Financial Statements

Unaudited Condensed Consolidated Interim Financial Statements for the First Six Months of 2025

Consolidated Statement of Income and Comprehensive Income/Loss (-) (unaudited)

Consolidated income statement

	Six months ended June 30	
(thousands of €, except per share data)	2025	2024
Supply revenues	18,486	19,105
Collaboration revenues	121,779	121,200
Total net revenues	**140,265**	**140,305**
Cost of sales	(18,435)	(19,105)
Research and development expenses	(278,027)	(145,225)
Sales and marketing expenses	(1,556)	(7,092)
General and administrative expenses	(72,914)	(56,833)
Other operating income	14,932	16,638
Operating loss	**(215,735)**	**(71,313)**
Fair value adjustments and net currency exchange differences	(66,228)	49,455
Other financial income	22,536	50,015
Other financial expenses	(1,364)	(1,133)
Profit/loss (–) before tax	**(260,791)**	**27,024**
Income taxes	1,788	1,139
Net profit/loss (–) from continuing operations	**(259,003)**	**28,164**
Net profit/loss (–) from discontinued operations, net of tax	**(148)**	**71,041**
Net profit/loss (–)	**(259,151)**	**99,205**

	Six months ended June 30	
(thousands of €, except per share data)	2025	2024
Net profit/loss (–) attributable to:		
Owners of the parent	(259,151)	99,205
Basic and diluted earnings/loss (–) per share	**(3.93)**	**1.51**
Basic and diluted earnings/loss (–) per share from continuing operations	**(3.93)**	**0.43**

The accompanying **notes** form an integral part of these condensed consolidated financial statements.

Consolidated statement of comprehensive income/loss (–)

	Six months ended June 30	
(thousands of €)	2025	2024
Net profit/loss (–)	**(259,151)**	**99,205**
Items that will not be reclassified subsequently to profit or loss:		
Re-measurement of defined benefit obligation	–	74
Fair value adjustment financial assets held at fair value through other comprehensive income	(6,012)	923
Items that may be reclassified subsequently to profit or loss:		
Translation differences, arisen from translating foreign activities	(618)	215
Realization of translation differences upon sale of foreign operations	–	4,095
Other comprehensive income/loss (–), net of income tax	**(6,630)**	**5,307**
Total comprehensive income/loss (–)		
Owners of the parent	(265,781)	104,512
Total comprehensive income/loss (–) attributable to owners of the parent arises from:		
Continuing operations	(265,633)	29,112
Discontinued operations	(148)	75,400
Total comprehensive income/loss (–), net of income tax	**(265,781)**	**104,512**

The accompanying **notes** form an integral part of these condensed consolidated financial statements.

Consolidated Statement of Financial Position

(unaudited)

(thousands of €)	June 30 2025	December 31 2024
Assets		
Goodwill	69,151	70,010
Intangible assets other than goodwill	147,427	164,862
Property, plant and equipment	109,686	122,898
Deferred tax assets	870	1,474
Non-current R&D incentives receivables	115,330	132,729
Non-current contingent consideration receivable	50,645	42,465
Equity investments	46,928	52,941
Other non-current assets	2,527	8,708
Convertible loan	20,348	–
Non-current financial investments	–	200,182
Non-current assets	**562,912**	**796,269**
Inventories	33,794	51,192
Trade and other receivables	55,499	47,476
Current R&D incentives receivables	32,342	39,882
Current financial investments	3,019,835	3,053,334
Cash and cash equivalents	71,669	64,239
Escrow account	21,819	41,163
Other current assets	20,354	31,049
Current assets from continuing operations	**3,255,312**	**3,328,335**
Assets in disposal group classified as held for sale	**–**	**11,115**
Total current assets	**3,255,312**	**3,339,450**
Total assets	**3,818,224**	**4,135,719**

