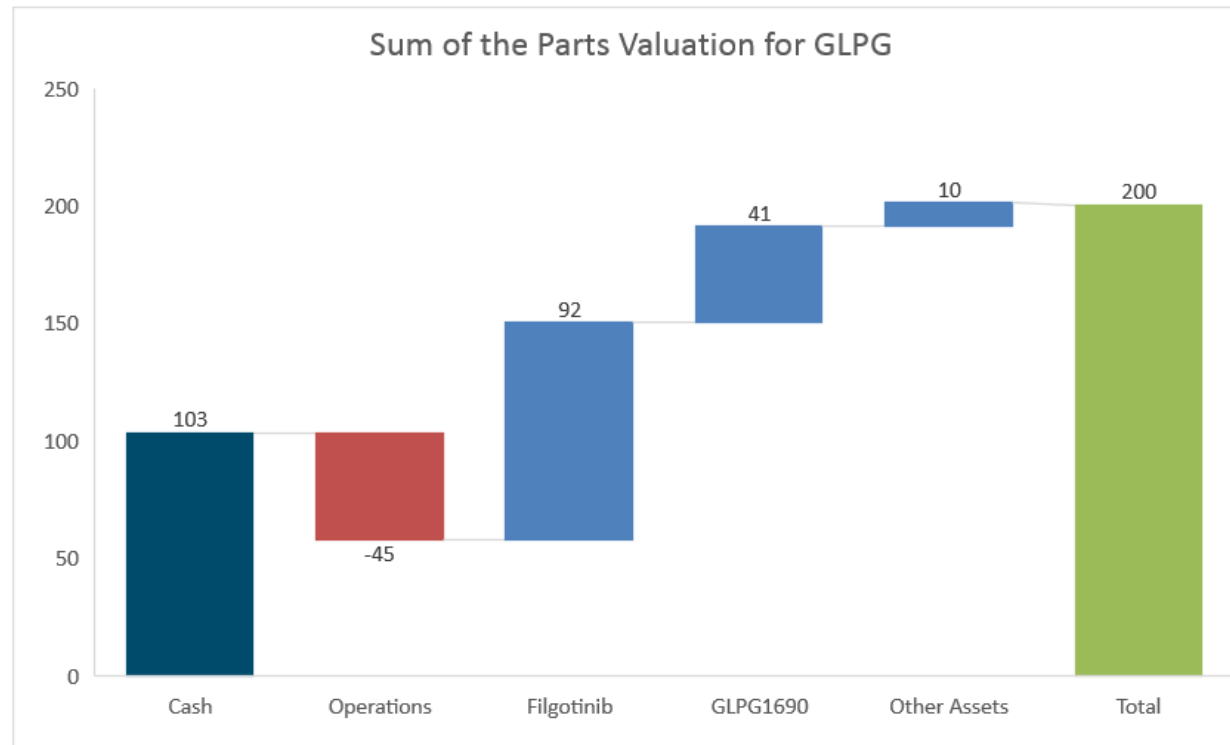
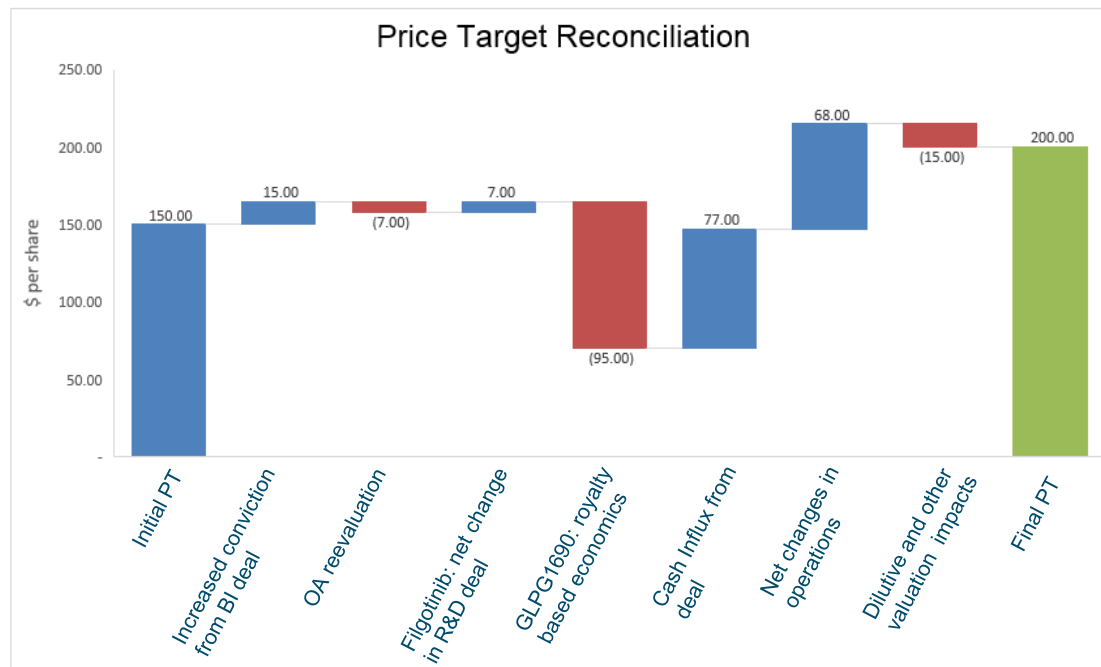


Sum of the Parts Valuation and PT Reconciliation Shows Path to \$200 PT



- Each asset is assigned an individual market profile that is distributed across four market scenarios: undifferentiated, incremental, meaningful, and breakthrough.
- These profile distributions are used to determine a probability weighted asset value and a probability distribution across the entire company portfolio
- We project market launches for filgotinib in RA in 2H20, in UC in 2021 and in CD in 2022.
- We currently value GLPG1690 at \$41 per share with a 41% probability of approval and market launch projected in 2023
- The probability weighted valuations for filgotinib and GLPG1690 lay between the incremental and meaningful profiles for each drug.

