

Galapagos

Q3 2017 Results

Webcast presentation | 27 Oct 2017



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This presentation contains forward-looking statements, including (without limitation) statements concerning the progress of our clinical pipeline, the slides captioned "Filgotinib" "Clinical pipeline" "1690 in FLORA" "MOR106 Ph1b topline" "CF patient studies" "1972 Ph1b study in OA" and "Outlook", statements regarding the development of the triple combination therapy CF program, statements regarding the expected timing, design and readouts of ongoing and planned clinical trials (i) with filgotinib in RA, IBD, and other potential indications (ii) in the CF program, (iii) with GLPG1690 in IPF, (iv) with GLPG1972 in OA, (v) with MOR106 in atopic dermatitis, and expectations regarding the commercial potential of our product candidates and the buildup and development of commercial operations. When used in this presentation, the words "anticipate," "believe," "can," "could," "estimate," "expect," "intend," "is designed to," "may," "might," "will," "plan," "potential," "possible," "predict," "objective," "should," and similar expressions are intended to identify forward-looking statements.

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Q3 2017 Results

- **Operational highlights** Onno van de Stolpe, CEO
Piet Wigerinck, CSO
Walid Abi-Saab, CMO
- Financial highlights Bart Filius, CFO
- 2017 Outlook Onno van de Stolpe



Q3 2017: discovery platform delivers Significantly strengthened pipeline

- Two more Proofs of Concept in Q3:
 - IPF: `1690 halts disease progression in FLORA
 - Atopic dermatitis: MOR106 shows promising activity with MOR106
- Filgotinib: start of uveitis and lupus membranous nephropathy Ph2 trials
- CF: UK clears the path for submission of triple patient study
- 30 Sept cash: €1.2 billion
- Michele Manto started as SVP Commercial Operations



Filgotinib

Unlocking value in inflammatory diseases

Area	Preclinical	Ph 1	Ph 2	Ph 3
RA	Progressing through Ph 3			
UC	Progressing through Ph 3			
CD	Progressing through Ph 3			
Small bowel CD	Progressing through Ph 2			
Fistulizing CD	Progressing through Ph 2			
Sjögren's	Progressing through Ph 2			
Ank. spon.	Progressing through Ph 2			
Pso. arthritis	Progressing through Ph 2			
Cutaneous lupus	Progressing through Ph 2			
Lupus nephropathy	Progressing through Ph 2			
Uveitis	Progressing through Ph 2			

More PoC studies planned



Clinical pipeline

Promising pipeline next to filgotinib

Area	Pre-clinical	Ph 1	Ph 2	Ph 3
IPF	'3499	Autotaxin	'1690	
Undisclosed	'2384	GPR84	'1205	
CF	1 st triple			
CF	2 nd triple			
CF	3 rd triple			
OA	ADAMTS-5	'1972		
Atopic dermatitis	'2534	IL-17C	MOR106	
Inflammation	'3121			
	'3312			
Pain	'3535			

 partnered



Filgotinib: favorable safety profile

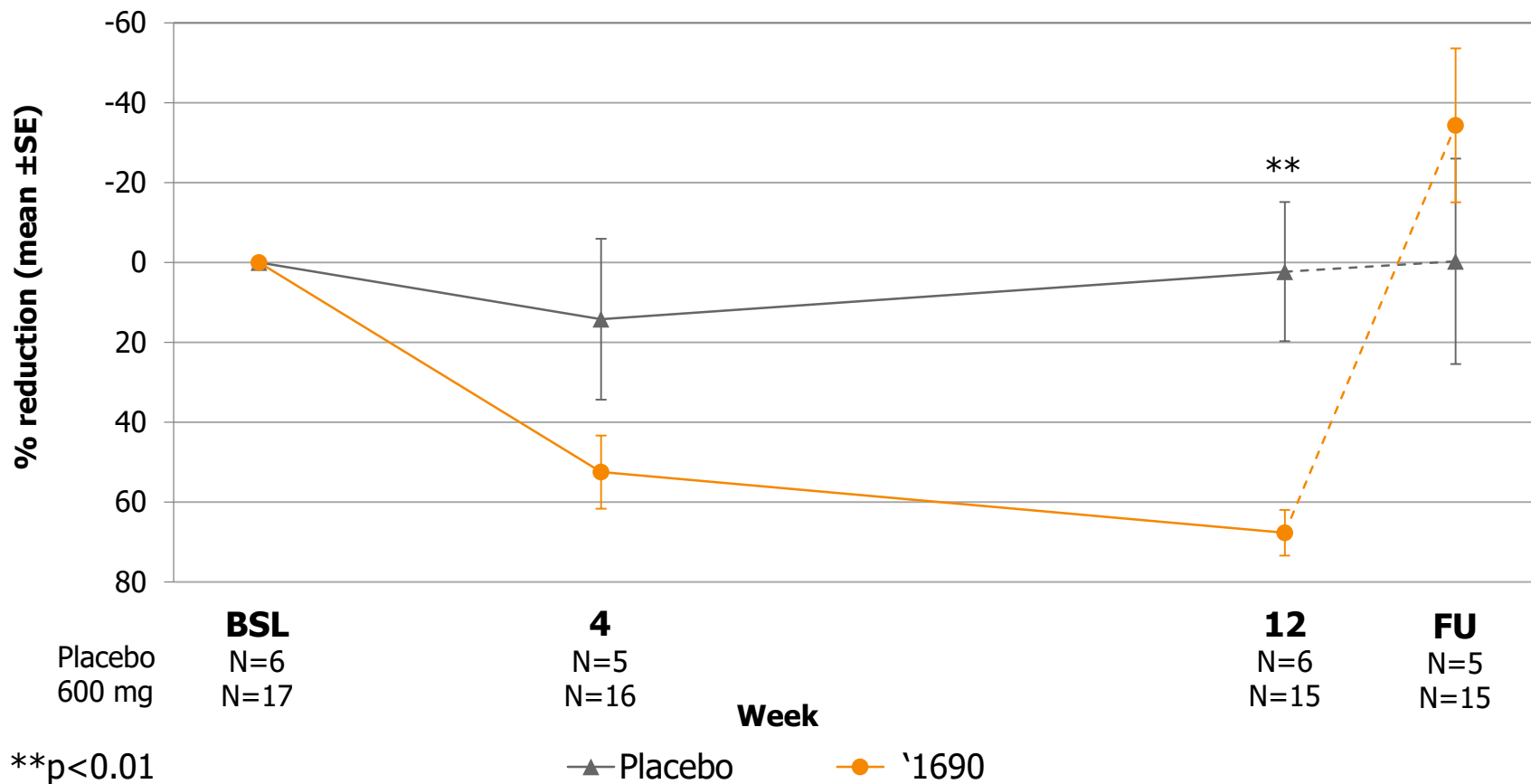
Event Per 100 PYE	filgotinib (50-)200mg daily	upadacitinib	baricitinib 2mg and 4mg QD	tofacitinib 5mg bid	tocilizumab (4 or 8 mg/kg)	adalimumab
	DARWIN 3 Wk 60	BALANCE-EXTENT	Smolen <i>et al</i> , EULAR 2016	FDA, Medical review, 2012	Genovese <i>et al</i> , ACR 2012	Burmeester <i>et al</i> , 2011
Patient year exposure	1314	725	4214	901	14994	23943
Deaths	0.2	0.3	0.3	0.55	0.57	0.8
Malignancies excl NMSC	0.5	0.8	0.7	0.55	0.86	0.9 (excl also lymphomas)
MACE	0.1	1	0.5	0.44	0.25 (MI) - 0.31 (stroke)	NR
Serious infection	1.9	2.3	3.2	3.2	4.5	4.6
Herpes Zoster	1.2	3.7	3.4	4.4	NR	NR