(thousands of €)	June 30 2025	December 31 2024
Equity and liabilities		
Share capital	293,937	293,937
Share premium account	2,736,994	2,736,994
Other reserves	(9,215)	(3,158)
Translation differences	2,899	3,472
Accumulated losses	(380,796)	(134,306)
Total equity	**2,643,819**	**2,896,939**
Retirement benefit liabilities	2,109	2,099
Deferred tax liabilities	17,877	20,660
Non-current lease liabilities	6,050	8,243
Other non-current liabilities	21,585	33,821
Non-current deferred income	723,830	838,876
Non-current liabilities	**771,451**	**903,699**
Current lease liabilities	2,393	3,479
Trade and other liabilities	133,179	98,877
Provisions	36,868	–
Current tax payable	278	249
Current deferred income	230,236	232,476
Total current liabilities	**402,954**	**335,081**
Total liabilities	**1,174,405**	**1,238,780**
Total equity and liabilities	**3,818,224**	**4,135,719**

The accompanying **notes** form an integral part of these condensed consolidated financial statements.

Consolidated Cash Flow Statement

(unaudited)

	Six months ended June 30	
(thousands of €)	2025	2024
Net profit/loss (–) of the year	**(259,151)**	**99,205**
Adjustment for non-cash transactions	168,205	(14,184)
Adjustment for items to disclose separately under operating cash flow	(22,743)	(49,814)
Adjustment for items to disclose under investing and financing cash flows	(41,328)	(62,075)
Change in working capital other than deferred income	112,335	(64,496)
Cash used for other liabilities related to the disposal of subsidiaries	–	(3,598)
Cash used for other liabilities related to the acquisition of subsidiaries	(1,792)	–
Decrease in deferred income	(117,286)	(140,038)
Cash used in operations	**(161,760)**	**(235,000)**
Interest paid	(304)	(501)
Interest received	14,880	47,228
Corporate taxes paid	(204)	(594)
Net cash flow used in operating activities	**(147,388)**	**(188,867)**

(thousands of €)	Six months ended June 30 2025	2024
Purchase of property, plant and equipment	(9,250)	(7,062)
Purchase of intangible fixed assets	(155)	(65,036)
Purchase of financial investments	(2,087,499)	(1,516,737)
Investment income received related to financial investments	42,338	9,558
Sale of financial investments	2,201,540	1,717,044
Proceeds from settlement of hedging instrument	22,745	–
Cash in/cash out (–) from the disposal of subsidiaries, net of cash disposed of	9,733	(5,209)
Convertible loan issued to third party	(20,000)	–
Acquisition of equity investments held at fair value	–	(36,880)
Net cash flow generated from investing activities	**159,452**	**95,678**
Payment of lease liabilities	(1,611)	(2,232)
Net cash flow used in financing activities	**(1,611)**	**(2,232)**
Increase/decrease (–) in cash and cash equivalents	**10,453**	**(95,421)**
Cash and cash equivalents at beginning of the period	**64,239**	**166,810**
Increase/decrease (–) in cash and cash equivalents	10,453	(95,421)
Effect of exchange rate differences on cash and cash equivalents	(3,023)	939
Cash and cash equivalents at end of the period	**71,669**	**72,328**

The accompanying **notes** form an integral part of these condensed consolidated financial statements.

Consolidated Statement of Changes in Equity

(unaudited)

(thousands of €)	Share capital	Share premium account	Translation differences	Other reserves	Accumul. losses	Total
On January 1, 2024	**293,937**	**2,736,994**	**(1,201)**	**(5,890)**	**(228,274)**	**2,795,566**
Net profit					99,205	99,205
Other comprehensive income			4,096	1,211		5,307
Total comprehensive income			**4,096**	**1,211**	**99,205**	**104,512**
Share-based compensation					10,217	10,217
On June 30, 2024	**293,937**	**2,736,994**	**2,895**	**(4,679)**	**(118,852)**	**2,910,295**
On January 1, 2025	**293,937**	**2,736,994**	**3,472**	**(3,158)**	**(134,306)**	**2,896,939**
Net loss					(259,151)	(259,151)
Other comprehensive loss			(573)	(6,057)		(6,630)
Total comprehensive loss			**(573)**	**(6,057)**	**(259,151)**	**(265,781)**
Share-based compensation					12,661	12,661
On June 30, 2025	**293,937**	**2,736,994**	**2,899**	**(9,215)**	**(380,796)**	**2,643,819**

The accompanying **notes** form an integral part of these condensed consolidated financial statements.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the First Six Months of 2025

Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. The condensed consolidated interim financial statements do not contain all information required for an annual report and should therefore be read in conjunction with our **Annual Report 2024**.

