Galápagos

JAK1 and beyond

Investor Presentation
February 2013

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€1 = $1.33

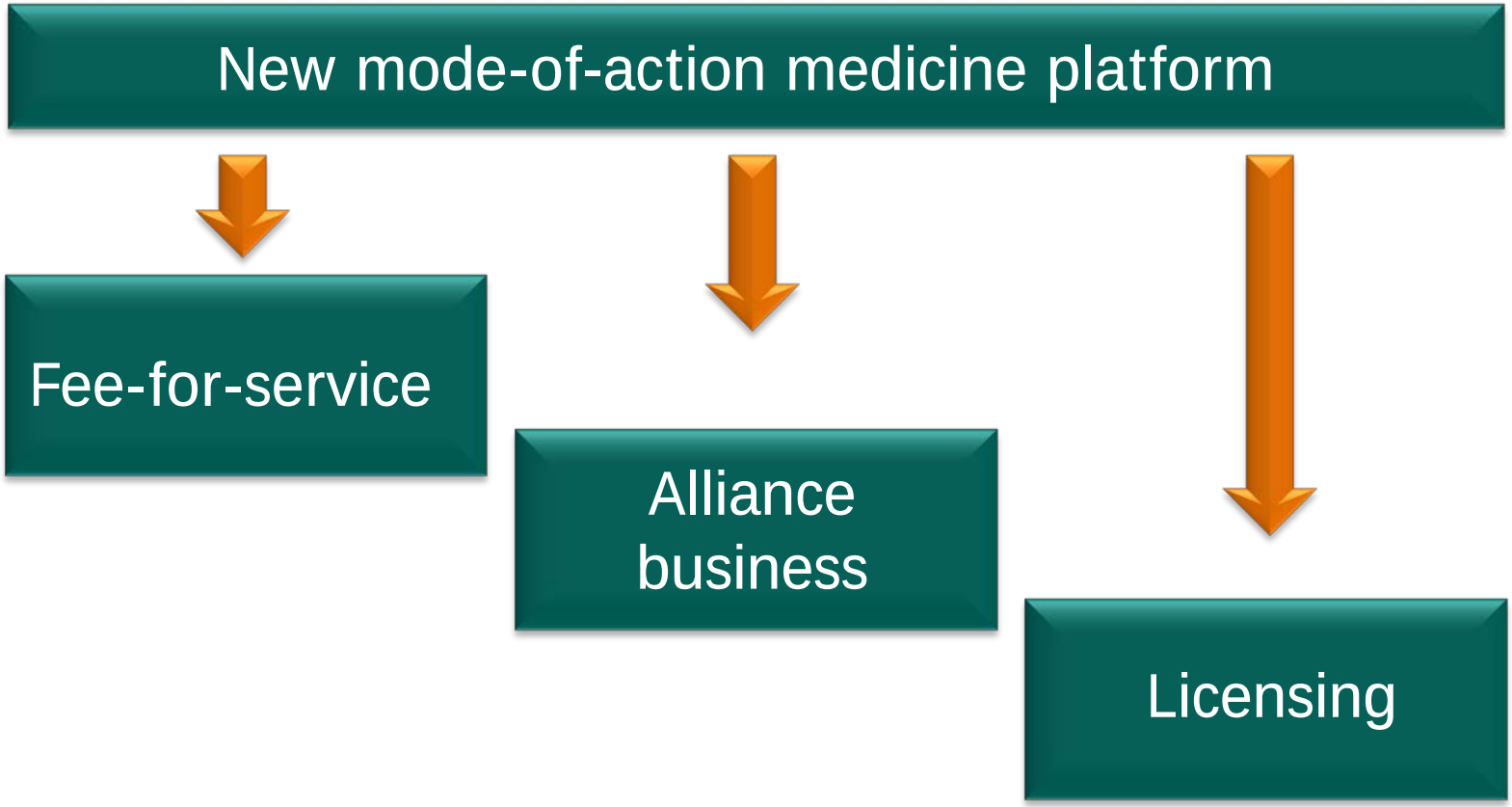
Galapagos: leading European biotech

- Two selective JAK1 molecules in Phase II in three indications
- Major risk sharing alliances with pharma
- Large pipeline: 4 clinical, 6 PCC, 30 discovery programs
- Leading fee-for-service provider with BioFocus & Argenta
- 830 staff, research sites in 5 countries, HQ in Belgium
- Market cap ~$690 M, 30.2 M fully diluted shares, Euronext: GLPG

