for assistance concerning the method of subscribing for common shares or for additional copies of this prospectus the information agent, Broadridge Corporate Issuer Solutions, Inc., toll free at 1-844-886-5456, by e-mail at shareholder@broadridge.com, or by mail at:

Broadridge Corporate Solutions, Inc.

Attn: BCIS Re-Organization Dept.

P.O. Box 1317

Brentwood, NY 11717-0718

Risk Factors

Before investing in our common stock, you should carefully read and consider the information set forth in Risk Factors beginning on page 15 of this prospectus and all other information appearing elsewhere and incorporated by reference in this prospectus and any accompanying prospectus supplement.

For additional information concerning the rights offering, see The Rights Offering, beginning on page 25.

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QUESTIONS AND ANSWERS ABOUT THE RIGHTS OFFERING

The following are examples of what we anticipate will be common questions about the rights offering. The answers are based on selected information included elsewhere in this prospectus. The following questions and answers do not contain all of the information that may be important to you and may not address all of the questions that you may have about the rights offering. This prospectus and the documents incorporated by reference contain more detailed descriptions of the terms and conditions of the rights offering and provide additional information about us and about our business, including potential risks related to the rights offering, our common stock, and our business.

*Exercising the subscription rights and investing in our securities involve a high degree of risk. We urge you to carefully read the section entitled *Risk Factors* beginning on page 15 of this prospectus and all other information included in, or incorporated by reference into, this prospectus in its entirety before you decide whether to exercise your subscription rights.*

Q: What is the rights offering?

A: We are distributing to you, at no charge, one non-transferable subscription right for each share of our common stock that you owned as of 5:00 p.m., Eastern Time, on April 29, 2019, either as a holder of record or, in the case of shares held of record by custodian banks, brokers, dealers or other nominees on your behalf, as a beneficial owner of such shares.

Q: Why are we conducting the rights offering?

A: Although we cannot determine what the actual net proceeds from the sale of the shares of the Units in the rights offering will be until the rights offering is completed, assuming all subscription rights are exercised and assuming a hypothetical subscription price of \$5.00 per share, we estimate that the aggregate net proceeds from the rights offering, after deducting estimated offering expenses, will be approximately \$70.1 million. We currently intend to use the net proceeds from this offering, if any, for general working capital purposes and for a portion of the cost of our Phase 3 clinical trial evaluating the efficacy of our drug candidate GR-MD-02 for the treatment of NASH patients without esophageal varices. We anticipate that the cost of the Phase 3 trial, which will take approximately one year to enroll, followed by the two years of the study, plus our general overhead expenses during such period, will be approximately \$100 million. See *Use of Proceeds* beginning on page [25].

Q: How was the subscription price determined?

A: In determining the subscription price, our board of directors, with the advice and input of management and advisors, considered a number of factors, including: the likely cost of capital from other sources, the price at which our stockholders and 2015 Warrant Holders might be willing to participate in the rights offering, historical and current trading prices for our common stock, our need for liquidity and capital and the desire to provide an opportunity to our stockholders to participate in the rights offering on a pro rata basis. In conjunction with its review of these factors, our board of directors also reviewed a range of subscription prices in various prior rights

offerings of public companies. The subscription price is not necessarily related to our book value, net worth or any other established criteria of value and may or may not be considered the fair value of our common stock to be offered in the rights offering. We cannot give any assurance that our common shares will trade at or above the subscription price in any given time period. You should not consider the subscription price as an indication of value of us or our common stock. You should obtain a current quote for our common stock before exercising your subscription rights and make your own assessment of our business and financial condition, our prospects for the future, and the terms of the rights offering.

Q: Why did our board of directors elect to price the rights offering at the lesser of the Initial Price and the Alternate Price?

A: Our board of directors elected to price the rights offering at the lesser of the Initial Price and the Alternate Price to attempt to protect stockholders from any decline in the price of the Company's common stock which may occur after the commencement of the rights offering and prior to the Expiration Date. While there is no guarantee that this mechanism will sufficiently protect stockholders that exercise their rights (see Risk Factors below), our board of directors and management wanted to encourage participation in the offering and strike what they believe to be a fair balance between the capital needs of the Company and the fair value of its common stock sold to the stockholders in this offering.

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Q: Because the final subscription price may not be determined until the Expiration Date, how much money should I send to the subscription agent if I want to exercise my rights?

