Financial statements

Unaudited condensed consolidated interim financial statements for the first half-year of 2021

Forward with confidence

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

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

Consolidated income statement

	Second quarter of		Six months ended 30 June	
(thousands of €, except per share data)	**2021**	2020(*)	**2021**	2020(*)
Revenues	139,772	99,587	253,664	194,404
Other income	13,298	14,059	23,564	22,802
Total revenues and other income	**153,070**	**113,646**	**277,228**	**217,206**
Research and development expenditure	(138,866)	(147,448)	(268,826)	(262,901)
Sales and marketing expenses	(14,518)	(17,086)	(29,092)	(26,922)
General and administrative expenses	(46,436)	(37,285)	(76,858)	(61,774)
Total operating expenses	**(199,820)**	**(201,819)**	**(374,776)**	**(351,597)**
Operating loss	**(46,750)**	**(88,173)**	**(97,548)**	**(134,391)**
Fair value re-measurement of warrants	858	(589)	2,828	(21,118)
Other financial income	(10,927)	(25,468)	36,573	14,214
Other financial expenses	(8,140)	(2,382)	(19,485)	(27,240)
Loss before tax	**(64,959)**	**(116,613)**	**(77,632)**	**(168,535)**
Income taxes	630	(373)	473	(709)
Net loss from continuing operations	**(64,329)**	**(116,986)**	**(77,159)**	**(169,244)**
Net profit from discontinued operations, net of tax	**-**	**1,944**	**22,191**	**3,601**
Net loss	**(64,329)**	**(115,042)**	**(54,968)**	**(165,643)**
Net loss attributable to:				
Owners of the parent	(64,329)	(115,042)	(54,968)	(165,643)
Basic and diluted loss per share	**(0.98)**	**(1.77)**	**(0.84)**	**(2.55)**
Basic and diluted loss per share from continuing operations	**(0.98)**	**(1.80)**	**(1.18)**	**(2.61)**

(*) The comparatives of 30 June 2020 and the second quarter of 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 (–)

	Second quarter of		Six months ended 30 June	
(thousands of €)	**2021**	2020(*)	**2021**	2020(*)
Net loss	**(64,329)**	**(115,042)**	**(54,968)**	**(165,643)**
Items that may be reclassified subsequently to profit or loss:				
Translation differences, arisen from translating foreign activities	(95)	(63)	203	338
Realization of translation differences upon sale of foreign operations	-	-	731	-
Other comprehensive income/loss (-), net of income tax	**(95)**	**(63)**	**934**	**338**
Total comprehensive loss attributable to:				
Owners of the parent	(64,424)	(115,105)	(54,034)	(165,305)
Total comprehensive loss attributable to owners of the parent arises from:				
Continuing operations	(64,424)	(117,154)	(76,956)	(168,662)
Discontinued operations	-	2,049	22,922	3,357
Total comprehensive loss	**(64,424)**	**(115,105)**	**(54,034)**	**(165,305)**

(*) The comparatives of 30 June 2020 and the second quarter of 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 €)	30 June 2021	31 December 2020
Assets		
Intangible assets	63,072	67,565
Property, plant and equipment	111,900	103,378
Deferred tax assets	4,451	4,475
Non-current trade receivables	-	50,000
Non-current R&D incentives receivables	117,278	111,624
Other non-current assets	4,422	11,343
Non-current assets	**301,123**	**348,384**
Trade and other receivables	88,133	148,418
Current R&D incentives receivables	25,467	24,104
Current financial investments	2,363,969	3,026,278
Cash and cash equivalents	2,642,639	2,135,187
Other current assets	9,286	11,953
Current assets from continuing operations	**5,129,494**	**5,345,941**
Assets classified as held for sale	**-**	**23,406**
Total current assets	**5,129,494**	**5,369,347**
Total assets	**5,430,617**	**5,717,731**
Equity and liabilities		
Share capital	291,912	291,312
Share premium account	2,729,824	2,727,840
Other reserves	(10,768)	(10,907)
Translation differences	(2,394)	(3,189)
Accumulated losses	(345,101)	(334,701)
Total equity	**2,663,473**	**2,670,355**
Retirement benefit liabilities	15,031	14,996
Non-current lease liabilities	21,429	23,035
Other non-current liabilities	6,478	8,096
Non-current deferred income	2,147,222	2,365,974
Non-current liabilities	**2,190,160**	**2,412,101**

