

REFINITIV

DELTA REPORT

10-Q

GILD - GILEAD SCIENCES, INC.
10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1570
CHANGES	245
DELETIONS	837
ADDITIONS	488

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☐ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2023** **September 30, 2023**
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 0-19731

GILEAD SCIENCES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

94-3047598

(IRS Employer Identification No.)

333 Lakeside Drive, Foster City, California 94404

(Address of principal executive offices) (Zip Code)

650-574-3000

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value, \$0.001 per share	GILD	The Nasdaq Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Number of shares outstanding of the issuer's common stock, par value \$0.001 per share, as of **July 31, 2023** **October 31, 2023**: **1,246,014,353** 1,246,041,895

GILEAD SCIENCES, INC.
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We own or have rights to various trademarks, copyrights and trade names used in our business, including the following: GILEAD®, GILEAD SCIENCES®, KITE™, AMBISOME®, ATRIPLA®, BIKTARVY®, CAYSTON®, COMPLERA®, DESCOVY®, DESCOVY FOR PREP®, EMTRIVA®, EPCLUSA®, EVIPLERA®, GENVOYA®, HARVONI®, HEPCLUDEX®, HEPSERA®, JYSELECA®, LETAIRIS®, ODEFSEY®, RANEXA®, SOVALDI®, STRIBILD®, SUNLENCA®, TECARTUS®, TRODELVY®, TRUVADA®, TRUVADA FOR PREP®, TYBOST®, VEKLURY®, VEMLIDY®, VIREAD®, VOSEVI®, YESCARTA® and ZYDELIG®. This report also refers to Other trademarks service marks and trade names of other companies, which are the property of their respective owners.

Certain amounts and percentages in this Quarterly Report on Form 10-Q may not sum or recalculate due to rounding.

This Quarterly Report on Form 10-Q, including Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and Part II, Item 1A. Risk Factors, contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. Words such as "expect," "anticipate," "target," "goal," "project," "hope," "intend," "plan," "believe," "seek," "estimate," "continue," "may," "could," "should," "might," "forecast" and variations of such words and similar expressions are intended to identify such forward-looking statements. In addition, any statements other than statements of historical fact are forward-looking statements, including statements regarding overall trends; operating cost and revenue trends; liquidity and capital needs; plans and expectations with respect to products, product candidates, corporate strategy, business and operations, financial projections and the use of capital; collaboration and licensing arrangements; patent protection and estimated loss of exclusivity for our products and product candidates; ongoing litigation and investigation matters; and other statements of expectations, beliefs, future plans and strategies, anticipated events or trends and similar expressions.

We have based these forward-looking statements on our current expectations about future events. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Our actual results may differ materially from those suggested by these forward-looking statements for various reasons, including those identified in Part II, Item 1A. Risk Factors. Given these risks and uncertainties, you are cautioned not to place undue reliance on forward-looking statements. The forward-looking statements included in this report are made only as of the date hereof unless otherwise specified. Except as required under federal securities laws and the rules and regulations of U.S. Securities and Exchange Commission, we do not undertake, and specifically decline, any obligation to update any of these statements or to publicly announce the results of any revisions to any forward-looking statements after the distribution of this report, whether as a result of new information, future events, changes in assumptions or otherwise. In evaluating our business, you should carefully consider the risks described in Part II, Item 1A. Risk Factors of this Quarterly Report on Form 10-Q. Any of the risks contained herein could materially and adversely affect our business, results of operations and financial condition.

PART I. FINANCIAL INFORMATION

Item 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

GILEAD SCIENCES, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

(in millions, except per share amounts)	(in millions, except per share amounts)	June 30, 2023	December 31, 2022	(in millions, except per share amounts)	September 30, 2023	December 31, 2022
Assets	Assets			Assets		
Current assets:	Current assets:			Current assets:		
Cash and cash equivalents	Cash and cash equivalents	\$ 5,704	\$ 5,412	Cash and cash equivalents	\$ 5,705	\$ 5,412
Short-term marketable debt securities	Short-term marketable debt securities	963	973	Short-term marketable debt securities	1,159	973
Accounts receivable, net	Accounts receivable, net	4,229	4,777	Accounts receivable, net	4,790	4,777
Inventories	Inventories	1,633	1,507	Inventories	1,663	1,507
Prepaid and other current assets	Prepaid and other current assets	1,757	1,774	Prepaid and other current assets	2,662	1,774
Total current assets	Total current assets	14,287	14,443	Total current assets	15,980	14,443
Property, plant and equipment, net	Property, plant and equipment, net	5,540	5,475	Property, plant and equipment, net	5,572	5,475
Long-term marketable debt securities	Long-term marketable debt securities	1,334	1,245	Long-term marketable debt securities	1,156	1,245
Intangible assets, net	Intangible assets, net	27,750	28,894	Intangible assets, net	27,152	28,894
Goodwill	Goodwill	8,314	8,314	Goodwill	8,314	8,314
Other long-term assets	Other long-term assets	5,113	4,800	Other long-term assets	4,200	4,800
Total assets	Total assets	\$ 62,337	\$ 63,171	Total assets	\$ 62,373	\$ 63,171
Liabilities and Stockholders' Equity	Liabilities and Stockholders' Equity			Liabilities and Stockholders' Equity		
Current liabilities:	Current liabilities:			Current liabilities:		
Accounts payable	Accounts payable	\$ 622	\$ 905	Accounts payable	\$ 586	\$ 905
Accrued rebates	Accrued rebates	3,494	3,479	Accrued rebates	3,714	3,479
Other current liabilities	Other current liabilities	5,810	4,580	Other current liabilities	5,852	4,580
Current portion of long-term debt and other obligations, net	Current portion of long-term debt and other obligations, net	4,037	2,273	Current portion of long-term debt and other obligations, net	1,793	2,273
Total current liabilities	Total current liabilities	13,964	11,237	Total current liabilities	11,945	11,237
Long-term debt, net	Long-term debt, net	21,209	22,957	Long-term debt, net	23,189	22,957
Long-term income taxes payable	Long-term income taxes payable	2,610	3,916	Long-term income taxes payable	2,088	3,916
Deferred tax liability	Deferred tax liability	2,106	2,673	Deferred tax liability	1,984	2,673
Other long-term obligations	Other long-term obligations	1,354	1,179	Other long-term obligations	924	1,179
Commitments and contingencies (Note 10)	Commitments and contingencies (Note 10)			Commitments and contingencies (Note 10)		
Stockholders' equity:	Stockholders' equity:			Stockholders' equity:		
Preferred stock, par value \$0.001 per share; 5 shares authorized; none outstanding	Preferred stock, par value \$0.001 per share; 5 shares authorized; none outstanding	—	—	Preferred stock, par value \$0.001 per share; 5 shares authorized; none outstanding	—	—

Common stock, par value \$0.001 per share; 5,600 shares authorized; 1,247 shares issued and outstanding	Common stock, par value \$0.001 per share; 5,600 shares authorized; 1,247 shares issued and outstanding	1	1	Common stock, par value \$0.001 per share; 5,600 shares authorized; 1,247 shares issued and outstanding	1	1
Additional paid-in capital	Additional paid-in capital	6,008	5,550	Additional paid-in capital	6,279	5,550
Accumulated other comprehensive income	Accumulated other comprehensive income	10	2	Accumulated other comprehensive income	31	2
Retained earnings	Retained earnings	15,138	15,687	Retained earnings	16,002	15,687
Total Gilead stockholders' equity	Total Gilead stockholders' equity	21,158	21,240	Total Gilead stockholders' equity	22,314	21,240
Noncontrolling interest	Noncontrolling interest	(64)	(31)	Noncontrolling interest	(72)	(31)
Total stockholders' equity	Total stockholders' equity	21,094	21,209	Total stockholders' equity	22,242	21,209
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$ 62,337	\$ 63,171	Total liabilities and stockholders' equity	\$ 62,373	\$ 63,171

See accompanying notes.

GILEAD SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

		Three Months Ended		Six Months Ended			Three Months Ended		Nine Months Ended	
		June 30,		June 30,			September 30,		September 30,	
(in millions, except per share amounts)	(in millions, except per share amounts)	2023	2022	2023	2022	(in millions, except per share amounts)	2023	2022	2023	2022
Revenues:	Revenues:					Revenues:				
Product sales	Product sales	\$ 6,564	\$ 6,138	\$ 12,870	\$ 12,672	Product sales	\$ 6,994	\$ 6,978	\$ 19,864	\$ 19,650
Royalty, contract and other revenues	Royalty, contract and other revenues	35	122	81	178	Royalty, contract and other revenues	56	64	138	242
Total revenues	Total revenues	6,599	6,260	12,951	12,850	Total revenues	7,051	7,042	20,002	19,892
Costs and expenses:	Costs and expenses:					Costs and expenses:				
Cost of goods sold	Cost of goods sold	1,442	1,442	2,843	2,866	Cost of goods sold	1,565	1,395	4,408	4,261
Research and development expenses	Research and development expenses	1,407	1,102	2,854	2,280	Research and development expenses	1,457	1,149	4,310	3,429
Acquired in-process research and development expenses	Acquired in-process research and development expenses	236	330	717	338	Acquired in-process research and development expenses	91	448	808	786
In-process research and development impairment	In-process research and development impairment	—	—	—	2,700	In-process research and development impairment	—	—	—	2,700

Selling, general and administrative expenses	Selling, general and administrative expenses	1,849	1,357	3,168	2,440	Selling, general and administrative expenses	1,315	1,213	4,482	3,653
Total costs and expenses	Total costs and expenses	4,934	4,231	9,581	10,624	Total costs and expenses	4,428	4,205	14,009	14,829
Operating income	Operating income	1,665	2,029	3,370	2,226	Operating income	2,623	2,837	5,993	5,063
Interest expense	Interest expense	(230)	(242)	(459)	(480)	Interest expense	(232)	(229)	(692)	(709)
Other income (expense), net	Other income (expense), net	152	(284)	(22)	(395)	Other income (expense), net	(72)	(176)	(95)	(571)
Income before income taxes	Income before income taxes	1,588	1,503	2,888	1,351	Income before income taxes	2,318	2,432	5,206	3,783
Income tax expense	Income tax expense	(549)	(368)	(865)	(204)	Income tax expense	(146)	(646)	(1,010)	(850)
Net income	Net income	1,039	1,135	2,024	1,147	Net income	2,172	1,786	4,196	2,933
Net loss attributable to noncontrolling interest	Net loss attributable to noncontrolling interest	6	9	32	16	Net loss attributable to noncontrolling interest	8	3	40	19
Net income attributable to Gilead	Net income attributable to Gilead	\$ 1,045	\$ 1,144	\$ 2,055	\$ 1,163	Net income attributable to Gilead	\$ 2,180	\$ 1,789	\$ 4,236	\$ 2,952
Basic earnings per share attributable to Gilead	Basic earnings per share attributable to Gilead	\$ 0.84	\$ 0.91	\$ 1.65	\$ 0.93	Basic earnings per share attributable to Gilead	\$ 1.75	\$ 1.43	\$ 3.39	\$ 2.35
Shares used in basic earnings per share attributable to Gilead calculation	Shares used in basic earnings per share attributable to Gilead calculation	1,249	1,256	1,249	1,255	Shares used in basic earnings per share attributable to Gilead calculation	1,248	1,255	1,249	1,255
Diluted earnings per share attributable to Gilead	Diluted earnings per share attributable to Gilead	\$ 0.83	\$ 0.91	\$ 1.63	\$ 0.92	Diluted earnings per share attributable to Gilead	\$ 1.73	\$ 1.42	\$ 3.37	\$ 2.34
Shares used in diluted earnings per share attributable to Gilead calculation	Shares used in diluted earnings per share attributable to Gilead calculation	1,258	1,260	1,260	1,261	Shares used in diluted earnings per share attributable to Gilead calculation	1,257	1,261	1,259	1,261

See accompanying notes.

