(a public company with limited liability (naamloze vennootschap/société anonyme)
organized and existing under the laws of Belgium, with its corporate seat in Mechelen, Belgium)

Admission to listing and trading on Euronext Brussels and Euronext Amsterdam of new ordinary shares in Galapagos NV

This prospectus (the "**Prospectus**") is published in connection with the admission to listing and trading (the "**Listing**") on the regulated markets operated by Euronext Brussels and Euronext Amsterdam ("**Euronext Brussels**" and "**Euronext Amsterdam**", respectively) of 6,550,000 new ordinary shares in the share capital of Galapagos NV ("**Galapagos**" or the "**Company**") with no nominal value per share (the "**New Shares**") and 982,499 new ordinary shares in the share capital of Galapagos, with no nominal value per share (the "**Additional Shares**").

THIS PROSPECTUS IS NOT PUBLISHED IN CONNECTION WITH AND DOES NOT CONSTITUTE AN OFFER OF SECURITIES BY OR ON BEHALF OF THE COMPANY.

The Listing follows (i) the public offering in the United States of America of the New Shares and the Additional Shares in the form of American Depositary Shares ("**ADSs**") (the "**US Offering**"), (ii) the private placement of the New Shares and the Additional Shares to other unspecified institutional and professional investors in or from other countries or jurisdictions where such offering is permitted in compliance with any applicable rules and regulations of such country or jurisdiction (the "**Private Placement**") and (iii) the listing of the ADSs on the NASDAQ Global Select Market under the symbol "GLPG" on May 14, 2015 (together, the "**Offering**").

The Company has applied for admission to listing and trading of the New Shares and the Additional Shares on Euronext Brussels and Euronext Amsterdam. Trading in the New Shares and the Additional Shares on Euronext Brussels and Euronext Amsterdam is expected to start on or about May 19, 2015 under the symbol "GLPG". Galapagos, Euronext Brussels and Euronext Amsterdam do not accept any responsibility or liability with respect to any person as a result of the withdrawal of the Listing or the (related) annulment of any transaction in the New Shares or the Additional Shares on Euronext Brussels and Euronext Amsterdam.

Settlement of any transactions in the New Shares and the Additional Shares on Euronext Brussels and Euronext Amsterdam will occur through the book-entry systems of Euroclear Belgium.

Investing in the New Shares and Additional Shares involves substantial risks. Investors are exposed to the risk to lose all or part of their investment. Before any investment in shares, investors should carefully review and consider the entire Prospectus and should give particular attention to the risk factors set forth in the section "Risk Factors" beginning on page W - 29 of this Prospectus and on page 11 of the US Prospectus. The Company has never been profitable (except in 2009, 2010 and 2014, owing to the contribution of the service division, which was sold in April 2014) and its main assets are intellectual property rights concerning research programmes that have not yet led to the commercialisation of any product.

This Prospectus constitutes a prospectus for the purposes of Article 3 of the Directive 2003/71/EC and amendments thereto to the extent implemented in the relevant member state of the European Economic Area and the rules promulgated thereunder (the "**Prospectus Directive**") and has been prepared in accordance with the Belgian Act of 16 June 2006 on the public offering of securities and the admission to trading of securities on a regulated market. This Prospectus has been approved by and filed with the Belgian Financial Services and Markets Authority (the "**FSMA**"). After approval, the FSMA (at the request of Galapagos) has provided the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, "**AFM**"), being the competent authority in The Netherlands, and to the European Securities and Markets Authority a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive and with a copy of the Prospectus for passporting in accordance with Article 18 of the Prospectus Directive.

The New Shares and the Additional Shares have been registered under the United States Securities Act of 1933, as amended by means of a registration statement on Form F-1 (the "**US Registration Statement**") filed with the United States Securities and Exchange Commission (the "**SEC**") and declared effective by the SEC on May 13, 2015. The prospectus included in the US Registration Statement (the "**US Prospectus**") is fully incorporated in this Prospectus.

This Prospectus is a listing prospectus only in connection with the listing and trading on Euronext Brussels and Euronext Amsterdam. The sections of this Prospectus that relate to the US Offering, including the "US Summary", "Capitalization", "Dilution", "Underwriting", "Certain Material U.S. Federal Income Tax Considerations to U.S. Holders", "Description of American Depositary Shares"have not been reviewed nor approved by the FSMA.

Distribution of this Prospectus may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of this Prospectus are urged to inform themselves of any such restrictions which may apply in their jurisdiction and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Galapagos disclaims all responsibility for any violation of such restrictions by any person.

The date of this Prospectus is May 18, 2015.

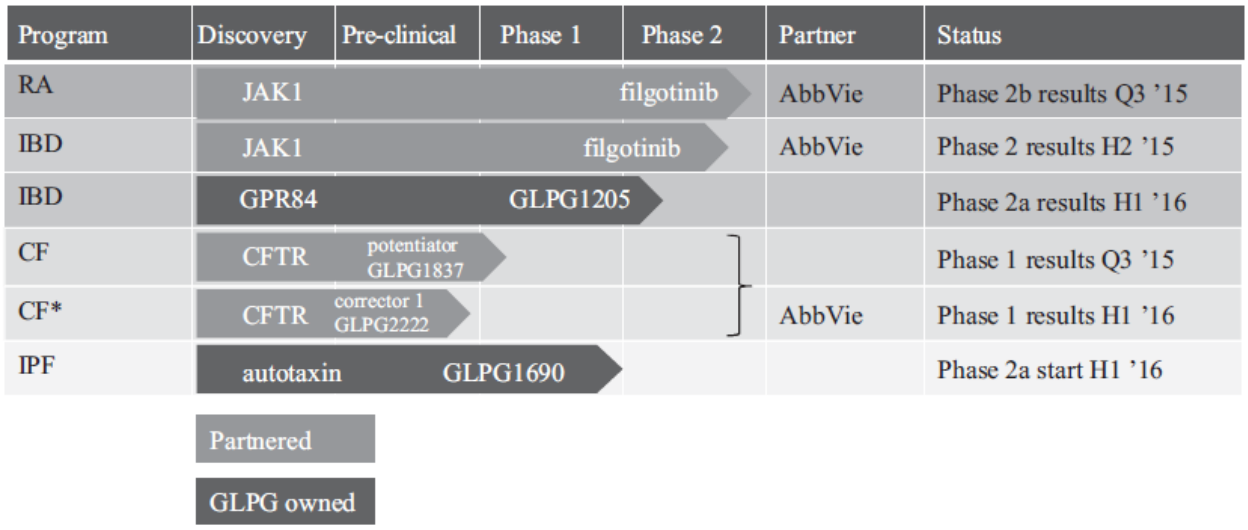
TABLE OF CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for the New Shares and Galapagos. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'Not applicable'.

Section A — Introduction and warnings	
A.1	**Introduction and warnings** This summary should be read as an introduction to this prospectus (the "**Prospectus**") only. Any decision to invest in the New Shares and Additional Shares (both as defined in Element C.1) should be based on a consideration of this Prospectus and the information incorporated by reference into this Prospectus as a whole and not just this summary. Where a claim relating to the information contained in, or incorporated by reference into, this Prospectus is brought before a court in a Member State of the European Economic Area (the "**EEA**" and each Member State of the EEA, a "**Member State**") the claimant might, under the national legislation of that Member State, have to bear costs of translating this Prospectus or any documents incorporated by reference herein before the legal proceedings are initiated. Civil liability in relation to this summary attaches to Galapagos (as defined below), but only if this summary (or any translation of this summary) is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus (including information incorporated by reference herein) or if it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in New Shares and Additional Shares.
A.2	**Consent for placement by third parties** Not applicable. There will be no subsequent resale or final placement of securities (by means of a public offering) by financial intermediaries in the EEA.
Section B — Issuer	
B.1	**Legal and commercial name of the Issuer** Galapagos NV ("**Galapagos**" or the "**Company**").

B.2	**<u>Domicile and legal form of the Issuer, legislation under which the Issuer operates and country of incorporation</u>** Galapagos is a public company with limited liability (*naamloze vennootschap/société anonyme*) incorporated on 30 June 1999 under the laws of Belgium. Galapagos has its registered office at Generaal De Wittelaan L11 A3, 2800 Mechelen, Belgium and is registered with the Belgian Register of Legal Entities of Antwerp, division Mechelen, under number 0466.460.429.
B.3	**<u>Key factors relating to the Issuer's current operations and principal activities</u>** **Overview** ***Galapagos is seeking to develop a robust portfolio of clinical-stage breakthrough therapies that have the potential to revolutionize existing treatment paradigms*** Galapagos is a clinical-stage biotechnology company specialized in the discovery and development of small molecule medicines with novel modes of action, addressing disease areas of high unmet medical need. Execution on Galapagos' proprietary drug target discovery platform has delivered a pipeline of three Phase 2 programs, two Phase 1 trials, five pre-clinical studies, and 20 discovery small-molecule and antibody programs. While Galapagos' highly flexible platform offers applicability across a broad set of therapeutic areas, its most advanced clinical candidates are in inflammatory related diseases: rheumatoid arthritis ("**RA**"); inflammatory bowel disease ("**IBD**"); cystic fibrosis ("**CF**"); and pulmonary disease, including idiopathic pulmonary fibrosis ("**IPF**"). Galapagos' lead programs include GLPG0634, or filgotinib, in three Phase 2b trials for RA (DARWIN trials) and one Phase 2 trial for Crohn's disease ("**CD**"), (FITZROY trial); GLPG1205 in a Phase 2a trial for ulcerative colitis ("**UC**"), (ORIGIN trial); GLPG1690 for which Galapagos expects to conduct a Phase 2a trial for IPF; and a series of novel potentiators and correctors for CF in Phase 1 and in pre-clinical stages. Almost exclusively, these programs are derived from Galapagos' proprietary target discovery platform and it is Galapagos' goal to develop these programs into best-in-class treatments. Filgotinib is being developed under a collaboration agreement with AbbVie, and Galapagos expects a licensing decision by AbbVie in the second half of 2015 after delivering the complete data package from the first two DARWIN trials to AbbVie. The Company's Phase 2 program with GLPG1205 in UC is fully owned by it. Galapagos' CF program is a joint research and development alliance with AbbVie. Additionally, Galapagos is developing GLPG1690, for which it has retained worldwide development and commercialization rights, in IPF. The following table summarizes key information on the Company's lead development programs as of the date of this Prospectus.



* A second corrector candidate for the CF program, for use in combination with the potentiator and first corrector candidates described above, is expected to be identified in the first half of 2015 and is expected to enter pre-clinical testing thereafter.

Galapagos' Lead Product Candidate: Filgotinib, a Highly Selective Inhibitor of JAK1

Galapagos' lead product candidate, filgotinib, which the Company also refers to as GLPG0634, targets the Janus Kinase ("**JAK**") signaling pathway. It is a novel, orally-available, selective inhibitor of JAK1 that Galapagos is developing for the treatment of RA, CD, and other inflammatory diseases. Galapagos discovered and validated filgotinib using its target and drug discovery platform. Galapagos believes that this product candidate may address a considerable unmet need in RA. The biologic agents widely used to treat RA can be effective, but often lose patient response over time. It can take several months before patients show improvement and less than half of the patients show a sustained 50% improvement of RA symptoms, referred to as ACR50. ACR50 is a composite measurement of clinical response as recommended by the American College of Rheumatology ("**ACR**"). In addition, existing approaches that target JAKs are associated with a range of side effects, including aberrations in low-density lipoprotein ("**LDL**"), cholesterol, and red blood cell count. As a result of the challenges with current treatment alternatives, Galapagos believes there is a significant opportunity for an effective JAK inhibitor, particularly one with a rapid onset of action, which enables patients to achieve ACR50 and which has a favorable safety profile. With filgotinib, the Company believes that it has a highly selective JAK1 inhibitor that has the potential to provide a safe, oral, best-in-class treatment for RA. The Company is party to an exclusive collaboration agreement with AbbVie to develop and commercialize filgotinib in multiple diseases. Under this agreement, Galapagos is responsible for the advancement of four Phase 2 trials in RA and CD. If AbbVie determines that the first two of these trials (DARWIN 1 and 2) meet certain specified contractual criteria, AbbVie will be deemed to have in-licensed the compound. Even if the specified contractual criteria relating to the 24-weeks results are not met, AbbVie has the opportunity to elect to in-license the compound following Galapagos' delivery of the final data package from these trials. Should AbbVie in-license these programs, AbbVie will assume sole responsibility for Phase 3 clinical development, global manufacturing and commercialization of filgotinib. The Company retains an option to exercise certain co-promotion rights in the Netherlands, Belgium and Luxembourg, and it will be eligible to receive tiered royalty percentages ranging from the low double digits to the lower twenties on net sales of licensed products payable on a product-by-product basis.

Galapagos' Filgotinib Program for RA

Due to its high selectivity for JAK1, Galapagos believes that filgotinib has the potential to offer an improved side effect profile and improved efficacy in RA patients as compared to other JAK inhibitors which are less selective for JAK1. Filgotinib is currently being evaluated for RA in three ongoing Phase 2b trials, which Galapagos refers to collectively as DARWIN, in patients with moderate to severe RA who have an inadequate response to methotrexate ("**MTX**"), a common first line treatment for RA. Topline results from 12 weeks of treatment in the Phase 2b trial for DARWIN 1 were first made available on April 14, 2015 and topline results from 12 weeks of treatment in the Phase 2b DARWIN 2 trial on April 27, 2015. Galapagos expects to announce final results from 24 weeks of treatment in both DARWIN 1 and 2 trials in July 2015. In addition, the Company is conducting DARWIN 3, a long-term follow-up trial that allows patients to remain on filgotinib treatment. Of the patients that have completed DARWIN 1 and DARWIN 2, approximately 98% of these patients have elected to participate in the DARWIN 3 follow-up trial.

Galapagos' IBD Programs

IBD is a group of inflammatory conditions in the colon and small intestine, with CD and UC representing the two most common forms of the disease. Galapagos' IBD program consists of the Company's lead product, filgotinib, an orally available, highly selective inhibitor of JAK1, and GLPG1205, a molecule that inhibits G-coupled protein receptor 84 ("**GPR84**"), a novel target for inflammatory disorders. Filgotinib and GLPG1205 were discovered and validated using the Company's target and drug discovery platform.

Galapagos' Clinical Program for Filgotinib for CD

Filgotinib is currently in Phase 2 clinical development for CD and has shown favorable activity in preclinical models for IBD. Galapagos expects to complete recruitment for FITZROY, its Phase 2 trial in CD with filgotinib, in 2015. This innovative trial is designed to enroll up to 180 patients with CD, evaluating the induction of disease remission at 10 weeks and clinical response and other parameters with up to 20 weeks of treatment. Patients are being recruited from 49 centers in Eastern and Western Europe. Topline results of 10 weeks of treatment in the CD trial are expected in the second half of 2015. Pending a successful outcome of the FITZROY trial, a global Phase 3 clinical program in CD is expected.

