Novel targets, better treatments

Onno van de Stolpe, CEO

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Galapagos at a glance

- Listed on Euronext & NASDAQ: GLPG
- Pipeline of novel mode of action drugs
- Proof of platform: filgotinib in Ph 3
- Partners: GILD, ABBV, Servier, MOR
- Q1 cash ≈ $ 1.0 billion
- 440 employees at 4 EU sites
# Clinical pipeline

<table>
<thead>
<tr>
<th>Program</th>
<th>Preclinical</th>
<th>Ph 1</th>
<th>Ph 2</th>
<th>Status</th>
</tr>
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<tbody>
<tr>
<td>Rheumatoid arthritis</td>
<td>JAK1</td>
<td>filgotinib</td>
<td>Ph 3 start</td>
<td>Q3 ’16</td>
</tr>
<tr>
<td>Crohn’s</td>
<td>JAK1</td>
<td>filgotinib</td>
<td>Ph 3 start</td>
<td>Q3 ’16</td>
</tr>
<tr>
<td>Ulcerative colitis</td>
<td>JAK1</td>
<td>filgotinib</td>
<td>Ph 2/3 start</td>
<td>Q3 ’16</td>
</tr>
<tr>
<td>Idiopathic pulmonary fibrosis</td>
<td>Autotaxin</td>
<td>’1690</td>
<td>Ph 2a topline</td>
<td>Q2 ’17</td>
</tr>
<tr>
<td>Cystic fibrosis Class III</td>
<td>’2451</td>
<td>’1837</td>
<td>Ph 2 results</td>
<td>H2 ’16</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ph 1 results</td>
<td>H2 ’16</td>
</tr>
<tr>
<td>Cystic fibrosis Class II</td>
<td>’2222 + others</td>
<td></td>
<td>Ph 1 results</td>
<td>Q2 ’16</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Other Ph 1 starts</td>
<td>H2 ’16</td>
</tr>
<tr>
<td>Osteoarthritis</td>
<td>Novel MoA</td>
<td>’1972</td>
<td>Ph 1 results</td>
<td>Q2 ’16</td>
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<tr>
<td>Inflammation</td>
<td>MOR106</td>
<td></td>
<td>Ph 1 topline</td>
<td>H2 ’17</td>
</tr>
</tbody>
</table>

- = partnered program

- = proprietary program
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 trials → Marketing and sales

- Ph III, regulatory & mfg
- Global
- Further Ph II trials
- Big 5 European markets & Benelux
Filgotinib

- Rheumatoid arthritis
- Inflammatory bowel disease

- JAK1 selective inhibitor

- >1,000 years patient experience in large Ph2 studies
  - Ph2B RA: 877 patients
  - Ph2 Crohn’s disease: 174 patients

- Once daily, oral dosing
- Best-in-class efficacy and safety in RA & Crohn’s studies
- Low risk for drug-drug interaction

- Start of Ph3 in RA & Crohn’s, Ph2/3 in UC in Q3 ’16
Selectivity matters
Filgotinib is the selective JAK1 inhibitor

Ratio JAK1/JAK2 in human whole blood assay

Hb recovery

1 A Pardanani, et al, Leukemia (2013) 27, 1322–1327
Subjects who switch treatment at week 12 are handled as if they discontinued at week 12.
Comparing JAKs to Humira
MTX-IR patients, add-on to MTX

<table>
<thead>
<tr>
<th></th>
<th>X-ray progression</th>
<th>Infections</th>
<th>Hb recovery</th>
<th>NK-cells (giga/L)</th>
<th>Atherogenic index (LDL/HDL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>filgotinib</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>ABT-494</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>baricitinib</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>tofacitinib</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

- superior to Humira
- similar to Humira
- inferior to Humira
- not yet studied
CDAI responses TNF naïves
FITZROY study, ITT-NRI, Week 10