GILEAD SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

		Three Months Ended		Six Months Ended			Three Months Ended		Nine Months Ended	
		June 30,		June 30,			September 30,		September 30,	
(in millions)	(in millions)	2023	2022	2023	2022	(in millions)	2023	2022	2023	2022
Net income	Net income	\$ 1,039	\$ 1,135	\$ 2,024	\$ 1,147	Net income	\$ 2,172	\$ 1,786	\$ 4,196	\$ 2,933
Other comprehensive income, net:	Other comprehensive income, net:					Other comprehensive income, net:				
Net foreign currency translation gain (loss)		37	(26)	32	(21)					
Net foreign currency translation loss						Net foreign currency translation loss	(35)	(81)	(3)	(102)
Available-for-sale debt securities:	Available-for-sale debt securities:					Available-for-sale debt securities:				

Net unrealized gain (loss), net of tax impact of \$0, \$0, \$0 and \$0, respectively	Net unrealized gain (loss), net of tax impact of \$0, \$0, \$0 and \$0, respectively	(3)	(12)	6	(31)	Net unrealized gain (loss), net of tax impact of \$0, \$0, \$0 and \$0, respectively	4	(7)	10	(38)
Reclassifications to net income, net of tax impact of \$0, \$0, \$0 and \$0, respectively	Reclassifications to net income, net of tax impact of \$0, \$0, \$0 and \$0, respectively	1	1	1	1	Reclassifications to net income, net of tax impact of \$0, \$0, \$0 and \$0, respectively	—	—	2	1
Net change	Net change	(2)	(11)	7	(30)	Net change	5	(7)	11	(37)
Cash flow hedges:	Cash flow hedges:					Cash flow hedges:				
Net unrealized gain (loss), net of tax impact of \$1, \$13, \$0 and \$16, respectively	Net unrealized gain (loss), net of tax impact of \$1, \$13, \$0 and \$16, respectively	5	90	(1)	114					
Reclassification to net income, net of tax impact of \$1, \$5, \$4 and \$8, respectively	Reclassification to net income, net of tax impact of \$1, \$5, \$4 and \$8, respectively	(9)	(39)	(29)	(59)					
Net unrealized gain, net of tax impact of \$9, \$21, \$9 and \$37, respectively	Net unrealized gain, net of tax impact of \$9, \$21, \$9 and \$37, respectively					Net unrealized gain, net of tax impact of \$9, \$21, \$9 and \$37, respectively	66	140	65	254
Reclassifications to net income, net of tax impact of \$2, \$7, \$6 and \$15, respectively	Reclassifications to net income, net of tax impact of \$2, \$7, \$6 and \$15, respectively					Reclassifications to net income, net of tax impact of \$2, \$7, \$6 and \$15, respectively	(14)	(41)	(44)	(100)
Net change	Net change	(4)	51	(30)	55	Net change	51	99	21	154
Other comprehensive income, net	Other comprehensive income, net	31	14	9	4	Other comprehensive income, net	21	11	30	15
Comprehensive income, net	Comprehensive income, net	1,070	1,149	2,032	1,151	Comprehensive income, net	2,193	1,797	4,226	2,948
Comprehensive loss attributable to noncontrolling interest, net	Comprehensive loss attributable to noncontrolling interest, net	6	9	32	16	Comprehensive loss attributable to noncontrolling interest, net	8	3	40	19
Comprehensive income attributable to Gilead, net	Comprehensive income attributable to Gilead, net	\$ 1,076	\$ 1,158	\$ 2,064	\$ 1,167	Comprehensive income attributable to Gilead, net	\$ 2,201	\$ 1,800	\$ 4,265	\$ 2,967

See accompanying notes.

GILEAD SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)

(in millions, except per share amounts)	(in millions, except per share amounts)	Three Months Ended June 30, 2023							Three Months Ended September 30, 2023						
		Gilead Stockholders' Equity							Gilead Stockholders' Equity						
		Common Stock		Accumulated			Noncontrolling Interest	Total Equity	Common Stock		Accumulated			Noncontrolling Interest	Total Equity
		Shares	Amount	Paid-In Capital	Other Comprehensive Income (Loss)	Retained Earnings			Shares	Amount	Paid-In Capital	Other Comprehensive Income	Retained Earnings		
Balance as of March 31, 2023		1,248	\$ 1	\$ 5,793	\$ (20)	\$15,223	\$ (58)	\$ 20,939							
Balance as of June 30, 2023									Balance as of June 30, 2023						
		1,247	\$1	\$ 6,008	\$ 10	\$15,138									
Net income (loss)	Net income (loss)	—	—	—	—	1,045	(6)	1,039	Net income (loss)	—	—	—	—	2,180	
Other comprehensive income, net	Other comprehensive income, net	—	—	—	31	—	—	31	Other comprehensive income, net	—	—	—	21	—	

Repurchases of common stock under repurchase programs (\$81.56 average price per share)		(7)	—	(24)	—	(526)	—	(550)						
Repurchases of common stock under repurchase programs (\$79.92 average price per share)									Repurchases of common stock under repurchase programs (\$79.92 average price per share)	(11)	—	(38)	—	(812)
Repurchases of common stock for employee tax withholding under equity incentive plans and other	Repurchases of common stock for employee tax withholding under equity incentive plans and other	(2)	—	—	—	(168)	—	(168)	Repurchases of common stock for employee tax withholding under equity incentive plans and other	(3)	—	—	—	(245)
Dividends declared (\$1.50 per share)		—	—	—	—	(1,911)	—	(1,911)						
Balance as of June 30, 2023		1,247	\$ 1	\$ 6,008	\$ 10	\$ 15,138	\$ (64)	\$ 21,094						
Dividends declared (\$2.25 per share)									Dividends declared (\$2.25 per share)	—	—	—	—	(2,864)
Balance as of September 30, 2023									Balance as of September 30, 2023	1,247	\$ 1	\$ 6,279	\$ 31	\$ 16,002

See accompanying notes.

(in millions, except per share amounts)	(in millions, except per share amounts)	Three Months Ended June 30, 2022							(in millions, except per share amounts)	Three Months Ended September 30, 2022				
		Gilead Stockholders' Equity								Gilead Stockholders' Equity				
		Common Stock		Accumulated			Noncontrolling Interest	Total Stockholders'		Common Stock		Accumulated		
		Shares	Amount	Paid-In Capital	Other Comprehensive Income	Retained Earnings				Shares	Amount	Paid-In Capital	Other Comprehensive Income	Retained Earnings
Balance as of March 31, 2022		1,255	\$ 1	\$ 4,867	\$ 73	\$ 14,986	\$ (12)	\$ 19,915	Balance as of June 30, 2022	1,254	\$ 1	\$ 5,031	\$ 87	\$ 15,117
Net income (loss)	Net income (loss)	—	—	—	—	1,144	(9)	1,135	Net income (loss)	—	—	—	—	1,789
Other comprehensive income, net	Other comprehensive income, net	—	—	—	14	—	—	14	Other comprehensive income, net	—	—	—	11	—
Issuances under employee stock purchase plan	Issuances under employee stock purchase plan								Issuances under employee stock purchase plan	2	—	30	—	—
Issuances under equity incentive plans	Issuances under equity incentive plans	—	—	3	—	—	—	3	Issuances under equity incentive plans	2	—	6	—	—
Stock-based compensation	Stock-based compensation	—	—	164	—	—	—	164	Stock-based compensation	—	—	170	—	—
Repurchases of common stock under repurchase programs (\$61.83 average price per share)		(1)	—	(3)	—	(67)	—	(70)						

Repurchases of common stock under repurchase programs (\$63.10 average price per share)									Repurchases of common stock under repurchase programs (\$63.10 average price per share)	(3)	—	(11)	—	(171)
Repurchases of common stock for employee tax withholding under equity incentive plans	Repurchases of common stock for employee tax withholding under equity incentive plans	—	—	—	—	(14)	—	(14)	Repurchases of common stock for employee tax withholding under equity incentive plans	(1)	—	—	—	(46)
Dividends declared (\$0.73 per share)	Dividends declared (\$0.73 per share)	—	—	—	—	(932)	—	(932)	Dividends declared (\$0.73 per share)	—	—	—	—	(933)
Balance as of June 30, 2022		1,254	\$ 1	\$ 5,031	\$ 87	\$15,117	\$ (21)	\$ 20,215						
Balance as of September 30, 2022									Balance as of September 30, 2022	1,254	\$1	\$ 5,226	\$ 98	\$15,756

	Six Months Ended June 30, 2022									Nine Months Ended September 30, 2022				
	Gilead Stockholders' Equity									Gilead Stockholders' Equity				
	Common Stock		Accumulated			Noncontrolling	Total	Common Stock		Accumulated				
	Shares	Amount	Paid-In	Other	Retained			Interest		Equity	Shares	Amount	Paid-In	Other
(in millions, except per share amounts)	(in millions, except per share amounts)			Capital	Income	Earnings			(in millions, except per share amounts)			Capital	Income	Earnings
Balance as of December 31, 2021	Balance as of December 31, 2021	1,254	\$ 1	\$ 4,661	\$ 83	\$16,324	\$ (5)	\$ 21,064	Balance as of December 31, 2021	1,254	\$1	\$ 4,661	\$ 83	\$16,324
Net income (loss)	Net income (loss)	—	—	—	—	1,163	(16)	1,147	Net income (loss)	—	—	—	—	2,952
Other comprehensive income, net	Other comprehensive income, net	—	—	—	4	—	—	4	Other comprehensive income, net	—	—	—	15	—
Issuances under employee stock purchase plan	Issuances under employee stock purchase plan	1	—	73	—	—	—	73	Issuances under employee stock purchase plan	3	—	103	—	—
Issuances under equity incentive plans	Issuances under equity incentive plans	7	—	24	—	—	—	24	Issuances under equity incentive plans	9	—	30	—	—
Stock-based compensation	Stock-based compensation	—	—	295	—	—	—	295	Stock-based compensation	—	—	465	—	—
Repurchases of common stock under repurchase programs (\$63.44 average price per share)		(6)	—	(22)	—	(402)	—	(424)						
Repurchases of common stock under repurchase programs (\$63.34 average price per share)									Repurchases of common stock under repurchase programs (\$63.34 average price per share)	(10)	—	(33)	—	(572)

Repurchases of common stock for employee tax withholding under equity incentive plans	Repurchases of common stock for employee tax withholding under equity incentive plans	(2)	—	—	—	(104)	—	(104)	Repurchases of common stock for employee tax withholding under equity incentive plans	(2)	—	—	—	(151)
Dividends declared (\$1.46 per share)		—	—	—	—	(1,864)	—	(1,864)	Dividends declared (\$2.19 per share)	—	—	—	—	(2,797)
Balance as of June 30, 2022		1,254	\$ 1	\$ 5,031	\$ 87	\$15,117	\$ (21)	\$ 20,215	Balance as of September 30, 2022	1,254	\$1	\$ 5,226	\$ 98	\$15,756

See accompanying notes.