Galapagos' Clinical Program for GLPG1205 for UC

GLPG1205 is a selective inhibitor of GPR84, a novel target for inflammatory disorders. GPR84 is a protein involved in the regulation of macrophages, monocytes, and neutrophils in the human immune system and is overexpressed in inflammatory disease patients. GPR84 antagonists such as GLPG1205 present a novel mode of action for the treatment of inflammatory diseases. GLPG1205 targets diseases associated with up-regulation of GPR84 on inflammatory leukocytes, such as IBD and neuro-inflammatory disease, i.e., multiple sclerosis, through once-daily oral dosing. The Company identified GPR84 as playing a key role in inflammation, using its target discovery platform and Galapagos determined in a pre-clinical IBD model that GLPG1205 prevents colitis disease progression. GLPG1205 is fully proprietary, where Galapagos retains all development and commercial rights. The Company has initiated ORIGIN, a 60-patient 12-week Phase 2a clinical trial of GLPG1205 in UC and the first patients received treatment in early 2015. The Phase 2a clinical trial is a multicenter, randomized, double-blind, placebo-controlled, exploratory proof-of-concept trial with two parallel 12 weeks of treatment groups in subjects with moderate to severe UC. Galapagos expects to announce topline data from this trial in the first half of 2016.

Galapagos' CF Program

Recent advances in CF research have led to the development of therapies designed to treat the underlying cause of CF rather than to merely address symptoms. Galapagos believes this will lead to novel medicines for CF patients with the potential to both improve their quality of life as well as prolong it. CF results from gene mutations in the gene that encodes the cystic fibrosis transmembrane conductance regulator ("**CFTR**") protein. There are five Classes, with more than 1,900 different genetic mutations that cause CF. Galapagos' novel GLPG1837 potentiator candidate is currently in a Phase 1 clinical trial with topline results expected in the third quarter of 2015. The Company's first oral corrector candidate, GLPG2222, is in pre-clinical development, with a Phase 1 clinical trial anticipated to begin in the second half of 2015. The Company has additional corrector programs in early-stage discovery, and it aims to nominate a second corrector candidate ("**C2**") out of these programs in the first half of 2015. In a pre-clinical cellular assay study, Galapagos demonstrated that the combination of GLPG1837 plus GLPG2222 and one of its C2 corrector molecules resulted in up to 60% restoration of CFTR function in cells from patients who have a Class II mutation of the CFTR gene. These pre-clinical studies suggest to Galapagos that a triple combination therapy has the potential to offer a compelling therapeutic option for Class II CF patients. By the middle of 2015 the Company expects to have all three components of this therapy in development. In addition, Galapagos has preliminary pre-clinical data which suggests that Galapagos candidate drugs in combination with facilitated messenger ribonucleic acid ("**mRNA**") translation agents potentially can restore clinically meaningful CFTR function in Class I mutation patients. The Company has entered into an exclusive collaboration agreement with AbbVie to discover, develop and commercialize novel CF modulators. AbbVie and Galapagos are working collaboratively, contributing technologies and resources to develop and commercialize oral drugs that address the main mutations in CF patients, including Class II and Class III.

Galapagos' Pulmonary Disease Program

With GLPG1690, Galapagos discovered a novel mode of action with potential application in pulmonary diseases. GLPG1690 is a potent and selective inhibitor of autotaxin ("**ATX**") and has completed a Phase 1 first-in-human trial. The Company announced Phase 1 results from this trial in February 2015. The aim of this trial was to evaluate the safety, tolerability, pharmacokinetics and pharmacodynamics ("**PK**" and "**PD**") of oral single and multiple ascending doses of GLPG1690. The randomized, double-blind, placebo controlled, single center trial was conducted in 40 healthy volunteers in Belgium. In the first part of the trial, single ascending doses were evaluated. In the second part, GLPG1690 was administered daily for 14 days. In this study, GLPG1690 was shown to be well-tolerated up to 1000 mg daily dose and demonstrated a favorable pharmacokinetic profile. Galapagos is currently preparing a Phase 2a trial in IPF and expects to file the Clinical Trial Application ("**CTA**") in this respect before the end of 2015. GLPG1690 was initially developed in collaboration with Janssen Pharmaceutica, which returned its rights in March 2015 as part of the termination of the larger research alliance between Janssen Pharmaceutica and the Company.

Galapagos' Novel, Proprietary Target Discovery Platform

Galapagos believes its target discovery platform provides a significant and substantial competitive advantage in its portfolio of novel mode of action medicines as it:

- closely mimics the *in vivo* situation through a combination of knock down of a given protein in a primary human cell with relevant trigger and readout for a specific disease phenotype;
- allows for the identification of the optimal point to intervene in a disease pathway in order to

	develop more effective drugs for that disease; and • enables Galapagos to rapidly analyze all of the drugable genome and select pharmaceutically tractable protein targets directly by their ability to regulate key disease biology. ***Galapagos' Strategy*** Key elements of the Company's strategy include: • **Rapidly advance the development of filgotinib in RA and CD**. Galapagos announced topline results after 12 weeks of treatment in the DARWIN 1 trial on April 14, 2015 and topline results after 12 weeks of treatment in the DARWIN 2 trial on April 27, 2015. Galapagos expects to announce final results from 24 weeks of treatment in both DARWIN 1 and 2 trials in July 2015. Pending a successful outcome of these trials, Galapagos expects to initiate a global Phase 3 clinical program in RA in the first half of 2016. Galapagos expects the 10 week results of FITZROY, the Company's 180-patient, 20-week trial of filgotinib in subjects with CD, in the second half of 2015. Pending a successful outcome of the FITZROY trial, Galapagos expects to initiate a global Phase 3 clinical program in CD. Galapagos expects a licensing decision by AbbVie in the second half of 2015 after delivery of a complete data package from the DARWIN 1 and 2 trials. • **Collaborate with Galapagos' partner AbbVie to develop a CF franchise of oral therapies comprised of novel potentiators and correctors**. Galapagos expects topline results from its Phase 1 trial with potentiator GLPG1837 in the third quarter of 2015. Pending a successful outcome from this trial, Galapagos intends to initiate a Phase 2a trial with GLPG1837 in Class III (G551D) patients in the second half of 2015. For the potential triple combination therapy to treat Class II (F508del) patients, Galapagos expects to combine GLPG1837 with its novel corrector, GLPG 2222, and an additional novel corrector for which it expects to initiate pre-clinical development in the first half of 2015. By the middle of 2015, Galapagos expects to have all three components of this therapy in development. • **Advance GLPG1205 Phase 2a proof-of-concept trial in UC**. Galapagos expects topline data from its ORIGIN Phase 2a trial with GLPG1205 in the first half of 2016. GLPG1205 is fully proprietary to Galapagos, and Galapagos intends to develop this drug further independently. • **Advance GLPG1690 into a Phase 2 clinical trial in IPF.** In February 2015 Galapagos announced the results of a Phase 1 first-in-human trial of GLPG1690, a potent and selective inhibitor of autotaxin, or ATX. Galapagos is currently preparing a Phase 2a trial in IPF and intends to file a protocol for this trial with the regulatory authorities in Europe before the end of 2015. Galapagos currently retains worldwide development and commercialization rights for GLPG1690 and intends to develop this drug independently. • **Maximize and capture the value of Galapagos' target discovery platform**. Galapagos intends to continue to advance more clinical candidates in various therapeutic areas independently. Galapagos aims to select promising programs in specialty pharmaceutical and orphan indications for internal development and commercialization to capture greater value for shareholders and establish Galapagos as a fully integrated biotechnology company.
B.4a	***<u>Most significant recent trends affecting the Issuer and the industries in which it operates</u>*** ***Filgotinib in RA is a selective JAK1 inhibitor with a potential best-in-class product profile*** RA is a chronic autoimmune disease that affects almost 1% of the adult population worldwide and it

ultimately results in irreversible damage of the joint cartilage and bone. According to a December 2014 GlobalData PharmaPoint report, RA is a $15.6 billion market dominated by injectable, biological therapies. Despite the prevalence of biologics, mostly anti-tumor necrosis factor ("**TNF**"), therapies, there continues to be a considerable unmet need with regard to efficacy, safety, and convenience of use with existing treatments.

New oral therapies that target the JAK, signaling pathway are emerging; some JAK inhibitors, however, are associated with a range of side effects, including aberrations in LDL, cholesterol and red blood cell counts. Filgotinib is a novel oral inhibitor of JAK1. Due to its high selectivity for JAK1, Galapagos believes that filgotinib has the potential to offer RA patients improved efficacy and an improved side effect profile as compared to JAK inhibitors that are less selective for JAK1. Clinical trials to date have shown that filgotinib is well-tolerated, with absence of anemia, marginal increase of LDL cholesterol, shows promising activity in treating RA, and is easy to combine with other therapies. Its oral dosage makes it convenient for patient use.

Galapagos' second treatment focus area is IBD: filgotinib in CD with Phase 2 trial results expected in 2015, and GLPG1205 in Phase 2 addressing a novel target in UC

CD is an IBD of unknown cause, affecting up to 200 per 100,000 persons in North America. The market for CD therapies, across the 10 main healthcare markets, was approximately $3.2 billion in 2012, according to a January 2014 GlobalData PharmaPoint report. There are currently no highly effective oral therapies approved for CD and, similar to RA, treatment is dominated by injectable, biologic treatments including anti-TNF therapies. There continues to be a considerable unmet need with these existing treatments. Dysregulation of the JAK signaling pathway has also been associated with CD and the Company believes that filgotinib, with its high selectivity for JAK1, is a highly attractive candidate for the treatment of CD. By inhibiting JAK1 but not JAK2, unwanted effects such as anemia may be prevented. This absence of anemia is of particular importance to IBD patients, who frequently experience fecal blood loss. Filgotinib is currently in Phase 2 clinical development for CD and has shown favorable activity in pre-clinical models for IBD.

UC affected nearly 625,000 people in the United States in 2012, according to a December 2013 GlobalData EpiCast report. Although the introduction of anti-TNF biologics has improved the treatment of some patients, only 33% of patients will achieve long-term remission with such treatment, and many patients lose their response to treatment over time. The medical need for improved efficacy is high and likely could be achieved by a new mechanism of action. GLPG1205 is a selective inhibitor of GPR84, which the Company is exploring in the treatment of UC.

Galapagos' third treatment focus area is CF: an area of significant unmet medical need for which it is developing a three-product combination therapy

CF is a rare, life-threatening, genetic disease that affects the lungs and the digestive system, impacting approximately 80,000 patients worldwide with approximately 30,000 patients in the United States. The market for CF therapies, across the six main healthcare markets, exceeded $1 billion in 2012 and is expected to exceed $5 billion in 2018, according to a July 2014 GlobalData OpportunityAnalyzer report. The Class II mutation (out of six Classes) is present in about 90% of the CF patients, yet the only approved therapy for CF, Vertex Pharmaceuticals' Kalydeco, is for Class III mutations, representing only 4% of total CF patients.

For Class III CF patients Galapagos is developing a novel oral potentiator, GLPG1837, that it believes

could be a best-in-class therapy. For the largest patient group with Class II and other mutations, the Company believes that a combination of medicines will be required. To that aim, Galapagos plans to develop rapidly a triple combination therapy comprised of potentiator GLPG1837 and two corrector molecules. Galapagos believes that its CF combination therapy addresses unmet need in both homozygous and heterozygous Class II patients. Galapagos' pre-clinical data also suggest activity of its CF drugs in combination with mRNA, translation modulation drugs in the Class I mutation, the first indication of a broader spectrum of patients to be addressed with the Company's robust CF program.

Intellectual Property

The proprietary nature of, and protection for, Galapagos' product candidates, their methods of use, and Galapagos' platform technologies are an important part of Galapagos' strategy to develop and commercialize novel medicines. The Company has obtained patents relating to certain of its product candidates, and is pursuing additional patent protection for them and for its other product candidates and technologies. The Company also relies on trade secrets to protect aspects of its business that are not amenable to, or that it does not consider appropriate for, patent protection. Additionally, Galapagos has registered and unregistered trademarks, including among others its company name.

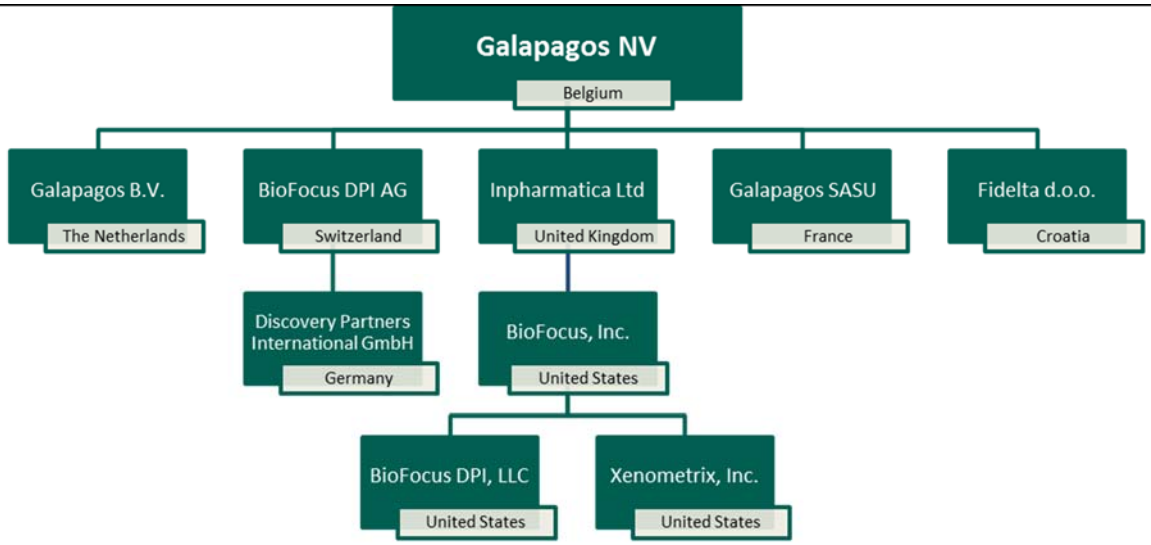
Galapagos' success will depend significantly on its ability to obtain and maintain patent and other proprietary protection for commercially important products, technologies, inventions and know-how related to its business and its ability to defend and enforce its patents, preserve the confidentiality of its trade secrets and operate without infringing the valid and enforceable patents and proprietary rights of third parties. Galapagos also relies on knowhow, continuing technological innovation and in-licensing opportunities to develop, strengthen and maintain the proprietary position of its development programs.

The biotechnology and pharmaceutical industries are characterized by extensive litigation regarding patents and other intellectual property rights. Galapagos' ability to maintain and solidify its proprietary position for its product candidates and technology will depend on its success in obtaining effective claims and enforcing those claims once granted. Galapagos does not know whether any of the patent applications that it may file or license from third parties will result in the issuance of any patents. The issued patents that Galapagos owns or may receive in the future, may be challenged, invalidated or circumvented, and the rights granted under any issued patents may not provide Galapagos with proprietary protection or competitive advantages against competitors with similar technology. Furthermore, Galapagos' competitors may be able to independently develop and commercialize similar drugs or duplicate Galapagos' technology, business model or strategy without infringing Galapagos' patents. Because of the extensive time required for clinical development and regulatory review of a drug the Company may develop, it is possible that, before any of its product candidates can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby reducing any advantage of any such patent.