Material Accounting Policies

There were no significant changes in accounting policies applied by us in these condensed consolidated interim financial statements compared to those used in the most recent annual consolidated financial statements of December 31, 2024.

New standards and interpretations applicable for the annual period beginning on January 1, 2025 did not have any material impact on our condensed consolidated interim financial statements.

We have not early adopted any other standard, interpretation, or amendment that has been issued but is not yet effective. We are currently still assessing the impact of these new accounting standards and amendments that are not yet effective, but we expect no standard to have a material impact on our financial statements in the period of initial application except for the effect of IFRS 18 (effective for the period beginning January 1, 2027) as mentioned below.

IFRS 18 Presentation and disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the condensed consolidated interim financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorization and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

Summary of Significant Transactions

Strategic Update regarding the proposed Separation

On **May 13, 2025**, we announced a strategic update regarding the company's intention to separate into two publicly traded entities. Since the initial announcement on January 8, 2025, we made significant progress in reorganizing our business towards the separation, which was expected by mid-2025, subject to shareholder approval and other customary conditions. However, following regulatory and market developments, our Board of Directors has decided to re-evaluate the previously proposed separation and will explore all strategic alternatives for the existing businesses, including the cell therapy business, with a focus on maximizing resources available for transformative business development transactions.

In the first half of 2025, we incurred costs for the strategic reorganization and intended separation, for a total of €131.6 million. This is reflected in severance costs of €47.5 million, costs for early termination of collaborations of €45.7 million, impairment on fixed assets related to small molecules activities of €12.0 million , deal costs of €16.6 million, €8.0 million accelerated non- cash cost recognition for subscription right plans related to good leavers and €1.8 million other expenses.

Transfer of Assets and Financing Agreement with Onco3R Therapeutics BV

In April 2025, we and Onco3R Therapeutics (Onco3R) signed an agreement under which multiple small molecule immunology and oncology assets, including Phase 1-ready SIK3 inhibitor, have been sold to Onco3R. Under the terms of the agreement, we will participate in Onco3R's start-up capital via a convertible loan facility of €20 million, which will convert during the next equity financing round.

Onco3R is committed to using commercially reasonable efforts to develop and commercialize these assets.

This convertible loan facility is presented in the line "Convertible loan" in our **statement of financial position** and is measured at fair value through profit or loss. As per June 30, 2025, the only fair value change recognized is related to the capitalized interest.

In exchange for the transfer of these assets, we are entitled to a contingent consideration. The contingent consideration is recognized as a financial asset recognized at fair value through profit or loss. On June 30, 2025, the fair value is valued by management at zero, based on the very-early stage of the transferred assets. The fair values are reviewed at each reporting date and any changes are reflected in our consolidated income statement. An impairment was recorded for assets transferred to Onco3R Therapeutics (€1.7 million).

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

There were no significant changes in our critical accounting judgements and key sources of estimations uncertainty compared to those used in the most recent annual consolidated financial statements of December 31, 2024, except for the following new critical accounting judgements and key sources of estimation uncertainty.

Determination of fair value of convertible loan receivable

As there is no active market for the convertible loan and no reference share value is readily available of Onco3R, which is a very early-stage R&D organization at the moment, we establish the fair value by using other valuation techniques. The fair value has been determined mainly by reference to the initial transaction price and adjusted as necessary for impairment and revaluations with reference to capitalized interests, relevant available information and recent financing rounds.

The inputs used are categorized as Level 3 inputs.

Determination of restructuring provision

On June 30, 2025, as a result of the strategic reorganization, we recorded a provision for the early termination of collaborations. The provision is estimated based on the total amount of undelivered open purchase commitments, ongoing negotiations with collaboration partners, and confirmed potential exposure provided by our legal advisor.