A: For purposes of initially exercising your rights, you should assume that the subscription price will equal the Initial Price of \$[] per share. Accordingly, for each right that you would like to exercise, including any rights that you would like the opportunity to exercise pursuant to the over-subscription right, you should send \$[] per share. For assistance you may contact the information agent, Broadridge Corporate Issuer Solutions, Inc., toll free at 1-844-886-5456, by e-mail at shareholder@broadridge.com.

Q: What happens if the final subscription price is less than the Initial Price?

A: If, on the Expiration Date, the Alternate Price is lower than the Initial Price, any Excess Subscription Amounts paid by a subscriber will be put towards the purchase of additional shares in the rights offering. For example, assume that, for purposes of example only, the initial subscription price is \$5.00 per share. If you want to exercise your rights to purchase 100 shares, you will promptly send payment to the subscription agent in the amount of \$500. If the final subscription price decreases to \$4.00 per share, you will receive 125 shares rather than 100 shares and no cash back. Detailed instructions to exercise your rights, including regarding payment of the subscription price, are also included on your rights certificate. For assistance you may contact the information agent, Broadridge Corporate Issuer Solutions, Inc., toll free at 1-844-886-5456, by e-mail at shareholder@broadridge.com.

Q: What is the basic subscription right?

A: Each subscription right gives our stockholders and 2015 Warrant Holders the right to purchase one unit (Unit) consisting of 0.3 shares of common stock and a warrant to purchase 0.075 shares of common stock (representing 25% warrant coverage) at a price per share equal to the Initial Price, which shall be payable in cash. To the extent that the Alternate Price is lower than the Initial Price, we will issue additional shares in the rights offering. We have granted to you, as a stockholder or 2015 Warrant Holder of record as of 5:00 p.m., Eastern Time, on the record date, one subscription right for each share of our common stock you owned at that time. For example, if you owned 100 shares of our common stock as of 5:00 p.m., Eastern Time, on the record date, you would have received 100 subscription rights and would have the right to purchase 100 Units at the Initial Price, which Units would give you 30 shares of common stock and warrants to purchase 7 shares of common stock (we will not issue warrants exercisable for fractional shares; as a result, any warrants will be rounded down to the nearest whole number). You may exercise all or a portion of your basic subscription rights or you may choose not to exercise any subscription rights at all. However, if you exercise fewer than all of your basic subscription rights, you will not be entitled to purchase any additional shares pursuant to the over-subscription right.

Q: What is the over-subscription right?

A:

We do not expect all of our stockholders and 2015 Warrant Holders to exercise all of their Basic Subscription Rights. The over-subscription right provides stockholders and 2015 Warrant Holders that exercise all of their Basic Subscription Rights the opportunity to purchase the shares that are not purchased by other stockholders and 2015 Warrant Holders. If you fully exercise your Basic Subscription Rights, the over-subscription right of each subscription right entitles you to subscribe for additional Units unclaimed by other holders of subscription rights in this rights offering at the same subscription price per share. If an insufficient number of shares is available to fully satisfy all over-subscription right requests, the available shares will be distributed proportionately among rights holders who exercise their over-subscription right based on the number of shares each rights holder subscribed for under the Basic Subscription Rights. The proration process will be repeated until all Units have been allocated or all over-subscription exercises have been fulfilled, whichever occurs earlier.

In order to properly exercise your over-subscription right, you must deliver the subscription payment for exercise of your over-subscription right before the expiration of the rights offering. Because we will not know the total number of unsubscribed Units before the expiration of the rights offering, if you wish to maximize the number of shares you purchase pursuant to your over-subscription right, you will need to deliver payment in an amount equal to the aggregate subscription price for the maximum number of shares available, assuming that no stockholder or 2015 Warrant Holder other than you has purchased any shares pursuant to such stockholder or 2015 Warrant Holder's Basic Subscription Rights and over-subscription right. Any excess subscription payments received by the subscription agent caused by proration will be returned by the subscription agent to you by mail, without interest or penalty, as soon as practicable after the Expiration Date of the rights offering. The subscription agent will return any excess payments in the form in which it was made. Any Excess Subscription Amount resulting from the reduction of the subscription price from the Initial Price to the Alternate Price will be put towards the purchase of additional Units in the rights offering (either towards your basic subscription right, if available, or towards the over-subscription right if you have already exercised your basic subscription right in full). See [The Rights Offering Subscription Rights Over-Subscription Rights](#) beginning on page 25.

