

Financial statements

Consolidated and non-consolidated
financial statements for 2019



Consolidated financial statements

Consolidated statements of income and comprehensive income/loss (-)

Consolidated income statement

(thousands of €, except per share data)	Year ended 31 December		Notes
	2019	2018	
Revenues	844,985	288,836	6
Other income	50,905	29,009	6
Total revenues and other income	895,890	317,845	
Research and development expenditure	(427,320)	(322,875)	7
General and administrative expenses	(73,701)	(35,631)	7
Sales and marketing expenses	(24,577)	(4,146)	7
Total operating expenses	(525,597)	(362,652)	
Operating profit/loss (-)	370,292	(44,807)	
Fair value re-measurement of share subscription agreement and warrants	(181,644)	-	9
Other financial income	21,482	18,335	10
Other financial expenses	(60,071)	(2,737)	10
Profit/loss (-) before tax	150,060	(29,209)	
Income taxes	(214)	(50)	11
Net profit/loss (-)	149,845	(29,259)	
Net profit/loss (-) attributable to:			
Owners of the parent	149,845	(29,259)	
Basic income/loss (-) per share	2.60	(0.56)	12
Diluted income/loss (-) per share	2.49	(0.56)	12

The accompanying [notes](#) form an integral part of these financial statements.



FINANCIAL STATEMENTS

Consolidated statement of comprehensive income / loss (-)

(thousands of €)	Year ended 31 December		Notes
	2019	2018	
Net profit/loss (-)	149,845	(29,259)	
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit obligation	(4,107)	(94)	
Items that may be reclassified subsequently to profit or loss:			
Translation differences, arisen from translating foreign activities	415	197	
Other comprehensive income/loss (-), net of income tax	(3,692)	103	
Total comprehensive income/loss (-) attributable to:			
Owners of the parent	146,154	(29,155)	

The accompanying [notes](#) form an integral part of these financial statements.



FINANCIAL STATEMENTS

Consolidated statements of financial position

(thousands of €)	31 December		Notes
	2019	2018	
Assets			
Intangible assets	24,927	3,632	13
Property, plant and equipment	66,052	23,137	14
Deferred tax assets	4,205	2,514	21
Non-current R&D incentives receivables	93,407	73,443	16
Other non-current assets	14,091	7,919	15
Non-current assets	202,682	110,645	
Trade and other receivables	54,009	18,609	17
Current R&D incentives receivables	21,949	11,203	16
Current financial investments	3,919,216	-	18
Cash and cash equivalents	1,861,616	1,290,796	19
Other current assets	9,138	8,244	17
Current assets	5,865,927	1,328,851	
Total assets	6,068,609	1,439,496	
Equity and liabilities			
Share capital	287,282	236,540	20
Share premium account	2,703,583	1,277,780	20
Other reserves	(4,842)	(735)	
Translation differences	(1,142)	(1,557)	
Accumulated losses	(109,223)	(297,779)	
Total equity	2,875,658	1,214,249	
Retirement benefit liabilities	8,263	3,764	
Non-current lease liabilities	19,558	-	22
Other non-current liabilities	6,989	1,578	23
Non-current deferred income	2,586,348	-	24
Non-current liabilities	2,621,158	5,342	
Current lease liabilities	5,826	-	22
Trade and other liabilities	143,434	68,928	23
Current tax payable	2,037	1,175	11
Current financial instruments	6,198	-	9
Current deferred income	414,298	149,801	24
Current liabilities	571,793	219,905	
Total liabilities	3,192,951	225,247	
Total equity and liabilities	6,068,609	1,439,496	

The accompanying [notes](#) form an integral part of these financial statements.



Consolidated cash flow statements

(thousands of €)	2019	2018	Notes
Net profit/loss (-) of the year	149,845	(29,259)	
Adjustment for non-cash transactions	248,027	21,753	25
Adjustment for items to disclose separately under operating cash flow	(7,731)	(4,389)	25
Adjustment for items to disclose under investing and financing cash flows	(5,061)	(668)	25
Change in working capital other than deferred income	12,698	19,922	25
Increase/decrease (-) in deferred income	2,804,202	(153,312)	24
Cash generated/used (-) in operations	3,201,980	(145,953)	
Interest paid	(1,158)	(1,063)	
Interest received	7,852	4,558	
Corporate taxes paid	(57)	(8)	
Net cash flows generated/used (-) in operating activities	3,208,617	(142,466)	
Purchase of property, plant and equipment	(22,385)	(10,392)	14
Purchase of and expenditure in intangible fixed assets	(23,300)	(3,325)	13
Proceeds from disposal of property, plant and equipment	-	1	14
Increase in current financial investments	(4,787,284)	-	18
Interest received related to current financial investments	5,059	-	18
Decrease in current financial investments	1,063,344	-	18
Acquisition of financial assets held at fair value through profit or loss	(177)	(4,559)	15
Proceeds from sale of financial assets held at fair value through profit or loss	82	2,361	15
Net cash flows used in investing activities	(3,764,660)	(15,914)	
Payment of lease liabilities	(5,091)	(5)	22
Proceeds from capital and share premium increases, gross amount	960,087	296,188	20
Issue costs paid related to capital and share premium increases	(4,447)	(15,964)	20
Proceeds from capital and share premium increases from exercise of warrants	17,167	7,657	20
Proceeds from capital and share premium increases from exercise of warrant A by Gilead	368,035	-	20
Net cash flows generated in financing activities	1,335,751	287,876	
Increase in cash and cash equivalents	779,708	129,497	



FINANCIAL STATEMENTS

(thousands of €)	2019	2018	Notes
Cash and cash equivalents at beginning of year	1,290,796	1,151,211	19
Transfer to current financial investments	(198,922)	-	
Increase in cash and cash equivalents	779,708	129,497	
Effect of exchange rate differences on cash and cash equivalents	(9,966)	10,089	
Cash and cash equivalents at end of the year	1,861,616	1,290,796	19

	31 December		
(thousands of €)	2019	2018	Notes
Current financial investments	3,919,216	-	18
Cash and cash equivalents	1,861,616	1,290,796	19
Current financial investments and cash and cash equivalents	5,780,832	1,290,796	

The accompanying notes form an integral part of these financial statements.



