

# Notes to the Consolidated Financial Statements

## 1. General Information

Galapagos NV is a limited liability company incorporated in Belgium and has its registered office at Generaal De Wittelaan L11 A3, 2800 Mechelen, Belgium. In the notes to the consolidated financial statements, references to “we”, “us,” “the group” or “Galapagos” include Galapagos NV together with its subsidiaries. We refer to **note 34** for a list of consolidated companies.

We are a biotechnology company built to bring medicines to patients with serious diseases in therapeutic areas of unmet need.

The components of the result presented in the financial statements include the results of the companies mentioned in **note 34** Consolidated companies as of December 31, 2025.

Our operations had 452 employees on December 31, 2025 (as compared to 704 employees on December 31, 2024) mainly working in our operating facilities in Mechelen (the Belgian headquarters), the Netherlands, Switzerland and the United States. During 2025, a restructuring of the small molecule discovery activities and a restructuring of the cell therapy activities was announced, which have a significant impact on our operations. We refer to note 2 for further details on the two restructurings.

## 2. Summary of Significant Transactions

### Strategic reorganization

On January 8, 2025, we announced a planned separation into two publicly traded entities and our plans to discontinue our small molecule discovery programs and seek potential partners to take over our small molecules’ assets. This led to a reduction of approximately 300 positions across the organization in Europe, representing 40% of our employees, mainly in Belgium and France. Our site in France was closed.

On May 13, 2025, we announced that, although we had made significant progress in reorganizing our business towards the separation, following regulatory and market developments, our Board of Directors had decided to re-evaluate the previously proposed separation and explore all strategic alternatives for our cell therapy activities, with a focus on maximizing resources available for transformative business development transactions.

During 2025 we incurred costs for this strategic reorganization related to the small molecules activities and intended separation, for €124.8 million. This 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 service costs of €14.8 million, €4.6 million additional accelerated non-cash cost recognition for subscription right plans related to good leavers and €2.1 million other operating expenses.

### Wind-down of the cell therapy activities

On October 21, 2025, we announced our intention to wind down our cell therapy activities following a comprehensive strategic review and sale process, including an exploration of potential divestment options. Following completion of the works councils in Belgium and the Netherlands, the Board of Directors announced on January 5, 2026, the decision to initiate the wind-down of the cell therapy activities.

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). We will maintain a dedicated presence at our headquarters in Mechelen, Belgium, as well as hubs in Chicago and San Francisco in the U.S.. The remaining Galapagos NV organization will be repositioned for long-term growth through transformational business development. We will continue to manage non-cell therapy activities.

As a result of the intention to wind down, the cell therapy activities associated assets' recoverable amount was estimated lower than the assets' carrying value, resulting in an impairment loss of €228.1 million for the associated goodwill and intangible assets and a partial impairment for property, plant and equipment. We also recorded severance costs of €33.3 million, €16.3 million costs for early termination of collaborations, professional service costs of €10.1 million, €1.5 million additional accelerated non-cash cost recognition for subscription right plans related to good leavers and €7.5 million other operating expenses. We also recognized a fair value gain of €21.8 million on the contingent consideration payable related to the acquisition of CellPoint. This amount was recorded in the line "Other operating income" in the consolidated income statement. Total pre-tax effect of the wind-down thus added to €275.0 million.

Finally, we recorded a deferred tax income of €19.3 million from the release in profit or loss of the net deferred tax liabilities related to the accounting of the acquisitions of CellPoint and AboundBio.

## Gilead collaboration agreement

On July 14, 2019, we and Gilead announced that we entered a ten-year global R&D collaboration. Through this agreement, Gilead gained exclusive access to our innovative portfolio of compounds, including clinical and preclinical programs and a proven drug discovery platform. At inception of this collaboration in 2019, we received an upfront payment of €3,569.8 million (\$3.95 billion) and a €960.1 million (\$1.1 billion) equity investment from Gilead.

We identified the following three performance obligations as part of this collaboration: (i) the transfer of an extended license on ziritaxestat (GLPG1690), (ii) the granting of exclusive access to our drug discovery platform (i.e., the IP, technology, expertise and capabilities) during the collaboration period and exclusive option rights on our current and future clinical programs after Phase 2 (or, in certain circumstances, the first Phase 3 study) outside Europe and (iii) an increased cost share from 20/80 to 50/50 on the global development activities of filgotinib, as a result of the revised license and collaboration agreement.

The first performance obligation (i) was completely satisfied in 2019 and the third performance obligation (iii) was transferred to Alfasigma on January 31, 2024, when we closed the transaction for the transfer of the Jyseleca® business to Alfasigma and the (amended and restated) collaboration agreement relating to filgotinib was assigned to Alfasigma as a consequence thereof. As per December 31, 2024, only the performance obligation (ii) related to the grant of exclusive access to our drug discovery platform (i.e., the IP, technology, expertise and capabilities) during the collaboration period and exclusive option rights on our current and future clinical programs after Phase 2 (or, in certain circumstances, the first Phase 3 study) outside Europe was retained.

On January 8, 2025, we announced an intended separation into two entities, in which we would spin out a newly incorporated company Spinco (to be named at a later date) incorporated on February 14, 2025, which would focus on building a pipeline of innovative medicines through transformational transactions. We would continue to advance our global cell therapy leadership in addressing high unmet medical needs in oncology. In the framework of the separation, we and Gilead had agreed to amend the existing arrangements between us.

## OLCA

Under the OLCA, we would continue to lead and fund all R&D activities of our programs autonomously until the end of the relevant Phase 2 clinical trials. After the completion of a qualifying Phase 2 study (or, in certain circumstances, the first Phase 3 study), Gilead would have the option to acquire an exclusive commercial license to that program in all countries outside of Europe. If an option would be exercised, Gilead and we would co-develop the compound and share costs equally. Gilead would maintain option rights to our programs through the ten-year term of the collaboration. For all programs resulting from the collaboration (other than GLPG1972 and GLPG1690), Gilead would make a \$150 million opt-in payment per program and would owe no subsequent milestones. We would receive tiered royalties ranging from 20 – 24% on net sales of all our products licensed by Gilead in countries outside of Europe as part of the agreement. For GLPG1972, Gilead declined to exercise its option under the collaboration agreement in November 2020. In February 2021, the development of GLPG1690 (ziritaxestat) was discontinued.

In January 2025, we agreed with Gilead in the framework of the intended separation, that we would assign the OLCA to the newly formed SpinCo as of the effective date of the separation. As of the separation, we would be released from

the collaboration and would have full global development and commercialization rights to our pipeline, which would no longer be subject to Gilead's opt-in rights under the OLCA, subject to payment of single digit royalties to Gilead on net sales of certain products. The applicable royalty rates would be subject to customary step-downs and adjustments, such as reductions where there is no patent protection, no regulatory exclusivity, or in the presence of generic competition. The royalty term would continue until the later of the expiration of our last patent covering the product, the expiration of regulatory exclusivity, or twenty years after the separation date.

In the framework of this intended separation, Gilead agreed to waive its rights under the OLCA with respect to all of our and our affiliates' small molecule R&D activities and programs ("Small Molecules Waiver"). This waiver allows us to wind down, license, divest, partner, or take other similar actions ("Permitted Transaction/Action") in respect of the small molecule programs without Gilead's consent or veto. Gilead would not receive any royalties, proceeds, payments, or other considerations arising from these actions.

In May 2025, following regulatory and market developments, we re-evaluated the proposed separation and determined to evaluate all strategic alternatives for the cell therapy activities. To facilitate this process, we and Gilead entered into a cell therapy royalty and waiver agreement in July 2025, pursuant to which Gilead agreed to waive its rights under the OLCA with respect to all of our cell therapy R&D activities and programs. As a result, our cell therapy activities are no longer subject to Gilead's opt-in rights under the OLCA, subject to payment of (i) a single digit percentage payment on revenues derived from the divestment of our cell therapy programs and (ii) single digit royalties to Gilead on net sales of certain products, in each case subject to customary reductions and adjustments. This waiver allows us to wind down, license, divest, partner, or take other similar actions in respect of the cell therapy programs without Gilead's consent or veto. We ultimately determined not to pursue the proposed separation. As described above, on October 21, 2025, we announced the intention to wind down the cell therapy activities. This decision was subject to the conclusion of consultations with the works councils in Belgium and the Netherlands, which were completed on January 5, 2026. As a result, the Board of Directors announced the decision to initiate the wind-down of the cell therapy activities.

Following the 2025 OLCA amendments and other events as described above, the remaining contract liability relating to the OLCA access and option right of Gilead to our drug discovery platform amounting to €1,069.0 million at December 31, 2024 was derecognized and released as revenue in 2025. In that respect, we refer to note 4 "Critical judgements in applying accounting policies".

### Revised filgotinib collaboration

Since the revised agreement of December 2020, we assumed all development, manufacturing, commercialization and certain other rights for filgotinib in Europe. Since January 1, 2021, we bear the full future development costs for certain studies (defined as "Group A activities"), in lieu of the equal cost split contemplated by the previous agreement. The 50/50 global development cost sharing arrangement continued for certain other studies. All commercial economics on filgotinib in Europe were transferred to us as of January 1, 2022, subject to payment of tiered royalties of 8% to 15% of net sales in Europe to Gilead, starting in 2024. In connection with all the amendments to the existing arrangement for the commercialization and development of filgotinib, Gilead paid us €172.6 million in total in previous years.

Since the amendment of December 2020, we are also no longer eligible to receive any future milestone payments relating to filgotinib in Europe. Other terms of the original license agreement remained in effect.

On October 30, 2023, we and Gilead agreed to amend the Filgotinib Agreement by terminating the existing 50/50 global development cost sharing arrangement with us bearing the costs going forward, and to terminate our obligation to pay tiered royalties to Gilead on net sales of Jyseleca® in Europe, in addition to other amendments.

Effective January 31, 2024, following the closing of the transaction between us and Alfasigma for the transfer of the Jyseleca® business, we assigned our rights and obligations under the filgotinib collaboration to Alfasigma, except for our right to receive royalties from Gilead on net sales in the Gilead Territory under a separate agreement between Gilead and us entered into in October 2023.

Gilead remains responsible for commercial activities outside of Europe.

## Terms of the Gilead equity investment

As part of the R&D collaboration of 2019 Gilead also entered into a share subscription agreement with us. As a result of the equity subscription we received a transparency notification from Gilead on August 28, 2019 confirming they held 22.04% of the then issued and outstanding shares of Galapagos.

By exercising Warrant A on November 6, 2019, Gilead increased its ownership in us to 25.10% of the then outstanding shares. Gilead further increased its ownership to 25.84% at December 31, 2019. Gilead's ownership then diluted to 25.35% at December 31, 2023 and at December 31, 2024, and at December 31, 2025, due to one capital increase resulting from the exercise of subscription rights under employee subscription right plans in the course of 2023.

In addition, subsequent Warrant B was approved by the EGM of April 30, 2024 allowing Gilead to further increase its ownership of Galapagos to up to 29.9% of the Company's issued and outstanding shares. The subsequent Warrant B has a term of five years and an exercise price per share equal to the greater of (i) 120% multiplied by the arithmetic mean of the 30-day daily volume weighted average trading price of Galapagos' shares as traded on Euronext Brussels and Euronext Amsterdam, and (ii) €140.59, and will expire on August 23, 2029. On December 31, 2025 the value of the subsequent Warrant B amounted to €0.01 million.

## Evolution of the total transaction price for the Gilead collaboration

The transaction price is composed of a fixed part, being non-refundable upfront and license fees and a variable part, being milestone payments, sales-based milestones and sales-based royalties, and cost reimbursements for R&D activities delivered. Milestone payments are included in the transaction price of the arrangement to the extent that it is highly probable that a significant reversal of revenue will not occur. Milestone payments received from Gilead are recognized in revenue over time until the end of the development plan. Sales-based milestones and sales-based royalties are also part of the arrangement and are recognized as revenues at a point in time at the moment they occur.

The €4.0 billion upfront consideration per December 31, 2025 originates from our initial filgotinib collaboration with Gilead from 2015 (€275.6 million), €3.6 billion from the initial allocation of the total upfront consideration received through the 2019 collaboration (see beginning of this section) and €172.6 million resulting from amendments to our filgotinib collaboration in 2020 (€160.0 million) and to the DIVERSITY study in 2021 (€12.6 million).

The table below summarizes the changes in the transaction price during 2025 of our collaboration with Gilead:

(thousands of €)	December 31, 2024	Other movements in 2025	December 31, 2025
Upfront consideration	4,018,016		4,018,016
Milestones achieved	212,601		212,601
Royalties	50,780	12,177	62,957
Impact initial valuation of share subscription agreement	124,604		124,604
	<b>4,406,001</b>	<b>12,177</b>	<b>4,418,178</b>
Less:			
Warrant issuance liabilities			
Warrant A	(43,311)		(43,311)
Initial Warrant B	(2,545)		(2,545)
Subsequent Warrant B	(9)		(9)
	<b>4,360,136</b>	<b>12,177</b>	<b>4,372,313</b>
Allocation to performance obligations			
Ziritaxestat (terminated)	666,967		666,967
Filgotinib (discontinued operations) <sup>(1)</sup>	1,392,248	12,177	1,404,425
Drug discovery platform	2,300,921		2,300,921

<sup>(1)</sup> With regard to the additional consideration received as a result of the OLCA (July 14, 2019) allocated to the filgotinib performance obligation, we assumed the existence of a significant financing component estimated to €44.5 million as of December 31, 2019 reflecting the time value of money on the estimated recognition period. This financing component was reassessed to €39.3 million on January 31, 2024, the date of the transfer of the contract to Alfasigma.

Other movements in 2025 related to the recognition in revenue of the Gilead royalties on Jyseleca®.

## Transfer of Assets and Financing Agreement with Onco3R Therapeutics BV

In April 2025, we and Onco3R Therapeutics (Onco3R) signed an agreement under which multiple small molecule immunology and oncology assets, including Phase 1-ready SIK3 inhibitor, have been sold to Onco3R. Under the terms of the agreement, we participated in Onco3R's start-up capital via a convertible loan facility of €20 million, which could convert during a future equity financing round.

Onco3R is committed to using commercially reasonable efforts to develop and commercialize the SIK asset.

This convertible loan facility is presented in the line "Convertible loan" in our **statement of financial position** and is measured at fair value through profit or loss. As per December 31, 2025, the fair value change recognized is related to the capitalized interest.

In exchange for the transfer of these assets, we are entitled to an additional contingent consideration. The contingent consideration is recognized as a financial asset recognized at fair value through profit or loss. On December 31, 2025, the fair value is valued by management at zero, based on the very-early stage of the transferred assets. The fair values are reviewed at each reporting date and any changes are reflected in our consolidated income statement. An impairment loss was already recorded for assets transferred to Onco3R Therapeutics (€1.7 million) at March 31, 2025.

### 3. Material Accounting Policies

Our material accounting policies are summarized below.

#### Basis of preparation and going concern assumption

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards). The consolidated financial statements provide a general overview of our activities and the results achieved. They give a true and fair view of our financial position, our financial performance and cash flows, on a going concern basis.

The consolidated financial statements are presented in Euros, which is also our functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

The consolidated financial statements have been prepared on a historical cost basis, except for the following items:

- Financial instruments – fair value through profit or loss
- Financial instruments – fair value through other comprehensive income
- Contingent consideration
- Net defined benefit liability
- Cash settled share-based payment liabilities

#### New standards and interpretations applicable for the annual period beginning on January 1, 2025

New standards and interpretations applicable for the annual period beginning on January 1, 2025 did not have a material impact on our consolidated financial statements.

#### Standards and interpretations published, but not yet applicable for the annual period beginning on January 1, 2025

A number of new standards are effective for annual periods beginning on or after January 1, 2026 with earlier adoption permitted. However, we have not early adopted new or amended standards in preparing our consolidated financial statements. We are currently still assessing the impact of these new accounting standards and amendments that are not yet effective but we expect no standard to have a material impact on our financial statements in the period of initial application, except for the effect of IFRS 18 as mentioned below.

The following amendments are effective for the period beginning January 1, 2026:

- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments
- Annual Improvements: Volume 11
- Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity

The following amendments are effective for the period beginning January 1, 2027:

- IFRS 18: Presentation and Disclosure in Financial Statements
- IFRS 19: Subsidiaries without Public Accountability: Disclosures

We are currently assessing the effect of these new accounting standards and amendments.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the income statement, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the income statement into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

We are currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Although the adoption of IFRS 18 will have no impact on our net result, the following changes are likely to be reflected:

- Profit/loss before financing and income tax will be introduced as a new subtotal in the income statement.
- Interest income and fair value changes on loans granted will be removed from financial result and classified as part of the investing category
- Interest income and fair value changes on cash and cash equivalents and financial investments will be removed from financial result and classified as part of the investing category
- Foreign exchange differences will be classified in the category where the related income and expense form the item giving rise to the foreign exchange difference. That means that foreign exchange differences on current financial investments and cash and cash equivalents will have to be classified from financial to investing category.

Changes to the cash flow statement

- Interest received currently classified as part of operating cash flows will have to be presented as part of investing cash flows
- Interest paid currently classified as part of operating cash flows will have to be presented as part of financing cash flows

IFRS 19 does not apply to Galapagos NV as it is a parent company.

## Business combinations

Business combinations are accounted for using the acquisition method. In the statement of financial position, all identifiable assets, liabilities and contingent liabilities are initially recognized at their fair value at the acquisition date. The results of acquired operations are included in our consolidated income statement from the date on which control is obtained. Any contingent consideration to be transferred by us will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in our consolidated income statement. The excess of the fair value of the total purchase consideration transferred over the fair value of the acquired assets and assumed liabilities is recognized as goodwill. The valuations in support of fair value determinations are based on information available at the acquisition date. Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by us in relation to businesses acquired are linked to milestone payments and are initially recognized at fair value as a financial liability. They are adjusted for the probability of their likelihood of payment and are appropriately discounted to reflect the impact of time.

