Financial statements

Unaudited condensed consolidated interim financial statements for the first three months of 2021

Forward with confidence

Unaudited condensed consolidated interim financial statements for the first three months of 2021

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

Consolidated income statement

	Three months ended 31 March	
(thousands of €, except per share data)	2021	2020(*)
Revenues	113,892	94,817
Other income	10,266	8,743
Total revenues and other income	**124,158**	**103,560**
Research and development expenditure	(129,960)	(115,453)
Sales and marketing expenses	(14,574)	(9,836)
General and administrative expenses	(30,422)	(24,489)
Total operating expenses	**(174,956)**	**(149,778)**
Operating loss	**(50,798)**	**(46,218)**
Fair value re-measurement of warrants	1,970	(20,529)
Other financial income	47,500	39,682
Other financial expenses	(11,345)	(24,858)
Loss before tax	**(12,673)**	**(51,922)**
Income taxes	(157)	(336)
Net loss from continuing operations	**(12,830)**	**(52,258)**
Net profit from discontinued operations, net of tax	**22,191**	**1,657**
Net profit/loss (–)	**9,361**	**(50,601)**
Net profit/loss (–) attributable to:		
Owners of the parent	9,361	(50,601)
Basic income/loss (–) per share	**0.14**	**(0.78)**
Diluted income/loss (–) per share	**0.14**	**(0.78)**
Basic and diluted loss per share from continuing operations	**(0.20)**	**(0.81)**

(*) The comparatives of 31 March 2020 have been restated to consider the impact of classifying the Fidelta business as discontinued operations in 2020.

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

Consolidated statement of comprehensive income / loss (–)

	Three months ended 31 March	
(thousands of €)	**2021**	**2020(*)**
Net profit/loss (–)	**9,361**	**(50,601)**
Items that may be reclassified subsequently to profit or loss:		
Translation differences, arisen from translating foreign activities	298	401
Realization of translation differences upon sale of foreign operations	731	-
Other comprehensive income/loss (–), net of income tax	**1,029**	**401**
Total comprehensive income/loss (–) attributable to:		
Owners of the parent	10,390	(50,200)
Total comprehensive income/loss (–) attributable to owners of the parent arises from:		
Continuing operations	(12,532)	(51,508)
Discontinued operations	22,922	1,308
Total comprehensive income/loss (–)	**10,390**	**(50,200)**

(*) The comparatives of 31 March 2020 have been restated to consider the impact of classifying the Fidelta business as discontinued operations in 2020.

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

Consolidated statements of financial position

(thousands of €)	31 March 2021	31 December 2020
Assets		
Intangible assets	65,738	67,565
Property, plant and equipment	111,294	103,378
Deferred tax assets	4,440	4,475
Non-current trade receivables	-	50,000
Non-current R&D incentives receivables	118,199	111,624
Other non-current assets	4,466	11,343
Non-current assets	**304,136**	**348,384**
Trade and other receivables	156,242	148,418
Current R&D incentives receivables	24,105	24,104
Current financial investments	2,560,743	3,026,278
Cash and cash equivalents	2,553,950	2,135,187
Other current assets	15,882	11,953
Current assets from continuing operations	**5,310,922**	**5,345,941**
Assets classified as held for sale	**-**	**23,406**
Total current assets	**5,310,922**	**5,369,347**
Total assets	**5,615,059**	**5,717,731**
Equity and liabilities		
Share capital	291,852	291,312
Share premium account	2,729,558	2,727,840
Other reserves	(10,700)	(10,907)
Translation differences	(2,367)	(3,189)
Accumulated losses	(306,881)	(334,701)
Total equity	**2,701,462**	**2,670,355**
Retirement benefit liabilities	14,859	14,996
Non-current lease liabilities	22,176	23,035
Other non-current liabilities	7,526	8,096
Non-current deferred income	2,263,674	2,365,974
Non-current liabilities	**2,308,235**	**2,412,101**

