Financial statements

Unaudited condensed consolidated interim financial statements for the first half-year of 2020

Unaudited condensed consolidated interim financial statements for the first six months of 2020

Consolidated statements of income and comprehensive income/loss (-)

Consolidated income statement

	Second quarter of		Six months ended 30 June	
(thousands of €, except share and per share data)	**2020**	2019	**2020**	2019
Revenues	103,600	58,738	201,773	91,785
Other income	14,059	8,852	22,802	16,724
Total revenues and other income	**117,659**	**67,590**	**224,575**	**108,509**
Research and development expenditure	(149,114)	(94,372)	(265,877)	(177,567)
Sales and marketing expenses	(17,086)	(3,875)	(26,922)	(5,620)
General and administrative expenses	(37,673)	(13,711)	(62,575)	(22,931)
Total operating expenses	**(203,873)**	**(111,958)**	**(355,374)**	**(206,119)**
Operating loss	**(86,214)**	**(44,367)**	**(130,799)**	**(97,610)**
Fair value re-measurement of warrants	(589)	-	(21,118)	-
Other financial income	(25,435)	(1,349)	14,288	5,651
Other financial expenses	(2,431)	(1,472)	(27,305)	(3,816)
Loss before tax	**(114,669)**	**(47,188)**	**(164,934)**	**(95,776)**
Income taxes	(373)	(61)	(709)	(129)
Net loss	**(115,042)**	**(47,249)**	**(165,643)**	**(95,905)**
Net loss attributable to:				
Owners of the parent	(115,042)	(47,249)	(165,643)	(95,905)
Basic and diluted loss per share	**(1.77)**	**(0.86)**	**(2.55)**	**(1.76)**

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

Consolidated statement of comprehensive income / loss (-)

	Second quarter of		Six months ended 30 June	
(thousands of €)	2020	2019	2020	2019
Net loss	**(115,042)**	**(47,249)**	**(165,643)**	**(95,905)**
Items that may be reclassified subsequently to profit or loss:				
Translation differences, arisen from translating foreign activities	(63)	(215)	338	52
Other comprehensive income / loss (-), net of income tax	**(63)**	**(215)**	**338**	**52**
Total comprehensive loss attributable to:				
Owners of the parent	(115,105)	(47,463)	(165,305)	(95,853)

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

Consolidated statements of financial position

	30 June	31 December
(thousands of €)	2020	2019
Assets		
Intangible assets	39,254	24,927
Property, plant and equipment	73,786	66,052
Deferred tax assets	4,207	4,205
Non-current R&D incentives receivables	102,790	93,407
Other non-current assets	9,523	14,091
Non-current assets	**229,559**	**202,682**
Trade and other receivables	31,351	54,009
Current R&D incentives receivables	13,839	21,949
Current financial investments	3,182,276	3,919,216
Cash and cash equivalents	2,384,220	1,861,616
Other current assets	10,319	9,138
Current assets	**5,622,005**	**5,865,927**
Total assets	**5,851,564**	**6,068,609**
Equity and liabilities		
Share capital	290,462	287,282
Share premium account	2,723,671	2,703,583
Other reserves	(4,900)	(4,842)
Translation differences	(746)	(1,142)
Accumulated losses	(235,224)	(109,223)
Total equity	**2,773,263**	**2,875,658**
Retirement benefit liabilities	8,511	8,263
Non-current lease liabilities	20,384	19,558
Other non-current liabilities	10,691	6,989
Non-current deferred income	2,420,177	2,586,348
Non-current liabilities	**2,459,763**	**2,621,158**

(thousands of €)	30 June 2020	31 December 2019
Current lease liabilities	6,872	5,826
Trade and other liabilities	179,432	143,434
Current tax payable	1,262	2,037
Current financial instruments	27,316	6,198
Current deferred income	403,656	414,298
Current liabilities	**618,538**	**571,793**
Total liabilities	**3,078,301**	**3,192,951**
Total equity and liabilities	**5,851,564**	**6,068,609**