Changes in the fair value of these contingent consideration liabilities in subsequent periods are recognized in our consolidated income statement on the line "other operating income/expense". The effect of unwinding the discount over time is recognized on the line "other financial expenses".

Contingent amounts payable or paid by us to former shareholders of acquired companies, who continue to be employed by us, but which would be automatically forfeited (or become repayable) upon termination of employment before a specific date, are classified as remuneration for post-combination services in our consolidated income statement. These cash-settled contingent amounts are recognized in accordance with IAS 19 and are recorded in the balance sheet on the lines “other (non-) current assets” and “other non-current/trade and other liabilities” depending on the timing of the payment by us.

## Goodwill

Goodwill is initially measured as the excess of the total purchase consideration transferred and the fair value of the acquired assets and assumed liabilities. Subsequently, goodwill is stated at cost less impairments.

As goodwill is considered to have an indefinite life, it is tested for impairment at least once a year (at each year-end), and whenever there is an indication that it may be impaired, by comparing its carrying amount with its recoverable amount.

Any impairment costs are recorded in our **consolidated income statement** on the line “Impairment of the cell therapy activities”.

## Intangible assets other than goodwill

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally generated intangible asset arising from our development activities is recognized only if all of the following conditions are met:

- Technically feasible to complete the intangible asset so that it will be available for use or sale
- We have the intention to complete the intangible assets and use or sell it
- We have the ability to use or sell the intangible assets
- The intangible asset will generate probable future economic benefits, or indicate the existence of a market
- Adequate technical, financial and other resources to complete the development are available
- We are able to measure reliably the expenditure attributable to the intangible asset during its development.

### (i) Internally generated intangible assets

The amount capitalized as internally generated intangible assets is the sum of the development costs incurred as of the date that the asset meets the conditions described above. Because of risks and uncertainties inherent to the regulatory authorizations and to the development process itself, management estimates that the conditions for capitalization are not met until we obtain regulatory approval from the competent authorities.

Currently we recognize all development costs as an expense in the period in which they are incurred, even for approved products because they do not generate separately identifiable incremental future economic benefits that can be reliably measured.

### (ii) Licenses, rights, technology and in-process R&D

Acquired in-process R&D obtained through in-licensing agreements, business combinations, collaboration agreements or separate acquisitions are capitalized as an intangible asset provided that they are separately identifiable, controlled by us and expected to provide economic benefits. As the probability criterion in IAS 38 is always considered to be satisfied for separately acquired R&D assets, upfront and milestone payments to third parties for products or compounds for which regulatory approval has not yet been obtained are recognized as intangible assets. We consider such intangible assets as not yet available for use until the moment that the underlying asset is approved and commercially launched. Amortization will commence when the underlying asset is approved for commercialization and the asset will be amortized over its useful life.

Intangible assets may also consist of upfront fees paid to third party institutions in exchange for an option to negotiate a license to any of the third party's rights in technology resulting from the collaboration. The upfront fee paid in exchange for this option is capitalized as intangible asset and amortized over the expected duration of the option.

Exclusivity contracts and technology acquired through business combinations are valued independently as part of the fair value of the businesses acquired and are amortized over their estimated useful lives. The estimated useful life is based on the lower of the contract life or the economic useful life.

In the event an asset has an indefinite life, this fact is disclosed along with the reasons for being deemed to have an indefinite life. Intangible assets with an indefinite useful life and intangible assets which are not yet available for use are tested for impairment annually, and whenever there is an indication that the asset might be impaired.

### **(iii) Software and databases**

Acquired software is recognized at cost less accumulated amortization and any impairment loss. Amortization is recognized so as to write off the cost of assets over their useful lives (generally between 3 and 5 years), using the straight-line method.

### **(iv) Contract costs**

Contract costs only include success fees that were capitalized in relation to the Gilead agreement of 2019. These costs are amortized on a straight-line basis over a period of 10 years, reflecting the term of our collaboration with Gilead.

We review at each balance sheet date the carrying amount of our intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, we estimate the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

## **Property, plant and equipment**

Property, plant and equipment are recognized at cost less accumulated depreciation and any impairment loss.

Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is recognized so as to write off the cost of assets over their useful lives, using the straight-line method, on the following basis:

- Buildings: 33 years
- Installation & machinery: 3 – 15 years
- Furniture, fixtures & vehicles: 4 – 10 years

Land is not depreciated. Leasehold improvements are depreciated over 3 – 10 years, being the term of the lease, unless a shorter useful life is expected.

The other tangible assets category mainly consists of assets under construction. Assets under construction are not depreciated.

Any gain or loss incurred at the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit or loss.

We review at each balance sheet date the carrying amount of our property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

## Leases

All leases are accounted for by recognizing a right-of-use asset and a corresponding lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate. Our lease payments generally only include fixed payments and extension option payments if we are reasonably certain to exercise this option.

After initial recognition, the lease liability is measured at amortized cost using the discount rate determined at commencement and will be re-measured (with a corresponding adjustment to the related right-of-use asset) when there is a change in future lease payments, generally in case of reassessment of options.

At the commencement date, the right-of-use assets are measured at cost, comprising the amount of the initial lease liability, less any lease incentives received from the lessors.

After initial recognition, the right-of-use assets are measured at cost and depreciated based on the lower of their useful economic life or the contractual lease term on a straight-line basis. The right-of-use assets will be adjusted for any re-measurements of the lease liability as a result of lease modifications. The right-of-use assets are subject to impairment testing if there is an indicator for impairment, as for property, plant and equipment. The right-of-use assets are presented in the statement of financial position under the caption "Property, plant and equipment" and the lease liabilities are presented as current and non-current lease liabilities.

## Inventories

Inventories consist of raw materials, semi-finished products and finished products. These inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, conversion costs and transportation costs, and is determined using the FIFO-method.

## Financial instruments

Financial assets and financial liabilities are recognized on our balance sheet when we become a party to the contractual provisions of the instrument.

### (i) Financial assets

Financial assets are initially recognized either at fair value or at their transaction price. All recognized financial assets are subsequently measured at either amortized cost or fair value under IFRS 9 on the basis of both our business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

- a financial asset that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding is measured at amortized cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option;
- a financial asset that (i) is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, is measured at fair value through other comprehensive income (FVTOCI), unless the asset is designated at FVTPL under the fair value option;
- all other financial assets are measured at FVTPL.

A financial asset is classified as current when the cash flows expected to flow from the instrument mature within one year.

We derecognize a financial asset when the contractual rights to the cash flows from the asset expire, or we transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

## **(a) Financial assets at fair value through other comprehensive income**

### **Equity instruments**

Until December 31, 2023, equity investments were classified as fair value through profit or loss (FVPL), unless we made an irrevocable election at initial recognition for certain non-current equity investments to present changes in Other comprehensive income (FVOCI).

As from January 1, 2024, because of our ongoing business transformation post Jyseleca® divestiture, we changed the classification of our equity investments. All our existing strategic equity investments have been measured at fair value through other comprehensive income rather than through profit or loss in 2024 and 2025. This election is irrevocable and there is no subsequent reclassification of fair value of gains and losses to profit or loss following the derecognition of the investments in the future.

The fair value of listed investments is based upon the closing price of such securities on Euronext at each reporting date. If the fair value is not readily available, the fair value is estimated by management based on the cost of investment and adjusted as necessary for impairment and revaluations with reference to relevant available information and recent financing rounds.

## **(b) Financial assets at fair value through profit or loss**

### **Financial investments**

Financial investments include financial assets measured at fair value through profit or loss and may comprise short term bond funds that have a maturity equal or less than 12 months, and money market funds.

Financial investments are designated at fair value through profit or loss if we manage such investments and make purchase and sale decisions based on their fair value in accordance with the investment strategy. Attributable transaction costs are recognized in profit or loss as incurred. Financial investments at fair value through profit or loss are measured at fair value, and changes therein, which take into account any dividend income, are recognized in profit or loss.

### **Convertible loan**

Convertible loan is classified as a financial asset in accordance with IAS 32, as it represents a contractual right to receive equity instruments of another entity. In accordance with IFRS 9, the convertible loan is measured at fair value through profit or loss, as the convertible loan does not meet the criteria for measurement at amortized cost or at fair value through other comprehensive income, as described above. At conversion, the number of shares to be received shall vary depending on future financing rounds and corresponding subscription prices. After initial recognition, changes in the fair value shall be recognized in the income statement.

## **(c) Financial assets at amortized cost**

### **Receivables**

Receivables are designated as financial assets measured at amortized cost. They are initially measured either at fair value or at transaction price, in the absence of a significant financing component.

All receivables are subsequently measured in the balance sheet at amortized cost, which generally corresponds to nominal value less expected credit loss provision.

Receivables mainly comprise trade and other receivables and current/non-current R&D incentives receivables.

The R&D incentives receivables relate to refunds resulting from R&D incentives on R&D expenses in France and Belgium. This is a grant receivable that is based on annual declarations and is only refunded in case it cannot be offset by a tax payable.

R&D incentives receivables are discounted over the period until maturity date according to the appropriate discount rates. We refer to the accounting policy on grants and R&D incentives.

### **Non-current and current financial investments measured at amortized cost**

Non-current financial investments measured at amortized cost include term deposits with maturities exceeding twelve months from the acquisition date.

Current financial investments and escrow accounts measured at amortized cost include treasury bills that have a maturity equal to or less than twelve months and term deposits with maturities exceeding three months however equal to or less than twelve months from the acquisition date. We apply settlement date accounting for the recognition and de-recognition of financial investments measured at amortized cost.

### **Cash and cash equivalents measured at amortized cost**

Cash and cash equivalents measured at amortized cost mainly comprise of notice accounts and term deposits that are readily convertible to cash within three months or less, that are subject to an insignificant risk of changes in their value and that are held for the purpose of meeting short-term cash commitments.

Cash and cash equivalents exclude restricted cash, which is presented in the line “other non-current assets” in the statement of financial position.

### **Impairment**

The impairment loss of a financial asset measured at amortized cost is calculated based on the expected loss model.

For trade receivables, in the absence of a significant financing component, the loss allowance is measured at an amount equal to lifetime expected credit losses. Those are the expected credit losses that result from all possible default events over the expected life of those trade receivables.

Impairment losses are recognized in the consolidated income statement.

### **(iii) Financial liabilities**

Financial liabilities are initially measured either at fair value or at their transaction price. Subsequent to initial recognition, financial liabilities are measured at amortized cost or at fair value.

Financial liabilities measured at amortized cost mainly comprise trade and other liabilities.

Trade and other liabilities are comprised of liabilities that are due less than one year from the balance sheet date and are in general not interest bearing and settled on an ongoing basis during the financial year. They also include accrued expenses related to our R&D project costs.

We derecognize a financial liability when our contractual obligations are discharged, cancelled or expire.

Financial liabilities measured at fair value through profit or loss comprise the contingent consideration related to the CellPoint milestones. We refer to note 4 for more details.

### **Taxation**

Income tax in the profit or loss accounts represents the sum of the current tax and deferred tax.

Current tax is the expected tax payable on the taxable profit of the year. The taxable profit of the year differs from the profit as reported in the financial statements as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Our liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability-method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. As such, a deferred tax asset for the carry forward of unused tax losses will be recognized to the extent that it is probable that future taxable profits will be available.

## Revenue recognition

Revenues to date have consisted principally of collaboration revenues, which consist of milestones, license fees, non-refundable upfront fees and royalties received in connection with collaboration and license agreements. Starting in 2021, we also have commercial revenues from the sales of Jyseleca, which are reported as “Product net sales” on the discontinued operations line in our consolidated income statement.

The revenue recognition policies can be summarized as follows: we recognize revenue when our customer obtains control of promised goods or services, in an amount that reflects the consideration that we expect to receive in exchange for those goods or services. To determine revenue recognition for agreements that we determine are within the scope of IFRS 15, we perform the following five steps:

## Collaboration revenues

### (i) identify the contract

In our agreements with customers we are mainly transferring licenses on our IP and in some cases this is combined with access rights and/or providing R&D services and/or cost sharing mechanisms. In some cases our collaborations also include an equity subscription component. If this is the case, we analyze if the criteria to combine contracts, as set out by IFRS 15, are met.

### (ii) identify the performance obligations in the contract

Depending on the type of the agreement, there can be one or more distinct performance obligations under IFRS 15. This is based on an assessment of whether the promises in an agreement are capable of being distinct and are distinct from the other promises to transfer goods and/or services in the context of the contract. For some of our agreements, we combine the transfer of the license with the performance of R&D activities because we consider that the license is not capable of being distinct and is not distinct in the context of the contract.

### (iii) determine the transaction price

Collaboration and license agreements with our commercial partners for R&D activities generally include non-refundable upfront fees; milestone payments, the receipt of which is dependent upon the achievement of certain clinical, regulatory or commercial milestones; license fees, royalties on sales and sometimes reimbursement income or profits sharing arrangements.

#### (a) License fees or upfront payments

If the license to our intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, we recognize revenues from non-refundable upfront fees allocated to the license at the point in time the license is transferred to the customer and the customer has the right to use the license.

For licenses that are bundled with other promises, we utilize judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time. If the

performance obligation is satisfied over time, revenue is recognized based on a pattern that best reflects the transfer of control of the service to the customer.

### **(b) Milestone payments other than sales-based milestones**

A milestone payment is only included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Where milestone payments are included in the transaction price, we estimate the amount to be included in the transaction price using the most likely amount method. The transaction price is allocated to each performance obligation on a stand-alone selling price basis. We recognize revenue as or when the performance obligations under the contract are satisfied. At the end of each subsequent reporting period, we re-evaluate the probability of achievement of relevant milestones and any related constraint. If necessary we adjust our estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect revenue and earnings in the period of adjustment.

### **(c) Reimbursement income for R&D services**

Collaboration and license agreements may include reimbursement or cost sharing for R&D services: such as outsourcing costs and payment for full-time equivalents at contractual rates. R&D services are performed and satisfied over time given that the customer simultaneously receives and consumes the benefits provided by us.

Such costs reimbursements received are recognized in revenues when costs are incurred and agreed by the parties when we are acting as a principal in the scope of our stake of the R&D activities. If the later condition is not fulfilled, costs reimbursements are accounted for as a decrease of the related expenses.

### **(d) Sales based milestone payments and royalties**

License and collaboration agreements include sales-based royalties, including commercial milestone payments based on the level of sales, and the license has been deemed to be the predominant item to which the royalties relate. Related revenue is recognized as the subsequent underlying sales occur.

### **(iv) allocate the transaction price to the performance obligations in the contract**

We allocate the transaction price to each performance obligation identified in the contract based upon stand-alone selling price. The stand-alone selling price of each performance obligation is estimated by using one of the following methods: adjusted market assessment approach, the expected cost plus a margin approach or the residual approach. If management assesses that there is only one single performance obligation, the entire transaction price would be allocated to this performance obligation.

### **(v) recognize revenue when (or as) the entity satisfies a performance obligation**

Revenue is recognized when our customer obtains control of the goods and/or services foreseen in the contracts. The control can be transferred over time or at a point in time – which results in recognition of revenue over time or at a point in time.

In case of revenue recognition over time, we use an input model that considers estimates of the percentage of total R&D costs that are completed each period compared to the total estimated costs (percentage of completion method) to measure the progress of the satisfaction of the underlying performance obligation (which is the applied method for the filgotinib performance obligation). In other cases, depending on specific circumstances, we recognize revenue on a straight-line basis over the estimated term of the performance obligation (which is the applied method for the performance obligation related to our drug discovery platform).

## **Supply revenues**

After completion of the sale of the Jyseleca® business we started to recognize sales of Jyseleca® inventories to Alfasigma as supply revenues, as part of our continuing operations. These supply revenues are recognized at the point in time when the control of inventory items transfers to Alfasigma.

## Product net sales

Revenue on the sale of Jyseleca® is recorded as “Product net sales” on the discontinued operations line in our consolidated income statement.

Product net sales is the net amount of revenue recognized resulting from transferring control over our products to our customer (for example wholesalers and hospitals). Product sales revenue is recognized at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer depending on the specific incoterms in the contract with a customer.

The amount of revenue recognized is the amount allocated to the satisfied performance obligation taking into account variable consideration. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Variable consideration that is included in the transaction price is primarily composed of rebates, discounts, cash discounts and chargebacks granted to various customers that are part of commercial and governmental contractual arrangements or other reimbursement programs. Shelf stock adjustments are granted to some of our customers to cover the inventory held by them at the time of a price decrease becomes effective. A liability is recognized for expected rebates, cash discounts, chargebacks or other reimbursements payable directly or indirectly to customers in relation to sales made until the end of the reporting period.

The amount of variable consideration is estimated using several elements such as third-party market data, product pricing, the specific terms in the individual agreements, estimated inventory levels and the shelf life of our product. If actual results differ, these estimates will be adjusted.

Net sales are presented net of value added tax and other sales-related taxes.

## Cost of sales

Our cost of sales includes primarily the purchase cost of the goods sold and transportation costs.

## Other operating income

### Grants and R&D incentives

As we carry out extensive R&D activities, we benefit from various grants and R&D incentives from certain governmental agencies. These grants and R&D incentives generally aim to partly reimburse (approved) expenditures incurred in our R&D efforts and are credited to the income statement, under other income, when the relevant expenditure has been incurred and there is reasonable assurance that the grants or R&D incentives are receivable.