One patient with DVT/PE in DARWIN 3



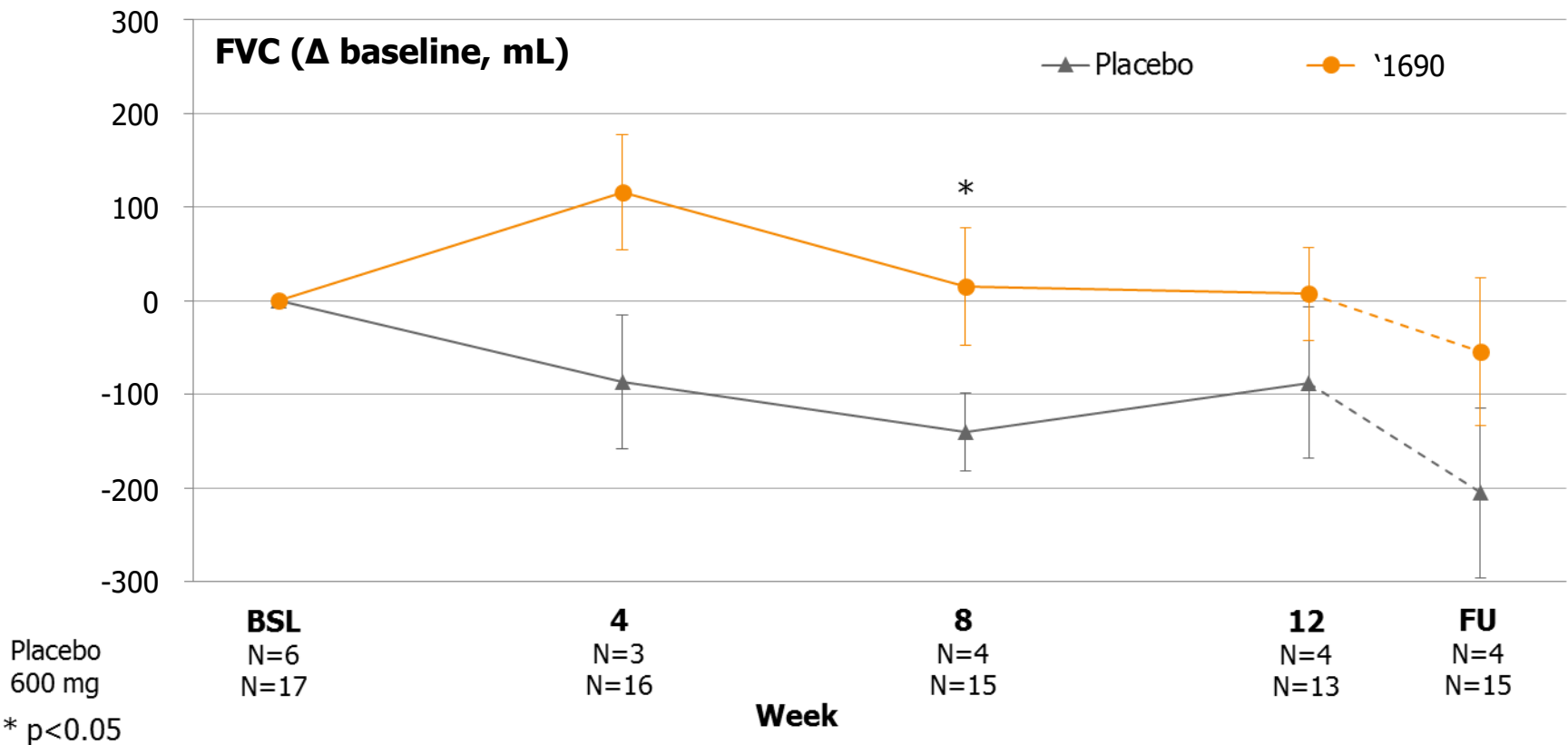
'1690: steep reduction of biomarker

Drop in plasma LPA18:2



Shows '1690 target engagement

FVC: stabilization with '1690



	Wk4		Wk8		Wk12		Follow-up	
	Placebo	'1690	Placebo	'1690	Placebo	'1690	Placebo	'1690
FVC (Δ baseline, mL)	-87	+116	-140	+15	-87	+8	-205	-55

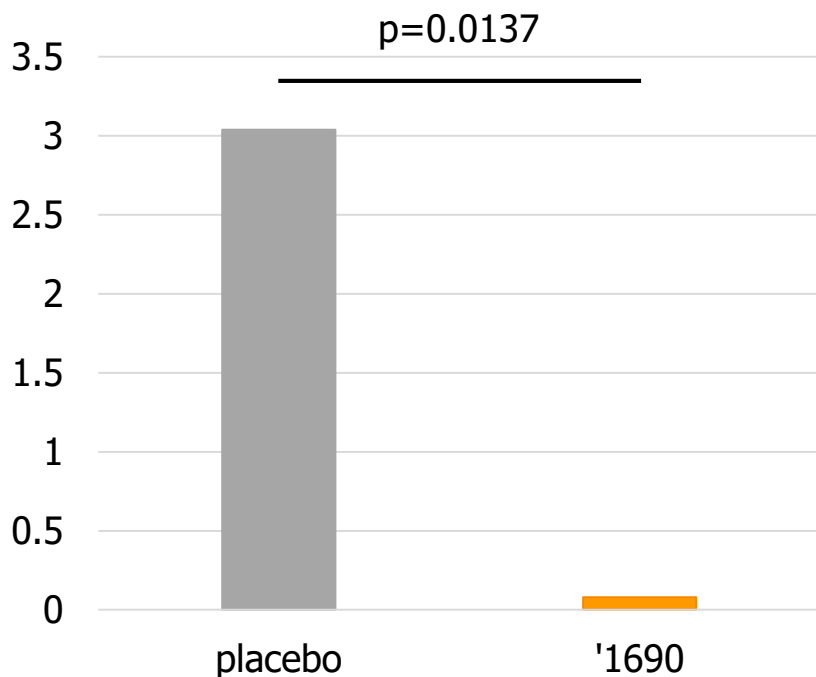
LOCF basis reinforces observed case conclusions



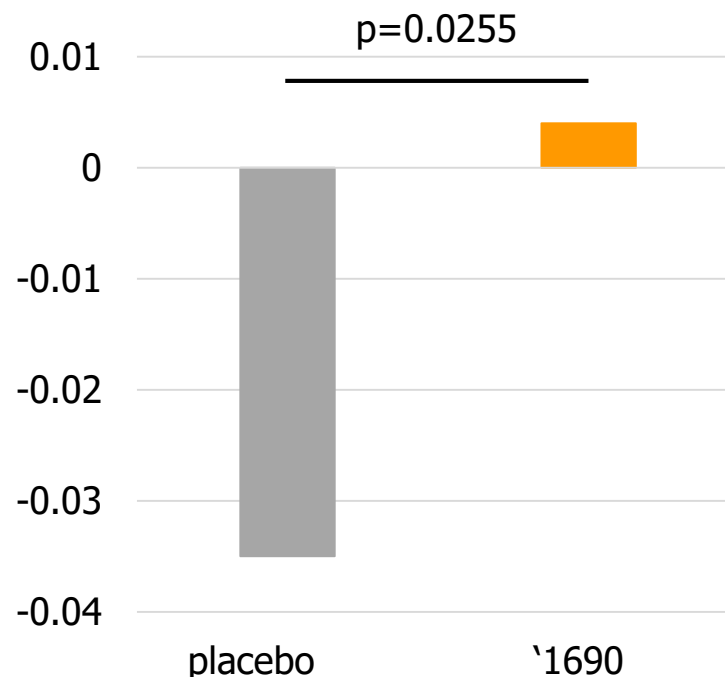
FRI: airway volume & resistance

Significant difference between '1690 & placebo

Specific airway volume (Δ baseline, mL/L)



Specific airway resistance (Δ baseline, kPa/sec)