Details of the Unaudited Condensed Consolidated Interim Results

Collaboration revenues

The following table summarizes our collaboration revenues for the six months ended June 30, 2025 and 2024:

(thousands of €)	Over time	Point in time	Six months ended June 30 2025	2024
Recognition of non-refundable upfront payments and license fees			**116,226**	**115,120**
Gilead collaboration agreement for drug discovery platform	✓		115,046	115,120
Cartilla therapeutics GLPG1972		✓	1,180	–
Royalties			**5,553**	**6,080**
Gilead royalties on Jyseleca®		✓	5,553	6,080
Total collaboration revenues			**121,779**	**121,200**

The roll forward of the outstanding balance of the current and non-current deferred income between January 1, 2025 and June 30, 2025 can be summarized as follows:

(thousands of €)	Gilead collaboration agreement for drug discovery platform	Other deferred income	Total
On January 1, 2025	**1,068,981**	**2,371**	**1,071,352**
Of which current portion:	230,105	2,371	232,476
Revenue recognition of upfront	(115,046)		(115,046)
Other movements		(2,240)	(2,240)
On June 30, 2025	**953,935**	**131**	**954,066**
Of which current portion:	230,105	131	230,236

Operating costs and other operating income

Operating costs

Research and development expenditure

The following table summarizes our research and development expenditure for the six months ended June 30, 2025 and 2024:

	Six months ended June 30	
(thousands of €)	2025	2024
Personnel costs	(82,282)	(42,040)
Subcontracting	(141,001)	(64,587)
Disposables and lab fees and premises costs	(6,575)	(8,971)
Depreciation and impairment	(32,232)	(13,254)
Professional fees	(5,693)	(8,419)
Other operating expenses	(10,244)	(7,954)
Total research and development expenses	**(278,027)**	**(145,225)**

Subcontracting costs increased mainly related to CAR-T and small molecule programs in oncology, and costs for early termination of collaboration agreements. Personnel expenses increased due to severance costs, the increase in depreciation and impairment costs was due to impairment costs related to small molecules assets, of which €10.8 million was recorded on installations and machinery.

The table below summarizes our R&D expenditure for the six months ended June 30, 2025 and 2024, broken down by program.

	Six months ended June 30	
(thousands of €)	2025	2024
SIKi program	(9,054)	(9,147)
TYK2 program on GLPG3667	(16,306)	(15,837)
Cell therapy programs in oncology	(115,978)	(65,295)
Other discovery programs	(136,689)	(54,946)
Total research and development expenses	**(278,027)**	**(145,225)**

Costs for other discovery programs increased in the first half of 2025 compared to the same period last year, primarily due to the restructuring costs of the small molecule business.

Sales and marketing expenses

The following table summarizes our sales and marketing expenses for the six months ended June 30, 2025 and 2024:

	Six months ended June 30	
(thousands of €)	2025	2024
Personnel costs	(4,061)	(3,992)
Depreciation and impairment	3,755	(147)
External outsourcing costs	(520)	(1,130)
Professional fees	(93)	(506)
Other operating expenses	(637)	(1,317)
Total sales and marketing expenses	**(1,556)**	**(7,092)**

General and administrative expenses

The following table summarizes our general and administrative expenses for the six months ended June 30, 2025 and 2024:

	Six months ended June 30	
(thousands of €)	2025	2024
Personnel costs	(37,126)	(25,436)
Depreciation and impairment	(4,044)	(4,161)
Legal and professional fees	(20,794)	(15,551)
Other operating expenses	(10,950)	(11,685)
Total general and administrative expenses	**(72,914)**	**(56,833)**

Personnel costs increased due to severance accruals while legal and professional fees increased due to deal costs.

Other operating income

The following table summarizes our other operating income for the six months ended June 30, 2025 and 2024:

	Six months ended June 30	
(thousands of €)	2025	2024
Grant income	57	1,324
R&D incentives income	11,946	10,620
Other	2,929	4,694
Total other operating income	**14,932**	**16,638**

Lower grants, offset by higher R&D incentives and the lower recharges to Alfasigma explain the decrease in other operating income.