Modeling the Evolution of Our Thinking and Impact on Value



Under the GILD research and development collaboration, GLPG will receive:

- \$3.95B in upfront cash to be recognized as income over 10 years, and a \$1.1B equity investment by GILD
- \$350M milestone payment upon U.S. approval of GLPG1690 in IPF
- \$250M milestone for meeting the primary endpoint and \$200M for meeting secondary endpoints in the Phase 2 ROCELLA trial for GLPG1972 in OA.
- Up to \$550M in additional regulatory and commercial milestones for GLPG1972 in OA.
- \$150M opt-in milestone for any drug that enters a Phase 3 trial
- 20% - 24% in tiered royalties on commercial sales of all drugs except filgotinib
- Filgotinib agreement was updated to give GLPG 50% development responsibility and 50% commercial responsibility in the E.U. The milestone and royalty portions of the agreement remain unchanged

Reconciliation of price targets shows the impact of recent events on our valuation.

- Boehringer Ingelheim's licensing of an ATX inhibitor added conviction to our outlook on GLPG1690 in IPF, adding ~\$15 to our PT.
- Reevaluation of GLPG1972 in OA resulted in our pushing the projected launch back by 3 years into 2028 to allow for a Phase 2b study
- Under the R&D collaboration agreement, GLPG's increased role for commercialization of filgotinib in the E.U. was partially offset by the increased role in filgotinib's development
- The collaboration agreement added significant cash to GLPG's balance sheet that will be recognized over 10 years in operations.
- The upfront cash was largely a tradeoff for economics that GLPG will be giving up over GLPG1690 in the agreement. We conservatively delayed the projected launch date for GLPG1690 by one year to 2023 with the impact partially offset by a modest update to our pricing assumptions.
- Net changes in operations resulted from annual recognition of the upfront payment and reduced projected taxes partially offset by increased projections in R&D expenses
- ~6.9M shares were issued as a results of the \$1.1B equity investment. Other minor parts of our model were impacted by the royalty economics from the R&D agreement.

| (€ thousands, except per share) | 1Q18A | 2Q18A | 3Q18A | 4Q18A | 2018A | 1Q19A | 2Q19E | 3Q19E | 4Q19E | 2019E | 1Q20E | 2Q20E | 3Q20E | 4Q20E | 2020E |
|---|----------|----------|----------|-----------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Revenue: | | | | | | | | | | | | | | | |
| Revenue | 37,907 | 49,676 | 94,874 | 106,379 | 288,836 | 33,047 | 37,898 | 125,023 | 133,773 | 329,740 | 97,404 | 97,404 | 227,935 | 189,071 | 611,813 |
| Other revenue (Grant Income) | 6,331 | 7,358 | 8,334 | 6,386 | 29,009 | 7,872 | 7,906 | 7,942 | 7,978 | 31,698 | 8,014 | 8,050 | 8,086 | 8,122 | 32,272 |
| | 44,838 | 57,034 | 103,208 | 112,765 | 317,845 | 40,919 | 45,804 | 132,965 | 141,750 | 361,438 | 105,418 | 105,454 | 236,021 | 197,193 | 644,085 |
| Cost of goods sold | - | - | - | - | - | - | - | - | - | - | - | - | - | (1,226) | (1,226) |
| Research and development expenses | (69,765) | (81,680) | (80,314) | (91,117) | (322,876) | (83,195) | (91,515) | (100,666) | (110,733) | (386,108) | (116,269) | (122,083) | (128,187) | (134,596) | (501,135) |
| General and administrative expenses | (6,697) | (8,503) | (9,725) | (10,706) | (35,631) | (9,221) | (9,866) | (10,557) | (11,296) | (40,941) | (11,861) | (12,098) | (12,171) | (12,244) | (48,374) |
| Sales and marketing expenses | (413) | (602) | (898) | (2,234) | (4,147) | (1,746) | (2,008) | (2,309) | (2,655) | (8,718) | (2,682) | (2,709) | (2,763) | (2,818) | (10,972) |
| Total operating expenses | (76,875) | (90,785) | (90,937) | (104,057) | (362,654) | (94,162) | (103,389) | (113,532) | (124,684) | (435,767) | (130,812) | (136,890) | (143,120) | (150,884) | (561,706) |
| Profit (Loss) from operations | (32,037) | (33,751) | 12,271 | 8,708 | (44,809) | (53,243) | (57,584) | 19,432 | 17,066 | (74,329) | (25,395) | (31,436) | 92,900 | 46,309 | 82,379 |
| Other income (expense): | | | | | | | | | | | | | | | |
| Fair value re-measurement of share subscription agreement | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Financial income | 1,610 | 6,499 | 2,558 | 7,668 | 18,335 | 6,999 | 2,337 | 6,595 | 10,893 | 26,823 | 10,789 | 10,640 | 10,861 | 11,183 | 43,474 |
| Financial expenses | (6,794) | 5,553 | (467) | (1,028) | (2,736) | (2,345) | - | - | - | (2,345) | - | - | - | - | - |
| Total other income (expense) | (5,184) | 12,052 | 2,091 | 6,640 | 15,599 | 4,654 | 2,337 | 6,595 | 10,893 | 24,478 | 10,789 | 10,640 | 10,861 | 11,183 | 43,474 |
| Loss from operations before taxes | (37,221) | (21,699) | 14,362 | 15,348 | (29,210) | (48,589) | (55,248) | 26,027 | 27,959 | (49,851) | (14,605) | (20,796) | 103,761 | 57,492 | 125,852 |
| Income tax benefit (expense) | (62) | (75) | 489 | (392) | (65) | (68) | - | - | - | (65) | - | - | - | - | - |
| Net profit (loss) | (37,283) | (21,774) | 14,842 | 14,956 | (29,259) | (48,657) | (55,248) | 26,027 | 27,959 | (49,919) | (14,605) | (20,796) | 103,761 | 57,492 | 125,852 |
| Basic common shares outstanding | 50,973 | 51,235 | 51,179 | 54,385 | 51,943 | 54,615 | 54,823 | 61,749 | 61,749 | 57,324 | 61,749 | 61,749 | 62,985 | 64,220 | 62,676 |
| Diluted common shares outstanding | 50,973 | 51,235 | 53,007 | 54,385 | 51,943 | 54,615 | 54,823 | 61,749 | 61,749 | 57,324 | 61,749 | 61,749 | 62,985 | 64,220 | 62,676 |
| Basic net loss per share | (0.73) | (0.42) | 0.29 | 0.28 | (0.56) | (0.89) | (1.01) | 0.42 | 0.45 | (0.87) | (0.24) | (0.34) | 1.65 | 0.90 | 2.01 |
| Diluted net loss per share | (0.73) | (0.42) | 0.28 | 0.28 | (0.56) | (0.89) | (1.01) | 0.42 | 0.45 | (0.87) | (0.24) | (0.34) | 1.65 | 0.90 | 2.01 |