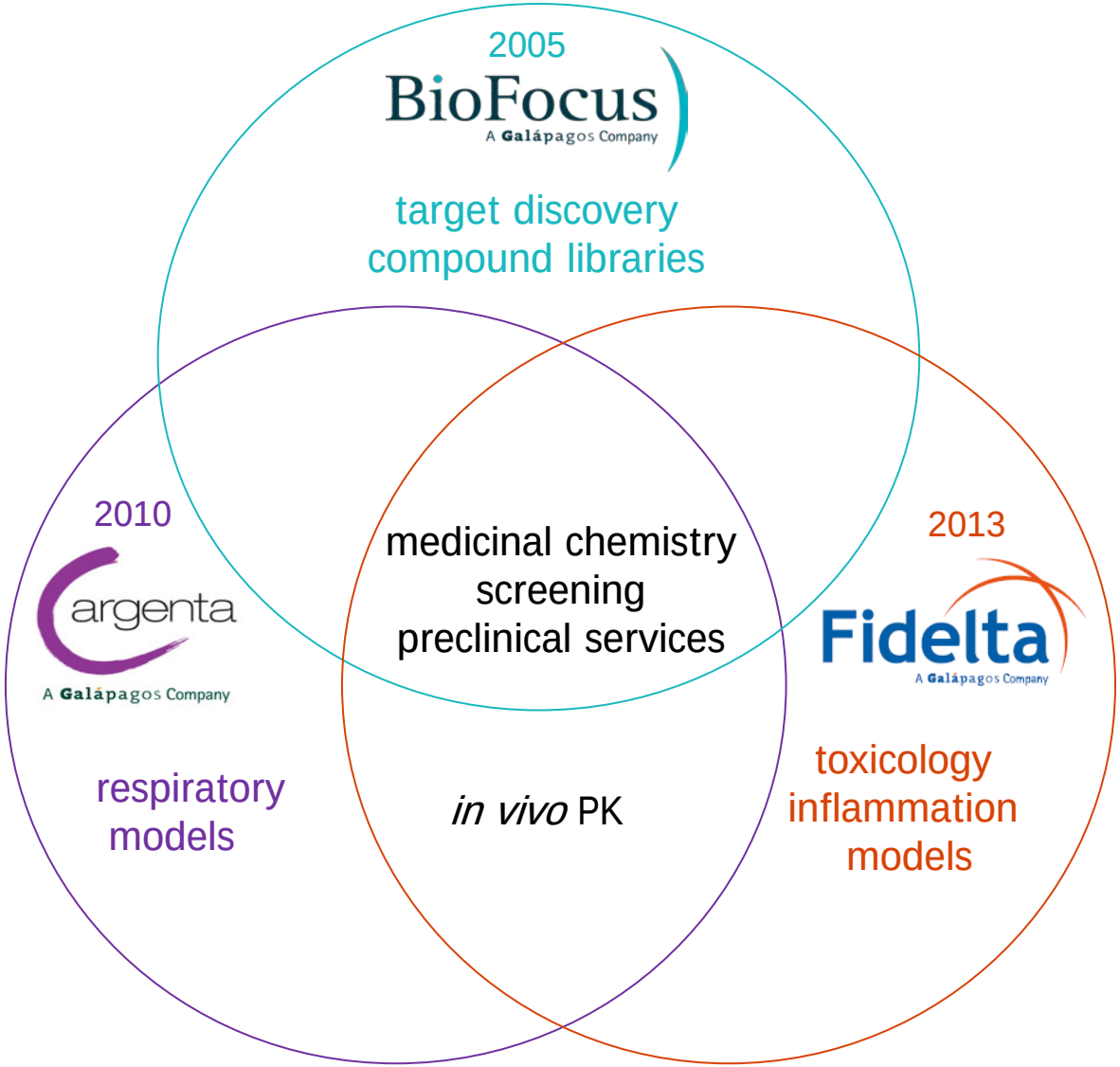
Growth strategy

- Execute development of ‘634 program to Phase IIb results late 2014
- Build mature clinical portfolio
  - move programs through to Proof of Concept in the clinic
  - retain certain geographical rights
- Partner with big pharma to leverage our innovation
- Grow Service division revenues by 10-15% per year

Revenue generating business model



Full range of drug discovery services



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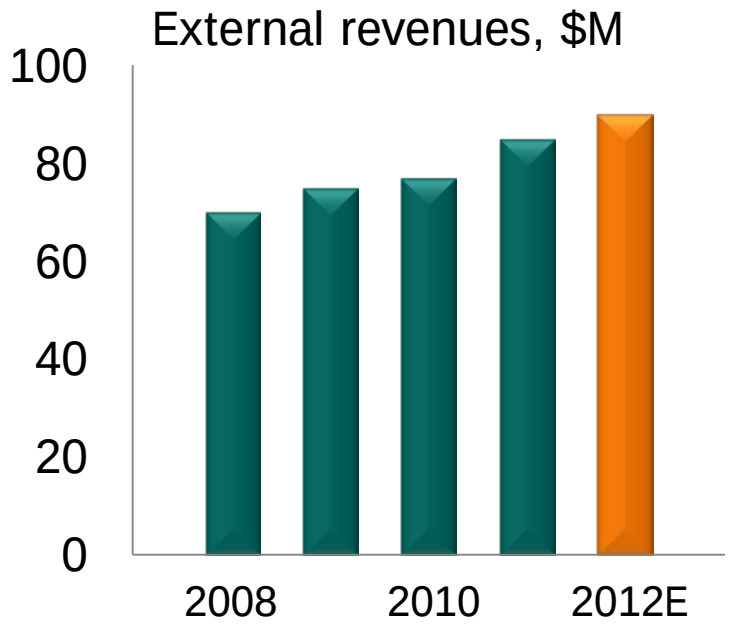
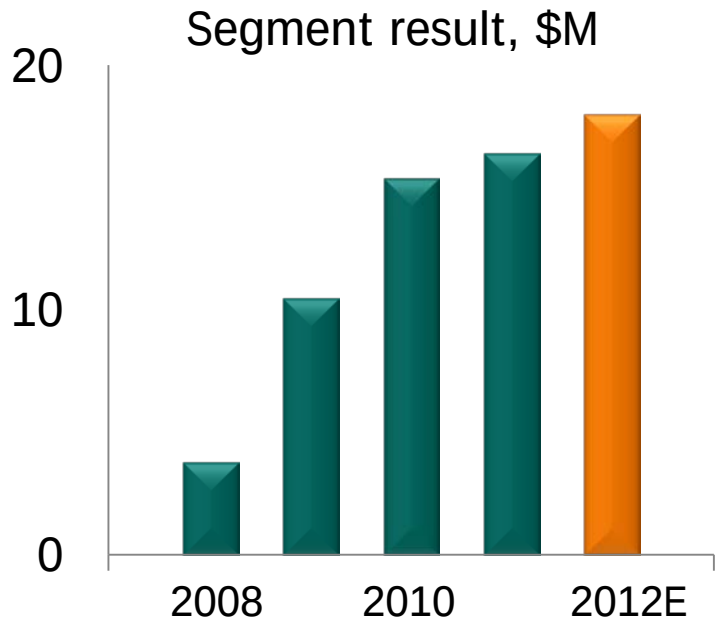
Service division growth story