FRI's more sensitive endpoints confirm early FVC findings



'1690 in FLORA

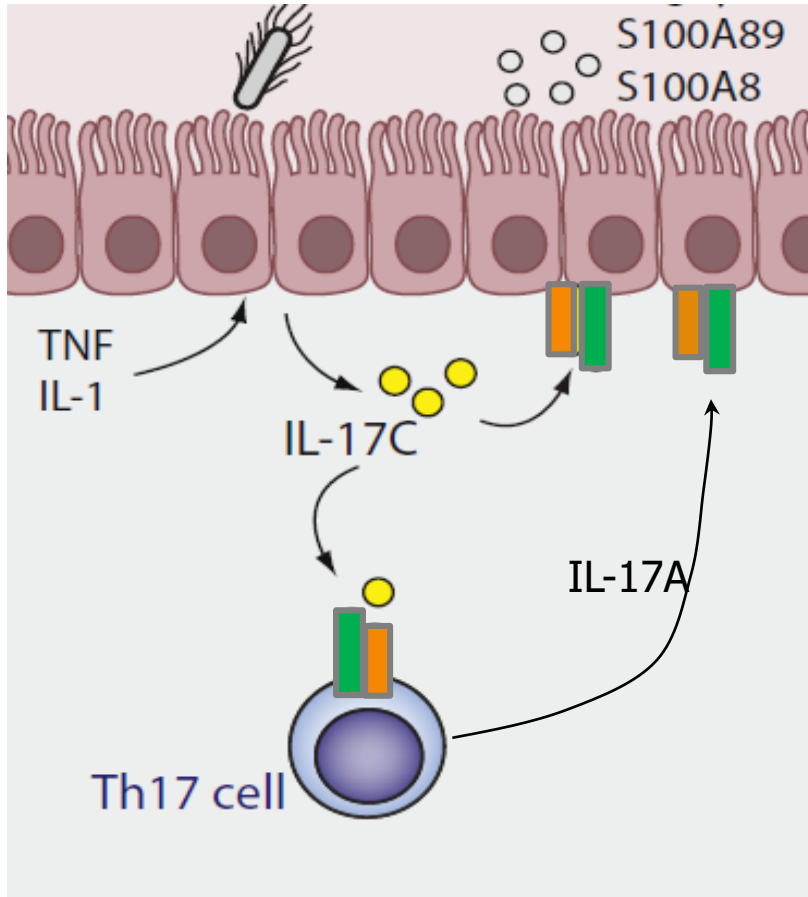
Conclusions

- First autotaxin inhibitor to show effect in IPF patient trial
- Monotherapy shows stabilization of lung function over 12-week period as measured by FVC
- FRI confirms FVC data with statistical significance
- Generally well tolerated
- Results support rapid move to late stage trial

Late stage trials expected to start in H1 '18



Dual mode of action



- IL-17C target of MOR106
- Dual action described
- Local amplifier of inflammation
- First-in-class



MOR106 Ph1b topline

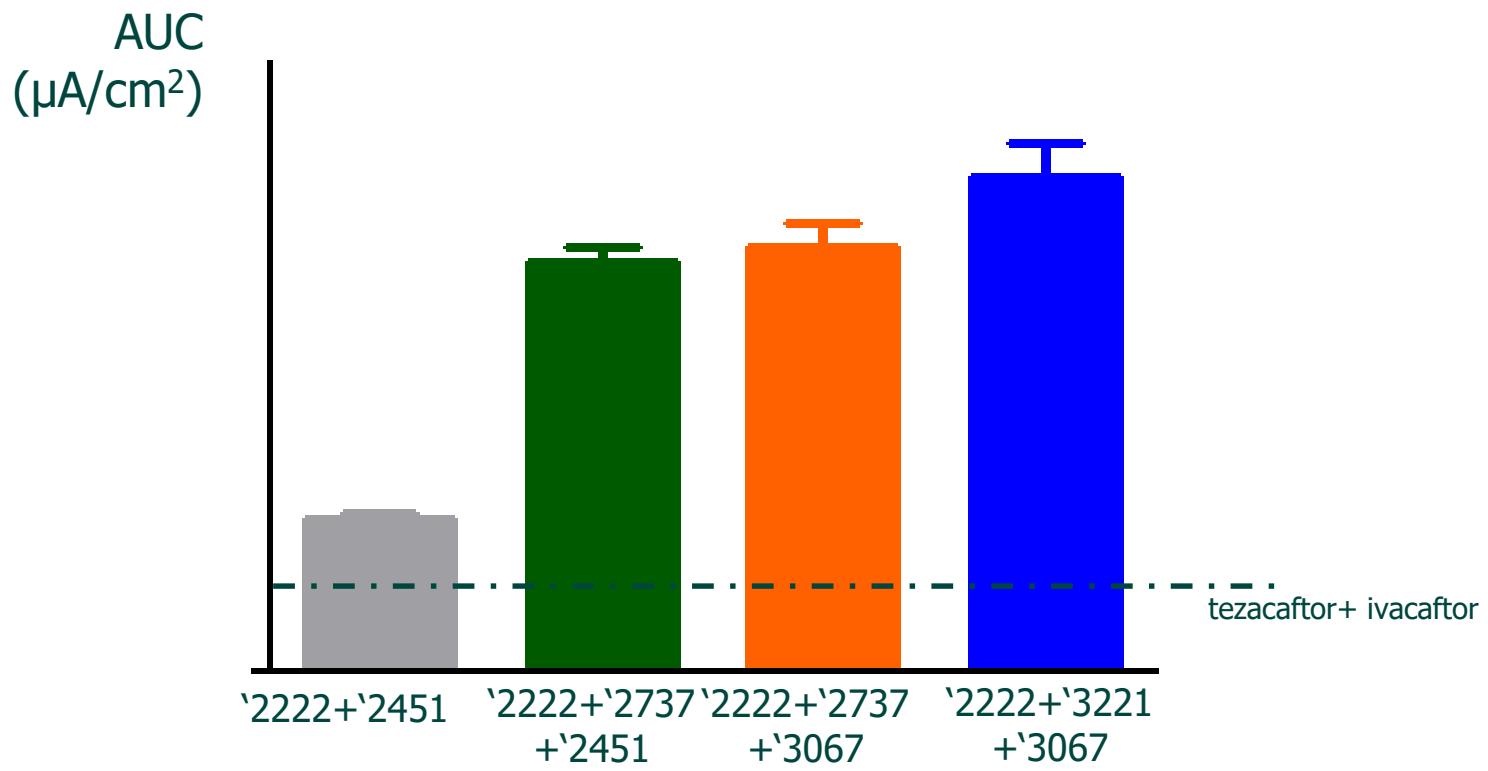
- Generally well tolerated with no safety concerns
- Favorable PK properties: dose dependent exposure and half life in line with healthy volunteers
- Promising initial results in skin efficacy parameters
 - rapid onset with >80% of patients showing a 50% improvement in AtopicD symptoms (EASI-50) by week 4 at highest dose level
 - response maintained after stopping treatment (> 2 months)
- Subcutaneous administration in evaluation

