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Q3 2024 GALAPAGOS NV EARNINGS CALL

EVENT DATE/TIME: October 31, 2024 / 12:00PM UTC

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- **Judah Frommer** *Morgan Stanley - Analyst*
- **Alexander Kelly** *TD Cowen - Analyst*
- **Shan Hama** *Jefferies - Analyst*
- **Nevin Varghese** *RBC Capital Markets - Analyst*
- **Jacob Mekhael** *KBC Securities - Analyst*
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- **Faisal Khurshid** *Leerink Partners - Analyst*
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PRESENTATION

Operator

Good day, and thank you for standing by. Welcome to the Galapagos Q3 2024 financial results audio webcast. (Operator Instructions) Please be advised that today's conference is being recorded.

I would now like to hand the conference over to your speaker today, Sofie Van Gijsel, please go ahead.

Sofie Van Gijsel *Galapagos NV - Head of Investor Relations*

Thank you, and welcome to the audio webcast of Galapagos' Q3 2024 results. I'm Sofie Van Gijsel, Investor Relations, representing the reporting team at Galapagos. This recorded webcast is accessible via the Galapagos website homepage and will be available for dial notes and replay later today.

We would like to remind everyone that we will be making forward-looking statements during today's webcast. These forward-looking statements include remarks concerning future developments of the pipeline and our company and possible changes in the industry and competitive environment. Because these forward-looking statements involve risks and uncertainties, Galapagos' actual results may differ materially from the results expressed or implied in these statements.

Today's speakers are Dr. Paul Stoffels, CEO and Chair; and Thad Huston, CFO and COO. Paul will present the Q3 key takeaways, and Thad will provide a financial update. We will also discuss the anticipated milestones and present concluding remarks. Please follow the presentation on your screen as we go through the call. We estimate that the prepared remarks will take approximately 20 minutes. We will then open the line for Q&A with Paul and Thad who will also be joined by Dr. Jeevan Shetty, Head of Development Oncology; and Dr. Wulf Böcher, Head of Immunology.

And with that, I'll now turn over to Paul.

Paulus Stoffels *Galapagos NV - Chairman of the Management Board, Chief Executive Officer*

Thank you, Sofie, and good afternoon, everyone. I would like to take a moment to share the strong foundation that we are building and how we have set up Galapagos for value creation. Today, we are a pure-play biotech with a renewed R&D strategy to accelerate and bring innovative medicines to patients. We are moving forward faster with the focused, differentiated, and expanding R&D pipeline and competitive technology platforms.

We're also making important regulatory and operational progress with our decentralized CAR-T network in Europe and the US. This slide summarizes our efforts to build a robust product pipeline that will enable us to accelerate future growth and drive value creation for all stakeholders. In doing so, we will focus on our key therapeutic areas of oncology and immunology to advance their R&D pipeline of potential best-in-class cell therapies and small molecule drugs.

Today, we are developing four clinical candidates for 11 indications, and we have more than 15 preclinical programs. For further expansion and progress of our pipeline, we take a collaborative approach combining internal and external innovation. And finally, our strategy is supported by a strong cash position of EUR3.3 billion at the end of September 2024.

In the third quarter of this year, we delivered on several important milestones. Let's start with the regulatory achievements. We are very pleased to have received the IND clearance from the FDA for GLPG5101, for which we have generated encouraging results in the Phase 1/2 ATALANTA study in Europe. We now plan to enroll our first patient in the US in the Phase 2 expansion part of the ATALANTA study in non-Hodgkin lymphoma before year-end.

Obtaining the IND clearance for our seven-day vein-to-vein fresh CAR-T decentralized manufacturing process was a crucial achievement for expanding the development of our cell therapies in the US. In Europe, we resumed recruitment for the GLPG5301 Phase 1/2 study in multiple myeloma following the announcement during our half year results of a study base. We are confident that we have put the right measures in place to resume the study. We are making significant progress with our proprietary pipeline that includes more than 15 programs, and we have selected two early-stage pipeline candidates for clinical development. I will provide more information on this in the following slides.