## Share-based payments

### (i) Equity-settled share-based payments

We grant equity-settled incentives to certain employees, members of the Executive Committee and consultants in the form of subscription rights. Equity-settled subscription rights are measured at fair value at the date of acceptance. The fair value determined at the acceptance date of the subscription rights is expensed over time until the end of the vesting period, based on our estimate of subscription rights that are expected to be exercised. Fair value is measured by use of the Black & Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

### (ii) Long-term incentive plans in RSUs (Restricted Stock Units)

Members of the Executive Committee and other employees are granted RSUs. An RSU is a grant that takes the form of a promise that employees will receive Galapagos stock in the future and it will be payable, at the Company's discretion in cash or in shares, upon completion of a certain vesting period. Each RSU reflects the value of one Galapagos share.

The RSUs are measured based on the volume weighted average share price over the 30-calendar day period preceding the measurement date. We recognize the corresponding expense and liability over the vesting period. The fair value of the liability is re-measured at each reporting date because currently it is management's intention to settle the RSUs in cash.

## Assets held for sale and discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale. It must either: represent a major separate line of business or geographical area of operations; be part of a single coordinated disposal plan; or be a subsidiary acquired exclusively with a view to resale.

Intercompany transactions between continuing and discontinued operations are eliminated against discontinuing operations.

Non-current assets and disposal groups are classified as assets held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition. A transaction is assumed to be highly probable if there are no significant risks of completion of the transaction, which depends on the specific circumstances but usually required at least an agreed binding term sheet.

They are stated at the lower of carrying amount and fair value less costs to sell with any resulting impairment recognized. Assets related to discontinued operations and assets of disposal group held for sale are not depreciated.

We refer to [note 5](#) of our consolidated financial statements.

## Provisions

Provisions are recognized in the statement of financial position when we have a present obligation as a result of a past event; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligations. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

## 4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the accounting policies, we are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Our estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revisions and future periods if the revision affects both current and future periods.

The following are the critical judgments that we have made in the process of applying the accounting policies and the key sources of estimation uncertainty that have the most significant effect on the amounts recognized in the consolidated financial statements presented elsewhere in this annual report.

### Critical judgments in applying accounting policies

#### Revenue recognition in relation to the collaboration agreement with Gilead

As described above in note 2 on "Gilead collaboration agreement", we entered into the OLCA with Gilead on July 14, 2019. In accordance with IFRS 15, a significant portion of the consideration received by us under the OLCA was allocated to the performance obligation (PO) representing the exclusive right of Gilead to access our R&D platform and to license and collaborate with respect to each of our programs having completed Phase 2 clinical trial (the "OLCA Access & Option Right").

As the PO in relation to the OLCA Access & Option Right shall be performed over time during the OLCA term of ten years, the allocated amount was initially recognized as a “contract liability” in the statement of financial position and released as revenue in the income statement on a straight-line basis over 10 years.

As detailed above in note 2, the following amendments and other events occurred in 2025:

- On January 7, 2025, Gilead waived its rights under the OLCA to all of our small molecule R&D activities and programs;
- On July 23, 2025, we and Gilead signed a royalty and waiver agreement for the cell therapy activities that amends the OLCA;
- On October 21, 2025, we announced our intention to wind down our cell therapy activities, which intention was confirmed on January 5, 2026 following the completion of the works council consultation process.

Following the 2025 OLCA amendments and other events as described above, we have no internal program existing at December 31, 2025 on which Gilead could exercise the OLCA Access & Option Right other than those subject to the wind-down, and there is no ongoing R&D activity that could result in any new internal program on which the OLCA Access & Option Right could become applicable during the remaining term of the OLCA.

Although the OLCA Access & Option Right could also apply to any program acquired by us in the future, such an acquisition transaction (whether through license, merger, acquisition, reorganization, consolidation or combination or any other transaction) is a sovereign decision to be taken by the Board of Directors, which includes Independent Directors that together cast a minority. Also considering that the upfront fee received by us under the OLCA is non-refundable and that the OLCA does not impose an obligation for us to carry out acquisitions, the OLCA Access & Option Right of Gilead does not represent – from an accounting point of view with respect to acquired programs – an enforceable (performance) obligation as it does not exist independently from our future sovereign actions and decisions.

In addition, it was made clear as part of the contemplated separation project announced early 2025 that if we desire to acquire rights to any programs or assets during the remaining term of the OLCA, Gilead shall negotiate in good faith with us an amendment to the OLCA designed to achieve positive value to us and all of our shareholders with respect to such programs and assets. On that basis, it is understood that any future acquisition decision by us would not be taken (namely by the Independent Directors) without the prior amendment of the OLCA in such a way that it achieves positive value to us and all of our shareholders. In other words, our governance is such that the exercise price of the OLCA Option Right – and other terms and conditions of the OLCA – on any acquired program will be aligned with the market-based value of the resulting license granted to Gilead (instead of the fixed opt-in price of \$150 million set in the original OLCA), otherwise such an acquisition transaction is not expected to be approved by the Board and the OLCA Access & Option Right remains not applicable.

Based on the above considerations and although the amended OLCA is still contractually effective at December 31, 2025, our management is of the view that following the 2025 OLCA amendments and other events, there is no enforceable performance obligation left under the amended OLCA that would justify a “contract liability” (as defined under IFRS 15) to be maintained at December 31, 2025, including with respect to the OLCA Access & Option Right for both internal programs and any program that would be acquired in the future during the remaining term of the OLCA.

Consequently, the contract liability of €1,069.0 million reported by us as of December 31, 2024 with respect to the OLCA was derecognized and released as revenue in 2025. Accordingly, the carrying amount of incremental costs to obtain the original OLCA that were capitalized as contract costs (intangible assets) in accordance with IFRS 15 (i.e., €7 million at December 31, 2024) is impaired in profit or loss as a general and administrative expense.

## Key sources of estimation uncertainty

The following are the key sources of estimation uncertainty that have the most significant effect on the amounts recognized in our consolidated financial statements for the year ended December 31, 2025.

### Transfer Jyseleca® business to Alfasigma – Determination of the fair value of the contingent earn-outs

The contingent consideration included in the total consideration for the sale of the Jyseleca® business to Alfasigma was recorded at fair value at the completion date (January 31, 2024) and is updated at each reporting date. The fair value is based on our best estimate of the expected earn-outs and sales milestones in the future, considering probability adjusted sales forecasts of Jyseleca® discounted using an appropriate discount rate. The fair value is reviewed at each reporting date and any changes are reflected in our consolidated income statement, in the line 'Net profit from discontinued operations, net of tax'

### Determination of fair value of equity instruments

As there is no active market for any of our equity instruments and most of the companies we invest in are early stage R&D organizations, we establish the fair value by using other valuation techniques. The fair value is estimated by management based on the cost of investment and adjusted as necessary for impairment and revaluations with reference to relevant available information and recent financing rounds. The inputs are categorized as Level 3 inputs.

We refer to [note 16](#) for more information about the equity investments.

### Determination of fair value of convertible loan receivable

As there is no active market for the convertible loan and no reference share value is readily available of Onco3R, which is a privately-held early-stage R&D organization, we have established the fair value by using other valuation techniques. The fair value has been determined mainly by reference to the initial transaction price and adjusted as necessary for impairment and revaluations with reference to capitalized interests, relevant available information and recent financing rounds.

### Determination of restructuring provision

The restructuring provision recognized as a result of the strategic reorganization resulting in the restructuring of the small molecules activities and the wind-down of the cell therapy activities is subject to estimation uncertainty primarily concerning the estimated amounts of contract provisions for early termination of contracts. The provision has been measured based on the total amount of open purchase commitments that will be undelivered and contractual penalty clauses. The final settlement amounts remain uncertain due to several factors: (i) actual timing of contract terminations during 2026, (ii) actual timing of the execution wind-down, and (iii) ongoing negotiations with collaboration partners and suppliers. Management estimated the provision based on the most likely outcome of these negotiations and expected timing of implementation. We refer to [note 28](#) for more information about the restructuring provision.

### Impairment of goodwill, intangible assets and property, plant and equipment

Determining whether goodwill, intangible assets and property, plant and equipment are subject to impairment requires an estimate of the recoverable amount of the cash generating unit to which the goodwill, intangible assets and property, plant and equipment have been allocated. Our previously announced strategic alternatives process for the cell therapy activities was an impairment indicator, so we assessed the cell therapy activities associated assets' recoverable amount in accordance with IAS 36. The recoverable amount was estimated to be lower than the assets' carrying value. As a result, we recognized an impairment loss of €228.1 million during the year ended December 31, 2025, thereby aligning the cell therapy assets' book value with our strategic intention 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.

We refer to [note 13](#) for more information about the goodwill and impairment of goodwill, to [note 14](#) for more information about the intangible assets and to [note 15](#) for more information about the property, plant and equipment.

## Contingent consideration

The contingent consideration included in the consideration payable for the acquisition of CellPoint was recorded at fair value at the date of acquisition and is updated at each reporting date. The carrying amount at December 31, 2024 amounted to €20.6 million. As consequence of the wind-down decision in 2025 of the cell therapy activities, the fair value of the contingent consideration at December 31, 2025, is estimated to be nil. The change in fair value is reflected in our consolidated income statement, in the line 'other operating income'.

We refer to **note 27** for more information about the contingent consideration payable for the acquisition of CellPoint.

## 5. Discontinued Operations and Assets Held for Sale

On October 30, 2023 we announced that we had signed a letter of intent contemplating a transfer of the Jyseleca® business to Alfasigma, including the European and UK Marketing Authorizations, the commercial, medical and development activities for Jyseleca® and approximately 400 positions in 14 European countries. On December 30, 2023, we signed a final share and asset purchase agreement with Alfasigma.

The transaction was closed on January 31, 2024, upon obtaining all necessary approvals. We received a €50.0 million upfront payment in 2024, and are entitled to potential sales-based milestone payments totaling €120.0 million and mid-single to mid-double-digit earn-outs on European sales. We contributed €15.0 million in 2024 and contributed an additional €25.0 million to Alfasigma in 2025 for Jyseleca® related development activities.

On January 31, 2024, we also signed a transition agreement with Alfasigma enacting the responsibilities and services provided by the parties during a transition period for the transfer of the business.

The transfer of our Jyseleca® business has been determined to meet the criteria to be classified as discontinued operations in our financial statements for the years ended December 31, 2024 and December 31, 2025.

Our inventories were not considered as part of the disposal group, as these did not transfer to Alfasigma on closing of the transaction on January 31, 2024 but these will gradually be sold to Alfasigma during the coming years and we will bear the risks associated with it as long as it is not transferred.

The following disclosure illustrates the result from our discontinued operations.

## I Disposal of the Jyseleca® business (discontinued operations)

### 1.1 Consideration received

	Year ended December 31
(thousands of €)	2024
Upfront payment received	50,000
Settlement for net cash and working capital	9,835
<b>Total consideration received</b>	<b>59,835</b>

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

	January 31
(thousands of €, except per share data)	2024
Property, plant and equipment	4,186
Deferred tax assets	292
Other non-current assets	613
Inventories	505
Trade and other receivables	18,439
Cash and cash equivalents	19,523
Other current assets	1,161
<b>Total assets</b>	<b>44,719</b>
Other reserves	(74)
Retirement benefit liabilities	1,003
Non-current lease liabilities	2,328
Other non-current liabilities	90
Current lease liabilities	1,308
Trade and other liabilities	28,927
Current tax payable	1,170
Current deferred income	430
<b>Total liabilities</b>	<b>35,182</b>
<b>Net assets disposed of</b>	<b>9,537</b>

### 1.3 Gain on disposal of the Jyseleca® business (included in other operating income in the income statement)

(thousands of €)	Year ended December 31	
	2024	
Upfront payment received		50,000
Settlement for net cash and working capital		9,835
Additional adjustment working capital to be settled		(750)
Net assets disposed of		(9,537)
Effect of cumulative translation adjustments reclassified from equity on loss of control		(4,095)
Fair value of the future earn-outs payable by Alfagma to us		47,035
Contribution for R&D costs payable by us to Alfagma		(40,000)
<b>Gain on disposal of subsidiaries</b>		<b>52,488</b>

The fair value of the future earn-outs at December 31, 2025 is presented on the lines “Non-current contingent consideration receivable” and “Trade and other receivables” in our statement of financial position.

### 1.4 Net cash inflow/outflow (-) on disposal of the Jyseleca® business

(thousands of €)	Year ended December 31	
	2025	2024
Upfront payment received	–	50,000
Settlement for net cash and working capital	–	9,835
Release from/transfer to (-) escrow account	24,806	(40,000)
Contribution for R&D costs paid by us to Alfagma	(25,000)	(15,000)
Earn-outs paid by Alfagma	7,432	2,053
Less: cash and cash equivalents balances disposed of	–	(19,523)
Less: settlement of pre-existing relationships	–	3,686
<b>Cash in/cash out (-) from the disposal of subsidiaries, net of cash disposed of</b>	<b>7,238</b>	<b>(8,949)</b>
Costs associated to the sale taken into result in 2023	–	(3,072)
Costs associated to the sale taken into result in 2024	–	(526)
<b>Cash used for other liabilities related to the disposal of subsidiaries</b>	<b>–</b>	<b>(3,598)</b>

Of the €50.0 million of upfront payment received at closing of the transaction €40.0 million was paid into an escrow account. This amount was kept in escrow for a period of one year after the closing date of January 31, 2024, and was partially released in February 2025; the remaining part was released in August 2025. We gave customary representations and warranties which are capped and limited in time. At December 31, 2024, this €40.0 million was presented as “Escrow account” in the statement of financial position, together with the interests on this escrow account.

## II Result from discontinued operations

(thousands of €, except per share data)	Year ended December 31	
	2025	2024
Product net sales	–	11,475
Collaboration revenues	–	26,041
<b>Total net revenues</b>	<b>–</b>	<b>37,516</b>
Cost of sales	–	(1,693)
Research and development expenses	(11,708)	(8,152)
Sales and marketing expenses	(932)	(11,520)
General and administrative expenses	(94)	(1,087)
Other operating income	11,933	56,180
<b>Operating profit/operating loss (-)</b>	<b>(801)</b>	<b>71,244</b>
Other financial income	2,676	4,230
Other financial expenses	–	(12)
<b>Profit before tax</b>	<b>1,875</b>	<b>75,462</b>
Income taxes	(483)	(98)
<b>Net profit</b>	<b>1,392</b>	<b>75,364</b>
<b>Basic and diluted earnings per share from discontinued operations</b>	<b>0.02</b>	<b>1.14</b>
Weighted average number of shares – Basic (in thousands of shares)	65,897	65,897
Weighted average number of shares – Diluted (in thousands of shares)	65,901	65,942

The sale of the Jyseleca® business to Alfasigma on January 31, 2024 led to the full recognition in revenue in 2024 of the remaining deferred income related to filgotinib (€26.0 million reported in collaboration revenues in 2024).

We refer to [note 2](#) for a general description of our collaboration with Gilead.

As from February 1, 2024, all economics linked to the sales of Jyseleca® in Europe, all filgotinib development expenses and all remaining G&A and S&M expenses relating to Jyseleca® are for the benefit of/recharged to Alfasigma. For the year ended December 31, 2025, the R&D expenses mainly related to the settlement of disputed expenses with Alfasigma.

Other operating income in 2025 consisted almost fully of a fair value adjustment of the contingent consideration receivable from Alfasigma as a consequence of an adjusted sales forecast. Other operating income in 2024, included €52.5 million related to the calculation of the gain on the sale of the Jyseleca® business to Alfasigma.

Other financial income contained discounting components on the contingent consideration receivable on Alfasigma.

### III Cash flow generated from/used in (-) discontinued operations

(thousands of €)	Year ended December 31	
	2025	2024
Net cash flow used in operating activities	(851)	(36,367)
Net cash flow generated from/used in (-) investing activities	7,238	(8,949)
<b>Net cash flow generated from/used in (-) discontinued operations</b>	<b>6,387</b>	<b>(45,316)</b>

### Sale of Galapagos Real Estate Belgium BV

In December 2024, we signed a share purchase agreement for the sale of Galapagos Real Estate Belgium BV. The transaction was completed on March 31, 2025.

#### 1.1 Consideration received

(thousands of €)	Year ended December 31	
	2025	
Payment received	12,206	
<b>Total consideration received</b>	<b>12,206</b>	

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

(thousands of €, except per share data)	March 31	
	2025	
Property, plant and equipment	11,115	
Trade and other receivables	1	
Cash and cash equivalents	13	
<b>Total assets</b>	<b>11,129</b>	
Trade and other liabilities	11,020	
<b>Total liabilities</b>	<b>11,020</b>	
<b>Net assets disposed of</b>	<b>109</b>	

#### 1.3 Gain on disposal of subsidiaries

(thousands of €)	Year ended December 31	
	2025	
Payment received	12,206	
Settlement of intercompany loan	(11,012)	
Net assets disposed of	(109)	
<b>Gain on disposal of subsidiaries</b>	<b>1,085</b>	

The gain on disposal of subsidiaries is included in the line “other operating income” in the **income statement**.

## 1.4 Net cash inflow on disposal of subsidiaries

(thousands of €)	Year ended December 31	
	2025	2024
Payment received	12,206	(13)
Less: cash and cash equivalents balances disposed of	(13)	12,193
<b>Net cash inflow on disposal of subsidiaries</b>	<b>12,193</b>	

## 6. Segment Information

We are currently operating as a single operating segment.

### Geographical information

In 2024 and 2025, our continuing operations were mainly located in Belgium, France, the Netherlands, Switzerland and the United States. The revenues from our collaboration partner Gilead represented 97% of our total net revenues from continuing operations in 2025 (87% in 2024). The main part of the remaining 3% of the net revenues in 2025 (remaining 13% in 2024) consisted of supply revenues of the Jyseleca® product to Alfasigma (Italy). The revenues in the country of domicile of Galapagos NV (Belgium) are not material.