	31 March	31 December
(thousands of €)	2021	2020
Current lease liabilities	6,475	6,401
Trade and other liabilities	161,867	172,386
Current tax payable	1,083	1,248
Current financial instruments	1,194	3,164
Current deferred income	434,743	443,159
Current liabilities from continuing operations	**605,362**	**626,357**
Liabilities directly associated with assets classified as held for sale	-	8,917
Total current liabilities	**605,362**	**635,274**
Total liabilities	**2,913,597**	**3,047,375**
Total equity and liabilities	**5,615,059**	**5,717,731**

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

Consolidated cash flow statements

	Three months ended 31 March	
(thousands of €)	2021	2020
Net profit/loss (–) of the period	**9,361**	**(50,601)**
Adjustment for non-cash transactions	(7,980)	22,935
Adjustment for items to disclose separately under operating cash flow	792	(747)
Adjustment for items to disclose under investing and financing cash flows	(28,842)	(2,596)
Change in working capital other than deferred income	19,673	52,481
Decrease in deferred income	(113,164)	(91,677)
Cash used in operations	**(120,161)**	**(70,205)**
Interest paid	(1,482)	(171)
Interest received	648	2,745
Corporate taxes paid	(214)	(1,243)
Net cash flows used in operating activities	**(121,209)**	**(68,874)**
Purchase of property, plant and equipment	(8,488)	(2,866)
Purchase of and expenditure in intangible fixed assets	(243)	(10,159)
Purchase of current financial investments	(201,188)	(2,187,948)
Interest received related to current financial investments	6	2,596
Sale of current financial investments	677,032	3,130,686
Cash in from disposal of subsidiaries, net of cash disposed of	28,696	-
Acquisition of financial assets	-	(2,670)
Proceeds from sale of financial assets held at fair value through profit or loss	4,045	-
Net cash flows generated from investing activities	**499,859**	**929,640**
Payment of lease liabilities	(1,780)	(1,425)
Proceeds from capital and share premium increases from exercise of subscription rights	2,258	5,355
Net cash flows generated from financing activities	**478**	**3,930**
Increase in cash and cash equivalents	**379,129**	**864,695**

	Three months ended 31 March	
(thousands of €)	**2021**	**2020**
Cash and cash equivalents at beginning of the period	**2,143,071**	**1,861,616**
Increase in cash and cash equivalents	**379,129**	**864,695**
Effect of exchange rate differences on cash and cash equivalents	**31,750**	**17,261**
Cash and cash equivalents at the end of the period	**2,553,950**	**2,743,573**

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

	31 March	
(thousands of €)	**2021**	**2020**
Current financial investments	2,560,743	2,978,805
Cash and cash equivalents	2,553,950	2,743,573
Current financial investments and cash and cash equivalents	**5,114,693**	**5,722,378**

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	Accumul. Losses	Total
On 1 January 2020	**287,282**	**2,703,583**	**(1,142)**	**(4,842)**	**(109,223)**	**2,875,658**
Net loss					(50,601)	(50,601)
Other comprehensive income/loss (–)			478	(77)		401
Total comprehensive income/loss (–)			**478**	**(77)**	**(50,601)**	**(50,200)**
Share-based compensation					9,227	9,227
Exercise of subscription rights	824	4,531				5,355
On 31 March 2020	**288,106**	**2,708,114**	**(663)**	**(4,919)**	**(150,597)**	**2,840,041**
On 1 January 2021	**291,312**	**2,727,840**	**(3,189)**	**(10,907)**	**(334,701)**	**2,670,355**
Net profit					9,361	9,361
Other comprehensive income			822	207		1,029
Total comprehensive income			**822**	**207**	**9,361**	**10,390**
Share-based compensation					18,459	18,459
Exercise of subscription rights	540	1,718				2,258
On 31 March 2021	**291,852**	**2,729,558**	**(2,367)**	**(10,700)**	**(306,881)**	**2,701,462**

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 three months of 2021

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 our Annual Report 2020.