GILEAD SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended		Nine Months Ended			
	June 30,		September 30,			
(in millions)	(in millions)	2023	2022	(in millions)	2023	2022
Operating Activities:	Operating Activities:			Operating Activities:		
Net income	Net income	\$ 2,024	\$ 1,147	Net income	\$ 4,196	\$ 2,933
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:			Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	Depreciation expense	177	160	Depreciation expense	263	240
Amortization expense	Amortization expense	1,144	890	Amortization expense	1,742	1,335
Stock-based compensation expense	Stock-based compensation expense	363	295	Stock-based compensation expense	565	463
Acquired in-process research and development expenses	Acquired in-process research and development expenses	717	338	Acquired in-process research and development expenses	808	786
In-process research and development impairment	In-process research and development impairment	—	2,700	In-process research and development impairment	—	2,700
Deferred income taxes	Deferred income taxes	(524)	(944)	Deferred income taxes	(592)	(1,214)
Net loss from equity securities	Net loss from equity securities	187	399	Net loss from equity securities	356	596
Other	Other	205	420	Other	260	546
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:			Changes in operating assets and liabilities:		
Accounts receivable, net	Accounts receivable, net	549	247	Accounts receivable, net	(63)	(125)
Inventories	Inventories	(453)	61	Inventories	(535)	(34)

Prepaid expenses and other	Prepaid expenses and other	66	(81)	Prepaid expenses and other	71	(69)
Accounts payable	Accounts payable	(275)	(104)	Accounts payable	(304)	(38)
Income tax assets and liabilities, net	Income tax assets and liabilities, net	(189)	(591)	Income tax assets and liabilities, net	(1,070)	(483)
Accrued and other liabilities	Accrued and other liabilities	91	(1,295)	Accrued and other liabilities	141	(1,131)
Net cash provided by operating activities	Net cash provided by operating activities	4,082	3,642	Net cash provided by operating activities	5,837	6,505
Investing Activities:	Investing Activities:			Investing Activities:		
Purchases of marketable debt securities	Purchases of marketable debt securities	(1,105)	(1,090)	Purchases of marketable debt securities	(1,474)	(1,398)
Proceeds from sales of marketable debt securities	Proceeds from sales of marketable debt securities	317	323	Proceeds from sales of marketable debt securities	412	370
Proceeds from maturities of marketable debt securities	Proceeds from maturities of marketable debt securities	719	955	Proceeds from maturities of marketable debt securities	985	1,232
Acquisitions, including in-process research and development, net of cash acquired	Acquisitions, including in-process research and development, net of cash acquired	(794)	(1,131)	Acquisitions, including in-process research and development, net of cash acquired	(873)	(1,579)
Purchases of equity securities	Purchases of equity securities	(192)	(44)	Purchases of equity securities	(218)	(166)
Capital expenditures	Capital expenditures	(248)	(390)	Capital expenditures	(370)	(547)
Other	Other	(6)	(1)	Other	—	(3)
Net cash used in investing activities	Net cash used in investing activities	(1,309)	(1,378)	Net cash used in investing activities	(1,538)	(2,091)
Financing Activities:	Financing Activities:			Financing Activities:		
Proceeds from debt financing, net of issuance costs				Proceeds from debt financing, net of issuance costs	1,979	—
Proceeds from issuances of common stock	Proceeds from issuances of common stock	123	97	Proceeds from issuances of common stock	206	133
Repurchases of common stock under repurchase programs	Repurchases of common stock under repurchase programs	(550)	(424)	Repurchases of common stock under repurchase programs	(850)	(604)
Repayments of debt and other obligations	Repayments of debt and other obligations	—	(500)	Repayments of debt and other obligations	(2,250)	(1,500)
Payments of dividends	Payments of dividends	(1,913)	(1,865)	Payments of dividends	(2,866)	(2,794)
Other	Other	(167)	(105)	Other	(245)	(150)
Net cash used in financing activities	Net cash used in financing activities	(2,507)	(2,797)	Net cash used in financing activities	(4,026)	(4,915)
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	26	(66)	Effect of exchange rate changes on cash and cash equivalents	20	(138)
Net change in cash and cash equivalents	Net change in cash and cash equivalents	292	(599)	Net change in cash and cash equivalents	293	(639)

Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	5,412	5,338	Cash and cash equivalents at beginning of period	5,412	5,338
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	\$ 5,704	\$ 4,739	Cash and cash equivalents at end of period	\$ 5,705	\$ 4,699

See accompanying notes.

GILEAD SCIENCES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Condensed Consolidated Financial Statements and related Notes to Condensed Consolidated Financial Statements of Gilead Sciences, Inc. ("Gilead," "we," "our" or "us") should be read in conjunction with the audited Consolidated Financial Statements and the related notes thereto for the year ended December 31, 2022, included in our Annual Report on Form 10-K filed with U.S. Securities and Exchange Commission. There have been no material changes to our organization or summary of significant accounting policies as disclosed in that filing. Beginning in the first quarter of 2023, we reclassified changes in income taxes prepaid and receivable from Prepaid expenses and other to combine them with changes in income taxes payable as Income tax assets and liabilities, net within Operating Activities on our Condensed Consolidated Statements of Cash Flows. We believe this presentation assists users of the financial statements to better understand cash flow movements. Prior periods have been revised to reflect this change, resulting in a reclassification of \$51 million \$81 million from Prepaid expenses and other for the six nine months ended June 30, 2022 September 30, 2022.

These interim financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and include all adjustments consisting of normal recurring adjustments that the management of Gilead believes are necessary for a fair presentation of the periods presented and are not necessarily indicative of results expected for the full fiscal year or for any subsequent interim period. Certain amounts and percentages in these Condensed Consolidated Financial Statements and accompanying notes may not sum or recalculate due to rounding.

2. REVENUES

Disaggregation of Revenues

The following table summarizes our Total revenues:

(in millions)	(in millions)	Three Months Ended June 30, 2023				Three Months Ended June 30, 2022				(in millions)	Three Months Ended September 30, 2023			
		Other				Other					Other			
		U.S.	Europe	International	Total	U.S.	Europe	International	Total		U.S.	Europe	International	Total
Product sales:	Product sales:									Product sales:				
HIV	HIV									HIV				
Biktarvy	Biktarvy	\$2,439	\$ 302	\$ 237	\$2,979	\$2,095	\$ 268	\$ 193	\$2,556	Biktarvy	\$2,504	\$ 313	\$ 268	
Complera/Eviplera	Complera/Eviplera	13	16	3	32	20	31	3	54	Complera/Eviplera	13	18	3	
Descovy	Descovy	460	25	31	516	397	32	32	460	Descovy	460	25	26	
Genvoya	Genvoya	455	56	29	540	482	72	29	582	Genvoya	433	47	23	
Odefsey	Odefsey	267	74	11	351	255	97	12	364	Odefsey	257	74	11	
Stribild	Stribild	19	5	2	26	24	8	2	33	Stribild	18	5	2	
Truvada	Truvada	32	3	7	42	24	5	5	34	Truvada	15	3	4	
Revenue share - Symtuza(1)	Revenue share - Symtuza(1)	84	33	3	120	80	42	4	126	Revenue share - Symtuza(1)	96	32	3	
Other HIV(2)	Other HIV(2)	10	7	3	20	5	9	4	18	Other HIV(2)	10	3	—	
Total HIV	Total HIV	3,778	521	326	4,626	3,383	562	282	4,228	Total HIV	3,807	519	341	
Oncology	Oncology									Oncology				
Cell Therapy	Cell Therapy									Cell Therapy				
Tecartus	Tecartus	56	29	4	88	53	20	—	73	Tecartus	64	27	4	
Yescarta	Yescarta	217	133	30	380	193	85	17	295	Yescarta	197	154	40	
Total Cell Therapy	Total Cell Therapy	272	162	34	469	246	105	17	368	Total Cell Therapy	261	181	45	
Trodelvy	Trodelvy	189	53	17	260	120	35	3	159	Trodelvy	201	62	21	
Total Oncology	Total Oncology	462	215	51	728	366	141	21	527	Total Oncology	462	243	65	
Liver Disease	Liver Disease									Liver Disease				
Chronic hepatitis C virus ("HCV")														

Ledipasvir/Sofosbuvir ⁽³⁾	Ledipasvir/Sofosbuvir ⁽³⁾	8	2	5	15	6	4	13	23	Ledipasvir/Sofosbuvir ⁽³⁾	17	2	4
Sofosbuvir/Velpatasvir ⁽⁴⁾	Sofosbuvir/Velpatasvir ⁽⁴⁾	223	84	90	397	227	75	74	376	Sofosbuvir/Velpatasvir ⁽⁴⁾	215	76	85
Other HCV ⁽⁵⁾	Other HCV ⁽⁵⁾	28	9	3	40	30	16	3	49	Other HCV ⁽⁵⁾	28	7	3
Total HCV	Total HCV	259	95	98	452	263	94	91	448	Total HCV	260	85	93
Chronic hepatitis B virus ("HBV") / hepatitis delta virus ("HDV")													
Chronic hepatitis B virus ("HBV") / Chronic hepatitis delta virus ("HDV")										Chronic hepatitis B virus ("HBV") / Chronic hepatitis delta virus ("HDV")			
Vemlidy	Vemlidy	96	10	113	219	97	9	89	195	Vemlidy	112	9	106
Viread	Viread	1	6	14	21	3	6	15	24	Viread	4	5	12
Other HBV/HDV ⁽⁶⁾	Other HBV/HDV ⁽⁶⁾	—	20	—	20	—	15	—	16	Other HBV/HDV ⁽⁶⁾	—	19	—
Total HBV/HDV	Total HBV/HDV	97	35	127	259	100	30	104	234	Total HBV/HDV	116	34	119
Total Liver Disease	Total Liver Disease	356	131	225	711	363	124	195	682	Total Liver Disease	376	119	211
Veklury	Veklury	97	52	107	256	41	126	278	445	Veklury	258	65	313
Other	Other									Other			
AmBisome	AmBisome	20	69	61	151	15	63	54	132	AmBisome	12	63	39
Letairis	Letairis	39	—	—	39	49	—	—	49	Letairis	36	—	—
Other ⁽⁷⁾	Other ⁽⁷⁾	26	10	17	53	37	26	13	76	Other ⁽⁷⁾	34	9	23
Total Other	Total Other	85	80	78	243	101	88	67	256	Total Other	82	72	62
Total product sales	Total product sales	4,777	999	788	6,564	4,254	1,042	842	6,138	Total product sales	4,985	1,017	992
Royalty, contract and other revenues	Royalty, contract and other revenues	6	28	1	35	85	34	2	122	Royalty, contract and other revenues	32	23	1
Total revenues	Total revenues	\$4,784	\$1,027	\$789	\$6,599	\$4,339	\$1,076	\$844	\$6,260	Total revenues	\$5,017	\$1,040	\$993