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

Consolidated cash flow statements

	Six months ended 30 June	
(thousands of €)	**2020**	2019
Net loss of the period	**(165,643)**	**(95,905)**
Adjustment for non-cash transactions	87,724	23,278
Adjustment for items to disclose separately under operating cash flow	(1,810)	(2,864)
Adjustment for items to disclose under investing and financing cash flows	(2,363)	(3)
Change in working capital other than deferred income	55,299	(15,918)
Decrease in deferred income	(185,537)	(53,478)
Cash used in operations	**(212,329)**	**(144,890)**
Interest paid	(1,406)	(628)
Interest received	5,182	3,866
Corporate taxes paid	(1,276)	(88)
Net cash flows used in operating activities	**(209,829)**	**(141,740)**
Purchase of property, plant and equipment	(9,207)	(5,033)
Purchase of and expenditure in intangible fixed assets	(15,673)	(3,535)
Proceeds from disposal of property, plant and equipment	4	2
Purchase of current financial investments	(2,968,597)	-
Interests received related to current financial investments	3,296	-
Sale of current financial investments	3,699,036	-
Acquisition of financial assets	(2,681)	(177)
Proceeds from sale of financial assets held at fair value through profit or loss	6,626	82
Net cash flows generated / used (-) in investing activities	**712,804**	**(8,661)**
Payment of lease liabilities	(3,023)	(2,144)
Proceeds from capital and share premium increases from exercise of subscription rights	23,268	7,805
Net cash flows generated in financing activities	**20,246**	**5,661**
Increase/decrease (-) in cash and cash equivalents	**523,222**	**(144,740)**

(thousands of €)	Six months ended 30 June 2020	2019
Cash and cash equivalents at beginning of the period	**1,861,616**	**1,290,796**
Increase/decrease (-) in cash and cash equivalents	523,222	(144,740)
Effect of exchange rate differences on cash and cash equivalents	(617)	1,866
Cash and cash equivalents at the end of the period	**2,384,220**	**1,147,923**

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

(thousands of €)	30 June 2020	2019
Current financial investments	3,182,276	-
Cash and cash equivalents	2,384,220	1,147,923
Current financial investments and cash and cash equivalents	**5,566,496**	**1,147,923**

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

Consolidated statements of changes in equity

(thousands of €)	Share capital	Share premium account	Translation differences	Other reserves	Retained earnings / accumul. losses (-)	Total
On 1 January 2019	**236,540**	**1,277,780**	**(1,557)**	**(735)**	**(297,779)**	**1,214,249**
Change in accounting policy (modified retrospective application IFRS 16)					416	416
Restated total equity at 1 January 2019	**236,540**	**1,277,780**	**(1,557)**	**(735)**	**(297,363)**	**1,214,665**
Net loss					(95,905)	(95,905)
Other comprehensive income			52			52
Total comprehensive income / loss (-)			**52**	**-**	**(95,905)**	**(95,853)**
Share-based compensation					16,751	16,751
Exercise of subscription rights	1,935	5,870				7,805
On 30 June 2019	**238,475**	**1,283,650**	**(1,505)**	**(735)**	**(376,518)**	**1,143,367**
On 1 January 2020	**287,282**	**2,703,583**	**(1,142)**	**(4,842)**	**(109,223)**	**2,875,658**
Net loss					**(165,643)**	**(165,643)**
Other comprehensive income / loss (-)			396	(58)		338
Total comprehensive income / loss (-)			**396**	**(58)**	**(165,643)**	**(165,305)**
Share-based compensation					39,641	39,641
Exercise of subscription rights	3,180	20,089				23,269
On 30 June 2020	**290,462**	**2,723,671**	**(746)**	**(4,900)**	**(235,224)**	**2,773,263**

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 2020

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 and as issued by the IASB. The condensed consolidated interim financial statements do not contain all information required for an annual report and should therefore be read in conjunction with Galapagos' Annual Report 2019.

The condensed consolidated interim financial statements were subject to a review by the statutory auditor, but have not been audited.

Impact of COVID-19 on the financial statements

We refer to the section 'Covid-19 impact' in this H1 report for a comprehensive overview of the impact of Covid-19 on the business evolution of Galapagos.

To date, we have experienced limited impact on our financial performance, financial position, cash flows and significant judgements and estimates, although we continue to face additional risks and challenges associated with the impact of the outbreak.

Significant 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 31 December 2019.

New standards and interpretations applicable for the annual period beginning on 1 January 2020 did not have any 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.

