

Galápagos

Q1 2016 results

29 April 2016





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Q1 2016 results

- Operational highlights

Onno van de Stolpe, CEO

Piet Wigerinck, CSO

- Financial results

Bart Filius, CFO

- 2016 outlook

Onno van de Stolpe, CEO



Q1 '16 **Kick-start**

- Closed transformational deal with Gilead
- Expanded CF portfolio for triple combo
- Started SAPHIRA Phase 2 studies with GLPG1837

April:

- Started Phase 2 with GLPG1690 in IPF
- Started Phase 1 with MOR106
- Expanded AbbVie deal in CF
- Announced final FITZROY results

Strong execution on our CF portfolio,
continued investment in our pipeline



Transformational partnership



- Co-develop filgotinib in inflammatory diseases
 - GLPG contributes 20% to R&D costs
- Upfront \$725 M, incl. \$425 M equity stake @ €58 per share
- Success-based milestones totalling \$1.35 B
 - \$755 M development & regulatory, \$600 M sales-based
- 50/50 profit split in co-promotion territories
- Tiered royalties 20%+





Clinical pipeline

Program	Preclinical	Ph 1	Ph 2	Status
Rheumatoid arthritis	JAK1		filgotinib	Ph 3 start mid '16
Crohn's	JAK1		filgotinib	Ph 3 start Q3 '16
Ulcerative colitis	JAK1	filgotinib		Ph 2 start Q3 '16
Idiopathic pulmonary fibrosis	Autotaxin		'1690	Ph 2a topline Q2 '17
Cystic fibrosis Class III			'1837	Ph 2 results H2 '16
Cystic fibrosis Class II		'2222 + others		Ph 1 results Q2 '16 Other Ph 1 starts H2 '16
Osteoarthritis		Novel MoA '1972		Ph 1 results Q2 '16
Inflammation		MOR106		Ph 1 topline H2 '17

-  = partnered program
-  = proprietary program



FITZROY study

- Primary endpoint achieved at W10
 - first JAK to show efficacy in Crohn's
 - statistically significant improvement of patient's quality of life
 - efficacy in both TNF-naives & TNF-failures
 - endoscopy and histopathology assessments improved
- Clinical responses continued from W10 to W20
- Placebo non-responders at W10 showed improvement on 100 mg at W20
- Filgotinib was safe & well-tolerated, in line with previous studies

Results support filgotinib development in Phase 3 in Crohn's



SAPHIRA on track

GLPG1837 phase 2 trial



SAPHIRA 1: G551D (≥ 12 pts)

SAPHIRA 2: S1251N (≥ 6 pts)

- Recruitment in 6 EU countries & Australia
- Includes Kalydeco[®] naive & treated (after 7d washout period)
- Primary endpoints: safety & tolerability
- Secondary endpoints: sweat chloride, FEV1, plasma levels



Expanded CF co-development deal

- Focus on triple combination for Class II (F508del): 2 correctors + potentiator
- Exploring large portfolio of potentiators and correctors today
- Deal expansion to reflect today's alliance:
 - total remaining milestones ~\$600 M
 - increase of \$250 M for Ph 1& Ph 2 milestones
 - tiered royalties remain mid-teens to 20%
 - GLPG responsible for preclinical to end Ph 2, contributes to Ph 3 costs
 - AbbVie commercializes
 - GLPG retains China/South-Korea, co-promotion rights in Benelux