Companies preparing the move into Phase 2



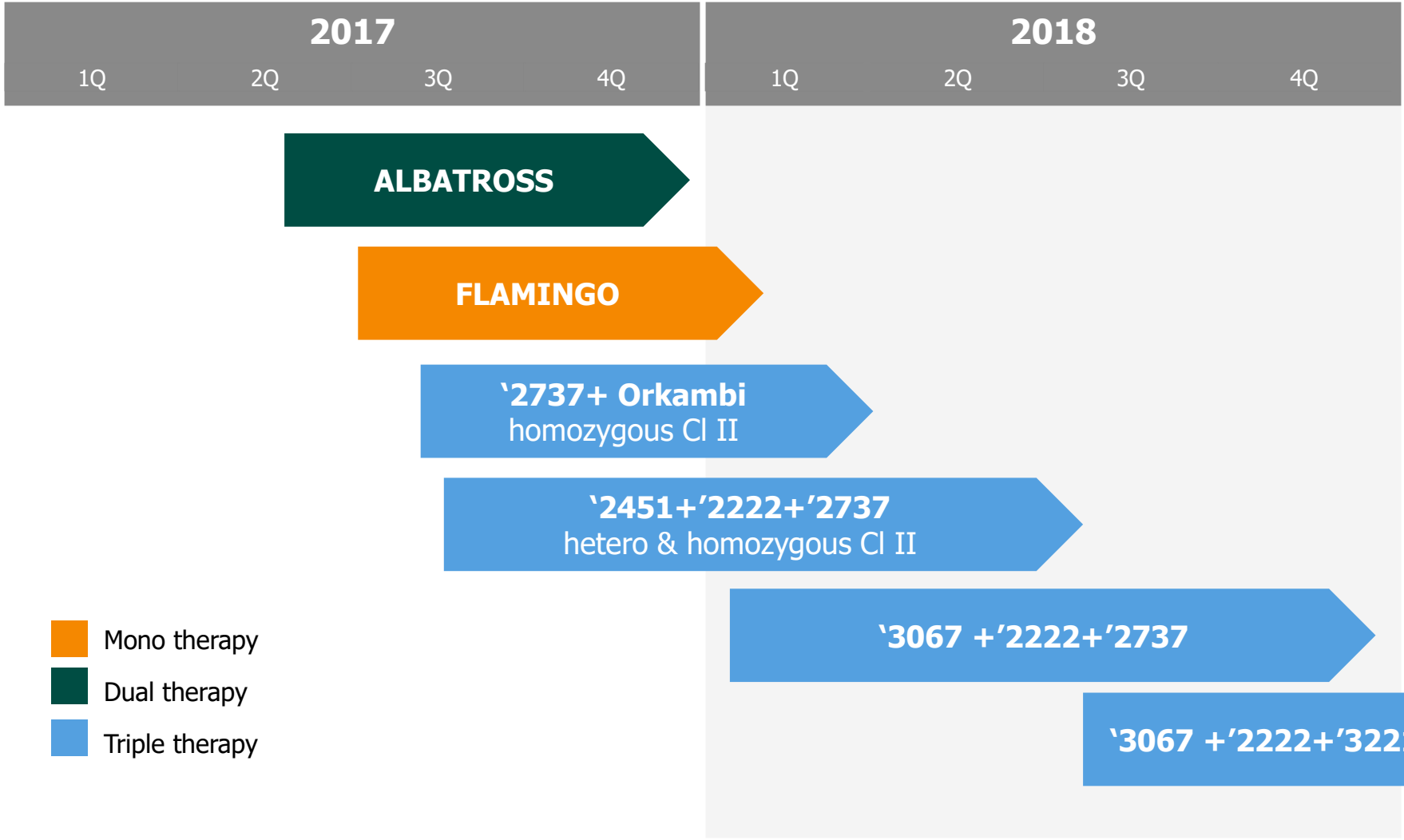
CF triple combinations

HBE assay with homozygous F508del cells





CF patient studies



- Mono therapy
- Dual therapy
- Triple therapy



'1972 in osteoarthritis

- No disease-modifying drug approved today
- Unique, novel candidate targeting ADAMTS-5, aimed at modifying disease
- Ph1b study in OA patients in US fully recruited, topline expected early '18
- Servier in-licensed ex-US rights
- We have full US commercial rights to program
- Ph2 proof of concept study with Servier expected to start H1 '18