Competition

Galapagos' industry is highly competitive and subject to rapid and significant change. While Galapagos believes that its development and commercialization experience, scientific knowledge and industry relationships provide it with competitive advantages, Galapagos faces competition from pharmaceutical, medical device and biotechnology companies, including specialty pharmaceutical companies, and generic drug companies, academic institutions, government agencies and research institutions.

	In the field of RA, the US Food and Drug Administration ("**FDA**") approved in November 2012 Xeljanz marketed by Pfizer, which positions it as the first and only JAK inhibitor approved for commercial sale in the U.S. Galapagos is aware of other JAK inhibitors being developed and expected to be approved in the near future (e.g. JAK 1/2 inhibitor baricitinib being developed by Lilly and expected to be approved as early as 2016 or a JAK 3/2/1 inhibitor, ASP015k being developed by Astellas and a selective JAK 1 inhibitor called ABT-494 which is being developed by AbbVie). Galapagos' RA treatment product will compete with all of these therapies. If generic or biosimilar versions of these therapies are approved, Galapagos also expects to compete against these versions of the therapies. In the field of IBD, first-line therapies are oral treatments with several low-cost generic compounds, but monoclonal antibodies have also been approved. Galapagos is aware of other biologics in clinical development such as ustekinumab in Phase 3 clinical trials (Johnson & Johnson), RPC1063 in Phase 2 clinical trials (Receptos) or Xeljanz (Pfizer). The large number of treatments with regard to IBD implies substantial competition for Galapagos' possible treatment in this respect. Finally, in the field of CF, all but one of the approved therapies to treat CF patients have been designed to treat the symptoms of the disease rather than its cause. Kalydeco, marketed by Vertex, is currently the only approved therapy to address the cause of CF. Kalydeco treats patients with a Class III (G551D) mutation of the CFTR gene. Vertex is also developing lumacaftor, a corrector molecule that is intended to address a broader patient population, including patients with a Class II (F508del) mutation of the CFTR gene. Vertex has submitted a combination product (Kalydeco + lumacaftor) for approval in Europe and the United States, and this could be approved as early as 2015. Galapagos is also aware of other companies, including Novartis, Nivalis Therapeutics and Proteostasis Therapeutics, and non-for-profit organizations like Flatley Discovery Lab, which are actively developing drug candidates for the treatment of CF and are thus likely to compete with Galapagos' treatments for CF. Many of Galapagos' competitors have significantly greater financial, technical and human resources than Galapagos has. Mergers and acquisitions in the pharmaceutical, medical device and biotechnology industries may result in even more resources being concentrated among a smaller number of Galapagos' competitors. Galapagos' commercial opportunity could be reduced or eliminated if its competitors develop or market products or other novel therapies that are more effective, safer or less costly than its current or future product candidates, or obtain regulatory approval for their products more rapidly than Galapagos may obtain approval for its product candidates. Galapagos' success will be based in part on its ability to identify, develop and manage a portfolio of product candidates that are safer and more effective than competing products.
B.5	***Issuer group and Issuer's position within the group*** The diagram below is a simplified version of the corporate structure of Galapagos and the group of which Galapagos forms part ("**Galapagos Group**") at the date of this Prospectus. All stakes are 100% stakes.



B.6 **Major shareholders**

The following table sets forth information with respect to the beneficial ownership of the Company's ordinary shares as of March 31, 2015 for each person who, to the best of the Company's knowledge, is known to own beneficially more than 5% of the outstanding ordinary shares. Each of the Company's shareholders is entitled to one vote per ordinary share.

Name of Beneficial Owner	Shares Beneficially Owned Prior to the Offering	
	Number	Percentage
> 5% Shareholders:		
Johnson & Johnson	2,350,061 (1)(2)	7.61
Van Herk Investments B.V.	1,586,727 (1)(3)	5.14
The Capital Group Companies, Inc.	1,554,436 (1)(4)	5.04

(1) At the time of the most recent transparency notification.

(2) Consists of (a) 1,113,964 shares held by Tibotec-Virco Comm. VA and (b) 1,236,097 shares held by Crucell Holland B.V. Johnson & Johnson is the ultimate controlling person of these entities.

(3) Consists of 1,586,727 shares held by Van Herk Investments B.V. Adrianus van Herk is the controlling person of this entity and has sole voting and investment power with respect to the shares held by this entity.

(4) Consists of 1,554,436 shares held directly by Capital Research and Management Company. The Capital Group Companies, Inc. is the controlling entity of this entity.

B.7 **Selected historical financial information**

The following tables set forth Galapagos' summary consolidated financial information as of and for the periods ended on the dates indicated below. The summary financial information as of December 31, 2012, 2013 and 2014, and for the years then ended has been derived from the Company's audited consolidated financial statements for the years ended December 31, 2012, 2013 and 2014.

Galapagos' consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board, and as adopted by the European Union. The Company's historical results are not necessarily indicative of the results to be expected in the future.

Consolidated Statement of Operations:	**Year Ended December 31,**		
	2014	**2013 (*)**	**2012 (*)**
	(Euro, in thousands, except share and per share data)		
Revenues	€ 69,368	€ 76,625	€ 74,504
Other income	20,653	19,947	17,722
Total revenues and other income	**90,021**	**96,572**	**92,226**
Services cost of sales	-	-	(5,584)
Research and development expenditure	(111,110)	(99,380)	(80,259)
General and administrative expenses	(13,875)	(12,353)	(12,118)
Sales and marketing expenses	(992)	(1,464)	(1,285)
Restructuring and integration costs	(669)	(290)	(2,506)
Operating loss	**(36,624)**	**(16,915)**	**(9,526)**
Finance income	1,424	780	1,927
Loss before tax	**(35,201)**	**(16,135)**	**(7,599)**
Income taxes	(2,103)	(676)	164
Net loss from continuing operations	**(37,303)**	**(16,811)**	**(7,435)**
Net income from discontinued operations	**70,514**	**8,732**	**1,714**
Net income / loss (-)	**€ 33,211**	**€ (8,079)**	**€ (5,721)**
Net income / loss (-) attributable to:			
Owners of the parent	33,211	(8,079)	(5,721)
Basic and diluted income / loss (-) per share	**€ 1.10**	**€ (0.28)**	**€ (0.22)**
Basic and diluted loss per share from continuing operations	**€ (1.24)**	**€ (0.58)**	**€ (0.28)**
Weighted average number of shares (in '000 shares)	30,108	28,787	26,545

(*) Reclassification of the service division to the discontinued operations

Condensed consolidated statement of financial position:

	December 31,		
	2014	2013 (*)	2012 (*)
	(Euro, in thousands)		
Cash and cash equivalents	€ 187,712	€ 138,175	€ 94,369
Total Assets	**270,467**	**287,374**	**235,329**
Total Equity	**206,135**	**167,137**	**118,447**
Total non-current liabilities	3,976	7,678	7,868
Total current liabilities	60,356	112,559	109,014
Total Liabilities	**64,332**	**120,237**	**116,882**
Total Liabilities and Equity	**€ 270,467**	**€ 287,374**	**€ 235,329**

(*) As of and for the year ended December 31, 2013 and 2012, €3,306 thousand and €278 thousand of Galapagos' cash and cash equivalents were reclassified to restricted cash and separately presented in Galapagos' Statement of Financial Position, respectively.

Condensed Consolidated Statement of Cash Flows:

	Year Ended December 31,		
	2014	2013 (*)	2012 (*)
	(Euro, in thousands)		
Cash and cash equivalents at beginning of the period	**€ 138,175**	**€ 94,369**	**€ 32,277**
Net cash flows generated / used (-) in operating activities	(75,555)	1,846	65,873
Net cash flows generated / used (-) in investing activities	120,606	(11,988)	(6,437)
Net cash flows generated in financing activities	4,214	54,495	2,265
Effect of exchange rate differences on cash and cash equivalents	271	(548)	391
Cash and cash equivalents at end of the period	**€ 187,712**	**€ 138,175**	**€ 94,369**

(*) Reclassification of €1.3 million and €1.8 million interests received from financing cash flow to operating cash flow for the years ended December 31, 2013 and 2012 respectively. Also, as of and for the year ended December 31, 2013 and 2012, €3,306 thousand and €278 thousand of Galapagos' cash and cash equivalents were reclassified to restricted cash and separately presented in Galapagos' Statement of Financial Position, respectively. Corresponding corrections were made to Galapagos' Statement of Cash Flows to correct cash and cash equivalents and to present changes in restricted cash balances as cash flows from investing activities.

Operating losses from continuing operations have increased from €9.5 million to €16.9 million and €36.6 million for the year ended 2012, 2013 and 2014 respectively. This increase is principally the result of higher investments in the development of Galapagos' mid-stage product candidates filgotinib, GLPG1205, and GLPG1690, and increased spending to accelerate the cystic fibrosis program with AbbVie. This planned increase was driven by the maturing R&D pipeline and the resulting costs of clinical trials.

Galapagos' service division was sold to Charles River Laboratories International, Inc. ("**Charles River**") on April 1, 2014 and has been reported as discontinued operations.

Net income amounting to €33.2 million for the year ended December 31, 2014 was mainly driven by the €67.5 million gain on disposal of Galapagos' service division, hence explaining its net income realized compared to net losses in previous periods in the overview of historical key financial information.

Significant changes to Galapagos' financial condition are related to increases in cash and cash equivalents for the consecutive periods covered, which is the key driver for subsequent increases in total assets. Galapagos has funded its operations through public and private placements of equity securities, upfront and milestone payments received from pharmaceutical partners under its collaboration and alliance agreements, payments under its fee-for-service contracts, funding from governmental bodies, in-

	terest income as well as the net proceeds from the sale of its service division. Increases in total equity are primarily related to a capital increase through private placement in 2013 and a decrease of accumulated losses in 2014 due to net income resulting from the sale of the service division. The decrease in total liabilities on December 31, 2014 compared to December 31, 2013 is principally related to a decrease of deferred income (mainly resulting from revenue recognition of upfront payments).
B.8	**Selected key pro forma financial information** Not applicable. No pro forma information is included in the Prospectus.
B.9	**Forecast or estimate of the profit** Not applicable. No profit forecasts or estimates are included in the Prospectus.
B.10	**Qualification of the auditor** Not applicable. There are no qualifications in the auditor's reports on the historical financial information.
B.11	**Working capital statement** The Company is of the opinion that it has sufficient working capital to meet its present working capital expenditure requirements for at least the next 12 months following the date of this Prospectus.
Section C — Securities	
C.1	**Type and class of the securities being admitted to trading** The admission to listing and trading (the "**Listing**") on the regulated markets operated by Euronext Brussels and Euronext Amsterdam ("**Euronext Brussels**" and "**Euronext Amsterdam**", respectively) will comprise 6,550,000 new ordinary shares in the share capital of Galapagos (the "**New Shares**") and 982,499 new ordinary shares in the share capital of Galapagos (the "**Additional Shares**"). The Listing follows (i) the public offering in the United States of America of the New Shares and the Additional Shares in the form of American Depositary Shares ("**ADSs**") (the "**US Offering**"), (ii) the private placement of the New Shares and the Additional Shares to other unspecified institutional and professional investors in or from other countries or jurisdictions where such offering is permitted in compliance with any applicable rules and regulations of such country or jurisdiction (the "**Private Placement**") and (iii) the listing of the ADSs on the NASDAQ Global Select Market under the symbol "GLPG" on May 14, 2015 (together, the "**Offering**").

	The following security codes are used in relation to the Listing: ISIN: BE0003818359 NASDAQ Global Select Market Symbol: "GLPG" Euronext Brussels and Euronext Amsterdam Symbol: "GLPG"
C.2	**Currency of the securities issue** The New Shares and the Additional Shares will be traded in US dollars on the NASDAQ Global Select Market in the form of American Depositary Shares ("**ADSs**") and in euros on Euronext Brussels and Euronext Amsterdam.
C.3	**Share capital** Immediately prior to the Listing, the Company's share capital will amount to €207,747,029.16 (excluding issuance premium), represented by 38,403,176 fully paid up ordinary shares, without nominal value. In addition, as per April 30, 2015, there are 3,019,305 outstanding warrants (i.e. warrants that have been granted and accepted and that have not yet become null and void for any reason as per April 30, 2015). In accordance with the terms and conditions of the warrant plans under which they were issued, upon exercise, the outstanding warrants entitle the warrant holders to one new share in the Company per exercised warrant, being a total of 3,019,305 new shares in the Company in case all 3,019,305 outstanding warrants are exercised. In addition, Galapagos may issue up to 625,740 new warrants with an exercise price of €28.75 per warrant to its employees, directors and an independent consultant under the warrant plan 2015 ("**Warrant Plan 2015**") created on April 30, 2015, subject to acceptance by the plan's beneficiaries.
C.4	**Rights attached to the securities** All shares, including the New Shares and the Additional Shares have the same rights as provided for in the Company's articles of association and Belgian Companies Code. - **Dividend rights**. All shares, including the New Shares and the Additional Shares, participate in the same manner in the Company's profits (if any). - **Voting rights**. Each shareholder is entitled to one vote per share. Voting rights can be suspended in certain circumstances. - **Right to attend shareholders' meetings**. Subject to certain formalities being met, each shareholder is entitled to attend any shareholders' meeting of the Company. Subject to certain conditions being met, one or more shareholders may request for items to be added to the agenda and submit proposed resolutions in relation to existing agenda items. In general, there is no quorum requirement for a shareholders' meeting and decisions are generally passed with a simple majority of the votes of the shares present and represented. Special quorum requirements apply to, among others, capital increases not decided by the Company's board of directors within the framework of the authorized capital, decisions with respect to the Company's dissolution or the redemption or sale of the Company's shares, certain reorganizations of the Company and amendments to the Company's articles of

	association. - **Preferential subscription rights**. In the event of a capital increase in cash with issuance of new shares, or in the event of an issuance of convertible bonds or warrants, the existing shareholders have a preferential right to subscribe to the new shares, convertible bonds or warrants, pro rata of the part of the share capital represented by the shares that they already have. The shareholders' meeting and, within the framework of the authorized capital, the Company's board of directors can decide to limit or cancel this preferential subscription right, subject to special reporting requirements. - **Liquidation rights**. After payment of all obligations of the Company, debts, expenses and liquidation costs, the proceeds of the liquidation are distributed pro rata amongst all shareholders, in proportion to their shareholding. - **Buy-back of shares**. In accordance with its articles of association and the Belgian Companies Code, the Company can only purchase and sell its own shares by virtue of a special shareholders' resolution. The prior approval by the shareholders is not required if the Company purchases its shares to offer them to its personnel. - **Rights attached to American Depositary Shares**. Holders of ADSs are not treated as shareholders of the Company, unless they withdraw the ordinary shares underlying the ADSs. A holder of ADSs will have the rights and obligations as set out in the deposit agreement entered into between the Company, the depositary and the holders of ADSs, pursuant to which a holder of ADSs shall benefit from rights attached to the underlying ordinary shares represented by the ADSs through the depository. The terms and conditions of the ADSs are also endorsed on physical certificates issued to investors should they elect to hold ADSs in certificated form. For more information on the ADSs, investors are advised to contact the depositary, i.e. Citibank N.A., whose depositary offices are located at 388 Greenwich Street, New York, New York 10013, United States.
C.5	**<u>Restrictions on the free transferability of the securities</u>** All shares, including the New Shares and the Additional Shares, are freely transferable. *US restrictions:* The New Shares and the Additional Shares offered in the US Offering, preceding the Listing, will be freely tradable without restriction or further registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), except that any ordinary shares purchased by the Company's "affiliates" (as defined under Rule 144 under the Securities Act, "**Rule 144**") may only be sold in compliance with the limitations of Rule 144. *Lock-up Agreements*: The Company, its directors and members of the executive committee have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC, they will not (subject to limited exceptions including, but not limited to the transfer to an immediate family member, by order of a court of competent jurisdiction) during the period ending 90 days after the date of the US Prospectus, directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly any ordinary shares, any ADSs or any securities convertibles into or exercisable or exchangeable for ordinary shares or ADSs.

