Q3 2021 results

5th Nov 2021

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Pioneering for patients

Disclaimer

This presentation contains forward-looking statements, including (without limitation) statements concerning the rate and timing of our cash burn, the progress of our refocused R&D and clinical pipeline, the execution of our savings program, the global R&D collaboration with Gilead, Galapagos' strategic R&D ambitions, including progress on our fibrosis portfolio, oral therapeutics and SIK platform, our expectations regarding commercial sales of Jyseleca and rollout in Europe, the amendment of our arrangement with Gilead for the commercialization and development of filgotinib, the timing and/or outcome of the strategic re-evaluation and of the cash burn guidance 2021, the amount and timing of potential future opt-in and/or royalty payments by Gilead, interactions with regulatory authorities, the timing or likelihood of additional regulatory authorities' approval of marketing authorization for filgotinib for RA, UC or any other indication, including UC and IBD indications for filgotinib in Europe, Great Britain, Japan, and the US, such additional regulatory authorities requiring additional studies, the timing or likelihood of pricing and reimbursement interactions for filgotinib, the build-up of our commercial organization for filgotinib, changes in our management board and key personnel, our ability to effectively transfer knowledge during this period of transition, the search and recruitment of a suitable successor to lead our organization and for the CSO role, the risk that Galapagos will be unable to successfully achieve the anticipated benefits from its leadership transition plan, the timing and likelihood of potential future business development opportunities, the impact of COVID-19, our beliefs regarding the inflammation market, and our strategy, business plans and focus, the slides captioned "Q3 update," "GLPG takes over DIVERSITY ph3 in CD," "Differentiated pipeline," including list of compounds, "Jyseleca launch in RA on track in Europe," "Expanding JAKi market, growing Jyseleca share," "Jyseleca efficacy & safety resonating in EU 5," "Acceleration of savings program," "Outlook 2021," and "Foundations for future growth," statements regarding the expected timing, design and readouts of ongoing and planned clinical trials, including (without limitation) (i) with filgotinib in RA, UC and CD, (ii) with GLPG4716 in IPF, (iii) with the SIK2/3 program, including with GLPG3970 in primary Sjögren's syndrome (iv) with GLPG3667 in Pso and UC, (v) with GLPG0555 in OA, (vi) MANTA/MANTA-Ray trials with filgotinib, (vii) with GLPG2737 in ADPKD, (viii) with GLPG4586 and GLPG4605 in fibrosis, (ix) with GLPG3121 in IBD, and expectations regarding the commercial potential of our product candidates. 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.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which might cause the actual results, financial condition and liquidity, performance or achievements of Galapagos, or industry results, to be materially different from any future results, financial conditions, performance or achievements expressed or implied by such forward-looking statements. Among the factors that may result in differences are the inherent uncertainties associated with competitive developments, clinical trial and product development activities, regulatory approval requirements (including the risk that data from Galapagos' ongoing and planned clinical research programs in RA, CD, UC, IPF, OA, other inflammatory indications, and kidney disease may not support registration or further development of its product candidates due to safety or efficacy concerns or other reasons and the uncertainties relating to the impact of the COVID-19 pandemic), the possibility that Galapagos will encounter challenges retaining or attracting talent, the risk that Galapagos will not be able to continue to execute on its currently contemplated business plan and/or will revise its business plan, reliance on third parties (including Galapagos' collaboration partner Gilead), the timing of and the risks related to the implementation of the transition of the European commercialization responsibility of filgotinib from Gilead to us, the risk that the transition will not be completed on the currently contemplated timeline or at all, including the transfer of the supply chain, and the risk that the transition will not have the currently expected results for our business and results of operations, estimations regarding our filgotinib development program and the commercial potential of our product candidates, the risk that Galapagos' estimations regarding the acceleration of our savings program may be incorrect, and Galapagos' expectations regarding the costs and revenues associated with the transfer of European commercialization rights to filgotinib may be incorrect. A further list and description of these risks, uncertainties and other risks can be found in Galapagos' Securities and Exchange Commission ("SEC") filing and reports, including Galapagos' most recent Form 20-F and subsequent filings with the SEC. Given these uncertainties, you are advised not to place any undue reliance on such forward-looking statements.