		Six Months Ended June 30, 2023				Six Months Ended June 30, 2022					Nine Months Ended September 30, 2022		
		Other				Other					Other		
(in millions)	(in millions)	U.S.	Europe	International	Total	U.S.	Europe	International	Total	(in millions)	U.S.	Europe	International
Product sales:	Product sales:									Product sales:			
HIV	HIV									HIV			
Biktarvy	Biktarvy	\$4,600	\$ 606	\$ 449	\$ 5,656	\$3,801	\$ 529	\$ 376	\$ 4,707	Biktarvy	\$ 7,104	\$ 920	\$ 711
Complera/Eviplera	Complera/Eviplera	27	37	6	70	37	55	7	99	Complera/Eviplera	40	55	—
Descovy	Descovy	855	50	60	965	708	64	63	834	Descovy	1,314	75	8
Genvoya	Genvoya	872	111	58	1,041	939	149	76	1,164	Genvoya	1,305	157	8
Odefsey	Odefsey	497	149	22	668	487	193	23	703	Odefsey	754	223	3
Stribild	Stribild	39	11	4	55	46	16	5	66	Stribild	57	16	—
Truvada	Truvada	55	7	12	74	52	9	11	72	Truvada	71	10	1
Revenue share - Symtuza ⁽¹⁾	Revenue share - Symtuza ⁽¹⁾	182	70	7	259	166	86	6	258	Revenue share - Symtuza ⁽¹⁾	278	101	1
Other HIV ⁽²⁾	Other HIV ⁽²⁾	15	8	6	29	10	13	9	33	Other HIV ⁽²⁾	24	11	—
Total HIV	Total HIV	7,142	1,049	624	8,816	6,245	1,112	577	7,935	Total HIV	10,949	1,568	96
Oncology	Oncology									Oncology			
Cell Therapy	Cell Therapy									Cell Therapy			
Tecartus	Tecartus	114	56	6	177	100	35	1	136	Tecartus	179	83	1
Yescarta	Yescarta	427	254	58	739	318	162	26	506	Yescarta	624	408	9
Total Cell Therapy	Total Cell Therapy	542	310	65	916	418	197	27	642	Total Cell Therapy	802	491	10
Trodelvy	Trodelvy	351	107	23	482	240	61	5	305	Trodelvy	551	169	4
Total Oncology	Total Oncology	893	417	88	1,398	658	258	32	947	Total Oncology	1,354	660	15
Liver Disease	Liver Disease									Liver Disease			
HCV													
Ledipasvir/Sofosbuvir ⁽³⁾	Ledipasvir/Sofosbuvir ⁽³⁾	12	9	10	30	19	8	31	58	Ledipasvir/Sofosbuvir ⁽³⁾	29	11	1
Sofosbuvir/Velpatasvir ⁽⁴⁾	Sofosbuvir/Velpatasvir ⁽⁴⁾	427	174	181	782	389	157	159	706	Sofosbuvir/Velpatasvir ⁽⁴⁾	643	250	26

Other HCV ⁽⁵⁾	Other HCV ⁽⁵⁾	51	27	6	85	54	24	5	83	Other HCV ⁽⁵⁾	80	33	1
Total HCV	Total HCV	491	209	197	897	462	189	196	847	Total HCV	751	294	28
Vemlidy	Vemlidy	183	19	216	418	177	18	199	394	Vemlidy	295	28	32
Viread	Viread	1	12	28	40	3	12	32	47	Viread	4	17	4
Other HBV/HDV ⁽⁶⁾	Other HBV/HDV ⁽⁶⁾	—	31	—	31	—	28	—	28	Other HBV/HDV ⁽⁶⁾	—	50	—
Total HBV/HDV	Total HBV/HDV	183	62	244	489	180	57	232	470	Total HBV/HDV	299	96	36
Total Liver Disease	Total Liver Disease	674	271	441	1,386	642	247	427	1,317	Total Liver Disease	1,051	390	65
Veklury	Veklury	349	163	317	829	843	430	708	1,980	Veklury	607	227	63
Other	Other									Other			
AmBisome	AmBisome	27	129	111	267	40	129	107	275	AmBisome	39	192	15
Letairis	Letairis	70	—	—	70	92	—	—	92	Letairis	106	—	—
Other ⁽⁷⁾	Other ⁽⁷⁾	56	22	26	105	63	41	22	125	Other ⁽⁷⁾	91	31	4
Total Other	Total Other	153	152	137	442	195	169	129	493	Total Other	236	224	19
Total product sales	Total product sales	9,211	2,052	1,607	12,870	8,582	2,216	1,873	12,672	Total product sales	14,196	3,069	2,59
Royalty, contract and other revenues	Royalty, contract and other revenues	25	54	3	81	112	61	5	178	Royalty, contract and other revenues	57	77	
Total revenues	Total revenues	\$9,236	\$2,106	\$1,610	\$12,951	\$8,694	\$2,277	\$1,878	\$12,850	Total revenues	\$14,253	\$3,146	\$2,60

⁽¹⁾ Represents our revenue from cobicistat ("C"), emtricitabine ("FTC") and tenofovir alafenamide ("TAF") in Symtuza (darunavir/C/FTC/TAF), a fixed dose combination product commercialized by Janssen Sciences Ireland Unlimited Company ("Janssen").

⁽²⁾ Includes Atripla, Emtriva, Sunlenca and Tybost.

⁽³⁾ Amounts consist of sales of Harvoni and the authorized generic version of Harvoni sold by our separate subsidiary, Asegua Therapeutics LLC.

⁽⁴⁾ Amounts consist of sales of Eplclusa and the authorized generic version of Eplclusa sold by our separate subsidiary, Asegua Therapeutics LLC.

⁽⁵⁾ Includes Vosevi and Sovaldi.

⁽⁶⁾ Includes Hepcludex and Hepsera.

⁽⁷⁾ Includes Cayston, Jyseleca, Ranexa and Zydelig.

Revenues from Major Customers

The following table summarizes revenues from each of our customers who individually accounted for 10% or more of our Total revenues:

		Three Months Ended				Six Months Ended					Three Months Ended				Nine Months Ended			
		June 30,				June 30,					September 30,				September 30,			
(as a percentage of total revenues)	(as a percentage of total revenues)	2023		2022		2023		2022		(as a percentage of total revenues)	2023		2022		2023		2022	
AmerisourceBergen Corporation		19	%	17	%	18	%	18	%									
Cencora, Inc. (formerly known as AmerisourceBergen Corporation)										Cencora, Inc. (formerly known as AmerisourceBergen Corporation)	19	%	18	%	19	%	17	%
Cardinal Health, Inc.	Cardinal Health, Inc.	27	%	26	%	27	%	24	%	Cardinal Health, Inc.	25	%	25	%	26	%	25	%
McKesson Corporation	McKesson Corporation	20	%	20	%	20	%	20	%	McKesson Corporation	22	%	22	%	21	%	20	%

Revenues Recognized from Performance Obligations Satisfied in Prior Periods Years

The following table summarizes revenues recognized from performance obligations satisfied in prior periods years:

The following table summarizes revenues recognized from performance obligations satisfied in prior periods, by contract type.											
	Three Months Ended				Six Months Ended			Three Months Ended		Nine Months Ended	
	June 30,				June 30,			September 30,		September 30,	
(in millions)	(in millions)	2023	2022		2023	2022	(in millions)	2023	2022	2023	2022

Revenue share with Janssen and royalties for licenses of intellectual property	Revenue share with Janssen and royalties for licenses of intellectual property	\$	158	\$	197	\$	350	\$	381	Revenue share with Janssen and royalties for licenses of intellectual property	\$	166	\$	192	\$	517	\$	573
Changes in estimates	Changes in estimates	\$	77	\$	16	\$	237	\$	246	Changes in estimates	\$	111	\$	207	\$	347	\$	452

Contract Balances

The following table summarizes our contract balances:

(in millions)	(in millions)	June 30, 2023				December 31, 2022				(in millions)	September 30, 2023				December 31, 2022			
Contract assets ⁽¹⁾	Contract assets ⁽¹⁾	\$	130			\$	171			Contract assets ⁽¹⁾	\$	123			\$	171		
Contract liabilities ⁽²⁾	Contract liabilities ⁽²⁾	\$	103			\$	102			Contract liabilities ⁽²⁾	\$	68			\$	102		

⁽¹⁾ Consists of unbilled amounts primarily from arrangements where the licensing of intellectual property is the only or predominant performance obligation.

⁽²⁾ Generally results from receipt of advance payment before our performance under the contract.

