Management Report

Main Events in the First Six Months of 2025

Portfolio

The charts below provide an overview of our R&D pipeline in oncology and immunology comprising our product candidates that are in development as of the date of this report's publication.

Oncology

Robust Best-in-Class Pipeline

HEMATOLOGICAL TUMORS

Candidate	Target	Class	Indication	Discovery	IND/CTA Enabling	Phase 1	Phase 2	Phase 3
GLPG5101	**CD19**	CAR-T	ATALANTA-1 study in Relapsed/ refractory B-cell malignancies: MCL, PCNSL, DLBCL-RT, CLL*, High-risk DLBCL, DLBCL, BL, FL/MZL					
GLPG5301	**BCMA**	CAR-T	PAPILIO-1 study in R/R multiple myeloma: MM					
Asset 1	**Armed bi-specific**	CAR-T	B-cell malignancies					
Asset 2	**Non-disclosed**	CAR-T	Multiple myeloma					

SOLID TUMORS

Uza-cel[1]	**MAGE-A4, expressing CD8α**	TCR-T	Head & neck cancer					
Asset 3	**Non-disclosed**	CAR-T	SCLC and neuro-endocrine					
Asset 4	**Non-disclosed**	CAR-T	Platinum-resistant ovarian					

Adaptimmune

*GLPG5101 protocol being amended to include CLL. BIC, best-in-class; BL, Burkitt lymphoma; CLL, chronic lymphocytic leukemia; DLBCL, diffuse large B-cell lymphoma; FL, follicular lymphoma; High-risk DLBCL with International Prognostic Index 3-5 or double/triple-hit lymphoma, primary refractory disease, defined as subjects failing to achieve a complete response to first-line anti-CD20 and anthracycline-based chemoimmunotherapy after ≥2 cycles at the interim disease assessment; MCL, mantle cell lymphoma; MM, multiple myeloma; MZL, marginal zone lymphoma; PCNSL, primary central nervous system lymphoma; R/R relapsed/refractory; RT, Richter transformation; SCLC, small-cell lung cancer; [1]Collaboration with **ADAP**

Immunology

Candidate	Target	Class	Indication	Discovery	IND/CTA Enabling	Phase 1	Phase 2	Phase 3
GLPG3667	**TYK2**	Small molecule	Immunological conditions: DM, SLE					

DM, dermatomyositis; SLE, systemic lupus erythematosus

First Quarter 2025

See our **Q1 2025 press release**.

Second Quarter 2025 and Post-Period Update

Strategic and Corporate Update

- On **May 13, 2025**, we announced that the Board of Directors decided, following regulatory and market developments, to re-evaluate the previously proposed separation. As a result, strategic alternatives for the cell therapy business, including a potential divestiture, are being evaluated, with the goal of maximizing shareholder value:
  - To facilitate this process, we established Galapagos Cell Therapeutics as a standalone entity within the Galapagos Group for consolidating all cell therapy activities.
  - An update on the strategic process is expected to be provided in conjunction with the third-quarter 2025 results.
  - Morgan Stanley is acting as financial advisor in connection with this process.

- Our remaining business is focused on establishing a robust and novel pipeline of innovative medicines through transformational transactions. In recent months, we have taken decisive steps to advance this strategy by strengthening leadership and aligning internal capabilities to deliver on our goals:
  - Executive leadership has been reinforced with the appointment of Henry Gosebruch as Chief Executive Officer, succeeding Dr. Paul Stoffels[1], and Aaron Cox as Chief Financial Officer, succeeding Thad Huston.
  - Ms. Sooin Kwon was appointed as Chief Business Officer (CBO) and Mr. Dan Grossman as Chief Strategy Officer (CStO), effective August 4, 2025. Recruitment for additional key leadership roles to further strengthen our management team is ongoing.
  - Dawn Svoronos and Jane Griffiths have been appointed as Non-Executive Independent Directors by way of co-optation, effective July 28, 2025, replacing Peter Guenter and Simon Sturge, who will be stepping down.
  - We transferred certain small molecule programs in oncology and immunology to Onco3R Therapeutics and in return, we will receive equity and future milestone-based considerations.
  - We are actively exploring partnership opportunities for GLPG3667, a small molecule TYK2 inhibitor currently in Phase 3-enabling studies for systemic lupus erythematosus (SLE) and dermatomyositis (DM). Topline results from ongoing studies with GLPG3667 are expected during the first half of 2026.

