



At a Glance

About this Report

This report contains information required under Belgian law. Galapagos NV is a limited liability company organized under the laws of Belgium, with its registered office at Generaal De Wittelaan L11 A3, 2800 Mechelen, Belgium and registered with the Crossroads Enterprise Database (RPR Antwerp – division Mechelen) under number 0466.460.429.

Throughout this report, the term “Galapagos NV” refers solely to the non-consolidated Belgian company, and references to “we”, “our”, “the group” or “Galapagos” include Galapagos NV together with its subsidiaries.

This report is published in Dutch and English. Galapagos will use reasonable efforts to ensure the translation and conformity between the Dutch and English versions. In case of inconsistency between the Dutch and English versions, the Dutch version shall prevail.

This document is the printed or PDF version of the Annual Report 2025 and is a free translation of the official Dutch language version in the European single electronic format (ESEF) of the Annual Report 2025. The official Dutch language ESEF version of the report prevails and is available on our website (www.glp.com).

This report, as well as the statutory financial statements of Galapagos NV, are available free of charge and upon request to be addressed to: Galapagos NV Investor Relations, Generaal De Wittelaan L11 A3 2800 Mechelen, Belgium, Tel: +32 15 34 29 00, Email: ir@glp.com.

A digital version of this report, as well as the statutory financial statements of Galapagos NV, is available on our website (www.glp.com). We will use our reasonable efforts to ensure the accuracy of the digital version, but we do not assume responsibility if inaccuracies or inconsistencies with the printed or PDF document arise as a result of any electronic transmission. Other information on our website, or on other websites, is not a part of this report.

As a U.S. listed company, we are also subject to the reporting requirements of the U.S. Securities and Exchange Commission, or SEC. An annual report will be filed with the SEC on Form 20-F. Our annual report on Form 20-F is available in the SEC’s ED-GAR database (www.sec.gov/edgar.shtml), and a link thereto is posted on our website.

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Proposal for Change of Company Name to be voted on at the Extraordinary General Meeting (EGM) of April 28, 2026

The Board of Directors completed a strategic review to position the Company for sustainable growth and long-term value creation in a changing biotech landscape. The review confirmed a clear opportunity to build a more focused and agile organization centered on advancing clinically validated medicines with the potential to deliver meaningful benefits for patients. As part of this shift, the Company has decided to exit its cell therapy activities and concentrate on transformational business development initiatives, including selective partnerships, in-licensing, and strategic acquisitions. See the [press release](#) issued on January 5, 2026.

To reflect this new direction, the Board proposes to change the Company name from Galapagos NV to Lakefront Biotherapeutics™ NV. The new name signals a forward-looking identity grounded in clarity, discipline, and ambition, and reflects the Company's commitment to building a focused portfolio of breakthrough opportunities for patients while creating long-term value for stakeholders.

Rationale for change:

- **Strategic refocus:** The name reinforces our transition away from cell therapy toward disciplined, value-driven business development to build a pipeline of differentiated, clinically validated candidates with the potential to become meaningful medicines.
- **Future orientation:** The new name also signals a renewed ambition to unlock unrealized potential through strategic collaborations, thoughtful capital deployment, and innovation in areas of high unmet patient needs.
- **Stakeholder clarity:** The new identity clearly communicates our evolved purpose and focused strategic direction to create value for shareholders, patients, partners, and employees.

Resolution:

Shareholders are requested to approve the change of the Company's name from Galapagos NV to Lakefront Biotherapeutics NV at the EGM.

For additional information on the agenda and proposed resolutions at the upcoming Annual General Meeting (AGM) and EGM of April 28, 2026, please refer to the shareholders' section on the Galapagos corporate [website](#).

Letter from the Chair of the Board

Dear Shareholder,

Since my appointment as Chair of the Board in May 2025, I have been honored to lead with a clear mandate to support disciplined strategic decision-making and strengthen governance in service of long-term shareholder value and help an efficient and swift transition to our revised strategy. From the outset, the Board and I have been fully committed to supporting management in exploring the best pathways forward for the Company, guided by the interests of patients, shareholders, and all stakeholders.

In that context, the past year has been one of significant strategic changes for Galapagos. The Board, in partnership with management, carefully evaluated the Company's direction and acted to position it for a more focused and sustainable future. With disciplined leadership and renewed clarity of purpose, Galapagos now moves into its next phase with greater focus and financial strength.

Navigating Strategic Change

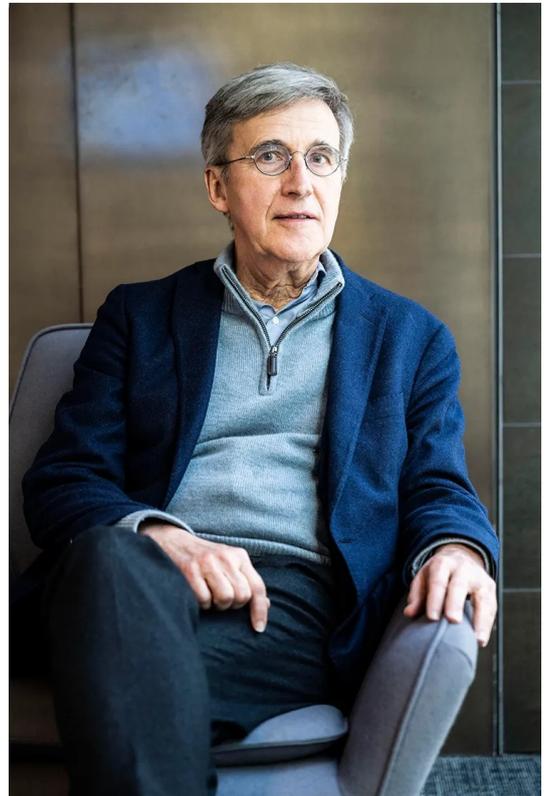
In January 2025, we announced our intention to separate Galapagos into two publicly traded companies: one dedicated to cell therapy, and the other, a newly established entity, focused on pipeline development through strategic transactions. The new entity was going to receive the lion's share of our available cash, recognizing the opportunity to drive incremental shareholder value through a focused business development strategy away from cell therapy.