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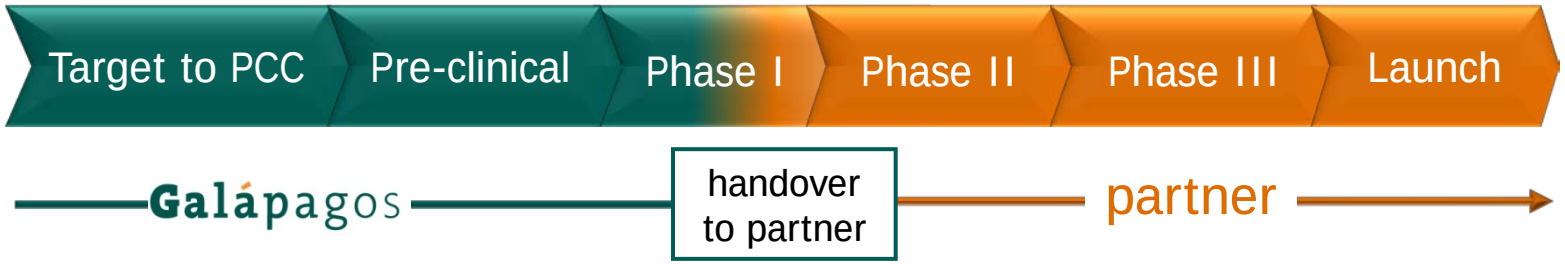
Alliance business

- Based on novel drug targets, discovered by Galapagos
- Partner has option to license program
  - at PCC, Ph I or PoC
- Success-based milestones + royalties
- Source of promising molecules & targets coming back to GLPG
- Received ~$290 M cash from alliances since 2006 start



Broad pipeline

Indications	Company	Target	Stage lead program
RA	AbbVie	JAK1	Phase IIb
Lupus & Psoriasis	GSK	JAK1	Phase II
Metastasis		IRA	Phase Ib patient study
IBD		GPR43	Phase I
MRSA		DNA pol IIIα	PCC
Inflammation	JnJ	novel	2 PCC's
Osteoarthritis	Servier	novel	PCC
Inflammation	GSK	novel	2 PCC's
Oncology	Servier	novel	Lead optimization
Cystic Fibrosis		novel	Lead optimization

4 clinical programs, 6 PCC's
>30 discovery programs

JAKs in inflammation

Company	Drug	JAK profile	Indications	Phase
Pfizer	Xeljanz	JAK3>JAK1>JAK2	RA, UC, psoriasis, JIA	Approved in RA, Phase III
Incyte/Lilly	baricitinib	JAK1=JAK2	RA	Phase III
Vertex	VX-509	JAK3	RA	Phase II
GLPG/AbbVie	**'634**	**JAK1**	**RA**	**Phase II**
GSK	**GSK2586184**	**JAK1**	**SLE, psoriasis**	**Phase II**
Incyte	INCB039110	JAK1/JAK2	RA, MF, psoriasis	Phase II
Astellas/JnJ	ASP015K	JAK3/JAK1	RA	Phase II

GLPG has two licensed JAK1 selective compounds

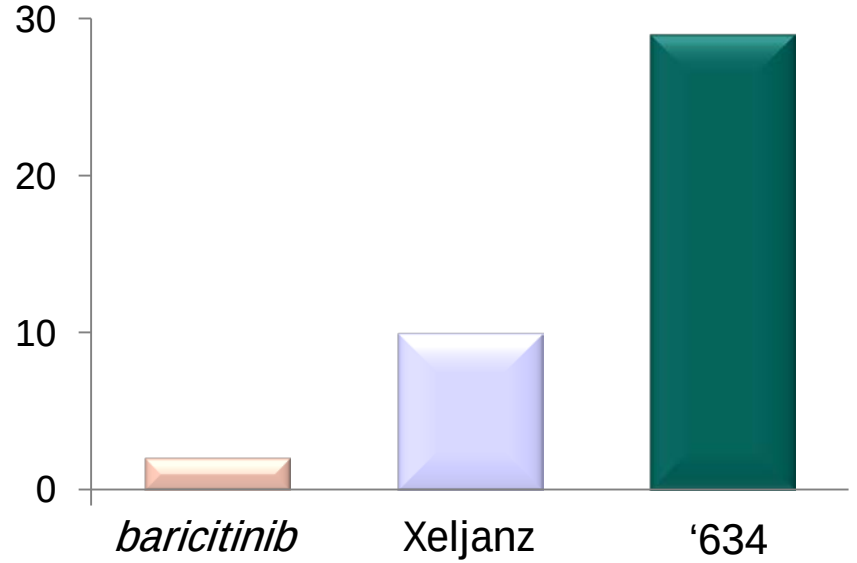
JAK1 selectivity over JAK2

‘634 compared to Xeljanz and *baricitinib*

Profiling for JAK1 and JAK2 in cellular whole blood assay

- JAK1: IL-6/pSTAT1
- JAK2: GM-CSF/pSTAT5

Selectivity for JAK1 over JAK2 (ratio IC_{50} values)