Financial income/expenses

The following table summarizes our financial income/expenses (–) for the six months ended June 30, 2025 and 2024:

	Six months ended June 30	
(thousands of €)	2025	2024
Fair value adjustments and net currency exchange differences:		
Net unrealized currency exchange gain/loss (–)	(38,430)	18,352
Net realized currency exchange loss	(945)	(49)
Fair value re-measurement of warrants	–	(12)
Fair value gain on financial assets held at fair value	347	–
Positive effect of settlement of hedge instrument	22,745	–
Fair value gain/loss (–) on current financial investments	(49,945)	31,164
Total fair value adjustments and net currency exchange differences	**(66,228)**	**49,455**
Other financial income:		
Interest income	21,791	49,421
Discounting effect of non-current R&D incentives receivables	727	558
Other finance income	18	36
Total other financial income	**22,536**	**50,015**
Other financial expenses:		
Interest expenses	(304)	(119)
Discounting effect of other non-current liabilities	(661)	(484)
Other finance charges	(399)	(530)
Total other financial expenses	**(1,364)**	**(1,133)**
Total net financial result	**(45,056)**	**98,337**

Fair value adjustments and net currency differences decreased due to the evolution of the USD exchange rate, while other financial income, consisting mainly of interest income, decreased due lower interest rates and the shift from term deposits and treasury bills to money market funds.

Discontinued operations

The following disclosure illustrates the result from our discontinued operations, related to the transfer of the Jyseleca® business to Alfasigma on January 31, 2024.

1.1 Net cash outflow on disposal of the Jyseleca® business

	Six months ended June 30
(thousands of €)	2025
Release from escrow account	18,323
Contribution for R&D costs paid by us to Alfasigma	(25,000)
Earn-outs paid by Alfasigma	4,217
Cash out from the disposal of subsidiaries	**(2,459)**

1.2 Result from discontinued operations

	Six months ended June 30	
(thousands of €, except per share data)	2025	2024
Product net sales	–	11,264
Collaboration revenues	–	26,041
Total net revenues	**–**	**37,305**
Cost of sales	–	(2,012)
Research and development expenses	(12,516)	(11,279)
Sales and marketing expenses	(588)	(9,271)
General and administrative expenses	(32)	(1,049)
Other operating income	11,599	54,601
Operating profit/loss (–)	**(1,537)**	**68,295**
Other financial income	1,921	2,856
Other financial expenses	–	(12)
Profit before tax	**384**	**71,139**
Income taxes	(532)	(98)
Net profit/loss (–)	**(148)**	**71,041**
Basic and diluted earnings/loss (–) per share from discontinued operations	**0**	**1.08**
Weighted average number of shares – Basic (in thousands of shares)	65,897	65,897
Weighted average number of shares – Diluted (in thousands of shares)	65,897	66,046

The sale of the Jyseleca® business to Alfasigma on January 31, 2024 led to the full recognition in revenue of the remaining deferred income related to filgotinib (€26.0 million reported on the collaboration revenues line for the first half of 2024).

As from February 1, 2024, all economics linked to the sales of Jyseleca® in Europe, all filgotinib development expenses and all remaining G&A and S&M expenses relating to Jyseleca® are for the benefit of/recharged to Alfasigma.

For the six months ending June 30, 2025, the R&D expenses related to the settlement of disputed expenses with Alfasigma.

Other operating income for the first six months of 2025, includes a fair value adjustment of the contingent consideration receivable from Alfasigma as a consequence of an adjusted sales forecast. Other operating income for the first six months of 2024, includes €52.3 million related to the calculation of the gain on the sale of the Jyseleca® business to Alfasigma.

Other financial income contains discounting components on the contingent consideration receivables.