Following table summarizes our net revenues by destination of customer:

(thousands of €)	Year ended December 31	
	2025	2024
United States of America	1,081,144	266,588
Europe	31,104	46,577
<b>Total net revenues</b>	<b>1,112,248</b>	<b>313,165</b>
minus:		
United States of America	-	25,802
Europe	-	11,714
<b>Total net revenues from discontinued operations</b>	<b>-</b>	<b>37,516</b>
United States of America	1,081,144	240,786
Europe	31,104	34,863
<b>Total net revenues from continuing operations</b>	<b>1,112,248</b>	<b>275,649</b>

On December 31, 2025, we held €81.5 million (€357.8 million in 2024) of property, plant and equipment, intangible assets and goodwill distributed as follows:

(thousands of €)	December 31	
	2025	2024
Belgium	3,887	95,686
France	-	5
The Netherlands	75,890	239,454
Switzerland	-	92
United States of America	1,734	22,533
<b>Total</b>	<b>81,511</b>	<b>357,770</b>

## 7. Total Net Revenues from Our Continuing Operations

### Supply revenues

These revenues are fully related to the supply of Jyseleca® to Alfasigma under the transition agreement. The related cost of sales are reported on the cost of sales line.

### Collaboration revenues

The following table summarizes our collaboration revenues for the years ended December 31, 2025 and 2024 by collaboration and by category of revenue: upfront payments and license fees, and royalties.

(thousands of €)	Year ended December 31			
	Over time	Point in time	2025	2024
<b>Recognition of non-refundable upfront payments and license fees</b>			<b>1,070,147</b>	<b>230,182</b>
Gilead collaboration agreement for drug discovery platform	✓		1,068,967	230,182
Cartilla Therapeutics GLPG1972		✓	1,180	
<b>Royalties</b>			<b>12,177</b>	<b>10,604</b>
Gilead royalties on Jyseleca®		✓	12,177	10,604
<b>Total collaboration revenues</b>			<b>1,082,324</b>	<b>240,786</b>

We refer to [note 2](#) of this financial report for a general description of our collaboration with Gilead. On December 31, 2025, as a result of the OLCA amendments and other events in 2025, the contract liability of €1,069.0 million reported on December 31, 2024 with respect to the OLCA has been derecognized and released as revenue in 2025. We refer to [note 4](#) of this financial report for further details.

For the year ended December 31, 2025 we recognized in revenue €12.2 million of royalties from Gilead on filgotinib. The royalties on sales of Jyseleca® performed by Gilead in Japan were not reported as discontinued operations as we still have the right to receive those royalties on future sales made by Gilead and its commercialization partners (this right is not subject to transfer to Alfasigma as part of the transfer of the Jyseleca® business to them).

## 8. Operating Costs and Other Operating Income

### Operating costs

#### R&D expenses

The following table summarizes R&D expenses for the years ended December 31, 2025 and 2024.

(thousands of €)	Year ended December 31	
	2025	2024
Personnel costs	(147,197)	(87,740)
Subcontracting	(232,906)	(160,076)
Disposables and lab fees and premises costs	(10,812)	(17,629)
Amortization, depreciation and impairment	(42,371)	(35,378)
Professional fees	(7,611)	(15,949)
Other operating expenses	(18,524)	(18,687)
<b>Total research and development expenses</b>	<b>(459,421)</b>	<b>(335,459)</b>

The table below summarizes our R&D expenses for the years ended December 31, 2025 and 2024, broken down by program:

(thousands of €)	Year ended December 31	
	2025	2024
SIKi program	(12,772)	(18,400)
TYK2 program on GLPG3667	(36,744)	(34,965)
Cell therapy programs in oncology	(295,610)	(170,998)
Other discovery programs	(114,295)	(111,096)
<b>Total research and development expenses</b>	<b>(459,421)</b>	<b>(335,459)</b>

## Sales and marketing expenses

The following table summarizes the sales and marketing expenses of our continuing operations for the years ended December 31, 2025 and 2024.

(thousands of €)	Year ended December 31	
	2025	2024
Personnel costs	(6,601)	(6,561)
Amortization, depreciation and impairment	3,465	(4,475)
External outsourcing costs	(1,392)	(2,813)
Professional fees	(62)	(904)
Other operating expenses	(1,510)	(2,440)
<b>Total sales and marketing expenses</b>	<b>(6,100)</b>	<b>(17,193)</b>

## General and administrative expenses

The following table summarizes the general and administrative expenses for the years ended December 31, 2025 and 2024.

(thousands of €)	Year ended December 31	
	2025	2024
Personnel costs	(74,390)	(52,642)
Amortization, depreciation and impairment	(12,951)	(8,697)
Legal and professional fees	(29,515)	(33,960)
Other operating expenses	(30,477)	(21,946)
<b>Total general and administrative expenses</b>	<b>(147,333)</b>	<b>(117,245)</b>

## Impairment of the cell therapy activities

The acquisition of both CellPoint and AboundBio in 2022 resulted in the recording of a goodwill. This goodwill was allocated the CAR-T/cell therapy cash generating unit (CGU), together with intangibles assets acquired as a result of this business combination and some (in)tangibles related to this CGU. During 2025, as a result of the announced intention to wind down our cell therapy activities (i.e., the CAR-T/cell therapy CGU), we performed an impairment analysis to review the recoverable amount of the CAR-T/cell therapy CGU associated assets.

The review led to an impairment loss of €228.1 million, consisting of a full impairment of the goodwill (€69.4 million) and intangible assets (€132.0 million) and a partial impairment of property, plant and equipment (€26.7 million) allocated to the CAR-T/cell therapy CGU. We refer to [note 2](#) for more information about the wind-down of the cell therapy activities.

The impairment loss has no impact on our cash flows.

## Other operating income

The following table summarizes other operating income for the years ended December 31, 2025 and 2024.

(thousands of €)	Year ended December 31	
	2025	2024
Grant income	57	2,035
R&D incentives income	27,218	27,223
Fair value adjustment of contingent consideration payable	21,760	–
Other	4,458	11,515
<b>Total other operating income</b>	<b>53,493</b>	<b>40,773</b>

The grant income in 2025 and 2024 was fully related to grants from a Flemish agency and the Belgian government. In many cases these grant agreements carry clauses which require us to maintain a presence in the same region for a number of years and invest according to pre-agreed budgets.

R&D incentives income was primarily composed of:

(thousands of €)	Year ended December 31	
	2025	2024
Income from innovation incentive system in France	–	2,056
Income from Belgian R&D incentives	13,610	16,943
Tax rebates on payroll withholding taxes of R&D personnel (Belgium & the Netherlands)	13,608	8,224
<b>Total R&amp;D incentives income</b>	<b>27,218</b>	<b>27,223</b>

As a consequence of the wind-down of the cell therapy activities, the fair value of the contingent consideration payable related to the acquisition of CellPoint was reduced to nil. We refer to [note 27](#). “Trade and other liabilities and other non-current liabilities” for more explanation on this contingent consideration.

Other income decreased mainly due to lower rental income, and less recharges to Alfasigma.

## 9. Staff Costs

The table below summarizes the number of employees of our continuing operations on December 31, 2025 and 2024:

	2025	2024
Number of employees on December 31	452	704
<b>Total</b>	<b>452</b>	<b>704</b>

The average number of FTE's of our continuing operations during the years 2025 and 2024 was:

	Year ended December 31	
	2025	2024
Members of the Executive Committee	4	4
Research and development	313	408
Commercial and medical affairs	26	26
Corporate and support	199	207
<b>Total</b>	<b>542</b>	<b>645</b>

Their aggregate remuneration comprised:

	Year ended December 31	
(thousands of €)	2025	2024
Wages and salaries	(164,591)	(98,863)
Social security costs	(22,269)	(15,590)
Retirement benefit costs	(2,778)	(5,669)
Costs related to subscription right plans	(23,935)	(17,685)
Other personnel costs	(14,615)	(9,136)
<b>Total personnel costs</b>	<b>(228,188)</b>	<b>(146,943)</b>

Reference is made to [note 32](#) "Share-based payments" for more information on our subscription right plans.

## 10. Fair Value Adjustments, Net Currency Exchange Differences and Other Financial Income/Expenses

The following table summarizes fair value adjustments and net currency exchange differences, and other financial income and expenses for the years ended December 31, 2025 and 2024.

(thousands of €)	Year ended December 31	
	2025	2024
<b>Fair value adjustments and net currency exchange differences:</b>		
Net unrealized currency exchange gain/loss (-)	(45,484)	22,727
Net realized currency exchange gain/loss (-)	474	(678)
Fair value re-measurement of warrants	-	4
Fair value gain on financial assets held at fair value	1,175	-
Gain from settlement of hedging instrument	22,745	-
Fair value gain/loss (-) on current financial investments	(18,266)	73,742
<b>Total fair value adjustments and net currency exchange differences</b>	<b>(39,356)</b>	<b>95,795</b>
<b>Other financial income:</b>		
Interest income	46,339	89,378
Discounting effect of non-current R&D incentives receivables	1,648	1,132
Discounting effect of other non-current liabilities	-	395
Other finance income	64	223
<b>Total other financial income</b>	<b>48,051</b>	<b>91,128</b>
<b>Other financial expenses:</b>		
Interest expenses	(1,034)	(911)
Discounting effect of other non-current liabilities	(1,183)	-
Other finance charges	(646)	(759)
<b>Total other financial expenses</b>	<b>(2,863)</b>	<b>(1,670)</b>
<b>Total net financial result</b>	<b>5,832</b>	<b>185,253</b>

The net currency unrealized exchange loss in 2025 of €45.5 million primarily consisted of an unrealized exchange loss of €44.8 million on cash and cash equivalents and current financial investments at amortized cost held in U.S. dollars, as compared to an unrealized net exchange gain in 2024 of €22.2 million on cash and cash equivalents and current financial investments at amortized cost held in U.S. dollars. We have cash, cash equivalents and current financial investments held in U.S. dollars, which could generate foreign currency exchange gain or loss in our financial results in accordance with the fluctuation of the EUR/U.S. dollar exchange rate as our functional currency is EUR.

The fair value loss on the current financial investments in 2025 reflected the exchange differences on the money market funds, the interest on these money market funds and the positive effect of the re-measurement at fair value of our money market funds on December 31, 2025. These re-measurement gains were mainly the result of the positive returns on the EUR denominated money market funds.

Interest income was related to interests on treasury bills, term deposits and notice accounts. Interest income decreased due to decreasing 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).

Interest expenses were mainly related to interests on leases of buildings and cars and to interests related to defined benefit obligations.

Other financial expenses for 2025 (2024: other financial income) comprise the discounting effect of other non-current liabilities as milestones payables related to the acquisition of subsidiaries.

## 11. Income Taxes

The following table summarizes the income taxes recognized in profit or loss for the years ended December 31, 2025 and 2024.

(thousands of €)	Year ended December 31	
	2025	2024
Current tax expense	(792)	(1,301)
Deferred tax	19,413	3,104
<b>Total income taxes</b>	<b>18,621</b>	<b>1,803</b>

Current tax, consisting of corporate income taxes, and deferred tax income/cost (-) related to subsidiaries of our continuing operations working on a cost plus basis. The increase in deferred tax income in 2025 as compared to 2024 was primarily due to the reversal of the deferred tax liabilities linked to capitalized intangible assets related to the cell therapy business, as we recorded an impairment on these intangible assets.

## Taxes recognized in profit or loss

For the purpose of the disclosure below corporate tax was calculated at 25% (2024: 25%) – which is the tax rate applied in Belgium – on the estimated assessable result for the year. The applied tax rate for other territorial jurisdictions was the tax rate that is applicable in these respective territorial jurisdictions on the estimated taxable result of the year.

(thousands of €)	Year ended December 31	
	2025	2024
<b>Profit/loss (-) before tax</b>	<b>300,871</b>	<b>(3,085)</b>
Income tax debit/credit (-), calculated using the Belgian statutory tax rate on the accounting profit/loss (-) before tax (theoretical)	75,218	(771)
<b>Tax income (-)/expenses in income statement (effective)</b>	<b>(18,621)</b>	<b>(1,803)</b>
<b>Difference in tax expenses/income to explain</b>	<b>(93,839)</b>	<b>(1,032)</b>
Effect of tax rates in other jurisdictions	(2,187)	(132)
Effect of non-taxable income	(3,774)	(5,247)
Effect of share-based payment expenses without tax impact	6,092	4,399
Effect of expenses/income (-) not subject to tax	(891)	52
Effect of non-tax-deductible expenses	3,472	1,117
Effect of recognition of previously non-recognized deferred tax assets	-	15
Effect of tax losses (utilized) reversed	(296)	-
Effect from under or over provisions in prior periods	336	13
Effect of non-recognition of deferred tax assets	(6,986)	(1,338)
Effect of derecognition of previously recognized deferred tax assets	827	89
Effect of use of innovation income deduction	(90,432)	-
<b>Total explanations</b>	<b>(93,839)</b>	<b>(1,032)</b>

Non-taxable income for the years ended December 31, 2025 and 2024 were related to non-taxable grants and tax credits.

## 12. Earnings per Share

	Year ended December 31	
	2025	2024
Net profit attributable to owners of the parent (thousands of €)	320,884	74,082
<b>Number of shares (thousands)</b>		
Weighted average number of shares for the purpose of basic earnings/loss (-) per share	65,897	65,897
Basic earnings per share (€)	4.87	1.12
Net profit attributable to owners of the parent (thousands of €)	320,884	74,082
<b>Number of shares (thousands)</b>		
Weighted average number of shares for the purpose of diluted earnings/loss (-) per share	65,897	65,897
Number of dilutive potential ordinary shares	4	45
Diluted earnings per share (in €)	4.87	1.12

Reference is also made to [note 2](#) where an explanation is provided about the terms and conditions of the outstanding subsequent Gilead Warrant B that can, potentially, be exercised by Gilead and lead to a dilutive effect. Due to the exercise price mechanism of the Gilead subsequent Warrant B, this warrant was out-of-the-money for 2025 and 2024.

## 13. Goodwill

(thousands of €)	Goodwill
On January 1, 2024	69,557
Exchange differences on goodwill	453
On December 31, 2024	70,010
Impairment on goodwill	(69,404)
Exchange differences on goodwill	(606)
On December 31, 2025	-

The goodwill resulting from both the acquisition of CellPoint (€62.4 million) and AboundBio (€7.6 million) at December 31, 2024, was allocated to the same cash-generating unit (CGU), “CAR-T/Cell Therapy”. The intangible assets acquired as a result of both business combinations were also allocated to this cash-generating unit, together with some other (in) tangible assets related to the “CAR-T/Cell Therapy” cash-generating unit. The valuation method of the recoverable amount of this cash-generating unit was based on the fair value less costs of disposal.

As a consequence of the announced wind-down of our cell therapy activities, we fully impaired the associated goodwill. We refer to [note 2](#) for more information about the wind-down of the cell therapy activities and to [note 8](#) for more information about the total impairment loss of the cell therapy activities, included in the consolidated income statement as a separate line item.

## 14. Intangible Assets Other than Goodwill

(thousands of €)	Software & databases	Licenses, rights, technology and in-process R&D	Exclusive rights	Contract costs	Total
<b>Acquisition value</b>					
<b>On January 1, 2024</b>	27,014	43,171	89,720	15,384	175,290
Additions	666		64,725		65,391
Sales and disposals	(1,863)	(3,613)			(5,476)
Translation differences		246			246
<b>On December 31, 2024</b>	25,817	39,804	154,445	15,384	235,451
Additions	156				156
Translation differences		(477)			(477)
<b>On December 31, 2025</b>	25,973	39,327	154,445	15,384	235,130
<b>Amortization and impairment</b>					
<b>On January 1, 2024</b>	18,574	4,354	17,791	6,664	47,384
Amortization	4,384	493	22,198	1,538	28,613
Sales and disposals	(1,863)	(3,613)			(5,476)
Translation differences		68			68
<b>On December 31, 2024</b>	21,095	1,302	39,989	8,202	70,589
Amortization	2,249	355	22,189	1,538	26,331
Impairment	1,781	37,922	92,267	5,644	137,614
Translation differences		(252)			(252)
<b>On December 31, 2025</b>	25,125	39,327	154,445	15,384	234,282
<b>Carrying amount</b>					
On December 31, 2024	4,722	38,502	114,456	7,182	164,862
<b>On December 31, 2025</b>	848	-	-	-	848

Through the acquisition of CellPoint and AboundBio in June 2022, we acquired in-process R&D related to two CAR-T product candidates (€28.2 million on December 31, 2024), exclusive rights and technology, being a fully human therapeutics platform. These exclusive rights refer to our exclusivity contract with Lonza (€60.3 million on December 31, 2024) and were depreciated until the beginning of March 2030, in accordance with the contract.

The addition of exclusive rights in 2024 refers to the upfront exclusivity consideration paid to Adaptimmune of \$70.0 million, which was amortized over the expected exclusivity period until the end of 2027. This upfront was paid within the framework of a clinical collaboration agreement with Adaptimmune, providing an exclusive option on a cell therapy for head and neck cancer and potential future solid tumor indications.

As a consequence of the announced wind-down of our cell therapy activities, the fair value less costs of disposal of the cash-generating unit "CAR-T/cell therapy" amounted to nil. As a result, we fully impaired all associated intangible assets (with a total net book value at September 30, 2025 of €131.5 million), consisting of the in-process R&D (€28.2 million related to two CAR-T product candidates, €7.5 million related to Pregene and €2.2 million related to other assets), the exclusive rights related to our exclusivity contract with Lonza (€51.6 million), the upfront exclusivity considerations paid to Adaptimmune

(€40.7 million), and other intangibles related to the acquisition of Cellpoint and AboundBio (€1.3 million). The contract costs refer to the incremental costs to obtain the original OLCA with Gilead, capitalized in 2019, and were impaired now in line with the derecognition of the contract liability (release of the deferred income). This impairment is classified as G&A expense.