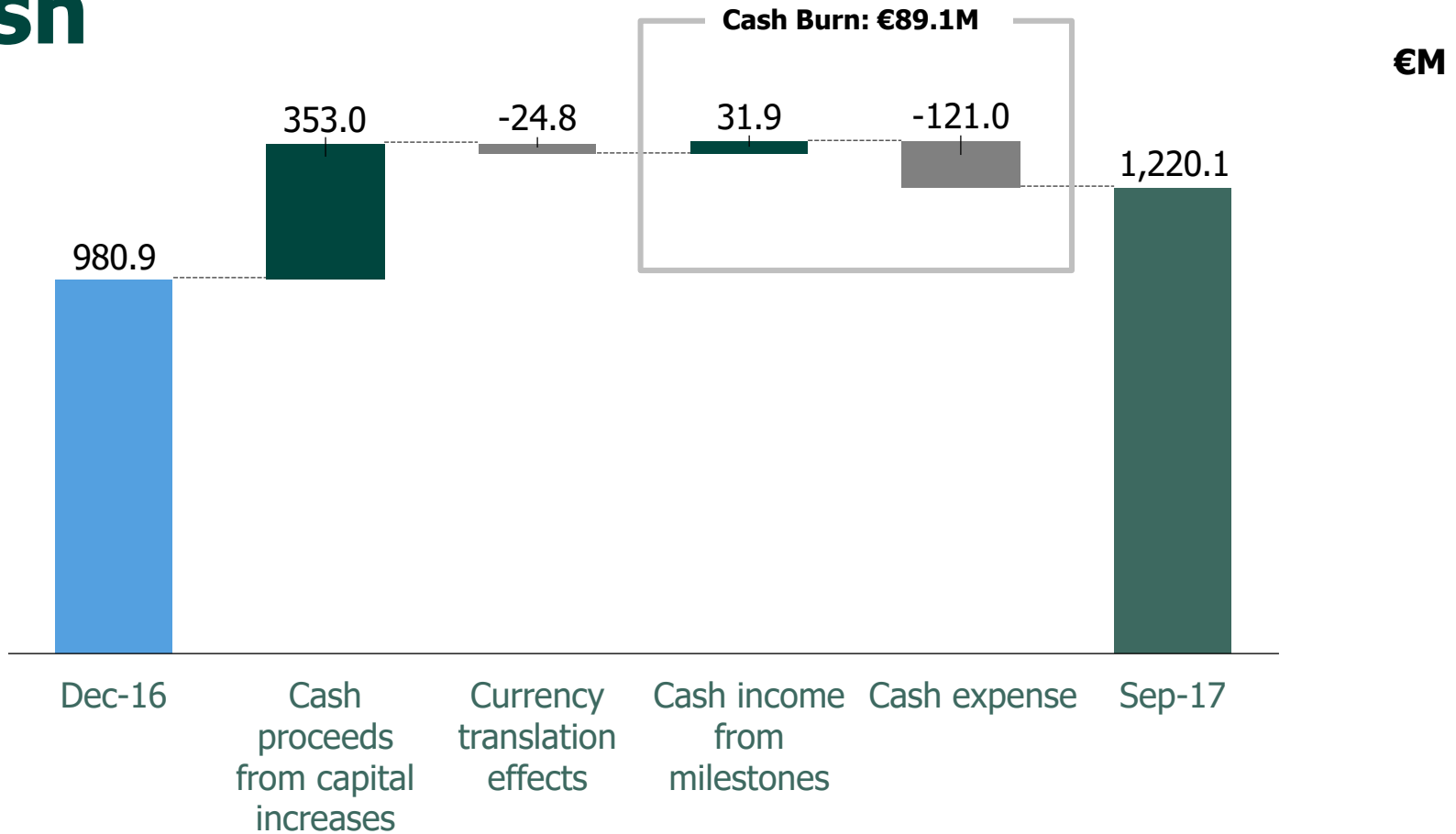


Q3 2017 Results

- Operational highlights
 - Onno van de Stolpe, CEO
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- **Financial highlights**
 - Bart Filius, CFO
- 2017 Outlook
 - Onno van de Stolpe