3. FAIR VALUE MEASUREMENTS

The following table summarizes the types of assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy:

		June 30, 2023				December 31, 2022					September 30, 2023				December 31, 2022			
		Level				Level					Level				Level			
(in millions)	(in millions)	Level 1	Level 2	3	Total	Level 1	Level 2	3	Total	(in millions)	Level 1	Level 2	3	Total	Level 1	Level 2	3	Total
Assets:	Assets:									Assets:								
Available-for-sale debt securities:	Available-for-sale debt securities:									Available-for-sale debt securities:								
U.S. treasury securities	U.S. treasury securities	\$ 375	\$ —	\$ —	\$ 375	\$ 410	\$ —	\$ —	\$ 410	U.S. treasury securities	\$ 428	\$ —	\$ —	\$ 428	\$ 410	\$ —	\$ —	\$ 410
U.S. government agencies securities	U.S. government agencies securities	—	161	—	161	—	35	—	35	U.S. government agencies securities	—	152	—	152	—	35	—	35
Non-U.S. government securities	Non-U.S. government securities	—	15	—	15	—	34	—	34	Non-U.S. government securities	—	10	—	10	—	34	—	34
Certificates of deposit	Certificates of deposit	—	104	—	104	—	54	—	54	Certificates of deposit	—	97	—	97	—	54	—	54
Corporate debt securities	Corporate debt securities	—	1,338	—	1,338	—	1,427	—	1,427	Corporate debt securities	—	1,334	—	1,334	—	1,427	—	1,427
Residential mortgage and asset-backed securities	Residential mortgage and asset-backed securities	—	346	—	346	—	333	—	333	Residential mortgage and asset-backed securities	—	361	—	361	—	333	—	333
Equity securities:	Equity securities:									Equity securities:								
Money market funds	Money market funds	4,253	—	—	4,253	3,831	—	—	3,831	Money market funds	4,240	—	—	4,240	3,831	—	—	3,831
Equity investment in Galapagos NV ("Galapagos")	Equity investment in Galapagos NV ("Galapagos")	682	—	—	682	736	—	—	736	Equity investment in Galapagos NV ("Galapagos")	571	—	—	571	736	—	—	736

Equity investment in Arcus Biosciences, Inc. ("Arcus")	Equity investment in Arcus Biosciences, Inc. ("Arcus")	301	—	—	301	286	—	—	286	Equity investment in Arcus Biosciences, Inc. ("Arcus")	266	—	—	266	286	—	—	286
Other publicly traded equity securities	Other publicly traded equity securities	226	—	—	226	175	—	—	175	Other publicly traded equity securities	257	—	—	257	175	—	—	175
Deferred compensation plan	Deferred compensation plan	268	—	—	268	220	—	—	220	Deferred compensation plan	259	—	—	259	220	—	—	220
Foreign currency derivative contracts	Foreign currency derivative contracts	—	25	—	25	—	60	—	60	Foreign currency derivative contracts	—	67	—	67	—	60	—	60
Total	Total	\$ 6,105	\$ 1,991	\$ —	\$ 8,096	\$ 5,658	\$ 1,943	\$ —	\$ 7,600	Total	\$ 6,021	\$ 2,021	\$ —	\$ 8,042	\$ 5,658	\$ 1,943	\$ —	\$ 7,600
Liabilities:	Liabilities:									Liabilities:								
Liability for MYR GmbH ("MYR") contingent consideration	Liability for MYR GmbH ("MYR") contingent consideration	\$ —	\$ —	\$ 288	\$ 288	\$ —	\$ —	\$ 275	\$ 275	Liability for MYR GmbH ("MYR") contingent consideration	\$ —	\$ —	\$ 275	\$ 275	\$ —	\$ —	\$ 275	\$ 275
Deferred compensation plan	Deferred compensation plan	267	—	—	267	220	—	—	220	Deferred compensation plan	258	—	—	258	220	—	—	220
Foreign currency derivative contracts	Foreign currency derivative contracts	—	36	—	36	—	42	—	42	Foreign currency derivative contracts	—	8	—	8	—	42	—	42
Total	Total	\$ 267	\$ 36	\$ 288	\$ 592	\$ 220	\$ 42	\$ 275	\$ 538	Total	\$ 258	\$ 8	\$ 275	\$ 540	\$ 220	\$ 42	\$ 275	\$ 538

Level 2 Inputs

Available-for-Sale Debt Securities

For our available-for-sale debt securities, we estimate the fair values by reviewing trading activity and pricing as of the measurement date, and by taking into consideration valuations obtained from third-party pricing services. The pricing services utilize industry standard valuation models, including both income-based and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate the fair value. These inputs include reported trades of and broker/dealer quotes on the same or similar securities, issuer credit spreads, benchmark securities, prepayment/default projections based on historical data and other observable inputs.

Foreign Currency Derivative Contracts

Our foreign currency derivative contracts have maturities of 18 months or less and all are with counterparties that have a minimum credit rating of A- or equivalent by S&P Global Ratings, Moody's Investors Service, Inc. or Fitch Ratings, Inc. We estimate the fair values of these contracts by taking into consideration the valuations obtained from a third-party valuation service that utilizes utilizing an income-based industry standard valuation model for which all significant inputs are observable, either directly or indirectly. These inputs include foreign currency exchange rates, Secured Overnight Financing Rate and swap rates. These inputs, where applicable, are observable at commonly quoted intervals.

Senior Unsecured Notes

The total estimated fair value of our senior unsecured notes, determined using Level 2 inputs based on their quoted market values, was approximately \$22.3 billion \$20.9 billion and \$21.9 billion as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively, and the carrying value was \$23.8 billion and \$24.1 billion as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively.

Level 3 Inputs

Contingent Consideration Liability

In connection with our first quarter 2021 acquisition of MYR, we are subject to a potential contingent consideration payment of up to €300 million, subject to customary adjustments, which is revalued each reporting period using probability-weighted scenarios for U.S. Food and Drug Administration ("FDA") approval of Hepcludex until the related contingency is resolved.

The following table summarizes the change in fair value of our contingent consideration liability:

Three Months Ended	Six Months Ended	Three Months Ended	Nine Months Ended
June 30,	June 30,	September 30,	September 30,

(in millions)	(in millions)	2023	2022	2023	2022	(in millions)	2023	2022	2023	2022
Beginning balance	Beginning balance	\$ 277	\$ 322	\$ 275	\$ 317	Beginning balance	\$ 288	\$ 306	\$ 275	\$ 317
Changes in valuation assumptions ⁽¹⁾	Changes in valuation assumptions ⁽¹⁾	8	—	5	11	Changes in valuation assumptions ⁽¹⁾	(2)	(30)	3	(19)
Effect of foreign exchange remeasurement ⁽²⁾	Effect of foreign exchange remeasurement ⁽²⁾	2	(16)	7	(22)	Effect of foreign exchange remeasurement ⁽²⁾	(11)	(27)	(4)	(49)
Ending balance	Ending balance	\$ 288	\$ 306	\$ 288	\$ 306	Ending balance	\$ 275	\$ 249	\$ 275	\$ 249

⁽¹⁾ Included in Research and development expenses on our Condensed Consolidated Statements of Income. The change changes primarily related to increasing discount rates and updated probability rate estimates.

⁽²⁾ Included in Other income (expense), net on our Condensed Consolidated Statements of Income.

Liability Related to Future Royalties

We recorded a liability related to future royalties as part of our fourth quarter 2020 acquisition of Immunomedics, Inc. ("Immunomedics"), which is subsequently amortized using the effective interest method over the remaining estimated life. The fair value and the carrying value of the liability related to future royalties was \$1.1 billion as of June 30, 2023 September 30, 2023 and December 31, 2022. The carrying value of the liability related to future royalties was \$1.2 billion as of September 30, 2023 and \$1.1 billion as of December 31, 2022.

Nonrecurring Fair Value Measurements

During the six nine months ended June 30, 2022 September 30, 2022, we recorded a partial impairment charge of \$2.7 billion related to certain acquired in-process research and development ("IPR&D") assets. See Note 7. Intangible Assets for additional information. There were no indicators of impairment to IPR&D assets noted during the six nine months ended June 30, 2023 September 30, 2023.

Fair Value Level Transfers

There were no transfers between Level 1, Level 2 and Level 3 in the periods presented.

4. AVAILABLE-FOR-SALE DEBT SECURITIES AND EQUITY SECURITIES

Available-for-Sale Debt Securities

The following table summarizes our available-for-sale debt securities:

		June 30, 2023				December 31, 2022					September 30, 2023				December	
		Amortized	Gross	Gross	Estimated	Amortized	Gross	Gross	Estimated		Amortized	Gross	Gross	Estimated	Amortized	Gross
			Unrealized	Unrealized			Unrealized	Unrealized				Unrealized	Unrealized			Unrealized
(in millions)	(in millions)	Cost	Gains	Losses	Fair Value	Cost	Gains	Losses	Fair Value	(in millions)	Cost	Gains	Losses	Fair Value	Cost	Gains
U.S. treasury securities	U.S. treasury securities	\$ 378	\$ —	\$ (3)	\$ 375	\$ 415	\$ —	\$ (5)	\$ 410	U.S. treasury securities	\$ 430	\$ —	\$ (3)	\$ 428	\$ 415	\$ —
U.S. government agencies securities	U.S. government agencies securities	162	—	(1)	161	36	—	—	35	U.S. government agencies securities	153	—	(1)	152	36	—
Non-U.S. government securities	Non-U.S. government securities	16	—	—	15	34	—	—	34	Non-U.S. government securities	10	—	—	10	34	—
Certificates of deposit	Certificates of deposit	104	—	—	104	54	—	—	54	Certificates of deposit	97	—	—	97	54	—
Corporate debt securities	Corporate debt securities	1,358	—	(20)	1,338	1,452	—	(26)	1,427	Corporate debt securities	1,351	—	(17)	1,334	1,452	—
Residential mortgage and asset-backed securities	Residential mortgage and asset-backed securities	348	—	(2)	346	335	—	(3)	333	Residential mortgage and asset-backed securities	362	—	(1)	361	335	—
Total	Total	\$ 2,367	\$ —	\$ (26)	\$ 2,341	\$ 2,325	\$ 1	\$ (34)	\$ 2,293	Total	\$ 2,403	\$ —	\$ (21)	\$ 2,382	\$ 2,325	\$ 1

The following table summarizes information related to available-for-sale debt securities that have been in a continuous unrealized loss position, classified by length of time:

(in millions)	(in millions)	June 30, 2023							(in millions)	September 30, 2023						
		Less Than 12 Months		12 Months or Longer		Total				Less Than 12 Months		12 Months or Longer		Total		
		Gross		Gross		Gross				Gross		Gross		Gross		
		Unrealized	Estimated	Unrealized	Estimated	Unrealized	Estimated	Unrealized		Estimated	Unrealized	Estimated	Unrealized	Estimated	Unrealized	Estimated
(in millions)	(in millions)	Losses	Fair Value	Losses	Fair Value	Losses	Fair Value	(in millions)	Losses	Fair Value	Losses	Fair Value	Losses	Fair Value		
U.S. treasury securities	U.S. treasury securities	\$ (2)	\$ 299	\$ (1)	\$ 46	\$ (3)	\$ 345	U.S. treasury securities	\$ (1)	\$ 261	\$ (1)	\$ 71	\$ (3)	\$ 332		
U.S. government agencies securities	U.S. government agencies securities	(1)	149	—	—	(1)	149	U.S. government agencies securities	(1)	150	—	2	(1)	152		
Non-U.S. government securities	Non-U.S. government securities	—	11	—	5	—	15	Non-U.S. government securities	—	5	—	5	—	10		
Corporate debt securities	Corporate debt securities	(6)	522	(14)	647	(20)	1,168	Corporate debt securities	(4)	549	(13)	642	(17)	1,191		
Residential mortgage and asset-backed securities	Residential mortgage and asset-backed securities	(1)	266	—	42	(2)	308	Residential mortgage and asset-backed securities	(1)	273	—	42	(1)	315		
Total	Total	\$ (10)	\$ 1,246	\$ (16)	\$ 739	\$ (26)	\$ 1,985	Total	\$ (7)	\$ 1,238	\$ (14)	\$ 761	\$ (21)	\$ 2,000		

(in millions)	December 31, 2022					
	Less Than 12 Months		12 Months or Longer		Total	
	Gross Unrealized	Estimated Fair	Gross Unrealized	Estimated Fair	Gross Unrealized	Estimated Fair
	Losses	Value	Losses	Value	Losses	Value
U.S. treasury securities	\$ (2)	\$ 174	\$ (3)	\$ 206	\$ (5)	\$ 379
U.S. government agencies securities	—	21	—	—	—	21
Non-U.S. government securities	—	31	—	3	—	34
Corporate debt securities	(17)	774	(8)	439	(26)	1,213
Residential mortgage and asset-backed securities	(2)	205	(1)	56	(3)	261
Total	\$ (22)	\$ 1,204	\$ (12)	\$ 705	\$ (34)	\$ 1,908

No allowance for credit losses was recognized for investments with unrealized losses as of **June 30, 2023** **September 30, 2023**, as the unrealized losses were primarily driven by broader change in interest rates with no adverse conditions identified that would prevent the issuer from making scheduled principal and interest payments. We do not currently intend to sell, and it is not more likely than not that we will be required to sell, such investments before recovery of their amortized cost bases.