## 15. Property, Plant and Equipment

### Fully owned

(thousands of €)	Land, building and building improve- ments	Installation & machinery	Furniture, fixtures & vehicles	Other tangible assets	Total
<b>Acquisition value</b>					
<b>On January 1, 2024</b>	90,705	39,678	9,353	6,770	146,507
Additions	7,292	9,595	118	298	17,303
Sales and disposals	(6,554)	(663)	(2,460)		(9,677)
Reclassifications	4,687	470	466	(5,623)	-
Reclassifications to assets in disposal group classified as held for sale	(10,200)			(915)	(11,115)
Translation differences	84	204	(15)		273
<b>On December 31, 2024</b>	<b>86,014</b>	<b>49,284</b>	<b>7,462</b>	<b>530</b>	<b>143,291</b>
Additions	1,622	10,788	18		12,428
Sales and disposals	(758)	(29,284)	(1,495)		(31,537)
Reclassifications	(1,283)	1,813		(530)	-
Translation differences	(606)	(667)	(1)		(1,274)
<b>On December 31, 2025</b>	<b>84,989</b>	<b>31,934</b>	<b>5,984</b>	<b>-</b>	<b>122,908</b>
<b>Depreciation and impairment</b>					
<b>On January 1, 2024</b>	<b>11,218</b>	<b>19,178</b>	<b>4,891</b>	<b>-</b>	<b>35,287</b>
Depreciations	5,284	4,787	1,005		11,076
Impairment	1,068	17	158		1,243
Sales and disposals	(6,554)	(663)	(2,460)		(9,677)
Translation differences	(68)	39	(8)		(37)
<b>On December 31, 2024</b>	<b>10,948</b>	<b>23,358</b>	<b>3,586</b>	<b>-</b>	<b>37,892</b>
Depreciations	4,021	5,562	768		10,351
Impairment	4,155	27,900	661		32,716
Sales and disposals	(758)	(27,205)	(1,485)		(29,448)
Translation differences	(203)	(345)	(1)		(549)
<b>On December 31, 2025</b>	<b>18,163</b>	<b>29,270</b>	<b>3,530</b>	<b>-</b>	<b>50,962</b>
<b>Carrying amount</b>					
On December 31, 2024	75,066	25,926	3,876	530	105,399
<b>On December 31, 2025</b>	<b>66,826</b>	<b>2,664</b>	<b>2,455</b>	<b>-</b>	<b>71,946</b>

As a result of the announced wind-down of our cell therapy activities and the planned closure of sites, we recorded in 2025 an impairment on lab equipment of €19.4 million, on leasehold improvements of €3.6 million and on other assets of €0.1 million. We additionally recorded an impairment of €9.6 million on the assets related to the small molecules business.

As we signed a share purchase agreement for the construction project in Mechelen (Belgium) in December 2024, we reclassified the land and other tangible assets of Galapagos Real Estate Belgium BV to assets in disposal group classified as held for sale at December 31, 2024.

## Right-of-use

(thousands of €)	Land & building	Installation & machinery	Furniture, fixtures & vehicles	Total
<b>Acquisition value</b>				
<b>On January 1, 2024</b>	23,174	251	7,652	31,078
Additions	4,287	1,657	2,879	8,823
Sales and disposals	(2,989)	(250)	(4,114)	(7,353)
Translation differences	113			113
<b>On December 31, 2024</b>	24,585	1,658	6,417	32,661
Additions	2,181		526	2,707
Sales and disposals	(12,023)	(459)	(4,962)	(17,444)
Translation differences	(549)			(549)
<b>On December 31, 2025</b>	14,194	1,199	1,981	17,375
<b>Depreciation and impairment</b>				
<b>On January 1, 2024</b>	11,279	223	4,473	15,976
Depreciations	2,848	118	1,592	4,558
Sales and disposals	(1,920)	(250)	(3,200)	(5,370)
Translation differences	(3)			(3)
<b>On December 31, 2024</b>	12,204	91	2,865	15,161
Depreciations	2,185	381	1,351	3,917
Impairment	3,655			3,655
Sales and disposals	(10,811)	(145)	(2,890)	(13,846)
Translation differences	(229)			(229)
<b>On December 31, 2025</b>	7,004	327	1,326	8,658
<b>Carrying amount</b>				
<b>On December 31, 2024</b>	12,381	1,567	3,552	17,499
<b>On December 31, 2025</b>	7,190	872	655	8,717

### Carrying amount

(thousands of €)	December 31	
	2025	2024
Property, plant and equipment fully owned	71,946	105,399
Right-of-use	8,717	17,499
<b>Total property, plant and equipment</b>	<b>80,663</b>	<b>122,898</b>

We recorded in 2025 an impairment on the right of use assets related to the leased buildings in Princeton and Pittsburgh (U.S.), as these sites will be closed as a result of the wind-down. The sales and disposals of 2025 and 2024 mainly relate to the disposal of leased cars.

We refer to [note 26](#) “Lease liabilities” for a detail of the lease liabilities related to these right-of-use assets.

There are no pledged items of property, plant and equipment. There are also no restrictions in use on any items of property, plant and equipment.

## 16. Equity Investments

(thousands of €)	2025	2024
<b>Cost at January 1</b>	<b>50,845</b>	<b>13,965</b>
Acquisitions of the year	–	36,880
<b>Cost at December 31</b>	<b>50,845</b>	<b>50,845</b>
<b>Fair value adjustment at January 1</b>	<b>2,095</b>	<b>(390)</b>
Fair value adjustment of the year	(6,132)	2,485
<b>Fair value adjustment at December 31</b>	<b>(4,037)</b>	<b>2,095</b>
<b>Net book value at December 31</b>	<b>46,809</b>	<b>52,941</b>

As of December 31, 2024 and 2025, financial assets held at fair value through other comprehensive income consisted of equity instruments of non-listed companies. The fair value of these equity instruments, without readily available determinable fair values (classified as level 3 fair valuation hierarchy), are estimated by management based on the cost of investment and adjusted as necessary for impairment and revaluations with reference to relevant available information and recent financing rounds. Per December 31, 2025 no fair value change was recognized except for the currency exchange rate impact.

We have no restrictions on the sale of these equity instruments and the assets are not pledged under any of our liabilities.

## 17. Convertible Loan

(thousands of €)	2025
<b>Cost at January 1</b>	-
Issuance of convertible loan facility	20,000
<b>Cost at December 31</b>	<b>20,000</b>
<b>Fair value adjustment at January 1</b>	-
Fair value adjustment of the year	1,175
<b>Fair value adjustment at December 31</b>	<b>1,175</b>
<b>Net book value at December 31</b>	<b>21,175</b>

In April 2025, we and Onco3R Therapeutics (Onco3R) signed an agreement under which multiple small molecule immunology and oncology assets have been sold to Onco3R. Under the terms of the agreement, we participated in Onco3R's start-up capital via a convertible loan facility with a nominal amount of €20 million, with 8% interest per annum receivable at maturity date, which is the earlier of conversion and five years after issue date. At conversion, the convertible loan would convert in the most senior class of preferred equity shares of Onco3R at the time of the completion of a future equity financing round by Onco3R in which third party investors subscribe for new Onco3R shares of at least €20 million.

This convertible loan facility is measured at fair value through profit or loss. As per December 31, 2025, the only fair value change recognized is related to the capitalized interest.

## 18. Other Non-Current Assets

Other non-current assets consisted of following items:

(thousands of €)	December 31	
	2025	2024
Non-current restricted cash	1,759	1,985
Non-current portion of upfront payment to NovAliX	–	2,580
Non-current portion of advance related to the NovAliX transaction	–	2,877
Other non-current assets	1,200	1,266
<b>Total other non-current assets</b>	<b>2,959</b>	<b>8,708</b>

In 2023, we transferred our Romainville (France)-based drug discovery and research operations and employees to NovAliX for no consideration, in exchange for a five-year commitment to use the research capabilities and expertise of NovAliX within our R&D portfolio. The transfer was accounted for as an advance for future services, to be released over the committed five years collaboration period. In addition, we also made an €8.3 million upfront payment as a prepayment toward our five-year purchase commitment.

As a result of the strategic reorganization of the small molecule activities, we early terminated our five-year collaboration agreement with NovAliX, which resulted in the accelerated release of the remaining portion of the advances (non-current and current) of the NovAliX transaction and the upfront payment in 2025.

## 19. Research and Development Incentives Receivables

The table below illustrates the R&D incentives receivables related captions in our statement of financial position as at December 31, 2025, and 2024.

(thousands of €)	December 31	
	2025	2024
Non-current R&D incentives receivables	126,662	132,729
Current R&D incentives receivables	31,208	39,882
<b>Total R&amp;D incentives receivables</b>	<b>157,870</b>	<b>172,611</b>

The table below provides detailed information on the maturity of the non-current R&D incentives receivables reported in our statement of financial position on December 31, 2025.

(thousands of €)	December 31, 2025					Total
	Maturity date					
	2027	2028	2029	2030	2031 – 2032	
French non-current R&D incentives receivables – discounted value	12,215	6,127	1,552			19,894
Belgian non-current R&D incentives receivables – discounted value	20,646	20,449	37,942	19,712	8,019	106,768
<b>Total non-current R&amp;D incentives receivables – discounted value</b>	<b>32,861</b>	<b>26,576</b>	<b>39,494</b>	<b>19,712</b>	<b>8,019</b>	<b>126,662</b>

## 20. Inventories

The following table provides an overview of our inventories by type of inventory:

(thousands of €)	December 31	
	2025	2024
Raw materials	22,493	51,192
<b>Total inventories</b>	<b>22,493</b>	<b>51,192</b>

Our inventory consisted in full out of Jyseleca® products that is gradually sold to Alfasigma until depletion following the sale of the Jyseleca® business on January 31, 2024.

## 21. Trade and Other Receivables and Other Current Assets

(thousands of €)	December 31	
	2025	2024
Trade receivables	9,568	32,471
Current contingent consideration receivable	6,955	4,742
Prepayments	103	103
Other receivables	4,080	10,160
<b>Trade and other receivables</b>	<b>20,706</b>	<b>47,476</b>
Accrued income	1,392	835
Deferred charges	5,610	30,214
<b>Other current assets</b>	<b>7,002</b>	<b>31,049</b>
<b>Total trade and other receivables &amp; other current assets</b>	<b>27,708</b>	<b>78,525</b>

The decrease in deferred charges in 2025 mainly related to the release in R&D expenses of the remaining balance of the capitalized \$15.0 million of R&D funding paid to Adaptimmune in 2024, as a consequence of announced wind-down of our cell therapy activities.

We refer to [note 5](#) for more information on the current contingent consideration receivable.

On December 31, 2024, we had a provision for expected credit losses of €9.6 million, for two disputed invoices. This provision was reversed in 2025 as a result of an agreement reached with the client. We did not account for a provision for expected credit losses relating to all our other trade and other receivables since we do not have a history of credit losses and we are not aware of any forward-looking information that could materially influence the credit risk.

We refer to [Note 35](#) “Financial Risk Management” for more information on the financial risk management.

## 22. Non-Current and Current Financial Investments

(thousands of €)	December 31	
	2025	2024
Non-current financial investments	–	200,182
<b>Total non-current financial investments</b>	–	<b>200,182</b>

(thousands of €)	December 31	
	2025	2024
Money market funds	1,472,031	1,484,599
Treasury bills	–	255,078
Term deposits	1,438,149	1,313,657
<b>Total current financial investments</b>	<b>2,910,180</b>	<b>3,053,334</b>

The non-current financial investments referred to a new term account that was acquired in December 2024 with a maturity of 18 months. This term account was terminated in February 2025 as a result of the planned separation. We refer to [note 2](#) for more information.

Term deposits as part of current financial investments refer to non-cancellable term deposits with a maturity exceeding three months from the acquisition date. At December 31, 2024, our portfolio of treasury bills contained only AAA rated paper, issued by Europe and the governments of Belgium and France. 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 leading to an insignificant risk of changes in value. The funds have an important daily liquidity and can be easily converted to cash.

On December 31, 2025, our current financial investments included \$2,119.0 million held in U.S.dollars, which could generate a foreign currency exchange gain or loss in our financial results in accordance with the fluctuation of the EUR/USD exchange rate as our functional currency is EUR. This effect is embedded in the net exchange differences (exchange difference on term deposits) and in the fair value result of current financial investments (exchange difference on money market funds) in our consolidated income statement.

We refer to [note 35](#) for more information on our financial investments and to [note 10](#) for more details about the fair value re-measurements and currency exchange gains or losses recognized in our consolidated income statement.

## 23. Cash and Cash Equivalents

(thousands of €)	December 31	
	2025	2024
Cash at banks	87,868	64,239
<b>Total cash and cash equivalents</b>	<b>87,868</b>	<b>64,239</b>

Cash and cash equivalents may comprise cash at banks, bank deposits and money market funds that are readily convertible to cash and are subject to an insignificant risk of changes in value. All cash and cash equivalents are available upon maximum three month notice period and without significant penalty. Cash at banks were mainly composed of notice accounts and current accounts. Our credit risk is mitigated by selecting a panel of highly rated financial institutions for our deposits.

On December 31, 2025, our cash and cash equivalents included \$40.0 million held in U.S.dollars, which could generate a foreign currency exchange gain or loss in our financial results in accordance with the fluctuation of the EUR/USD exchange rate as our functional currency is EUR. We refer to **note 10** for more details about the currency exchange gains or losses recognized in our consolidated income statement.

## 24. Share Capital and Other Reserves

(thousands of €)	December 31	
	2025	2024
<b>On January 1</b>	<b>293,937</b>	293,937
<b>Share capital on 31 December</b>	<b>293,937</b>	293,937
Aggregate share capital	356,445	356,445
Costs of capital increase (accumulated)	(62,507)	(62,507)
<b>Share capital on 31 December</b>	<b>293,937</b>	293,937

### History of share capital

The history of the share capital of Galapagos NV between January 1, 2024 and December 31, 2025 is as follows:

Date	Share capital increase new shares (in thousands €)	Share capital increase due to exercise subscription rights (in thousands €)	Number of shares issued (in thousands of shares)	Aggregate number of shares after transaction (in thousands of shares)	Aggregate share capital after transaction (in thousands €)
<b>January 1, 2024</b>				65,897	356,445
<b>December 31, 2024</b>				65,897	356,445
<b>December 31, 2025</b>				65,897	356,445

On December 31, 2025, Galapagos NV's share capital amounted to €356,445 thousand, represented by 65,897,071 shares. All shares were issued, fully paid up and of the same class. The shares have a par value of €5.41 per share.

All of the share issuances listed above were for cash consideration.

The below table summarizes the details of our capital. There were no capital increases in 2024 and 2025.

(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)
<b>On January 1, 2024</b>	65,897,071	293,937	2,736,994	3,030,931		
<b>On December 31, 2024</b>	65,897,071	293,937	2,736,994	3,030,931		
<b>On December 31, 2025</b>	65,897,071	293,937	2,736,994	3,030,931		

The Board of Directors is authorized for a period of five years starting from the date of publication in the Annexes to the Belgian State Gazette of the shareholders' resolution that granted the renewed authorization to increase the share capital of Galapagos NV within the framework of the authorized capital through contributions in kind or in cash. When increasing the share capital within the limits of the authorized capital, the Board of Directors may, if in Galapagos NV's interest, restrict or cancel the shareholders' preferential subscription rights, even if such restriction or cancellation is made for the benefit of one or more specific persons other than the employees of the group. Said authorization can be renewed.

The authorization consists of two parts:

- A general authorization for capital increases up to 20% of the share capital at the time of convening the EGM of April 30, 2024 (i.e., €71,288,987.72) was renewed and is valid for a period of five years from the date of publication of this renewal in the Annexes to the Belgian State Gazette, which occurred on May 7, 2024. This general authorization will expire on May 7, 2029.
- A specific authorization for capital increases of more than 20% and up to 33% of the share capital at the time of the convening of the EGM of April 25, 2017 (i.e., €82,561,764.93), was renewed and is valid for a period of five years from the date of publication of such renewal in the Annexes to the Belgian State Gazette, which occurred on May 31, 2017. This specific part of the authorized capital can, however, only be used in a number of specific circumstances and upon a resolution of the Board of Directors that all Independent Directors (within the meaning of article 7:87 of the BCCA and article 3.5 of the 2020 Code) approve. The Board of Directors is currently not authorized to increase the share capital after notification by the FSMA (Financial Services and Markets Authority) of a public takeover bid on Galapagos NV's shares. The specific authorization expired on May 30, 2022.

As of December 31, 2025, an amount of €49,075,527.72 still remained available under the general part of the authorized capital.

## Other reserves

Other reserves at December 31, 2025 was negative for €8.6 million (a negative amount of €3.2 million at December 31, 2024) and was related to fair value adjustments on financial assets held at fair value through other comprehensive income for a negative amount of €3.6 million (a positive amount of €2.5 million at December 31, 2024), and to the re-measurement of the defined benefit obligation for a negative amount of €5.0 million (a negative amount of €5.6 million at December 31, 2024).

## 25. Deferred Tax

Following table shows the movements in deferred tax assets and deferred tax liabilities:

(thousands of €)	Deferred tax assets			Deferred tax liabilities			
	Retirement benefit liabilities	Property, plant and equipment	Other	Total deferred tax assets	Intangible assets other than goodwill	Other	Total deferred tax liabilities
<b>On January 1, 2024</b>	159	292	675	1,126	(21,588)	(2,019)	(23,607)
Credited/charged (-) to profit or loss	(82)	18	190	126	2,306	671	2,977
Charged to other comprehensive income/loss (-)	177			177			-
Translation differences	(1)	19	27	45	(30)		(30)
<b>On December 31, 2024</b>	253	329	892	1,474	(19,312)	(1,348)	(20,660)
Credited/charged (-) to profit or loss	(240)	(302)	(657)	(1,199)	19,264	1,348	20,612
Charged to other comprehensive income/loss (-)	(13)			(13)			-
Translation differences		(27)	(40)	(67)	48		48
<b>On December 31, 2025</b>	-	-	195	195	-	-	-

The unrecognized deferred tax assets on December 31, 2025 amounted to €473.6 million as compared to €490.1 million on December 31, 2024; both included the unrecognized deferred tax asset related to innovation income reduction.