Except for filgotinib's approval for the treatment of RA by the European Commission, Great Britain's Medicines and Healthcare Products Regulatory Agency and Japanese Ministry of Health, Labour and Welfare, our drug candidates are investigational; their efficacy and safety have not been fully evaluated by any regulatory authority.

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Agenda

Q3 update

Onno van de Stolpe
CEO

Commercial & financial update

Bart Filius
President & COO

Q & A

All

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Q3 update

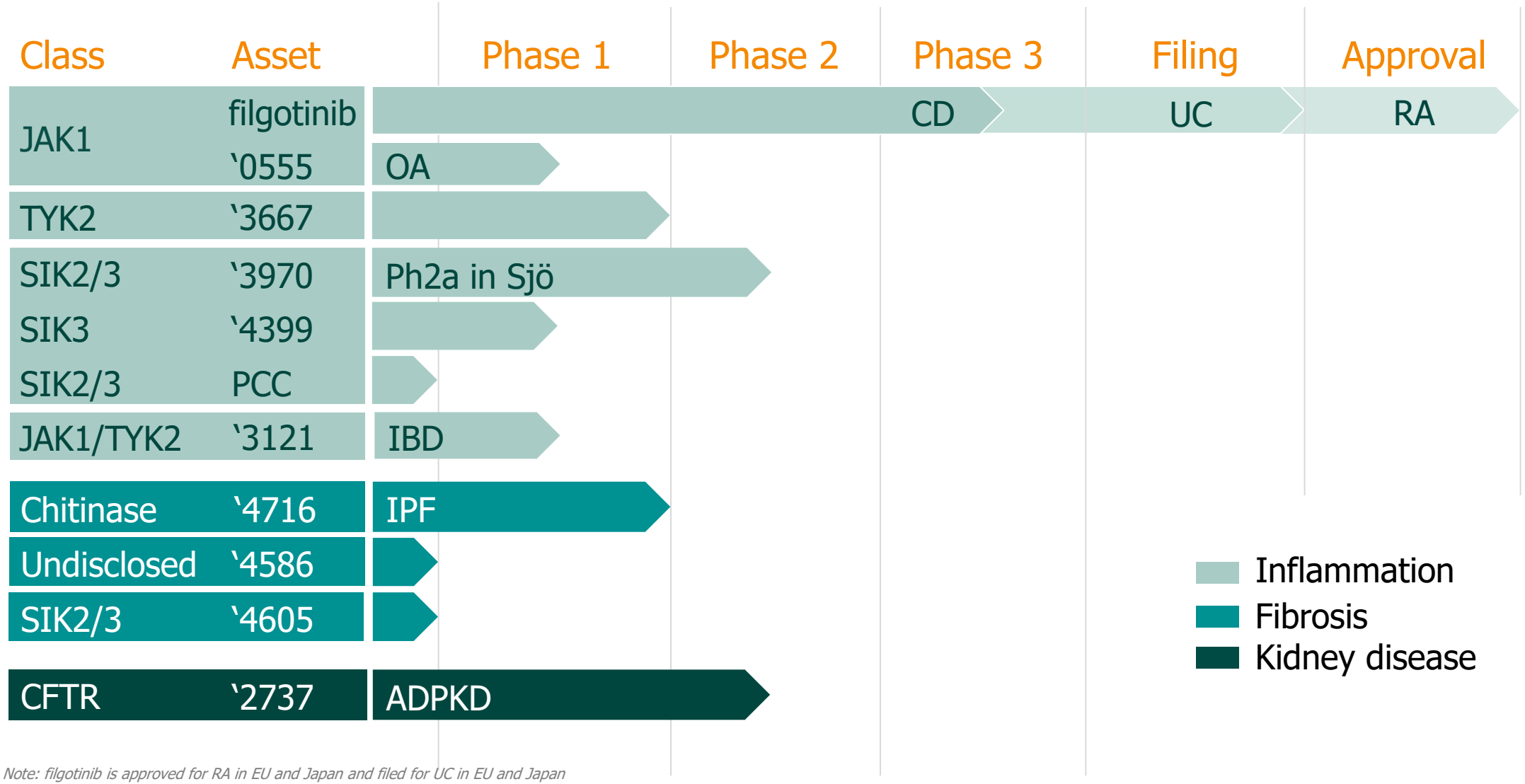
- Positive Ph1b TYK2 psoriasis with ‘3667
- Biological activity SIK2/3 in UC and Pso with ‘3970
- DIVERSITY Ph3 filgotinib CD fully recruited
- Positive CHMP filgotinib UC
- Jyseleca® launch in Europe on track
- Recruitment new CEO and CSO ongoing