New accounting policies as a result of recent transactions:

Financial assets at amortized cost

Current financial investments measured at amortized cost

Current financial investments measured at amortized cost include treasury bills that have a maturity equal or less than 12 months. We apply settlement date accounting for the recognition and de-recognition of current financial investments measured at amortized cost.

Details of the unaudited condensed consolidated interim results

Revenues and other income

Revenues

The following table summarizes our revenues for the six months ended 30 June 2020 and 2019.

	Six months ended 30 June		
(thousands of €)	Over time	2020	2019
Recognition of non-refundable upfront payments and license fees		**180,711**	**42,113**
Gilead collaboration agreement for filgotinib	✓	67,992	41,069
Gilead collaboration agreement for drug discovery platform	✓	112,719	
AbbVie collaboration agreement for CF	✓		1,044
Milestone payments		**6,996**	**33,383**
Gilead collaboration agreement for filgotinib	✓	6,996	10,034
AbbVie collaboration agreement for CF	✓		23,349
Reimbursement income		**6,628**	**11,344**
Novartis collaboration agreement for MOR106	✓	6,659	10,595
AbbVie collaboration agreement for CF	✓	(31)	749
Other revenues		**7,438**	**4,944**
Fee-for-services revenues	✓	7,369	4,878
Other revenues		69	66
Total revenues		**201,773**	**91,785**

Revenues (€201.8 million for the first six months of 2020, compared to €91.8 million for the first six months of 2019) were mainly higher due to the revenue recognition of the upfront payment received in August 2019 from Gilead related to (i) the access and option rights to our drug discovery platform, and (ii) additional consideration received for the extended cost sharing for filgotinib.

The rollforward of the outstanding balance of the current and non-current deferred income between 1 January 2020 and 30 June 2020 can be summarized as follows:

(thousands of €)	Total	Gilead collaboration agreement for filgotinib	Gilead collaboration agreement for drug discovery platform[1]	Deferred income related to contracts in our fee-for-service segment	Deferred income related to grants	Other
On 1 January 2020	**3,000,646**	**780,261**	**2,220,013**	**362**	**-**	**10**
Significant financing component[2]	8,728	8,728				
Revenue recognition of upfront	(180,711)	(67,992)	(112,719)			
Revenue recognition of milestones	(6,996)	(6,996)				
Other movements	2,166			(324)	2,500	(10)
On 30 June 2020	**2,823,833**	**714,001**	**2,107,294**	**38**	**2,500**	**-**

(1) The outstanding balance at 1 January 2020 and at 30 June 2020 comprise the issuance liability for subsequent warrant B and the upfront payment allocated to the drug discovery platform.
(2) With regard to the additional consideration received for the extended cost sharing for filgotinib, we assume the existence of a significant financing component reflecting the time value of money on the estimated recognition period.

Other income

Other income (€22.8 million for the first six months of 2020, compared to €16.7 million for the first six months of 2019) increased by €6.1 million, mainly driven by higher incentives income from the government for R&D activities.

Results

We realized a net loss of €165.6 million for the first six months of 2020, compared to a net loss of €95.9 million in the first six months of 2019.

We reported an operating loss amounting to €130.8 million for the first six months of 2020, compared to an operating loss of €97.6 million for the first six months of 2019.

Our R&D expenditure in the first six months of 2020 amounted to €265.9 million, compared to €177.6 million in the first six months of 2019. This planned increase was mainly due to an increase of €42.7 million in subcontracting costs primarily related to our filgotinib program, our Toledo program and other clinical programs. Furthermore, personnel costs increased by €35.4 million explained by a planned headcount increase and increased costs of the subscription right plans.

The cost increase for filgotinib for the first six months of 2020 compared to the same period in 2019, was mainly due to the increased cost share from 20/80 to 50/50 on the global development activities effective as from the closing of our collaboration agreement with Gilead on 23 August 2019. As from this date, we also started to share the development costs equally with Gilead for ziritaxestat (GLPG1690), while those costs were carried fully by us before, which is the main driver of the decrease in our costs for this program.

The table below summarizes our R&D expenditure for the six months ended 30 June 2020 and 2019, broken down by program.