‘634 is the most JAK1 selective clinical compound

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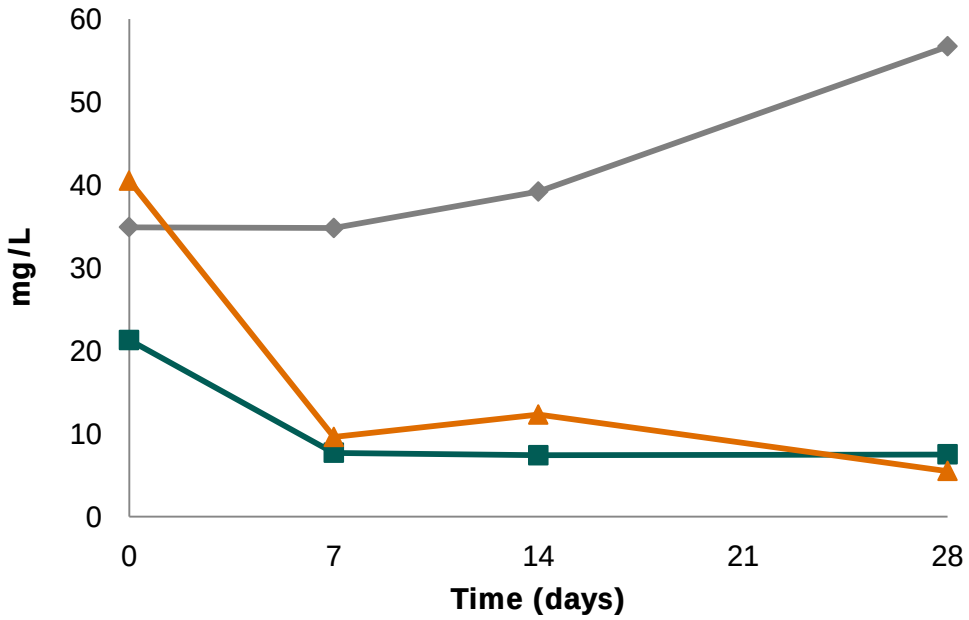
JAK1 profile creates opportunities

- JAK2 & JAK3 inhibition has shown:
  - dose-limiting anemia
  - increases in LDL & liver enzymes
- Xeljanz Phase III dosing limited to 5 mg & 10 mg
  - incidence of (severe) anemia at doses of 10 mg bid and higher
  - Xeljanz approval for 5 mg dose only
- JAK1 inhibition anticipated to have less side effects

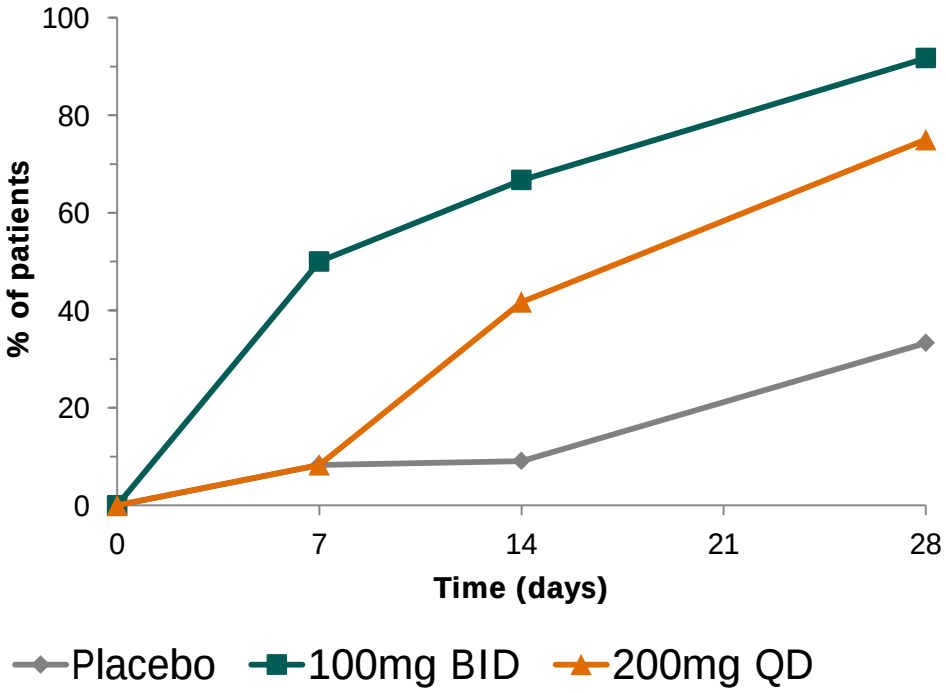
‘634 efficacy Ph II POC

36 patients in 4 week trial

Changes in serum CRP (mg/L)



% patients reaching ACR20



Highly efficacious with rapid onset of action, no reported side effects

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‘634 safety summary

- no SAEs on ‘634 treatment
- few patients reported treatment-emergent side-effects
- improvement of hemoglobin
- no increase in LDL-cholesterol
- no treatment-induced effects on liver function tests (ALT, AST)
- modest decrease in neutrophils and platelets
- no effects on cardiovascular safety (incl. blood pressure)