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

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.

We refer to the section Covid-19 impact in this Q1 report for a comprehensive overview of the impact of Covid-19 on the business evolution of Galapagos.

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 2020.

New standards and interpretations applicable for the annual period beginning on 1 January 2021 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.

Details of the unaudited condensed consolidated interim results

Revenues and other income

Revenues

The following table summarizes our revenues for the three months ended 31 March 2021 and 2020.

	Three months ended 31 March			
(thousands of €)	Over time	Point in time	2021	2020
Recognition of non-refundable upfront payments and license fees			**105,226**	**88,287**
Gilead collaboration agreement for filgotinib	✓		47,405	32,105
Gilead collaboration agreement for drug discovery platform	✓		57,821	56,182
Milestone payments			**7,865**	**3,272**
Gilead collaboration agreement for filgotinib	✓		7,865	3,272
Reimbursement income			**-**	**3,193**
Novartis collaboration agreement for MOR106	✓		-	3,193
Other revenues			**43**	**66**
Other revenues		✓	43	66
Commercial revenues			**758**	**-**
Sale of goods		✓	79	-
Royalties		✓	678	-
Total revenues			**113,892**	**94,817**

Revenues (€113.9 million for the first three months of 2021, compared to €94.8 million for the first three months of 2020) were higher mainly driven by the increase in revenue recognition of upfront consideration and milestone payments received in the scope of the collaboration with Gilead for filgotinib amounting to €55.3 million for the first three months of 2021 (€35.4 million for the same period last year). The increased cost share and the additional upfront consideration as a consequence of the renegotiated arrangement between Gilead and Galapagos in December 2020, as well as the milestones for the approval of filgotinib in Europe and Japan achieved in the third quarter of 2020, all contributed to this increase in revenues.

The rollforward of the outstanding balance of the current and non-current deferred income between 1 January 2021 and 31 March 2021 can be summarized as follows:

(thousands of €)	Total	Gilead collaboration agreement for filgotinib	Gilead collaboration agreement for drug discovery platform(1)	Other deferred income (grants)
On 31 December 2020	**2,809,133**	818,654	1,990,412	67
Significant financing component(2)	2,447	2,447		
Revenue recognition of upfront payments	(105,226)	(47,405)	(57,821)	
Revenue recognition of milestone payments	(7,865)	(7,865)		
Other movements	(67)			(67)
On 31 March 2021	**2,698,417**	765,829	1,932,589	-

(1) The outstanding balance at 31 March 2021 and at 31 December 2020 comprises the issuance liability for the 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 (€10.3 million for the first three months of 2021, compared to €8.7 million for the first three months of 2020) increased by €1.6 million, mainly driven by higher incentives income from the government for R&D activities.

Results from continuing operations

We realized a net loss from continuing operations of €12.8 million for the first three months of 2021, compared to a net loss of €52.3 million in the first three months of 2020.

We reported an operating loss amounting to €50.8 million for the first three months of 2021, compared to an operating loss of €46.2 million for the same period last year.

Our R&D expenditure in the first three months of 2021 amounted to €130.0 million, compared to €115.5 million in the first three months of 2020. This increase was due to an increase of €3.4 million in subcontracting costs primarily related to our filgotinib program, our Toledo program and other clinical programs, compensated by a decrease for ziritaxestat, the OA program with GLPG1972 and the AtD program with MOR106. Furthermore, personnel costs increased by €10.1 million from €30.3 million in the first three months of 2020 to €40.4 million in the first three months of 2021. This increase is explained by a planned headcount increase and increased costs of the subscription right plans.

The table below summarizes our R&D expenditure for the three months ended 31 March 2021 and 2020, broken down by program.

