

Galápagos



GILEAD

Advancing Therapeutics.
Improving Lives.

Global partnership with Gilead

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Partnership summary

- Gilead and Galapagos co-develop filgotinib in inflammatory diseases
 - GLPG contributes 20% to R&D costs
- Gilead responsible for clinical, regulatory, manufacturing, marketing
- Galapagos has option to co-promote in key European markets & Benelux
 - 50/50 profit sharing in co-promotion territories
- Upfront \$725 M, incl. \$425 M equity stake @ €58 per share
- Potential success-based milestones totalling \$1.35 B
- Tiered royalties starting at 20% outside co-promotion territories

Basis for next step in Galapagos' growth path



Clinical pipeline

Program	Discovery	Preclinic	Ph 1	Ph 2	Status
RA	JAK1	filgotinib			Ph 3 start: H1 '16
Crohn's	JAK1	filgotinib			Ph 2 results: Q4 '15
UC	GPR84	GLPG1205			Ph 2a results: Q1 '16
IPF	Autotaxin	GLPG1690			Ph 2a start: H1 '16
CF	Potentiator	GLPG1837			Ph 2 start: Q4 '15
CF	Corr. 1	GLPG2222			Ph 1 results: H1 '16
CF	Corr. 2	'2665			Ph 1 start: H1 '16
OA	Novel MoA	'1972			Ph 1 results: Q2 '16



Filgotinib: emerging best-in-class profile

- Highly selective JAK1 inhibitor with 900 patient years clinical experience
- Oral treatment with opportunity for once-daily dosing
- Only JAK inhibitor with activity in RA & Crohn's disease in Phase II
- Safety profile thus far:
 - well-tolerated in RA and Crohn's studies
 - improvement in haemoglobin and lipid profile
 - no negative impact on other lab parameters
 - low risk for interactions with concomitant medications



Roles going forward

- Gilead primary responsible for development in inflammatory diseases
 - Galapagos to support through running further Ph I & II trials
- Gilead responsible for regulatory, manufacturing, and global commercialization
- Galapagos has option to co-promote in key European markets
 - Germany, UK, France, Italy, Spain, Benelux
 - Galapagos to book sales in Benelux





Financial aspects & position

- Deal subject to customary closing conditions and clearances under the Hart-Scott Rodino Antitrust Improvements Act
- Payment of upfront and share issuance after clearance of HSR Act:
 - cash position potentially ~\$1 billion at that point
 - GILD 15% shareholder after share issuance
- Belgian Patent Income Deduction (PID) ruling will be requested
 - potentially allows 80% exemption from corporate taxation of income based on granted patents, income from partnership taxed at 6.8%



OUTLOOK

Filgotinib: preparing next phase in RA & Crohn

CF program on track to triple combo therapy

Proprietary target discovery to feed pipeline

Fully owned programs in UC/IPF

Strong balance sheet to support innovation