The total amount of tax attributes and deductible temporary differences at December 31, 2025 amounted to €1,892.4 million (at December 31, 2024: €1,984.9 million). This is composed of i) consolidated tax losses carried forward and deductible temporary differences at December 31, 2025 amounting to €1,168.3 million (at December 31, 2024: €1,418.5 million), and (ii) innovation income deduction, dividend received deduction and investment deduction carried forward at December 31, 2025 amounting to €724.1 million (at December 31, 2024: €566.4 million).

The available tax losses carried forward that can be offset against possible future taxable profits amounted to €843.2 million on December 31, 2025 (€862.0 million on December 31, 2024) and can be carried forward for an indefinite period except for an amount of €5.4 million in the United States. On December 31, 2025, the available tax losses carried forward in Galapagos NV (Belgium) amounted to €823.1 million (2024: €822.4 million). In addition to the latter, Galapagos NV (Belgium) also benefits from the Belgian innovation income deduction regime which led to report, on December 31, 2025, a carried forward tax deduction amounting to €692.1 million (2024: €534.4 million) that can also be offset against possible future taxable results. In addition, Galapagos NV (Belgium) also has available investment deduction carried forward of €1 million (2024: €1 million) and dividend received deduction carried forward of €31.0 million (2024: €31.0 million) that can be offset against possible future taxable profits. There is no limit in time for the innovation income deduction, the dividend received deduction and investment deduction carried forward.

We forecast to incur tax losses in the foreseeable future as we continue to invest in R&D. Consequently, no net deferred tax asset was recognized as at December 31, 2025, except for one subsidiary operating on a cost plus basis, for which a deferred tax asset was recognized for €0.2 million (2024: €1.5 million).

Net deferred tax liabilities were initially calculated based on the fair value of the intangible assets identified from the acquisition of CellPoint and AboundBio, adjusted by considering the related recognizable deferred tax assets. These net deferred tax liabilities were released in profit or loss in 2025 as we recorded an impairment on these intangible assets.

## 26. Lease Liabilities

(thousands of €)	Lease payments		Present value of lease payments	
	December 31		December 31	
	2025	2024	2025	2024
<b>Lease liabilities</b>				
Within one year	1,955	3,830	1,729	3,479
In the second to fifth years inclusive	4,548	7,307	4,060	6,592
After five years	1,200	1,796	1,126	1,651
	<b>7,703</b>	<b>12,933</b>	<b>6,915</b>	<b>11,722</b>
Less future finance charges	788	1,211		
<b>Present value of lease obligation</b>	<b>6,915</b>	<b>11,722</b>		
Less amount due for settlement within 12 months	1,729	3,479	1,729	3,479
<b>Amount due for settlement after 12 months</b>	<b>5,186</b>	<b>8,243</b>	<b>5,186</b>	<b>8,243</b>

We refer to [note 15](#) “Property, plant and equipment”, for details on the right of use assets.

## 27. Trade and Other Liabilities and Other Non-Current Liabilities

(thousands of €)	December 31	
	2025	2024
Trade liabilities	32,621	64,230
Severance accruals related to cell therapy activities	33,106	–
Other liabilities	38,895	33,550
Current financial instruments	5	5
Accrued charges	20	1,092
<b>Total trade and other liabilities</b>	<b>104,647</b>	<b>98,877</b>
Non-current contingent consideration related to milestones CellPoint	–	20,576
Other non-current liabilities	12,601	13,245
<b>Total other non-current liabilities</b>	<b>12,601</b>	<b>33,821</b>

The contingent consideration arrangement relating to the acquisition of CellPoint required us to pay the former owners of CellPoint additional considerations up to €100.0 million. This amount was due when certain sequential development (€20.0 million), regulatory (€30.0 million) and sales-based (€50.0 million) milestones would have been achieved. Total fair value at December 31, 2024, of these milestones amounted to €20.6 million.

The fair value measurement was based on significant inputs that were not observable in the market, which were classified as Level 3 inputs. Key assumptions in the valuation at December 31, 2024 included an appropriate discount rate, an appropriate probability of success of reaching these milestones and expected timing of these milestones, in line with the timelines and probabilities used in our impairment test of the CAR-T business.

Since acquisition date changes were made to the discount rate and the expected timing of the milestones. The only impact until the third quarter of 2025 that was recognized compared to the date of acquisition was the discounting effect. This was recognized on the line “Other financial income/Other financial expenses”.

As a consequence of the wind-down of the cell therapy activities, this contingent consideration payable was derecognized, the fair value gain in 2025 of €21.8 million was included in the line “Other operating income” in our **income statement**.

We refer to **note 35** “Financial Risk Management” for more information on the financial risk management.

## 28. Provisions

The provisions amounted to €45.5 million at December 31, 2025, compared to nil at December 31, 2024. The corresponding effect in profit or loss is mainly reflected in the external outsourcing costs in the R&D expenses. During the course of 2025, there was a restructuring provision recognized for early termination of collaboration agreements as a result of the discontinuation of the small molecules activities with an outstanding amount of €29.2 million on December 31, 2025. This outstanding provision is settled in the first quarter of 2026 because of a negotiated settlement agreement. We refer to note 37 for more information.

In addition, a restructuring provision was recognized related to expected contract terminations as a consequence of the intention to wind down the cell therapy activities of €16.3 million as we assessed that a valid expectation existed towards third party vendors at December 31, 2025. The provision is estimated based on the total amount of undelivered open purchase commitments, ongoing negotiations with collaboration partners, and confirmed potential exposure provided by our legal advisor.

Movements in each class of provision during the financial year are set out below:

(thousands of €)	Restructuring small molecules programs	Restructuring cell therapy activities	Total provisions
<b>On January 1, 2025</b>	-	-	-
Additional provision charged to profit or loss	36,330	16,324	52,654
Unused amount reversed	(712)	-	(712)
Amounts settled	(6,443)	-	(6,443)
<b>On December 31, 2025</b>	<b>29,175</b>	<b>16,324</b>	<b>45,499</b>

## 29. Deferred Income

The movement in the non-current and current deferred income is detailed in the table below.

(thousands of €)	Gilead collaboration agreement for filgotinib	Gilead collaboration agreement for drug discovery platform <sup>(1)</sup>	Other deferred income	Total
<b>On January 1, 2024</b>	26,268	1,299,163	2,032	1,327,463
Of which current portion:	25,054	230,070	1,146	256,270
Significant financing component <sup>(2)</sup>	(227)			(227)
Revenue recognition of upfront	(21,952)	(230,182)		(252,134)
Revenue recognition of milestones	(4,089)			(4,089)
Other movements			339	339
<b>On December 31, 2024</b>	-	1,068,981	2,371	1,071,352
Of which current portion:	-	230,105	2,371	232,476
Revenue recognition of upfront		(1,068,967)		(1,068,967)
Other movements		(14)	(2,339)	(2,353)
<b>On December 31, 2025</b>	-	-	32	32
Of which current portion:	-	-	32	32

<sup>(1)</sup> The upfront received and the outstanding balance comprise the issuance liabilities for the warrants and the upfront payment allocated to the drug discovery platform.

<sup>(2)</sup> 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.

We refer to [note 2](#) for a detail of the allocation of the transaction price of our collaboration with Gilead and to [note 5](#) and [note 7](#) for a description of our revenue recognition.

## 30. Note to the Cash Flow Statement

(thousands of €)	2025	2024
<b>Adjustment for non-cash transactions</b>		
Amortization, depreciation and impairment on intangible assets and property, plant and equipment	55,875	45,499
Share-based compensation expenses	23,999	19,886
Decrease in retirement benefit obligations	(2,352)	(524)
Unrealized exchange losses/gains (-) and non-cash other financial result	43,836	(23,858)
Discounting effect of non-current deferred income	-	(227)
Discounting effect of other non-current liabilities	1,183	(395)
Discounting effect of contingent consideration receivable	(2,676)	(4,002)
Fair value re-measurement of warrants	-	(4)
Net change in fair value of current financial investments	51,911	(49,984)
Fair value adjustment financial assets held at fair value through profit or loss	(1,175)	-
Fair value adjustment contingent consideration receivable	(11,887)	(931)
Fair value adjustment of contingent consideration payable	(21,760)	-
Impairment loss (addition/reversal (-)) on trade receivables	(9,643)	9,643
Other non-cash expenses	(151)	(12)
<b>Total adjustment for non-cash transactions</b>	<b>127,160</b>	<b>(4,909)</b>
<b>Adjustment for items to disclose separately under operating cash flow</b>		
Interest expense	1,034	912
Interest income	(46,339)	(89,378)
Income taxes	(18,138)	(1,705)
Cash used for other liabilities related to the disposal of subsidiaries	-	527
<b>Total adjustment for items to disclose separately under operating cash flow</b>	<b>(63,443)</b>	<b>(89,644)</b>
<b>Adjustment for items to disclose under investing and financing cash flows</b>		
Gain on sale of subsidiaries	(1,085)	(52,488)
Loss on sale of fixed assets	27	8
Proceeds from settlement of hedging instrument	(22,745)	-
Investment income on financial investments	(33,645)	(23,759)
Cash used for other liabilities related to the disposal of subsidiaries	15,194	-
<b>Total adjustment for items to disclose separately under investing and financing cash flow</b>	<b>(42,254)</b>	<b>(76,239)</b>
<b>Change in working capital other than deferred income</b>		
Decrease in inventories	28,851	23,039
Increase (-)/decrease in receivables	86,588	(31,055)
Increase/decrease (-) in liabilities	33,813	(53,429)
<b>Total change in working capital other than deferred income</b>	<b>149,252</b>	<b>(61,445)</b>

## 31. Off-Balance Sheet Arrangements

### Contractual obligations and commitments

On December 31, 2025, we had outstanding obligations for future purchase commitments, which become due as follows:

(thousands of €)	Total	Less than 1 year	1 – 3 years	3 – 5 years	More than 5 years
<b>Purchase commitments</b>	<b>91,344</b>	<b>75,845</b>	<b>13,858</b>	<b>1,556</b>	<b>85</b>

On December 31, 2024, we had outstanding obligations for future purchase commitments, which become due as follows:

(thousands of €)	Total	Less than 1 year	1 – 3 years	3 – 5 years	More than 5 years
<b>Purchase commitments</b>	<b>272,240</b>	<b>189,662</b>	<b>70,323</b>	<b>10,962</b>	<b>1,293</b>

Our purchase commitments at the end of the year 2025 were adjusted considering the wind-down of the cell therapy activities and included €61.7 million related to projects in development phase (2024: €160.9 million), €2.5 million for projects in discovery research phase (2024: €60.9 million), €25.2 million for shared services (2024: €46.0 million), €0.4 million for commercial and medical affairs (2024: €1.7 million), and €1.6 million related to product supply chain (2024: €2.6 million).

## 32. Share-Based Payments

### Subscription right plans

Presented below is a summary of subscription right activities for the reported periods. Various subscription right plans were approved by the Board of Directors for the benefit of our employees, members of the Board of Directors and Executive Committee, and independent consultants.

The subscription rights offered to members of the Board of Directors vest over a period of 36 months at a rate of 1/36th per month. Effective January 1, 2020, we no longer grant subscription rights to members of the Board of Directors (Non-Executive Directors), taking into account the stricter rules of the BCCA and 2020 Code.

Within the framework of the authorized capital and for the benefit of the Executive Committee members and employees of the Galapagos group, the Board of Directors issued “Subscription Right Plan 2025 (A)”, for a total of 925,000 subscription rights (after acceptance by the beneficiary) on May 27, 2025, and “Subscription Right Plan 2025 (B)” for a total of 905,000 subscription rights (after acceptance by the beneficiaries) on August 7, 2025, and for a total of 420,000 subscription rights (after acceptance by the beneficiaries) on November 19, 2025.

Following table shows when a subscription right becomes exercisable, per issued subscription right plan:

Subscription right exercisable as from	Cliff vesting	Graded vesting		
		First tranche of 25%	Second tranche of 25%	Third tranche of 50%
Subscription right plans before 2021	First day after end of third calendar year following the grant	-	-	-
Subscription right plan 2021BE	First day after end of third calendar year following the grant	-	-	-
Subscription right plan 2021RMV and ROW	-	January 1, 2023	January 1, 2024	January 1, 2025
Subscription right plan 2022 (A)	-	January 1, 2023	January 1, 2024	January 1, 2025
Subscription right plan 2022 (B)	January 1, 2026	-	-	-
Subscription right plan 2022BE	January 1, 2026	-	-	-
Subscription right plan 2022RMV and ROW	-	January 1, 2024	January 1, 2025	January 1, 2026
Subscription right plan 2023BE	January 1, 2027	-	-	-
Subscription right plan 2023RMV and ROW	-	January 1, 2025	January 1, 2026	January 1, 2027
Subscription right plan 2024BE	January 1, 2028	-	-	-
Subscription right plan 2024RMV and ROW	-	January 1, 2026	January 1, 2027	January 1, 2028
Subscription right plan 2025 (A)	June 12, 2028	-	-	-
Subscription right plan 2025 (B)	August 22, 2028	-	-	-
Subscription right plan 2025 (B)	December 9, 2028	-	-	-

In the event of a change of control over Galapagos NV, all outstanding subscription rights vest immediately (to the extent they had not all vested yet) and will become immediately exercisable in accordance with the relevant subscription right plan rules.

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The table below sets forth a summary of subscription rights outstanding and exercisable on December 31, 2025, per subscription right plan:

Subscription right plan	Allocation date	Expiry date	Exercise price (€)	Outstanding at January 1, 2025	Granted and accepted during the year	Exercised during the year	Forfeited during the year	Expired during the year	Outstanding at December 31, 2025	Exercisable at December 31, 2025
2016 (B)	01/20/2017	01/19/2025	62.50	10,000				(10,000)	–	–
2017	05/17/2017	05/16/2025	80.57	585,000				(585,000)	–	–
2017 RMV	05/17/2017	05/16/2025	80.57	105,000				(105,000)	–	–
2018	04/19/2018	04/18/2026	79.88	929,995			(5,000)		924,995	924,995
2018 RMV	04/19/2018	04/18/2026	79.88	117,500					117,500	117,500
2019	04/10/2019	04/09/2027	95.11	1,144,990			(17,000)		1,127,990	1,127,990
2019 RMV	04/10/2019	04/09/2027	95.11	153,500			(1,750)		151,750	151,750
2020	04/17/2020	04/16/2028	168.42	1,315,692			(13,456)		1,302,236	1,302,236
2020 RMV	04/17/2020	04/16/2028	168.42	179,175			(11,100)		168,075	168,075
2021BE	04/30/2021	04/29/2029	64.76	1,015,033			(252)		1,014,781	1,014,781
2021RMV	04/30/2021	04/29/2029	64.76	218,925			(8,325)		210,600	210,600
2021ROW	04/30/2021	04/29/2029	64.76	591,450			(5,625)		585,825	585,825
2022 (A)	01/13/2022	01/12/2030	46.18	30,000					30,000	30,000
2022 (B)	01/26/2022	01/25/2030	50.00	1,000,000					1,000,000	1,000,000
2022BE	05/06/2022	05/05/2030	57.46	804,232			(1,588)		802,644	802,644
2022BE	08/05/2022	05/05/2030	51.58	78,000			(6,000)		72,000	72,000
2022RMV	05/06/2022	05/05/2030	57.46	199,069			(4,780)		194,289	194,289
2022ROW	05/06/2022	05/05/2030	57.46	631,100			(16,673)		614,427	614,427
2022ROW	08/05/2022	08/04/2030	51.58	60,000					60,000	60,000
2023BE	05/05/2023	05/04/2031	35.11	593,250					593,250	
2023RMV	05/05/2023	05/04/2031	35.11	100,000					100,000	50,000
2023ROW	05/05/2023	05/04/2031	35.11	496,900			(28,750)		468,150	235,950
2023BE	06/15/2023	06/14/2031	38.58	200,000					200,000	
2023ROW	11/17/2023	05/04/2031	32.99	20,000					20,000	10,000
2024BE	05/16/2024	05/15/2032	26.90	667,798			(50,000)		617,798	
2024RMV	05/16/2024	05/15/2032	26.90	21,500					21,500	5,375
2024ROW	05/16/2024	05/15/2032	26.90	602,000			(62,000)		540,000	135,000
2024BE	10/01/2024	09/30/2032	25.88	3,500					3,500	
2024ROW	10/01/2024	09/30/2032	25.88	37,500					37,500	9,375
2025 (A)	05/27/2025	06/11/2033	25.64	–	925,000				925,000	
2025 (B)	08/07/2025	08/06/2033	28.16	–	905,000				905,000	
2025 (B)	11/19/2025	11/18/2033	26.75	–	420,000				420,000	
<b>Total</b>				<b>11,911,109</b>	<b>2,250,000</b>		<b>(232,299)</b>	<b>(700,000)</b>	<b>13,228,810</b>	<b>8,822,812</b>

# Galápagos

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	Subscription rights	Weighted average exercise price (€)
<b>Outstanding on December 31, 2023</b>	<b>11,472,520</b>	<b>77.93</b>
Exercisable on December 31, 2023	5,836,538	101.93
Granted and accepted during the year	1,381,000	26.87
Forfeited during the year	(547,911)	72.66
Exercised during the year	-	-
Expired during the year	(394,500)	46.10
<b>Outstanding on December 31, 2024</b>	<b>11,911,109</b>	<b>73.19</b>
Exercisable on December 31, 2024	5,182,941	107.03
Granted and accepted during the year	2,250,000	26.86
Forfeited during the year	(232,299)	55.51
Exercised during the year	-	-
Expired during the year	(700,000)	80.31
<b>Outstanding on December 31, 2025</b>	<b>13,228,810</b>	<b>65.24</b>
Exercisable on December 31, 2025	8,822,812	83.32

	2025 (A)	2025 (B)	2025 (B)	2024BE/ROW	2024BE	2024RMV/ROW
	May 27, 2025	August 7, 2025	November 19, 2025	October 1, 2024	May 16, 2024	May 16, 2024
Weighted average exercise price (€)	25.64	28.16	26.75	25.88	26.90	26.90
Weighted average share price at acceptance date (€)	25.46	28.16	27.04	26.00	23.80	23.80
Weighted average fair value on the acceptance date (€)	9.80	10.98	10.06	10.57	9.78	9.11
Weighted average historical volatility (%)	38.79	38.77	35.98	41.73	42.19	42.19
Weighted average expected life of the subscription right (years)	5.50	5.50	5.50	5.28	6.22	5.44
Weighted average risk free rate (%)	2.03	2.19	2.21	2.17	2.56	2.58
Expected dividends	None	None	None	None	None	None

The exercise price of the subscription rights is determined pursuant to the applicable provisions of the Belgian Law of March 26, 1999.