	Three months ended 31 March	
(thousands of €)	**2021**	**2020**
Filgotinib program	(36,932)	(29,296)
Ziritaxestat program	(10,513)	(13,783)
OA program with GLPG1972	(636)	(6,427)
Toledo program	(27,823)	(16,871)
AtD program with MOR106	(152)	(4,248)
Other programs	(53,904)	(44,828)
Total research and development expenditure	**(129,960)**	**(115,453)**

Our G&A and S&M expenses were €45.0 million in the first three months of 2021, compared to €34.3 million in the first three months of 2020. This increase mainly resulted from higher personnel costs for €9.6 million (€26.5 million in the first three months of 2021 compared to €16.9 million in the same period last year). This increase was due to a planned headcount increase following the commercial launch of filgotinib in Europe as well as higher costs of the subscription right plans.

In the first three months of 2021, we reported a non-cash fair value gain from the re-measurement of initial warrant B issued to Gilead, amounting to €2.0 million, mainly due to the decreased implied volatility of the Galapagos share price as well as its evolution between 31 December 2020 and 31 March 2021.

Net other financial income in the first three months of 2021 amounted to €36.2 million (as compared to €14.8 million in the same period last year), which was primarily attributable to €45.5 million of currency exchange gains on our cash and cash equivalents and current financial investments in U.S. dollars (as compared to €34.3 million in the first three months of 2020) and €3.6 million negative changes in (fair) value of current financial investments (€14.5 million in the same period last year). The other financial expenses also contained the effect of discounting our long term deferred income for €2.4 million (€4.4 million in the same period last year) and the fair value loss of financial assets held at fair value through profit or loss of €2.9 million (€2.7 million in the same period last year).

Cash position

Cash and cash equivalents and current financial investments totaled €5,114.7 million on 31 March 2021 (€5,169.3 million on 31 December 2020, including the cash and cash equivalents included in the assets classified as held for sale).

A net decrease of €54.6 million in cash and cash equivalents and current financial investments was recorded during the first three months of 2021, compared to a net decrease of €58.4 million during the first three months of 2020. This net decrease was composed of (i) €127.7 million of operational cash burn, (ii) offset by €2.3 million of cash proceeds from capital and share premium increase from exercise of subscription rights in the first three months of 2021, (iii) €3.6 million of negative changes in (fair) value of current financial investments and €45.7 million of mainly positive exchange rate differences, and (iv) €28.7 million cash in from disposal of subsidiaries, net of cash disposed of.

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 from/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 from/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 (–)/operational cash flow:

	Three months ended 31 March	
(thousands of €)	**2021**	**2020**
Increase in cash and cash equivalents (excluding effect of exchange differences)	379,129	864,695
Less:		
Net proceeds from capital and share premium increases	(2,258)	(5,355)
Net sale of current financial investments	(475,844)	(942,738)
Cash in from disposal of subsidiaries, net of cash disposed of	(28,696)	-
Total operational cash burn	**(127,669)**	**(83,398)**

Cash and cash equivalents and current financial investments comprised cash at banks, short-term bank deposits, treasury bills and money market funds that are readily convertible to cash and are subject to an insignificant risk of changes in value. 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. Cash and cash equivalents comprised €1,358.0 million of term deposits which all had an original maturity longer than three months. All cash and cash equivalents are available upon maximum three months notice period and without significant penalty. Cash at banks were mainly composed of notice accounts and term deposits. Our credit risk is mitigated by selecting a panel of highly rated financial institutions for our deposits.

Cash invested in highly liquid money market funds represented €1,107.4 million (€1,571.9 million on 31 December 2020) and are presented as current financial investments on 31 March 2021. The current financial investments also include treasury bills, amounting to €1,453.3 million on 31 March 2021 (€1,454.4 million on 31 December 2020). Our portfolio of treasury bills contains only AAA rated paper, issued by Germany and The Netherlands. 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 leading to an insignificant risk of changes in value.