However, in light of changing market realities and regulation constraints, the Board concluded that a re-assessment of the separation was appropriate and that new leadership was needed to conduct a rigorous strategic alternatives review process. Accordingly, in May we appointed Henry Gosebruch as Chief Executive Officer and entrusted him with charting a new strategic course, including a comprehensive review of alternatives for our cell therapy activities, up to and including a divestiture, to determine the optimal path for value creation.

Exiting Cell Therapy

After conducting an extensive review, the Board and management team ultimately determined that allocating capital to other areas of unmet need would be the optimal pathway to a stronger and sustainable future for Galapagos. In January, the Board formally resolved to move forward with winding down the cell therapy business.

Throughout this process, we have taken great care to balance our mission to develop innovative treatments for patients with our duty to deliver durable value for shareholders. Our priority has been to execute this transition carefully, compliantly and with appropriate support for our employees and other stakeholders.



Jérôme Contamine, Chair of the Board

Positioning for the Future

In parallel with the evaluation process, the Board tasked management with developing a strategy centered on building a pipeline of innovative medicines through transformative business development transactions that leverage our strong balance sheet and cash resources. The team approached this mandate with the same disciplined, data-driven analysis that has underpinned all major decisions over the past year. This rigorous evaluation informed not only the proposed strategic direction, but also the difficult decision to wind down the CAR-T activities, ensuring each choice was grounded in a clear assessment of long-term value creation. The resulting plan to reposition Galapagos for sustainable growth was comprehensive and compelling, and the Board has fully endorsed it.

In order to support the strategic pivot, we also made adapting the Board to the renewed strategy a key priority in addition to maintaining rigorous governance standards. As Chair, I ensured that our approach to Board composition followed the same discipline. Each new appointment was guided by thorough evaluation, independent expert insight, and clearly defined criteria. As a result, over the past year, four highly accomplished executives, Jane Griffiths, Paulo Fontoura, Neil Johnston and Dawn Svoronos – joined our Board as Independent Directors. Devang Bhuva was appointed to succeed Andy Dickinson as one of two Gilead representatives on the Board. All together, our Board is composed of nine members out of which five are independent. Each Board member brings the extensive scientific, business development, leadership and dealmaking expertise we will need in this next chapter, along with a deep commitment to rigorous oversight and sound governance. In addition, a Strategic Advisory Board of seasoned industry leaders was formed to further supplement the Board's expertise and perspective. Your Board has been quite active in supporting this transformation. It held 23 meetings in 2025, 11 of which occurred following the recruitment of Henry as CEO and my appointment as Chair.

Looking ahead, the Board will continue to provide active oversight as management executes with discipline and focus. With a strengthened governance structure, a clear strategy and a solid financial position, we are confident that Galapagos is well positioned to generate sustainable long-term value and pursue a new phase of growth. At the same time, the Board will continue to pursue ongoing, constructive engagement with shareholders. Transparent communication is fundamental as we reinforce trust in the Company's direction.

Sincerely,

Jérôme Contamine
Chair of the Board
Galapagos NV

Letter from the CEO

Dear Shareholder,

2025 was a pivotal year for Galapagos – one where our leadership team took decisive action to chart a new strategic course for the Company. In January 2025, the Board announced its intention to separate Galapagos into two publicly traded companies. As the year progressed, however, evolving market dynamics and feedback from market regulators prompted a reassessment of this separation plan.

Against this backdrop, I was asked in May 2025 to take over as Chief Executive Officer with a mandate to evaluate strategic alternatives for our existing businesses, including cell therapy. Together with our new senior leadership team, we moved quickly to advance the transformation of our Company, with the goal of better positioning us for long-term value creation. We believe we are off to a great start in our transformation journey, and I am excited about what the future holds.

Navigating Strategic Change and Exiting Cell Therapy

Following the decision not to pursue the proposed separation, the Board, together with management and external financial and legal advisors, undertook an extensive and structured process to explore potential strategic and financial transactions for the cell therapy business. While this process generated interest and resulted in a limited number of non-binding proposals, ultimately no transaction emerged with financing that would reasonably support the long-term sustainability of the business. Following a thorough evaluation of all available alternatives and taking into account the capital intensity, development timelines, competitive landscape and likely risk-adjusted returns associated with cell therapy, the Board concluded that continuing to allocate significant resources to this area was not in the best interests of patients, shareholders and our other stakeholders.

Consequently, in October 2025, we announced our intention to wind down the cell therapy business, and following completion of the required works council processes in Belgium and the Netherlands, the Board decided to initiate the wind-down in January of this year. This course of action in no way reflects the scientific excellence or commitment of our teams, but rather a disciplined assessment of where our capital and capabilities can create the greatest long-term value.

With this comprehensive strategic review concluded and the wind-down underway, we are now fully focused on executing a new strategy developed by leadership to deliver value through disciplined, transformative business development in high unmet need areas.

New Strategic Focus

The new Galapagos is focused on building a value-driven pipeline through targeted acquisitions, partnerships, and licensing transactions, with an initial emphasis on oncology, and immunology and inflammation programs that have compelling human proof-of-concept data, clear development pathways, and realistic routes to commercialization. Our objective is not incremental rebuilding, but rather a fundamental reshaping of the Company around assets we believe are capable of delivering meaningful patient impact and sustainable shareholder returns.



Henry Gosebruch, Chief Executive Officer

We are well equipped for this next phase. With €3.0 billion in cash at year-end 2025 and our unique partnership with Gilead, we can pursue clinically de-risked opportunities in areas where our differentiated capabilities provide a clear competitive advantage. We intend to execute with discipline while prioritizing opportunities that can generate durable, long-term value.

Our Path Forward

We have been deliberate in assembling the team to execute this strategic vision. Over the past year, we added significant depth with the appointments of Aaron Cox as Chief Financial Officer, Fred Blakeslee as General Counsel, Sooin Kwon as Chief Business Officer, Dan Grossman as Chief Strategy Officer, and Tania Philipp as Chief Human Resource Officer. They each bring world-class business development expertise and a shared mission of leveraging Galapagos' unique position to create significant shareholder value. Collectively, our team has executed hundreds of transactions in the life sciences sector and is working well together with the goal of creating value for our shareholders. Our deal funnel is active and expanding, but we remain patient and disciplined, knowing that the cost of the wrong deal far exceeds the cost of waiting for the right one.