(thousands of €)	30 June 2021	31 December 2020
Current lease liabilities	6,480	6,401
Trade and other liabilities	151,721	172,386
Current tax payable	377	1,248
Current financial instruments	336	3,164
Current deferred income	418,071	443,159
Current liabilities from continuing operations	**576,985**	**626,357**
Liabilities directly associated with assets classified as held for sale	-	8,917
Total current liabilities	**576,985**	**635,274**
Total liabilities	**2,767,144**	**3,047,375**
Total equity and liabilities	**5,430,617**	**5,717,731**

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

Consolidated cash flow statements

	Six months ended 30 June	
(thousands of €)	2021	2020
Net loss of the period	**(54,968)**	**(165,643)**
Adjustment for non-cash transactions	50,310	87,724
Adjustment for items to disclose separately under operating cash flow	2,518	(1,810)
Adjustment for items to disclose under investing and financing cash flows	(28,843)	(2,363)
Change in working capital other than deferred income	81,359	55,299
Decrease in deferred income	(248,610)	(185,537)
Cash used in operations	**(198,234)**	**(212,329)**
Interest paid	(5,862)	(1,406)
Interest received	1,237	5,182
Corporate taxes paid	(272)	(1,276)
Net cash flows used in operating activities	**(203,131)**	**(209,829)**
Purchase of property, plant and equipment	(19,414)	(9,207)
Purchase of and expenditure in intangible fixed assets	(647)	(15,673)
Proceeds from disposal of property, plant and equipment	-	4
Purchase of current financial investments	(703,841)	(2,968,597)
Interest received related to current financial investments	8	3,296
Sale of current financial investments	1,373,206	3,699,036
Cash in from disposal of subsidiaries, net of cash disposed of	28,696	-
Acquisition of financial assets	-	(2,681)
Proceeds from sale of financial assets held at fair value through profit or loss	4,045	6,626
Net cash flows generated from investing activities	**682,053**	**712,804**
Payment of lease liabilities	(4,057)	(3,023)
Proceeds from capital and share premium increases from exercise of subscription rights	2,583	23,268
Net cash flows generated from/used in (-) financing activities	**(1,474)**	**20,246**
Increase in cash and cash equivalents	**477,448**	**523,222**

(thousands of €)	Six months ended 30 June 2021	2020
Cash and cash equivalents at beginning of the period	**2,143,071**	**1,861,616**
Increase in cash and cash equivalents	477,448	523,222
Effect of exchange rate differences on cash and cash equivalents	22,121	(617)
Cash and cash equivalents at end of the period	**2,642,639**	**2,384,220**

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

(thousands of €)	30 June 2021	2020
Current financial investments	2,363,969	3,182,276
Cash and cash equivalents	2,642,639	2,384,220
Current financial investments and cash and cash equivalents	**5,006,608**	**5,566,496**

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					**(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**
On 1 January 2021	**291,312**	**2,727,840**	**(3,189)**	**(10,907)**	**(334,701)**	**2,670,355**
Net loss					**(54,968)**	**(54,968)**
Other comprehensive income			795	139		934
Total comprehensive income/loss (-)			**795**	**139**	**(54,968)**	**(54,034)**
Share-based compensation					44,568	44,568
Exercise of subscription rights	599	1,984				2,583
On 30 June 2021	**291,912**	**2,729,824**	**(2,394)**	**(10,768)**	**(345,101)**	**2,663,473**

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 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.