Source: Company reports; SVB Leerink Research

| (€ thousands, except per share) | 2017A | 2018A | 2019E | 2020E | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Revenue: | | | | | | | | | | | | |
| Revenue | 127,087 | 288,836 | 329,740 | 611,813 | 526,907 | 1,005,313 | 974,011 | 1,344,594 | 1,293,055 | 1,613,262 | 1,919,275 | 2,187,999 |
| Other revenue (Grant Income) | 28,830 | 29,009 | 31,698 | 32,272 | 32,852 | 28,326 | 13,480 | 13,723 | 13,970 | 14,221 | 14,477 | 14,738 |
| | 155,917 | 317,845 | 361,438 | 644,085 | 559,760 | 1,033,638 | 987,491 | 1,358,317 | 1,307,025 | 1,627,483 | 1,933,752 | 2,202,737 |
| Cost of goods sold | - | - | - | (1,226) | (6,224) | (26,165) | (70,999) | (115,567) | (161,742) | (210,106) | (260,482) | (312,371) |
| Research and development expenses | (218,502) | (322,876) | (386,108) | (501,135) | (521,180) | (495,121) | (470,365) | (446,847) | (437,910) | (442,289) | (446,712) | (451,179) |
| General and administrative expenses | (24,415) | (35,631) | (40,941) | (48,374) | (49,244) | (50,229) | (51,234) | (52,258) | (53,304) | (54,370) | (55,457) | (56,566) |
| Sales and marketing expenses | (2,803) | (4,147) | (8,718) | (10,972) | (19,201) | (24,961) | (31,202) | (37,442) | (43,059) | (47,364) | (49,733) | (52,219) |
| Total operating expenses | (245,720) | (362,654) | (435,767) | (561,706) | (595,850) | (596,477) | (623,799) | (652,114) | (696,014) | (754,129) | (812,384) | (872,336) |
| Profit (Loss) from operations | (89,803) | (44,809) | (74,329) | 82,379 | (36,090) | 437,161 | 363,692 | 706,203 | 611,011 | 873,354 | 1,121,368 | 1,330,401 |
| Other income (expense): | | | | | | | | | | | | |
| Fair value re-measurement of share subscription agreement | - | - | - | - | - | - | - | - | - | - | - | - |
| Financial income | 4,877 | 18,335 | 26,823 | 43,474 | 43,810 | 43,010 | 43,375 | 44,558 | 46,385 | 48,728 | 52,502 | 57,684 |
| Financial expenses | (30,582) | (2,736) | (2,345) | - | - | - | - | - | - | - | - | - |
| Total other income (expense) | (25,705) | 15,599 | 24,478 | 43,474 | 43,810 | 43,010 | 43,375 | 44,558 | 46,385 | 48,728 | 52,502 | 57,684 |
| Loss from operations before taxes | (115,508) | (29,210) | (49,851) | 125,852 | 7,720 | 480,171 | 407,067 | 750,761 | 657,396 | 922,083 | 1,173,870 | 1,388,086 |
| Income tax benefit (expense) | (198) | (49) | (68) | - | - | (108,289) | (98,197) | (190,675) | (164,973) | (235,806) | (302,769) | (359,208) |
| Net profit (loss) | (115,706) | (29,259) | (49,919) | 125,852 | 7,720 | 371,882 | 308,870 | 560,086 | 492,423 | 686,277 | 871,100 | 1,028,877 |
| Basic common shares outstanding | 49,479 | 51,943 | 57,324 | 62,676 | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 |
| Diluted common shares outstanding | 49,479 | 51,943 | 57,324 | 62,676 | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 |
| Basic net loss per share | (2.34) | (0.56) | (0.87) | 2.01 | 0.12 | 5.79 | 4.81 | 8.72 | 7.67 | 10.69 | 13.56 | 16.02 |
| Diluted net loss per share | (2.34) | (0.56) | (0.87) | 2.01 | 0.12 | 5.79 | 4.81 | 8.72 | 7.67 | 10.69 | 13.56 | 16.02 |
| Growth and profitability ratios | | | | | | | | | | | | |
| Revenue growth rate | | | | 78% | -13% | 85% | -4% | 38% | -4% | 25% | 19% | 14% |
| Gross profit margin | | | | 100% | 99% | 97% | 93% | 91% | 88% | 87% | 86% | 86% |
| Operating profit margin | | | | 13% | -6% | 42% | 37% | 52% | 47% | 54% | 58% | 60% |
| Effective tax rate | | | | 0% | 0% | -23% | -24% | 25% | 25% | 26% | 26% | 26% |
| Net profit margin | | | | 20% | 1% | 36% | 31% | 41% | 38% | 42% | 45% | 47% |