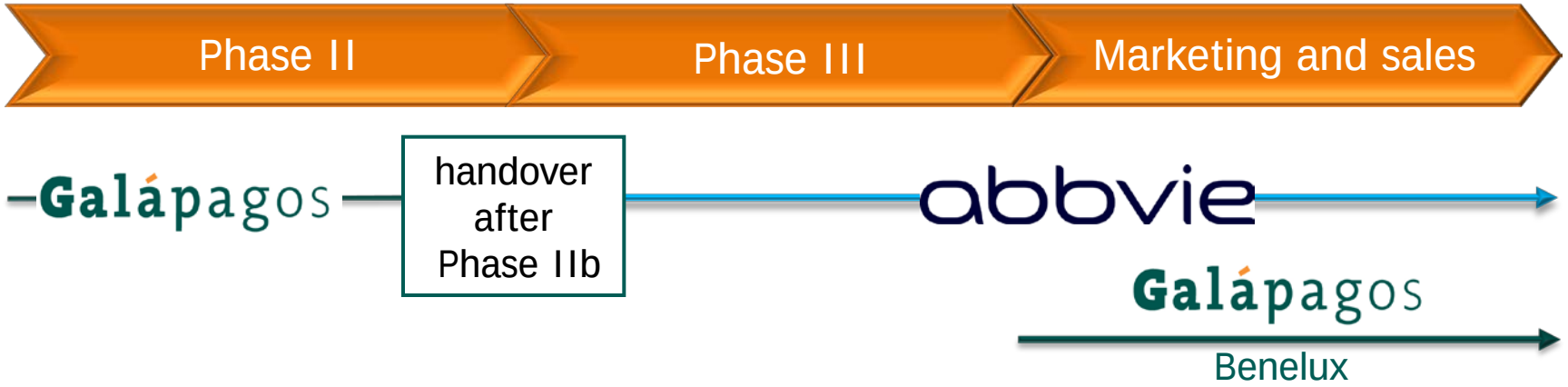
‘634 Phase IIa study

- Study design
  - 90 RA patients with insufficient response to MTX, naïve to biologics
  - Doses: placebo, 30, 75, 150 and 300 mg QD, on top of ongoing MTX
  - 28-day, once daily oral dosing
  - 19 study centres in Russia, Ukraine, Hungary, Moldova
- Outcome
  - Safety profile repeated: absence of anemia, changes in LDL or liver enzymes
  - Clinical improvements seen in 75 – 300 mg doses
  - Statistically significant improvement in CRP, DAS28, HAQ-DI, and ACR at 300 mg dose

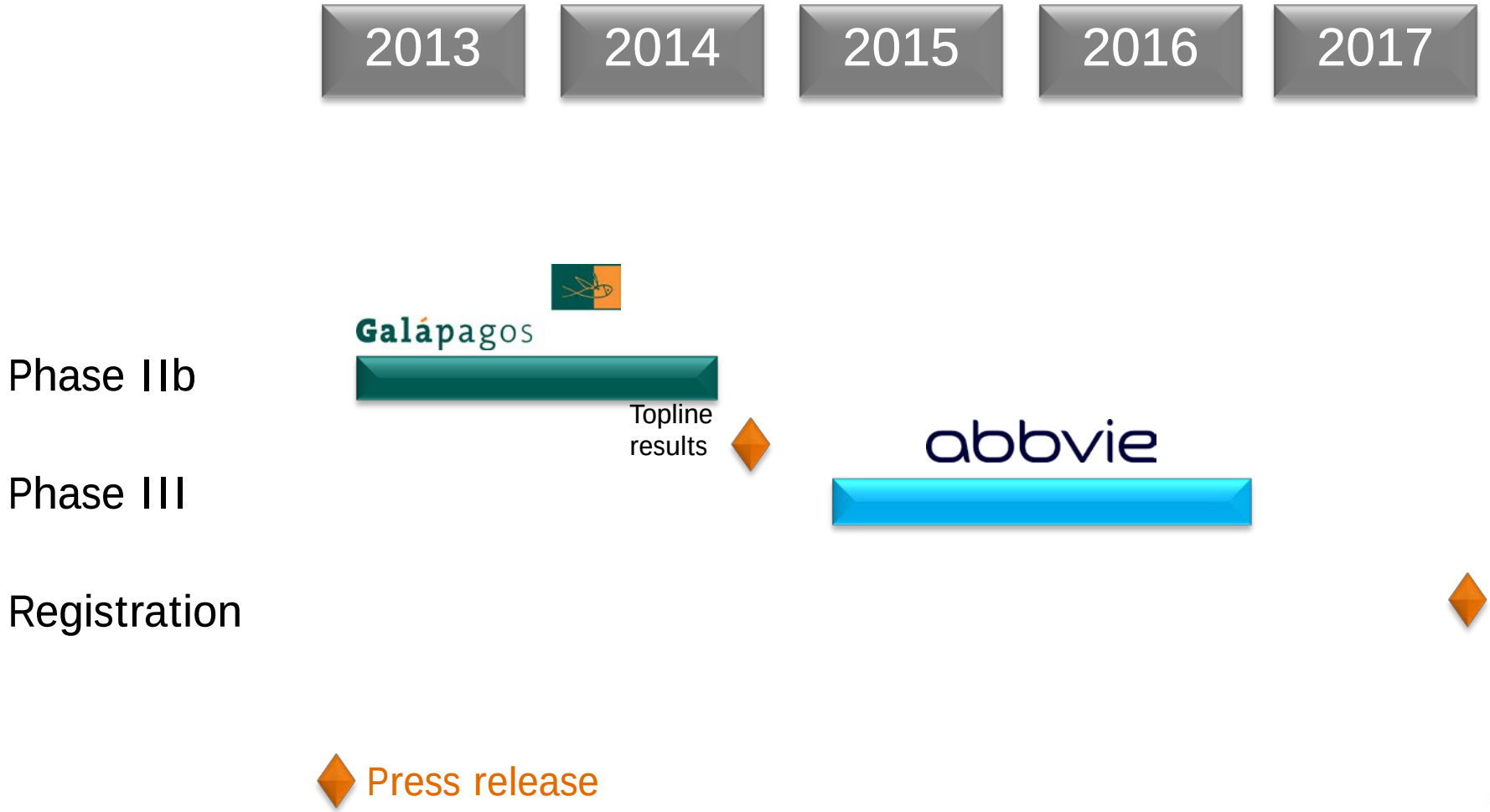
Unique safety profile and good efficacy repeated