C.6	**<u>Application for admission to trading on a regulated market</u>** An application has been made for admission to listing and trading of the New Shares and the Additional Shares on Euronext Brussels and Euronext Amsterdam.
C.7	**<u>Dividend policy</u>** The Company has never declared or paid any cash dividends on its ordinary shares. The Company does not anticipate paying cash dividends on its ordinary shares in the foreseeable future and intends to retain all available funds (if any) and any future earnings for use in the operation and expansion of its business. In general, distributions of dividends proposed by the board of directors require the approval of the Company's shareholders' meeting with a simple majority vote, although the Company's board of directors may declare interim dividends without shareholder approval, subject to the terms and conditions of the Belgian Companies Code.
Section D — Risks	
D.1	**<u>Risks relating to Galapagos' business and industry</u>** **Risks Related to Galapagos' Financial Position and Need for Additional Capital** ***Galapagos is a clinical-stage company with no approved products and no historical product revenues, which makes it difficult to assess Galapagos' future prospects and financial results.*** Galapagos is a clinical-stage biotechnology company and has not yet generated any product income. The Company's operations to date have been limited to developing its technology and undertaking preclinical studies and clinical trials of its product candidates. The ability of the Company to predict its future operating results or business prospects is more limited than if it had a longer operating history or approved products on the market. ***Galapagos has incurred significant losses since its inception and anticipates that it will continue to incur significant losses for the foreseeable future. Galapagos has never generated any revenue from product sales and may never be profitable.*** Galapagos has incurred significant operating losses since its inception. The Company expects to continue incurring significant research, development and other expenses related to its ongoing operations, and to continue incurring losses for the foreseeable future. The Company does not anticipate generating revenues from sales of products for the foreseeable future, if ever. Because of the numerous risks and uncertainties associated with pharmaceutical product development, Galapagos is unable to predict the timing or amount of expenses and when it will be able to achieve or maintain profitability, if ever. ***Galapagos will require substantial additional funding, which may not be available to it on acceptable terms, or at all.*** Galapagos will require substantial additional future capital in order to complete clinical development and, if Galapagos is successful, to commercialize any of its current product candidates. Because the

successful development of its product candidates is uncertain, Galapagos is unable to estimate the actual funds it will require to complete research and development and commercialize its product candidates. Additional funding may not be available to Galapagos on acceptable terms, or at all.

Raising additional capital may cause dilution to Galapagos' existing shareholders, restrict Galapagos' operations or require Galapagos to relinquish rights to its product candidates or technologies.

To the extent that Galapagos raises additional capital through the sale of equity or convertible debt securities, the investors' ownership interest will be diluted. The incurrence of additional indebtedness and/or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in certain additional restrictive covenants that could adversely impact Galapagos' ability to conduct its business. In the event that Galapagos enters into collaborations and/or licensing arrangements in order to raise capital, it may be required to accept unfavorable terms, including relinquishing or licensing to a third party on unfavorable terms its rights to technologies or product candidates.

Risks Related to Product Development, Regulatory Approval and Commercialization

Galapagos is heavily dependent on the success of its product candidate filgotinib and its other product candidates, such as GLPG1837 and GLPG1205.

Galapagos' business and future success is substantially dependent on its ability to develop successfully, obtain regulatory approval for, and then successfully commercialize its product candidate filgotinib and its other product candidates, such as GLPG1837 and GLPG1205. Galapagos is not permitted to market or promote any of its product candidates before it receives regulatory approval from the FDA, the European Medicines Agency ("**EMA**") or any other comparable regulatory authority, and Galapagos may never receive such regulatory approval for any of its product candidates. Galapagos cannot assure investors that its clinical trials for filgotinib, GLPG1837 or GLPG1205 will be completed in a timely manner, or at all. If any of filgotinib, GLPG1837, GLPG1205 or any future product candidate is not approved and commercialized, Galapagos will not be able to generate any product revenues for that product candidate.

Due to Galapagos' limited resources and access to capital, Galapagos must and has in the past decided to prioritize development of certain product candidates; these decisions may prove to have been wrong and may adversely affect its revenues.

The regulatory approval processes of the FDA, the EMA and other comparable regulatory authorities are lengthy, time consuming and inherently unpredictable, and if Galapagos is ultimately unable to obtain regulatory approval for its product candidates, its business will be substantially harmed.

Filgotinib, if approved, may be subject to box warnings, labelling restrictions or dose limitations in certain jurisdictions, which could have a material adverse impact on Galapagos' ability to market filgotinib in these jurisdictions.

Clinical development is a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials as well as data from any interim analysis of ongoing clinical trials may not be predictive of future trial results. Clinical failure can occur at any stage of clinical development. Galapagos has never completed a Phase 3 trial or submitted a New Drug Application ("NDA").

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. If Galapagos experiences delays in the completion of, or termination of, any clinical trial of its product candidates, the commercial prospects of its product candidates will be harmed, and its ability to generate product revenues from any of these product candidates will be delayed. If filgotinib, GLPG1837, GLPG1205 or any other product candidate is found to be unsafe or lack efficacy, Galapagos will not be able to obtain regulatory approval for it and its business would be materially harmed.

The rates at which Galapagos completes its scientific studies and clinical trials depend on many factors, including, but are not limited to, patient enrolment.
Patient enrolment is a significant factor in the timing of clinical trials and is affected by many factors including competing clinical trials, clinicians' and patients' perceptions as to the potential advantages of the drug being studied in relation to other available therapies and the relatively limited number of patients. Any of these occurrences may harm Galapagos' clinical trials and by extension, its business, financial condition and prospects.

Galapagos may not be successful in its efforts to use and expand its novel, proprietary target discovery platform to build a pipeline of product candidates.

Galapagos faces significant competition for its drug discovery and development efforts, and if it does not compete effectively, its commercial opportunities will be reduced or eliminated.
The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. Galapagos' competitors may develop drug products that render its products obsolete or non-competitive by developing more effective drugs or by developing their products more efficiently. In addition, Galapagos' ability to develop competitive products would be limited if its competitors succeeded in obtaining regulatory approvals for drug candidates more rapidly than Galapagos were able to or in obtaining patent protection or other intellectual property rights that limited Galapagos' drug development efforts. See also Section B.4 "Competition".

Galapagos' product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.
Undesirable side effects caused by Galapagos' product candidates could cause Galapagos or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA, the EMA or other comparable regulatory authorities. The drug-related side effects could affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm Galapagos' business, financial condition and prospects significantly.

Risks Related to Galapagos' Reliance on Third Parties

Galapagos may not be successful in maintaining development and commercialization collaborations, and any partner may not devote sufficient resources to the development or commercialization of Galapagos' product candidates.
The collaboration arrangements that Galapagos has established, and any collaboration arrangements that it may enter into in the future may not ultimately be successful, which could have a negative impact on its business, results of operations, financial condition and growth prospects. It is possible that a partner

may not devote sufficient resources to the development or commercialization of Galapagos' product candidate or may otherwise fail in development or commercialization efforts, in which event the development and commercialization of such product candidate could be delayed or terminated and Galapagos' business could be substantially harmed.

Galapagos relies on third parties to conduct its pre-clinical studies and clinical trials.
Galapagos has relied upon and plans to continue to rely upon contract research organizations ("**CROs**") to monitor and manage data for its pre-clinical and clinical programs. Galapagos and its CROs also rely upon clinical sites and investigators for the performance of its clinical trials in accordance with the applicable protocols and applicable legal, regulatory and scientific standards. If CROs do not successfully carry out their contractual duties or obligations or meet quality standards, regulatory requirements or expected, Galapagos' clinical trials may be extended, delayed or terminated and Galapagos may not be able to obtain regulatory approval for or successfully commercialize its product candidates.

Galapagos relies on clinical data and results obtained by third parties that could ultimately prove to be inaccurate or unreliable.
As part of its strategy to mitigate development risk, Galapagos seeks to develop product candidates with validated mechanisms of action and it utilizes biomarkers to assess potential clinical efficacy early in the development process. This strategy necessarily relies upon clinical data and other results obtained by third parties. If the third-party data and results Galapagos relies upon prove to be inaccurate, unreliable or not applicable to its product candidates, Galapagos could make inaccurate assumptions and conclusions about its product candidates and its research and development efforts could be materially adversely affected.

Risks Related to Galapagos' Intellectual Property

Galapagos' ability to compete may decline if Galapagos does not adequately protect its proprietary rights.
Galapagos' commercial success depends on obtaining and maintaining proprietary rights to its product candidates, as well as successfully defending these rights against third party challenges. Galapagos will only be able to protect its product candidates, and their uses from unauthorized use by third parties to the extent that valid and enforceable patents, or effectively protected trade secrets, cover them. If Galapagos fails to maintain to protect or to enforce its intellectual property rights successfully, its competitive position could suffer, which could harm the Company's results of operations.

Pharmaceutical patents and patent applications involve highly complex legal and factual questions, which, if determined adversely to Galapagos, could negatively impact its patent position.
The patent positions of biotechnology and pharmaceutical companies can be highly uncertain and involve complex legal and factual questions. The interpretation and breadth of claims allowed in some patents covering pharmaceutical compositions may be uncertain and difficult to determine, and are often affected materially by the facts and circumstances that pertain to the patented compositions and the related patent claims. The standards of the United States Patent and Trademark Office, or ("**USPTO**"), the European Patent Office, and other foreign counterparts are sometimes uncertain and could change in the future. If Galapagos fails to obtain and maintain patent protection and trade secret protection of its product candidates, it could lose its competitive advantage and competition the Company faces would increase, reducing any potential revenues and adversely affecting its ability to attain or maintain profita-

bility.

Galapagos will not seek to protect its intellectual property rights in all jurisdictions throughout the world and Galapagos may not be able to adequately enforce its intellectual property rights even in the jurisdictions where Galapagos seeks protection.
Filing, prosecuting and defending patents on Galapagos' product candidates in all countries and jurisdictions throughout the world would be prohibitively expensive, and Galapagos' intellectual property rights in some countries could be less extensive than those in the United States and Europe. Consequently, Galapagos may not be able to prevent third parties from practicing its inventions in all countries, or from selling or importing products made using Galapagos' inventions.

Risks Related to Galapagos' Organization, Structure and Operation

Galapagos' future success depends on its ability to retain the members of its executive committee and to attract, retain and motivate qualified personnel. If Galapagos is not successful in attracting and retaining highly qualified personnel, it may not be able to successfully implement its business strategy.

If Galapagos is unable to use tax loss carryforwards to reduce future taxable income or benefit from favorable tax legislation, Galapagos' business, results of operations and financial condition may be adversely affected.
At December 31, 2013, Galapagos had cumulative carry forward tax losses in Belgium, in France and related to the other entities of the Galapagos Group. These are available to carry forward and offset against future taxable income for an indefinite period in Belgium and France, but certain of these tax loss carryforwards in Switzerland, Croatia, the US and The Netherlands will expire between 2014 and 2028. If Galapagos is unable to use tax loss carryforwards to reduce future taxable income, its business, results of operations and financial condition may be adversely affected. As a company active in research and development in Belgium and France, Galapagos has benefited from certain research and development incentives. If the Belgian and/or the French government decide to eliminate, or reduce the scope or the rate of, the research and development incentive benefit, either of which it could decide to do at any time, Galapagos' results of operations could be adversely affected. As a company active in research and development in Belgium, Galapagos also expects to benefit in the future from the “patent income deduction” initiative in Belgium. If, however, there are unexpected adverse changes to the Belgian “patent income deduction” initiative, or Galapagos is unable to qualify for such advantageous tax legislation, its business, results of operations and financial condition may be adversely affected.

Galapagos may be forced to repay the technological innovation grants if Galapagos fails to comply with its contractual obligations under the applicable grant agreements.
Galapagos has received several technological innovation grants to date, to support various research programs from an agency of the Flemish government to support technological innovation in Flanders. If Galapagos fails to comply with its contractual obligations under the applicable technological innovation grant agreements, Galapagos could be forced to repay all or part of the grants received. Such repayment could adversely affect the Company's ability to finance its research and development projects.

