

GALAPAGOS BIOPHARMA DENMARK APS
C/O Harbour House,
Sundkrogsgade 21,
2100 København Ø

Annual report for 2021
(1st Financial year)

Adopted at the annual general meeting on
4 July 2022

chairman

CVR-nr. 42 44 72 42

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The management board has today discussed and approved the annual report of Galapagos Biopharma Denmark ApS for the financial year 3 June - 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion and to our best knowledge, the financial statements give a true and fair view of the company's assets and liabilities at 31 December 2021 and of the results of the company's operations for the financial year 3 June - 31 December 2021.

In our opinion, and to our best knowledge, management's review includes a fair review of the matters dealt with in the management's review.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.


Copenhagen, 4 July 2022

Executive board

Bart Filius
Director

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 **Bart Filius**
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Michele Manto
Director

DocuSigned by:
 **Michele Manto**
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Marcel de Jong
Director

DocuSigned by:
 **Marcel de Jong**
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AUDITOR'S REPORT ON COMPILATION OF THE FINANCIAL STATEMENTS

To the shareholder of Galapagos Biopharma Denmark ApS

We have compiled the financial statements of Galapagos Biopharma Denmark ApS for the financial year 3 June - 31 December 2021 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the enterprise's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by enterprise for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 4 July 2022

MAZARS

Statsautoriseret Revisionspartnerselskab

CVR no. 31 06 17 41



Dennis Herholdt Rasmussen
State-authorised public accountant

MNE no. mne43413

COMPANY DETAILS

The company	Galapagos Biopharma Denmark ApS	
	C/O Harbour House	
	Sundkrogsgade 21	
	2100 København Ø	
	CVR no.:	42 44 72 42
	Reporting period:	3 June - 31 December 2021
	Domicile:	Copenhagen
Executive board	Bart Filius	
	Michele Manto	
	Marcel de Jong	
Auditors	Mazars	
	Statsautoriseret Revisionspartnerselskab	
	Midtermolen 1, 2.tv.	
	2100 København Ø	

MANAGEMENT'S REVIEW

Business review

The company's purpose is to conduct business in the commercialization of pharmaceutical products as well as activities that, in the opinion of the Executive Board, are connected with this.

Financial review

The company's income statement for the year ended 31 December 2021 shows a profit of DKK 398.251, and the balance sheet at 31 December 2021 shows equity of DKK 438.251.

Significant events occurring after the end of the financial year

No Material events have occurred after the balance sheet date which could significantly affect the company's financial position.

ACCOUNTING POLICIES

The annual report of Galapagos Biopharma Denmark ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The annual report for 2021 is presented in DKK

As 2021 is the company's first reporting period, no comparatives have been presented. The period is from 3 June to 31 December 2021.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other external expenses.

Revenue

Commission income concerns sales directly from supplier to the customer. The revenue is included once there is security for payment. It is calculated exclusive of VAT, charges and discounts.

Other external expenses

Other external expenses include expenses related to administration and premises etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

ACCOUNTING POLICIES

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and foreign currency transactions.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

INCOME STATEMENT 3 JUNE - 31 DECEMBER

	<u>Note</u>	<u>2021</u> DKK
Gross profit		5.080.513
Staff costs	1	-4.557.526
Financial costs	2	<u>-12.408</u>
Profit/loss before tax		510.579
Tax on profit/loss for the year	3	<u>-112.328</u>
Profit/loss for the year		<u>398.251</u>
 Retained earnings		 <u>398.251</u>
		<u>398.251</u>

BALANCE SHEET 31 DECEMBER

	Note	2021 DKK
ASSETS		
Deposits		103.500
Fixed asset investments		103.500
Total non-current assets		103.500
Trade receivables		5.616.378
Other receivables		357
VAT and duties receivables		97.007
Prepayments		166.727
Receivables		5.880.469
Cash at bank and in hand		3.604.136
Total current assets		9.484.605
Total assets		9.588.105

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2021</u> DKK
EQUITY AND LIABILITIES		
Share capital		40.000
Retained earnings		398.251
Equity		438.251
Trade payables		204.939
Payables to group entities		5.978.227
Corporation tax		112.328
Other payables		2.854.360
Total current liabilities		9.149.854
Total liabilities		9.149.854
Total equity and liabilities		9.588.105

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total
Equity at 3 June 2021	40.000	0	40.000
Net profit/loss for the year	0	398.251	398.251
Equity at 31 December 2021	40.000	398.251	438.251

NOTES

	2021
	DKK
1 STAFF COSTS	
Wages and salaries	4.369.987
Other social security costs	187.539
	<u>4.557.526</u>
Average number of employees	<u>3</u>
2 FINANCIAL COSTS	
Other financial costs	2.091
Exchange loss	10.317
	<u>12.408</u>
3 TAX ON PROFIT/LOSS FOR THE YEAR	
Current tax for the year	112.328
	<u>112.328</u>
4 CONTINGENT LIABILITIES	
The company has entered into a lease agreement of offices. The lease agreement can be terminated with three months notice, by the end of March, June, September and December. The company has a liability of DKK 195.000.	
5 RELATED PARTIES AND OWNERSHIP STRUCTURE	
Consolidated financial statements	
The company is reflected in the group report as the parent company	
Galapagos NV	
Generaal De Wittelaan L 11 A3	
2800 Mechelen	
Belgium	