GLPG takes over DIVERSITY Ph3 in CD

- GLPG assumes responsibility for Ph3 and LTE
- $15m payment by GILD
- Reduced royalty rate to GILD of 5.6%-10.5% on all indications as of 2024 upon EC approval for filgotinib in CD
- GILD remains responsible for commercial activities outside EU

Fully recruited, topline in H1 2023

Differentiated pipeline



Note: filgotinib is approved for RA in EU and Japan and filed for UC in EU and Japan

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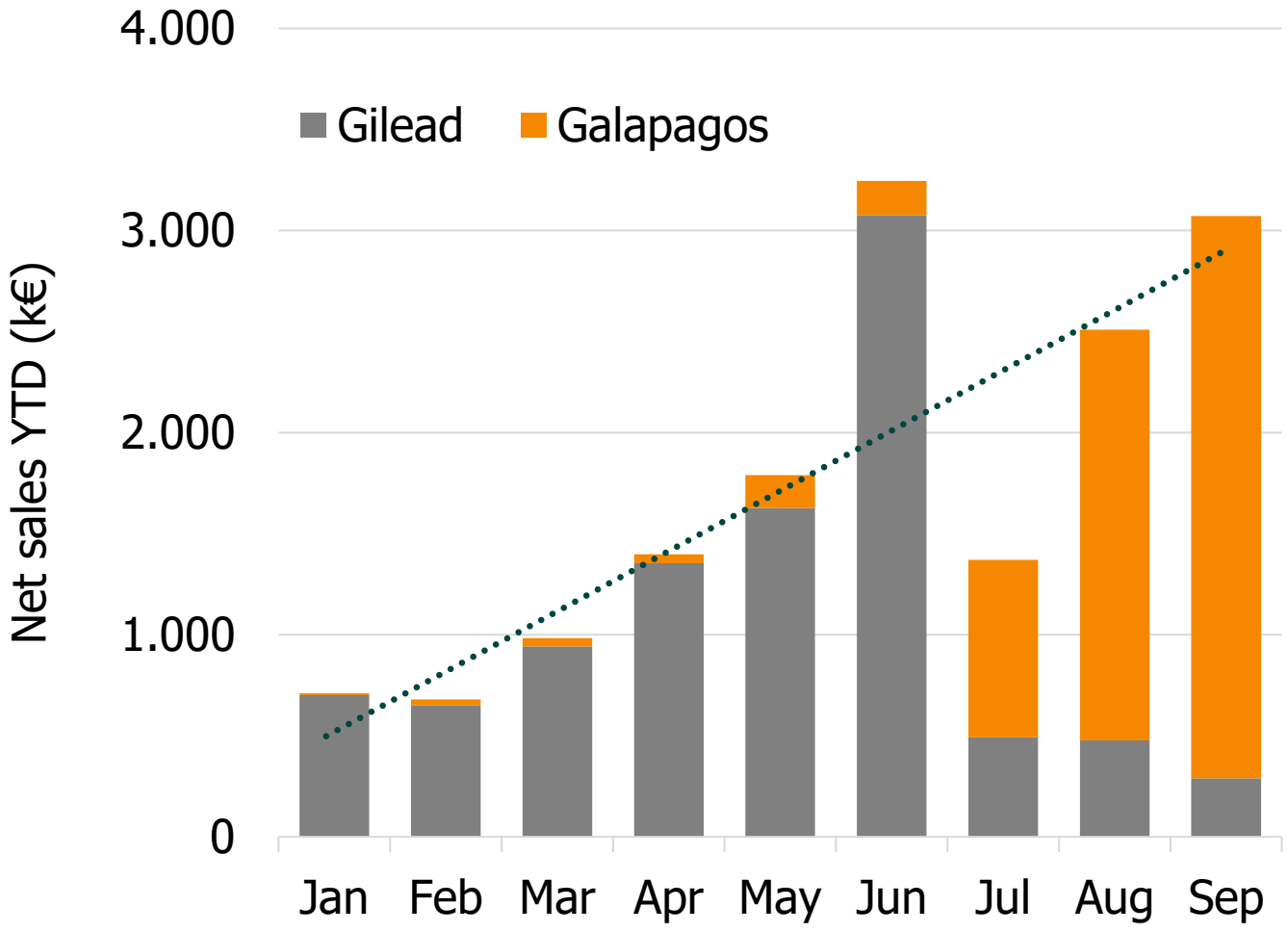
Jyseleca launch in RA on track in Europe