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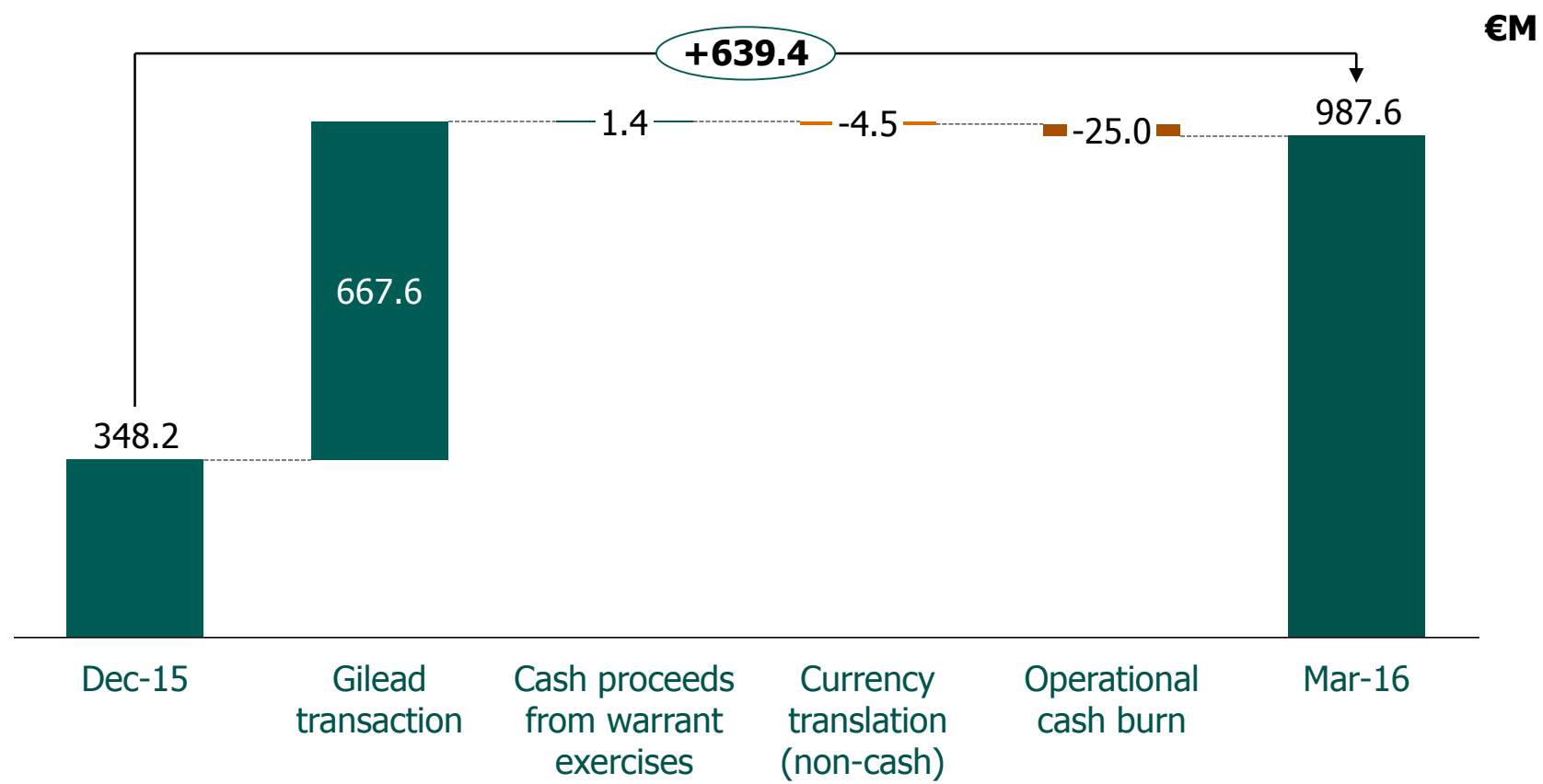
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Cash, cash equivalents & restricted cash