The following table summarizes the classification of our available-for-sale debt securities in our Condensed Consolidated Balance Sheets:

(in millions)	(in millions)	June 30, 2023	December 31, 2022	(in millions)	September 30, 2023	December 31, 2022
Cash and cash equivalents	Cash and cash equivalents	\$ 44	\$ 75	Cash and cash equivalents	\$ 67	\$ 75
Short-term marketable debt securities	Short-term marketable debt securities	963	973	Short-term marketable debt securities	1,159	973
Long-term marketable debt securities	Long-term marketable debt securities	1,334	1,245	Long-term marketable debt securities	1,156	1,245
Total	Total	\$ 2,341	\$ 2,293	Total	\$ 2,382	\$ 2,293

The following table summarizes our available-for-sale debt securities by contractual maturity:

(in millions)	(in millions)	June 30, 2023		(in millions)	(in millions)	September 30, 2023	
		Amortized Cost	Fair Value			Amortized Cost	Fair Value
Within one year	Within one year	\$ 1,014	\$ 1,007	Within one year	\$ 1,233	\$ 1,226	

After one year through five years	After one year through five years	1,332	1,313	After one year through five years	1,161	1,147
After five years through ten years	After five years through ten years	17	16	After five years through ten years	6	6
After ten years	After ten years	4	4	After ten years	3	3
Total	Total	\$ 2,367	\$ 2,341	Total	\$ 2,403	\$ 2,382

Equity Securities

Equity Securities Measured at Fair Value

The following table summarizes the classification of our equity securities measured at fair value on a recurring basis, on our Condensed Consolidated Balance Sheets:

(in millions)	(in millions)	June 30, 2023	December 31, 2022	(in millions)	September 30, 2023	December 31, 2022
Cash and cash equivalents	Cash and cash equivalents	\$ 4,253	\$ 3,831	Cash and cash equivalents	\$ 4,240	\$ 3,831
Prepaid and other current assets ⁽¹⁾	Prepaid and other current assets ⁽¹⁾	431	473	Prepaid and other current assets ⁽¹⁾	1,110	473
Other long-term assets ⁽¹⁾	Other long-term assets ⁽¹⁾	1,046	943	Other long-term assets ⁽¹⁾	244	943
Total	Total	\$ 5,730	\$ 5,248	Total	\$ 5,594	\$ 5,248

(1) **Prepaid and other current assets and Other long-term assets include** our equity method investments in Arcus and Galapagos, **respectively**, for which we elected and applied the fair value option as we believe it best reflects the underlying economics of these investments. Our investment in **Arcus was classified in Prepaid and other current assets as of September 30, 2023 and December 31, 2022. Our investment in Galapagos is subject to certain lock-up provisions until August 2024 and was classified in Prepaid and other current assets and in Other long-term assets due to certain lock-up provisions in our amended subscription agreement with them, which extend to August 2024, as of September 30, 2023 and December 31, 2022, respectively.**

Other Equity Securities

Equity method investments and other equity investments without readily determinable fair values were **\$366 million** **\$337 million** and **\$423 million** as of **June 30, 2023** **September 30, 2023** and **December 31, 2022**, respectively, and were excluded from the table above. These amounts were included in Other long-term assets on our Condensed Consolidated Balance Sheets.

Unrealized Gains and Losses

We recognized **\$69 million net unrealized gains** **\$168 million** and **\$187** **\$356 million** net unrealized losses on equity securities for the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, respectively, and **\$303** **\$197 million** and **\$399** **\$596 million** net unrealized losses on equity securities for the three and **six nine** months ended **June 30, 2022** **September 30, 2022**, respectively, which were included in Other income (expense), net on our Condensed Consolidated Statements of Income.

Related Party Transaction

During the **three nine** months ended **June 30, 2022** **September 30, 2022**, Gilead donated certain equity securities at fair value to the Gilead Foundation, a California nonprofit public benefit corporation (the "Foundation"). The Foundation is a related party as certain of our officers also serve as directors of the Foundation. The donation expense of \$85 million was recorded within Selling, general and administrative expenses on our Condensed Consolidated Statements of Income during the **three nine** months ended **June 30, 2022** **September 30, 2022**.

5. DERIVATIVE FINANCIAL INSTRUMENTS

Our operations in foreign countries expose us to market risk associated with foreign currency exchange rate fluctuations between the U.S. dollar and various foreign currencies, primarily the Euro. To manage this risk, we hedge a portion of our foreign currency exposures related to outstanding monetary assets and liabilities as well as forecasted product sales using foreign currency exchange forward contracts. In general, the market risk related to these contracts is offset by corresponding gains and losses on the hedged transactions. The credit risk associated with these contracts is driven by changes in interest and currency exchange rates and, as a result, varies over time. By working only with major banks and closely monitoring current market conditions, we seek to limit the risk that counterparties to these contracts may be unable to perform. We also seek to limit our risk of loss by entering into contracts that permit net settlement at maturity. Therefore, our overall risk of loss in the event of a counterparty default is limited to the amount of any unrealized gains on outstanding contracts (i.e., those contracts that have a positive fair value) at the date of default. We do not enter into derivative contracts for trading purposes.

The derivative instruments we use to hedge our exposures for certain monetary assets and liabilities that are denominated in a non-functional currency are not designated as hedges. The derivative instruments we use to hedge our exposures for forecasted product sales are designated as cash flow hedges and have maturities of 18 months or less.

We held foreign currency exchange contracts with outstanding notional amounts of **\$2.4 billion** **\$2.3 billion** as of **June 30, 2023** **September 30, 2023** and **\$3.0 billion** as of **December 31, 2022**.

While all our derivative contracts allow us the right to offset assets and liabilities, we have presented amounts in our Condensed Consolidated Balance Sheets on a gross basis. The following table summarizes the classification and fair values of derivative instruments, including the potential effect of offsetting:

		June 30, 2023					September 30, 2023			
		Derivative Assets		Derivative Liabilities			Derivative Assets		Derivative Liabilities	
(in millions)	(in millions)	Classification	Fair Value	Classification	Fair Value	(in millions)	Classification	Fair Value	Classification	Fair Value
Derivatives designated as hedges:	Derivatives designated as hedges:					Derivatives designated as hedges:				
Foreign currency exchange contracts	Foreign currency exchange contracts	Prepaid and other current assets	\$ 23	Other current liabilities	\$ 34	Foreign currency exchange contracts	Prepaid and other current assets	\$ 57	Other current liabilities	\$ 7
Foreign currency exchange contracts	Foreign currency exchange contracts	Other long-term assets	2	Other long-term obligations	2	Foreign currency exchange contracts	Other long-term assets	10	Other long-term obligations	—
Total derivatives designated as hedges	Total derivatives designated as hedges		24		36	Total derivatives designated as hedges		67		7
Derivatives not designated as hedges:	Derivatives not designated as hedges:					Derivatives not designated as hedges:				
Foreign currency exchange contracts	Foreign currency exchange contracts	Prepaid and other current assets	1	Other current liabilities	—	Foreign currency exchange contracts	Prepaid and other current assets	—	Other current liabilities	1
Total derivatives not designated as hedges	Total derivatives not designated as hedges		1		—	Total derivatives not designated as hedges		—		1
Total derivatives presented gross on the Condensed Consolidated Balance Sheets	Total derivatives presented gross on the Condensed Consolidated Balance Sheets		\$ 25		\$ 36	Total derivatives presented gross on the Condensed Consolidated Balance Sheets		\$ 67		\$ 8
Gross amounts not offset on the Condensed Consolidated Balance Sheets:	Gross amounts not offset on the Condensed Consolidated Balance Sheets:					Gross amounts not offset on the Condensed Consolidated Balance Sheets:				
Derivative financial instruments	Derivative financial instruments		(19)		(19)	Derivative financial instruments		(8)		(8)
Cash collateral received / pledged	Cash collateral received / pledged		—		—	Cash collateral received / pledged		—		—
Net amount (legal offset)	Net amount (legal offset)		\$ 6		\$ 17	Net amount (legal offset)		\$ 59		\$ —

(in millions)	December 31, 2022			
	Derivative Assets		Derivative Liabilities	
	Classification	Fair Value	Classification	Fair Value
Derivatives designated as hedges:				
Foreign currency exchange contracts	Prepaid and other current assets	\$ 59	Other current liabilities	\$ 26
Foreign currency exchange contracts	Other long-term assets	1	Other long-term obligations	9
Total derivatives designated as hedges		59		35
Derivatives not designated as hedges:				
Foreign currency exchange contracts	Prepaid and other current assets	1	Other current liabilities	7
Total derivatives not designated as hedges		1		7

Total derivatives presented gross on the Condensed Consolidated Balance Sheets	\$ 60	\$ 42
Gross amounts not offset on the Condensed Consolidated Balance Sheets:		
Derivative financial instruments	(36)	(36)
Cash collateral received / pledged	—	—
Net amount (legal offset)	\$ 25	\$ 7

The following table summarizes the effect of our derivative contracts on our Condensed Consolidated Financial Statements:

		Three Months Ended		Six Months Ended			Three Months Ended		Nine Months Ended	
		June 30,		June 30,			September 30,		September 30,	
(in millions)	(in millions)	2023	2022	2023	2022	(in millions)	2023	2022	2023	2022
Derivatives designated as hedges:	Derivatives designated as hedges:					Derivatives designated as hedges:				
Net gain (loss) recognized in Accumulated other comprehensive income		\$ 5	\$ 102	\$ (1)	\$ 130					
Net gain recognized in Accumulated other comprehensive income						Net gain recognized in Accumulated other comprehensive income	\$ 75	\$ 162	\$ 74	\$ 292
Net gain reclassified from Accumulated other comprehensive income into Product sales	Net gain reclassified from Accumulated other comprehensive income into Product sales	\$ 10	\$ 45	\$ 34	\$ 67	Net gain reclassified from Accumulated other comprehensive income into Product sales	\$ 16	\$ 48	\$ 50	\$ 115
Derivatives not designated as hedges:	Derivatives not designated as hedges:					Derivatives not designated as hedges:				
Net gain recognized in Other income (expense), net		\$ 53	\$ 45	\$ 50	\$ 63					
Net gain (loss) recognized in Other income (expense), net						Net gain (loss) recognized in Other income (expense), net	\$ (4)	\$ 6	\$ 46	\$ 70

The majority of gains and losses related to the hedged forecasted transactions reported in Accumulated other comprehensive income as of **June 30, 2023** September 30, 2023 are expected to be reclassified to Product sales within 12 months. There were no discontinuances of cash flow hedges for the three and **six** **nine** months ended **June 30, 2023** September 30, 2023 and 2022.