- YTD €15.8m (GLPG €6.1m)
- Stocking effect in June & July

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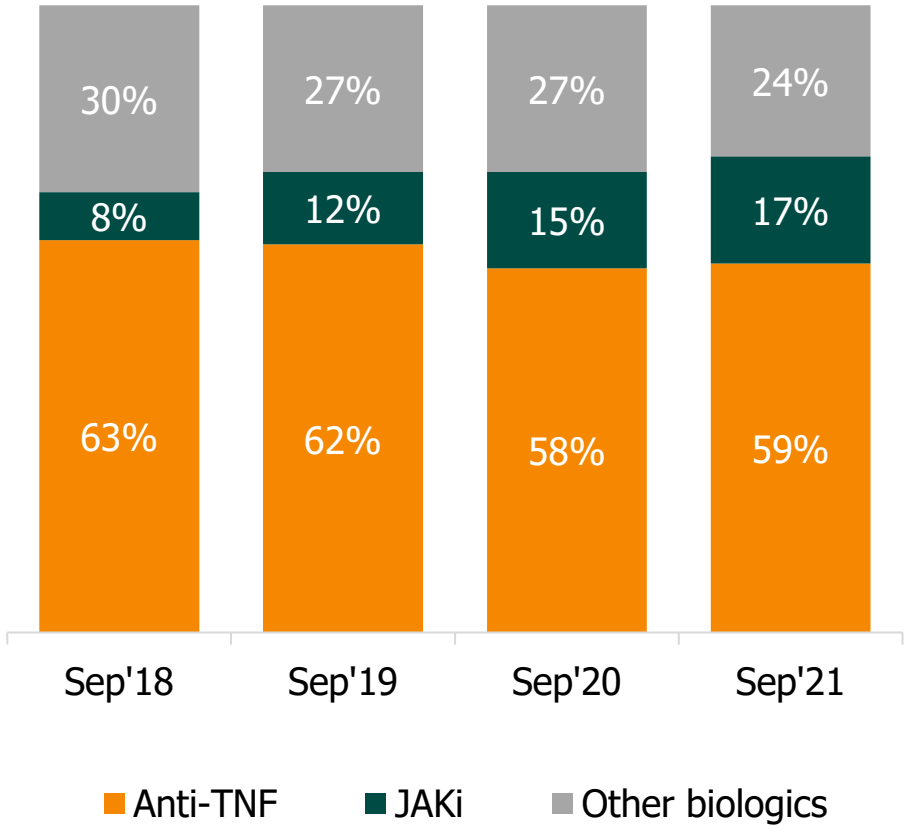
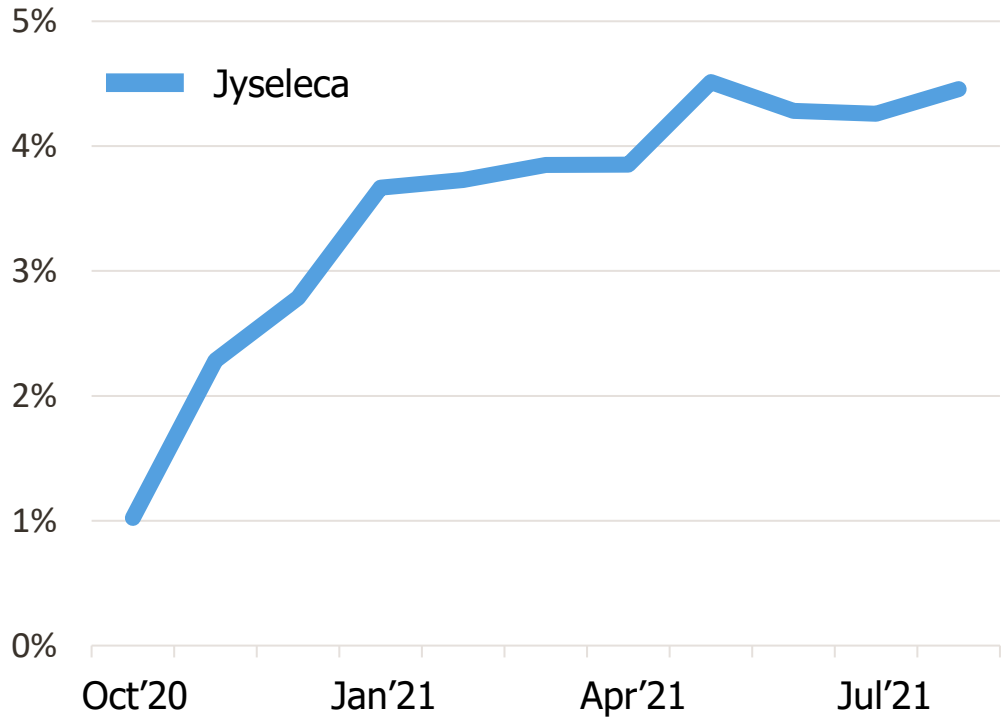
Expanding JAKi market, growing Jyseleca share