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 six months ended 30 June 2021 and 2020.

	Six months ended 30 June			
(thousands of €)	Over time	Point in time	2021	2020
Recognition of non-refundable upfront payments and license fees			**232,441**	**180,711**
Gilead collaboration agreement for filgotinib	✓		116,744	67,992
Gilead collaboration agreement for drug discovery platform	✓		115,697	112,719
Milestone payments			**19,369**	**6,996**
Gilead collaboration agreement for filgotinib	✓		19,369	6,996
Reimbursement income			**-**	**6,628**
Novartis collaboration agreement for MOR106	✓		-	6,659
AbbVie collaboration agreement for CF	✓		-	(31)
Other revenues			**43**	**69**
Other revenues		✓	43	69
Commercial revenues			**1,810**	**-**
Sale of goods		✓	456	-
Royalties		✓	1,350	-
Other commercial revenues		✓	4	-
Total revenues			**253,664**	**194,404**

Revenues (€253.7 million for the first six months of 2021, compared to €194.4 million for the first six 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 €136.1 million for the first six months of 2021 (€75.0 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 30 June 2021 can be summarized as follows:

(thousands of €)	Total	Gilead collaboration agreement for filgotinib	Gilead collaboration agreement for drug discovery platform(*)	Other deferred income (grants)
On 31 December 2020	**2,809,133**	**818,654**	**1,990,412**	**67**
Significant financing component(**)	4,770	4,770		
Revenue recognition of upfront	(232,441)	(116,744)	(115,697)	
Revenue recognition of milestones	(19,369)	(19,369)		
Other movements	3,204			3,204
On 30 June 2021	**2,565,292**	**687,310**	**1,874,714**	**3,270**

(*) The outstanding balance at 30 June 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.

(**) 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 (€23.6 million for the first six months of 2021, compared to €22.8 million for the first six months of 2020) increased by €0.8 million, mainly driven by higher grant income.

Results from continuing operations

We realized a net loss from continuing operations of €77.2 million for the first six months of 2021, compared to a net loss of €169.2 million in the first six months of 2020.

We reported an operating loss amounting to €97.6 million for the first six months of 2021, compared to an operating loss of €134.4 million for the same period last year.

Our R&D expenditure in the first six months of 2021 amounted to €268.8 million, compared to €262.9 million in the first six months of 2020. This increase, primarily related to our filgotinib program and our Toledo program, was compensated by a decrease for ziritaxestat, the OA program with GLPG1972, and the AtD program with MOR106. Personnel costs increased by €11.7 million from €82.5 million in the first six months of 2020 to €94.2 million in the first six months of 2021. This increase is due to an increase in headcount compared to the same period last year, and increased costs of our subscription right plans.

The table below summarizes our R&D expenditure for the six months ended 30 June 2021 and 2020, broken down by program.

	Six months ended 30 June	
(thousands of €)	**2021**	**2020**
Filgotinib program	(87,840)	(65,541)
Ziritaxestat program	(19,418)	(29,790)
OA program with GLPG1972	(1,241)	(12,499)
Toledo program	(52,235)	(37,557)
AtD program with MOR106	(52)	(9,518)
Other programs	(108,040)	(107,997)
Total research and development expenditure	**(268,826)**	**(262,901)**

Our G&A and S&M expenses were €106.0 million in the first six months of 2021, compared to €88.7 million in the first six months of 2020. This increase mainly resulted from higher personnel costs for €15.3 million (€64.4 million in the first six months of 2021 compared to €49.1 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 six months of 2021, we reported a non-cash fair value gain from the re-measurement of initial warrant B issued to Gilead, amounting to €2.8 million, mainly due to the decreased implied volatility of the Galapagos share price as well as its evolution between 31 December 2020 and 30 June 2021.