Source: Company reports; SVB Leerink Research

| (€ thousands, except per share) | 1Q18A | 2Q18A | 3Q18A | 2018A | 1Q19A | 2Q19E | 3Q19E | 2019E | 1Q20E | 2Q20E | 3Q20E | 2020E |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| ASSETS | | | | | | | | | | | | |
| Cash and cash equivalents | 1,108,186 | 1,066,766 | 1,343,668 | 1,290,796 | 1,222,901 | 1,139,851 | 5,527,913 | 5,485,705 | 5,423,370 | 5,334,781 | 5,647,089 | 5,660,235 |
| Current restricted cash | - | - | 2,014 | - | - | - | - | - | - | - | - | - |
| Inventories | 293 | 267 | 280 | - | - | - | - | - | - | - | - | (749) |
| Trade and other receivables | 8,501 | 19,108 | 25,314 | 18,609 | 15,347 | 21,054 | 69,457 | 74,318 | 54,113 | 54,113 | 126,630 | 105,039 |
| Current R&D incentives receivables | 11,585 | 14,654 | 11,692 | 11,203 | 11,645 | 11,645 | 11,645 | 11,645 | 11,645 | 11,645 | 11,645 | 11,645 |
| Other current assets | 7,171 | 7,086 | 7,432 | 8,244 | 9,351 | 8,976 | 9,199 | 9,522 | 9,453 | 9,528 | 9,319 | 9,722 |
| Total current assets | 1,135,736 | 1,107,881 | 1,390,400 | 1,328,852 | 1,259,244 | 1,181,427 | 5,618,214 | 5,581,190 | 5,498,582 | 5,410,067 | 5,794,684 | 5,785,893 |
| Intangible assets | 2,555 | 1,403 | 2,058 | 3,632 | 6,497 | 6,009 | 5,558 | 5,141 | 4,755 | 4,398 | 4,068 | 3,762 |
| Property, plant and equipment | 16,971 | 17,854 | 18,113 | 23,137 | 49,542 | 49,258 | 48,976 | 48,696 | 48,417 | 48,140 | 47,864 | 47,590 |
| Deferred tax assets | 1,979 | 1,980 | 2,525 | 2,514 | 2,511 | 2,511 | 2,511 | 2,511 | 2,511 | 2,511 | 2,511 | 2,511 |
| Non-current R&D incentives receivables | 69,285 | 71,567 | 68,755 | 73,443 | 76,029 | 71,001 | 65,973 | 60,945 | 55,917 | 50,889 | 45,861 | 40,833 |
| Non-current restricted cash | 1,158 | 1,158 | 1,226 | - | - | - | - | - | - | - | - | - |
| Other non-current assets | 2,182 | 2,506 | 2,474 | 7,919 | 6,377 | 4,779 | 4,953 | 5,127 | 5,090 | 5,131 | 5,018 | 5,235 |
| Total non-current assets | 94,129 | 96,466 | 95,151 | 110,645 | 140,956 | 133,559 | 127,972 | 122,420 | 116,690 | 111,069 | 105,322 | 99,932 |
| Total assets | 1,229,864 | 1,204,347 | 1,485,551 | 1,439,496 | 1,400,200 | 1,314,986 | 5,746,186 | 5,703,610 | 5,615,272 | 5,521,136 | 5,900,006 | 5,885,825 |
| LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | | | | | | | | | | | | |
| Finance lease liabilities | - | - | - | - | 4,580 | 4,580 | 4,580 | 4,580 | 4,580 | 4,580 | 4,580 | 4,580 |
| Trade and other payables | 55,657 | 69,141 | 80,721 | 68,928 | 69,880 | 74,744 | 82,077 | 90,139 | 94,569 | 98,962 | 103,467 | 108,538 |
| Current tax payable | 862 | 862 | 855 | 1,175 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 |
| Accrued charges | 943 | 861 | 867 | - | - | - | - | - | - | - | - | - |
| Current deferred income | 166,168 | 175,722 | 186,659 | 149,801 | 123,822 | 81,681 | 349,650 | 349,650 | 349,650 | 349,650 | 349,650 | 349,650 |