The road ahead will not be linear, and we recognize the challenges of building momentum in today's biotech landscape. However, we now have a clear mandate, a simplified structure, and the financial strength to act decisively when opportunities arise. Our focus remains unwavering: execution, capital stewardship, value creation and patient impact.

Evolving Our Identity

While Galapagos has a proud history, the past several years have been challenging, shaping perceptions among both external and internal stakeholders. A new name and brand can signal a fresh start and reflect the strategic transformation now underway. It represents an opportunity to move forward with confidence, building on our strengths and focusing on future growth under a new leadership team and strategy.

To reflect this evolution, we propose changing our name from Galapagos NV to Lakefront Biotherapeutics NV. The Lakefront Biotherapeutics name represents the attractive opportunity in front of us and also provides a brand name that captures what we are aiming to accomplish for patients – the serenity of a lakefront, a place to spend time with family and loved ones or to reflect alone. Simply put: enhanced quality of life and a meaningfully positive impact.

Shareholders will be invited to vote on the proposed name change at the upcoming EGM in April.

In the meantime, we would like to thank you. To our employees: thank you for your resilience and professionalism during a year of significant change. To our partners, including Gilead: thank you for your continued engagement and trust. To you, our shareholders: thank you for your patience and confidence in us as we reposition your Company. And finally, to Jérôme and our Board: thank you for your steadfast guidance and leadership throughout this period. While our strategy has evolved, our commitment remains: to advance innovative medicines for patients and deliver long-term value for shareholders through disciplined, thoughtful leadership.

Sincerely,

Henry Gosebruch
Chief Executive Officer
Galapagos NV

2025 Achievements and Post-Period Events

2025 Achievements

STRATEGIC REDIRECTION

- In January 2025, Galapagos announced its intention to separate into two publicly listed entities, with Galapagos focusing on cell therapy innovation and a newly established entity focused on building a pipeline of novel therapeutics through transformational business development. This reorganization resulted in a workforce reduction of approximately 40%, impacting around 300 positions across Europe.
- However, in May 2025, in response to regulatory and market developments, the Board of Directors re-evaluated the proposed separation and determined to initiate a comprehensive review of strategic alternatives for the Company's cell therapy business, including a potential divestiture. A dedicated internal team, supported by external advisors, conducted a structured process over the following months to aggressively explore divestiture opportunities.
- In October 2025, after more than five months of intensive efforts and in the absence of viable proposals offering sufficient financing, the Board decided to pursue an intention to wind down the Company's cell therapy activities. Following a comprehensive review of strategic alternatives and consideration of investment requirements, market dynamics, the competitive landscape, and stakeholder value creation, the Board concluded that reallocating resources toward new business development opportunities represented the best path forward for Galapagos. This intention was subject to completion of works council consultation processes in Belgium and the Netherlands.

LEADERSHIP STRENGTHENED FOR THE NEXT PHASE

- Reinforced executive leadership with the appointments of Henry Gosebruch as Chief Executive Officer, succeeding Dr. Paul Stoffels¹; Aaron Cox as Chief Financial Officer, succeeding Thad Huston; and Fred Blakeslee as Executive Vice President and General Counsel, succeeding Valeria Cnossen. Additionally, the mandate of Annelies Missotten as our Chief Human Resource Officer and member of the Executive Committee ended December 31, 2025.
- Strengthened the senior leadership team with the appointments of Sooin Kwon as Chief Business Officer and Dan Grossman as Chief Strategy Officer.
- The Board of Directors appointed Jérôme Contamine as Chair of the Board of Directors, replacing Dr. Paul Stoffels. In addition, Dawn Svoronos, Jane Griffiths, and Dr. Neil Johnston were appointed as Non-Executive Independent Directors by way of co-optation, and Devang Bhuvra was appointed as Non-Executive Non-Independent Director by way of co-optation. In connection with these co-optations, Non-Executive Independent Directors Peter Guenter, Simon Sturge, Dr. Elisabeth Svanberg, Dr. Susanne Schaffert, and Non-Executive Non-Independent Director Andrew Dickinson stepped down.

¹ Throughout this report, 'Dr. Paul Stoffels' should be read as 'Dr. Paul Stoffels, acting via Stoffels IMC BV.'

PIPELINE ACHIEVEMENTS

Immunology

- In December 2025, Galapagos announced topline Phase 2 results for TYK2 inhibitor, GLPG3667, in patients with dermatomyositis (DM) and systemic lupus erythematosus (SLE), which are summarized as follows:
 - The GALARISSO DM study met its primary endpoint, showing that GLPG3667, administered once daily at 150 mg (N=21) in addition to standard-of-care therapy, achieved a statistically significant clinical benefit in the Total Improvement Score (TIS)² at Week 24 ($p=0.0848$; Δ : 14.26), compared to placebo (N=19). The pre-specified threshold of statistical significance was set at 10% ($\alpha=0.1$). GLPG3667 also showed meaningful clinical improvements compared to placebo on several secondary endpoints of disease activity, including TIS20, TIS40, TIS60 and m-CDASI-A³. GLPG3667 demonstrated a favorable safety and tolerability profile throughout the 24-week treatment period.
 - In the GALACELA SLE study, GLPG3667, administered once daily at 75 mg (N=59) and 150 mg (N= 64) in addition to standard-of-care therapy, the primary endpoint analysis of dose-response on SLE responder index (SRI)-4 at Week 32 did not meet statistical significance. However, GLPG3667 showed numerical improvements over placebo (N=63) on several secondary endpoints, particularly on skin-related outcomes. The safety profile was consistent with previous studies with GLPG3667. The GALACELA study is currently ongoing, and the final Week 48 data, expected in the second quarter of 2026, will be essential to assess the totality of the evidence and determine potential next steps for the SLE program.
- As part of Galapagos' ongoing efforts to maximize the value of this program for both patients and Galapagos, the Company is evaluating all strategic options. These include potential partnership and business development opportunities to accelerate development of GLPG3667 in DM. Additionally, Galapagos continues to explore opportunities to expand into other severe autoimmune diseases with significant unmet medical need.