The weighted average estimated volatility is calculated on the basis of the implied volatility of the share price over the weighted average expected life of the subscription rights. For the plans issued in 2024 and 2025 we used the historical volatility.

The weighted average expected life of the subscription right is calculated as the estimated duration until exercise, taking into account the specific features of the plans. For the plans issued in 2024 and 2025 we assumed an exercise at mid-point.

Our share-based compensation expense in 2025 in relation to subscription right plans amounted to €23,999 thousand (2024: €19,886 thousand), of which €23,999 thousand (2024: €17,685 thousand) from continuing operations and nil (2024: €2,201 thousand) from discontinued operations.

The following table provides an overview of the outstanding subscription rights per category of subscription right holders on December 31, 2025 and December 31, 2024:

Category (in number of subscription rights)	December 31	
	2025	2024
Members of the Board of Directors	7,500	7,500
Executive Committee members	1,666,500	1,616,500
Personnel	11,554,810	10,287,109
<b>Total subscription rights outstanding</b>	<b>13,228,810</b>	<b>11,911,109</b>

The outstanding subscription rights at the end of the accounting period have a weighted average exercise price of €65.24 (2024: €73.19) and a weighted average remaining life of 1,528 days (2024: 1,560 days).

## Restricted stock units (RSUs)

Each RSU represents the right to receive, at our 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, in accordance with the terms and conditions of the relevant RSU program.

We currently have the following RSU programs:

- Plan 2021.I, Plan 2022.I, Plan 2023.I, Plan 2024.I, Plan 2025.I to Plan 2025.VI: these plans are intended to provide a long-term incentive to certain of our employees and Executive Committee members. The grants to Executive Committee members appointed in 2025 under Plan 2025.IV were joining arrangements;
- Plan 2021.II, Plan 2022.II, Plan 2023.II and Plan 2024.II: these plans are designed with the aim of retaining a specific group of our key employees and Executive Committee members whose retention is considered so important for our future performance that an additional incentive is desirable. The beneficiaries are nominated by the Remuneration Committee and the Board of Directors approves this list of beneficiaries. The four-year vesting period is designed to be aligned with long-term shareholder interests;

The main characteristics of all these plans are as follows:

- the RSUs are offered for no consideration;
- generally, RSUs vest over four years, with 25% vesting each year. Certain plans or some beneficiaries follow a three-year cliff vesting or one-year cliff vesting schedule under which all RSUs (100%) vest at once;
- payout will be in cash or shares, at our discretion, it being understood that in respect of members of the Executive Committee, 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;
- any unvested RSUs are forfeited upon termination of service before the vesting date.

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The table below sets forth a summary of RSUs outstanding at December 31, 2025, per RSU plan:

RSU plan	Offer date	Outstanding at January 1, 2025	Granted during the year	Forfeited during the year	Paid in cash during the year	Outstanding at December 31, 2025
Plan 2021.I.	05/05/2021	8,448		(1,598)	(6,850)	–
Plan 2021.III.	05/06/2021	2,031			(2,031)	–
Plan 2022.I.	05/03/2022	23,832		(10,260)	(9,734)	3,838
Plan 2022.II.	05/05/2022– 08/05/2022	54,768		(6,103)	(29,318)	19,347
Plan 2023.I.	05/08/2023	129,963		(58,881)	(31,907)	39,175
Plan 2023.II.	05/09/2023– 06/15/2023– 11/17/2023	287,625		(84,014)	(95,875)	107,736
Plan 2024.I.	05/16/2024	566,456		(208,573)	(130,417)	227,466
Plan 2024.II.	05/16/2024– 09/17/2024	233,148		(102,536)	(54,496)	76,116
Plan 2025.I.	06/16/2025– 08/29/2025– 11/25/2025	–	258,384	(22,192)		236,192
Plan 2025.II.	06/16/2025	–	21,416	(8,176)		13,240
Plan 2025.III.	06/16/2025	–	6,928	(712)		6,216
Plan 2025.IV.	06/16/2025– 08/07/2025-11/19/ 2025	–	400,000			400,000
Plan 2025.V.	06/23/2025	–	29,924	(20,636)		9,288
Plan 2025.VI.	08/07/2025-11/19/ 2025	–	130,000			130,000
<b>Total</b>		<b>1,306,271</b>	<b>846,652</b>	<b>(523,681)</b>	<b>(360,628)</b>	<b>1,268,614</b>

(in number of RSUs)	2025	2024
<b>Outstanding on January 1</b>	<b>1,306,271</b>	<b>1,175,453</b>
Granted and accepted during the year	846,652	840,088
Forfeited during the year	(523,681)	(476,482)
Paid in cash during the year	(360,628)	(232,788)
<b>Outstanding on December 31</b>	<b>1,268,614</b>	<b>1,306,271</b>

The RSUs are measured based on the volume-weighted average price of the Galapagos share on Euronext Brussels over the 30-calendar day period preceding the reporting period and they are re-measured at each reporting date. We recognize the corresponding expense and liability over the vesting period. The total liability relating to outstanding RSUs on December 31, 2025 amounted to €14.8 million (2024: €16.7 million).

The following table provides an overview of the outstanding RSUs per category of RSU holders on December 31, 2025 and December 31, 2024.

Category (in number of RSUs)	December 31	
	2025	2024
Executive Committee members	445,967	564,034
Personnel	822,647	742,237
<b>Total outstanding RSUs</b>	<b>1,268,614</b>	<b>1,306,271</b>

### 33. Related Parties

#### Relationship and transactions with entities with control of, or significant influence over, Galapagos

##### Gilead

Gilead exercises significant influence over us as from the equity subscription on August 23, 2019. As a result of the equity subscription we received a transparency notification from Gilead on August 28, 2019 confirming they held 22.04% of the then issued and outstanding shares of Galapagos.

By exercising Warrant A on November 6, 2019, Gilead increased its ownership in Galapagos to 25.10% of the then outstanding shares. Gilead further increased its ownership to 25.84% at December 31, 2019. Gilead's ownership then diluted to 25.35% at December 31, 2023 and at December 31, 2024, and at December 31, 2025, due to one capital increase resulting from the exercise of subscription rights under employee subscription right plans in the course of 2023.

The presumption of significant influence is also confirmed by Gilead's right, for as long as it holds more than 20% of Galapagos' share capital, to appoint two Investor Board Designees to Galapagos' Board of Directors, out of a total of nine.

The following table details our relation with Gilead:

(thousands of €)	December 31	
	2025	2024
Trade and other receivables <sup>(1)</sup>	3,833	2,268

(thousands of €)	Year ended December 31	
	2025	2024
Revenues recognized related to the performance obligation for the drug discovery platform	1,068,967	230,182
Revenues recognized related to the filgotinib performance obligation <sup>(2)</sup>	–	26,041
Royalty income related to the commercialization of filgotinib	12,177	10,604
Cost reimbursements related to the development of GLPG1690 <sup>(3)</sup>	–	128
Cross charges from and to Gilead relating to filgotinib <sup>(4)</sup>	36	–

<sup>(1)</sup> Consisting on December 31, 2025, mainly of a royalties receivable of €3.8 million, consisting on December 31, 2024, of a royalties receivable of €2.2 million

<sup>(2)</sup> Upfront and milestone payments recognized in accordance with the percentage of completion of the underlying obligation

<sup>(3)</sup> Shown as decrease of R&D expenditure

<sup>(4)</sup> Net amount shown as an (increase)/decrease of R&D expenditure

As at December 31, 2023, we had two outstanding performance obligations under IFRS 15 towards Gilead, which were the performance obligation related to our drug discovery platform and the termination of our performance obligation relating to filgotinib before its transfer to Alfasigma on January 31, 2024 following the closing of the transaction for the transfer of the Jyseleca® business. The remaining deferred income for the performance obligation relating to filgotinib, amounting to €26.3 million at December 31, 2023, was recognized in revenue in 2024. It was assessed based on the intention to wind down our cell therapy activities and the facts and circumstances on December 31, 2025, that the deferred income balance for the drug discovery platform is no longer justified in the IFRS consolidated financial statements for the year ended December 31, 2025, leading to full recognition of the deferred income at December 31, 2024, as revenue. For the avoidance of doubt, the OLCA remains in effect.

A detailed explanation of our transactions with Gilead in 2025 and 2024 can be found in the section of the annual report titled "Agreements with major Galapagos NV shareholders".

There are no other shareholders or other entities who, solely or jointly, control us or exercise significant influence over us.

## Relationship and transactions with subsidiaries

Please see [note 34](#) for an overview of the consolidated companies of the group, which are all wholly-owned subsidiaries of Galapagos NV.

## Relationship and transactions with key management personnel

Our key management personnel consists of the members of the Executive Committee and members of the Board of Directors. All amounts mentioned in this section are based on expenses recognized in the financial statements for the relevant financial year.

## Remuneration of key management personnel

On December 31, 2025, our Executive Committee had four members: Mr. Henry Gosebruch, Mr. Aaron Cox, Mr. Fred Blakeslee and Mrs. Annelies Missotten. They provide their services to us on a full-time basis.

On December 31, 2025, our Board of Directors consisted of eight members: Mr. Jérôme Contamine, Mr. Devang Bhuva, Mr. Henry Gosebruch, Mrs. Jane Griffiths, Dr. Linda Higgins, Dr. Neil Johnston, Mr. Oleg Nodelman and Mrs. Dawn Svoronos.

On October 6, 2024, the Board of Directors appointed Mr. Oleg Nodelman by way of co-optation as Non-Executive Non-Independent Director, effective as of October 7, 2024, replacing Mr. Dan G. Baker who stepped down on October 6, 2024. The AGM of April 29, 2025 confirmed the appointment by way of co-optation of Mr. Oleg Nodelman as Non-Executive Non-Independent Director, for a term of four years until the AGM to be held in 2029.

On May 12, 2025, the Board of Directors appointed Mr. Henry Gosebruch by way of co-optation as Executive Director and Chief Executive Officer of Galapagos, effective immediately, replacing Stoffels IMC BV, permanently represented by Dr. Paul Stoffels. Jérôme Contamine succeeded Stoffels IMC BV as Chair of the Board of Directors.

The CEO will only be remunerated for the performance of its executive function as CEO and is not entitled to any additional remuneration for its mandates of Chair or member of the Board of Directors or of any Committee.

On July 22, 2025, the Board of Directors appointed Ms. Jane Griffiths and Ms. Dawn Svoronos by way of co-optation as Non-Executive Independent Directors, replacing Mr. Peter Guenter and Mr. Simon Sturge effective as of July 28, 2025.

On September 13, 2025, the Board appointed Dr. Neil Johnston by way of co-optation as Non-Executive Independent Director, replacing Dr. Elisabeth Svanberg effective as of November 1, 2025.

On October 20, 2025, the Board appointed Mr. Devang Bhuva by way of co-optation as Non-Executive Non-Independent Director, replacing Mr. Andrew Dickinson effective as of November 1, 2025.

On February 9, 2026, the Board appointed Mr. Paulo Fontoura by way of co-optation as Non-Executive Independent Director, effective as of February 9, 2026, replacing Dr. Susanne Schaffert who stepped down on November 1, 2025.

All aforementioned appointments will be submitted to the confirmation by the Company's AGM which will be held on April 28, 2026.

Effective from January 1, 2020, we no longer grant any subscription rights to members of the Board of Directors, taking into account the stricter rules of the BCCA and 2020 Code. Prior to 2020, Board members were granted subscription rights.

Reference is made to the **Remuneration Report**, which discloses pursuant to the BCCA the remuneration awarded to each member of the Board of Directors and Executive Committee during 2025.

The remuneration package of the members of key management personnel comprises:

Thousands of € (except for the number of subscription rights and RSUs)	Year ended December 31	
	2025	2024
<b>Remuneration of key management personnel:</b>		
Short-term benefits to Executive Committee members as a group <sup>(1)</sup>	3,762	3,279
Board fees for members of the Board of Directors	791	859
Post-employment benefits <sup>(2)</sup>	216	186
Severance package <sup>(3)</sup>	1,520	–
<b>Subscription rights granted in the year</b>		
Number of subscription rights granted in the year to Executive Committee members as a group	1,510,000	185,000
Total cost to be recognized for subscription rights granted in the year under IFRS 2	15,275	1,765
<b>Number of RSUs granted in the year</b>		
Total number of RSUs granted in the year to Executive Committee members as a group <sup>(1)(4)</sup>	429,924	299,516

<sup>(1)</sup> Stoffels IMC BV, permanently represented by Dr. Paul Stoffels was Chief Executive Officer and Executive Committee member until May 12, 2025, Thad Huston was CFO and Executive Committee member until July 31, 2025, Valeria Cnossen was General Counsel and Executive Committee member until October 16, 2025 and Annelies Missotten was Executive Committee member until December 31, 2025. Henry Gosebruch is CEO and Executive Committee member as of May 12, 2025, Aaron Cox is CFO and Executive Committee member as of July 7, 2025 and Fred Blakeslee is General Counsel and Executive Committee member as of October 16, 2025. Their (prorated) remuneration and benefits are included in the overview for the financial year 2025.

<sup>(2)</sup> Only Executive Committee members receive post-employment benefits.

<sup>(3)</sup> For 2025, we disclose the termination package of Mr. Thad Huston, Stoffels IMC BV, Valeria Cnossen and Annelies Missotten. Reference is made to the Severance section in the FY25 remuneration report. The end date of Annelies Missotten as member of the Executive Committee is December 31, 2025. These severance payments occurred in the financial year 2026, hence these have not been accounted for in the FY25 financial statements.

<sup>(4)</sup> This is the sum of the RSUs awarded during the respective financial year. Only certain Executive Committee members were awarded RSUs.

## Other

No loans, quasi-loans or other guarantees were given by us or any of our subsidiaries to members of the Board of Directors and of the Executive Committee. We have not entered into transactions with our key management personnel, other than as described above with respect to remuneration arrangements relating to the exercise or termination of their mandates as members of the Executive Committee and the Board of Directors.

## 34. Consolidated Companies as of December 31, 2025

Name of the subsidiary	Country	% voting right Galapagos NV (directly or indirectly through subsidiaries)	Change in % voting right previous period (2025 vs 2024)
GLPG US Inc. (formerly AboundBio Inc.)	United States	100%	
Galapagos B.V. (merged with CellPoint B.V.)	The Netherlands	100%	
Galapagos GmbH	Switzerland	100%	
GLPG US Holding Inc. (formerly Galapagos Inc.)	United States	100%	
Galapagos NV	Belgium	Parent company	
Galapagos Real Estate Belgium BV	Belgium	0%	(100%)
Galapagos Real Estate Netherlands B.V.	The Netherlands	100%	
Galapagos U.K. Limited	United Kingdom	100%	
Galapagos SASU	France	100%	
Xenometrix, Inc. in liquidation	United States	100%	
Galapagos Holding PTE. LTD.	Singapore	100%	
Lakefront Biotherapeutics, Inc.	United States	100%	100%
Galapagos Cell Therapeutics NV	Belgium	100%	100%
Galapagos (Shanghai) Bioscience Co., Ltd.	People's Republic of China	100%	100%

There are no significant restrictions on the group's ability to access or use assets, or settle liabilities, of one of the group's subsidiaries.

In December 2024, we signed a share purchase agreement regarding the shares of Galapagos Real Estate Belgium BV. The transaction was closed on March 31, 2025.

On January 7, 2025, we incorporated Galapagos (Shanghai) Bioscience Co., Ltd., in the People's Republic of China, and on February 14, 2025 we incorporated Galapagos Cell Therapeutics NV (formerly XYZ Spinco NV) in Belgium. On August 5, 2025, we incorporated Lakefront Biotherapeutics, Inc. in the United States.

## 35. Financial Risk Management

### Financial risk factors

Our financial risks are managed centrally. Our finance department coordinates the access to national and international financial markets and considers and manages continuously the financial risks concerning our activities. These relate to the following financial markets risks: credit risk, liquidity risk, currency and interest rate risk. Our interest rate risk is limited because we have no financial debt. In case of decreasing interest rates we will face a reinvestment risk on our strong cash and cash equivalents and financial investments balance. We do not buy or trade financial instruments for speculative purposes. In 2025, in the scope of the preparation of the intended separation of the Company, we made use of a currency exchange hedge (U.S.dollar – EUR hedge).