1.3 Cash flow from discontinued operations

	Six months ended June 30	
(thousands of €)	2025	2024
Net cash flow used in operating activities	(555)	(24,400)
Net cash flow used in investing activities	(2,459)	(5,209)
Net cash flow used in discontinued operations	**(3,014)**	**(29,609)**

Sale of Galapagos Real Estate Belgium NV

In December 2024, we signed a share purchase agreement for the sale of Galapagos Real Estate Belgium NV and the transaction was completed on 31 March 2025.

1.1 Consideration received

	Six months ended June 30
(thousands of €)	2025
Payment received	12,206
Total consideration received	**12,206**

1.2 Analysis of assets and liabilities over which control was lost

	March 31
(thousands of €)	2025
Property, plant and equipment	11,115
Trade and other receivables	1
Cash and cash equivalents	13
Total assets	**11,129**
Trade and other liabilities	11,020
Total liabilities	**11,020**
Net assets disposed of	**109**

1.3 Gain on disposal of subsidiaries

	Six months ended June 30
(thousands of €)	2025
Payment received	12,206
Settlement of intercompany loan	(11,012)
Net assets disposed of	(109)
Gain on disposal of subsidiaries	**1,085**

This gain on disposal of subsidiaries is included in the line other operating income in the income statement.

1.4 Net cash inflow on disposal of subsidiaries

	Six months ended June 30
(thousands of €)	2025
Payment received	12,206
Less: cash and cash equivalents balances disposed of	(13)
Net cash in from the disposal of subsidiaries, net of cash disposed of	**12,193**

Cash position

Cash and cash equivalents and financial investments totaled €3,091.5 million on June 30, 2025 (€3,317.8 million on December 31, 2024).

Cash and cash equivalents and financial investments comprised cash at banks, term deposits, treasury bills (nil at June 30, 2025) and money market funds. Our cash management strategy monitors and optimizes our liquidity position. Our cash management strategy allows short-term deposits with an original maturity exceeding three months while monitoring all liquidity aspects.

All cash and cash equivalents are available upon maximum three months' notice period and without significant penalty. Cash at banks were mainly composed of current accounts. Our credit risk is mitigated by selecting a panel of highly rated financial institutions for our deposits.

Current financial investments comprised €751.6 million of term deposits which all had an original maturity longer than three months and which are not available on demand within three months. Our current financial investments also comprised money market funds and treasury bills. Our portfolio of treasury bills contained only AAA rated paper, issued by France, Belgium and Europe. Our money market funds portfolio consists of AAA short-term money market funds with a diversified and highly rated underlying portfolio managed by established fund management companies with a proven track record.

	June 30	December 31
(thousands of €)	2025	2024
Money market funds	2,268,258	1,484,599
Treasury bills	–	255,078
Term deposits	751,577	1,313,657
Total current financial investments	**3,019,835**	**3,053,334**
Cash at banks	71,669	64,239
Total cash and cash equivalents	**71,669**	**64,239**
Non-current financial investments	–	200,182
Total non-current financial investments	**–**	**200,182**

On June 30, 2025, our cash and cash equivalents and current financial investments included $2,156.2 million held in U.S. dollars ($726.9 million on December 31, 2024) which could generate foreign exchange gains or losses in our financial results in accordance with the fluctuation of the EUR/U.S. dollar exchange rate as our functional currency is EUR. The foreign exchange loss (–)/gain in case of a 10% change in the EUR/U.S. dollar exchange rate amounts to €184.0 million.