Deal structure with AbbVie

- Upfront payment $150 million
- Galapagos performs & funds Phase II in RA
- License fee $200 million after achievement Phase IIb criteria
- AbbVie performs & funds Phase III, registration & commercialization
- GLPG to receive up to $1 billion in milestones + double digit royalties
- Fiscal benefits from Belgian Patent Income Deduction law



Summary of ‘634 clinical plan for RA



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GSK2586184 (previously ‘778)

- GSK and Galapagos alliance very productive: 5 PCC’s since 2006
- GSK2586184 is an investigational selective JAK1 inhibitor inlicensed by GSK from GLPG in Feb 2012
  - $45 M in downstream milestones + up to double-digit royalties on sales
- Phase II indications: systemic lupus erythematosus and psoriasis

Phase II studies with GSK2586184

- Systemic lupus erythematosus
  - Dose range 50 to 400 mg, oral BID vs placebo for up to 12 weeks
  - Approx 150-250 patients in 66 centers in Europe, South America, Asia
  - Primary Outcome Measures include: SELENA SEDAI score, interferon biomarkers
  - Estimated study completion June 2014
- Chronic plaque psoriasis
  - Oral BID for up to 12 weeks in UK and Germany
  - Cohort A: dose range 100, 200, 400 mg vs placebo, estimated 56 patients
  - Cohort B: open-label skin biopsy gene expression study, estimated 8 patients
  - Estimated study completion December 2013

Galapagos milestone payment upon successful POC

Source: ClinicalTrials.gov

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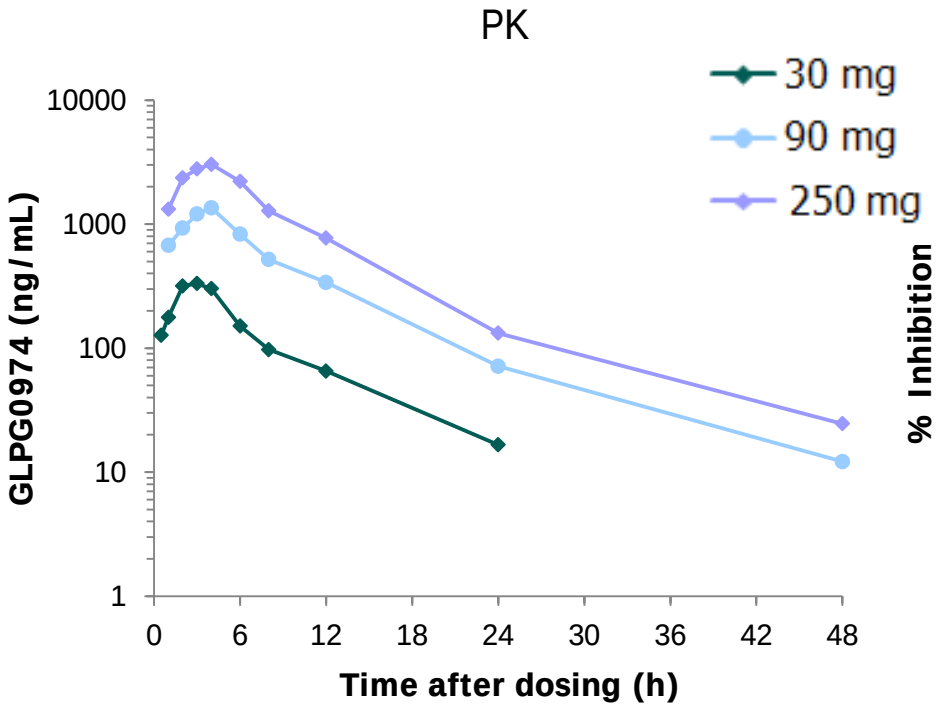
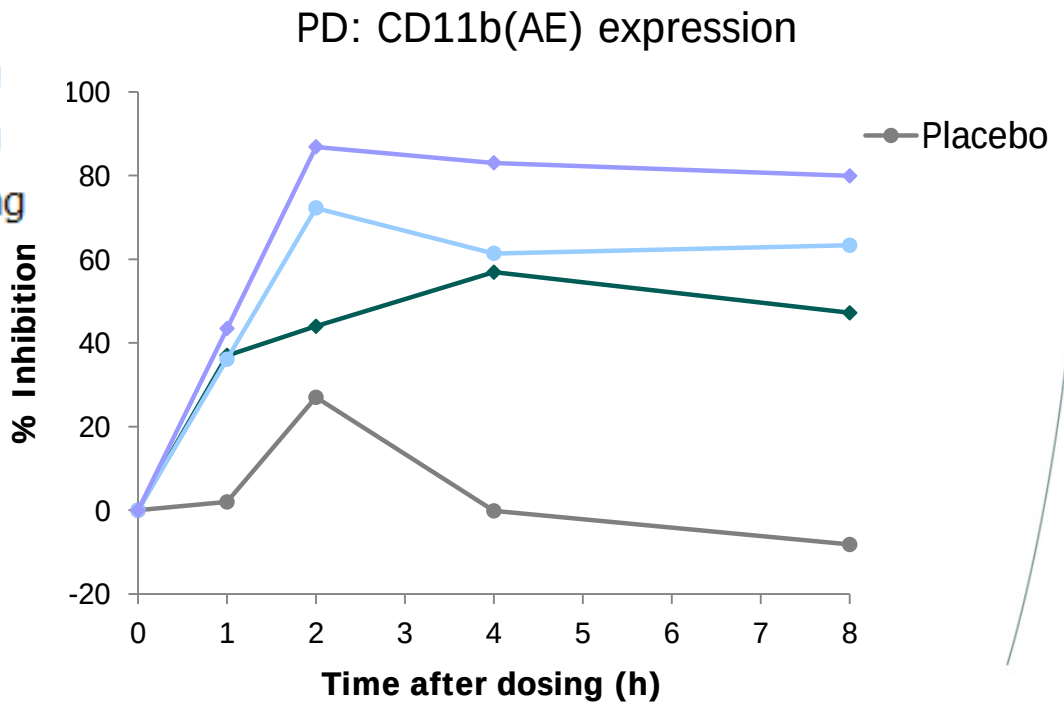
‘974 in inflammatory diseases