	Six months ended 30 June	
(thousands of €)	2020	2019
Filgotinib program	(65,541)	(30,406)
Ziritaxestat program	(29,790)	(41,668)
OA program on GLPG1972	(12,499)	(9,733)
Toledo program	(37,557)	(11,869)
AtD program on MOR106	(9,518)	(12,460)
CF program	(176)	(1,793)
Other programs	(110,797)	(69,638)
Total research and development expenditure	**(265,877)**	**(177,567)**

Our G&A and S&M expenses were €89.5 million in the first six months of 2020, compared to €28.6 million in the first six months of 2019. This increase mainly resulted from higher personnel costs for €31.3 million due to a planned headcount increase and higher costs of the subscription right plans, and increased costs from the preparation of the commercial launch of filgotinib in Europe.

We reported a non-cash fair value loss from the re-measurement of initial warrant B issued to Gilead, amounting to €21.1 million, mainly due to the increased implied volatility of the Galapagos share price.

Net other financial loss in the first six months of 2020 amounted to €13.0 million, compared to net other financial income of €1.8 million for the first six months of 2019, which was primarily attributable to negative changes in (fair) value of current financial investments of €12.5 million. The increase in financial expenses was further explained by the effect of discounting long term deferred income for €8.7 million, offset by net currency gains and interest income.

Segment information

We have two reportable segments: R&D and our fee-for-service business Fidelta, located in Croatia.

	Segment information for the six months ended 30 June 2020			
(thousands of €)	R&D	Fee-for-services	Inter-segment elimination	Group
External revenue	194,404	7,369		201,773
Internal revenue		4,475	(4,475)	-
Other income	22,802			22,802
Revenues & other income	**217,206**	**11,844**	**(4,475)**	**224,575**
Operating result[(1)]	(134,295)	3,496		**(130,799)**
Financial (expenses)/income				(34,135)
Result before tax				**(164,934)**
Income taxes				(709)
Net loss				**(165,643)**

[(1)] Expenses for subscription right plans under IFRS 2 Share based payments are reported as part of the segment operating results as from 2020.

(thousands of €)	Segment information for the six months ended 30 June 2019 R&D	Fee-for-services	Inter-segment elimination	Group
External revenue	86,907	4,878		91,785
Internal revenue		3,581	(3,581)	-
Other income	16,717	7		16,724
Revenues & other income	**103,624**	**8,466**	**(3,581)**	**108,509**
Segment result	(81,269)	410		(80,859)
Unallocated expenses[1]				(16,751)
Operating loss				**(97,610)**
Financial (expenses)/income				1,834
Result before tax				**(95,776)**
Income taxes				(129)
Net loss				**(95,905)**

[1] Unallocated expenses consist of expenses for subscription right plans under IFRS 2 Share based payments.

The basis of accounting for any transactions between reportable segments is consistent with the valuation rules and with transactions with third parties.

Cash position

Cash and cash equivalents and current financial investments totaled €5,566.5 million on 30 June 2020 (€5,780.8 million on 31 December 2019)

A net decrease of €214.3 million in cash and cash equivalents and current financial investments was recorded during the first six months of 2020, compared to a net decrease of €142.9 million during the first six months of 2019. This net decrease was composed of (i) €230.5 million of operational cash burn, (ii) €23.3 million of cash proceeds from capital and share premium increase from exercise of subscription rights in the first six months of 2020, and (iii) €7.1 million of negative changes in (fair) value of current financial investments and unrealized positive exchange rate differences.

The operational cash burn (or operational cash flow if this performance 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:

i. the net proceeds, if any, from share capital and share premium increases included in the net cash flows generated / used (–) in financing activities

ii. the net proceeds or cash used, if any, in acquisitions or disposals of businesses; the movement in restricted cash and movement in current financial investments, if any, included in the net cash flows generated / used (–) in investing activities.

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

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

	Six months ended 30 June	
(thousands of €)	**2020**	2019
Increase/decrease (-) in cash and cash equivalents (excluding effect of exchange differences)	523,222	(144,740)
Minus:		
Net proceeds from capital and share premium increases	(23,268)	(7,805)
Net sale of current financial investments	(730,439)	-
Total operational cash burn	**(230,486)**	**(152,545)**

Cash and cash equivalents and current financial investments comprised cash at banks, short-term bank deposits, treasury bills and money market funds. The short-term bank deposits and money market funds are readily convertible to cash and are subject to an insignificant risk of changes in value. Our cash management strategy may allow short-term deposits with an original maturity exceeding three months while monitoring all liquidity aspects. Cash and cash equivalents comprised €1,169.2 million of term deposits that are available upon maximum three month notice period. Cash at banks were mainly composed of savings accounts and current accounts. We maintain our bank deposits in highly rated financial institutions to reduce credit risk.