We continued the enrollment for the GLPG3667 Phase 2 studies in dermatomyositis and lupus with top line data expected in 2025 and 2026, respectively. We also selected the first decentralized manufacturing unit, Excellos in San Diego, within the nationwide network of Blood Centers of America. This is an important step in the expansion of the footprint of our cell therapy manufacturing network across the US.

Let's come back to the key achievements on the regulatory front. The FDA's IND clearance of the ATALANTA study for GLPG5101 in patients with non-Hodgkin lymphoma produced on our decentralized manufacturing platform marking an essential step towards realizing our vision of transforming patient outcomes through life-changing science and innovation.

As a brief reminder, our decentralized cell therapy platform is a novel point-of-care solution that offers the potential for efficient medium seven-day vein-to-vein time and avoids complex logistics, thereby addressing important limitations of current CAR-T treatments. The proprietary platform consists of our end-to-end workflow management and monitoring software system, a decentralized functionally closed automated manufacturing platform for cell therapies, and the proprietary quality control testing and release strategy. Together, this allows for greater physician oversight and for a production model near the patient that is globally scalable.

Currently, we have three clinical trials running on the cell therapy platform. With IND cleared, we can now start recruiting US patients into the Phase 2 expansion cohort of the ATALANTA study and we are actively initiating clinical trial sites in the Boston region, and we plan to start enrolling patients with non-Hodgkin's lymphoma in the study before year-end. We will leverage the learnings from GLPG5101 prior to the submission of the GLPG5201 IND for the EUPLAGIA study in CLL, which we will now target to submit in early 2025.

Before we move over to our pipeline overview, we wanted to highlight a recent publication in blood Advances that analyzed several large CAR-T clinical trials. The analysis points to vein-to-vein time as an important predictor of patient outcomes where reducing vein-to-vein time can substantially improve life expectancy by up to 3.2 years. The paper states that aiming for short manufacturing product release, shipping and infusion times may be key to further improve outcomes for patient treatment with CAR-T. We believe that these data underscore the importance of our efforts in this field.

Let's look at our clinical pipeline. In oncology, we are progressing our Phase 1/2 CAR-T program, GLPG5101 in NHL. As you know, ATALANTA is a basket trial in a number of indications, which you see listed here on the slide. We are also progressing GLPG5201 in CLL and Richter transformation. And as mentioned earlier, we have resumed recruitment into the Phase 1/2 GLPG5301 study in multiple myeloma.

I'm also pleased to announce that we will present new data from the ATALANTA and EUPLAGIA studies at the American Society of Hematology Annual Meeting in December. We added TCR T cell therapy to our pipeline following the clinical collaboration agreement with Adaptimmune that was announced at the end of May. The agreement gives Galapagos the option to exclusively license Adaptimmune's next-generation TCR T cell therapy, uza-cel, targeting MAGE-A4 for head and neck cancer and potentially future solid tumor indications.

Initial in vitro results suggest that uza-cel developed by Adaptimmune and produced on Galapagos decentralized manufacturing platform yields fresh fit early phenotype T cells. These cells could potentially improve efficacy and durability compared to the uza-cel centrally manufactured on Adaptimmune's platform. Together with Adaptimmune, we will present these preclinical data at ASH.

In immunology, we are progressing our Phase 2 study with GLPG3667 in dermatomyositis and lupus with top line results expected in 2025 and 2026, respectively. As we work to advance our programs in development, we are also investing in our discovery portfolio to identify future programs. We are making important progress in all our therapeutic areas.

We have more than 15 internal programs in discovery across oncology and immunology with cell therapies and small molecules. From this discovery portfolio, we selected the differentiated next-generation armed bispecific CAR-T candidate in hemato-oncology. In addition, we selected A potential best-in-class small molecule candidate in immunology, targeting clinical development in 2025-2026.

We also continue to scout for external innovation to further build our early-stage pipeline. In 2025, we expect to initiate at least four IND or CTA enabling studies and at least one first in human study. From 2026 onwards, our aim is to fuel the clinical pipeline with at least two new clinical assets annually across cell therapy and small molecules.