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Q: Who will receive subscription rights?

A: Holders of our common stock will receive one non-transferable subscription right for each share of common stock owned as of April 29, 2019, the record date. Holders of the 2015 Warrants with respect to 2015 Warrants outstanding on the record date will also have the right to participate in the Rights Offering.

Q: How many shares may I purchase if I exercise my subscription rights?

A: You will receive one non-transferable subscription right for each share of our common stock that you owned on April 29, 2019, the record date. Each subscription right evidences a right to purchase one Unit consisting of 0.3 shares of our common stock and a warrant to purchase 0.075 shares of our common stock (representing 25% warrant coverage). The price for each share of common stock in the offering and the related warrant will be at the Initial Price, which shall be paid in cash. To the extent that the Alternate Price is lower than the Initial Price, any excess subscription amounts paid by a subscriber will be put towards the purchase of additional Units in the rights offering. You may exercise any number of your subscription rights.

Q: Am I required to subscribe in the rights offering?

A: No.

Q: What happens if I choose not to exercise my subscription rights?

A: If you choose not to exercise your subscription rights you will retain your current number of shares of common stock of Galectin Therapeutics Inc. As a result, the percentage of the common stock of Galectin that you own will decrease and your voting rights and other rights will be diluted.

Q: Am I required to exercise all of the subscription rights I receive in the rights offering?

A: No. You may exercise any number of your subscription rights, or you may choose not to exercise any subscription rights. If you do not exercise any subscription rights, the number of shares of our common stock you own will not change; however, you will own a smaller proportional interest in us than if you had timely exercised all or a portion of your subscription rights. If you choose not to exercise your subscription rights or you exercise fewer than all of your subscription rights and other rights holders fully exercise their subscription rights or exercise a greater proportion of their subscription rights than you exercise, the percentage of our common stock owned by these other stockholders and 2015 Warrant Holders will increase relative to your ownership percentage, and your voting and other rights in us will likewise be diluted. In addition, if you do not exercise your basic subscription right in full, you will not be entitled to participate in the over-subscription right.

Q: If I am a holder of stock options or warrants, may I participate in the rights offering?

A: Holders of stock options or warrants on the record date, other than the 2015 Warrants, will not be entitled to participate in the rights offering, except to the extent they hold shares of our common stock on the record date. Certain holders of our 2015 Warrants outstanding on the record date will have the right to participate in the Rights Offering. Such warrants were issued on November 25, 2015 and entitle the holders thereof to receive Basic Subscription Rights, whether or not they hold shares of our common stock on the record date.

Q: Will the equity awards of our employees, officers and directors automatically convert into common stock in connection with the rights offering?

A: Holders of our equity awards, including outstanding stock options and restricted stock units, will not receive rights in the rights offering in connection with such equity awards, but will receive subscription rights in connection with any shares of our common stock held as of the record date.

Q: How soon must I act to exercise my subscription rights?

A: If you received a rights certificate and elect to exercise any or all of your subscription rights, the subscription agent must receive your completed and signed rights certificate and payment (and your payment must clear) prior to the expiration of the rights offering, which is May 23, 2019, at 5:00 p.m., Eastern Time, unless you have used the guaranteed delivery procedures described under *The Rights Offering Guaranteed Delivery Procedures* beginning on page 30. If you hold your shares in the name of a custodian bank, broker, dealer or other nominee, your nominee may establish a deadline prior to 5:00 p.m., Eastern Time, on May 23, 2019 by which you must provide it with your instructions to exercise your subscription rights and payment for your Units. Our board of directors may, in its discretion, extend the rights offering one or more times. Our board of directors may cancel or amend the rights offering at any time before its expiration. In the event that the rights offering is cancelled, all subscription payments received will be returned promptly, without interest or penalty.

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Q: Does Galectin need to achieve a minimum participation level in order to complete the rights offering?

A: No. We may choose to consummate, amend, extend or terminate the rights offering regardless of the number of Units actually purchased.

Q: Can Galectin terminate the rights offering?

A: Yes. Our board of directors may decide to terminate the rights offering at any time prior to the expiration of the rights offering, for any reason. If we cancel the rights offering, any money received from subscribing stockholders and 2015 Warrant Holders will be refunded as soon as practicable, without interest or a deduction on any payments refunded to you under the rights offering. See *The Rights Offering Expiration of the Rights Offering and Extensions, Amendments and Termination* beginning on page 26.