If a claim is introduced by Charles River with regard to Galapagos' former service division, Galapagos' results of operations and financial condition may be adversely affected.
On March 13, 2014, Galapagos announced the signing of a definitive agreement to sell the service divi-

	sion to Charles River. Approximately 5% of the total price consideration, including price adjustments, is being held in an escrow account which will be released on June 30, 2015 if no further claims have been made by Charles River. As a rule, if Charles River makes a claim with respect to the sale of the service division, Galapagos could incur significant costs and expenses associated with the claim.
D.3	**<u>Risks relating to the Shares</u>** ***No guarantee for active trading market and the value of the New Shares and Additional Shares may decrease.*** If an active trading market for the shares fails to develop or be sustained, this could influence the price of the New Shares and Additional Shares. The value of the New Shares and Additional Shares may decrease and potentially drop below the issue price as a result of market fluctuations, factors relating to the Galapagos Group's activities and results, or economic and political conditions. Stock markets have in the recent past experienced extreme price and volume fluctuations, which were not always related to the performance of the companies involved. ***Shareholders in countries with currencies other than the euro face additional investment risks from currency exchange rate fluctuations.*** ***Galapagos has no present intention to pay dividends on its ordinary shares.*** Galapagos has no present intention and no obligation to pay dividends in the foreseeable future. ***Double withholding taxation for dividends or other distributions.*** Shareholders residing in countries other than Belgium may not be able to credit the amount of Belgian withholding tax to any tax due on dividends or distribution in any country other than Belgium. As a result, they may be subject to double taxation. ***Takeover provisions in Belgian law may make a takeover difficult.*** There are several provisions of Belgian Company law and certain other provisions of Belgian law, such as the obligation to disclose important shareholdings and merger control, that may apply to the Company and which may make an unfriendly tender offer, merger, change in management or other change in control, more difficult. These provisions could discourage potential takeover attempts that third parties may consider and thus deprive the shareholders of the opportunity to sell their shares at a premium (which is typically offered in the framework of a takeover bid). ***Galapagos may not be able to complete equity offerings without cancellation or limitation of the preferential subscription rights of its existing shareholders, which may as a practical matter preclude Galapagos from timely completing offerings.*** Absent renewal by the Company's shareholders of the authorization of the board to increase the capital (possibly with cancellation or limitation of the preferential subscription rights) or absent cancellation or limitation by the Company's shareholders of the preferential subscription rights of the existing shareholders, the requirement to offer Galapagos' existing shareholders the preferential right to subscribe, *pro rata*, for new shares being offered may as a practical matter preclude Galapagos from timely raising capital on commercially acceptable terms or at all. ***Shareholders may not be able to participate in equity offerings Galapagos may conduct from time to***

	time. Certain shareholders, including those in the United States, may, even in the case where preferential subscription rights have not been cancelled or limited, not be entitled to exercise such rights, unless the offering is registered or the shares are qualified for sale under the relevant regulatory framework. As a result, there is the risk that investors may suffer dilution of their shareholdings should they not be permitted to participate in preference right equity or other offerings that Galapagos may conduct in the future. ***All securities investments involve the risk of loss of capital.*** Galapagos' results may not meet the expectations analysts have predicted. ***Future sales of ordinary shares by existing shareholders could depress the market price of Galapagos' shares.*** Sales of substantial numbers of shares could lead to a drop in the market price of the shares issued by Galapagos. ***Securities from companies active in the biotech sector are highly volatile.*** The biotech sector is characterized by share price volatility due to the dependence on research hopes and final outcomes. A number of factors may significantly affect the market price of the shares. ***Future issuances of shares or warrants may affect the market price of the shares and could dilute the interests of existing shareholders.*** Galapagos may decide to raise capital in the future through public or private offerings of equity securities, convertible debt or rights to acquire these securities. Galapagos may decide to exclude or limit the preferential subscription rights attached to the then outstanding securities in accordance with applicable law. If Galapagos raises significant amounts by these or other means, it could cause dilution for the holders of its securities and could have a negative impact on the share price, earnings per share and net asset value per share. In addition, the dilution from issue and exercise of warrants could adversely affect the price of shares.
Section E — Offer	
E.1	**<u>Total net proceeds and estimates of total expenses of the issue/offer</u>** Galapagos estimates the net proceeds of the Offering approximately amount to €259.7 million, after deducting underwriting discounts and commissions and estimated offering expenses payable by Galapagos. The total expenses of the Offering and Listing are estimated at €2.9 million and include amongst other, fees due to regulatory authorities, legal and administrative costs, accounting fees and expenses, …
E.2a	**<u>Reasons for the offer, use of proceeds, estimated net amount of proceeds</u>** The principal purposes of the Offering are to increase Galapagos' financial flexibility to advance its clinical pipeline, create a public market for its securities in the United States and facilitate its future

access to the U.S. public equity markets. Galapagos currently expects to use the net proceeds from the Offering as follows:

- approximately $80 million to advance its CF program combination therapy (GLPG1837, GLPG2222 and a second corrector candidate expected to be identified later in 2015) in CF until the end of Phase 2 clinical development;

- approximately $65 million to advance its IBD program (GLPG1205) until the end of Phase 2 clinical development; and

- approximately $30 million to advance the discovery and development of its earlier stage programs, including its IPF program (GLPG1690).

Galapagos expects to use the remainder of any net proceeds from the Offering for working capital and other general corporate purposes. It may also use a portion of the net proceeds to in-license, acquire or invest in complementary technologies, products or assets either alone or together with a collaboration partner. However, Galapagos has no current plan, commitments or obligations to do so.

Based on its current operational plans and assumptions, Galapagos expects that the net proceeds from the Offering, combined with its current operating capital, will be sufficient to support the advancement of its research and development programs until the end of 2017. However, there can be no assurance that these expectations will be correct.

Galapagos currently has no specific plans as to how the net proceeds from the Offering will be allocated beyond the uses specified above, and therefore management will retain discretion to allocate the remainder of the net proceeds of the Offering among these uses.

This expected use of the net proceeds from the Offering represents Galapagos' intentions based upon its current plans and business conditions. As of the date of the US Prospectus, Galapagos cannot predict with certainty all of the particular uses for the net proceeds to be received upon the completion of the Offering or the amounts that it will actually spend on the uses set forth above. The amounts and timing of its actual expenditures and the extent of clinical development may vary significantly depending on numerous factors, including the progress of its development efforts, the status of and results from preclinical studies and any ongoing clinical trials or clinical trials Galapagos may commence in the future, as well as any collaborations that Galapagos may enter into with third parties for its product candidates and any unforeseen cash needs. For example, in the event that AbbVie does not elect to in-license filgotinib in the second half of 2015 under Galapagos' collaboration agreement with AbbVie, Galapagos may elect to use a portion of the net proceeds from the Offering to advance filgotinib on its own. As a result, Galapagos' management will retain broad discretion over the allocation of the net proceeds from the Offering.

Pending Galapagos' use of the net proceeds from the Offering, Galapagos intends to invest the net proceeds in a variety of capital preservation investments, including short-term, investment-grade, interest-bearing instruments.

E.3	**Terms and conditions of the offer** Not applicable. There will not be a public offering in the EEA. However, it should be noted that the US Offering consists of New Shares and Additional Shares in the form of ADSs. Each ADS represents the right to receive, and to exercise the beneficial ownership interests in, one ordinary share on deposit with the custodian. An ADS also represents the right to receive, and to exercise the beneficial interests in, any other property received by the depositary or the custodian on behalf of the owner of the ADS but that has not been distributed to the owners of ADSs because of legal restrictions or practical considerations. An ADS holder will not be treated as a shareholder of the Company and will not have direct shareholders' rights. The depositary will hold the shareholders' rights attached to the ordinary shares underlying the ADS. An ADS holder will be able to exercise the shareholders' rights for the ordinary shares represented by its ADS through the depositary only to the extent contemplated in the deposit agreement. To exercise any shareholders' rights not contemplated in the deposit agreement, an ADS holder needs to arrange for the cancellation of its ADS and become a direct shareholder of the Company.
E.4	**Interests material to the issue/offer including conflicting interests** Not applicable. There will not be a public offering in the EEA.
E.5	**Name of the person or entity offering to sell the securities, Lock-up agreements** Not applicable. There will not be a public offering in the EEA.
E.6	**Amount and percentage of immediate dilution resulting from the offer** Taking into account the subscription of the totality of the 982,499 Additional Shares, the average dilution of the existing shareholders amounts to 19.6%. In addition, as per April 30, 2015, 3,019,305 outstanding warrants (excluding the 625,740 warrants created under Warrant Plan 2015, subject to acceptance by the beneficiaries of Warrant Plan 2015) may still be exercised and may likely result in the issuance of 3,019,305 shares at a weighted average price of €12.42 per warrant. This will further dilute the existing shareholders. The number of shares to be issued upon exercise of the warrants will depend on the number of outstanding warrants that will be effectively exercised within their respective exercise period.
E.7	**Estimated expenses charged to the investor by the issuer or the offeror** Not applicable. There will not be a public offering in the EEA.

RISK FACTORS

Before investing in the New Shares and the Additional Shares (in the form of ADSs), prospective investors should consider carefully all of the information in this Prospectus, including the below risk factors and the specific risks and uncertainties relating to Galapagos, its industry and business included in the US Prospectus in the section "Risk Factors". When a risk factor included in the US Prospectus refers to ADSs, this concept shall deemed to include also the New Shares and the Additional Shares.

If any of the risks actually occurs, Galapagos' business, results of operations or financial condition could be materially adversely affected. In that event, the value of the New Shares and the Additional Shares could decline and an investor might lose part or all of the investor's investment. Although Galapagos believes that the risks and uncertainties described in the US Prospectus and in the below are the most material risks and uncertainties facing Galapagos' business and the New Shares and the Additional Shares, there may be additional risks and uncertainties relating to Galapagos or the New Shares and the Additional Shares. Additional risks and uncertainties not presently known to Galapagos or that it currently deems immaterial may also have a material adverse effect on Galapagos' business, results of operations or financial condition and could negatively affect the price of the New Shares and the Additional Shares.

Prospective investors should read the detailed information set out elsewhere in this Prospectus and should reach their own views before making an investment decision with respect to any New Shares and the Additional Shares (in the form of ADSs). Furthermore, before making an investment decision with respect to any New Shares (and the Additional Shares (in the form of ADSs), prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the New Shares and the Additional Shares (in the form of ADSs).

Galapagos cannot guarantee that an active trading market will develop for Galapagos' shares and an active and liquid market for the shares may fail to develop, which could harm the market price of the New Shares and Additional Shares.

Galapagos cannot guarantee the extent to which a liquid market for the Galapagos shares will develop or be sustained. In the absence of such a liquid market for the Galapagos shares, the price of the Galapagos shares could be influenced. Following admission to Listing, it is likely that the price of the New Shares and Additional Shares will be subject to market fluctuations and the price of the shares may not always accurately reflect the underlying value of the Galapagos Group’s business. The value of the New Shares and Additional Shares may decrease and decline below the issue price, and the price that investors may realize for their holdings of New Shares and Additional Shares, when they are able to do so, may be influenced by a large number of factors, including:

- actual or anticipated fluctuations in Galapagos' financial condition and operating results;
- actual or anticipated changes in Galapagos' growth rate relative to its competitors;
- competition from existing products or new products that may emerge;
- announcements by Galapagos, its partners or competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations, or capital commitments;
- failure to meet or exceed financial estimates and projections of the investment community or that Galapagos provide to the public;
- issuance of new or updated research or reports by securities analysts;
- fluctuations in the valuation of companies perceived by investors to be comparable to Galapagos; share price and volume fluctuations attributable to inconsistent trading volume levels of Galapagos' shares;

- additions or departures of key management or scientific personnel;

- disputes or other developments related to proprietary rights, including patents, litigation matters, and the Company's ability to obtain patent protection for its technologies;

- changes to coverage policies or reimbursement levels by commercial third-party payors and government payors and any announcements relating to coverage policies or reimbursement levels;

- announcement or expectation of additional debt or equity financing efforts;

- sales of the ordinary shares by the Company, its insiders or its other shareholders, and

- general economic and market conditions.

Fluctuations in the exchange rate between foreign currencies and the euro may increase the risk of holding Galapagos shares.

Shareholders in countries with currencies other than the euro face additional investment risk from currency exchange rate fluctuations in connection with their holding of the Galapagos shares.

Galapagos has broad discretion in the use of the net proceeds from the offering and may not use them effectively.

Galapagos' management will have broad discretion in the application of the net proceeds that it receives from this offering, including applications for working capital, possible acquisitions and other general corporate purposes, and Galapagos may spend or invest these proceeds in a way with which its shareholders disagree. The failure by the Company's management to apply these funds effectively could harm its business and financial condition. Pending their use, Galapagos may invest the net proceeds from the offering in a manner that does not produce income or that loses value. These investments may not yield a favorable return to Galapagos' investors.

If securities or industry analysts do not publish research or publish inaccurate research or unfavorable research about Galapagos' business, the price of Galapagos' shares and trading volume could decline.

The trading market for Galapagos' shares depends in part on the research and reports that securities or industry analysts publish about the Company or its business. If no or few securities or industry analysts cover Galapagos, the trading price for its shares would be negatively impacted. If one or more of the analysts who covers the Company downgrades the shares or publishes incorrect or unfavorable research about its business, the price of Galapagos' shares would likely decline. If one or more of these analysts ceases coverage of Galapagos or fails to publish reports on the Company regularly, or downgrades Galapagos' shares, demand for the Company's shares could decrease, which could cause the price of Galapagos' shares or trading volume to decline.

Galapagos has no present intention to pay dividends on its ordinary shares.

The Company has no present intention to pay dividends in the foreseeable future. In addition, in accordance with Belgian law and the Company's articles of association, the Company must allocate each year an amount of at least 5% of its annual net profit under its non-consolidated statutory accounts to a legal reserve until the reserve equal 10% of its share capital. Therefore, the Company is unlikely to pay dividends or other distributions in the foreseeable future.

Double withholding taxation for dividends or other distributions.

Shareholders residing in countries other than Belgium may not be able to credit the amount of Belgian withholding tax to any tax due on dividends or distribution in any country other than Belgium. As a result, they may be subject to double taxation.

Takeover provisions in Belgian law may make a takeover difficult.

There are several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligation to disclose important shareholdings and merger control, that may apply to the Company and which may make an unfriendly tender offer, merger, change in management or other change in control, more difficult. These provisions could discourage potential takeover attempts that third parties may consider and thus deprive the shareholders of the opportunity to sell their shares at a premium (which is typically offered in the framework of a takeover bid).

Galapagos may not be able to complete equity offerings without cancellation or limitation of the preferential subscription rights of its existing shareholders, which may as a practical matter preclude Galapagos from timely completing offerings.

Absent renewal by the Company's shareholders of the authorization of the board to increase the capital (possibly with cancellation or limitation of the preferential subscription rights) or absent cancellation or limitation by the Company's shareholders of the preferential subscription rights of the existing shareholders, the requirement to offer Galapagos' existing shareholders the preferential right to subscribe, *pro rata*, for new shares being offered may as a practical matter preclude Galapagos from timely raising capital on commercially acceptable terms or at all.

Shareholders may not be able to participate in equity offerings Galapagos may conduct from time to time.

Certain shareholders, including those in the United States, may, even in the case where preferential subscription rights have not been cancelled or limited, not be entitled to exercise such rights, unless the offering is registered or the shares are qualified for sale under the relevant regulatory framework. As a result, there is the risk that investors may suffer dilution of their shareholdings should they not be permitted to participate in preference right equity or other offerings that Galapagos may conduct in the future.

Investment and trading in general is subject to risks

All equity investments involve the risk of loss of capital. There can be no assurance that the Company’s investment objectives will be met. The Company’s results have fluctuated in the past and probably will fluctuate in the future. For this reason, the Company’s results may not meet the expectations analysts have predicted.

Future sales of ordinary shares by existing shareholders could depress the market price of Galapagos shares.

Sales of a significant number of shares could lead to a drop in the market price of the shares issued by Galapagos. Existing shareholders are not obliged to remain shareholder or to keep a minimum of shares. These sales might also make it more difficult for the Company to issue or sell equity or equity-related securities in the future at a time and a price that the Company deems appropriate.

Securities from companies active in the biotech sector are highly volatile.

The biotech sector is characterized by share price volatility due to the dependence on research hopes and final outcomes. A number of factors may significantly affect the market price of the shares including changes in the operating results of Galapagos and its competitors, divergence in financial results from stock market expectations, changes in earnings estimates by analysts, changes in estimates in relation to the duration or the success of the Company's clinical trials, changes in the general conditions in the pharmaceutical industry and general economic, financial market and business conditions in the countries in which the Company operates. In addition, stock market have from time to time experienced extreme price and volume volatility which, in addition to general economic, finan-

cial and political conditions, could affect the market price for the shares regardless of the operating results or financial condition of the Company.

Future issuances of shares or warrants may affect the market price of the shares and could dilute the interests of existing shareholders.

Galapagos may decide to raise capital in the future through public or private offerings of equity securities, convertible debt or rights to acquire these securities. Galapagos may decide to exclude or limit the preferential subscription rights attached to the then outstanding securities in accordance with applicable law. If Galapagos raises significant amounts by these or other means, it could cause dilution for the holders of its securities and could have a negative impact on the share price, earnings per share and net asset value per share. In addition, the dilution from issue and exercise of warrants could adversely affect the price of shares.