% responders

Clinical remission

100-points clinical response

Note: based on preliminary data

Placebo
200 mg
n = 73
Competition TNF naïves
Clinical remission: induction

% responders

<table>
<thead>
<tr>
<th>Drug</th>
<th>dose</th>
<th>Week</th>
<th>Active Delta</th>
<th>Placebo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xeljanz</td>
<td>5mg</td>
<td>W4</td>
<td>3</td>
<td>21</td>
</tr>
<tr>
<td>Cimzia</td>
<td>400mg</td>
<td>W12</td>
<td>7</td>
<td>20</td>
</tr>
<tr>
<td>Stelara</td>
<td>6mg/kg</td>
<td>IV W8</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>Entyvio</td>
<td>300mg</td>
<td>W10</td>
<td>19</td>
<td>16</td>
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<tr>
<td>Humira</td>
<td>160mg</td>
<td>W4</td>
<td>24</td>
<td>12</td>
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<tr>
<td>Eldelumab</td>
<td>20mg/kg</td>
<td>W11</td>
<td>18</td>
<td>23</td>
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<tr>
<td>Filgotinib</td>
<td>200mg</td>
<td>W10</td>
<td>48</td>
<td>13</td>
</tr>
</tbody>
</table>

Note: data not from head-to-head studies, filgotinib based on preliminary data
Conclusions
FITZROY study at Week 20

• First JAK inhibitor to show efficacy in Crohn’s disease
• Statistically significant improvement of patient’s quality of life
• Efficacy in both TNF-naives & TNF-failures at W10
• Clinical responses continued to W20
• Safe & well-tolerated, in line with previous studies
• Results support progression of filgotinib in IBD

A safe & efficacious new oral treatment option for Crohn’s
# Cystic Fibrosis

## Use of Potentiators and Correctors

### NORMAL

- **Cl**
- **Cl**

### CLASS II

- Cell
- Nucleus

### CLASS III

- Cell
- Nucleus

### CF Mutation

<table>
<thead>
<tr>
<th>CF Mutation</th>
<th>Class II</th>
<th>Class III</th>
</tr>
</thead>
<tbody>
<tr>
<td>F508del</td>
<td></td>
<td>G551D</td>
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### Allele Frequency

<table>
<thead>
<tr>
<th>Allele Frequency</th>
<th>Class II</th>
<th>Class III</th>
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</thead>
<tbody>
<tr>
<td>~90%</td>
<td></td>
<td>4%</td>
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### Approved/Filed Drugs

<table>
<thead>
<tr>
<th>Approved/Filed Drugs</th>
<th>Class II</th>
<th>Class III</th>
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</thead>
<tbody>
<tr>
<td>Orkambi®</td>
<td></td>
<td>Kalydeco®</td>
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### Galapagos

<table>
<thead>
<tr>
<th>Galapagos</th>
<th>Class II</th>
<th>Class III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potentiator +C1 +C2</td>
<td></td>
<td>Potentiator</td>
</tr>
</tbody>
</table>
Expanded CF co-development deal

- Focus on triple combination for Class II: 2 correctors + potentiatior
- Exploring large portfolio of potentiatiorstors & 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
# CF portfolio

<table>
<thead>
<tr>
<th>Preclinical</th>
<th>Ph 1</th>
<th>Ph 2</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potentiator</td>
<td>‘1837</td>
<td></td>
<td>Ph 2 results: H2 ’16</td>
</tr>
<tr>
<td>Backup Pot.</td>
<td>‘2451</td>
<td></td>
<td>Ph 1 results: H2 ’16</td>
</tr>
<tr>
<td>C1</td>
<td>‘2222</td>
<td></td>
<td>Ph 1 results: H1 ’16</td>
</tr>
<tr>
<td>BU C1</td>
<td>‘2851</td>
<td></td>
<td>Ph 1 start: H2 ’16</td>
</tr>
<tr>
<td>C2</td>
<td>‘2665</td>
<td></td>
<td>Ph 1 start: H2 ’16</td>
</tr>
<tr>
<td>BU C2</td>
<td>‘2737</td>
<td></td>
<td>Ph 1 start: H2 ’16</td>
</tr>
</tbody>
</table>
‘1837: superior potentiator
G551D/F508del primary cells