Oncology

- The Company announced in January 2026 the start of the wind-down of its cell therapy activities to pursue new transformational business development transactions using its available cash resources. In connection with the wind-down, we notified study investigators of the early termination of the Phase 1/2 ATALANTA-1 (CD19 CAR-T candidate GLPG5101) and Phase 1/2 PAPILIO-1 (BCMA CAR-T candidate GLPG5301) studies. Patients from both studies will roll over into the long-term HESPERIA study (NCT06652633) to monitor long-term safety and efficacy. Residual spending associated with these long-term follow-up studies is expected to be minimal.

² Minimal improvement per ACR/EULAR is defined as a total improvement score (TIS) of ≥ 20 points. The TIS is a score derived from the evaluation of the results from 6 core set measurements of myositis disease activity.

³ M-CDASI-A: Modified Cutaneous Dermatomyositis Disease Area and Severity Index Activity.

POST-PERIOD EVENTS

- On 23 March 2026, following Gilead's entering into a definitive agreement to acquire Ouro Medicines, Galapagos announced that Galapagos and Gilead were in advanced discussions to collaborate on advancing the Ouro Medicines T-cell engager program for autoimmune diseases, although no final terms had been agreed to as of the announcement.
- The Company announced the appointment of Tania Philipp as Chief Human Resource Officer, effective March 4, 2026. She will join the Management Committee and succeed Annelies Missotten, who will remain with the Company through June 30, 2026, to ensure a smooth transition.
- The Board of Directors appointed Paulo Fontoura as Non-Executive Independent Director by way of co-optation, effective as of February 9, 2026, replacing Dr. Susanne Schaffert, who stepped down effective November 1, 2025.
- On January 5, 2026, Galapagos announced that the works council consultation process regarding the wind-down of cell therapy activities had been completed and that its Board of Directors decided to initiate the wind-down of the Company's cell therapy activities. The wind-down remains on schedule and is expected to be substantially completed by the end of the third quarter of 2026.
- The wind-down will impact approximately 365 employees across Europe, the U.S. and China, and will result in the closure of the sites in Leiden (the Netherlands), Basel (Switzerland), Princeton and Pittsburgh (U.S.), and Shanghai (China).
- Subject to any business activities we undertake, the remaining Galapagos organization expects to be a lean organization of approximately 35–40 employees by the end of 2026, repositioned for long-term growth through transformational business development, while maintaining a dedicated presence at its headquarters in Mechelen, Belgium and its U.S. hubs in Chicago, IL and San Francisco, CA.
- With the wind-down progressing on schedule, Galapagos is now fully focused on pursuing transformative business development opportunities aligned with areas of high unmet medical need.

2025 Financial Highlights

Financial Performance for the Year Ending December 31, 2025

Consolidated Key Figures

(thousands of €, if not stated otherwise)	Year ended December 31, 2025	Year ended December 31, 2024
Income statement		
Supply revenues	29,924	34,863
Collaboration revenues	1,082,324	240,786
Total net revenues	1,112,248	275,649
Cost of sales	(29,736)	(34,863)
R&D expenses	(459,421)	(335,459)
S&M, G&A expenses	(153,433)	(134,438)
Impairment of the cell therapy activities	(228,112)	-
Other operating income	53,493	40,773
Operating profit/loss (-)	295,039	(188,338)
Net financial results	5,832	185,253
Taxes	18,621	1,803
Net profit/loss (-) from continuing operations	319,492	(1,282)
Net profit from discontinued operations, net of tax	1,392	75,364
Net profit	320,884	74,082
Income statement from discontinued operations		
Product net sales	-	11,475
Collaboration revenues	-	26,041
Total net revenues	-	37,516
Cost of sales	-	(1,693)
R&D expenses	(11,708)	(8,152)
S&M, G&A expenses	(1,026)	(12,607)
Other operating income	11,933	56,180
Operating profit/loss (-)	(801)	71,244
Net financial results	2,676	4,218
Taxes	(483)	(98)
Net profit from discontinued operations, net of tax	1,392	75,364
Balance sheet		
Cash and cash equivalents	87,868	64,239
Financial investments	2,910,180	3,253,516
R&D incentives receivables	157,870	172,611
Assets	3,406,518	4,135,719
Shareholders' equity	3,235,868	2,896,939
Deferred income	32	1,071,352
Other liabilities	170,618	167,428

(thousands of €, if not stated otherwise)	Year ended December 31, 2025	Year ended December 31, 2024
Cash flow		
Operational cash burn	(189,141)	(373,961)
Cash flow used in operating activities	(257,456)	(320,026)
Cash flow generated from investing activities	288,814	220,597
Cash flow used in financing activities	(3,273)	(4,924)
Increase/decrease (-) in cash and cash equivalents	28,085	(104,353)
Effect of currency exchange rate fluctuation on cash and cash equivalents	(4,456)	1,782
Cash and cash equivalents on December 31	87,868	64,239
Financial investments on December 31	2,910,180	3,253,516
Total financial investments and cash and cash equivalents on December 31	2,998,048	3,317,755
Financial ratios		
Number of shares issued on December 31	65,897,071	65,897,071
Basic and diluted earnings per share	4.87	1.12
Share price on December 31 (in €)	28.00	26.52
Total group employees on December 31 (number)	452	704

Total operating profit from continuing operations amounted to €295.0 million in 2025, compared to an operating loss of €188.3 million in 2024. This operating profit was primarily due to the release in revenue of the remaining deferred income balance allocated to the drug discovery platform for an amount of €1,069.0 million. The operating expenses were negatively impacted for a total of €399.8 million, by 1) the decision to wind down the cell therapy activities with an impact of €275.0 million, consisting of an impairment of the cell therapy activities of €228.1 million (on goodwill and fixed assets), severance costs of €33.3 million, costs for early termination of collaborations of €16.3 million, professional services costs of €10.1 million, €1.5 million additional accelerated non-cash cost recognition for subscription right plans and €7.5 million other costs, partly offset by a fair value adjustment of the contingent consideration payable of €21.8 million; and by 2) the strategic reorganization related to the small molecules business announced in January 2025, for €124.8 million. The latter was reflected in severance costs of €47.7 million, costs for early termination of collaborations of €46.1 million, impairment on fixed assets related to small molecules activities of €9.5 million, professional services costs of €14.8 million, €4.6 million additional accelerated non-cash cost recognition for subscription right plans and €2.1 million other operating expenses.

