

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

Annual report for 2022
(2nd Financial year)

Adopted at the annual general meeting on
29 June 2023

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Michele Manto
chairman

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The executive board has today discussed and approved the annual report of Galapagos Biopharma Denmark ApS for the financial year 1 January - 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

In our opinion, 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, 29 June 2023

Executive board

Marcel de Jong
Director

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Marcel de Jong
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Michele Manto
Director

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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 1 January - 31 December 2022 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, 29 June 2023

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: 1 January - 31 December 2022

Domicile: Copenhagen

Executive board

Marcel de Jong
Michele Manto

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 2022 shows a profit of DKK 1.445.936, and the balance sheet at 31 December 2022 shows equity of DKK 1.884.187.

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 2022 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 accounting policies applied are consistent with those of last year.

The annual report for 2022 is presented in DKK

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.

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.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

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 1 JANUARY - 31 DECEMBER

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Gross profit		13.808.766	5.080.513
Staff costs	1	-11.916.998	-4.557.526
Profit/loss before net financials		1.891.768	522.987
Financial income		24.719	0
Financial costs	2	<u>-62.359</u>	<u>-12.408</u>
Profit/loss before tax		1.854.128	510.579
Tax on profit/loss for the year	3	<u>-408.192</u>	<u>-112.328</u>
Profit/loss for the year		<u>1.445.936</u>	<u>398.251</u>
Retained earnings		<u>1.445.936</u>	<u>398.251</u>
		<u>1.445.936</u>	<u>398.251</u>

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
ASSETS			
Deposits		139.000	103.500
Fixed asset investments		139.000	103.500
Total non-current assets		139.000	103.500
Receivables from subsidiaries		16.291.865	5.616.378
Other receivables		369.482	97.364
Prepayments		248.250	166.727
Receivables		16.909.597	5.880.469
Cash at bank and in hand		0	3.604.136
Total current assets		16.909.597	9.484.605
Total assets		17.048.597	9.588.105

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
EQUITY AND LIABILITIES			
Share capital		40.000	40.000
Retained earnings		1.844.187	398.251
Equity		<u>1.884.187</u>	<u>438.251</u>
Trade payables		1.352.324	204.939
Payables to group entities		11.309.987	5.978.227
Corporation tax		408.100	112.328
Other payables		2.093.999	2.854.360
Total current liabilities		<u>15.164.410</u>	<u>9.149.854</u>
Total liabilities		<u>15.164.410</u>	<u>9.149.854</u>
Total equity and liabilities		<u><u>17.048.597</u></u>	<u><u>9.588.105</u></u>

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2022	40.000	398.251	438.251
Net profit/loss for the year	0	1.445.936	1.445.936
Equity at 31 December 2022	40.000	1.844.187	1.884.187

NOTES

	<u>2022</u>	<u>2021</u>
	DKK	DKK
1 STAFF COSTS		
Wages and salaries	11.041.922	4.369.987
Other social security costs	<u>875.076</u>	<u>187.539</u>
	<u><u>11.916.998</u></u>	<u><u>4.557.526</u></u>
 Average number of employees	 <u>6</u>	 <u>3</u>
 2 FINANCIAL COSTS		
Other financial costs	62.250	2.091
Exchange adjustments costs	109	0
Exchange loss	<u>0</u>	<u>10.317</u>
	<u><u>62.359</u></u>	<u><u>12.408</u></u>
 3 TAX ON PROFIT/LOSS FOR THE YEAR		
Current tax for the year	<u>408.192</u>	<u>112.328</u>
	<u><u>408.192</u></u>	<u><u>112.328</u></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 TDKK 267.

The company has entered into a Leasing agreement. The lease obligation is TDKK 1,231.

5 RELATED PARTIES AND OWNERSHIP STRUCTURE

Consolidated financial statements

The company is reflected in the group report of the parent company

Galapagos NV
 Generaal De Wittelaan L 11 A3
 2800 Mechelen
 Belgium

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Dennis Herholdt Rasmussen

Navnet returneret af dansk NemID var:

Dennis Herholdt Rasmussen

Revisor

ID: 69700201

CVR-match med dansk NemID

Tidspunkt for underskrift: 29-06-2023 kl.: 14:24:17

Underskrevet med NemID

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