

## Galapagos NV

**Statutory auditor's report  
to the shareholders' meeting  
on the annual accounts  
for the year ended 31 December 2012**

The original text of this report is in Dutch

## Galapagos NV

### Statutory auditor's report to the shareholders' meeting on the annual accounts for the year ended 31 December 2012

To the shareholders

As required by law and the company's articles of association, we report to you on the performance of our mandate of statutory auditor. This report includes our report on the annual accounts as defined below together with our report on other legal and regulatory requirements.

#### Report on the annual accounts – Unqualified opinion

We have audited the annual accounts of Galapagos NV (“the company”) for the year ended 31 December 2012, prepared in accordance with the financial reporting framework applicable in Belgium, which show total assets of 296,464 (000) EUR and a loss for the year of 27,232 (000) EUR.

#### *Responsibility of the board of directors for the preparation of the annual accounts*

The board of directors is responsible for the preparation and fair presentation of annual accounts in accordance with the financial reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

#### *Statutory auditor's responsibility*

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts. We have obtained from the company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## *Unqualified opinion*

In our opinion, the annual accounts of Galapagos NV give a true and fair view of the company's net equity and financial position as of 31 December 2012 and of its financial performance for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

## **Report on other legal and regulatory requirements**

The board of directors is responsible for the preparation and the content of the directors' report on the annual accounts, maintaining the company's accounting records in compliance with the legal and regulatory requirements applicable in Belgium and for the company's compliance with the Companies Code and the company's articles of association.

In the framework of our mandate, our responsibility is to verify, for all significant aspects, the compliance with some legal and regulatory requirements. On this basis, we provide the following additional comments which do not modify the scope of our opinion on the annual accounts:

- The directors' report includes the information required by law, is, for all significant aspects, in agreement with the annual accounts and is not in obvious contradiction with any information obtained in the performance of our mandate.
- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of the results proposed to the general meeting is in accordance with the requirements of the law and the company's articles of association.
- No transactions have been undertaken or decisions taken in violation of the company's articles of association or the Companies Code such as we would be obliged to report to you.
- We draw your attention to note 5.2.1 and 7 of the statutory financial statements and paragraph 2 of the director's report, in which the capitalization of the research and development expenses is described and justified.
- In accordance with article 523 and 524ter of the Companies Code, we are required to report on the following operations which have taken place since your last annual general meeting:
  - In connection with the board decision of 14 March 2012 on the proposed exceptional bonus of 150,000 EUR for the CEO, Mr. Onno van de Stolpe as reward for the major transaction involving GLPG 0634, the procedure of article 523 and 524ter of the Companies Code has been followed. It has been explained to the Board that said exceptional bonus is a justified reward for the major deal-making results achieved by Mr. van de Stolpe. The award of this benefit will have no material impact on the financial position of the company. The impact on the financial position of the Company has been sufficiently and accurately disclosed in the annual report. The Board shares the opinion of the Remuneration Committee that the proposed benefit is justified and reasonable.
  - In connection with the board decision of 13 June 2012 to make a recommendation to the general shareholders' meeting to grant warrants to the CEO and other members of the board under a proposed warrant plan 2012 detailed as follows: Mr Onno van de Stolpe 100,000 warrants, Dr. Parekh and Mr. Verdonck each 3,780 warrants and Dr. van Barlingen, Dr. Cautreels, Mr. Rowe and Dr. Sato, each 2,520 warrants, the procedure of article 523 and 524ter of the Companies Code has been followed relating to Mr. Onno van de Stolpe concerning the proposed award of 100,000 warrants to him. It has been explained to the Board that the said warrant offer is proposed upon recommendation of the Remuneration Committee and is a justified reward for the results achieved by Mr van de Stolpe. The award of this benefit will have no material impact on the financial position of the company. The Board shares the opinion of the Remuneration Committee that the proposed benefit is justified and reasonable. Furthermore, as a warrant offer is proposed to each Director, the same procedure has been followed for each Director individually.

- In connection with the board decision of 18 December 2012 on the proposed salary increase of 3 per cent and bonus of 253 (000) EUR for the CEO, Mr Onno van de Stolpe, the procedure of article 523 and 524ter of the Companies Code has been followed. It has been explained to the Board that said awards are proposed upon recommendation of the Remuneration Committee and are a justified reward for the results achieved by Mr van de Stolpe in 2012. These awards will have no material impact on the financial position of the company. The impact on the financial position of the Company has been sufficiently and accurately disclosed in the annual report. The Board shares the opinion of the Remuneration Committee that the proposed benefits are justified and reasonable.

Kortrijk, 25 March 2013

**The statutory auditor**

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**DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises**  
BV o.v.v.e. CVBA / SC s.f.d. SCRL  
Represented by Gino Desmet