Net other financial income in the first six months of 2021 amounted to €17.1 million (as compared to net other financial loss of €13.0 million in the same period last year), which was primarily attributable to €33.4 million of currency exchange gains on our cash and cash equivalents and current financial investments in U.S. dollars (as compared to €5.5 million currency exchange gains in the first six months of 2020) and €5.8 million negative changes in (fair) value of current financial investments (€12.5 million in the same period last year). The other financial expenses also contained the effect of discounting our long term deferred income of €4.8 million (€8.7 million in the same period last year) as well as the fair value loss of financial assets held at fair value through profit or loss of €2.9 million (€0.4 million in the same period last year).

Cash position

Cash and cash equivalents and current financial investments totaled €5,006.6 million on 30 June 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 €162.7 million in cash and cash equivalents and current financial investments was recorded during the first six months of 2021, compared to a net decrease of €214.3 million during the first six months of 2020. This net decrease was composed of (i) €223.2 million of operational cash burn, (ii) offset by €2.6 million of cash proceeds from capital and share premium increase from exercise of subscription rights in the first six months of 2021, (iii) €5.8 million of negative changes in (fair) value of current financial investments and €35.0 million of mainly positive exchange rate differences, and (iv) €28.7 million cash in from disposal of subsidiaries, net of cash disposed.

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:

	Six months ended 30 June	
(thousands of €)	**2021**	**2020**
Increase in cash and cash equivalents (excluding effect of exchange differences)	477,448	523,222
Less:		
Net proceeds from capital and share premium increases	(2,583)	(23,268)
Net sale of current financial investments	(669,365)	(730,439)
Cash in from disposal of subsidiaries, net of cash disposed of	(28,696)	-
Total operational cash burn	**(223,196)**	**(230,486)**

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 €1,411.7 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 €1,060.3 million (€1,571.9 million on 31 December 2020) and are presented as current financial investments on 30 June 2021. The current financial investments also include treasury bills, amounting to €1,303.7 million on 30 June 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.

	30 June	31 December
(thousands of €)	**2021**	**2020**
Cash at banks	1,230,956	1,239,993
Term deposits	1,411,683	895,194
Cash and cash equivalents from continuing operations	**2,642,639**	**2,135,187**
Cash and cash equivalents included in assets classified as held for sale	-	7,884
Total cash and cash equivalents	**2,642,639**	**2,143,071**

On 30 June 2021, our cash and cash equivalents and current financial investments included $973.3 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 €81.9 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 €142.7 million as at 30 June 2021.

Capital increase

On 30 June 2021, Galapagos NV's share capital was represented by 65,522,521 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 2021.

(thousands of €, except share data)	Number of shares	Share capital	Share premium	Share capital and share premium	Average exercise price subscription rights (in €/ subscription 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
7 June 2021: exercise of subscription rights	10,940	59	266	325	29.73	61.78
On 30 June 2021	65,522,521	291,912	2,729,824	3,021,736		

Note to the cash flow statement

	Six months ended 30 June	
(thousands of €)	**2021**	**2020**
Adjustment for non-cash transactions		
Depreciations, amortizations and impairment	20,996	9,008
Share-based compensation expenses	44,568	39,641
Increase in retirement benefit obligations and provisions	190	174
Unrealized exchange gains (-)/losses and non-cash other financial result	(26,537)	(4,015)
Discounting effect of deferred income	4,770	8,728
Fair value re-measurement of warrants	(2,828)	21,118
Net change in (fair) value of current financial investments	5,833	12,484
Fair value adjustment financial assets held at fair value through profit or loss	2,913	354
Other non-cash expenses	405	233
Total adjustment for non-cash transactions	**50,310**	**87,724**
Adjustment for items to disclose separately under operating cash flow		
Interest expense	4,425	2,602
Interest income	(1,434)	(5,121)
Tax income (-)/tax expense	(473)	709
Total adjustment for items to disclose separately under operating cash flow	**2,518**	**(1,810)**
Adjustment for items to disclose under investing and financing cash flows		
Gain on disposal of subsidiaries	(22,191)	-
Loss on sale of fixed assets	1	83
Realized exchange gain on sale of current financial investments	(6,645)	-
Interest income on current financial assets	(8)	(2,447)
Total adjustment for items to disclose separately under investing and financing cash flow	**(28,843)**	**(2,363)**
Change in working capital other than deferred income		
Increase in inventories	(1,419)	(47)
Decrease in receivables	107,041	19,056
Increase/decrease (-) in liabilities	(24,263)	36,290
Total change in working capital other than deferred income	**81,359**	**55,299**