	31 March	31 December
(thousands of €)	**2021**	**2020**
Cash at banks	1,195,911	1,239,993
Term deposits	1,358,039	895,194
Cash and cash equivalents from continuing operations	**2,553,950**	**2,135,187**
Cash and cash equivalents included in assets classified as held for sale	-	7,884
Total cash and cash equivalents	**2,553,950**	**2,143,071**

On 31 March 2021, our cash and cash equivalents and current financial investments included $1,007.9 million held in U.S. dollars ($1,418.9 million on 31 December 2020) 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 €86.0 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 €142.3 million as at 31 March 2021.

Capital increase

On 31 March 2021, Galapagos NV's share capital was represented by 65,511,581 shares. All shares were issued, fully paid up and of the same class. The below table summarizes our capital increases for the period ended 31 March 2021.

(thousands of €, except share data)	Number of shares	Share capital	Share premium	Share capital and share premium	Average exercise price subscription rights (in €/sub-scription right)	Closing share price on date of capital increase (in €/share)
On 1 January 2021	65,411,767	291,312	2,727,840	3,019,153		
19 March 2021: exercise of subscription rights	99,814	540	1,718	2,258	22.62	68.48
On 31 March 2021	65,511,581	291,852	2,729,558	3,021,411		

Note to the cash flow statement

	Three months ended 31 March	
(thousands of €)	2021	2020
Adjustment for non-cash transactions		
Depreciation and amortization	5,019	4,189
Share-based compensation expenses	18,459	9,227
Increase in retirement benefit obligations and provisions	95	90
Unrealized exchange gains (–)/losses and non-cash other financial result	(38,515)	(32,856)
Discounting effect of deferred income	2,447	4,435
Fair value re-measurement of warrants	(1,970)	20,529
Net change in (fair) value of current financial investments	3,572	14,507
Fair value adjustment financial assets held at fair value through profit or loss	2,913	2,745
Other non-cash expenses	-	70
Total adjustment for non-cash transactions	**(7,980)**	**22,935**
Adjustment for items to disclose separately under operating cash flow		
Interest expense	1,375	1,007
Interest income	(740)	(2,090)
Tax expense	157	336
Total adjustment for items to disclose separately under operating cash flow	**792**	**(747)**
Adjustment for items to disclose under investing and financing cash flows		
Gain on disposal of subsidiaries	(22,191)	-
Realized exchange gain on sale of current financial investments	(6,645)	-
Interest income on current financial assets	(6)	(2,596)
Total adjustment for items to disclose separately under investing and financing cash flow	**(28,842)**	**(2,596)**
Change in working capital other than deferred income		
Increase in inventories	(300)	(62)
Decrease in receivables	31,883	27,581
Increase/decrease (–) in liabilities	(11,911)	24,962
Total change in working capital other than deferred income	**19,673**	**52,481**

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 31 March 2021. 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 gain of €2.0 million was mainly the result of a decrease in the implied volatility of our share price as well as its evolution between 31 December 2020 and 31 March 2021. The fair value of the financial liability related to the initial warrant B amounted to €1.2 million on 31 March 2021 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.

Discontinued operations

The following disclosure illustrates the result of our discontinued operations, related to the sale of our fee-for-service business (Fidelta) to Selvita on 4 January 2021.

1. Disposal of subsidiaries (discontinued operations)

1.1. Consideration received

(thousands of €)	4 January 2021
Consideration received in cash and cash equivalents	37,080
Total consideration received	**37,080**

1.2. Analysis of assets and liabilities over which control was lost

(thousands of €)	4 January 2021
Intangible assets	21
Property, plant and equipment	10,050
Other non-current assets	160
Trade and other receivables	4,428
Cash and cash equivalents	7,884
Other current assets	863
Total assets	**23,406**
Non-current lease liabilities	4,115
Other non-current liabilities	70
Trade and other liabilities	4,479
Current lease liabilities	727
Income tax payable	356
Total liabilities	**9,747**
Net assets disposed of	**13,658**