Q: May I transfer my subscription rights if I do not want to purchase any shares?

A: No. Should you choose not to exercise your Basic Subscription Rights, you may not sell, give away or otherwise transfer your Basic Subscription Rights. However, Basic Subscription Rights will be transferable as required by operation of law, for example, upon the death of the recipient.

Q: When will the rights offering expire?

A: The subscription rights will expire and will have no value, if not exercised prior thereto, at 5:00 p.m., Eastern Time, on May 23, 2019, unless we decide to extend the rights offering Expiration Date until some later time or terminate it earlier. See *The Rights Offering Expiration of the Rights Offering and Extensions, Amendments and Termination* beginning on page 26. The subscription agent must actually receive all required documents and payments in cash, as provide herein, before the Expiration Date. There is no maximum duration for the rights offering.

Q: How do I exercise my subscription rights if I own shares in certificate form?

A: You may exercise your Basic Subscription Rights by properly completing and executing your rights certificate and delivering it, together in full with the subscription price for each Unit you subscribe for, to the subscription agent on or prior to the Expiration Date. If you use mail, we recommend that you use insured, registered mail, return receipt requested. If you cannot deliver your rights certificate to the subscription agent on time, you may follow the guaranteed delivery procedures described under *The Rights Offering Guaranteed Delivery Procedures* beginning on page 30.

If you send a payment that is insufficient to purchase the number of Units you requested, or if the number of Units you requested is not specified in the forms, the payment received will be applied to exercise your Basic Subscription Rights to the fullest extent possible based on the amount of the payment received, subject to the availability of Units

in the rights offering and the elimination of fractional shares. Any excess subscription payments received by the subscription agent will be returned promptly, without interest, following the expiration of the rights offering.

Q: What form of payment is required to purchase the Units?

A: As described in the instructions accompanying the rights certificate, you must timely pay the full subscription price for the full number of Units you wish to acquire under your Basic Subscription Rights at the Initial Price by delivering to Continental Stock Transfer & Trust Company, the subscription agent for this rights offering, a certified check, bank draft, cashier's check, personal check that clears before the Expiration Date, money order, or wire transfer of funds.

Please note that funds paid by uncertified personal check may take at least five (5) business days to clear. Accordingly, if you wish to pay by means of an uncertified personal check, we urge you to make payment sufficiently in advance of the Expiration Date to ensure that the subscription agent receives cleared funds before that time.

Q: What should I do if I want to participate in the rights offering but my shares are held in the name of my custodian bank, broker, dealer or other nominee?

A: If you hold our common stock through a custodian bank, broker, dealer or other nominee, we will ask your custodian bank, broker, dealer or other nominee to notify you of the rights offering. If you wish to exercise your Basic Subscription Rights, you will need to have your custodian bank, broker, dealer or other nominee act for you. To indicate your decision, you should complete and return to your custodian bank, broker, dealer or other nominee the form entitled "Beneficial Owner Election Form" substantially in the form accompanying this prospectus. You should receive this form from your custodian bank, broker, dealer or other nominee with the other rights offering materials. You should contact your custodian bank, broker, dealer or other nominee if you believe you are entitled to participate in the rights offering but you have not received this form.

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Q: What should I do if I want to participate in the rights offering, but I am a stockholder or 2015 Warrant Holder with a foreign address or with an Army Post Office or Fleet Post Office address?

A: The subscription agent will not mail rights certificates to you if your address is outside the United States or if you have an Army Post Office or a Fleet Post Office address. To exercise your rights, you must notify the subscription agent prior to 11:00 a.m., Eastern Time, at least three (3) business days prior to the Expiration Date, and establish to the satisfaction of the subscription agent that it is permitted to exercise your subscription rights under applicable law. If you do not follow these procedures by such time, your rights will expire and will have no value.

Q: Will I be charged a sales commission or a fee if I exercise my subscription rights?

A: We will not charge a brokerage commission or a fee to rights holders for exercising their subscription rights. However, if you exercise your subscription rights through a custodian bank, broker, dealer or nominee, you will be responsible for any fees charged by your custodian bank, broker, dealer or nominee.

Q: Are there any conditions to my right to exercise my subscription rights?