Gilead and Arcus Biosciences Complete Closing of Option Exercise for Three Clinical-Stage Programs and New Research Collaboration

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Foster City, Calif. & Hayward, Calif., December 21, 2021 (BUSINESS WIRE) – Gilead Sciences, Inc. (Nasdaq: GILD) and Arcus Biosciences, Inc. (NYSE: RCUS) today announced the closing of Gilead's option exercises to three programs in Arcus's clinical-stage portfolio and a new research collaboration between the two companies. On November 17, 2021, Gilead exercised its options to anti-TIGIT molecules domvanalimab and AB308, as well as clinical candidates etrumadenant (dual adenosine A2a/A2b receptor antagonist) and quemliclustat (small molecule CD73 inhibitor).

The closing occurred following the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act.

Under the terms of the parties' Option, License and Collaboration Agreement, as amended in connection with Gilead's three option exercises (the "2020 Agreement"), the closing of this transaction triggers option payments totaling $725 million from Gilead to Arcus, expected to be paid in early Q1 2022. With closing of the transaction for all three programs, the $100 million option continuation payment previously due in Q3 2022 will not be made by Gilead. In addition, the parties will co-develop and share the global costs related to these clinical programs. If the optioned molecules achieve regulatory approval, Gilead and Arcus will co-commercialize and equally share profits in the U.S. Outside of the U.S., Gilead holds exclusive commercialization rights, subject to any rights of Arcus's existing collaboration partners, and Gilead would pay Arcus tiered royalties on net sales of each optioned product.

About the Collaboration

In May 2020, Gilead and Arcus entered into a 10-year collaboration that provided Gilead immediate rights to zimberelimab and the right to opt into all other Arcus programs arising during the collaboration term. In November 2021, Gilead and Arcus amended the collaboration in connection with Gilead's option exercise for three of Arcus's clinical stage programs. For all other programs that are in clinical development or new programs that enter clinical development thereafter, the opt-in payments are $150 million per program. Gilead's option, on a program-by-program basis, expires after a specified period of time following the achievement of a development milestone for such program and Arcus's delivery to Gilead of the requisite qualifying data package. Concurrent with the May 2020 collaboration agreement, Gilead and Arcus entered into a stock purchase agreement under which Gilead made a $200 million equity investment in Arcus. That stock purchase agreement was

amended and restated in February 2021 in connection with Gilead's increased equity stake in Arcus from 13% to 19.7%, with an additional $220 million investment.

Upon closing of Gilead's exercise of its option to a program, the two companies will co-develop and share global development costs for the joint development program, subject to certain opt-out rights of Arcus in some cases and expense caps on its spending and related subsequent adjustments. For each optioned program, provided that Arcus has not exercised its opt-out rights, if any, Arcus has an option to co-promote in the U.S. with equal profit share. Gilead has the right to exclusively commercialize any optioned programs outside of the U.S., subject to the rights of Arcus's existing collaboration partners to any territories, and, for clinical stage programs that Gilead has opted into, Gilead will pay Arcus tiered royalties as a percentage of net sales ranging from the mid or high teens to the low twenties.

Zimberelimab, domvanalimab, AB308, etrumadenant and quemliclustat are investigational agents and have not been proven safe and efficacious.

About Arcus Biosciences

Arcus Biosciences is a clinical-stage, global biopharmaceutical company developing differentiated molecules and combination medicines for people with cancer. In partnership with industry partners, patients and physicians around the world, Arcus is expediting the development of first- or best-in-class medicines against well characterized biology and pathways and studying novel, biology-driven combinations that have the potential to help people with cancer live longer. Founded in 2015, the company has expedited the development of six investigational medicines into clinical studies, including new combination approaches that target TIGIT, PD-1, the adenosine axis (CD73 and dual A2a/A2b receptor) and most recently, HIF-2alfa. For more information about Arcus Biosciences' clinical and pre-clinical programs, please visit www.arcusbio.com or follow us on Twitter.

About Gilead Sciences

Gilead Sciences, Inc. is a biopharmaceutical company that has pursued and achieved breakthroughs in medicine for more than three decades, with the goal of creating a healthier world for all people. The company is committed to advancing innovative medicines to prevent and treat life-threatening diseases, including HIV, viral hepatitis and cancer. Gilead operates in more than 35 countries worldwide, with headquarters in Foster City, California.

Arcus Biosciences Forward-Looking Statements

This press release contains forward-looking statements. All statements regarding events or results to occur in the future contained herein, including, but not limited to, the expected timing of Gilead's option exercise payment to Arcus and the parties' expected co-development activities, are forward-looking statements reflecting the current beliefs and expectations of management made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All forward-looking statements involve known and unknown risks and uncertainties and other important factors that may cause our actual results, performance or achievements to differ significantly from those expressed or implied by the forward-looking statements. Factors that could cause or contribute to such differences

include, but are not limited to: Arcus's dependence on the collaboration with Gilead for the successful development and commercialization of the optioned molecules; difficulties associated with the management of the collaboration activities or expanded clinical programs; the unexpected emergence of adverse events or other undesirable side effects; the ability of the companies to initiate and execute the joint development program for each of the optioned molecules, including in a timely manner due to the inherent uncertainty associated with the COVID-19 pandemic; the inherent uncertainty associated with pharmaceutical product development and clinical trials; risks associated with preliminary and interim data; and changes in the competitive landscape for Arcus's programs. Risks and uncertainties facing Arcus are described more fully in its quarterly report on Form 10-Q for the quarter ended September 30, 2021, filed on November 8, 2021, with the SEC. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this press release. Arcus disclaims any obligation or undertaking to update, supplement or revise any forward-looking statements contained in this press release.

Gilead Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks, uncertainties and other factors, including Gilead's ability to realize the anticipated benefits from the collaboration; difficulties or unanticipated expenses in connection with the collaboration and the potential effects on Gilead's earnings; the ability of the companies to initiate, progress or complete clinical trials within currently anticipated timelines or at all, including those involving domvanalimab, AB308, etrumadenant and quemliclustat; the possibility of unfavorable results from ongoing or additional trials, including those involving domvanalimab, AB308, etrumadenant and quemliclustat; uncertainties relating to regulatory applications and related filing and approval timelines, including the risk that regulatory authorities may not approve such applications in the anticipated timelines or at all; the possibility that the parties may make a strategic decision to discontinue development of any of the investigational agents under the collaboration and therefore these investigational agents may never be successfully commercialized; the possibility that the parties may make a strategic decision to terminate the collaboration; and any assumptions underlying any of the foregoing. These and other risks, uncertainties and other factors are described in detail in Gilead's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, as filed with the U.S. Securities and Exchange Commission. These risks, uncertainties and other factors could cause actual results to differ materially from those referred to in the forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties and are cautioned not to place undue reliance on these forward-looking statements. All forward-looking statements are based on information currently available to Gilead, and Gilead assumes no obligation and disclaims any intent to update any such forward-looking statements.

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