I now will pass it over to Thad for the financial update.

Thad Huston *Galapagos NV - Chief Financial Officer, Chief Operating Officer*

Thank you, Paul, and thanks, everyone, for joining today. Let's look at the financial results for the third quarter of 2024. During this quarter, we have worked on strengthening the foundation for our future growth. We continue to keep our focus on priority programs while investing in our pipeline and building our global cell therapy network.

For operations, revenue remained fairly stable year-over-year and consists mainly of the linear recognition of the platform for the Gilead collaboration. As explained in previous earnings calls, we see an increase in R&D costs as compared to last year. This is mainly driven by our investments in oncology, both in cell therapy and in small molecules and includes the expense recognition of collaborations with BridGene team and Adaptimmune signed in the first half of the year.

Over the first nine months of the year, we recorded a net profit of EUR49 million driven by fair value adjustments in foreign exchange as well as EUR71 million in interest income. We also reported a net profit from discontinued operations of EUR69 million mainly driven by the onetime gain for the Jyseleca transaction with Alphasigma as announced earlier this year.

Now, over to our 2024 guidance. We reconfirm our full year cash burn guidance of EUR370 million to EUR410 million for 2024, including the business development transactions closed earlier this year. We report a net decrease in our cash position of EUR346

million for the first nine months of 2024. This decrease is composed of EUR321 million of operational cash burn including EUR80 million related to business development activity executed in the first half of 2024, the cash out related to the Jyseleca transaction with Alpha Sigma, and an equity investment in Q1 as well as financial transactions, including the timing of interest income. Our cash balance at the end of Q3 amounts to EUR3.3 billion, supporting the build-out of our pipeline.

I would also like to mention the collaboration that we closed a few months ago with Blood Centers of America as a partner for our cell therapy platform in the US. This collaboration significantly advances the expansion strategy using BCA's nationwide network to manufacture our cell therapy products close to the patient. As part of the collaboration agreement, we selected Excellos in the San Diego area as our first BCA manufacturing unit to produce GLPG5101 for the ATALANTA clinical trial sites in the region.

Turning to our key achievements and anticipated milestones, We received clearance for the IND application of the ATALANTA study of GLPG5101 in NHL. Our goal is to activate clinical trial sites and start enrolling patients in the Phase 2 dose expansion study in the US before year-end. We target to submit an IND for our second CD19 CAR-T candidate GLPG5201 in early 2025 for the EUPLAGIA study in CLL and Richter transformation.

Following the submission of a CTA to the European Medical Agency for the Phase 2 dose expansion of GLPG5201 in CLL and Richter transformation, we plan to start enrolling patients in 2025. We have resumed recruitment into the PAPILIO Phase 1/2 GLPG5301 study in multiple myeloma. We are very proud that at ASH later this year, we will present new data from the ATALANTA and EUPLAGIA studies. Together with our partner, Adaptimmune, we will also present preclinical data for the TCR T cell therapy candidate, uza-cel, produced on Galapagos' decentralized manufacturing platform.

We continue enrollment in the Phase 2 studies with GLPG3667 in dermatomyositis and lupus. We further advanced our early-stage proprietary pipeline by progressing a next-generation armed bispecific CAR-T candidate and a potential best-in-class small molecule candidate in immunology into IND-enabling studies. We are targeting clinical development in the 2025 to 2026 time frame.

We are accelerating our pipeline of more than 15 programs in oncology and immunology with the objective to launch at least four IND/CTA enabling studies in 2025 across different modalities and indications. Following the announcements earlier this year of collaboration agreements with Thermo Fisher, Blood Centers of America and recently Excellos, we continue to work on opening additional sites for our decentralized cell therapy manufacturing platform, both in the United States and in Europe.

Earlier this year, we signed agreements with BridgGene and Adaptimmune, and we continue to explore additional partnerships, research collaborations, licensing agreements, and acquisitions. Our business development efforts are focused on accelerating breakthrough medicines for patients in need.