1.3. Gain on disposal of subsidiaries

(thousands of €)	
Consideration received	37,080
Net assets disposed of	(13,658)
Effect of cumulative translation adjustments reclassified from equity on loss of control	(731)
Costs associated to the sale	(500)
Gain on disposal	**22,191**

1.4. Net cash inflow on disposal of subsidiaries

(thousands of €)	
Consideration received in cash and cash equivalents	37,080
Less: cash and cash equivalents balances disposed of	(7,884)
Total consideration received, net of cash disposed of	**29,196**
Costs associated to the sale	(500)
Cash in from disposal of subsidiaries, net of cash disposed of	**28,696**

2. Result from discontinued operations

	Three months ended 31 March	
(thousands of €, except share and per share data)	**2021**	**2020**
Revenues	-	3,356
Other income	-	-
Total revenues and other income	**-**	**3,356**
Gain on disposal of subsidiaries	22,191	
Research and development expenditure	-	(1,310)
Sales and marketing expenses	-	
General and administrative expenses	-	(413)
Total operating expenses	**-**	**(1,723)**
Operating profit	**22,191**	**1,633**
Other financial income	-	40
Other financial expenses	-	(16)
Profit before tax	**22,191**	**1,657**
Income taxes	-	-
Net profit	**22,191**	**1,657**
Basic income per share from discontinued operations	**0.34**	**0.03**
Diluted income per share from discontinued operations	**0.34**	**0.02**
Weighted average number of shares - Basic (in thousands of shares)	**65,425**	**64,690**
Weighted average number of shares - Diluted (in thousands of shares)	**65,944**	**68,123**

3. Cash flows from discontinued operations

	Three months ended 31 March	
(thousands of €)	2021	2020
Net cash flows generated from operating activities	-	1,998
Net cash flows generated from/used in (-) investing activities	28,696	(447)
Net cash flows used in financing activities	-	(183)
Net cash flows from discontinued operations	**28,696**	**1,368**

Contingencies and commitments

Contractual obligations and commitments

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

On 31 March 2021, 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	319,267	252,913	52,599	13,093	662

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 €482.8 million at 31 March 2021 for which we have direct purchase commitments of €23.5 million at 31 March 2021 reflected in the table above.

Contingent liabilities and assets

We refer to our Annual Report 2020 for a description of our contingent liabilities and assets.

Events after the end of the reporting period

On 30 April 2021, the supervisory board of Galapagos approved "Subscription Right Plan 2021 RMV", a subscription right plan intended for the employees of its French subsidiary, Galapagos SASU, "Subscription Right Plan 2021 ROW", a subscription right plan intended for the employees of its other non-Belgian subsidiairies and "Subscription Right Plan 2021 BE", a subscription right plan intended for the employees of the company and its Belgian subsidiaries, within the framework of the authorized capital. Under these subscription right plans, 2,736,250 subscription rights were created, subject to acceptances, and offered 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 €64.76 (the closing price of the share on Euronext Amsterdam and Brussels on the day preceding the date of the offer). The subscription rights are not transferable. Subscription rights granted under Subscription Right Plan 2021 BE can in principle not be exercised prior to 1 January 2025 and subscription rights granted under Subscription Right Plan 2021 RMV and Subscription Right Plan 2021 ROW vest in instalments: with 25% of each grant being exercisable as of 1 January 2023, 25% as of 1 January 2024 and 50% (the remainder) as of 1 January 2025. Each subscription right gives the right to subscribe to one new Galapagos share.

We note that Dr. Rajesh Parekh and Ms. Katrine Bosley were re-appointed as members of the supervisory board by the shareholders' meeting of 28 April 2021 for a period of four years and for a period of one year respectively. Ms. Katrine Bosley is an independent supervisory board member within the meaning of article 7:87 of the Belgian Companies Code and article 3.5 of the Belgian Corporate Governance Code 2020.

Approval of interim financial statements

The interim financial statements were approved by the management board on 5 May 2021.