Cash, cash equivalents & restricted cash



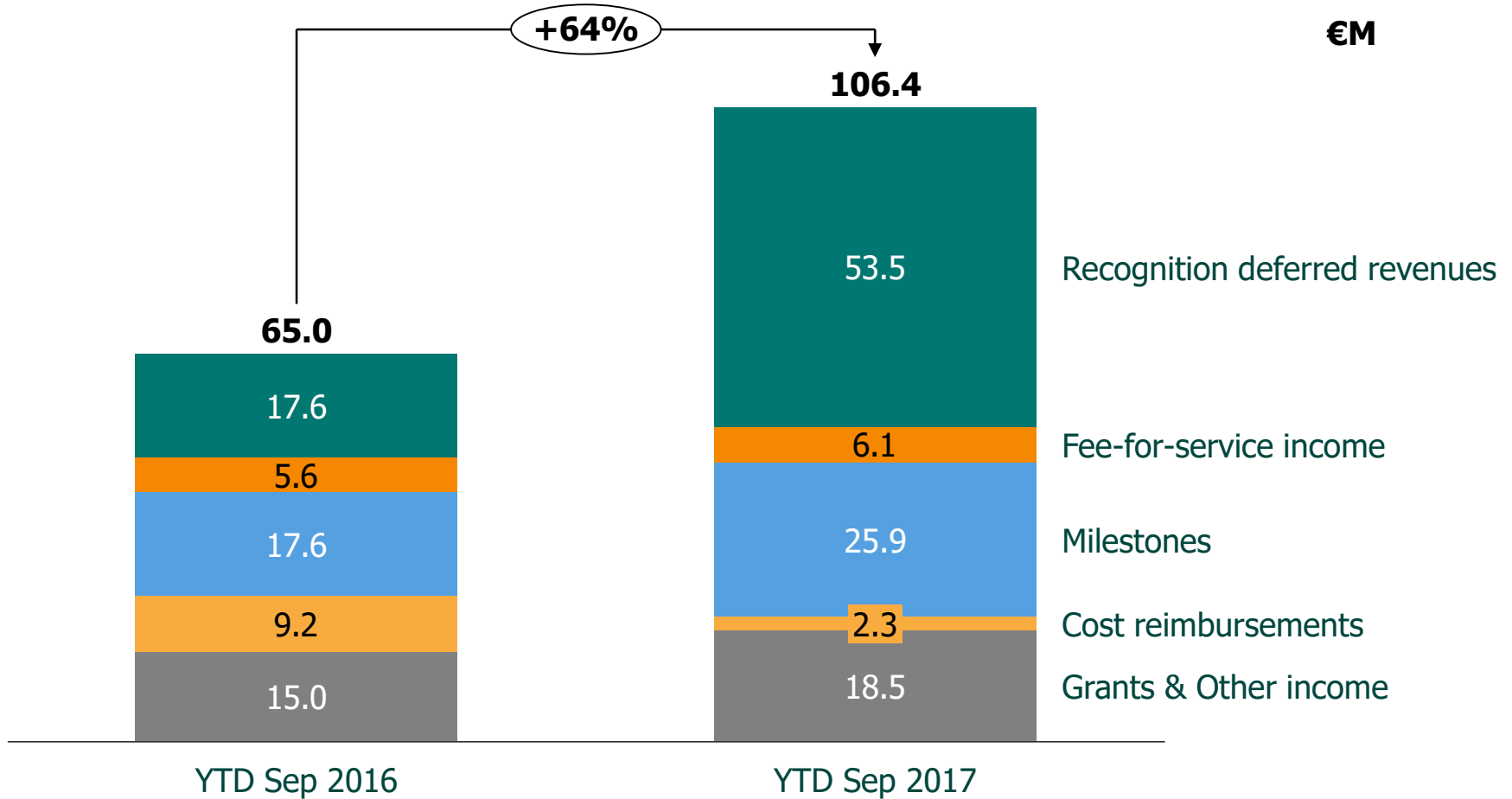
YTD cash burn of €89M, cash of ≈€1.2B end of Sep

Notes:

- includes restricted cash of €7.7M in Dec'16 and €1.2M in Sep '17
- excluding tax receivable from Belgian & French governments of €76.2M in Sep '17