JAKi RA market share increasing in EU5



Source: Therapy Watch, Q3 2021 (6-month average)

Germany RA dynamic market (switch & naïve)



Source: IQVIA LRX Aug 2021, Jyseleca approved for patients who have responded inadequately or are intolerant to one or more disease modifying anti-rheumatic drugs (DMARDs)

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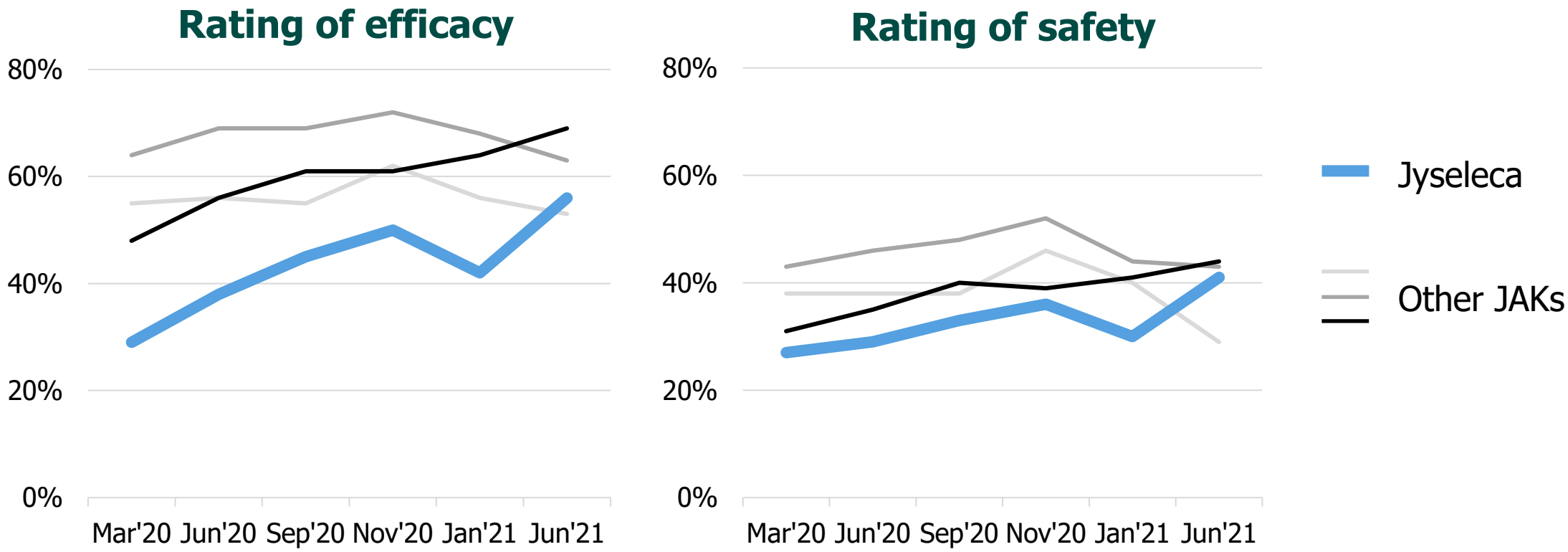
Jyseleca efficacy & safety resonating in EU5