[1] Dr. Paul Stoffels, acting via Stoffels IMC BV

Advancing the Cell Therapy Pipeline and Platform Under Current Planning, Subject to Ongoing Strategic Review

- We presented new promising safety, efficacy and manufacturing data for GLPG5101 (CD19 CAR-T) from the completely enrolled cohort in relapsed/refractory (R/R) indolent non-Hodgkin lymphoma (iNHL) (Cohort 3) of the ongoing ATALANTA-1 Phase 1/2 study at **ICML**. As of the October 14, 2024 data cut-off, 34 patients with R/R iNHL (follicular lymphoma, FL, n=29; marginal zone lymphoma, MZL, n=5) underwent leukapheresis, of whom 32 (94%) received an infusion of GLPG5101. GLPG5101 demonstrated promising efficacy with robust and durable CAR-T cell expansion. A complete response (CR) rate of 97% (31/32) was observed with 100% of evaluable patients (10/10) being MRD negative at time of CR and the 12-month progression free survival (PFS) rate was 97%. GLPG5101 showed a favorable safety profile, with low rates of severe cytokine release syndrome (CRS) and immune effector cell-associated neurotoxicity syndrome (ICANS) observed, and no deaths reported.
- We presented new promising pooled safety and manufacturing data from the ongoing ATALANTA-1 Phase 1/2 study for GLPG5101 in 64 patients with R/R NHL at **EHA**. As of the October 14, 2024 data cut-off date, of the 64 patients enrolled, 61 received treatment, resulting in a 5% attrition rate, significantly lower than industry benchmarks. 95% of patients were infused with fresh, stem-like early memory CD19 CAR-T cells, with 89% receiving treatment within seven days, avoiding the need for cryopreservation and cytotoxic bridging therapy. The data showed that GLPG5101 was well-tolerated with only a single case of Grade 3 CRS and Grade 3 ICANS reported in this heavily pretreated population.
- GLPG5101 is being advanced toward pivotal development in mantle cell lymphoma (MCL), with enrollment expected to start in 2026. Following updates to the clinical study design, the Biologics License Application (BLA) filing is anticipated in 2028 with approval now expected in 2029.
- We recently signed a collaboration agreement with CELLforCURE, by Seqens, to support the decentralized manufacturing of GLPG5101 for clinical development in Paris and the broader France area.
- Our other cell therapy programs continue to progress including GLPG5301, a BCMA CAR-T candidate for relapsed/refractory multiple myeloma; uza-cel, a MAGE A4 TCR-T candidate in head and neck cancer, in collaboration with Adaptimmune; and the early-stage next-generation CAR-T assets.

Financial Guidance

As of June 30, 2025, we had approximately €3.1 billion in cash and financial investments. Following recent leadership changes and as we are assessing strategic alternatives for the cell therapy business, we plan to provide an updated 2025 cash outlook at the time of our third-quarter 2025 results.

Financial Highlights

Consolidated Key Figures

(thousands of €, if not stated otherwise)	Six months ended June 30, 2025	Six months ended June 30, 2024	Year ended December 31, 2024
Income statement			
Supply revenues	18,486	19,105	34,863
Collaboration revenues	121,779	121,200	240,786
Total net revenues	140,265	140,305	275,649
Cost of sales	(18,435)	(19,105)	(34,863)
R&D expenses	(278,027)	(145,225)	(335,459)
S&M, G&A expenses	(74,470)	(63,925)	(134,438)
Other operating income	14,932	16,638	40,773
Operating loss	(215,735)	(71,312)	(188,338)
Net financial results	(45,056)	98,337	185,253
Taxes	1,788	1,139	1,803
Net profit/loss (–) from continuing operations	(259,003)	28,164	(1,282)
Net profit/loss (–) from discontinued operations, net of tax	(148)	71,041	75,364
Net profit/loss (–)	(259,151)	99,205	74,082
Income statement from discontinued operations			
Product net sales	–	11,264	11,475
Collaboration revenues	–	26,041	26,041
Total net revenues	–	37,305	37,516
Cost of sales	–	(2,012)	(1,693)
R&D expenses	(12,516)	(11,279)	(8,152)
S&M, G&A expenses	(620)	(10,320)	(12,607)
Other operating income	11,599	54,601	56,180
Operating profit/loss (–)	(1,537)	68,295	71,244
Net financial results	1,921	2,844	4,218
Taxes	(532)	(98)	(98)
Net profit/loss (–) from discontinued operations, net of tax	(148)	71,041	75,364