Total net revenues from our continuing operations amounted to €1,112.2 million in 2025, compared to €275.6 million last year. The revenue recognition related to the exclusive access rights granted to Gilead under the Option-, License- and Collaboration Agreement (OLCA) for our drug discovery platform amounted to €1,069.0 million in 2025, compared to €230.2 million in 2024. It was assessed based on the intention to wind down and on the facts and circumstances on December 31, 2025, that the deferred income balance allocated to our drug discovery platform is no longer justified in the 2025 IFRS financial statements, leading to full recognition of the deferred income per December 31, 2024, as revenue. For the avoidance of doubt, the OLCA remains in effect. We also recognized royalty income from Gilead for Jyseleca® for €12.2 million in 2025 (compared to €10.6 million in 2024).

Cost of sales amounted to €29.7 million in 2025, compared to €34.9 million in 2024, and related to the supply of Jyseleca® to Alfasigma under the transition agreement. The related revenues are reported in total net revenues, as supply revenues.

Research & Development (R&D) expenses in 2025 amounted to €459.4 million, compared to €335.5 million in 2024.

Subcontracting costs increased by €72.8 million from €160.1 million in 2024 to €232.9 million in 2025 primarily driven by costs for early termination of collaboration programs and costs for the cell therapy programs in oncology. Depreciation and impairment costs in 2025 increased to €42.4 million, compared to €35.4 million in 2024, due to impairments on fixed assets related to small molecules programs. Personnel costs increased from €87.7 million in 2024 to €147.2 million in 2025 primarily due to severance costs. Lab consumables decreased by €7.1 million as part of it related to small molecule programs, while consultant fees decreased by €8.3 million.

S&M expenses amounted to €6.1 million in 2025, compared to €17.2 million in 2024, and decreased mainly due to the reversal in 2025 of a bad debt provision of €4.0 million recorded in 2024 for a disputed invoice.

G&A expenses amounted to €147.3 million in 2025, compared to €117.2 million in 2024. This cost increase was explained by an increase in personnel costs to €74.4 million in 2025 compared €52.6 million in 2024, due to higher severance costs. The increase in other operating expenses mainly related to higher professional services costs. The increase in depreciation and impairment from €8.7 million in 2024 to €13.0 million in 2025 is mainly due to the impairment of the contract costs.

Impairment of the cell therapy activities is a result of our previously announced strategic alternatives process for the cell therapy activities whereby we assessed the cell therapy activities associated assets' recoverable amount in accordance with IAS 36. The recoverable amount was estimated lower than the assets' carrying value. As a result, we recognized an impairment loss of €228.1 million, thereby aligning the cell therapy assets' book value with our strategic decision to wind down the cell therapy activities, which resulted in a full impairment of both the associated goodwill and intangible assets and a partial impairment of property, plant and equipment.

Other operating income (€53.5 million in 2025 compared to €40.8 million in 2024) increased due to the fair value adjustment of the contingent consideration payable to the former owners of CellPoint of €21.8 million, partly offset by lower grant and R&D incentives income.

Net financial income in 2025 amounted to €5.8 million, compared to net financial income of €185.3 million in 2024. Fair value adjustments and net currency exchange results amounted to a negative amount of €39.4 million in 2025, compared to fair value adjustments and net currency exchange gains in 2024 of €95.8 million. They were primarily attributable to €18.3 million of negative changes in fair value of current financial investments, and to €44.8 million of unrealized currency exchange losses on cash and cash equivalents and current financial investments at amortized cost in U.S. dollars, partly offset by a positive effect of €22.7 million as consequence of the settlement of a hedging instrument.

Net interest income amounted to €45.3 million in 2025 as compared to €88.5 million of net interest income in 2024 due to a decrease in the interest rates and a shift from investments in term deposits generating financial income to investments in money market funds generating fair value changes. Fair value gains and interest income derived from cash, cash equivalents and financial investments excluding any currency exchange results amounted to €103.0 million in 2025 (compared to €140.4 million in 2024).

We had €18.6 million of tax income in 2025 (as compared to €1.8 million tax income in 2024). The increase is mainly explained by the reversal of the deferred tax liabilities linked to capitalized intangible assets related to the cell therapy activities, as we recorded an impairment on these intangible assets. We did not incur a current tax liability in 2025 because the profit of the year is fully absorbed by current year tax deductions.

We reported a net profit from continuing operations in 2025 of €319.5 million, compared to a net loss from continuing operations of €1.3 million in 2024.

As a consequence of the sale of our Jyseleca® (filgotinib) business to Alfasigma, the revenues and costs related to Jyseleca® for the years 2025 and 2024 are presented separately from our results of the continuing operations on the line “Net profit from discontinued operations, net of tax” in **our consolidated income statement**. Net profit of discontinued operations attributable to the Jyseleca® business amounted to €1.4 million in 2025, compared to €75.4 million net profit of discontinued operations in 2024. The net result for discontinued operations included €11.7 million of R&D expenses primarily related to the final settlement of disputed expenses with Alfasigma, and €11.9 million of other operating income related to a fair value adjustment of the contingent consideration receivable from Alfasigma as a consequence of an adjusted sales forecast. The operating profit from discontinued operations in 2024, was mainly related to the gain on the sale of the Jyseleca® business to Alfasigma of €52.5 million.

We reported a net profit in 2025 of €320.9 million, compared to a net profit of €74.1 million in 2024.

Cash, Cash Equivalents and Financial Investments

Financial investments and cash and cash equivalents totaled €2,998.0 million on December 31, 2025 as compared to €3,317.8 million on December 31, 2024. The cash and cash equivalents and financial investments at December 31, 2025, included \$2,159.0 million held in U.S. dollars (\$726.9 million on December 31, 2024) which could generate foreign exchange gains or losses in the financial results in accordance with the fluctuation of the EUR/U.S. dollar exchange rate as our functional currency is EUR (translated at a rate of 1.175 €//\$ at December 31, 2025).