- Target GPR43 is upregulated in gut tissue of UC and IBD patients
- ‘974 first GPR43 inhibitor to be evaluated clinically
- Excellent Phase I data





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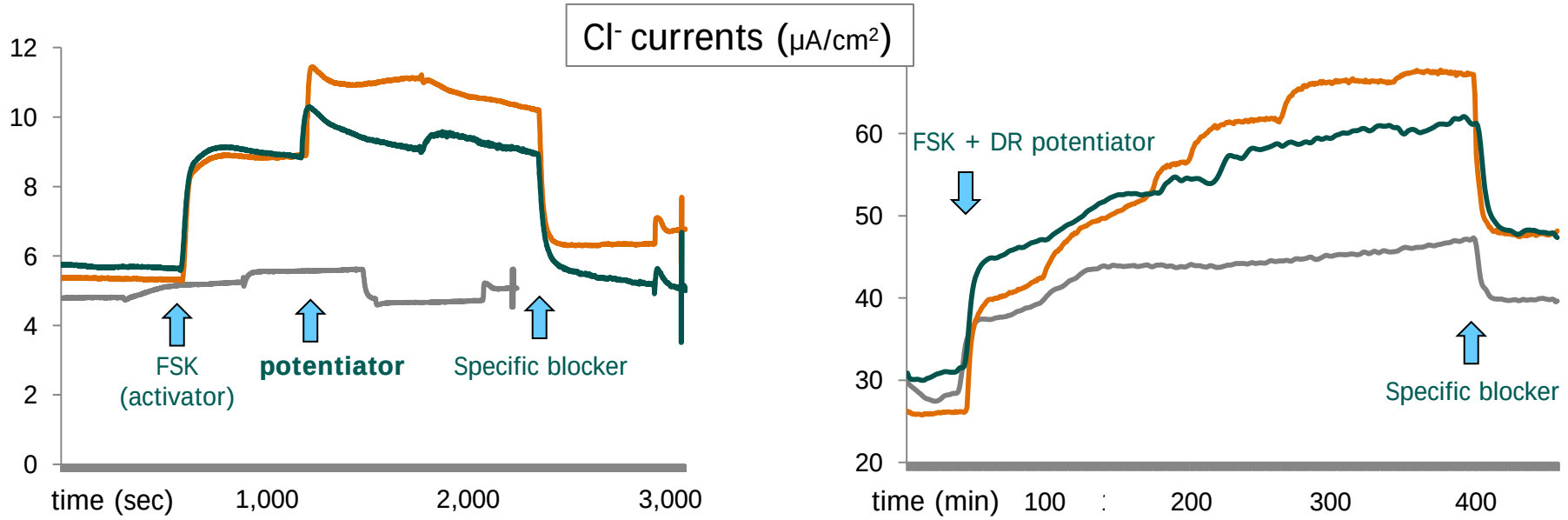
Cystic fibrosis

- Novel targets identified in lung cells from ΔF508 patients
- Programs proprietary to GLPG
- Learning from Vertex: Ussing chamber predicts clinical outcome
- 3 programs in hit-to-lead, new potentiator in lead optimization

CF programs on track to deliver PCC in 2013

Galapagos CF potentiators

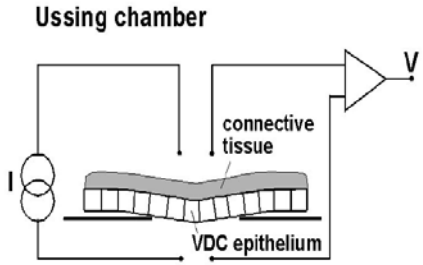
Ussing chamber: Cl^- flow in 2 types of CF patient lung cells



ΔF508 CF patient cells
(treated with 3 µM VX-809 corrector)

GLPG
Kalydeco™
DMSO control

G551D CF patient cells
(with increasing
dosage of potentiator)