US PROSPECTUS

Since this Prospectus is a listing prospectus only in connection with the Listing, the sections of this Prospectus that relate to the US Offering, as listed below, have not been reviewed nor approved by the FSMA:

- US Summary;

- Capitalization;

- Dilution;

- Underwriting;

- Certain Material U.S. Federal Income Tax Considerations to U.S. Holders;

- Description of American Depositary Shares.

For the ease of the reader of this Prospectus, please find below a non-exhaustive cross-reference table referring to the main sections of the US Prospectus containing the information to be disclosed in accordance with Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (the "**Prospectus Regulation**").

Annex I: Minimum Disclosure Requirements For The Share Registration Document		
Disclosure Requirement		**US Prospectus**
1.	SELECTED FINANCIAL INFORMATION	Selected Financial Information and Other Data
2.	RISK FACTORS	Risk Factors
3.	INFORMATION ABOUT THE ISSUER	Description of Share Capital
4.	BUSINESS OVERVIEW	Business
5.	ORGANISATIONAL STRUCTURE	Notes to the Consolidated Financial Statements
6.	PROPERTY, PLANTS AND EQUIPMENT	Business
7.	OPERATING AND FINANCIAL REVIEW	Management's Discussion and Analysis of Financial Condition and Results of Operations
8.	CAPITAL RESOURCES	Description of Share Capital - Management Discussion and Analysis of Financial Condition and Results of Operations
9.	RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES	Management's Discussion and Analysis of Financial Condition and Results of Operations
10.	TREND INFORMATION	Management's Discussion and Analysis of Financial Condition and Results of Operations
11.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	Management

12.	REMUNERATION AND BENEFITS	Management
13.	BOARD PRACTICES	Management - Related-Party Transactions
14.	EMPLOYEES	Business - Management
15.	MAJOR SHAREHOLDERS	Principal Shareholders
16.	RELATED-PARTY TRANSACTIONS	Related-Party Transactions
17.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	Index to Financial Statements - Experts - Dividend Policy -Business
18.	ADDITIONAL INFORMATION	Description of Share Capital - Management
19.	MATERIAL CONTRACTS	Related-Party Transactions - Business - Management's Discussion and Analysis of Financial Condition and Results of Operations
Annex III: Minimum Disclosure Requirements For The Share Securities Note		
Disclosure Requirement		**US Prospectus**
20.	REASONS FOR THE OFFERING AND USE OF PROCEEDS	Use of proceeds
21.	INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ADMITTED TO TRADING	Description of Share Capital - Shares and ADSs Eligible for Future Sale
22.	ADMISSION TO TRADING AND DEALING ARRANGEMENTS	Market Information

GENERAL INFORMATION

Responsibility statement

Galapagos, represented by its board of directors, accepts responsibility for the information contained in this Prospectus. Galapagos declares that having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Approval by the Financial Services and Markets Authority

This Prospectus constitutes a prospectus for the purposes of Article 3 of the Directive 2003/71/EC and amendments thereto to the extent implemented in the relevant member state of the European Economic Area and the rules promulgated thereunder (the "**Prospectus Directive**") and has been prepared in accordance with the Belgian Act of 16 June 2006 on the public offering of securities and the admission to trading of securities on a regulated market (the "**Prospectus Act**"). In accordance with Article 23 of the Prospectus Act, this Prospectus has been prepared in the form of a single document and approved by the Belgian Financial Services and Markets Authority (the "**FSMA**") on May 18, 2015. After approval, the FSMA (at the request of Galapagos) has provided, pursuant to Article 36 of the Prospectus Act, the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, "**AFM**"), being the competent authority in The Netherlands, and to the European Securities and Markets Authority a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive and with a copy of the Prospectus for passporting in accordance with Article 18 of the Prospectus Directive.

The approval of the Prospectus by the FSMA does not constitute an appreciation of the soundness of the transaction proposed to investors and the FSMA assumes no responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Company.

Availability of the Prospectus

The Prospectus has been prepared in English and is available, upon request, to shareholders and investors at no cost at the registered office of the Company, 2800 Mechelen (Belgium), Generaal De Wittelaan L11 A3. This Prospectus is also available, subject to certain conditions, on the Company's website at www.glpg.com. Posting the Prospectus and its summary on the internet does not constitute an offer to subscribe or a solicitation of an offer to subscribe to the shares. The electronic version may not be copied, made available or printed for distribution, except with the Company’s prior consent. Other information on the Company’s website or any other website does not form part of this Prospectus.

Working capital statement

The Company is of the opinion that it has sufficient working capital to meet its present working capital expenditure requirements for at least the next 12 months following the date of this Prospectus.

Capitalization and indebtedness table

	March 31, 2015 Actual (Euro, in thousands)
Cash and cash equivalents	€ 161,262
Oseo* financing	864
Total unguaranteed and unsecured debt	864
Financial lease liability	152
Total secured debt	152
Share capital	160,366
Share premiums	116,909
Other reserves	(220)
Translation differences	(178)
Accumulated losses	(77,679)
Total Equity	199,199
Total Capitalization	€ 200,215

* Oseo is a French public organization for innovation support.

Management

Additional mandates

In addition to the mandates of Rajesh Parekh and Onno van de Stolpe which are already referred to in the US Prospectus (see section "Management - Our Board of Directors" in the US Prospectus):

- Rajesh Parekh currently also serves as a member of the board of directors of Advent Management IV Limited, Advent Management Life Sciences Limited, Advent Life Sciences Services Limited and is a general partner of Advent Venture Partners LLP. In addition, during the past five years he served as a member of the board of directors of 4-Antibody AG, NeRRe Therapeutics Limited and CoCo Therapeutics Limited.
- Onno van de Stolpe also serves as a member of the supervisory board of the Stichting Institute for Human Organ and Disease Model Technologies.

Independence criteria

According to Belgian law, directors are only considered as independent directors if they meet the criteria set out in in Article 526*ter* of the Belgian Companies Code. As of the date of this Prospectus, the following directors are deemed independent: Werner Cautreels, Howard Rowe and Katrine Bosley.

It should be noted that the independence criteria under the NASDAQ rules differ from the independence criteria set forth in Article 526*ter* of the Belgian Companies Code. For an overview of the independent directors from a US law perspective, see US Prospectus - Management.

Potential conflicts of interest

As far as the Company is aware, no member of the board of directors nor any member of the executive committee has a conflict of interest (actual or potential) between his private interests and his duties to the Company.

Auditor and consent

Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, a civil company having the form of a co-operative company with limited liability organized and existing under the laws of Belgium, with registered office at Berkenlaan 8B, 1831 Diegem, Belgium, is appointed auditor of the Company, for a term of three years ending following the annual general shareholders' meeting of the Company resolving upon the financial statements for the fiscal year ended on 31 December 2018. Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA was represented by Mr. Gino Desmet for the fiscal years ending on 31 December 2012 and 2013 and by Mr. Gert Vanhees as from the fiscal year starting on 1 January 2014. Both are members of the *Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises.* The Prospectus includes the audited consolidated financial statements of the Company for the financial years ended on 31 December 2012, 2013 and 2014 prepared in accordance with IFRS, as issued by the International Accounting Standards Board, and as adopted by the European Union. The aforementioned consolidated financial statements (as prepared under IFRS) were audited by the auditor of the Company. The auditor has rendered an unqualified auditor's report on the aforementioned consolidated financial statements and has given, and not withdrawn, its written consent to the inclusion of its auditor's reports in relation thereto and the references to themselves herein in the form and context in which they are included.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Galapagos is aware), nor have there been any such proceedings during the 12 months before the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of Galapagos or the Galapagos Group.

Significant changes in Galapagos Group's financial or trading position

Other than the completion of the Offering, three other significant changes in the financial or trading position of the Galapagos Group have occurred since the end of the last financial period, i.e.:

- on March 12, 2015, Janssen Pharmaceutica and Galapagos terminated their research alliance and option agreements to develop and commercialize compounds for the treatment of inflammation initially focusing on RA. All rights to the candidate drugs developed under these agreements are returned to Galapagos.

- on April 14, 2015, Galapagos has announced that the primary endpoint of the DARWIN 1 trial with filgotinib has been met.

- on April 27, 2015, Galapagos has announced that the primary endpoint of the DARWIN 2 trial with filgotinib has been met.

Material contracts

Other than the contracts referred to in "Related party transactions" and in "Collaborations " and the Sale & Purchase Agreement dated March 13, 2014 between Galapagos and Charles River, as amended (see the section "Management's discussion and analysis of financial condition and results of operations" of the US Prospectus), neither the Company nor any other member of the Galapagos Group has entered into any contracts (other than those entered into in the ordinary course of Galapagos' business) within the 2 years immediately preceding the date of this Prospectus which are material or which (i) have been entered into at any other time and (ii) contain provisions under which Galapagos has an obligation or entitlement that is material as of the date of this Prospectus.

List of significant subsidiaries

The following table provides an overview of Galapagos' operating subsidiaries.

Name of subsidiary	**Country of incorporation**	**% Shareholdings and voting rights (direct or indirect)**
Galapagos B.V.	The Netherlands	100%
Galapagos S.A.S.U.	France	100%
Fidelta d.o.o.	Croatia	100%

Information about the New Shares and the Additional Shares

The New Shares and the Additional Shares will be issued under Belgian law in dematerialized form. The Listing and Offering comprise the New Shares and the Additional Shares. The Listing will be made on Euronext Brussels and Euronext Amsterdam. The following security codes are used in relation to the listing:

ISIN: BE0003818359

NASDAQ Global Select Market Symbol: "GLPG"
Euronext Brussels and Euronext Amsterdam Symbol: "GLPG"

The New Shares and Additional Shares will be traded in US dollars on the NASDAQ Global Select Market in the form of ADSs and in euros on Euronext Brussels and Euronext Amsterdam.

All shares, including the New Shares and the Additional Shares, are freely transferable.

Authorization

On May 5, 2015, the Company's board of directors resolved to use its authorized capital and to conditionally increase the share capital of the Company through issuance of an aggregate maximum number of 21,153,728 shares at a subscription price of no less than the accounting par value (*fractiewaarde/pair comptable*) (i.e. € 5,41), subject to and to the extent of subscription of these new shares in the framework of (i) the public offering in the United States of America of the New Shares and the Additional Shares in the form of ADS (the "**US Offering**") and (ii) the private placement of the New Shares and the Additional Shares to other unspecified institutional and professional investors in or from other countries or jurisdictions where such offering is permitted in compliance with any applicable rules and regulations of such country or jurisdiction (the "**Private Placement**").

On May 5 and May 13, 2015, the Company's board of directors cancelled the preferential subscription rights of the existing shareholders of the Company in accordance with the Belgian Companies Code to allow the Company to offer the new shares in the framework of the US Offering and Private Placement.

Underwriting Agreement

The Company and the "Underwriters" named below, for whom Morgan Stanley & Co LLC and Credit Suisse Securities (USA) LLC are acting as representatives, have entered into an Underwriting Agreement on May 13, 2015.

Subject to the terms and conditions set forth in the Underwriting Agreement, the Underwriters have severally agreed to purchase and Galapagos has agreed to sell them the number of ordinary shares and ADSs indicated below[1]:

Underwriters	**Number of ADSs**	**Number of ordinary shares**
Morgan Stanley & Co. LLC 1585 Broadway New York, New York 10036	1,873,696	582,554
Credit Suisse Securities (USA) LLC Eleven Madison Avenue New York, New York 10010	1,623,870	504,880
Cowen and Company, LLC 599 Lexington Avenue New York, New York 10022	924,357	287,393
Nomura Securities International, Inc. Worldwide Plaza, 309 West 49th Street New York, New York, 10019	349,756	108,744
Bryan, Garnier & Co. 26 Avenue des Champs Elysées 75008 Paris	224,843	69,907
Total:	**4,996,522**	**1,553,478**

The underwriters listed above and the representatives are collectively referred to as the "Underwriters" and the "representatives," respectively. The Underwriters are offering the ADSs and the ordinary shares subject to their acceptance of the ordinary shares and ADSs from Galapagos and subject to prior sale. The Underwriting Agreement provides that the obligations of the several underwriters to pay for and accept delivery of the ordinary shares and ADSs offered by the US Prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The Underwriters are obligated to take and pay for all of the ordinary shares and ADSs offered by the US Prospectus if any such ADSs are taken. However, the Underwriters are not required to take or pay for the ordinary shares and ADSs covered by the Underwriters' options to purchase additional ordinary shares and ADSs described below.

The Underwriters initially propose to offer part of the ordinary shares and ADSs directly to the public in the U.S. at the offering price listed on the cover page of the US Prospectus and part to certain dealers.

On or about May 19, 2015, the Company will directly or indirectly deliver 6,550,000 New Shares through Euroclear Belgium, who will act as the central securities depository for Euronext Brussels and Euronext Amsterdam. Citibank, N.A. (whose offices are located at 388 Greenwich Street, New York, New York 10013, United States) will, as depositary, register and deliver the ADSs representing the New Shares to investors. The Company has applied to list the ADSs representing the New Shares and the Additional Shares on the NASDAQ Global Market subject to completion of customary procedures in the United States.

In the framework of the Offering, the Underwriters were also granted a 30-day option to subscribe for up to 982,499 additional new shares (i.e. the Additional Shares), including 749,478 Additional Shares in the form of ADSs. The Underwriters exercised this option in full on May 14, 2015. On or about May 19, 2015, these 982,499 Additional Shares and the corresponding capital increase will be subscribed for by the Underwriters on behalf of

[1] The table below does not take into account the Additional Shares.

the final investors and the Company will directly or indirectly deliver these 982,499 Additional Shares in accordance with the Underwriting Agreement.

Admission to trading

An application has been made for admission to listing and trading of the New Shares and the Additional Shares on Euronext Brussels and Euronext Amsterdam. Trading in the New Shares and the Additional Shares is expected to start on or about May 19, 2015 under the symbol "GLPG". All dealings in New Shares and Additional Shares prior to the Listing are at the sole risk of the parties concerned. The Company, Euronext Brussels and Euronext Amsterdam do not accept any responsibility or liability with respect to any person as a result of the withdrawal of the Listing or the (related) annulment of any transaction in the New Shares or Additional Shares on Euronext Brussels and Euronext Amsterdam. Initial settlement is expected to take place on or about May 19, 2015 at Euronext Brussels and Euronext Amsterdam. This is also the first day of irrevocable trading of the New Shares and Additional Shares.

Settlement of any transactions in the New Shares and Additional Shares on Euronext Brussels and Euronext Amsterdam will occur through the book-entry systems of Euroclear Belgium.

The Company has also applied for admission to listing and trading of the New Shares and Additional Shares on the NASDAQ Global Market in the form of ADSs. See the section "Underwriting" of the US Prospectus for more information.