Total net decrease in cash and cash equivalents and financial investments amounted to €319.8 million in 2025, compared to a net decrease of €366.7 million in 2024. This net decrease was composed of (i) €189.1 million of operational cash burn including cash in of €111.7 million related to the return on financial investments, (ii) €128.3 million negative exchange rate differences, positive changes in fair value of current financial investments, and variation in accrued interest income, (iii) €20.0 million convertible loan issued to a third party, and (iv) €17.6 million of net cash in related to the sale/acquisition of subsidiaries.

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 decrease or increase in our cash and cash equivalents (excluding the effect of exchange rate differences on cash and cash equivalents), minus:

- the net proceeds, if any, from share capital and share premium increases included in the net cash flow generated from/used in (-) financing activities
- the net proceeds or cash used, if any, in acquisitions or disposals of businesses, the acquisition of financial assets held at fair value; the movement in restricted cash and the net purchase/sale of financial investments, if any, the loans and advances given to third parties, if any, included in the net cash flow generated from/used in (-) investing activities
- the cash used for other liabilities related to the acquisition or disposal of businesses, if any, included in the net cash flow 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 presents a reconciliation of operational cash burn, to the closest IFRS measures, for each of the periods indicated:

(thousands of €)	2025	2024
Increase/decrease (-) in cash and cash equivalents (excluding effect of exchange differences)	28,085	(104,353)
Less:		
Convertible loan issued to third party	20,000	-
Net sale of financial investments	(219,587)	(319,035)
Acquisition of equity investments held at fair value through other comprehensive income	-	36,880
Cash in (-)/cash out from the disposal of subsidiaries, net of cash disposed of	(19,431)	8,949
Cash used for other liabilities related to the acquisition of subsidiaries	1,792	-
Cash used for other liabilities related to the disposal of subsidiaries	-	3,598
Total operational cash burn	(189,141)	(373,961)

Financial Guidance

In connection with the wind-down of the cell therapy activities, we expect an operating cash outflow of up to €50 million in Q1 2026, as well as one-time restructuring cash impact of €125 to €175 million in 2026, a reduction of €25 million compared to the prior guidance of €150 million to €200 million. In addition, we anticipate cash costs of approximately €35 million to €40 million for final implementation of the restructuring announced in January 2025. Costs related to the ongoing TYK2 program, including completion of the Phase 2 clinical trials in DM and SLE, as well as ongoing support to advance the program toward Phase 3 development, are expected to be up to €40 million in 2026.

We expect to be cash flow neutral to positive by the end of 2026, excluding any business development activities or currency fluctuations. We anticipate we will have approximately €2.775 billion to €2.850 billion in cash and financial investments, at December 31, 2026, based on a constant EUR/U.S. dollar exchange rate of 1.175 €//\$ at December 31, 2025.

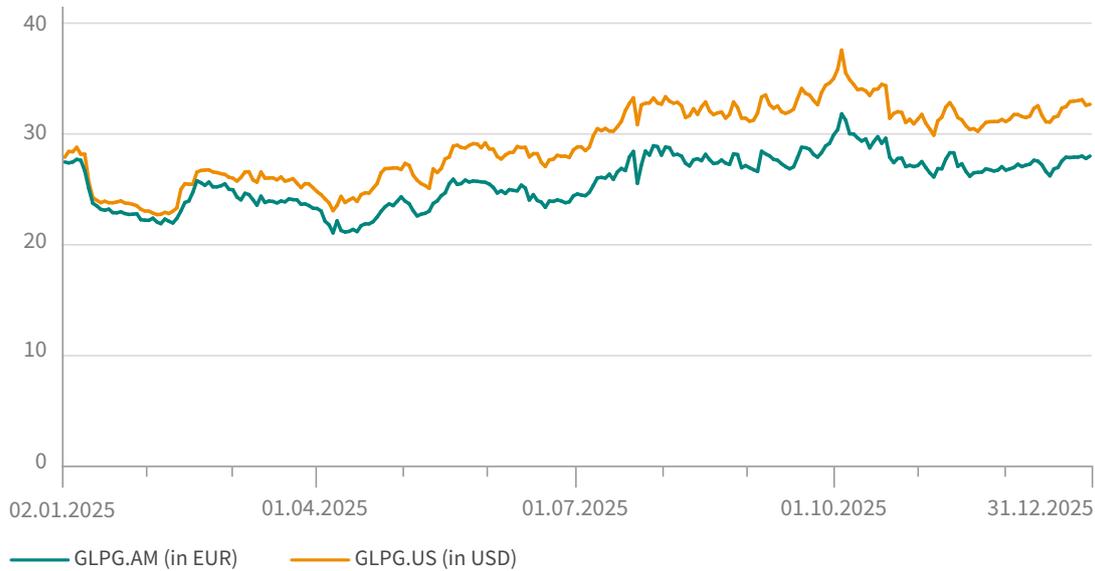
Going Concern Statement

The consolidated balance sheet shows €210.6 million accumulated result at December 31, 2025. We realized a consolidated net profit of €320.9 million for the year ended December 31, 2025. Our existing financial investments and cash and cash equivalents of €2,998.0 million at December 31, 2025 will enable us to fund our operating expenses and capital expenditure requirements for at least the next 12 months. The Board of Directors is also of the opinion that additional financing could be obtained, if required. Taking this into account, as well as the ongoing strategic redirection of the Company, the Board of Directors is of the opinion that it can submit the financial statements on a going concern basis. Whilst the financial investments and cash and cash equivalents are sufficient at least for the next 12 months, the Board of Directors points out that if the ongoing transformation evolves well, we may seek additional funding to be able to execute other business opportunities.