Categories of financial assets and liabilities:

(thousands of €)	Fair value hierarchy	December 31		Notes
		2025	2024	
<b>Financial assets held at fair value through other comprehensive income</b>				
Equity investments	Level 3	46,809	52,941	16
<b>Financial assets held at fair value through profit or loss</b>				
Contingent consideration receivable	Level 3	54,705	47,207	5
Financial investments	Level 1	1,472,031	1,484,599	22
Convertible loan	Level 3	21,175	-	17
<b>Financial assets at amortized cost</b>				
Financial investments		1,438,149	1,768,917	22
Escrow account		-	41,163	5
Cash and cash equivalents		87,868	64,239	23
Restricted cash (current and non-current)		1,759	1,985	18
Other non-current assets		1,200	1,266	18
Trade receivables		9,568	32,471	21
<b>Total financial assets</b>		<b>3,133,264</b>	<b>3,494,788</b>	
<b>Financial liabilities held at fair value through profit or loss</b>				
Current financial instruments		5	5	27
Non-current contingent consideration related to milestones CellPoint	Level 3	-	20,576	27
<b>Financial liabilities at amortized cost</b>				
Trade liabilities		32,621	64,230	27
Lease liabilities		6,915	11,722	26
<b>Total financial liabilities</b>		<b>39,541</b>	<b>96,533</b>	

The carrying amounts of trade and other receivables, trade and other payables, financial investments and cash and cash equivalents approximate their fair value.

## Financial assets held at fair value through other comprehensive income

Financial assets held at fair value through other comprehensive income consisted of equity instruments of non-listed companies.

We have no restrictions on the sale of these equity instruments and the assets are not pledged under any of our liabilities.

The fair value of the equity instruments in the non-listed companies has been determined mainly by reference to the initial transaction price. These investments are valued initially at fair value through the established purchase price between a willing buyer and seller. Subsequent valuation is based on internal and external evidence such as information from recent financing rounds, scientific updates and other calculation techniques.

## Financial assets held at fair value through profit or loss

Financial assets held at fair value through profit or loss consisted of current financial investments, contingent consideration receivables and a convertible loan.

The contingent receivable relates to fair value of the future earn-outs to be obtained from Alfasigma for the sale of Jyseleca®. The valuation is based on Level 3 assumptions based on our best estimate of the expected earnouts and sales milestones in the future, considering probability adjusted sales forecasts of Jyseleca® discounted using an appropriate discount rate. The fair value is reviewed at each reporting date and any changes are reflected in our consolidated income statement, in the line 'Net profit/loss (-) from discontinued operations, net of tax'. An increase in expected sales by 15% would result in an increase of €15.9 million in the total contingent receivable on December 31, 2025. A decrease in expected sales by 15% would result in a decrease of €13.8 million in the total contingent receivable on December 31, 2025.

Current financial investments include money market funds in EUR and USD.

## Liquidity risk

Financial investments and cash and cash equivalents amounted to €2,998.0 million on December 31, 2025. Management forecasts our liquidity requirements to ensure that we have sufficient cash to meet operational needs. We have no credit lines. Such forecasting is based on realistic assumptions with regards to royalties, milestone and upfront payments to be received.

All our cash and cash equivalents have only an insignificant liquidity risk as they are all convertible upon a maximum three month notice period and without incurring a significant penalty in normal market circumstances.

## Credit risk

The term "credit risk" refers to the risk that counterparty will default on its contractual obligations resulting in financial loss for us.

We grant credit to our clients in the framework of our normal business activities. Usually, we require no pledge or other collateral to cover the amounts due. All our receivables are considered collectable.

We accounted for a provision for expected credit losses in 2024 for two disputed invoices, this provision was reversed in 2025. We did not account for a provision for expected credit losses relating to all our other trade and other receivables given that there is no history of material credit losses, nor does forward looking information reveals any potential risk and due to the high-quality nature of our customers.

Aging balance of receivables that are due, but that are still considered collectable:

(thousands of €)	December 31	
	2025	2024
60–90 days	899	552
90–120 days	–	24
more than 120 days	302	19

Our cash and cash equivalents are invested primarily in current, notice and term accounts. For banks and financial institutions, only independently rated parties with a minimum rating of ‘A’ are accepted at the beginning of the term. Our financial investments are also kept within different financial institutions and include term deposits, money market funds and treasury bills with an AAA rating. The money market funds are invested in a well-diversified portfolio of highly rated assets.

## Interest rate risk

The only variable interest-bearing financial instruments are cash and cash equivalents and financial investments.

Changes in interest rates may cause variations in interest income and expenses resulting from short-term interest-bearing assets.

## Effect of interest rate fluctuation

A 100 basis points increase in interest rates at balance sheet date would have increased profit or loss, and equity, by approximately €30.0 million (2024: €33.2 million); a 100 basis points decrease in interest rates would have decreased profit or loss, and equity, by approximately €30.0 million (2024: €33.2 million). These scenarios assume our entire cash portfolio would immediately reprice at the new interest rates.

## Foreign exchange risk

We are exposed to foreign exchange risk arising from various currency exposures. Our principal functional currency is euro, but we receive payments from our main collaboration partner Gilead in U.S. dollars and acquire some consumables and materials in U.S. dollars, Swiss francs, and GB pounds.

To limit this risk, we attempt to align incoming and outgoing cash flows in currencies other than EUR. In addition, contracts closed by our different entities are mainly in the functional currencies of that entity, except for the collaboration agreement signed with Gilead for which payments are denominated in U.S. dollars.

The exchange rate risk in case of a 10% change in the exchange rate amounts to:

Net book value (thousands of €)	December 31	
	2025	2024
Increase in Euros – U.S. Dollars	(182,651)	(70,387)
Increase in Euros – GB Pounds	62	31
Increase in Euros – CH Francs	774	280

The exchange rate risk on the U.S. dollar is primarily related to our cash and cash equivalents and financial investments held in U.S. dollars.

## Capital risk factors

We manage our capital to safeguard that we will be able to continue as a going concern. At the same time, we want to ensure the return to our shareholders through the results from our R&D activities.

Our capital structure consists of financial investments, cash and cash equivalents, and equity attributed to the holders of our equity instruments, such as capital, reserves and results carried forward, as mentioned in the consolidated statement of changes in equity.

We manage our capital structure and make the necessary adjustments in the light of changes of economic circumstances, the risk characteristics of underlying assets and the projected cash needs of the R&D activities.

The adequacy of the capital structure will depend on many factors, including any future acquisition and business development transactions, future scientific progress in the R&D programs, the magnitude of those programs, the commitments to existing and new clinical CROs, the ability to establish new alliance or collaboration agreements, the capital expenditures and market developments.

Neither we nor any of our subsidiaries are subject to any externally imposed capital requirements, other than those imposed by generally applicable company law requirements.

## 36. Statutory Auditor's Remuneration

The statutory auditor's fees for carrying out its mandate at group level amounted to €1,270.8 thousand in 2025 which includes audit services related to the intended separation of the Company, the small molecules restructuring and wind down activities (2024: €1,063.9 thousand which includes audit services related to the Alfasigma transaction and the Adaptimmune contract). Audit-related fees, for services which generally the auditor provides, amounted to €14.0 thousand in 2025 (2024: €17.2 thousand). Other fees related to non-audit services executed by the statutory auditor amounted to €148.7 thousand in 2025 (2024: €88.9 thousand) and related to sustainability reporting. Other fees related to non-audit services executed by persons related to the statutory auditor amounted to nil in 2025 (2024: nil). Tax fees amounted to €15.1 thousand in 2025 (2024: €49.5 thousand) and related to tax assistance. The Audit Committee and the Board of Directors are of the opinion that these non-audit services do not affect the independence of the statutory auditor in the performance of his audit. The abovementioned additional fees were fully approved by the Audit Committee in accordance with article 3:64 of the BCCA.

### 37. Events after Balance Sheet Date

On January 20, 2026 we offered 110,000 subscription rights under the Subscription Right Plan 2025 (B) to certain members of the personnel of the Galapagos group, which were all accepted by the beneficiaries.

As a result of the strategic reorganization of our small molecule activities announced early January 2025, we terminated the majority of the work orders under our five-year collaboration agreement with NovAliX as of the end of March 2025. NovAliX initiated certain claims. In 2026, the parties entered into a settlement agreement, bringing all related discussions to a definitive close and fully and irrevocably terminating the collaboration. The agreed settlement amount was in line with the restructuring provision accounted for in our consolidated financial statements for the year ended December 31, 2025.

On March 6, 2026, we offered 127,400 subscription rights under the Subscription Right Plan 2025 (B) to certain members of the personnel of the Galapagos group, which were all accepted by the beneficiaries.

On March 6, 2026, the Board of Directors approved Subscription Right Plan 2026, intended for personnel of the Company and its subsidiaries, within the framework of the authorized capital. Under this subscription right plan, 1,750,000 subscription rights were created for compensation of current and potential future employees. On the same date 914,200 subscription rights were offered and thereafter accepted by the beneficiaries, including 586,900 subscription rights granted to members of the Executive Committee.

On March 6, 2026, 244,700 new restricted stock units (RSUs) under RSU Plan 2025.VI, RSU Plan 2026.I and RSU Plan 2026.II and 181,600 performance stock units (PSUs) under PSU Plan 2026.I were offered to certain members of the personnel of the Company, including the members of the Executive Committee. The RSUs and PSUs are offered for no consideration. The members of the Executive Committee accepted all RSUs and PSUs offered to them: 117,400 RSUs and PSUs. The RSU grant to the Executive Committee members has a four-year vesting period, with 25% vesting each year and a first vesting date on March 6, 2027. The PSU grant has a three-year cliff vesting (100%). For the members of the Executive Committee, 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.

On March 16, 2026, we offered 115,000 subscription rights under the Subscription Right Plan 2025 (B) to certain members of the personnel of the Galapagos group, which were all accepted by the beneficiaries.

On March 24, 2026, our consolidated financial statements were approved by the Board of Directors and authorized for publication. They were signed on behalf of the Board of Directors by:

(signed)

Jérôme Contamine  
Chairman of the Board of Directors

Neil Johnston  
Chairman of the Audit Committee and member of the Board of Directors

24 March 2026

## Overview Statutory Results of Galapagos NV

This overview only concerns an abbreviated version of the non-consolidated statutory results of Galapagos NV. These results are part of the consolidated results as discussed in the [Letter from the CEO and Chairman](#). The complete version of the statutory accounts of Galapagos NV will be filed with the National Bank of Belgium. The statutory auditor's report contains an unqualified opinion on the statutory accounts of Galapagos NV.

### Income statement

(thousands of €)	Year ended December 31	
	2025	2024
Turnover	1,102,782	303,425
Inventory semi-finished and finished goods: increase (decrease)	-	(12,598)
Internally generated intangible assets	294,202	265,376
Other operating income	6,082	39,918
<b>Operating income</b>	<b>1,403,066</b>	<b>596,121</b>
Raw materials, consumables and goods for resale	(52,142)	(46,408)
Services and other goods	(380,339)	(334,588)
Remuneration, social security costs and pensions	(80,454)	(57,873)
Depreciation, impairment and other amounts written off on constitution costs, intangible and tangible assets	(312,248)	(283,475)
Impairment on inventories, on orders in progress, and trade receivables	9,643	(10,600)
Increase in provisions	(42,739)	(3,568)
Other operating charges	(43,171)	(27,141)
Non-recurring operating costs	(111,421)	(40,212)
<b>Operating profit/loss (-)</b>	<b>390,195</b>	<b>(207,744)</b>
Finance income	194,027	201,081
Non-recurring finance income	163	55,972
Finance cost	(123,424)	(18,647)
Non-recurring finance cost	(157,643)	-
<b>Profit before tax</b>	<b>303,318</b>	<b>30,662</b>
Taxes	13,604	17,120
<b>Profit for the year</b>	<b>316,922</b>	<b>47,782</b>
Loss brought forward	(188,142)	(235,924)
Transfer to legal reserve	(15,846)	-
<b>Accumulated result to be carried forward</b>	<b>112,934</b>	<b>(188,142)</b>

**Balance sheet**

	December 31	
(thousands of €)	2025	2024
<b>Assets</b>		
<b>Non-current assets</b>	<b>264,482</b>	<b>545,301</b>
Intangible fixed assets	849	109,134
Tangible fixed assets	1,076	16,519
Financial fixed assets	128,382	297,493
Non-current trade and other receivables	134,175	122,155
<b>Current assets</b>	<b>3,077,192</b>	<b>3,498,843</b>
Inventories	22,493	51,192
Trade and other receivables	97,427	108,323
Deferred costs	3,317	25,314
Accrued income	5,901	7,934
Cash and cash equivalents	2,948,054	3,306,080
<b>Total assets</b>	<b>3,341,674</b>	<b>4,044,144</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>3,146,407</b>	<b>2,829,485</b>
Share capital and reserves	372,291	356,445
Share premium account	2,661,182	2,661,182
Accumulated result	112,934	(188,142)
<b>Liabilities</b>	<b>195,267</b>	<b>1,214,659</b>
<b>Non-current liabilities</b>	<b>60,279</b>	<b>17,539</b>
Provisions	60,279	17,539
<b>Current liabilities</b>	<b>134,988</b>	<b>1,197,120</b>
Trade and other payables	101,931	126,717
Tax, payroll and social security liabilities	24,785	11,989
Deferred income	8,272	1,058,414
<b>Total equity and liabilities</b>	<b>3,341,674</b>	<b>4,044,144</b>

Galapagos NV's operating income increased by €806.9 million in 2025, from €596.1 million in 2024 to €1,403.1 million in 2025. This increase was due to a higher turnover, of €799.4 million, mainly recognition of upfront payments received from Gilead as part of the OLCA. Based on the intention to wind down and the facts and circumstances on December 31, 2025, it was assessed that the deferred income balance related to our drug discovery platform is no longer justified in our financial statements, leading to the full recognition in 2025 of the deferred income balance at December 31, 2024, in revenue.

There was also an increase due to internally generated intangible assets – being capitalized R&D expenses – which contributed by €28.8 million more to our operating income than previous year. On the other hand other operating income decreased with €33.8 million and amounted to €6.1 million for the year ended December 31, 2025, including in 2025 €4.6 million recuperation of withholding taxes for scientists. This decrease can mainly be explained by lower cross-charges and services rendered to Alfasigma.

The operating costs of 2025 amounted to €1,012.9 million compared to €803.9 million in 2024.

Material purchases increased from €46.4 million in 2024 to €52.1 million in 2025, due to an increase in cost of goods sold.

Services and other goods increased to €380.3 million compared to €334.6 million in 2024, primarily due to higher in- and outsourcing costs.

Personnel costs in 2025 increased to €80.5 million compared to €57.9 million in 2024, mainly due to severance costs. The number of employees at Galapagos NV at the end of 2025 amounted to 92 as compared to 278 at the end of 2024, excluding insourced personnel. The average number of FTE in 2025 decreased to 173, compared to 292 in 2024.

Depreciation increased to €312.2 million in 2025, compared to €283.5 million in 2024, and related primarily to amortization of capitalized R&D expenses. Galapagos NV capitalizes its incurred R&D expenses and fully amortizes them in the same year.

Expenses related to the recording of provisions increased from €3.6 million in 2024 to €42.7 million in 2025 due to provisions for early termination of collaboration agreements.

Other operating charges increased from €27.1 million in 2024 to €43.2 million in 2025 caused by an increase in transfer pricing management fees.

Non-recurring operating costs increased from €40.2 million in 2024 to €111.4 million in 2025 and consisted of impairment costs on intangible and tangible fixed assets, recorded as a consequence of the decision to wind down the cell therapy activities and terminate the small molecules programs.

Galapagos NV's 2025 financial income decreased to €194.0 million compared to €201.1 million in 2024, financial costs increased to €123.4 million compared to €18.6 million in 2024. Non-recurring finance income in 2024 consisted of the more-value on the sale of the Jyseleca® business to Alfasigma. Non-recurring finance cost in 2025 amounting to €157.6 million consisted of an impairment on financial assets recorded as a result of the wind down. The net exchange gain amounted to €44.7 million in 2024 as compared to a net exchange loss of €99.7 million in 2025 and consisted mainly of non-realized currency exchange results on U.S. dollar. The net interest income in 2025 amounted to €84.7 million as compared to a net interest income of €117.2 million in 2024. We also realized a more value on sale of money market funds of €25.9 million in 2025. Financial income also included dividend income of €62.4 million in 2025, as compared to €12.3 million in 2024.

Tax income recorded in 2025 of €13.6 million as compared to €17.1 million tax income in 2024, related to tax incentives for investments in intangible fixed assets.

Investments in fixed assets in 2025 amounted to €11.5 million, excluding the internally generated assets. They consisted mainly of investments in intangible assets, being software, as well of costs for building improvements, new laboratory and IT equipment.

Non-current and current other receivables amounted to respectively €134.2 million and €86.3 million and included the receivable for tax incentives amounting to respectively €113.0 million and €22.3 million in 2025, compared to other receivables for tax incentives of €118.7 million and €18.1 million in 2024.

Galapagos NV's cash position at the end of 2025 amounted to €2,948.1 million.

The non-consolidated annual accounts of Galapagos NV which we submit for your approval were prepared in accordance with Belgian accounting rules as well as with the legal and regulatory requirements. They show a positive result. The financial year 2025 closed with a profit of €316.9 million compared to a profit of €47.8 million in 2024. The non-consolidated annual accounts of Galapagos NV show an accumulated profit of €112.9 million as at December 31, 2025; we refer to the **Going concern statement** for justification for the application of the valuation rules under the going concern assumption.

In 2025, Galapagos NV made use of one financial instrument, a foreign exchange currency swap.

Following common practice, Galapagos NV has given customary representations and warranties which are capped and limited in time.