As already mentioned in the previous slide, we are building a future on strong partnerships. In the last couple of years, we closed partnerships to build our cell therapy capabilities, entered into research collaborations and licensing agreements and execute on acquisitions and equity investments. We continue to focus on strategic business development to bolster our pipeline and optimize our operations.

Let me conclude by coming back to the strong fundamentals that we have put in place to build a global innovative biotech and a clear path that we have toward value creation. We are progressing our early-stage pipeline and building on our renewed discovery portfolio based on best-in-class targets to develop best-in-class medicines. While we push forward our internal programs, we remain active in business development, we continue to execute on our scientific progress in our key therapeutic areas of oncology and immunology and most notably our CAR-T programs with GLPG5101 and GLPG5201. We have invested and continue to invest in strengthening our team in key positions globally.

Finally, we have the benefit of a strong balance sheet, and we commit to staying disciplined in our use of cash to focus our investments to maximize value. We want to thank our investors for their continued support as we deliver on our strategy to achieve sustainable value for shareholders.

I also want to take this opportunity to thank Sofie for her many contributions to Galapagos over the past several years as she embarks on a new opportunity. Thank you, Sofie.

Sofie Van Gijsel *Galapagos NV - Head of Investor Relations*

Thanks so much, Thad, and thank you, Paul. Greatly appreciate it. That concludes the presentation portion of today's audio conference call. I would now like to ask the operator to open the line for Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Xian Deng, UBS.

Xian Deng *UBS Equities - Analyst*

Thank you so much for taking my question. Just one, please, on the BCMA CAR-T GLPG5301 in multiple myeloma just wondering, given now you have resumed trial enrollment. Just wondering what's your conclusion for the case of parkinsonism. And also just wondering whether you could share any thoughts on the potential change in future enrollment criteria related to that, please? That's my question. Thank you very much. And best of luck, Sofie in your future endeavor. Thank you.

Jeevan Shetty *Galapagos NV - Head Oncology Clinical Development*

Yeah. Thank you very much for your question. I really appreciate it. I think it's important to put in the context that BCMA-targeted CAR-T therapies are actually predisposed to leading to parkinsonism as a consequence of the expression of BCMA targets within the basal ganglia, substantia nigra. And this is clearly defined across all CAR-T therapies that are currently on the market.

Clearly, we've looked at this, and we've learned from this. I can't divulge too much in the way of details regarding the patient, but the case had atypical features. What we did is a very deep due diligence across the patient characteristics as well as the literature as well as seeking significant external expertise. And we have incorporated this into the protocol.

But what I will say without going into the details is that we've instituted much more expansive discussion between the medical monitor and the investigator. And we're very confident that based on the steps that we've taken that we can move forward and to address these patients - very old patients - with our platform, clearly, with the benefit of our seven-day vein-to-vein fresh cells and fresh product type.

Xian Deng *UBS Equities - Analyst*

Thank you.

Operator

Judah Frommer, Morgan Stanley.

Judah Frommer *Morgan Stanley - Analyst*

Yeah. Thanks for taking my question. Congrats on the progress and best of luck to Sofie as well. I was just hoping you could share a little bit more color on the data you'll be presenting at ASH for EUPLAGIA and ATALANTA? Any detail on the nature of the data? And will we get that update only at ASH? Or will there be abstracts released next week? Thanks.

Jeevan Shetty *Galapagos NV - Head Oncology Clinical Development*

Thanks very much for the question. We are clearly limited by the ASH embargo, and we can't really disclose any details regarding the studies themselves, the abstracts are embarked until Tuesday, November 5 at 9:00 AM. So I encourage you to look at this, and we look forward to proactively sharing this data when the embargo is lifted. Thank you.

Operator

Alexander Kelly, TD Cowen.

Alexander Kelly *TD Cowen - Analyst*

Hi. Thanks so much for taking my question. Just curious if you could walk us through your approach to BD next year. What types of deals are you open to? And what would be the ideal asset or assets in terms of stage, modality, target, and indication. Thank you.