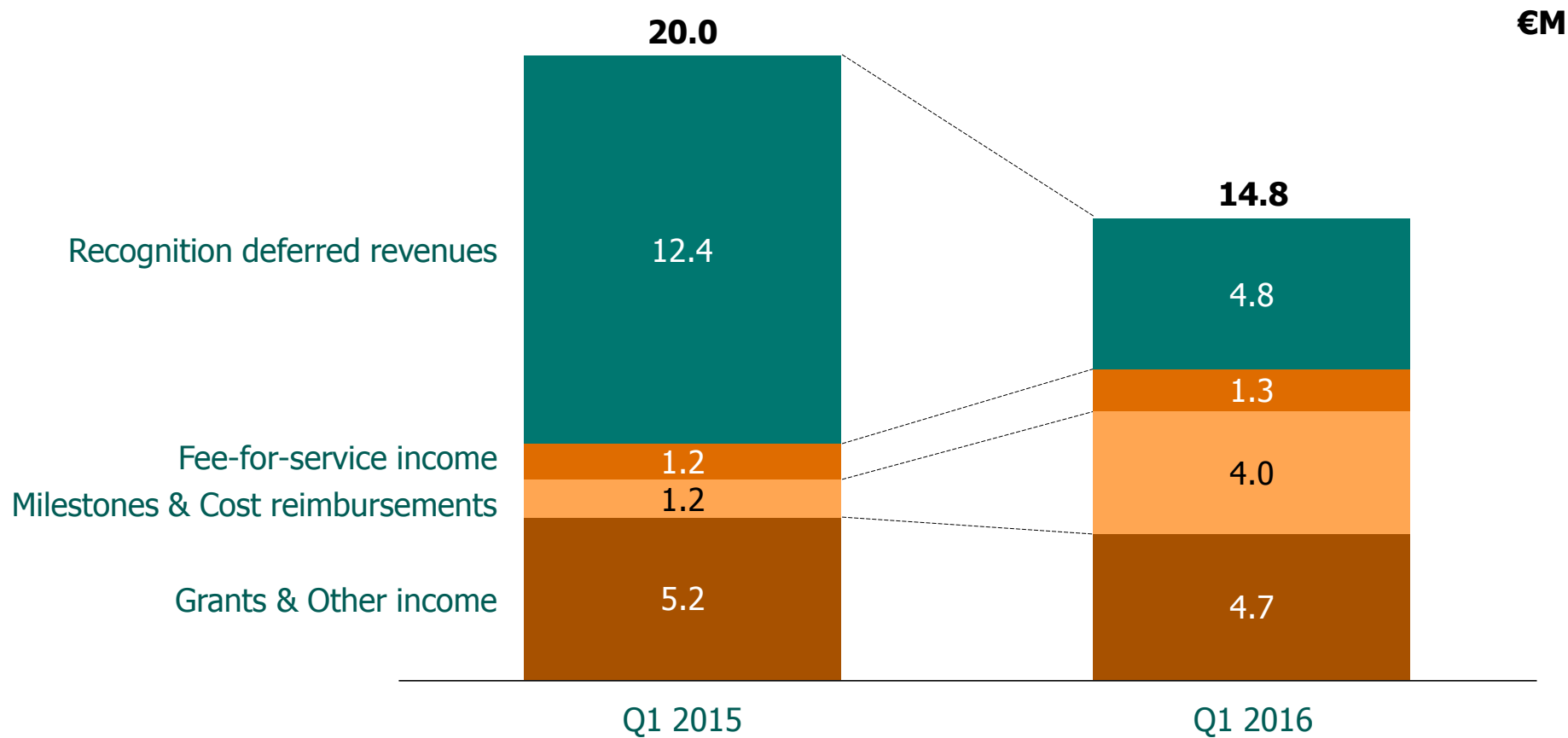


Cash burn of €25 M in line with guidance, ≈ €1 B in cash

Notes:

- includes restricted cash of €7.9 M in Dec `15 and €9.3 M in Mar `16
- excluding tax receivable from Belgian & French governments of €62.0 M in Mar `16