The cash flow effects of our derivative contracts for the **six** **nine** months ended **June 30, 2023** September 30, 2023 and 2022 were included within Net cash provided by operating activities on our Condensed Consolidated Statements of Cash Flows.

6. ACQUISITIONS, COLLABORATIONS AND OTHER ARRANGEMENTS

We enter into acquisitions, licensing and strategic collaborations and other similar arrangements with third parties for the development and commercialization of certain products and product candidates. The collaborations and other arrangements may involve two or more parties who are active participants in the operating activities of the collaboration and are exposed to significant risks and rewards depending on the commercial success of the activities. These arrangements may include non-refundable upfront payments, expense reimbursements or payments by us for options to acquire certain rights, contingent obligations by us for potential development and regulatory milestone payments and/or sales-based milestone payments, royalty payments, revenue or profit-sharing arrangements, cost-sharing arrangements and equity investments.

Acquisitions

XinThera

In May 2023, we closed an agreement to acquire XinThera, Inc. ("XinThera"), a privately held biotechnology company focused on small molecule drugs to treat cancer and immunologic diseases, for approximately \$200 million in cash consideration, net of cash acquired. As a result, XinThera became our wholly-owned subsidiary.

We accounted for the transaction as an asset acquisition and recorded a \$170 million charge to Acquired in-process research and development expenses on our Condensed Consolidated Statements of Income during the three months ended June 30, 2023. The remaining purchase price relates to various other assets acquired and liabilities assumed. Under the agreement, the former shareholders of XinThera are eligible to receive performance-based development and regulatory milestone payments of up to approximately \$760 million.

Tmunity

In February 2023, we closed an agreement to acquire Tmunity Therapeutics, Inc. ("Tmunity"), a clinical-stage, private biotechnology company focused on next-generation CAR T-therapies and technologies. Under the terms of the agreement, we acquired all outstanding shares of Tmunity other than those already owned by Gilead for approximately \$300 million in cash consideration. As a result, Tmunity became our wholly-owned subsidiary.

We accounted for the transaction as an asset acquisition and recorded a \$244 million charge to Acquired in-process research and development expenses on our Condensed Consolidated Statements of Income during the three months ended March 31, 2023. The remaining purchase price relates to various other assets acquired and liabilities assumed, consisting primarily of deferred tax assets. Under the agreement, the former shareholders of Tmunity and the University of Pennsylvania are eligible to receive a mix of up to approximately \$1.0 billion in potential future payments upon achievement of certain development, regulatory and sales-based milestones, as well as royalty payments on sales.

Collaborations and Other Arrangements

Arcellx

In January 2023, we closed an agreement to enter into a global strategic collaboration with Arcellx, Inc. ("Arcellx") to co-develop and co-commercialize Arcellx's lead late-stage product candidate, CART-ddBCMA, for the treatment of patients with relapsed or refractory multiple myeloma, and potential future next-generation autologous and non-autologous products. In conjunction with the collaboration agreement, we recorded a \$212 million charge to Acquired in-process research and development expenses on our Condensed Consolidated Statements of Income during the three months ended March 31, 2023, primarily related to an upfront payment, as well as a \$115 million equity investment, which is subject to lock-up provisions until July 2024 and is in Other long-term Prepaid and other current assets on our Condensed Consolidated Balance Sheets. The companies will share development, clinical trial and commercialization costs for CART-ddBCMA and will jointly commercialize the product and split U.S. profits 50/50. Outside the U.S., we will commercialize the product and Arcellx will receive royalties on sales. Arcellx is eligible to receive performance-based development and regulatory milestone payments of up to \$835 million related to CART-ddBCMA, a potential future next-generation autologous product and a potential future non-autologous product, with further commercial milestone payments, profit split payments on co-promote co-promoted products and royalties on at least a portion of worldwide net sales, depending on whether Arcellx opts-in to co-promote on the future products. If additional future products are developed, Arcellx would be eligible to receive additional milestone payments, profit split payments on co-promote co-promoted products and royalties on at least a portion of worldwide net sales, depending on whether Arcellx opts-in to co-promote these additional future products as well.

Pionyr

In June 2020, we entered into a transaction with Pionyr Immunotherapeutics ("Pionyr"), a privately held company pursuing novel biology in the field of immuno-oncology, which included entry into two separate agreements, one related to the initial acquisition of a 49.9% equity interest in Pionyr and the other providing us with the exclusive option, subject to certain terms and conditions, to acquire the remaining outstanding capital stock of Pionyr ("Pionyr Merger and Option Agreements"). The exclusive option had an estimated fair value of \$70 million based on a probability-weighted option pricing model using unobservable inputs, which are considered Level 3 under the fair value measurement and disclosure guidance. In March 2023, we waived our exclusive option to acquire Pionyr and certain other rights under the Pionyr Merger and Option Agreements and recorded a \$70 million charge to Other income (expense), net on our Condensed Consolidated Statements of Income during the three months ended March 31, 2023. We will retain In August 2023, Pionyr was acquired by Ikena Oncology, Inc. ("Ikena") and our equity interest was converted to shares of Ikena stock.

Tizona

In July 2020, we entered into a transaction with Tizona Therapeutics, Inc. ("Tizona"), a privately held company developing cancer immunotherapies, which included entry into two separate agreements, one related to the initial acquisition of a 49.9% equity interest in Pionyr as well as Tizona and the right, under other providing us the exclusive option, subject to certain terms and conditions, to review new data as it emerges, acquire the remaining outstanding capital stock of Tizona ("Tizona Merger and Option Agreements"). The exclusive option had an estimated fair value of \$41 million based on a probability-weighted option pricing model using unobservable inputs, which are considered Level 3 under the fair value measurement and disclosure guidance. In September 2023, we waived our exclusive option to acquire Tizona and certain other rights under the Tizona Merger and Option Agreements and recorded a \$41 million charge to Other income (expense), net on our Condensed Consolidated Statements of Income during the three months ended September 30, 2023.

7. INTANGIBLE ASSETS

The following table summarizes our Intangible assets, net:

	(in millions)	June 30, 2023				December 31, 2022				(in millions)	September 30, 2023				
		Foreign			Net	Foreign			Net		Foreign			Gross	
		Gross	Accumulated	Translation		Gross	Accumulated	Translation			Gross	Accumulated	Translation		
		Carrying				Carrying					Carrying				Carrying
(in millions)	(in millions)	Amount	Amortization	Adjustment	Amount	Amount	Amortization	Adjustment	Amount	(in millions)	Amount	Amortization	Adjustment	Amount	Amount
Finite-lived assets:	Finite-lived assets:									Finite-lived assets:					
Intangible asset – sofosbuvir	Intangible asset – sofosbuvir	\$10,720	\$ (6,700)	\$ —	\$ 4,020	\$10,720	\$ (6,350)	\$ —	\$ 4,370	Intangible asset – sofosbuvir	\$10,720	\$ (6,875)	\$ —	\$ 3,845	\$10,720
Intangible asset – axicabtagene ciloleucel	Intangible asset – axicabtagene ciloleucel	7,110	(2,111)	—	4,999	7,110	(1,908)	—	5,202	Intangible asset – axicabtagene ciloleucel	7,110	(2,213)	—	4,897	7,110

Intangible asset – Trodelvy ⁽¹⁾	Intangible asset – Trodelvy ⁽¹⁾	11,730	(1,462)	—	10,268	5,630	(973)	—	4,657	Intangible asset – Trodelvy ⁽¹⁾	11,730	(1,732)	—	9,998	5,630
Intangible asset – Hepcludex	Intangible asset – Hepcludex	845	(201)	—	644	845	(158)	—	687	Intangible asset – Hepcludex	845	(222)	—	623	845
Other	Other	1,489	(792)	1	698	1,489	(733)	1	758	Other	1,489	(822)	1	668	1,489
Total finite-lived assets	Total finite-lived assets	31,894	(11,265)	1	20,630	25,794	(10,121)	1	15,674	Total finite-lived assets	31,894	(11,863)	1	20,032	25,794
Indefinite-lived assets – IPR&D ⁽¹⁾	Indefinite-lived assets – IPR&D ⁽¹⁾	7,120	—	—	7,120	13,220	—	—	13,220	Indefinite-lived assets – IPR&D ⁽¹⁾	7,120	—	—	7,120	13,220
Total intangible assets	Total intangible assets	\$39,014	\$ (11,265)	\$ 1	\$27,750	\$39,014	\$ (10,121)	\$ 1	\$28,894	Total intangible assets	\$39,014	\$ (11,863)	\$ 1	\$27,152	\$39,014

(1) In February 2023, FDA granted approval of Trodelvy for use in adult patients with unresectable locally advanced or metastatic HR+/HER2- breast cancer who have received endocrine-based therapy and at least two additional systemic therapies in the metastatic setting. Accordingly, the related IPR&D intangible asset of \$6.1 billion was reclassified to finite-lived assets in the first quarter of 2023.

Amortization Expense

Aggregate amortization expense related to finite-lived intangible assets was \$598 million and \$1.1 billion \$1.7 billion for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, and \$445 million and \$890 million \$1.3 billion for the three and six nine months ended June 30, 2022 September 30, 2022, respectively, and is primarily included in Cost of goods sold on our Condensed Consolidated Statements of Income.

The following table summarizes the estimated future amortization expense associated with our finite-lived intangible assets as of June 30, 2023 September 30, 2023:

(in millions)	(in millions)	Amount	(in millions)	Amount
2023 (remaining six months)		\$ 1,196		
2023 (remaining three months)			2023 (remaining three months)	\$ 598
2024	2024	2,392	2024	2,392
2025	2025	2,386	2025	2,386
2026	2026	2,378	2026	2,378
2027	2027	2,378	2027	2,378
Thereafter	Thereafter	9,900	Thereafter	9,900
Total	Total	\$ 20,630	Total	\$ 20,032

Impairment Assessments

No indicators of impairment were noted for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022, except as described under “2022 IPR&D Impairment” below.