Thad Huston *Galapagos NV - Chief Financial Officer, Chief Operating Officer*

Thank you for the question. We continually look to broaden our portfolio through BD. We think that there's a tremendous opportunity given our cash position and the opportunities we have. We're very focused on the fields of oncology and immunology. We do look at precision oncology as a particular area of interest as well as potential opportunities to broaden our portfolio in CAR-T as well.

Alexander Kelly *TD Cowen - Analyst*

Thank you.

Operator

Shan Hama, Jefferies.

Shan Hama *Jefferies - Analyst*

Hi. Thank you. Is there any scope for your CAR-T programs, particularly GLPG5101 to potentially enter the market earlier than 2028 and I guess, similarly, how confident are you in being granted breakthrough therapy designation to actually support that potential earlier market entry? Thank you.

Paulus Stoffels *Galapagos NV - Chairman of the Management Board, Chief Executive Officer*

We just got our IND approved in the US. We are planning to include the first patient in the study before the year-end and expand in the course of next year to other centers in the US today. The first centers will be in Boston, driven by the Landmark Bio site. So we will follow the scientific process here by doing our next phase in the expansion study of ATALANTA, discuss the data with the regulators, decide on the pivotal designs, and we'll be able to update you as soon as we are in that space.

We're very confident on the strength of the data and what we have seen so far and hopefully what you have learned from our previous disclosures on the data that efficacy and safety looks very good. We are evaluating multiple indications in the Phase 2 expansion study and we'll decide on indication and size of studies comparator in the course of next year as we go through evaluating the Phase 2 expansion studies and that will determine ultimate timelines whether we can launch in 2028 or whether we could make it faster, but we have to follow the scientific regulatory process here.

Operator

Brian Abrahams, RBC Capital Markets.

Nevin Varghese *RBC Capital Markets - Analyst*

Hi, everyone. This is Nevin on for Brian. Just a question on GLPG5101. So have you since getting the IND cleared, have you run any test runs and what is the vein-to-vein time, the quality of the CAR-T product look like? And have there been any particular barriers to manufacturing or administering the CAR-T therapy that's specific to the US clinical infrastructure versus in the EU? Or was there any specific feedback that US regulators brought up with regards to the platform versus the European counterpart?

Jeevan Shetty *Galapagos NV - Head Oncology Clinical Development*

We – what I can say -- and thank you for the question. What I can say is that we don't have any concerns regarding the median seven-day vein-to-vein time, that continues to be intact. What I will say about -- I think your question is directed towards the feedback from the FDA. Clearly, this is a major milestone for us as a company and actually for the CAR-T community to be able to deliver this. The -- we've got very productive interactions with the FDA and gained some really important insights.

And so with regard to that, I don't -- we didn't have any specific changes in terms of the approach. The approach is consistent. That is very important. It's consistent by design, whether in Europe or in the US and based on the really constructive inputs and feedback that we got from the FDA we're in a very robust position to follow on from the IND and similarly across Europe, too.

Paulus Stoffels *Galapagos NV - Chairman of the Management Board, Chief Executive Officer*

In addition to that, we work with Landmark Bio, which is a very professional organization with the capabilities to make CAR-Ts. And so the whole process of transferring the production is intensive validation of the production setup, but then also of the validation and of the process on the Cocoon and making sure that we get to the same process outcome - that the process leads to the same product in the outcome in Europe as in the US. And we successfully succeeded in that.

So that will -- that -- it's complex. It takes a lot of work, but at the same time, once it's validated you can get going. And we are now looking forward to building it out in other sites in the US in San Francisco, San Diego, as Thad earlier mentioned. So we are very confident we will be able to deliver the product in a similar way as in Europe.

Nevin Varghese *RBC Capital Markets - Analyst*

Got it. Thank you so much.

Operator

Jacob Mekhael, KBC Securities.

Jacob Mekhael *KBC Securities - Analyst*

Hi, there. And thanks for taking my question. I have one on the new bispecific CAR-T that you have chosen to advance into IND-enabling studies. Just curious to learn more about your strategy there and whether you will be going after an indication without an approved CAR-T.