Jyseleca positioned as a new generation, preferential JAK1i

Brand awareness at 80-90%, on par with other JAKs

Note: Source is GLPG Awareness Trial and Usage (ATU) report conducted with 250 rheumatologists across the EU5 (Jun 2021)

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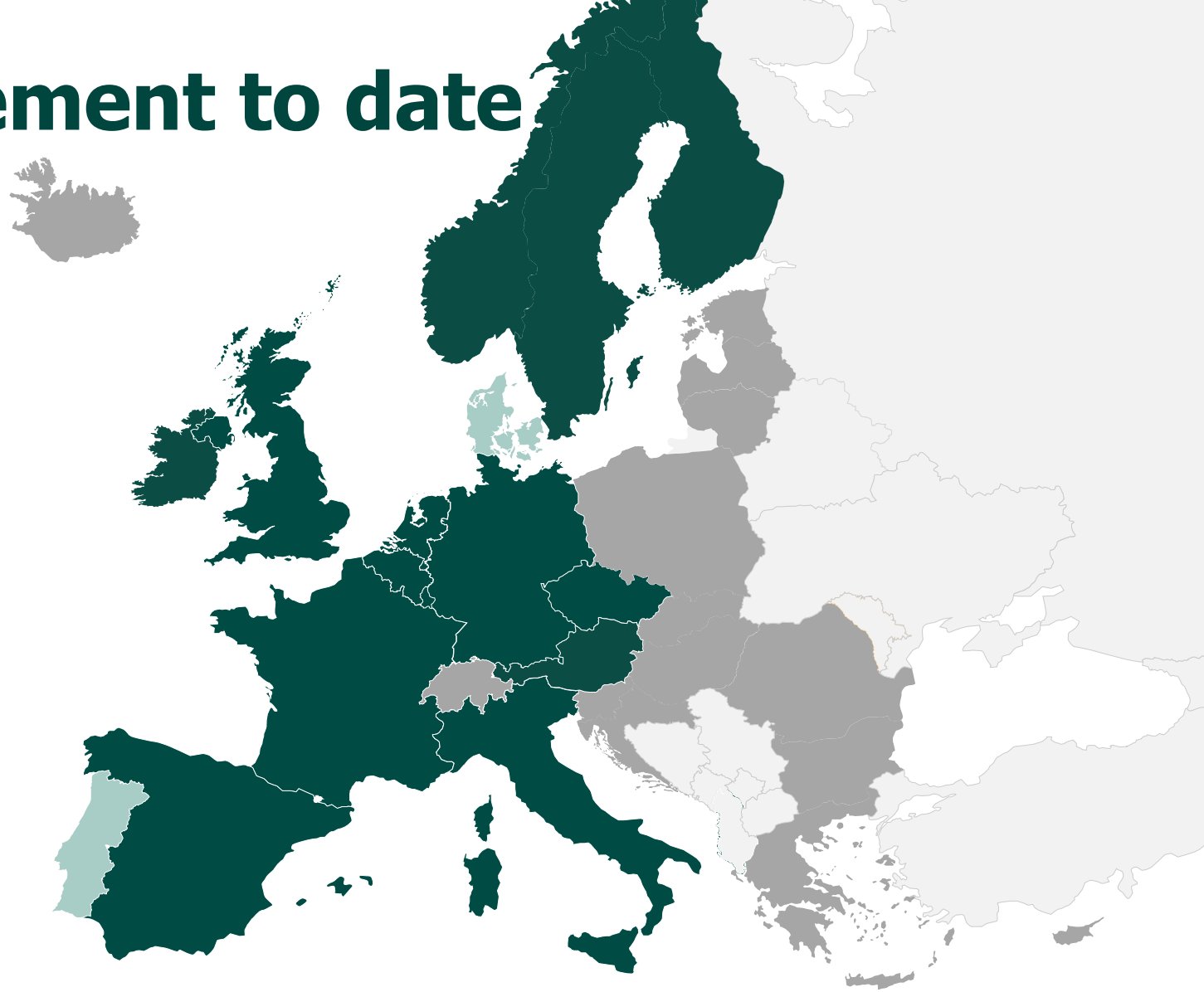
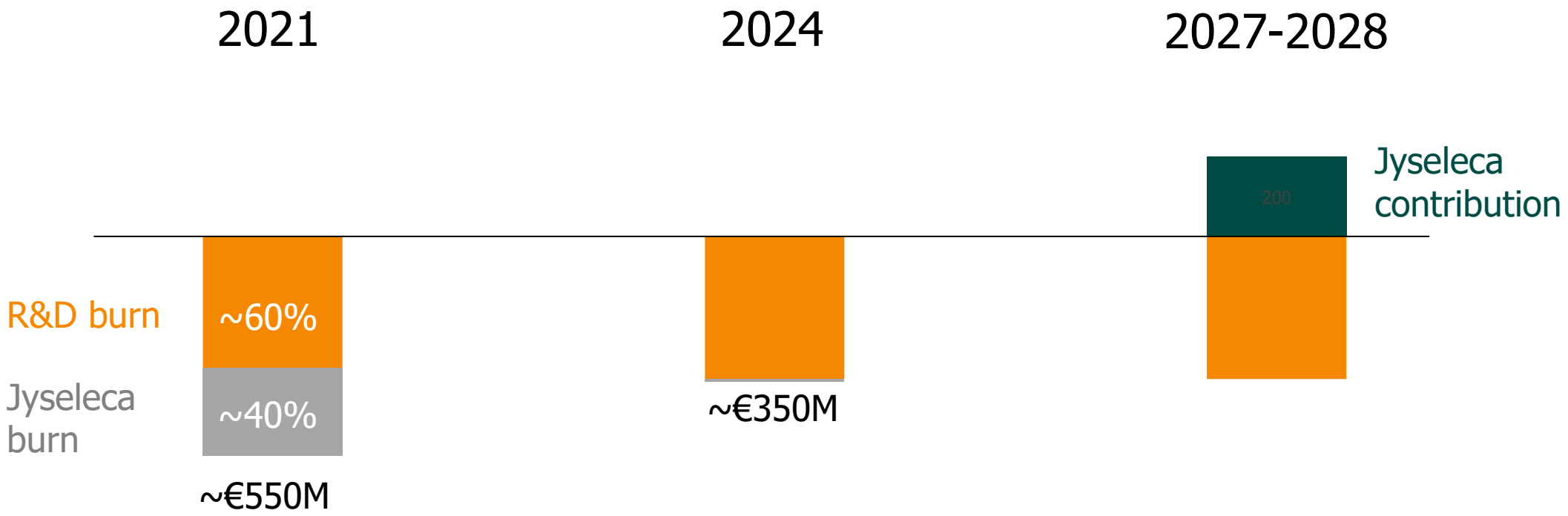
Jyseleca reimbursement to date