The Galapagos Shares in 2025

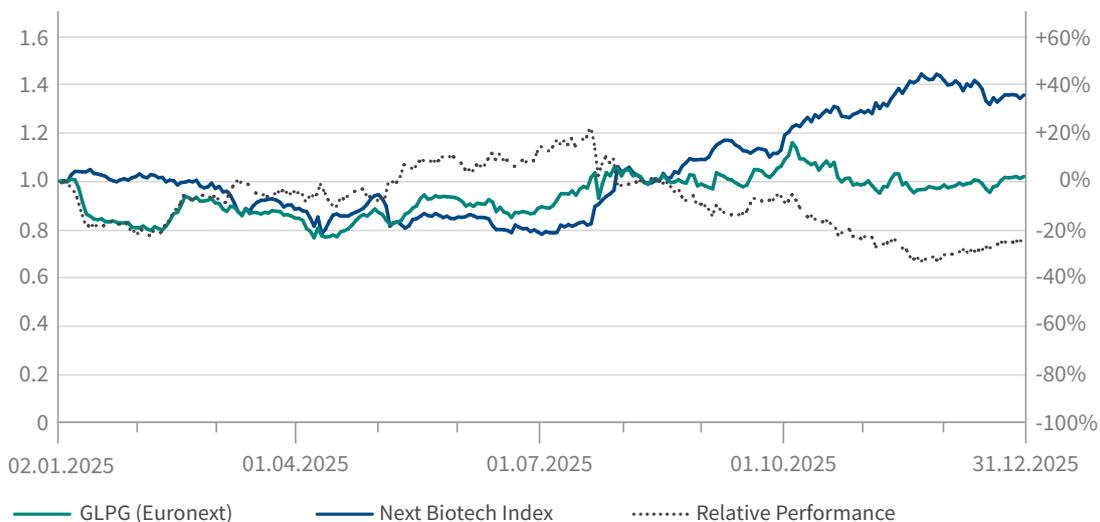
Galapagos NV (ticker: GLPG) has been listed on Euronext Amsterdam and Brussels since May 6, 2005 and on the Nasdaq Global Select Market since May 14, 2015. In 2025, Galapagos NV was part of the BEL Mid index (Brussels Midcap-index) on Euronext Brussels, the AMX Index (Amsterdam Midcap-index) on Euronext Amsterdam, and the NBI (Nasdaq Biotechnology Index) on Nasdaq in New York.

The Galapagos Share in 2025

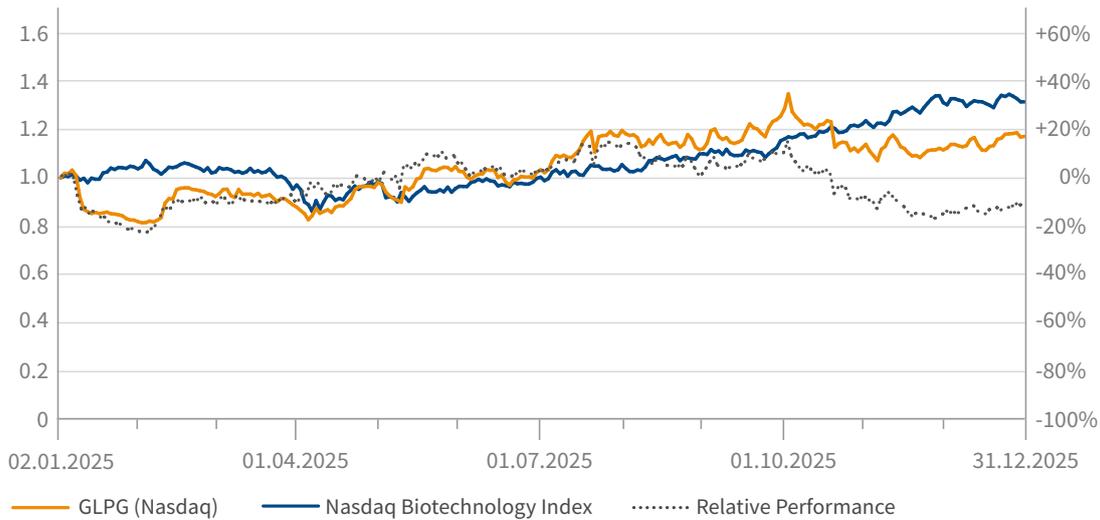


In 2025, the average daily trading volume on Euronext was 116,929 shares and €3.0 million turnover. The daily trading volume on Nasdaq in 2025 was 270,988 American Depositary Shares (ADSs) and \$7.7 million turnover.

Galapagos vs Next Biotech Index in 2025



Galapagos vs Nasdaq Biotechnology Index in 2025



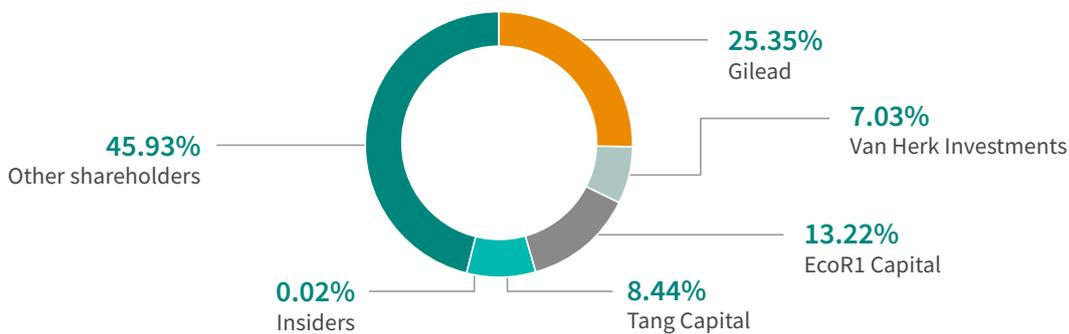
Investor Relations Activities

16 analysts cover the Galapagos stock.

Our IR team participated in 6 investor conferences in Europe and the U.S. in 2025. Several broker-organized and self-organized roadshows and (virtual) meetings were held throughout the U.S. and Europe, during which we held approximately 145 investor meetings. We organized webcasts to present our 2025 Full Year, and our 2025 Q1, and Q3 results.

The main topics of discussion with investors in 2025 included the Company's intention to separate into two publicly traded entities as announced at the beginning of 2025 and an update later in H1 2025 regarding the Company's decision to subsequently pursue all strategic alternatives for the cell therapy activities, oncology data presented at EHA, ICML and ASH and the FDA RMAT designation granted to GLPG5101, the Company's intent to wind down the cell therapy activities, immunology data presented at ACR, news related to leadership and Board appointments and departures, the strategic transformation and new strategic focus.