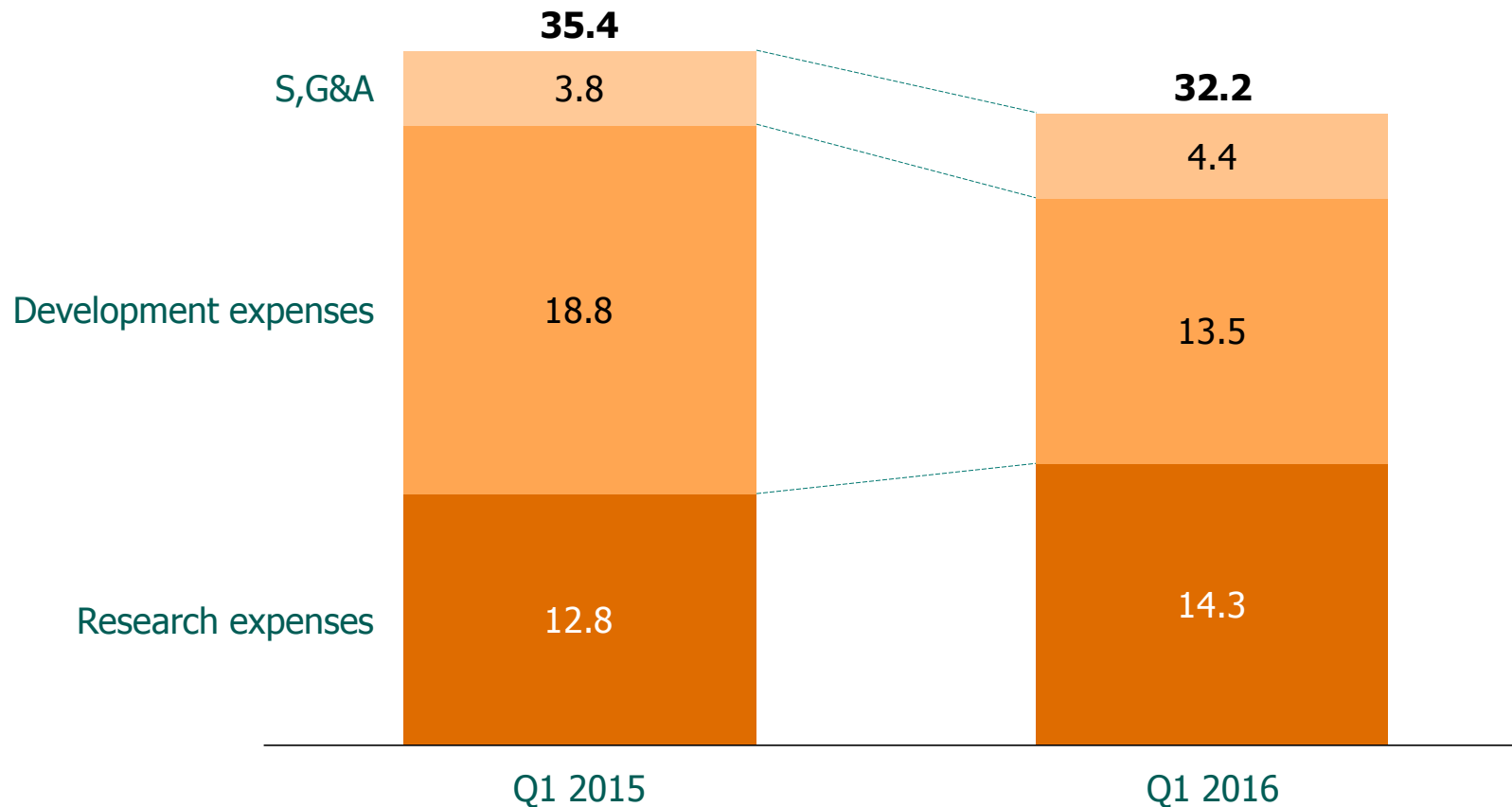
Revenues



Lower deferred revenues due to depletion of AbbVie upfront payments while starting-up Gilead development program