| Total current liabilities | 223,630 | 246,586 | 269,102 | 219,905 | 199,450 | 162,172 | 437,475 | 445,537 | 449,967 | 454,361 | 458,865 | 463,936 |
| Pension liabilities | 3,660 | 3,739 | 3,818 | 3,764 | 3,851 | 3,851 | 3,851 | 3,851 | 3,851 | 3,851 | 3,851 | 3,851 |
| Provisions | 65 | 58 | 57 | - | - | - | - | - | - | - | - | - |
| Other non-current liabilities | 677 | 878 | 1,269 | 1,578 | 736 | 736 | 736 | 736 | 736 | 736 | 736 | 736 |
| Non-current deferred income | 102,486 | 67,427 | 23,083 | - | - | - | 3,146,853 | 3,059,441 | 2,972,028 | 2,884,615 | 2,797,203 | 2,709,790 |
| Total non-current liabilities | 106,888 | 72,102 | 28,227 | 5,342 | 24,996 | 24,996 | 3,171,849 | 3,084,437 | 2,997,024 | 2,909,611 | 2,822,199 | 2,734,786 |
| Total liabilities | 330,519 | 318,688 | 297,329 | 225,247 | 224,446 | 187,168 | 3,609,324 | 3,529,974 | 3,446,991 | 3,363,972 | 3,281,064 | 3,198,722 |
| Stockholders' equity (deficit): | | | | | | | | | | | | |
| Share capital | 235,027 | 235,583 | 235,672 | 236,540 | 237,348 | 237,348 | 238,628 | 238,628 | 238,628 | 238,628 | 239,085 | 239,085 |
| Share premium account | 995,336 | 996,117 | 1,276,284 | 1,277,780 | 1,280,452 | 1,287,762 | 2,269,500 | 2,278,316 | 2,287,565 | 2,297,244 | 2,654,804 | 2,665,472 |
| Other reserves | (641) | (641) | (641) | (735) | (735) | (735) | (735) | (735) | (735) | (735) | (735) | (735) |
| Translation differences | (1,757) | (1,604) | (1,598) | (1,557) | (1,290) | (1,290) | (1,290) | (1,290) | (1,290) | (1,290) | (1,290) | (1,290) |
| Accumulated losses | (328,020) | (343,796) | (321,495) | (297,779) | (340,020) | (395,268) | (369,241) | (341,282) | (355,887) | (376,683) | (272,922) | (215,430) |
| Total stockholders' equity (deficit) | 899,345 | 885,659 | 1,188,222 | 1,214,249 | 1,175,755 | 1,127,818 | 2,136,862 | 2,173,637 | 2,168,281 | 2,157,164 | 2,618,942 | 2,687,102 |
| Total liabilities and stockholders' equity (deficit) | 1,229,864 | 1,204,347 | 1,485,551 | 1,439,496 | 1,400,200 | 1,314,986 | 5,746,186 | 5,703,610 | 5,615,272 | 5,521,136 | 5,900,006 | 5,885,825 |
| Outstanding shares at end of period (thousands) | 51,235 | 51,338 | 54,299 | 54,470 | 54,615 | 54,823 | 61,749 | 61,749 | 61,749 | 61,749 | 64,220 | 64,220 |
| SELECTED METRICS (€ thousands, except per share) | | | | | | | | | | | | |
| Current ratio | 5 | 4 | 5 | 6 | 6 | 7 | 13 | 13 | 12 | 12 | 13 | 12 |
| Working capital (in thousands) | 912,106 | 861,295 | 1,121,298 | 1,108,947 | 1,059,794 | 1,019,254 | 5,180,739 | 5,135,653 | 5,048,614 | 4,955,706 | 5,335,818 | 5,321,956 |
| Book value per common share | 18 | 17 | 22 | 22 | 22 | 21 | 35 | 35 | 35 | 35 | 41 | 42 |
| Cash, cash equivalents and marketable securities per common share | 1,108,186 | 1,066,766 | 1,343,668 | 1,290,796 | 1,222,901 | 1,139,851 | 5,527,913 | 5,485,705 | 5,423,370 | 5,334,781 | 5,647,089 | 5,660,235 |
| | 22 | 21 | 25 | 24 | 22 | 21 | 90 | 89 | 88 | 86 | 88 | 88 |