Discontinued operations

The following disclosure illustrates the result from 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 €)	
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

	Six months ended 30 June	
(thousands of €, except share and per share data)	**2021**	**2020**
Revenues	-	7,369
Other income	-	-
Total revenues and other income	**-**	**7,369**
Gain on disposal of subsidiaries	22,191	
Research and development expenditure	-	(2,976)
Sales and marketing expenses	-	
General and administrative expenses	-	(801)
Total operating expenses	**-**	**(3,777)**
Operating profit	**22,191**	**3,592**
Other financial income	-	74
Other financial expenses	-	(65)
Profit before tax	**22,191**	**3,601**
Income taxes	-	-
Net profit	**22,191**	**3,601**
Basic income per share from discontinued operations	**0.34**	**0.06**
Diluted income per share from discontinued operations	**0.34**	**0.05**
Weighted average number of shares - Basic (in thousands of shares)	**65,470**	**64,834**
Weighted average number of shares - Diluted (in thousands of shares)	**66,109**	**68,151**

3. Cash flows from discontinued operations

	Six months ended 30 June	
(thousands of €)	2021	2020
Net cash flows generated from operating activities	-	3,031
Net cash flows generated from/used in (-) investing activities	28,696	(953)
Net cash flows used in financing activities	-	(352)
Net cash flows from discontinued operations	**28,696**	**1,726**

Contingencies and commitments

Contractual obligations and commitments

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

On 30 June 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	251,814	200,620	39,972	10,861	361

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 €407.9 million at 30 June 2021 for which we have direct purchase commitments of €19.4 million at 30 June 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.

Related party transactions

On 30 April 2021, the members of the management board were offered new subscription rights under Subscription Right Plan 2021 BE, subject to acceptance. A first portion of the number of accepted subscription rights under Subscription Right Plan 2021 BE and the final number of accepted subscription rights under Subscription Right Plan 2021 RMV and Subscription Right Plan 2021 ROW were enacted by notary deed on 2 July 2021. For four members of the management board, the suspensive condition of acceptance is still outstanding. 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 €64.76 (the closing price of the Galapagos share on Euronext Amsterdam and Brussels on the day preceding the date of the offer). Each subscription right gives the right to subscribe for one new Galapagos share. For all the beneficiaries under Subscription Right Plan 2021 BE 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 2025. 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.

On 5 May 2021, the members of the management board were offered new restricted stock units ('RSUs'), subject to acceptance. The RSUs are offered for no consideration. Four 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 RSU grant will vest in full three years after the offer date. 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 2021 BE and the total number of RSUs accepted by each member of the management board during the first six months of 2021:

Name	Title	Number of 2021 subscription rights offered	Number of 2021 RSUs accepted
Onno van de Stolpe	Chief Executive Officer	85,000	2,111
Bart Filius	President & Chief Operating Officer	50,000	1,011
Walid Abi-Saab	Chief Medical Officer	40,000	835
Piet Wigerinck	Chief Scientific Officer	40,000	-
Andre Hoekema	Chief Business Officer	30,000	-
Michele Manto	Chief Commercial Officer	30,000	835

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.

During the first six months of 2021, there were no changes to related party transactions disclosed in the 2020 annual report that potentially had a material impact on the financials of the first six months of 2021.

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 2 August 2021.