(thousands of €, if not stated otherwise)	Six months ended June 30, 2025	Six months ended June 30, 2024	Year ended December 31, 2024
Balance sheet			
Cash and cash equivalents	71,669	72,328	64,239
Financial investments	3,019,835	3,358,092	3,253,516
R&D incentives receivables	147,672	172,139	172,611
Assets	3,818,224	4,290,367	4,135,719
Shareholders' equity	2,643,819	2,910,295	2,896,939
Deferred income	954,066	1,186,822	1,071,352
Other liabilities	220,339	193,250	167,428
Cash flow			
Operational cash burn	(91,529)	(250,041)	(373,961)
Cash flow used in operating activities	(147,388)	(188,867)	(320,026)
Cash flow generated from investing activities	159,452	95,678	220,597
Cash flow used in financing activities	(1,611)	(2,232)	(4,924)
Increase/decrease (–) in cash and cash equivalents	10,453	(95,421)	(104,353)
Effect of currency exchange rate fluctuation on cash and cash equivalents	(3,023)	939	1,782
Cash and cash equivalents at the end of the period	71,669	72,328	64,239
Financial investments at the end of the period	3,019,835	3,358,092	3,253,516
Total financial investments and cash and cash equivalents at the end of the period	3,091,504	3,430,420	3,317,755
Financial ratios			
Number of shares issued at the end of the period	65,897,071	65,897,071	65,897,071
Basic and diluted earnings/loss (–) per share	(3.93)	1.51	1.12
Share price at the end of the period (in €)	23.76	23.34	26.52
Total group employees at the end of the period (number)	558	683	704

First-Half 2025 Financial Results

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 decided to re-evaluate the previously proposed separation. As such, we are exploring all strategic alternatives for the existing businesses, including the cell therapy business, with a focus on maximizing resources available for transformative business development transactions.

- **Total operating loss from continuing operations** for the six months ended June 30, 2025, was €215.7 million, compared to an operating loss of €71.3 million for the six months ended June 30, 2024. This operating loss was negatively impacted by 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.
- **Total net revenues** for the six months ended June 30, 2025, amounted to €140.3 million, compared to €140.3 million for the six months ended June 30, 2024. The revenue recognition related to the exclusive access rights granted to Gilead for our drug discovery platform amounted to €115.1 million for the first six months of both 2025 and 2024. Our deferred income balance at June 30, 2025 includes €1.0 billion allocated to our drug discovery platform that will be recognized linearly over the remaining term of the Option, License and Collaboration Agreement (OLCA) with Gilead. We have recognized royalty income from Gilead for Jyseleca® for €5.6 million in the first six months of 2025 (compared to €6.1 million in the same period last year).
- **Cost of sales** for the six months ended June 30, 2025, amounted to €18.4 million, compared to €19.1 million in the same period last year, and related to the supply of Jyseleca® to Alfasigma under the transition agreement. The related revenues are reported in total net revenues.
- **R&D expenses** in the first six months of 2025 amounted to €278.0 million, compared to €145.2 million for the first six months of 2024. This increase was primarily explained by an increase in subcontracting cost from €64.6 million in the first half-year of 2024 to €141.0 million in the first half-year of 2025 due to increased costs for CAR-T and small molecule programs in oncology, and costs for early termination of collaborations. Personnel costs increased from €42.0 million in the first half of 2024 to €82.3 million for the same period this year due to severance costs. Depreciation and impairment expenses increased from €13.3 million in the first six months of 2024 to €32.2 million in the first six months of 2025 due to impairments on fixed assets related to small molecules activities.
- **S&M expenses** amounted to €1.6 million in the first six months of 2025, compared to €7.1 million in the first six months of 2024. The decrease related to the reversal of a bad debt provision on Alfasigma receivables, a decrease in professional fees and other operating expenses.
- **G&A expenses** amounted to €72.9 million in the first six months of 2025, compared to €56.8 million in the first six months of 2024. The increase in legal and professional fees, from €15.6 million in the first six months of 2024 to €20.8 million in the first six months of 2025 mainly related to deal costs, while the increase in personnel expenses of €11.7 million (from €25.4 million in the first six months of 2024 to €37.1 million in the same period this year) was due to higher severance costs.
- **Other operating income** amounted to €14.9 million in the first six months of 2025, compared to €16.6 million for the same period last year, mainly driven by a reduction of recharges to Alfasigma.