Source: Company reports; SVB Leerink Research

| (€ thousands, except per share) | 2017A | 2018A | 2019E | 2020E | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| ASSETS | | | | | | | | | | | | |
| Cash and cash equivalents | 1,151,211 | 1,290,796 | 5,485,705 | 5,660,235 | 5,413,880 | 5,457,970 | 5,506,143 | 5,757,128 | 5,967,958 | 6,349,477 | 6,921,734 | 7,659,513 |
| Current restricted cash | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventories | 279 | - | - | (749) | (938) | (3,943) | (10,698) | (17,414) | (24,372) | (31,660) | (39,251) | (47,070) |
| Trade and other receivables | 27,966 | 18,609 | 74,318 | 105,039 | 72,179 | 110,171 | 93,398 | 110,515 | 106,279 | 132,597 | 157,749 | 179,836 |
| Current R&D incentives receivables | 11,782 | 11,203 | 11,645 | 11,645 | 6,617 | 17,283 | - | - | - | - | - | - |
| Other current assets | 6,409 | 8,244 | 9,522 | 9,722 | 8,898 | 9,775 | 10,717 | 11,661 | 12,527 | 13,225 | 13,675 | 1,305 |
| Total current assets | 1,197,647 | 1,328,852 | 5,581,190 | 5,785,893 | 5,500,637 | 5,591,256 | 5,599,559 | 5,861,890 | 6,062,292 | 6,463,639 | 7,053,907 | 7,793,584 |
| Intangible assets | 2,495 | 3,632 | 5,141 | 3,762 | 3,480 | 3,219 | 2,977 | 2,754 | 2,547 | 2,143 | 1,804 | 1,518 |
| Property, plant and equipment | 16,692 | 23,137 | 48,696 | 47,590 | 46,500 | 45,435 | 44,395 | 43,378 | 42,385 | 41,414 | 40,465 | 39,539 |
| Deferred tax assets | 1,978 | 2,514 | 2,511 | 2,511 | 2,511 | 2,511 | 2,511 | 2,511 | 2,511 | 2,511 | 2,511 | 2,511 |
| Non-current R&D incentives receivables | 64,001 | 73,443 | 60,945 | 40,833 | 25,749 | - | - | - | - | - | - | - |
| Non-current restricted cash | 1,158 | - | - | - | - | - | - | - | - | - | - | - |
| Other non-current assets | 2,303 | 7,919 | 5,127 | 5,235 | 4,791 | 5,263 | 5,770 | 6,279 | 6,745 | 7,121 | 7,363 | 20,452 |
| Total non-current assets | 88,627 | 110,645 | 122,420 | 99,932 | 83,032 | 56,428 | 55,653 | 54,922 | 54,188 | 53,190 | 52,143 | 64,019 |
| Total assets | 1,286,274 | 1,439,496 | 5,703,610 | 5,885,825 | 5,583,669 | 5,647,685 | 5,655,213 | 5,916,812 | 6,116,580 | 6,516,829 | 7,106,050 | 7,857,603 |
| LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | | | | | | | | | | | | |
| Finance lease liabilities | 9 | - | 4,580 | 4,580 | 4,580 | 4,580 | 4,580 | 4,580 | 4,580 | 4,580 | 4,580 | 4,580 |
| Trade and other payables | 47,122 | 68,928 | 90,139 | 108,538 | 106,182 | 105,791 | 109,993 | 115,048 | 122,830 | 133,131 | 143,461 | 154,107 |
| Current tax payable | 865 | 1,175 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 | 1,168 |
| Accrued charges | 1,159 | - | - | - | - | - | - | - | - | - | - | - |
| Current deferred income | 122,544 | 149,801 | 349,650 | 349,650 | 349,650 | 349,650 | 349,650 | 349,650 | 349,650 | 349,650 | 349,650 | 262,238 |
| Total current liabilities | 171,699 | 219,905 | 445,537 | 463,936 | 461,580 | 461,190 | 465,391 | 470,446 | 478,228 | 488,529 | 498,859 | 422,093 |
| Pension liabilities | 3,582 | 3,764 | 3,851 | 3,851 | 3,851 | 3,851 | 3,851 | 3,851 | 3,851 | 3,851 | 3,851 | 3,851 |
| Provisions | 65 | - | - | - | - | - | - | - | - | - | - | - |
| Other non-current liabilities | 1,597 | 1,578 | 736 | 736 | 736 | 736 | 736 | 736 | 736 | 736 | 736 | 736 |
| Non-current deferred income | 97,348 | - | 3,059,441 | 2,709,790 | 2,360,140 | 2,010,490 | 1,660,839 | 1,311,189 | 961,538 | 611,888 | 262,238 | - |
| Total non-current liabilities | 102,592 | 5,342 | 3,084,437 | 2,734,786 | 2,385,136 | 2,035,486 | 1,685,835 | 1,336,185 | 986,534 | 636,884 | 287,234 | 24,596 |
| Total liabilities | 274,291 | 225,247 | 3,529,974 | 3,198,722 | 2,846,716 | 2,496,675 | 2,151,227 | 1,806,631 | 1,464,763 | 1,125,413 | 786,093 | 447,089 |
| Stockholders' equity (deficit): | | | | | | | | | | | | |
| Share capital | 233,414 | 236,540 | 238,628 | 239,085 | 239,085 | 239,085 | 239,085 | 239,085 | 239,085 | 239,085 | 239,085 | 239,085 |
| Share premium account | 993,025 | 1,277,780 | 2,278,316 | 2,665,472 | 2,707,603 | 2,749,777 | 2,793,884 | 2,839,993 | 2,889,206 | 2,942,528 | 2,999,968 | 3,061,648 |
| Other reserves | (1,260) | (735) | (735) | (735) | (735) | (735) | (735) | (735) | (735) | (735) | (735) | (735) |
| Translation differences | (1,754) | (1,557) | (1,290) | (1,290) | (1,290) | (1,290) | (1,290) | (1,290) | (1,290) | (1,290) | (1,290) | (1,290) |
| Accumulated losses | (211,441) | (297,779) | (341,282) | (215,430) | (207,710) | 164,172 | 473,042 | 1,033,128 | 1,525,551 | 2,211,828 | 3,082,929 | 4,111,806 |
| Total stockholders' equity (deficit) | 1,011,983 | 1,214,249 | 2,173,637 | 2,687,102 | 2,736,953 | 3,151,009 | 3,503,986 | 4,110,181 | 4,651,817 | 5,391,416 | 6,319,957 | 7,410,514 |
| Total liabilities and stockholders' equity (deficit) | 1,286,274 | 1,439,496 | 5,703,610 | 5,885,825 | 5,583,669 | 5,647,685 | 5,655,213 | 5,916,812 | 6,116,580 | 6,516,829 | 7,106,050 | 7,857,603 |
| Outstanding shares at end of period (thousands) | 50,937 | 54,470 | 61,749 | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 |
| SELECTED METRICS (€ thousands, except per share) | | | | | | | | | | | | |
| Current ratio | 7 | 6 | 13 | 12 | 12 | 12 | 12 | 12 | 13 | 13 | 14 | 18 |
| Working capital (in thousands) | 1,025,948 | 1,108,947 | 5,135,653 | 5,321,956 | 5,039,057 | 5,130,066 | 5,134,168 | 5,391,444 | 5,584,163 | 5,975,110 | 6,555,048 | 7,371,491 |
| Book value per common share | 19.87 | 22.29 | 35.20 | 41.84 | 42.62 | 49.07 | 54.56 | 64.00 | 72.44 | 83.95 | 98.41 | 115.39 |
| Cash, cash equivalents and marketable securities per common share | 1,151,211 | 1,290,796 | 5,485,705 | 5,660,235 | 5,413,880 | 5,457,970 | 5,506,143 | 5,757,128 | 5,967,958 | 6,349,477 | 6,921,734 | 7,659,513 |
| | 22.60 | 23.70 | 88.84 | 88.14 | 84.30 | 84.99 | 85.74 | 89.65 | 92.93 | 98.87 | 107.78 | 119.27 |