Cash invested in highly liquid money market funds represented €1,439.6 million and are presented as current financial investments on 30 June 2020 because we are not using them for meeting short-term cash commitments. Since 2020, the current financial investments also include treasury bills, amounting to €1,742.6 million on 30 June 2020.

	30 June	31 December
(thousands of €)	**2020**	2019
Cash at banks	1,214,975	907,939
Term deposits	1,169,245	953,677
Total cash and cash equivalents	**2,384,220**	**1,861,616**

On 30 June 2020, our cash and cash equivalents and current financial investments included $1,459.8 million held in U.S. dollars ($1,507.4 million on 31 December 2019) 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 €130.4 million.

Finally, our balance sheet held R&D incentives receivables from the French government *(Crédit d'Impôt Recherche),* to be received in four yearly tranches, and R&D incentives receivables from the Belgian Government, for a total of €116.6 million as at 30 June 2020.

Capital increase

On 30 June 2020, Galapagos NV's share capital was represented by 65,254,562 shares. All shares were issued, fully paid up and of the same class. The below table summarizes our capital increases for the period ended 30 June 2020.

(thousands of €, except share data)	Number of shares	Share capital	Share premium	Share capital and share premium	Average exercise price subscription right (in €/ subscription right)	Closing share price on date of capital increase (in €/ share)
On 1 January 2020	64,666,802	287,282	2,703,583	2,990,865		
17 March 2020: exercise of subscription rights	152,220	824	4,531	5,355	35.18	141.40
28 May 2020: exercise of subscription rights	435,540	2,356	15,558	17,914	41.13	186.60
On 30 June 2020	65,254,562	290,462	2,723,671	3,014,133		

Note to the cash flow statement

	Six months ended 30 June	
(thousands of €)	**2020**	2019
Adjustment for non-cash transactions		
Depreciation and amortization	9,008	5,653
Share-based compensation expenses	39,641	16,751
Increase in retirement benefit obligations and provisions	174	168
Unrealized exchange results and non-cash other financial expenses	(4,015)	(1,424)
Discounting effect of deferred income	8,728	-
Fair value re-measurement of warrants	21,118	-
Net change in (fair) value of current financial investments	12,484	-
Fair value adjustment of financial assets held at fair value through profit & loss	354	2,130
Other non-cash costs	233	-
Total adjustment for non-cash transactions	**87,724**	**23,278**
Adjustment for items to disclose separately under operating cash flow		
Interest expense	2,602	452
Interest income	(5,121)	(3,445)
Tax expense	709	129
Total adjustment for items to disclose separately under operating cash flow	**(1,810)**	**(2,864)**
Adjustment for items to disclose under investing and financing cash flows		
Gain (-)/loss on sale of fixed assets	83	(3)
Interest income related to current financial investments	(2,447)	-
Total adjustment for items to disclose under investing and financing cash flows	**(2,363)**	**(3)**
Change in working capital other than deferred income		
Decrease / increase (-) in inventories	(47)	3
Decrease / increase (-) in receivables	19,056	(32,895)
Increase in liabilities	36,290	16,974
Total change in working capital other than deferred income	**55,299**	**(15,918)**

The increase in the costs of our subscription right plans is primarily related to the issuance of our subscription right plans 2020 to a higher number of beneficiaries as well as a higher fair value of the attached subscription rights mainly due to the increase in the price and the volatility of the Galapagos share. Under these subscription right plans, 2,173,335 subscription rights were granted to the beneficiaries of the plans. The subscription rights have an exercise term of eight years as of the date of the offer and have an exercise price of €168.42 (the average closing price of the share on Euronext Amsterdam and Brussels during the thirty days preceding the date of the offer on 17 April 2020). The subscription rights are not transferable and can in principle not be exercised prior to 1 January 2024. Each subscription right gives the right to subscribe to one new Galapagos share.