FINANCIAL STATEMENTS

Consolidated statements of changes in equity

(thousands of €)	Share capital	Share premium account	Translation differences	Other reserves	Accumul. losses	Total
On 1 January 2018	233,414	993,025	(1,754)	(1,260)	(211,441)	1,011,983
Change in accounting policy (modified retrospective application IFRS 15)					(83,220)	(83,220)
Change in accounting policy (modified retrospective application IFRS 9)				619	(619)	-
Restated total equity at 1 January 2018	233,414	993,025	(1,754)	(641)	(295,279)	928,766
Net loss					(29,259)	(29,259)
Other comprehensive income/loss (-)			197	(94)		103
Total comprehensive income/loss (-)			197	(94)	(29,259)	(29,155)
Share-based compensation					26,757	26,757
Issue of new shares	16,021	280,167				296,188
Share issue costs	(15,964)					(15,964)
Exercise of warrants	3,069	4,588				7,657
On 31 December 2018	236,540	1,277,780	(1,557)	(735)	(297,779)	1,214,249
On 1 January 2019	236,540	1,277,780	(1,557)	(735)	(297,779)	1,214,249
Change in accounting policy (modified retrospective application IFRS 16)					416	416
Restated total equity at 1 January 2019	236,540	1,277,780	(1,557)	(735)	(297,363)	1,214,665
Net profit					149,845	149,845
Other comprehensive income/loss (-)			415	(4,107)		(3,692)
Total comprehensive income/loss (-)			415	(4,107)	149,845	146,154
Share-based compensation					38,297	38,297
Derecognition of financial liability from share subscription agreement and warrant A		135,702				135,702
Issue of new shares	36,945	923,142				960,087
Share issue costs	(4,447)					(4,447)
Exercise of warrant A by Gilead	14,162	353,873				368,035
Exercise of warrants	4,082	13,085				17,167
On 31 December 2019	287,282	2,703,583	(1,142)	(4,842)	(109,223)	2,875,658

The accompanying notes form an integral part of these financial statements.



Non-consolidated financial statements

Income statement

(thousands of €)	Year ended 31 December	
	2019	2018
Turnover	902,817	218,961
Internally generated intangible assets	399,874	284,964
Other operating income	21,655	9,224
Operating income	1,324,346	513,149
Raw materials, consumables and goods for resale	(7,522)	(6,215)
Services and other goods	(444,088)	(299,814)
Remuneration, social security costs and pensions	(52,231)	(33,400)
Depreciation, impairment and other amounts written off on constitution costs, intangible and tangible assets	(403,311)	(305,723)
Other operating charges	(23,301)	(8,281)
Non-recurring operating costs	(38)	(1,160)
Operating profit/loss (-)	393,855	(141,443)
Finance income	27,511	35,743
Finance cost	(63,967)	(21,275)
Profit /loss (-) before taxes	357,399	(126,976)
Taxes	21,619	11,286
Profit/loss (-) for the year	379,018	(115,690)
Loss brought forward	(459,547)	(343,858)
Accumulated losses to be carried forward	(80,528)	(459,547)



FINANCIAL STATEMENTS

Balance sheet

	31 December	
(thousands of €)	2019	2018
Assets		
Non-current assets	85,005	67,704
Intangible fixed assets	11,137	5,576
Tangible fixed assets	9,507	8,958
Financial fixed assets	64,361	53,170
Current assets	5,918,486	1,358,360
Inventories	252	266
Trade and other receivables	150,838	79,260
Deferred costs	4,103	2,406
Accrued income	3,710	2,457
Cash and cash equivalents	5,759,583	1,273,970
Total assets	6,003,491	1,426,063
Equity and liabilities		
Equity	2,897,031	1,172,722
Share capital and reserves	349,789	294,600
Share premium account	2,627,771	1,337,670
Accumulated losses	(80,528)	(459,547)
Liabilities	3,106,459	253,341
Non-current liabilities	3,361	857
Other non-current liabilities	3,361	857
Current liabilities	3,103,098	252,484
Trade and other payables	227,243	137,120
Tax, payroll and social security liabilities	12,061	6,406
Accrued costs	1,089	766
Deferred income	2,862,705	108,192
Total equity and liabilities	6,003,491	1,426,063

The non-consolidated annual accounts of Galapagos NV were prepared in accordance with Belgian accounting rules as well as with the legal and regulatory requirements. They show a positive result. The financial year 2019 closed with a profit of €379.0 million compared to a loss of €115.7 million in 2018. The non-consolidated annual accounts of Galapagos NV show accumulated losses of €80.5 million as at 31 December 2019; we refer to the [Going concern statement](#) for justification for the application of the valuation rules under the going concern assumption.