Paulus Stoffels *Galapagos NV - Chairman of the Management Board, Chief Executive Officer*

Well, we know that the shortcoming of a CD19 is the CD19 escape, and that could lead to resistance early on in the treatment with CD19 CAR-T. So our team did a very good basic scientific work and came up with an armed bispecific CAR-T, which in preclinical data shows that it is ready to progress into preclinical evaluation and getting into the clinic.

We will talk more about that in an R&D day, which we are -- which we'll set up next year - on the details of that science, which is behind there. But for the moment, it's progressing towards with the preclinical studies for an IND and start of the first-in-human in the course of next year.

Jacob Mekhael *KBC Securities - Analyst*

Thank you.

Operator

Jason Gerberry, Bank of America Securities.

Chi Fong *Bank of America - Analyst*

Hello. This is Chi on for Jason. Thanks for taking my question. I have a question on the early pipeline. You mentioned advancing new programs into the clinic next couple of years, which include next-generation CAR-T for heme-onc and small molecule for immunology. I did not here the mention of a CAR-T for auto-immune.

So curious, are you no longer prioritizing CAR-T for auto-immune? Can you talk about the thinking there? And I guess, broadly, your approach for program prioritization as you move your next batch of candidates into the clinic? Thanks so much.

Paulus Stoffels *Galapagos NV - Chairman of the Management Board, Chief Executive Officer*

Let me first answer on the CAR-T early stage. We are -- just to be clear, we are progressing early-stage CAR-T's both in hemato-oncology but also in solid tumors. We have several programs in both addressing multi-targeting armoring and doing extensive preclinical work getting to the selection of the next-gen CAR-T's to be put on the Cocoon and apply the same seven-day vein-to-vein fresh cells and use the benefits we learned there from the use of high memory content cells in order to have the good efficacy.

For the immunology, I would like to give it to Wulf, if you can answer that?

Yeah, I'm going to the question since Wulf is on the line and that can't be muted. Yes, we are still interested in that space, although with CAR-T's, we know the field is very crowded and we are looking at different mechanisms for B-cell depletion and moving forward in the space. But we are still interested, but very carefully choosing when to step in with best-in-class type of product.

Unidentified Participant

Thanks so much.

Operator

(Operator Instructions) Manos Mastorakis, Deutsche Bank.

Manos Mastorakis *Deutsche Bank - Analyst*

Hi. Thank you for the question. Manos Mastorakis from Deutsche Bank. So could you please give us a little bit more color on the TYK2 program and the timelines? Is there a slippage there on the timelines? And if so, just what might be the reason behind it? And how do you feel about the probability the success in these two indications? Thank you.

Paulus Stoffels *Galapagos NV - Chairman of the Management Board, Chief Executive Officer*

Wulf, can we try again?

Yeah. Okay. We are progressing very well with the proof-of-concept and the Phase 2 studies in dermatomyositis and lupus. The details on the recruitment, we will not disclose, but we are confident that, respectively, 2025-2026, we'll be able to come up with the data.

On the mechanism, we have chosen in particular the TYK2 because the interferons are the key drivers of the pathogenesis in both diseases and their inhibition has been clinically validated by the antibodies anifrolumab and also dazukibart. And so that mode of action, we think that is very much focused on the interferons can especially in these diseases provide a competitive profile. And so the studies are going well, and we will report the progress in the course of next year and the data end of 2025 early 2026.

Wulf Böcher *Galapagos NV - Head Immunology Therapeutic Area*

Can you hear me now? Sorry.

Paulus Stoffels *Galapagos NV - Chairman of the Management Board, Chief Executive Officer*

Yeah. Now, we can hear you. I apologize.

Wulf Böcher *Galapagos NV - Head Immunology Therapeutic Area*

I apologize. I had to dial back in. Is there anything open left -- left open?

Paulus Stoffels *Galapagos NV - Chairman of the Management Board, Chief Executive Officer*

Yeah, on the mechanism of action and IL-10 versus the interferon, why don't you explain that in more detail as the lead scientist here.