CFTR function, μA/cm²

Kalydeco® ‘1837

= 10.5% FEV1 in Ph3 studies
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
Dual and triple combinations
F508del/F508del primary cells

GLPG triple combo achieves greater CFTR vs Orkambi in vitro
‘1690: fully owned Autotaxin inhibitor

- Idiopathic pulmonary fibrosis: scarring and stiffening of lung tissue
  ~75,000 patients in US & Europe

- Target plays role in arthritic pain, oncology, metabolic & lung disease

- Phase 1: target engagement, favorable safety and PK
  Phase 2: Phase 2a biomarker study in IPF patients

- Novel mode of action
  Once or twice daily oral

- Topline exploratory Ph2a in Q2 ‘17
FLORA: topline Q2’17
GLPG1690 exploratory phase 2a trial in IPF

- IPF patients diagnosed by HRCT/biopsy, centrally confirmed
- No pirfenidone/nintedanib 4wks prior to screening
- 15 sites in UK, Italy & Ukraine
- Primary endpoints: safety, tolerability, PK/PD
- Secondary endpoints: FVC, QoL, FRI, serum & BALF biomarkers

<table>
<thead>
<tr>
<th>Screening</th>
<th>Follow-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>GLPG1690, oral, 600 mg once daily (n=18)</td>
<td>Placebo (n=6)</td>
</tr>
</tbody>
</table>

- 4-wk
- 12-wk
- 2-wk
How we discover novel targets
Proprietary platform feeds pipeline
Delivered 23 drug candidates

Adenovirus with shRNA → Arrayed collection targeting 6,000 genes → Targets

Disease models
• primary human cells, transduced with virus
• siRNA silences specific gene in a well – depletes 1 specific protein
• functional readout links disease to target
Cash & restricted cash

Q1 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
## Clinical news flow 2016

<table>
<thead>
<tr>
<th>Disease area</th>
<th>Program</th>
<th>Partner</th>
<th>Q2 ‘16</th>
<th>H2 ‘16</th>
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<tbody>
<tr>
<td>Rheumatoid arthritis</td>
<td>filgotinib</td>
<td><img src="gilead.png" alt="Gilead" /></td>
<td>Ph 3 start midyear</td>
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<tr>
<td>Crohn’s</td>
<td>filgotinib</td>
<td><img src="gilead.png" alt="Gilead" /></td>
<td>Ph 3 start Q3</td>
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<tr>
<td>Ulcerative colitis</td>
<td>filgotinib</td>
<td><img src="gilead.png" alt="Gilead" /></td>
<td>Ph 2 start Q3</td>
<td></td>
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<tr>
<td>Cystic fibrosis</td>
<td>multiple</td>
<td><img src="AbbVie.png" alt="AbbVie" /></td>
<td>’2222 Ph 1 results</td>
<td>’1837 Ph 2 results</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>’2451 Ph 1 start</td>
<td>’2451 Ph 1 results</td>
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<tr>
<td></td>
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<td></td>
<td>other Ph 1 starts</td>
<td>other Ph 1 starts</td>
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<tr>
<td>Idiopathic pulmonary fibrosis</td>
<td>GLPG1690</td>
<td><img src="Galapagos.png" alt="Galapagos" /></td>
<td>Ph 2 recruited</td>
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<td>Osteoarthritis</td>
<td>GLPG1972</td>
<td><img src="Servier.png" alt="Servier" /></td>
<td>Ph 1 results</td>
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R&D Update on 15 June at Yale Club, NY
Galapagos investment case

5 key factors

- Filgotinib: safe and effective oral for autoimmune diseases in Ph2 studies
- Transformational deal with Gilead
- CF triple combo on track
- Platform to fill pipeline
- Solid balance sheet