Fair value re-measurements

Gilead warrants B

The issuance of initial warrant B was approved on 22 October 2019 by the extraordinary general meeting of shareholders and is not yet exercised by Gilead at 30 June 2020. The fair value measurement of this financial liability is categorized as level 3 in the fair value hierarchy. Initial warrant B has been valued on the basis of a Longstaff-Schwartz Monte Carlo model. The input data used in the model were derived from market observations (volatility, discount rate and share price) and from management estimates (number of shares to be issued and applied discount for lack of marketability). The recognized fair value loss of €21.1 million was mainly the result of an increase in the implied volatility of our share price between 31 December 2019 and 30 June 2020. The fair value of the financial liability related to the initial warrant B amounted to €27.3 million on 30 June 2020 and was presented as a current financial instrument.

Subsequent warrant B is still subject to approval by an extraordinary general meeting of shareholders and is therefore still presented as issuance liability in our deferred income.

Contingencies and commitments

Contractual obligations and commitments

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

On 30 June 2020, 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	299,000	216,700	77,559	4,663	78

In addition we have engaged a property developer for the construction of a building in Leiden.

At 30 June 2020, we were committed to leases which have not yet started. The total future cash outflows for leases that had not yet commenced were as follows:

(thousands of €)	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Lease commitments not commenced	5,606	5,606	-	-	-

In addition to the table above, we have a contractual cost sharing obligation related to our collaboration agreement with Gilead for filgotinib. The contractual cost sharing commitment amounted to €560.1 million at 30 June 2020 for which we have direct purchase commitments of €18.3 million at 30 June 2020 reflected in the table above.

Contingent liabilities and assets

We refer to our Annual Report 2019 for a description of our contingent liabilities and assets.

Related party transactions

On 17 April 2020, the members of the management board were offered new subscription rights under Subscription Right Plan 2020, subject to acceptance. The final number of accepted subscription rights under Subscription Right Plan 2020 was enacted by notary deed on 2 July 2020. The members of the management board accepted all subscription rights offered to them. Under Subscription Right Plan 2020, the subscription rights have an exercise term of eight years as of the date of the offer. The exercise price of the subscription rights is €168.42 (the average closing price of the share on Euronext Amsterdam and Brussels during the thirty days preceding the date of the offer). Each subscription right gives the right to subscribe for one new Galapagos share. For all the beneficiaries, the subscription rights vest only and fully on the first day of the fourth calendar year following the calendar year in which the grant was made. The subscription rights are not transferable and can in principle not be exercised prior to 1 January 2024.

On 6 and 7 May 2020, the members of the management board were offered new restricted stock units ('RSUs'), subject to acceptance. The RSUs are offered for no consideration. The members of the management board accepted all RSUs offered to them. 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 will vest in full three years after the offer date. The second RSU grant has a four-year vesting period, with 25% vesting each year and a first vesting date on 1 May 2021. For the members of the management board, 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 RSUs are not transferable.

The table below sets forth the number of subscription rights offered under Subscription Right Plan 2020 and the total number of RSUs accepted by each member of the management board during the first six months of 2020:

Name	Title	Number of 2020 subscription rights offered	Number of 2020 RSUs accepted
Onno van de Stolpe	Chief Executive Officer	85,000	18,317
Piet Wigerinck	Chief Scientific Officer	40,000	12,080
Bart Filius	Chief Operating Officer; Chief Financial Officer	50,000	12,600
Andre Hoekema	Chief Business Officer	30,000	832
Walid Abi-Saab	Chief Medical Officer	40,000	12,080
Michele Manto	Chief Commercial Officer	30,000	5,920

We note that Dr. Elisabeth Svanberg was appointed as an independent member of the supervisory board by the shareholders' meeting on 28 April 2020. With the implementation of the new two-tier governance structure, the mandate of Mr. Onno van de Stolpe as member of the board of directors ended on 28 April 2020, as it is not possible to be a member of the supervisory board and the management board at the same time. Mr. Onno van de Stolpe continues his mandate as member and chairman of the management board and CEO.

During the first six months of 2020, there were no changes to related party transactions disclosed in the 2019 annual report that potentially had a material impact on the financials of the first six months of 2020.

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 supervisory board on 3 August 2020.