Note to the cash flow statement

	June 30	
(thousands of €)	2025	2024
Adjustment for non-cash transactions		
Depreciation and impairment on intangible assets and property, plant and equipment	36,515	18,152
Share-based compensation expenses	12,661	10,217
Increase in retirement benefit obligations and provisions	36,867	8
Unrealized exchange losses/gains (–) and non-cash other financial result	37,707	(18,910)
Discounting effect of non-current deferred income	–	(227)
Discounting effect of other non-current liabilities	661	484
Discounting effect of contingent consideration receivable	(1,921)	–
Fair value re-measurement of warrants	–	12
Net change in fair value of current financial investments	67,439	(21,391)
Fair value adjustment financial assets held at fair value through profit or loss	(347)	–
Fair value adjustment contingent consideration receivable	(11,579)	(2,628)
Reversal of impairment loss on trade receivables	(9,643)	–
Other non-cash expenses	(155)	99
Total adjustment for non-cash transactions	**168,205**	**(14,184)**
Adjustment for items to disclose separately under operating cash flow		
Interest expense	304	121
Interest income	(21,791)	(49,421)
Income taxes	(1,256)	(1,041)
Correction for cash used for other liabilities related to the disposal of subsidiaries	–	527
Total adjustment for items to disclose separately under operating cash flow	**(22,743)**	**(49,814)**
Adjustment for items to disclose under investing and financing cash flows		
Gain on sale of subsidiaries	(1,085)	(52,339)
Loss on sale of fixed assets	–	37
Proceeds from disposal of hedging instrument	(22,745)	–
Investment income on financial investments	(17,498)	(9,773)
Total adjustment for items to disclose separately under investing and financing cash flow	**(41,328)**	**(62,075)**
Change in working capital other than deferred income		
Decrease in inventories	17,553	10,756
Increase (–)/decrease in receivables	44,842	(42,283)
Increase/decrease (–) in liabilities	49,940	(32,969)
Total change in working capital other than deferred income	**112,335**	**(64,496)**

Financial risk management

The following table summarizes the categories of financial assets and liabilities held at fair value:

(thousands of €)	Fair value hierarchy	June 30 2025	December 31 2024
Financial assets held at fair value through other comprehensive income			
Equity instruments	Level 3	46,928	52,941
Financial assets held at fair value through profit or loss			
Contingent consideration receivable	Level 3	57,606	47,207
Financial investments	Level 1	2,268,258	1,484,599
Convertible loan	Level 3	20,348	–
Financial liabilities held at fair value through profit or loss			
Contingent consideration related to milestones CellPoint	Level 3	21,238	20,576

The decrease of the fair value of the equity instruments, which is due to exchange losses, of €6.0 million is reflected in the other reserves (other comprehensive income) in the consolidated equity. The valuation of all our equity investments is based on Level 3 assumptions as it includes investments in non-quoted companies. These investments are valued initially at fair value through the established purchase price between a willing buyer and seller. Subsequent valuation is based on internal and external evidence such as information from recent financing rounds, scientific updates and other valuation techniques.

The contingent consideration receivable relates to fair value of the future earn-outs to be obtained from Alfasigma for the sale of Jyseleca®. €7.0 million is presented on the line “Trade and other receivables” and €50.6 million is presented on the line “non-current contingent consideration receivable”. The total potential amount consists of sales-based milestone payments totaling €120 million and mid-single to mid-double-digit royalties on European sales. The valuation is based on Level 3 assumptions based on our best estimate of the expected earn-outs and sales milestones in the future, considering probability adjusted sales forecasts of Jyseleca® discounted using an appropriate discount rate. The fair value is reviewed at each reporting date and any changes are reflected in our consolidated income statement, in the line 'Net profit/loss (-) from discontinued operations, net of tax'. On June 30, 2025, the fair value of the future earn-outs was increased based on an adjustment of the sales forecasts of Jyseleca® in Europe considering the evolution of the actual net sales. A change in expected sales by 15% would result in a change of €18.0 million in the total contingent consideration receivable on June 30, 2025.

The contingent consideration arrangement relating to the acquisition of CellPoint requires us to pay the former owners of CellPoint additional considerations up to €100.0 million. This amount is due when certain sequential development (€20.0 million), regulatory (€30.0 million) and sales-based (€50.0 million) milestones would be achieved. Total fair value at June 30, 2025 of these milestones amounted to €21.2 million. The fair value measurement is based on significant inputs that are not observable in the market, which are classified as Level 3 inputs. Key assumptions in the valuation at June 30, 2025 include a discount rate of 13.50% for the first two milestones and a discount rate of 14% for the third milestone, an appropriate probability of success of reaching these milestones and expected timing of these milestones. A change in probabilities of success of each milestone by 5 percentage points would result in a change of €3.0 million in the total contingent consideration liability on June 30, 2025. As per June 30, 2025, changes were made to the key assumptions as compared to December 31, 2024 regarding the discount rate and the expected timing of the milestones. This impact, together with the discounting effect, was recognized in the financial results.