GLPG potentiators open CFTR channels in patient cells

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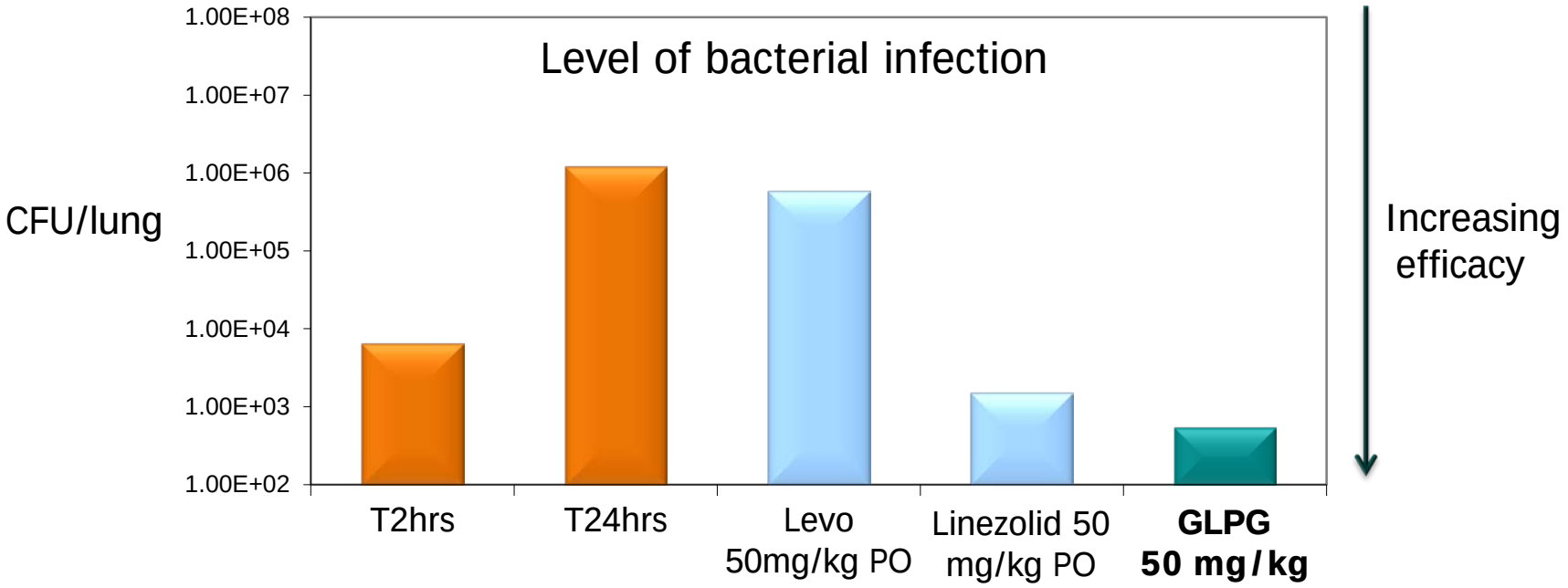
Novel class of antibiotics

- DNA PolIIIa based antibacterial approach
  - no cross resistance with existing antibiotics
  - bactericidal activity
- Advanced *S.aureus* compounds
  - active against all *S.aureus* including MRSA & multiresistant strains
  - excellent *in vivo* activity
  - active as oral & IV
- Early compounds against:
  - *Staph, Strep, E.coli, H.influenzae*

Lead program entered pre-clinical development in Nov 2012

Active *in vivo*

In vivo efficacy in lung infection (oral administration)



Active in MRSA *in vivo* models

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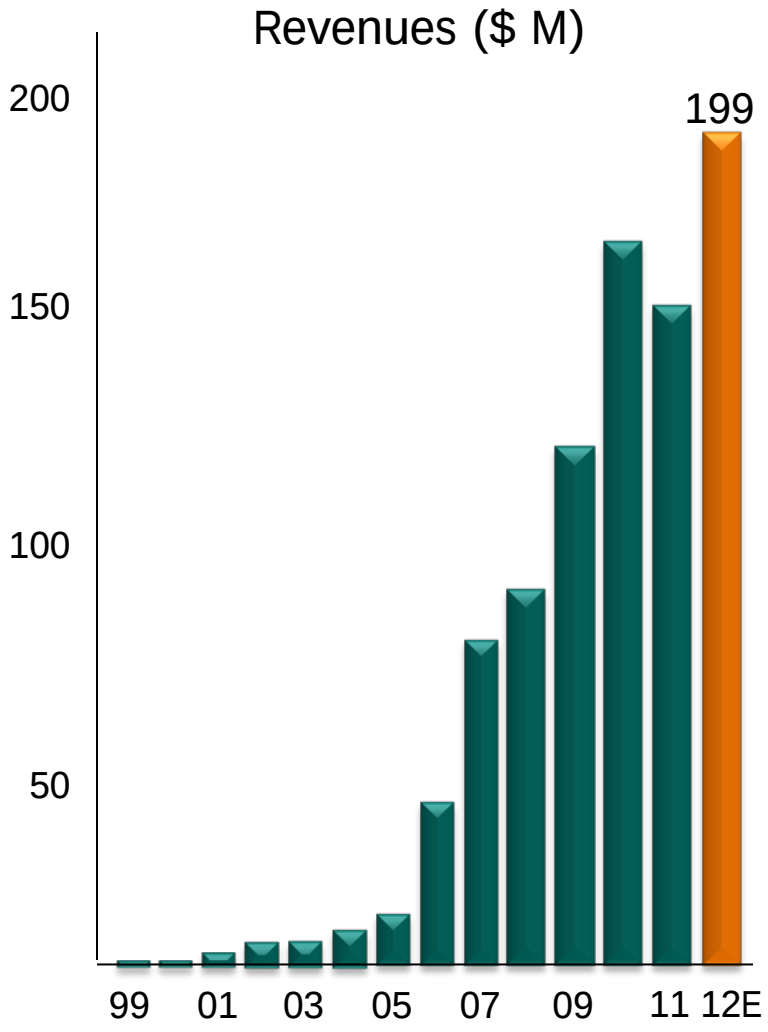
Guidance 2012

- Group revenues > $199 M (€150 M)
- Year end cash > $170 M (€130 M)
- Positive operational result & net income
- Increased cash and profit contribution service operations



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News flow 2013

- Start Phase IIb studies with ‘634 JAK1
- Phase I readouts with ‘187 IRA and ‘974 GPR43
- Complete Phase II PoC with ‘974
- Start 3 Phase I FiH with new MoA’s
  - Servier osteoarthritis alliance
  - GSK inflammation alliance
  - JnJ inflammation alliance
- Delivery of PCC with potentiator in cystic fibrosis
- Delivery of more PCCs in the alliances
- Continued strong performance of service division

Three Phase II, multiple Phase I programs by end 2013

Bright outlook for Galapagos

- Leadership in JAK1 space: 2 compounds in Phase II in 3 indications
- AbbVie deal and inlicensing by GSK highlight success of our approach
- Broad pipeline provides further opportunities for clinical success
- Strong cash flow and profits from service division
  - contribute to financial predictability
  - support funding of our proprietary programs

Galapagos in excellent position to build on its R&D strengths