Net financial loss in the first six months of 2025 amounted to €45.0 million (as compared to net financial income of €98.3 million in the same period last year) and consisted mainly of €21.8 million interest income (as compared to €49.4 million interest income in the same period last year) due to the decreased interest rates. Net financial loss in the first six months of 2025 also included €37.9 million of unrealized currency exchange loss on our cash and cash equivalents and current financial investments at amortized cost in U.S. dollar (as compared to €18.2 million unrealized currency exchange gain on cash and cash equivalents and current financial investments in the first six months of 2024), as a result of the

fluctuation of the U.S. dollar, and €27.2 million negative changes in fair value of current financial investments (€31.2 million positive changes in the same period last year).

We had €1.8 million of tax income for the first six months of 2025 (as compared to €1.1 million tax income for the same period last year).

Net loss from continuing operations for the first six months of 2025 was €259.0 million, compared to a net profit from continuing operations of €28.2 million for the same period last year.

Net loss from discontinued operations related to Jyseleca® amounted to €0.1 million for the first six months of 2025, compared to a net profit amounting to €71.0 million for the first six months of 2024. The operating profit from discontinued operations for the six months ended June 30, 2024, was mainly related to the gain on the sale of the Jyseleca® business to Alfasigma of €52.3 million.

We reported a **net loss** for the six months ended June 30, 2025, of €259.1 million, as compared to a net profit of €99.2 million for the six months ended June 30, 2024.

Cash, Cash Equivalents and Financial Investments

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

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.

A net decrease of €226.3 million in cash and cash equivalents and financial investments was recorded during the first six months of 2025, compared to a net decrease of €254.1 million during the first six months of 2024.

This net decrease was composed of (i) €91.5 million of operational cash burn, (ii) €122.7 million of negative exchange rate differences, negative changes in fair value of current financial investments and variation in accrued interest income, (iii) €20.0 million loans and advances given to third parties, partly offset by (iv) €7.9 million of net cash in related to the sale/acquisition of subsidiaries.

The operational cash burn (or operational cash flow if this liquidity measure is positive) is a financial measure that is not calculated in accordance with IFRS. Operational cash burn/cash flow is defined as the increase or decrease in our cash and cash equivalents (excluding the effect of exchange rate differences on cash and cash equivalents), minus:

1. the net proceeds, if any, from share capital and share premium increases included in the net cash flows generated from/used in (–) financing activities.
2. the net proceeds or cash used, if any, in acquisitions or disposals of businesses; the acquisition of equity investments held at fair value; the movement in restricted cash and movement in financial investments, if any, the loans and advances given to third parties, if any, included in the net cash flows generated from/used in (–) investing activities.
3. the cash used for other liabilities related to the acquisition of businesses, if any, included in the net cash flows generated from/used in (–) operating activities.

This alternative liquidity measure is in our view an important metric for a biotech company in the development stage.