Stabilization

In connection with the Offering, the Underwriters will be able to, for a period of 30 days as from the execution of the underwriting agreement (the "**Stabilization Period**"), effect transaction that stabilize or maintain the market price of the Company's shares above those that might prevail in the open market. For this purpose, Morgan Stanley & Co. LLC, acting on behalf of the Underwriters, will act as stabilization agent. There is no assurance that such stabilization will be undertaken and, if it is, it may be discontinued at any time and will, in any event, be discontinued after the execution of the underwriting agreement. The stabilization, if any, will not occur at a price higher than the public offering price.

Interest of natural and legal persons involved in the offering/issue

As of the date of this Prospectus, so far as Galapagos is aware, no person involved in the Offering and issue of the New Shares and Additional Shares has an interest that could be material to the offering/issue, except for the Underwriters in their capacity as such. The Underwriters and their respective affiliates are full service financial institutions, and they therefore may, in the future, perform various activities for Galapagos, including, without limitation, securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities for Galapagos, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold the Company's securities and instruments for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. The Underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time recommend to clients that they acquire, long or short positions in such securities and instruments. In particular, Bryan, Garnier & Co. has published research views in respect of Galapagos and its securities, including prior to its mandate as an Underwriter for the Offering.

Dilution

Taking into account the subscription of the totality of the 982,499 Additional Shares, the average dilution of the

existing shareholders amounts to 19.6%.

In addition, as per 30 April 2015, 3,019,305 outstanding warrants (excluding the 625,740 warrants created under Warrant Plan 2015, subject to acceptance by the plan's beneficiaries) may still be exercised and may result in the issuance of up to 3,019,305 shares at a weighted average exercise price of EUR 12.42 per warrant. This will further dilute the existing shareholders. The number of shares to be issued upon exercise of the warrants will depend on the number of outstanding warrants that will be effectively exercised within their respective exercise period.

The table below provides an overview of the dilutive effect of the issuance of the New Shares. It also indicates the impact of the subscription of the totality of the Additional Shares and the exercise of all the outstanding warrants.

	Situation before the issuance of the New Shares	Situation after the issuance of the New Shares	Situation after the issuance of the New Shares and the Additional Shares	Situation after the exercise of the outstanding warrants[2]
Number of outstanding shares	30,870,677	37,420,677	38,403,176	41,422,481
Number of outstanding warrants	3,019,305	3,019,305	3,019,305	None
Share capital (in €)[3]	166,996,210	202,431,710	207,747,029	224,081,469
Net consolidated equity (in €)[4]	199,198,552	425,086,661	458,894,452	496,394,220
Dilution of existing shareholders' voting rights	None	17.5%	19.6%	25.5%

Expenses of the issue/offer

Galapagos estimates that the net proceeds of the Offering approximately amount to €259.7 million, after deducting underwriting discounts and commissions and estimated offering expenses payable by Galapagos.

The costs and expenses incurred by the Company in relation to the Offering and Listing (together the "**Transaction**") consist of mainly underwriting fees and of other fees, including accounting, legal and printing fees. The Company agreed to pay underwriting discounts and commissions of 7% of the gross proceeds of the Transaction, except on 1,304,000 ordinary shares to be purchased by AbbVie and Johnson & Johnson – JJDC, Inc. The following table sets forth the main expenses the Company will be required to pay in connection with the Transaction, other than the aforementioned underwriting discounts and commissions. All amounts are estimated, except the SEC registration fee, the FINRA filing fee, the NASDAQ listing fee and the FSMA filing fee:

Expenses	**Amount in EUR[5]**

[2] Taking into account the exercise in full by the Underwriters of their option to subscribe to the maximum amount of 982,499 Additional Shares.
[3] Excluding Underwriters' discounts and commissions and past cost of capital increases.
[4] As starting point for the calculation of the net consolidated equity, the net equity of Galapagos on a consolidated basis under IFRS per March 31, 2015 was taken.
[5] For the purposes of this Prospectus, the final estimated amounts have been converted from USD into EUR on the basis of the exchange rate applied for the determination of the issuance price of the ordinary shares and ADSs on May 13, 2015, i.e. $1,1365/€1,00.

SEC registration fee	32,386
NASDAQ listing fee	109,987
FINRA filing fee	38,407
FSMA filing fee	13,180
Euronext listing fee	84,822
Printing expenses	131,984
Legal fees and expenses	1,523,889
Accounting fees and expenses	470,000
Directors & Officers insurance for IPO	382,000
Miscellaneous costs	88,096
Total	**2,874,751**

The total expenses of the Transaction are thus estimated at EUR 2,874,751.

Third-party information

Where reference is made to the competitive position of Galapagos or other industry and market data, these statements are based upon the internal analyses of Galapagos, as well as certain information derived from third parties. Where information has been sourced from a third party, this information has been accurately reproduced and as far Galapagos is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

TAXATION - BELGIUM

General

This Section presents a summary of certain material Belgian income tax consequences of the ownership and disposal of the New Shares (and the Additional Shares) (hereinafter, the "**Shares**"). This summary is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this Prospectus, all of which are subject to change, including changes that could have retroactive effect. This Section does not purport to address all tax consequences of the purchase, the ownership and the disposal of the Shares, and does not take into account the specific circumstances of particular investors, some of which may be subject to special rules, or the tax laws of any country other than Belgium.

For purposes of this Section, a Belgian resident is either (i) a Belgian resident individual, being an individual subject to Belgian personal income tax (that is, an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law), (ii) a Belgian resident company, being a company (as defined under Belgian tax law) subject to Belgian corporate income tax (that is, a corporate entity that has its statutory seat, its main establishment, its administrative seat or seat of management in Belgium), (iii) an Organization for Financing of Pensions subject to Belgian corporate income tax (i.e., a Belgian pension fund incorporated under the form of an Organization for Financing of Pensions), or (iv) a Belgian resident legal entity, being a legal entity (as defined under Belgian tax law) subject to Belgian income tax on legal entities (that is, a legal entity other than a company subject to Belgian corporate income tax, that has its statutory seat, its main establishment, its administrative seat or seat of management in Belgium). A Belgian non-resident is any person that is not a Belgian resident.

This Section does not address the tax regime applicable to Shares held by Belgian tax residents through a fixed basis or a permanent establishment situated outside Belgium.

Investors should consult their own advisors regarding the tax consequences of an investment in the Shares, in the light of their particular circumstances, including the effect of any state, local or other national laws.

Dividends

For Belgian income tax purposes, the gross amount of all benefits paid on or attributed to the Shares is generally treated as a dividend distribution. By way of exception, the repayment of share capital carried out in accordance with the Belgian Companies Code is not treated as a dividend distribution to the extent that such repayment is imputed to fiscal share capital. In principle, fiscal share capital includes the paid-up statutory share capital, and, subject to certain circumstances, paid-up share premiums and the amounts subscribed to at the time of the issue of profit-sharing certificates, if treated in the same way as share capital according to the Company's articles of association.

Belgian withholding tax of 25% is normally levied on dividends, subject to such relief as may be available under applicable domestic or tax treaty provisions.

In case of a redemption of the Shares, the redemption distribution (after deduction of the part of the fiscal share capital represented by the redeemed shares) will be treated as a dividend subject to a Belgian withholding tax of 25%, subject to such relief as may be available under applicable domestic or tax treaty provisions. No withholding tax will be triggered if this redemption is carried out on a stock exchange and meets certain conditions. In case of liquidation of the Company, any amounts distributed in excess of the fiscal share capital will in principle be subject to the 25% withholding tax.

Belgian resident individuals

For Belgian resident individuals who acquire and hold the Shares as a private investment, the Belgian dividend withholding tax fully discharges their personal income tax liability. They may nevertheless elect to report the dividends in their personal income tax return. Where the beneficiary opts to report them, dividends will normally be taxable at the lower of the generally applicable 25% withholding tax rate on dividends or at the progressive personal income tax rates applicable to the taxpayer's overall declared income, whichever is more beneficial. If the beneficiary reports the dividends, the income tax due on such dividends will not be increased by local surcharges. In addition, if the dividends are reported, the dividend withholding tax levied at source may be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due, provided that the dividend distribution does not result in a reduction in value of or a capital loss on the Shares. This condition is not applicable if the individual can demonstrate that he has held the Shares in full legal ownership for an uninterrupted period of twelve months prior to the payment or attribution of the dividends.

For Belgian resident individuals who acquire and hold the Shares for professional purposes, the Belgian withholding tax does not fully discharge their income tax liability. Dividends received must be reported by the investor and will, in such a case, be taxable at the applicable personal income tax rates increased with local surcharges. Withholding tax levied at source may be credited against the personal income tax due and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own the Shares in full legal ownership at the time the dividends are paid or attributed and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if the investor can demonstrate that he has held the full legal ownership of the Shares for an uninterrupted period of twelve months prior to the payment or attribution of the dividends.

Belgian resident companies

Dividends distributed to a Belgian resident company will be exempt from Belgian withholding tax provided that the Belgian resident company holds, upon payment or attribution of the dividends, at least 10% of the Company's share capital and such minimum participation is held or will be held during an uninterrupted period of at least one year. In order to benefit from this exemption, the investor must provide the Company or its paying agent with a certificate confirming its qualifying status and the fact that it meets the two required conditions. If the investor holds a minimum participation for less than one year, at the time the dividends are paid on or attributed, the Company will levy the withholding tax but will not transfer it to the Belgian Treasury provided that the investor certifies its qualifying status, the date from which the investor has held such minimum participation, and the investor's commitment to hold the minimum participation for an uninterrupted period of at least one year. The investor must also inform the Company or its paying agent if the one-year period has expired or if its shareholding will drop below 10% of the Company's share capital before the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the levied dividend withholding tax will be refunded to the investor.

Belgian resident companies must in principle declare the gross dividend income (including the withholding tax) in the corporate income tax return and such amount will be subject to a corporate income tax rate of 33.99%. In certain circumstances, reduced corporate income tax rates may apply.

However, Belgian resident companies can generally (although subject to certain limitations) deduct up to 95% of the gross dividend received from the taxable income (the "**Dividend Received Deduction**"), provided that at the time of a dividend payment or attribution: (i) the Belgian resident company holds shares representing at least 10% of the share capital of the Company or a participation in the Company with an acquisition value of at least EUR 2,500,000; (ii) the shares have been held or will be held in full ownership for an uninterrupted period of at least one year; and (iii) the conditions relat-

ing to the taxation of the underlying distributed income (the "**Taxation Condition**"), as described in article 203 of the Belgian Income Tax Code (the "**BITC**") are met (together, the "**Dividend Received Deduction Conditions**"). The Dividend Received Deduction Conditions depend on a factual analysis and for this reason the availability of this regime should be verified upon each dividend distribution.

Any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due, subject to two conditions: (i) the taxpayer must own the Shares in full legal ownership at the time the dividends are paid or attributed and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable: (i) if the company can demonstrate that it has held the Shares in full legal ownership for an uninterrupted period of twelve months prior to the payment of or attribution on the dividends or (ii) if, during that period, the Shares never belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner, invested the Shares in a permanent establishment in Belgium.

Organizations for Financing of Pensions

For Organizations for Financing of Pensions ("**OFPs**"), *i.e.* Belgian pension funds incorporated under the form of an OFP (*organismen voor de financiering van pensioenen/organismes de financement de pensions*) within the meaning of article 8 et seq. of the Belgian Law of 27 October 2006, dividend income is generally not subject to income tax. Subject to certain limitations, any Belgian withholding tax levied at source may be credited against the final income tax due and is reimbursable to the extent that it exceeds the investor's income tax due.

Belgian resident legal entities

For resident legal entities, the Belgian withholding tax levied at source generally constitutes their final tax liability.

Belgian non-residents

For non-resident individuals, corporations or other legal entities, the dividend withholding tax (if any) will be the only tax on dividends in Belgium, unless the non-resident holds the Shares in connection with a business conducted in Belgium through a fixed base in Belgium or a permanent establishment in Belgium.

If the Shares are acquired or held by a non-resident in connection with a business conducted in Belgium through a fixed base in Belgium or a permanent establishment in Belgium, the investor must report any dividends received in a tax return, which will be taxable at the applicable non-resident individual or corporate income tax rate, as appropriate. Withholding tax levied at source may then be credited against non-resident individual or corporate income tax and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own the Shares in full legal ownership at the time the dividends are paid or attributed and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if (i) the non-resident individual or the non-resident company can demonstrate that the Shares were held in full legal ownership for an uninterrupted period of twelve months prior to the payment or attribution of the dividends or (ii) with regard to non-resident companies only, if, during the said period, the Shares have not belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner, invested the Shares in a permanent establishment in Belgium.

Non-resident companies investing the Shares in a permanent establishment may deduct up to 95% of the gross dividends included in their taxable profits if, at the date dividends are paid or attributed, the Dividend Received Deduction Conditions are met. Application of the Dividend Received Deduction

regime depends, however, on a factual analysis to be made upon each distribution and its availability should be verified upon each distribution.

Dividends distributed to non-resident companies established in a Member State of the European Union ("**EU**") or in a country with which Belgium has concluded a double tax treaty that includes a qualifying exchange of information clause and qualifying as a parent company, will be exempt from Belgian withholding tax provided that the shares held by the non-resident company, upon payment or attribution of the dividends, amount to at least 10% of the Company's share capital and such minimum participation is held or will be held during an uninterrupted period of at least one year. A company qualifies as a parent company provided that (i) for companies established in a Member State of the EU, it has a legal form as listed in the annex to the EU Parent-Subsidiary Directive of July 23, 1990 (90/435/EC), as amended from time to time, or, for companies established in a country with which Belgium has concluded a qualifying double tax treaty it has a legal form similar to the ones listed in such annex; (ii) it is considered to be a tax resident according to the tax laws of the country where it is established and the double tax treaties concluded between such country and third countries; and (iii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime. In order to benefit from this exemption, the investor must provide the Company or its paying agent with a certificate confirming its qualifying status and the fact that it meets the three above-mentioned conditions. If the investor holds a minimum participation for less than one year, at the time the dividends are paid on or attributed, the Company will levy the withholding tax but will not transfer it to the Belgian Treasury provided that the investor certifies its qualifying status, the date from which the investor has held such minimum participation, and the investor's commitment to hold the minimum participation for an uninterrupted period of at least one year. The investor must also inform the Company or its paying agent if the one-year period has expired or if its shareholding drops below 10% of the Company's share capital before the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the levied dividend withholding tax will be refunded to the investor.

Under Belgian tax law, withholding tax is not due on dividends paid to a foreign pension fund which satisfies the following conditions: (i) to be a legal entity with fiscal residence outside of Belgium; (ii) whose corporate purpose consists solely in managing and investing funds collected in order to serve legal or complementary pension schemes; (iii) whose activity is limited to the investment of funds collected in the exercise of its statutory mission, without any profit making aim; (iv) which is exempt from income tax in its country of residence; and (v) provided that it is not contractually obligated to remit or transfer the dividends received to any ultimate beneficiary of such dividends for whom it would manage the Shares, nor obligated to pay a manufactured dividend with respect to the Shares under a securities borrowing transaction. The exemption will only apply if the non-resident pension fund provides a certificate confirming that it is the full legal owner or usufruct holder of the Shares and that the above conditions are satisfied. Belgium has concluded tax treaties with over ninety-five countries, reducing the dividend withholding tax rate to 20%, 15%, 10%, 5% or 0% for residents of those countries, depending on conditions, among others, related to the size of the shareholding and certain identification formalities.