- Reimbursed (14 countries)
- Procedures ongoing
- Pending submission

Eastern Europe, Portugal, Greece partnered with 3rd party distributor

Acceleration of savings program



FY21 cash burn guidance reduced by €50M to €530-570M

Note: these are management projections and analysis excludes prepaid R&D for Jyseleca and any impact from potential BD

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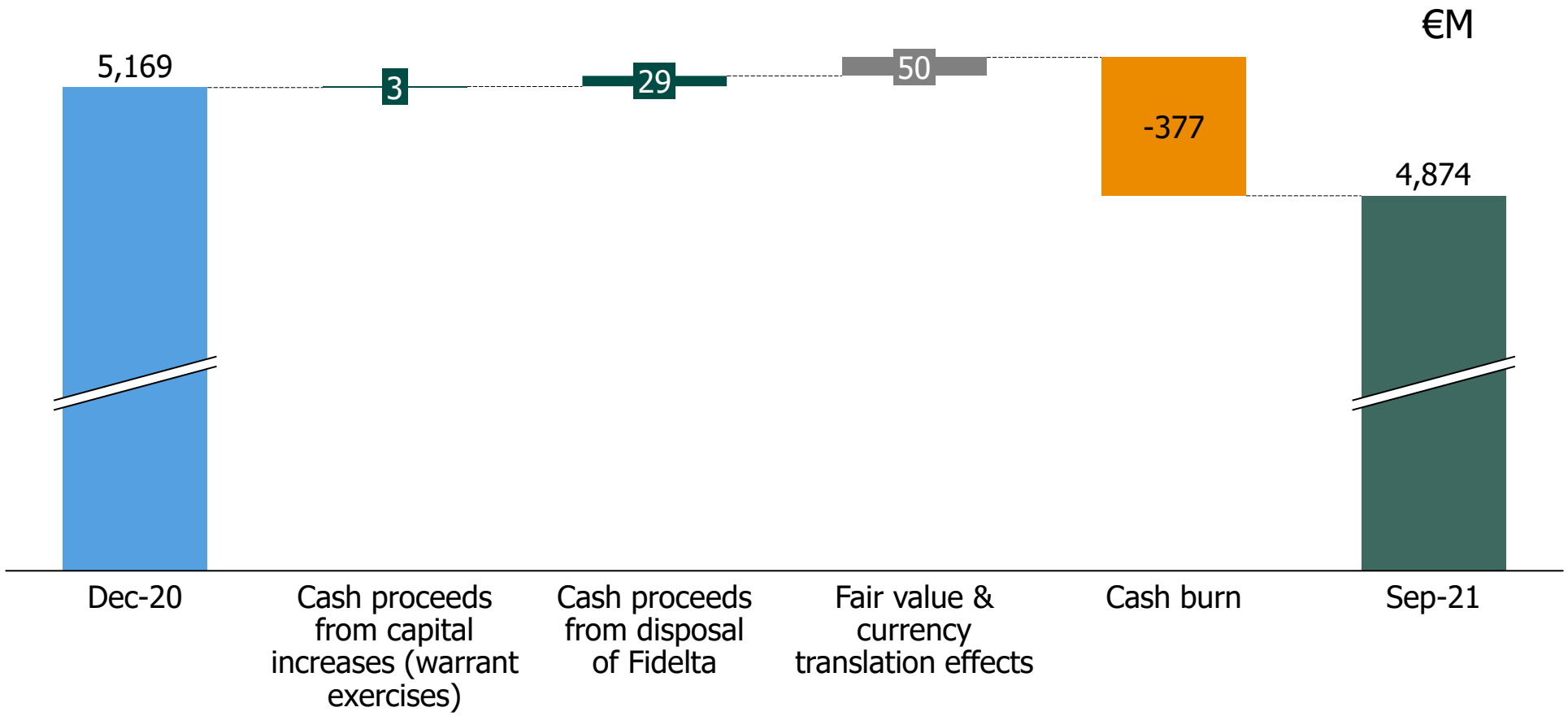
Cash & current financial investments



Cash burn €377M; cash position ~€4.9B end of Q3 2021

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Key financials Q3 ’21

Revenues & other income: €354M

- €136M revenue recognition for filgotinib development
- €173M revenue recognition for the platform
- €6M sales, €2M royalties for Jyseleca

Operating costs: - €529M

- Flat versus YTD Q3 2020

Net loss: - €120M

- €34M net other financial income, gain on disposal of Fidelta €22M

Outlook 2021

Outcomes

- ‘3667 (TYK2) Ph1b Pso ✓
- SIK2/3 ‘3970 Pso/UC/RA ✓
- EU positive CHMP opinion ✓
- EU approval decision UC

Trial progress

- DIVERSITY recruited CD ✓
- ‘2737 MANGROVE ADPKD recruited

Foundations for future growth

R&D

Continue to discover & develop novel targets

Commercial

EU roll-out Jyseleca in RA; adding UC

BD

Bring in opportunities

Financial

Disciplined cost savings

New CEO & CSO announcement expected

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We discover. We dare. We care.