Wulf Böcher *Galapagos NV - Head Immunology Therapeutic Area*

Yeah. Thank you for the question and sorry for the technical flaws. Our TYK2 inhibitor is similar to the front runners is highly selective and potent, but it is also differentiated mechanistically because it does preserve the IL-10 pathway, which is an important immune regulatory negative feedback loop to the immune system, also signaling through TYK2. Our in vitro profiling compared to the frontrunner, allosteric TYK2 inhibitors, the BMS compound as well as the Takeda compound shows that both of them show a dose and exposure dependent partial inhibition of the IL-10 signaling pathway, which is not the case for GLPG3667.

And IL-10 is a key component in the pathogenesis of many autoimmune diseases. It's critical for regulatory T cell differentiation. It's a key effector cytokine on the regulatory path, and we selected diseases, which are not only interferon-driven but also connected to a regulatory T cell deficiency functional as well as numerically which is why we hope to learn from the ongoing studies, whether this IL-10 differentiation is relevant. So this we hope to learn from the Phase 2 data readouts. Does that answer the question?

Paulus Stoffels *Galapagos NV - Chairman of the Management Board, Chief Executive Officer*

Yes.

Operator

Shan Hama, Jefferies.

Shan Hama *Jefferies - Analyst*

Thank you. Just a follow-up from me. In terms of capital allocation for business development, how much weight would you put on the internal pipeline versus external innovation? So is there a more important key focus at the moment. Thank you.

Thad Huston *Galapagos NV - Chief Financial Officer, Chief Operating Officer*

Yes, I'd say, I mean we're very focused on, obviously, our internal pipeline and developing that. But given our capital position, we do think that allocating a substantial amount of that to business develop makes a lot of sense to broaden our portfolio. So we do look at opportunities to bring in significant innovation.

Operator

Faisel Khurshid, Leerink Partners.

Faisal Khurshid *Leerink Partners - Analyst*

Hi, guys. Thanks for taking the question. Just to clarify, do you expect to deliver on any additional BD within the year? And if so, what type of deal structure or stage of development are you considering? Thank you.

Thad Huston *Galapagos NV - Chief Financial Officer, Chief Operating Officer*

Yeah, I would say it's hard to predict whether we'll have a deal closed by the end of the year or not, but we are in active discussions with different parties. There's a number of targets that we're very interested in. And we'll update you when we can.

Paulus Stoffels *Galapagos NV - Chairman of the Management Board, Chief Executive Officer*

And we follow the principle of focus on clinical assets, which can deliver a differentiated profile in oncology and immunology, but also with the potential for an accelerated development accelerated approval, focusing on very high unmet medical need and selecting very carefully the medicines which we could deliver significantly before the end of the decade.

Operator

(Operator Instructions) Sebastiaan van der Schoot, VLK.

Sebastiaan van der Schoot *Van Lanschot Kempen N.V. - Analyst*

Hi, team. I was wondering, I understand that you first focus on the Boston area with the CAR-T approach. But can you give some insights into what steps are that are still required to activate the other manufacturing sites? And then also give some insights into how the contracts with the US manufacturing sites are structured. Is it a cut on the royalty payment? Or are they in the end paid per product delivered?

Thad Huston *Galapagos NV - Chief Financial Officer, Chief Operating Officer*

Yeah. Let me take that. Obviously, the tech transfer process takes a bit of time to get one site established. Landmark Bio has been validated and of course, we're now ready to enroll patients into that study in the US, which is a major milestone.

We do have other sites like Thermo Fisher and now with BCA, with Excellos in San Diego. We essentially structured those deals to basically pay for their services and of course, per product provided. So it's basically the CDMO service essentially. We do think that we'll have Thermo Fisher, we're actively working on the tech transfer, and we'll have that site up early next year as well.

Sebastiaan van der Schoot *Van Lanschot Kempen N.V. - Analyst*

Great. Thank you.

Operator

Since there are no further questions, this concludes today's earnings call. Please feel free to reach out to the Galapagos IR team if you still have questions. Galapagos' next financial results call will be the full year 2024 results on February 13. Thank you all for participating and have a great rest of your day.

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