

Financial statements

Consolidated and non-consolidated financial statements for 2015



Riding on the success of filgotinib, the JAK1 inhibitor discovered by Galapagos, we aim to advance more programs using proprietary targets toward the clinic.

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CFO Galapagos

Consolidated financial statements

Consolidated statements of income and comprehensive income

Consolidated income statement

(thousands of €, except share and per share data)	Year ended 31 December		Notes
	2015	2014	
Revenues	39,563	69,368	5
Other income	21,017	20,653	5
Total revenues and other income	60,579	90,021	
Research and development expenditure	(129,714)	(111,110)	6
General and administrative expenses	(19,127)	(13,875)	6
Sales and marketing expenses	(1,182)	(992)	6
Restructuring and integration costs	–	(669)	6
Operating loss	(89,444)	(36,624)	
Fair value re-measurement of share subscription agreement	(30,632)	–	8
Other financial income	1,987	2,291	9
Other financial expenses	(1,539)	(867)	9
Loss before tax	(119,627)	(35,201)	
Income taxes	1,218	(2,103)	10
Net loss from continuing operations	(118,410)	(37,303)	
Net income from discontinued operations	–	70,514	11
Net income / loss (–)	(118,410)	33,211	12
Net income / loss (–) attributable to:			
Owners of the parent	(118,410)	33,211	
Basic and diluted income / loss (–) per share	(3.32)	1.10	12
Basic and diluted loss per share from continuing operations	(3.32)	(1.24)	
Weighted average number of shares (in thousands of shares)	35,700	30,108	12



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Consolidated statement of comprehensive income

(thousands of €)	As at 31 December		Notes
	2015	2014	
Net income / loss (-)	(118,410)	33,211	
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit obligation	202	(267)	29
Items that may be reclassified subsequently to profit or loss:			
Translation differences, arisen from translating foreign activities	690	460	21
Translation differences, arisen from the sale of service division		(1,787)	21
Other comprehensive income, net of income tax	892	(1,594)	
Total comprehensive income attributable to:			
Owners of the parent	(117,517)	31,617	

Consolidated statements of financial position

(thousands of €)	As at 31 December		Notes
	2015	2014	
Assets			
Intangible assets	1,550	2,015	13
Property, plant and equipment	13,782	10,091	14
Deferred tax assets	1,726	293	22
Non-current R&D incentives receivables	49,384	43,944	15
Non-current restricted cash	1,046	306	16
Other non-current assets	557	215	
Non-currents assets	68,044	56,864	
Inventories	325	281	
Trade and other receivables	3,931	3,211	17
Current R&D incentives receivables	9,161	7,351	15
Cash and cash equivalents	340,314	187,712	18
Current restricted cash	6,857	10,422	16
Current financial asset from share subscription agreement	8,371		8
Other current assets	5,512	4,625	17
Current assets	374,470	213,603	
Total assets	442,514	270,467	
Equity and liabilities			
Share capital	185,399	157,274	19
Share premium account	357,402	114,182	19
Other reserves	(18)	(220)	20
Translation differences	(467)	(1,157)	21
Accumulated losses	(177,317)	(63,944)	
Total equity	364,999	206,135	
Pension liabilities	2,693	2,865	29
Provisions	55	72	25
Finance lease liabilities	63	115	23
Other non-current liabilities	2,291	923	24
Non-current liabilities	5,103	3,976	



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(thousands of €)	As at 31 December		Notes
	2015	2014	
Provisions	–	105	25
Finance lease liabilities	52	52	23
Trade and other payables	29,482	30,007	24
Current tax payable	2,583	2,582	10
Accrued charges	490	585	24
Deferred income	39,806	27,026	24
Current liabilities	72,412	60,356	
Total liabilities	77,515	64,332	
Total equity and liabilities	442,514	270,467	

Consolidated cash flow statements

(thousands of €)	Year ended 31 December		Notes
	2015	2014	
Cash and cash equivalents at beginning of year	187,712	138,175	18
Net income / loss (-)	(118,410)	33,211	
Adjustments for:			
Tax income (-) / expenses	(1,218)	2,337	10
Other net financial income	(448)	(1,841)	9
Fair value re-measurement of share subscription agreement	30,632	-	8
Depreciation of property, plant and equipment	2,372	3,582	14
Amortization of intangible fixed assets	1,030	1,067	13
Net realized loss on foreign exchange transactions	(398)	(261)	
Share-based compensation	5,036	2,952	30
Increase / decrease (-) in provisions	(125)	27	25
Increase in pension liabilities	30	409	29
Gain on sale of fixed assets	(62)		
Gain on sale of service division		(67,508)	33
Operating cash flows before movements in working capital	(81,560)	(26,025)	
Increase in inventories	(44)	(32)	
Increase in receivables	(7,220)	(10,110)	17
Decrease in payables	(26,728)	(40,311)	24
Cash used in operations	(115,553)	(76,479)	
Interest paid	(49)	(113)	
Interest received	1,106	951	
Income taxes paid (-) / received	(94)	86	
Net cash flows used in operating activities	(114,590)	(75,555)	
Purchase of property, plant and equipment	(6,100)	(2,061)	14
Purchase of and expenditure in intangible fixed assets	(565)	(743)	13
Proceeds from disposal of property, plant and equipment	110	45	14
Disposals of subsidiaries, net of cash disposed		130,787	33
Increase (-) / decrease in restricted cash	2,258	(7,422)	16
Net cash flows generated / used (-) in investing activities	(4,297)	120,606	



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(thousands of €)	Year ended 31 December		Notes
	2015	2014	
Repayment of obligations under finance leases and other debts	(43)	(216)	23
Proceeds from capital and share premium increases, net of issue costs	271,413	4,430	19
Net cash flows generated in financing activities	271,370	4,214	
Effect of exchange rate differences on cash and cash equivalents	118	271	
Increase in cash and cash equivalents	152,601	49,537	
Cash and cash equivalents at end of year	340,314	187,712	



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Consolidated statements of changes in equity

(thousands of €)	Share capital	Share premium account	Translation differences	Other reserves	Accumul. losses	Total
On 1 January 2014	154,542	112,484	170	47	(100,107)	167,137
Net loss					33,211	33,211
Other comprehensive income			(1,327)	(267)		(1,594)
Total comprehensive income			(1,327)	(267)	33,211	31,617
Share-based compensation					2,952	2,952
Exercise of warrants	2,732	1,698				4,430
On 31 December 2014	157,274	114,182	(1,157)	(220)	(63,944)	206,135
Net income					(118,410)	(118,410)
Other comprehensive income			690	202		892
Total comprehensive income			690	202	(118,410)	(117,517)
Share-based compensation					5,036	5,036
Issue of new shares	40,751	237,952				278,703
Share issue costs	(19,360)					(19,360)
Exercise of warrants	6,734	5,269				12,002
On 31 December 2015	185,399	357,402	(467)	(18)	(177,317)	364,999