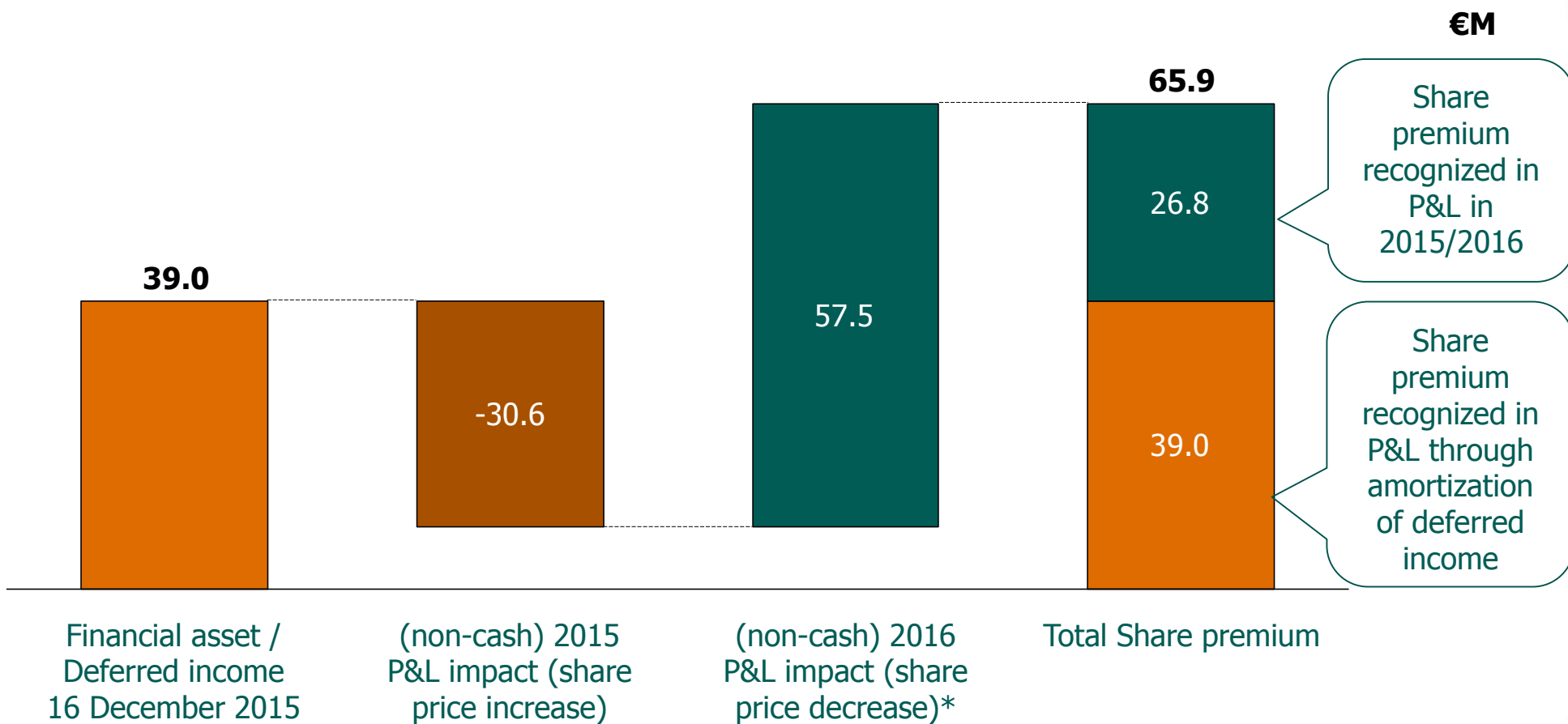
Operating expenses

€M



Reduced development expenses in Q1 2016

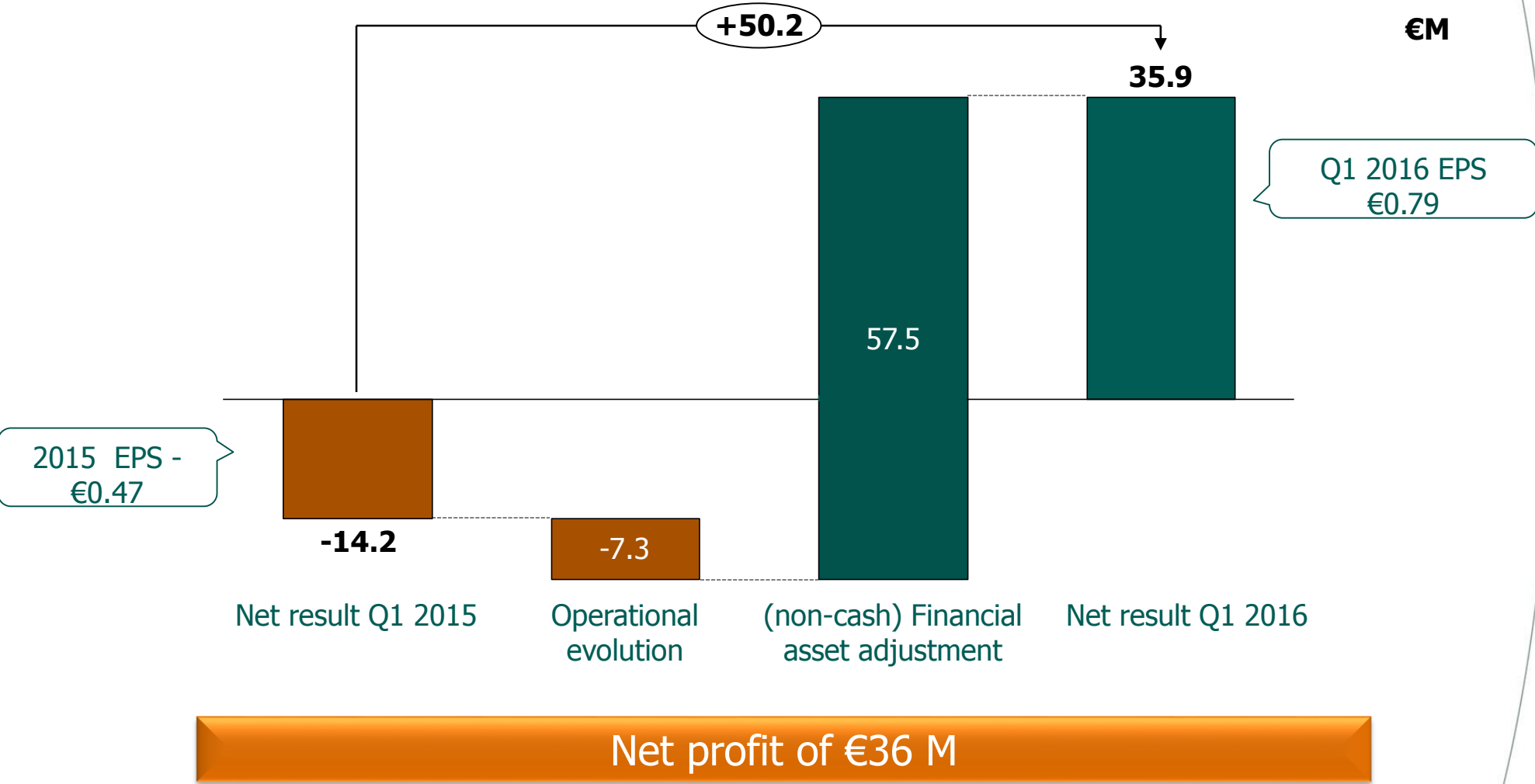
(non-cash) Financial asset accounting



Share premium of €66m to be recognized in P&L over time

Note:
 *2016 P&L impact of €57.5 M was realized at closing on Jan 19th; further future P&L income will result from amortization of deferred income from both subscription agreement & collaboration agreement

Net result & earnings per share





Guidance 2016

- Cash burn €100 – 120 M, excluding cash income from filgotinib
 - lower spend on filgotinib: Galapagos supports 20% of further development costs, compared to 100% of Phase 2 costs in 2015
 - increased spend on cystic fibrosis & proprietary programs



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Clinical news flow 2016

Disease area	Program	Partner	Q2 '16	H2 '16
Rheumatoid arthritis	filgotinib	 GILEAD Advancing Therapeutics. Improving Lives.	Ph 3 start midyear	
Crohn's	filgotinib	 GILEAD Advancing Therapeutics. Improving Lives.		Ph 3 start Q3
Ulcerative colitis	filgotinib	 GILEAD Advancing Therapeutics. Improving Lives.		Ph 2 start Q3
Cystic fibrosis	multiple	 abbvie	'2222 Ph 1 results '2451 Ph 1 start	'1837 Ph 2 results '2451 Ph 1 results other Ph 1 starts
Idiopathic pulmonary fibrosis	GLPG1690	 Galapagos		Ph 2 recruited
Osteoarthritis	GLPG1972	 SERVIER	Ph 1 results	

R&D Update on 15 June at Yale Club, NY



OUTLOOK

Clinical programs on track

Further discovery programs to reach the clinic

Proprietary target discovery to feed pipeline

Strong balance sheet

Galápagos

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Q&A