We refer to critical accounting judgements and key sources of estimation uncertainty for details about the fair value of the convertible loan.

Off-balance Sheet Arrangements

Contractual obligations and commitments

We have certain purchase commitments principally with CRO subcontractors and certain collaboration partners.

On June 30, 2025, we had outstanding obligations for purchase commitments, which become due as follows:

(thousands of €)	Total	Less than 1 year	1 – 3 years	3 – 5 years	More than 5 years
Purchase commitments	**179,311**	**134,236**	**37,941**	**6,524**	**610**

Our purchase commitments at the end of June 2025 included €128.8 million related to projects in development phase, €12.8 million for projects in discovery research phase, €34.7 million for shared services, and €3.0 million for supply chain, commercial and medical affairs.

We refer to our **Annual Report 2024** for additional information on our contingent contractual obligations.

Related Party Transactions

On April 29 2025, we held our Annual Shareholders' Meeting ("AGM"). The AGM approved the appointment of Mr. Oleg Nodelman as Non-Executive Director for a period of four years.

On May 13, 2025, we announced the appointment of Mr. Henry Gosebruch as Chief Executive Officer, effective immediately, succeeding Stoffels IMC BV, permanently represented by Dr. Paul Stoffels, who announced his retirement in April 2025. The related agreements have been entered into in line with our Remuneration Policy.

On May 27, 2025, the new CEO, Mr. Henry Gosebruch, was offered new subscription rights under Subscription Right Plan 2025 (A), subject to acceptance. The subscription rights have an exercise term of eight years as of the date of the notarial deed enacting the acceptance of the subscription rights. The exercise price of the subscription rights is €25.64 (the closing price of the Galapagos share on Euronext Brussels and Amsterdam on the date of the offer). Each subscription right gives the right to subscribe for one new Galapagos share. The subscription rights can in principle not be exercised prior to June 12, 2028.

On June 16 and June 23, 2025, certain members of the Executive Committee were offered new restricted stock units ("RSUs"). The RSUs were offered for no consideration. Each RSU represents the right to receive, at Galapagos' discretion, one Galapagos share or a payment in cash of an amount equivalent to the volume-weighted average price of the Galapagos share on Euronext Brussels over the 30-calendar day period preceding the relevant vesting date. The first RSU grant has a cliff vesting date on May 1, 2028 and the second RSU grant a four-year vesting period, with 25% vesting each year and a first vesting date on May 1, 2026. For the members of the Executive Committee, any vesting prior to the third anniversary of the offer date will always give rise to a payment in cash rather than a delivery of shares.

The table below sets forth the number of subscription rights offered and accepted under Subscription Right Plan 2025 (A) and the number of RSUs offered to each member of the Executive Committee during the first six months of 2025:

Name	Title	Number of 2025 subscription rights accepted	Number of 2025 RSUs offered
Henry Gosebruch	CEO	925,000	300,000[1]
Valeria Cnossen	General Counsel		20,636
Annelies Missotten	Chief Human Resources Officer		9,288
Aaron Cox [2]	Chief Financial Officer		

(1) These RSUs have already been accepted.
(2) Appointed as CFO as of July 7, 2025.

On June 23, 2025, we announced the appointment of Mr. Aaron Cox as Chief Financial Officer, effective July 7, 2025. Mr. Cox succeeds Thad Huston, who will remain with us through July 31, 2025. The related agreements have been entered into in line with our Remuneration Policy.

During the first six months of 2025, other than as disclosed in the paragraph above, there were no changes to related party transactions disclosed in the 2024 annual report that potentially had a material impact on our financials of the first six months of 2025.

Events after the End of the Reporting Period

There were no adjusting events nor material non-adjusting events to be reported.

Approval of Interim Financial Statements

The interim financial statements were approved by the Board of Directors on July 22, 2025.