Source: Company reports; SVB Leerink Research

| (€ thousands) | 1Q18A | 2Q18A | 3Q18A | 4Q18A | 2018A | 1Q19A | 2Q19E | 3Q19E | 4Q19E | 2019E | 1Q20E | 2Q20E | 3Q20E | 4Q20E | 2020E |
|---|-----------------|-----------------|----------------|-----------------|------------------|-----------------|-----------------|------------------|-----------------|------------------|-----------------|-----------------|-----------------|----------------|------------------|
| Cash Flows from Operating Activities: | | | | | | | | | | | | | | | |
| Net Profit (loss) | (37,283) | (21,773) | 14,842 | 14,956 | (29,259) | (48,656) | (55,247) | 26,028 | 27,960 | (49,919) | (14,605) | (20,796) | 103,761 | 57,492 | 125,852 |
| Reconciliation of net loss to net cash: | | | | | | | | | | | | | | | |
| Adjustment for non-cash transactions | 5,140 | 9,084 | 8,593 | (1,064) | 21,753 | 5,524 | 8,840 | 5,205 | 1,607 | 21,176 | 2,063 | 2,565 | 2,712 | 2,871 | 10,210 |
| Adjustment for items to disclose separately under operating cash flow | 5,246 | (11,977) | (2,570) | 4,912 | (4,389) | (1,517) | - | - | - | (1,517) | - | - | - | - | - |
| Adjustment for items to disclose under investing and financing cash flows | 141 | 4 | (266) | (547) | (668) | (3) | - | - | - | (3) | - | - | - | - | - |
| (Increase) decrease in operating assets and liabilities: | | | | | | | | | | | | | | | |
| Changes in working capital other than deferred income | 20,482 | (2,317) | 8,888 | (7,131) | 19,922 | (2,294) | 6,257 | (36,539) | 7,733 | (24,844) | 29,769 | 9,306 | (62,662) | 31,818 | 8,230 |
| Decrease in deferred income | (34,458) | (25,509) | (33,403) | (59,942) | (153,312) | (25,979) | (42,141) | 3,414,823 | (87,413) | 3,259,290 | (87,413) | (87,413) | (87,413) | (87,413) | (349,650) |
| Operating activity and working capital cash flow | (40,732) | (92,488) | (9,916) | (48,816) | (145,953) | (72,925) | (82,292) | 3,409,516 | (50,113) | 3,204,183 | (70,186) | (96,338) | (43,602) | 4,768 | (205,358) |
| Interest paid | (500) | (348) | (178) | (37) | (1,063) | (327) | - | - | - | (327) | - | - | - | - | - |
| Interest received | 1,428 | 1,361 | 463 | 1,306 | 4,558 | 1,565 | 2,337 | 6,595 | 10,893 | 21,389 | 10,789 | 10,640 | 10,861 | 11,183 | 43,474 |
| Income taxes paid | - | - | (7) | (1) | (8) | (11) | - | - | - | (11) | - | - | - | - | - |
| Net interest and tax operating cash flow | 928 | 1,013 | 278 | 1,268 | 3,487 | 1,227 | 2,337 | 6,595 | 10,893 | 21,051 | 10,789 | 10,640 | 10,861 | 11,183 | 43,474 |
| Net cash used in operating activities | (39,804) | (91,475) | (9,638) | (47,548) | (142,466) | (71,698) | (79,955) | 3,416,111 | (39,220) | 3,225,234 | (59,397) | (85,698) | (32,740) | 15,951 | (161,884) |
| Cash Flows from Investing Activities: | | | | | | | | | | | | | | | |
| Purchase of property, plant and equipment | (1,192) | (1,811) | (1,256) | (6,133) | (10,392) | (2,103) | (2,553) | (2,538) | (2,524) | (9,718) | (2,509) | (2,495) | (2,481) | (2,466) | (9,951) |
| Purchase of and expenditure in intangible fixed assets | (340) | (382) | (811) | (1,792) | (3,325) | (1,201) | (542) | (501) | (464) | (2,708) | (429) | (397) | (367) | (339) | (1,532) |
| Proceeds from disposal of property, plant and equipment | 1 | - | - | - | 1 | 1 | - | - | - | 1 | - | - | - | - | - |
| Decrease in restricted cash | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds from sale of financial asset held at fair value through profit or loss | - | - | 134 | 2,227 | 2,361 | 82 | - | - | - | 82 | - | - | - | - | - |
| Acquisition of available-for-sale financial assets | - | - | - | (4,559) | (4,559) | (177) | - | - | - | (177) | - | - | - | - | - |
| Net cash provided by (used in) investing activities | (1,531) | (2,193) | (1,933) | (10,257) | (15,914) | (3,398) | (3,095) | (3,040) | (2,987) | (12,520) | (2,938) | (2,892) | (2,848) | (2,806) | (11,483) |
| Cash Flows from Financing Activities: | | | | | | | | | | | | | | | |
| Repayment of obligations under finance leases and other debts | (19) | 12 | 1 | 1 | (5) | (1,248) | - | - | - | (1,248) | - | - | - | - | - |
| Proceeds from capital and share premium increases, gross amount | - | - | 296,188 | - | 296,188 | 3,481 | - | 974,990 | - | 978,471 | - | - | - | - | - |
| Issue costs paid related to capital and share premium increases | - | - | (15,008) | (956) | (15,964) | - | - | - | - | - | - | - | - | - | - |
| Proceeds from capital and share premium increases from exercise of warrants | 3,924 | 1,337 | - | 2,396 | 7,657 | - | - | - | - | - | - | - | 347,897 | - | 347,897 |
| Net cash provided by financing activities | 3,905 | 1,349 | 281,181 | 1,441 | 287,876 | 2,233 | - | 974,990 | - | 977,223 | - | - | 347,897 | - | 347,897 |
| Effect of exchange rate differences on cash and cash equivalents | (5,595) | 10,899 | 1,292 | 3,493 | 10,089 | 4,968 | - | - | - | 4,968 | - | - | - | - | - |
| Net increase (decrease) in cash and cash equivalents | (43,025) | (41,420) | 276,902 | (52,971) | 139,585 | (67,895) | (83,050) | 4,388,061 | (42,207) | 4,194,906 | (62,335) | (88,590) | 312,309 | 13,145 | 174,530 |
| Cash & cash equiv. at beginning of period | 1,151,211 | 1,108,186 | 1,066,766 | 1,343,668 | 1,151,211 | 1,290,796 | 1,222,901 | 1,139,851 | 5,527,913 | 1,290,796 | 5,485,705 | 5,423,370 | 5,334,781 | 5,647,089 | 5,485,705 |
| Cash & cash equivalents at end of period | 1,108,186 | 1,066,766 | 1,343,668 | 1,290,797 | 1,290,796 | 1,222,901 | 1,139,851 | 5,527,913 | 5,485,705 | 5,485,701 | 5,423,370 | 5,334,781 | 5,647,089 | 5,660,235 | 5,660,235 |
| Cash Burn | | | | | | | | | | | | | | | |
| Cash burn: Sum of cash used in OpEx and P&E | (40,996) | (53,286) | (4,894) | (53,681) | (152,858) | (73,801) | (82,508) | (82,931) | (41,744) | 3,215,516 | (61,906) | (88,193) | (35,221) | 13,485 | (171,835) |
| Annual cash burn (Q x 4 or annual) | (163,984) | (213,144) | (19,576) | (214,724) | (152,858) | (295,204) | (330,031) | (331,723) | (166,975) | 3,215,516 | (247,624) | (352,773) | (140,884) | 53,939 | (171,835) |
| Years of cash remaining | 7 | 5 | 69 | 6 | 8 | 4 | 3 | 17 | 33 | Cash+ | 22 | 15 | 40 | Cash+ | 33 |
| Months of cash remaining | 81 | 60 | 824 | 72 | 101 | 50 | 41 | 200 | 394 | Cash+ | 263 | 181 | 481 | Cash+ | 395 |