Revenues & other income

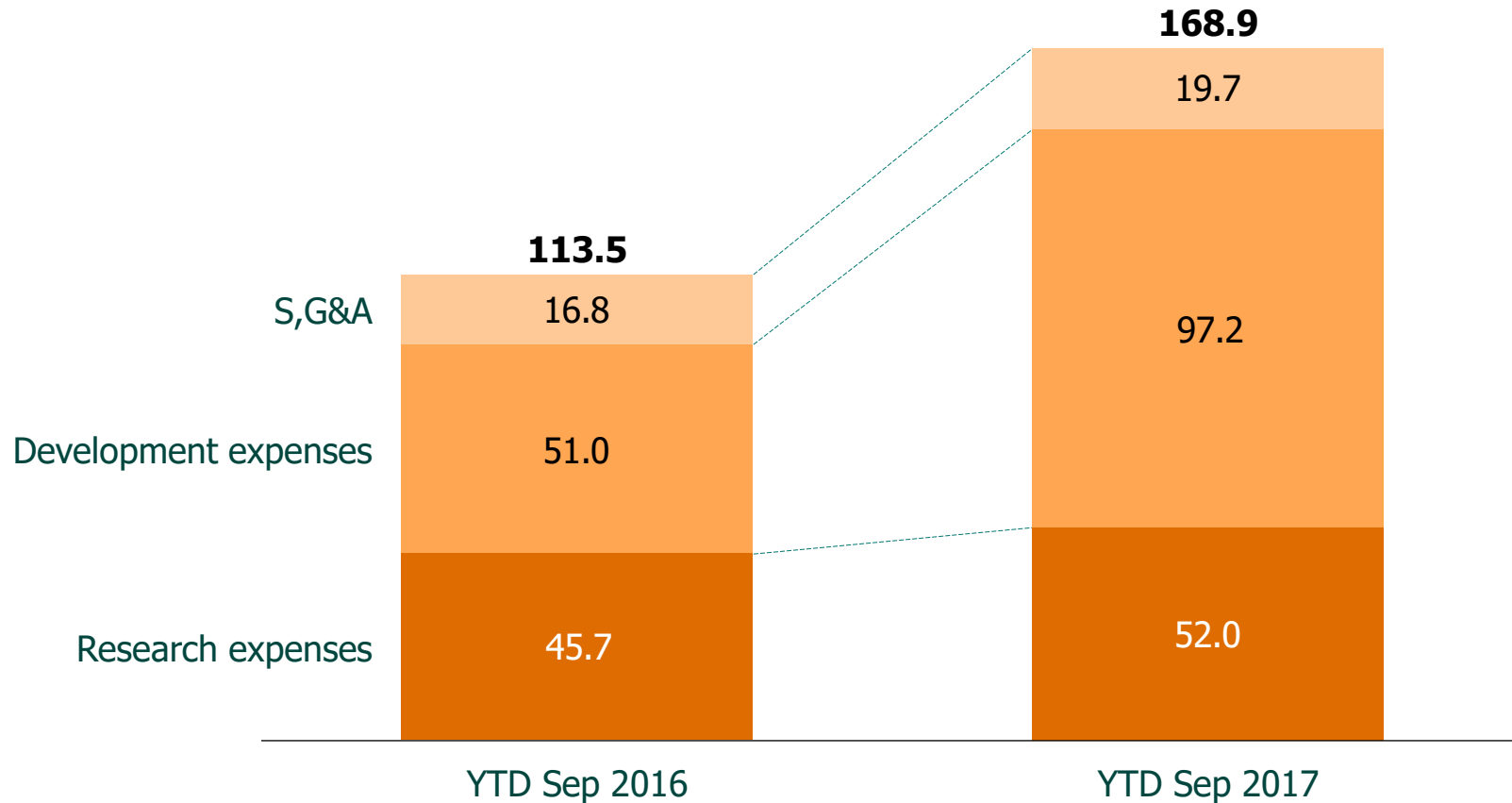


Income increases by 64%, driven by CF alliance & filgotinib



Operating expenses

€M



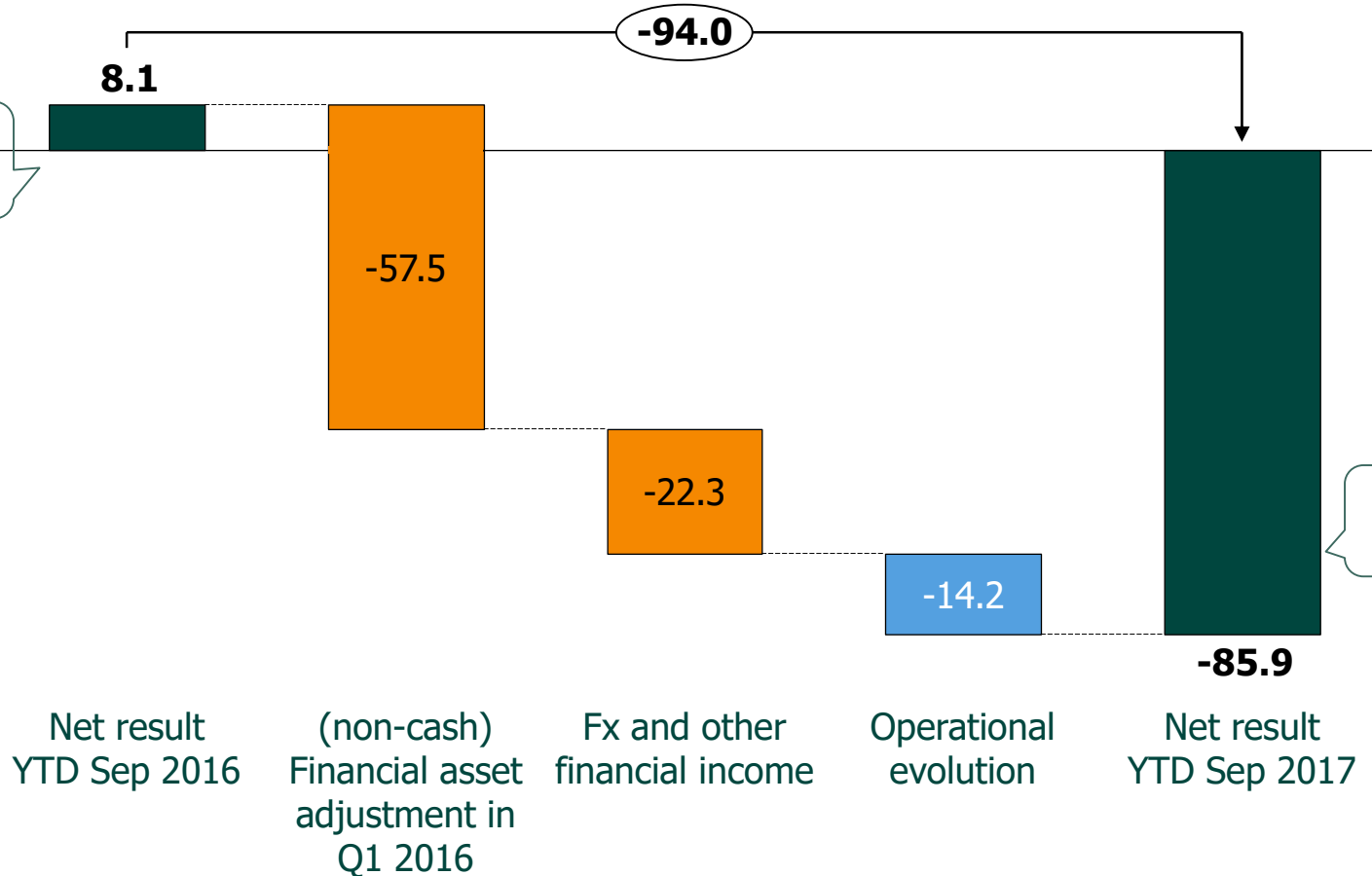
Operating expenses increase in filgotinib, CF & proprietary programs



Net result & earnings per share

€M

YTD Sep 2016
EPS €0.18



YTD Sep 2017
EPS -€1.75

Net loss of €85.9 M



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- Financial highlights

Bart Filius, CFO

- **2017 Outlook**

Onno van de Stolpe



Outlook

- Programs on track and delivering
 - filgotinib in Ph3, more Ph2 studies
 - CF triple combo in patients
 - `1690 in late stage IPF program
 - MOR106 in Ph2 in atopic dermatitis
 - `1972 in Ph2 in OA
- More proprietary clinical programs
- Building commercial organization
- Solid balance sheet



Q&A