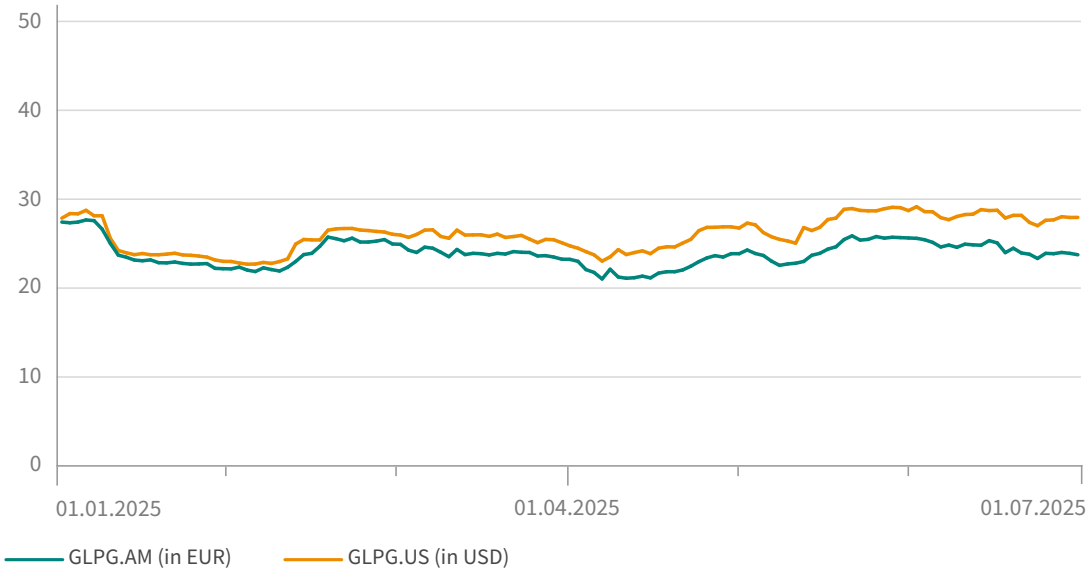
The following table provides a reconciliation of the operational cash burn:

	Six months ended June 30	
(thousands of €)	2025	2024
Increase/decrease (–) in cash and cash equivalents (excluding effect of exchange differences)	10,453	(95,421)
Less:		
Convertible loan issued to third party	20,000	–
Net sale of financial investments	(114,041)	(200,307)
Acquisition of equity investments held at fair value	–	36,880
Cash in/cash out (–) from the disposal of subsidiaries, net of cash disposed of	(9,733)	5,209
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	–
Total operational cash burn	**(91,529)**	**(250,041)**

The Galapagos Share

Galapagos NV (ticker: GLPG) has been listed on Euronext Amsterdam and Brussels since May 6, 2005 and on the Nasdaq Global Select Market since May 14, 2015.

Performance of the Galapagos share on Euronext and Nasdaq



Related Party Transactions

We refer to the statements included under the heading "Related party transactions" in the "**Notes to the unaudited condensed consolidated interim financial statements for the first six months of 2025**" part of this report.

Risk Factors

We refer to the **description of risk factors in our 2024 annual report**, pp. 141–158, as supplemented by the description of risk factors in our annual report on Form 20-F filed with the U.S. Securities and Exchange Commission, pp. 3–61. In summary of the foregoing, the principal risks and uncertainties faced by us relate to and include, but are not limited to: product development and regulatory approval, commercialization, our financial position and need for additional capital, our reliance on third parties, our intellectual property, our competitive position, our organization, structure and operation, and market risks relating to our shares and ADSs.

We also refer to the **description of the group's financial risk management given in the 2024 annual report**, pp. 223–225, which remains valid and unaltered.

Statement by the Board of Directors

The Board of Directors of Galapagos NV declares that, as far as it is aware, the financial statements in this half-year 2025 report are prepared according to the applicable standards for financial statements, and give a true and fair view of the equity, financial position and the results of Galapagos NV and its consolidated companies.

The Board of Directors of Galapagos NV further declares that this half-year 2025 report gives a true and fair view on the important developments and significant transactions with related parties in the first six months of the current financial year and their impact on the interim financial statements, as well as on the most important risks and uncertainties pertaining to the remainder of the current financial year.

Mechelen, July 22, 2025.

On behalf of the Board of Directors,

Jérôme Contamine
Chair of the Board of Directors and member of the Audit Committee

Peter Guenter
Chair of the Audit Committee and member of the Board of Directors