Source: Company reports; SVB Leerink Research

| (€ thousands) | 2017A | 2018A | 2019E | 2020E | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E |
|---|------------------|------------------|------------------|------------------|------------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Cash Flows from Operating Activities: | | | | | | | | | | | | |
| Net Profit (loss) | (115,704) | (29,259) | (49,919) | 125,852 | 7,720 | 371,882 | 308,870 | 560,086 | 492,423 | 686,277 | 871,100 | 1,028,877 |
| Reconciliation of net loss to net cash: | | | | | | | | | | | | |
| Adjustment for non-cash transactions | 20,821 | 21,753 | 21,176 | 10,210 | 9,816 | 10,366 | 11,648 | 12,190 | 13,199 | 14,704 | 14,764 | 13,549 |
| Adjustment for items to disclose separately under operating cash flow | 25,903 | (4,389) | (1,517) | - | - | - | - | - | - | - | - | - |
| Adjustment for items to disclose under investing and financing cash flows | (334) | (668) | (3) | - | - | - | - | - | - | - | - | - |
| (Increase) decrease in operating assets and liabilities: | | | | | | | | | | | | |
| Changes in working capital other than deferred income | (12,862) | 19,922 | (24,844) | 8,230 | 52,073 | (21,643) | 43,564 | (6,799) | 17,644 | (9,804) | (7,922) | (4,341) |
| Decrease in deferred income | (65,722) | (153,312) | 3,259,290 | (349,650) | (349,650) | (349,650) | (349,650) | (349,650) | (349,650) | (349,650) | (349,650) | (349,650) |
| Operating activity and working capital cash flow | (147,898) | (145,953) | 3,204,183 | (205,358) | (280,041) | 10,955 | 14,431 | 215,826 | 173,615 | 341,526 | 528,292 | 688,435 |
| Interest paid | (273) | (1,063) | (327) | - | - | - | - | - | - | - | - | - |
| Interest received | 1,341 | 4,558 | 21,389 | 43,474 | 43,810 | 43,010 | 43,375 | 44,558 | 46,385 | 48,728 | 52,502 | 57,684 |
| Income taxes paid | (199) | (8) | (11) | - | - | - | - | - | - | - | - | - |
| Net interest and tax-operating cash flow | 869 | 3,487 | 21,051 | 43,474 | 43,810 | 43,010 | 43,375 | 44,558 | 46,385 | 48,728 | 52,502 | 57,684 |
| Net cash used in operating activities | (147,029) | (142,466) | 3,225,234 | (161,884) | (236,231) | 53,965 | 57,806 | 260,385 | 220,001 | 390,255 | 580,794 | 746,119 |
| Cash Flows from Investing Activities: | | | | | | | | | | | | |
| Purchase of property, plant and equipment | (5,312) | (10,392) | (9,718) | (9,951) | (9,809) | (9,585) | (9,365) | (9,151) | (8,941) | (8,736) | (8,536) | (8,341) |
| Purchase of and expenditure in intangible fixed assets | (2,125) | (3,325) | (2,708) | (1,532) | (314) | (290) | (269) | (248) | (230) | - | - | - |
| Proceeds from disposal of property, plant and equipment | 7 | 1 | 1 | - | - | - | - | - | - | - | - | - |
| Decrease in restricted cash | 6,510 | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds from sale of financial asset held at fair value through profit or loss | 372 | 2,361 | 82 | - | - | - | - | - | - | - | - | - |
| Acquisition of available-for-sale financial assets | - | (4,559) | (177) | - | - | - | - | - | - | - | - | - |
| Net cash provided by (used in) investing activities | (548) | (15,914) | (12,520) | (11,483) | (10,123) | (9,875) | (9,634) | (9,399) | (9,171) | (8,736) | (8,536) | (8,341) |
| Cash Flows from Financing Activities: | | | | | | | | | | | | |
| Repayment of obligations under finance leases and other debts | (65) | (5) | (1,248) | - | - | - | - | - | - | - | - | - |
| Proceeds from capital and share premium increases, gross amount | 363,924 | 296,188 | 978,471 | - | - | - | - | - | - | - | - | - |
| Issue costs paid related to capital and share premium increases | (15,790) | (15,964) | - | - | - | - | - | - | - | - | - | - |
| Proceeds from capital and share premium increases from exercise of warrants | 5,288 | 7,657 | - | 347,897 | - | - | - | - | - | - | - | - |
| Net cash provided by financing activities | 353,357 | 287,876 | 977,223 | 347,897 | - | - | - | - | - | - | - | - |
| Effect of exchange rate differences on cash and cash equivalents | (27,808) | 10,089 | 4,968 | - | - | - | - | - | - | - | - | - |
| Net increase (decrease) in cash and cash equivalents | 177,972 | 139,585 | 4,194,905 | 174,530 | (246,355) | 44,090 | 48,172 | 250,986 | 210,830 | 381,519 | 572,258 | 737,778 |
| Cash & cash equiv. at beginning of period | 973,241 | 1,151,211 | 1,290,796 | 5,485,705 | 5,660,235 | 5,413,880 | 5,457,970 | 5,506,143 | 5,757,128 | 5,967,958 | 6,349,477 | 6,921,734 |
| Cash & cash equivalents at end of period | 1,151,213 | 1,290,796 | 5,485,701 | 5,660,235 | 5,413,880 | 5,457,970 | 5,506,143 | 5,757,128 | 5,967,958 | 6,349,477 | 6,921,734 | 7,659,513 |
| Cash Burn | | | | | | | | | | | | |
| Cash burn: Sum of cash used in OpEx and P&E | (152,341) | (4,894) | 3,215,516 | (171,835) | (246,041) | 44,380 | 48,441 | 251,234 | 211,060 | 381,519 | 572,258 | 737,778 |
| Annual cash burn (Q x 4 or annual) | (152,341) | (19,576) | 3,215,516 | (171,835) | (246,041) | 44,380 | 48,441 | 251,234 | 211,060 | 381,519 | 572,258 | 737,778 |
| Years of cash remaining | 8 | 69 | Cash+ | 33 | 22 | Cash+ | Cash+ | Cash+ | Cash+ | Cash+ | Cash+ | Cash+ |
| Months of cash remaining | 91 | 824 | Cash+ | 395 | 264 | Cash+ | Cash+ | Cash+ | Cash+ | Cash+ | Cash+ | Cash+ |

Source: Company reports; SVB Leerink Research

| Per share value (\$) | Undifferentiated | Incremental | Meaningful | Breakthrough |
|-------------------------------------|------------------|-------------|------------|--------------|
| Filgotinib | 34.61 | 68.11 | 99.76 | 147.45 |
| GLPG1690 | 12.58 | 25.29 | 45.81 | 66.97 |
| GLPG1972 | 0.43 | 2.05 | 2.26 | 2.59 |
| GLPG1205 | 0.35 | 0.50 | 0.72 | 1.31 |
| MOR106 | 6.54 | 6.54 | 6.54 | 6.54 |
| Cash | 102.68 | 102.68 | 102.68 | 102.68 |
| Operations | (21.49) | (31.28) | (49.78) | (65.22) |
| Total | 135.71 | 173.89 | 208.01 | 262.33 |
| Commercial probability distribution | 6.3% | 25.8% | 58.0% | 9.9% |
| Commercial adjusted total | 8.49 | 44.93 | 120.68 | 25.95 |
| Sum of the parts total (\$) | 200.00 | | | |

Source: SVB Leerink Research