Our major shareholders as of December 31, 2025, are provided in the chart below:



A New Strategic Direction

We continuously evaluate our strategic direction to ensure that our resources are deployed where we can deliver meaningful value to patients and shareholders. We do this by leveraging our strengths in capital allocation and dealmaking to identify and advance clinical-stage opportunities with the potential to become meaningful medicines for patients with serious diseases.

At the start of 2025, we announced our intention to separate into two publicly listed entities. However, in May 2025, in light of regulatory and market developments, the Board of Directors re-evaluated the proposed separation and determined to evaluate all strategic alternatives for our cell therapy business, including a potential divestiture. Over the following months, a dedicated team, supported by external advisors, conducted a structured and comprehensive process to explore divestiture opportunities. Despite more than five months of intensive efforts, no viable proposals emerged that offered financing sufficient to support a sustainable future for the cell therapy business.

After reviewing all strategic alternatives and considering the substantial ongoing investment requirements, evolving market dynamics, competitive landscape, and implications for stakeholder value creation, the Board concluded that reallocating resources toward new business development opportunities represents the best path forward for us. Accordingly, in October 2025, the Board decided to pursue an intention to wind down our cell therapy activities. Following completion of consultations with works councils in Belgium and the Netherlands, implementation of the wind-down was initiated in January 2026. Exiting the cell therapy business reflects our commitment to defining a clear and sustainable path forward and focusing its efforts where it can create the greatest patient and shareholder value.

Since May 2025, under Henry Gosebruch's leadership, we have adopted an updated strategy built on a clear vision for our pipeline, enhanced business development capabilities, a lean operating model, disciplined capital stewardship, and a commitment to long-term value creation. This strategy positions us for a stronger and more sustainable future, focused on disciplined portfolio construction, effective risk diversification, and long-term value for patients and shareholders.

A Strong Foundation for Sustainable Growth

We enter 2026 with a robust financial position:

- As of December 31, 2025, approximately €3.0 billion in cash and cash equivalents, and financial investments, representing roughly €46 per share and generating significant interest income.
- Ongoing royalty streams and earn-outs from Jyseleca®, expected to continue into the mid-2030s.
- Tax credits and receivables providing additional cash inflows.
- Valuable assets, including equity stakes in private biotech companies and real estate holdings.

This strong foundation enables us to pursue transformative business development opportunities with agility and without the constraints of legacy infrastructure.

Current Strategic Priorities

Our strategy is anchored in five pillars:

1. Rebuild the Pipeline Through Business Development

We aim to partner or acquire differentiated, clinically de-risked programs with clear proof-of-concept and the potential to become meaningful medicines for patients. This approach is grounded in three core principles:

- Clinical de-risking: prioritizing assets supported by proof-of-concept data.
- Differentiation: selecting programs that deliver clear and meaningful advantages for patients.
- Disciplined valuation: applying rigorous commercial, competitive, scientific, and technical assessments to ensure sustainable value creation.

2. Focus on High-Potential Assets in Prioritized Therapeutic Areas

Our current priorities are oncology and immunology & inflammation (I&I), areas of significant unmet need and strategic alignment with our long-standing partner, Gilead. We are prioritizing assets with demonstrated clinical proof-of-concept to balance opportunity with disciplined risk management. We are evaluating a range of opportunities, including biologics, bispecific antibodies, antibody-drug conjugates, and small molecules, applying a modality-agnostic approach focused on operational feasibility, clinical proof-of-concept, and value creation for shareholders and patients.

3. Leverage Our Unique Partnership with Gilead

Our long-standing collaboration with Gilead is a key enabler of our business development-led strategy. As a major shareholder owning more than 25% of Galapagos, Gilead provides a flexible collaboration framework, the OLCA, that supports both internally developed and externally sourced opportunities. We believe that several of the original OLCA terms no longer reflect the strategic reality of today, even though the agreement itself remains in place. Together, we share a common view that alignment and adaptability are essential to maximizing value, and Gilead has expressed a willingness to evolve elements of this framework to support attractive, value-accretive transactions for all stakeholders. Beyond capital, Gilead brings deep technical, development, regulatory, and commercial expertise, enhancing our ability to evaluate and execute complex transactions and strengthening our credibility as a partner of choice. The partnership enables a range of transaction structures, from joint acquisitions or licenses to more complex strategic combinations, supporting disciplined capital deployment and sustainable value creation for patients and shareholders.

4. Apply Financial Discipline and Flexibility

We aim to deploy capital with rigor, maintain a balanced risk profile, and preserve flexibility to support late-stage development where potential impact is greatest. Our business development approach spans a range of transaction types, from licensing agreements to acquisitions, and is designed to manage risk at both the individual asset and portfolio levels. While recognizing the inherent uncertainty of drug development, we seek to maximize the likelihood of delivering meaningful medicines to patients through disciplined portfolio construction. We will pursue transactions thoughtfully and selectively, prioritizing opportunities that support sustainable growth and long-term shareholder value.

5. Maintain a Lean, Focused Organization

Following the wind-down of the cell therapy activities, we will operate as a lean organization headquartered in Mechelen, Belgium, with a streamlined team of approximately 35 to 40 professionals based in Mechelen, Chicago, and San Francisco, excluding the impact of any potential business development transactions. This structure enhances agility, strengthens decision-making, and positions us to move quickly in a competitive market.

Looking Ahead

Our transformation is well underway. We will deploy capital with discipline and focus, prioritizing value-accretive opportunities that align with our operational strengths and long-term ambitions. With a highly motivated new leadership team with unparalleled dealmaking experience, a strong balance sheet, and a clear strategic vision in place, we believe we are well positioned to build a pipeline capable of delivering meaningful medicines to patients.

While oncology and immunology & inflammation remain priority areas, we are open to other fields where our competitive strengths position us to create exceptional value for shareholders. Our longstanding partnership with Gilead provides a strategic advantage in sourcing, evaluating, and advancing these opportunities globally, including in emerging markets where innovation is accelerating.

This strategy is designed to unlock our full potential and deliver sustainable long-term value for patients, shareholders, and other stakeholders. To reflect this new direction, the Board proposes changing our name from Galapagos NV to Lakefront Biotherapeutics NV, subject to approval by shareholders at the upcoming EGM in April 2026.

The proposed new name and logo symbolize our commitment to our mission and our focus on breakthrough therapeutic innovation.

