

GALAPAGOS' GLOBAL TAX STRATEGY

Galapagos NV (“**Galapagos**”) is a commercial-stage biotechnology company, specialized in the discovery and development of small molecule medicines with novel modes of action. We have operations worldwide, with sites amongst others in Belgium (international headquarters), the Netherlands, France, Germany, Italy, Spain, Switzerland, the UK and the US.

We are committed to comply with all applicable tax laws and reporting and disclosure requirements in the countries in which we conduct business. Accordingly, we pay a variety of taxes, including, corporate income taxes, customs duties, stamp duties, employment and other business taxes in these jurisdictions, as required by local law. We also withhold and pay employee taxes and indirect taxes such as Value Added Tax (VAT).

We understand the desire for, and recognize the mutual benefit that can be derived from, transparency and we are committed to acting with integrity with respect to all tax matters.

To further increase our transparency on taxation and fulfil the requirements in accordance with Schedule 19 of the UK Finance Act 2016, we publish our global tax strategy¹ with additional information on:

- the approach of the group to tax governance and risk management;
- the attitude of the group towards tax planning and the level of risk that the group is prepared to accept; and
- the approach of the group towards its dealings with tax authorities.

This strategy applies to all taxes relevant to our business and takes effect from the date of publication until superseded or otherwise replaced.

Tax Governance and Risk Management

At Galapagos, tax governance is part of the Finance function and is ultimately the responsibility of the Chief Financial Officer supported by the Vice President Finance and the Tax Director.

We have adopted the following guiding principles as a framework for how we manage our tax obligations. These include:

- Following all applicable laws and regulations relating to our tax activities.
- Operating effective tax governance, including maintaining appropriate processes, procedures, documentation, and controls which includes ensuring that senior personnel with the appropriate skill and experience are involved in key tax decisions. Tax strategy and related actions are reviewed on an ongoing basis by the Chief Financial Officer, Vice President Finance and Tax Director while day-to-day tax matters can be delegated to other in-house personnel or external service providers.
- The Galapagos supervisory board and management board, or subsets thereof, are informed of any notable tax matters and provide guidance and advice as they deem necessary.

¹ Our UK group company's tax affairs (Galapagos Biotech Limited) are managed directly within our global governance structure, and adhere to our global tax policies and strategy. In relation to the UK company, this document should be read as referring to UK taxation.

Tax Planning and Tax Risk

We structure our tax affairs to control tax costs and obtain tax efficiency in accordance with the laws, respecting the intended purpose and recognizing the laws do allow for appropriate tax relief.

We employ professional care and judgment and supplement our expertise by seeking out advice from reputable external advisors as appropriate to have reasonable certainty in tax positions we adopt, appropriately assess tax risks and ensure our compliance with applicable laws, rules, regulations and reporting and disclosure requirements.

Relationship with Tax Authorities

We will always maintain open and cooperative working relationships with the relevant tax authorities.

We seek to work pro-actively and transparently with tax authorities to minimise the extent of disputes and achieve certainty, wherever possible.

In addition, we will constructively engage with tax authorities to resolve any disputes where our views on the appropriate tax treatment may differ from that of the authorities. This includes being committed to providing relevant information that is necessary for tax authorities to review possible tax risks in a timely manner. We will work with tax authorities to achieve early agreement on disputed issues and certainty on a real-time basis, wherever possible.