Prospective investors should consult their own tax advisors as to whether they qualify for reduction of withholding tax upon payment or attribution of dividends, and as to the procedural requirements for obtaining a reduced withholding tax upon the payment of dividends or for making claims for reimbursement.

Capital gains and losses

Belgian resident individuals

As far as capital gains on the disposal of Shares are concerned, Belgian resident individuals acquiring and holding the Shares as a private investment should in principle not be subject to Belgian capital gains tax. Capital gains realized by a private individual however are taxable at 33% (plus local surcharges) if the capital gain is deemed to be realized outside the scope of the normal wealth management of a private estate. Moreover, capital gains realized by Belgian resident individuals on the disposal of the Shares for consideration, outside the exercise of a professional activity, to a non-resident company (or a body constituted in a similar legal form), to a foreign state (or one of its political subdivisions or local authorities) or to a non-resident legal entity, are in principle taxable at a rate of 16.5% (plus local surcharges) if, at any time during the five years preceding the sale, the Belgian resident individual has owned directly or indirectly, alone or with his/her spouse or with certain relatives, a substantial shareholding in the Company (*i.e.*, a shareholding of more than 25% in the Company). This capital gains tax does not apply if the Shares are transferred to the above-mentioned persons provided that they are established in the EEA. Capital losses on such transactions are, however, not tax deductible.

Belgian resident individuals who hold the Shares for professional purposes are taxable at the ordinary progressive personal income tax rates (plus local surcharges) on any capital gains realized upon the disposal of the Shares, except for the Shares held for more than five years, which are taxable at a separate rate of 16.5% (plus local surcharges). Capital losses on the Shares incurred by Belgian resident individuals who hold the Shares for professional purposes are in principle tax deductible.

Capital gains realized by Belgian resident individuals upon the redemption of the Shares or upon the liquidation of the Company will generally be taxable as a dividend (see *supra*).

Belgian resident companies

Belgian resident companies (not being a small and medium sized enterprise within the meaning of article 15 Belgian Companies Code, hereinafter referred to as "**SME**") are subject to Belgian capital gains taxation at a separate rate of 0.412% on such gains realized provided that: (i) the article 203 BITC Taxation Condition is met and (ii) the Shares have been held in full legal ownership for an uninterrupted period of at least one year. The 0.412% separate capital gains tax rate cannot be off-set by any tax assets (such as *e.g.* tax losses) and can moreover not be off-set by any tax credits. Belgian resident companies qualifying as SMEs are normally not subject to Belgian capital gains taxation on gains realized upon the disposal of the Shares provided that (i) the article 203 ITC Taxation Condition is met and (ii) the Shares have been held in full legal ownership for an uninterrupted period of at least one year. If the one-year minimum holding period condition referred to above would not be met (but the article 203 BITC Taxation Condition is met) then the capital gains realized upon the disposal of the Shares by Belgian resident companies (both non-SMEs and SMEs) are taxable at a separate corporate income tax rate of 25.75%.

Capital losses on the Shares incurred by resident companies (both non-SMEs and SMEs) are as a general rule not tax deductible.

Capital gains realized by Belgian resident companies upon the redemption of the Shares or upon the liquidation of the Company will in principle be taxed as dividends (see *supra*).

If the Shares form part of the trading portfolio (*handelsportefeuille*/*portefeuille commercial*) of companies which are subject to the Royal Decree of 23 September 1992 on the annual accounts of credit institutions, investment firms and management companies of collective investment institutions (*Koninklijk Besluit op de jaarrekening van de kredietinstellingen, de beleggingsondernemingen en de beheervennootschappen van instellingen voor collectieve belegging/Arrêté royal relative aux comptes annuels des établissements de crédit, des entreprises d'investissement et des sociétés de gestion d'organismes de placement collectif*) (the "**Royal Decree of 23 September 1992**"), the capital gains realized upon the disposal of shares will be subject to corporate income tax at the standard rates, and

capital losses will be tax deductible.

Organizations for Financing of Pensions

OFPs are, in principle, not subject to Belgian capital gains taxation realized upon the disposal of the Shares, and capital losses are not tax deductible.

Belgian resident legal entities

Capital gains realized with respect to the Shares are as a rule not subject to income tax, save in case of a sale of shares which are directly or indirectly part of a stake representing more than 25% of the share capital in the Company which may, under certain conditions, give rise to a 16.5% tax (plus local surcharges).

Capital losses on the Shares incurred by Belgian resident legal entities are not tax deductible.

Capital gains realized by Belgian resident legal entities upon the redemption of the Shares or upon the liquidation of the Company will in principle be taxed as dividends (see *supra*).

Belgian non-residents

(a) *Non-resident individuals*

Capital gains realized on the Shares by a non-resident individual that has not acquired the Shares in connection with a business conducted in Belgium through a fixed base in Belgium are in principle not subject to taxation, unless the gain is deemed to be realized outside the scope of the normal management of the individual's private estate (article 90, 1° of the BITC or article 90, 9°, first indent of the BITC). In such case, if the gain is taxable under article 90, 1° of the BITC and article 228, §2, 9°, a) of the BITC, it is subject to a final professional withholding tax of 30.28% (to the extent that article 248 of the BITC is applicable). If the gain is taxable under article 90, 9°, first indent of the BITC and article 228, § 2, 9°, h) of the BITC, it must be reported in a non-resident tax return for the income year during which the gain has been realized, in which case the capital gain will be taxable at the rate of 35.31% (33% plus local surcharges of currently 7%). Moreover, non-resident individuals may be subject to the 16.5% income tax described above (resulting in a tax rate of 17.66%, *i.e.* 16.5% plus local surcharges of currently 7%) if they held a participation of more than 25% in the share capital of the Company. However, Belgium has concluded tax treaties with more than 95 countries which generally provide for a full exemption from Belgian capital gains taxation on such gains realized by residents of those countries. Capital losses are generally not tax deductible.

Capital gains will be taxable at the ordinary progressive income tax rates and capital losses will be tax deductible, if those gains or losses are realized on Shares by a non-resident individual that holds the Shares in connection with a business conducted in Belgium through a fixed base in Belgium.

Capital gains realized by Belgian non-resident individuals upon the redemption of Shares or upon the liquidation of the Company will generally be taxable as a dividend (see above).

(b) *Non-resident companies*

Non-resident companies that have not acquired the Shares in connection with a business conducted in Belgium through a Belgian establishment are generally not subject to taxation in Belgium on capital gains on those Shares.

Non-resident companies that hold the Shares in connection with a business conducted in Belgium through a Belgian establishment will generally be taxable in the same way as resident companies (see section "***Belgian resident companies***" above).

Capital gains realized by non-resident companies upon redemption of the Shares or upon liquidation of the Company will in principle be taxed as dividend income (see *supra*).

(c) *Uncertain Effect of article 228, §3 BITC for Belgian Non-residents*

Under a strict reading of article 228, §3 BITC, capital gains realized on the Shares by Belgian non-residents could be subject to Belgian taxation, levied in the form of a professional withholding tax, if the following three conditions are cumulatively met: (i) the capital gain would have been taxable if the non-resident were a Belgian tax resident; (ii) the income is "borne by" a Belgian resident (including a Belgian establishment of a foreign entity) which would, in such a context, mean that the capital gain is realized upon a transfer of the Shares to a Belgian resident (including a Belgian establishment of a foreign entity); and (iii) Belgium has the right to tax such capital gain pursuant to the applicable double tax treaty, or, if no such tax treaty applies, the non-resident does not demonstrate that the capital gain is effectively taxed in its state of residence.

However, it is unclear whether a capital gain included in the purchase price of an asset can be considered to be “borne by” the purchaser of the asset within the meaning of the second condition mentioned above. Furthermore, this tax requires that the Belgian resident purchaser is aware of (i) the identity of the Belgian non-resident (to assess the third condition mentioned above); and (ii) the amount of the capital gain realized by the Belgian non- resident (since such amount determines the amount of professional withholding tax to be levied by the Belgian purchaser). Consequently, the application of this tax on transactions with respect to the Shares occurring on the central stock exchange of Euronext Brussels will give rise to practical difficulties as the seller and purchaser typically do not know each other.

In addition to the uncertainties referred to above, the statutory history of the law that introduced article 228, §3 BITC supports the view that the legislator did not intend for article 228, §3 BITC to apply to a capital gain included in the purchase price of an asset. The Belgian Tax Administration is aware of the issues raised by article 228, §3 BITC in relation to its broad and imprecise scope of application. The Belgian Tax Administration has informed the Minister of Finance of these issues and has reportedly issued recommendations to the Minister of Finance in order to clarify that the scope of application of article 228, §3 BITC does not extend to the aforementioned capital gains.

Tax on stock exchange transactions

No tax on stock exchange transactions is due upon subscription to the Shares (primary market transactions). Secondary market trades in respect of the Shares will give rise to a tax on stock exchange transactions of 0.27% (due on each sale and acquisition separately) if they are carried out in Belgium through a professional intermediary. The amount of the tax is, however, capped at €800 per transaction per party.

No tax on stock exchange transactions is payable by (i) professional intermediaries referred to in articles 2, 9° and 10° of the Act of 2 August 2002 on the supervision of the financial sector and financial services; (ii) insurance companies referred to in article 2, §1 of the Insurance Supervision Act of 9 July 1975, (iii) institutions for occupational retirement provision funds referred to in article 2, 1° of the Act of 27 October 2007 on the supervision of institutions for occupational retirement provision; (iv) collective investment undertakings; or (v) non-residents (upon delivery of a certificate of non-residency in Belgium); (vi) regulated real estate investment companies, all acting for their own account.

Proposed financial transactions tax

On 14 February 2013, the EU Commission has adopted a proposal for a directive on a common financial transaction tax ("**FTT**") in eleven participating EU Member States (Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). The proposed directive currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The proposed directive is still subject to negotiation amongst the participating Member States and may therefore be changed at any time.

TAXATION - THE NETHERLANDS

General

The following is a general summary of certain material Netherlands tax consequences of the holding and disposal of the New Shares (and the Additional Shares) by certain Netherlands resident individuals and Netherlands resident entities. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to all categories of investors, some of which may be subject to special treatment under applicable law (such as trusts or other similar arrangements), and in view of its general nature, it should be treated with corresponding caution. Holders should consult with their tax advisors with regard to the tax consequences of investing in the Shares in their particular circumstances. The discussion below is included for general information purposes only.

Please note that this summary does not describe the tax considerations for:

(i) holders of Shares if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest or deemed substantial interest in the Company under the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his/her partner (statutorily defined term), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5% or more of the company's annual profits and/or to 5% or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

(ii) holders of Shares in the Company that qualify or qualified as a participation for purposes of the Netherlands Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*). Generally, a taxpayer's shareholding of 5% or more in a company's nominal paid-up share capital qualifies as a participation. A holder may also have a participation if such holder does not have a 5% shareholding but a related entity (statutorily defined term) has a participation or if the company in which the shares are held is a related entity (statutorily defined term);

(iii) holders of Shares who are individuals for whom the Shares or any benefit derived from the Shares are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holders (as defined in the Netherlands Income Tax Act 2001); and

(iv) pension funds, investment institutions (*fiscale beleggingsinstellingen*), exempt investment institutions (*vrijgestelde beleggingsinstellingen*) and other entities that are, in whole or in part, not subject to or exempt from corporate income tax in The Netherlands, as well as entities that are exempt from corporate income tax in their country of residence, such country of residence being another state of the European Union, Norway, Liechtenstein, Iceland or any other state with which The Netherlands have agreed to exchange information in line with international standards.

Except as otherwise indicated, this summary only addresses Netherlands national tax legislation and published regulations, whereby the Netherlands means the part of the Kingdom of the Netherlands located in Europe, as in effect on the date hereof and as interpreted in published case law until this date, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect.

Withholding Tax

Payments made by the Company on the Shares may be made free from withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands.

Taxes on Income and Capital Gains

Netherlands Resident Individuals

If a holder of Shares is a Netherlands Resident Individual, any benefit derived or deemed to be derived from the Shares is taxable at the progressive income tax rates (with a maximum of 52%), if:

(a) the Shares are attributable to an enterprise from which the Netherlands Resident Individual derives a share of the profit, whether as an entrepreneur or as a person who has a co-entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise, without being an entrepreneur or a shareholder, as defined in the Netherlands Income Tax Act 2001; or

(b) the holder of the Shares is considered to perform activities with respect to the Shares that go beyond ordinary asset management (*normaal, actief vermogensbeheer*) or derives benefits from the Shares that are taxable as benefits from other activities (*resultaat uit overige werkzaamheden*).

If the above-mentioned conditions (a) and (b) do not apply to the individual holder of Shares, the Shares are recognized as investment assets and included as such in such holder's net investment asset base *(rendementsgrondslag*). Such holder will be taxed annually on a deemed income of 4% of his or her net investment assets for the year at an income tax rate of 30%. The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year. A tax free allowance may be available. Actual benefits derived from the Shares are as such not subject to Netherlands income tax.

Netherlands Resident Entities

Any benefit derived or deemed to be derived from the Shares held by Netherlands Resident Entities, including any capital gains realized on the disposal thereof, will generally be subject to Netherlands corporate income tax at a rate of 25% (a corporate income tax rate of 20% applies with respect to taxable profits up to €200,000).

Gift and Inheritance Taxes

Residents of The Netherlands

Gift and inheritance taxes will arise in The Netherlands with respect to a transfer of the Shares by way of a gift by, or on the death of, a holder of Shares who is resident or deemed to be resident in The Netherlands at the time of the gift or his/her death.

Other Taxes and Duties

No Netherlands VAT and no Netherlands registration tax, stamp duty or any other similar documentary tax or duty will be payable by a holder of Shares on any payment in consideration for the holding or disposal of the Shares.

DOCUMENTS INCORPORATED BY REFERENCE AND DISPLAY

Documents incorporated by reference

No documents or information, including the content of the Company's website (www.glpg.com) or of websites accessible from hyperlinks on its website, form part of, or are incorporated by reference into, this Prospectus.

Documents on display

During 12 months following the date of this Prospectus the following documents can be obtained free of charge on the Company's website at www.glpg.com:

- the articles of association; and
- all historical financial information any part of which is included in the Prospectus.

COMPANY

GALAPAGOS NV
Generaal De Wittelaan L11 A3
2800 Mechelen - Belgium

RLE (Antwerp, division Mechelen): 0466.460.429

LEGAL ADVISORS TO THE COMPANY

As to Belgian law

NautaDutilh BVBA
Terhulpsesteenweg 120
1000 Brussel
Belgium

As to Dutch law

NautaDutilh N.V.
Strawinskylaan 1999
1077 XV Amsterdam
The Netherlands

As to U.S. law

Goodwin Procter LLP
Exchange Place
Boston, MA 02109
U.S.A

AUDITOR

Deloitte Bedrijfsrevisoren/Réviseurs d'entreprises BV o.v.v.e. CVBA
Berkenlaan 8b
1831 Diegem
Belgium