2022 IPR&D Impairment

In connection with our acquisition of Immunomedics in 2020, we allocated a portion of the purchase price to acquired IPR&D intangible assets. Approximately \$8.8 billion was assigned to IPR&D intangible assets related to Trodelvy for treatment of patients with hormone receptor-positive, human epidermal growth factor receptor 2-negative (“HR+/HER2-”) breast cancer. In March 2022, we received data from the Phase 3 TROPICS-02 study evaluating Trodelvy in patients with HR+/HER2- metastatic breast cancer who have received prior endocrine therapy, cyclin-dependent kinase 4/6 inhibitors and two to four lines of chemotherapy (“third-line plus patients”). Based on our evaluation of the study results, and in connection with the preparation of the financial statements for the first quarter, we updated our estimate of the fair value of our HR+/HER2- IPR&D intangible asset to \$6.1 billion as of March 31, 2022. Our estimate of fair value used a probability-weighted income approach that discounts expected future cash flows to the present value, which requires the use of Level 3 fair value measurements and inputs, including estimated revenues, costs, and probability of technical and regulatory success. The expected cash flows included cash flows from HR+/HER2- metastatic breast cancer for third-line plus patients and patients in earlier lines of therapy which are the subject of separate clinical studies. Our revised discounted cash flows were lower primarily due to a delay in launch timing for third-line plus patients which caused a decrease in our market share assumptions based on the expected competitive environment. As of March 2022, there were no changes in our plans or assumptions related to our estimated cash flows for patients in the earlier lines of therapy. We used a discount rate of 6.75% which is based on the estimated weighted-average cost of capital for companies with profiles similar to ours and represents the rate that market participants would use to value the intangible assets. We determined the revised estimated fair value was below the carrying value of the asset and, as a result, we recognized a partial impairment charge of \$2.7 billion in In-process research and development impairment on our Condensed Consolidated Statements of Income during the three months ended March 31, 2022.

8. OTHER FINANCIAL INFORMATION

Accounts receivable, net

The following table summarizes our Accounts receivable, net:

(in millions)	(in millions)	June 30, 2023	December 31, 2022	(in millions)	September 30, 2023	December 31, 2022
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Accounts receivable	Accounts receivable	\$ 5,049	\$ 5,464	Accounts receivable	\$ 5,585	\$ 5,464
Less: allowances for chargebacks	Less: allowances for chargebacks	665	549	Less: allowances for chargebacks	638	549
Less: allowances for cash discounts and other	Less: allowances for cash discounts and other	96	83	Less: allowances for cash discounts and other	104	83
Less: allowances for credit losses	Less: allowances for credit losses	59	55	Less: allowances for credit losses	54	55
Accounts receivable, net	Accounts receivable, net	\$ 4,229	\$ 4,777	Accounts receivable, net	\$ 4,790	\$ 4,777

The majority of our trade accounts receivable arises from product sales in the U.S. and Europe.

Inventories

The following table summarizes our Inventories:

(in millions)	(in millions)	June 30, 2023	December 31, 2022	(in millions)	September 30, 2023	December 31, 2022
Raw materials	Raw materials	\$ 1,231	\$ 1,177	Raw materials	\$ 1,266	\$ 1,177
Work in process	Work in process	622	577	Work in process	614	577
Finished goods	Finished goods	1,327	1,066	Finished goods	1,323	1,066
Total	Total	\$ 3,181	\$ 2,820	Total	\$ 3,202	\$ 2,820
Reported as:	Reported as:			Reported as:		
Inventories	Inventories	\$ 1,633	\$ 1,507	Inventories	\$ 1,663	\$ 1,507
Other long-term assets ⁽¹⁾	Other long-term assets ⁽¹⁾	1,547	1,313	Other long-term assets ⁽¹⁾	1,539	1,313
Total	Total	\$ 3,181	\$ 2,820	Total	\$ 3,202	\$ 2,820

⁽¹⁾ Amounts primarily consist of raw materials.

Other current liabilities

The following table summarizes the components of Other current liabilities:

(in millions)	(in millions)	June 30, 2023	December 31, 2022	(in millions)	September 30, 2023	December 31, 2022
Compensation and employee benefits	Compensation and employee benefits	\$ 764	\$ 1,018	Compensation and employee benefits	\$ 961	\$ 1,018
Income taxes payable	Income taxes payable	2,226	959	Income taxes payable	2,086	959
Allowance for sales returns	Allowance for sales returns	438	422	Allowance for sales returns	403	422
Other	Other	2,383	2,182	Other	2,402	2,182
Other current liabilities	Other current liabilities	\$ 5,810	\$ 4,580	Other current liabilities	\$ 5,852	\$ 4,580

Accumulated other comprehensive income

The following tables summarizes the changes in Accumulated other comprehensive income by component, net of tax:

(in millions)	(in millions)	Foreign Currency Translation	Unrealized Gains and Losses on Available-for-Sale Securities, Net of Tax	Unrealized Gains and Losses on Cash Flow Hedges, Net of Tax	Total	(in millions)	Foreign Currency Translation	Unrealized Gains and Losses on Available-for-Sale Securities, Net of Tax	Unrealized Gains and Losses on Cash Flow Hedges, Net of Tax	Total
Balance as of December 31, 2022	Balance as of December 31, 2022	\$ 2	\$ (33)	\$ 33	\$ 2	Balance as of December 31, 2022	\$ 2	\$ (33)	\$ 33	\$ 2
Net unrealized gain (loss)	Net unrealized gain (loss)	32	6	(1)	37	Net unrealized gain (loss)	(3)	10	65	72

Senior Unsecured	Senior Unsecured	September 2015	September 2035	4.60%	993	993	Senior Unsecured	September 2016	September 2036	4.00%	743	742
Senior Unsecured	Senior Unsecured	September 2016	September 2036	4.00%	743	742	Senior Unsecured	September 2020	October 2040	2.60%	988	988
Senior Unsecured	Senior Unsecured	September 2020	October 2040	2.60%	988	988	Senior Unsecured	December 2011	December 2041	5.65%	996	996
Senior Unsecured	Senior Unsecured	December 2011	December 2041	5.65%	996	996	Senior Unsecured	March 2014	April 2044	4.80%	1,737	1,736
Senior Unsecured	Senior Unsecured	March 2014	April 2044	4.80%	1,737	1,736	Senior Unsecured	November 2014	February 2045	4.50%	1,734	1,733
Senior Unsecured	Senior Unsecured	November 2014	February 2045	4.50%	1,734	1,733	Senior Unsecured	September 2015	March 2046	4.75%	2,222	2,221
Senior Unsecured	Senior Unsecured	September 2015	March 2046	4.75%	2,222	2,221	Senior Unsecured	September 2016	March 2047	4.15%	1,729	1,728
Senior Unsecured	Senior Unsecured	September 2016	March 2047	4.15%	1,728	1,728	Senior Unsecured	September 2020	October 2050	2.80%	1,478	1,477
Senior Unsecured	Senior Unsecured	September 2020	October 2050	2.80%	1,478	1,477	Senior Unsecured	September 2023	October 2053	5.55%	988	—
Total senior unsecured notes	Total senior unsecured notes				24,096	24,088	Total senior unsecured notes				23,830	24,088
Liability related to future royalties	Liability related to future royalties				1,150	1,141	Liability related to future royalties				1,152	1,141
Total debt, net	Total debt, net				25,246	25,229	Total debt, net				24,982	25,229
Less: Current portion of long-term debt and other obligations, net	Less: Current portion of long-term debt and other obligations, net				4,037	2,273	Less: Current portion of long-term debt and other obligations, net				1,793	2,273
Total Long-term debt, net	Total Long-term debt, net				\$ 21,209	\$ 22,957	Total Long-term debt, net				\$ 23,189	\$ 22,957

Senior Unsecured Notes

In September 2023, we issued \$2.0 billion aggregate principal amount of senior unsecured notes in a registered offering consisting of \$1.0 billion principal amount of 5.25% senior unsecured notes due October 2033 and \$1.0 billion principal amount of 5.55% senior unsecured notes due October 2053. These notes may be redeemed at our option at a redemption price equal to the greater of (i) 100% of the principal amount of the notes to be redeemed and (ii) the sum, as determined by an independent investment banker, of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis at the Treasury Rate, plus a make-whole premium as defined in the indenture. The senior unsecured fixed rate notes also have a par call feature, exercisable at our option, to redeem the notes at par in whole, or in part, on dates ranging from three to six months prior to maturity. In each case, accrued and unpaid interest is also required to be redeemed to the date of redemption.

In September 2023, we repaid at maturity \$2.25 billion of principal balance related to our senior unsecured notes due September 2023.

We are required to comply with certain covenants under our note indentures governing our senior unsecured notes. As of [June 30, 2023](#) [September 30, 2023](#), we were not in violation of any covenants.

Revolving Credit Facility

As of [June 30, 2023](#) [September 30, 2023](#) and December 31, 2022, there were no amounts outstanding under our \$2.5 billion revolving credit facility maturing in June 2025, and we were in compliance with all covenants.

10. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

We are a party to various legal actions. Certain significant matters are described below. We recognize accruals for such actions to the extent that we conclude that a loss is both probable and reasonably estimable. We accrue for the best estimate of a loss within a range; however, if no estimate in the range is better than any other, then we accrue the minimum amount in the range. If we determine that a material loss is reasonably possible and the loss or range of loss can be estimated, we disclose the possible loss. Unless otherwise noted, the outcome of these matters either is not expected to be material or is not possible to determine such that we cannot reasonably estimate the maximum potential exposure or the range of possible loss. As of June 30, 2023, we recorded an accrual of \$525 million in the second quarter of 2023 in Other current liabilities on our Condensed Consolidated Balance Sheets for settlements with certain plaintiffs in the HIV antitrust litigation, litigation, which we paid in the second half of 2023. We did not have any other material accruals for the matters described below as of June 30, 2023 September 30, 2023.

Litigation Related to Sofosbuvir

In 2012, we acquired Pharmasset, Inc. Through the acquisition, we acquired sofosbuvir, a nucleotide analog that acts to inhibit the replication of HCV. In 2013, we received approval from FDA for sofosbuvir, sold under the brand name Sovaldi. Sofosbuvir is also included in all of our marketed HCV products. We have received a number of litigation claims regarding sofosbuvir. While we have carefully considered these claims both prior to and following the acquisition and believe they are without merit, we cannot predict the ultimate outcome of such claims or range of loss.

We are aware of patents and patent applications owned by third parties that have been or may in the future be alleged by such parties to cover the use of our HCV products. If third parties obtain valid and enforceable patents, and successfully prove infringement of those patents by our HCV products, we could be required to pay significant monetary damages. We cannot predict the ultimate outcome of intellectual property claims related to our HCV products. We have spent, and will continue to spend, significant resources defending against these claims.

Litigation with the University of Minnesota

The University of Minnesota (the "University") has obtained U.S. Patent No. 8,815,830 (the "'830 patent'"), which purports to broadly cover nucleosides with antiviral and anticancer activity. In 2016, the University filed a lawsuit against us in the U.S. District Court for the District of Minnesota, alleging that the commercialization of sofosbuvir-containing products infringes the '830 patent. We believe the '830 patent is invalid and will not be infringed by the continued commercialization of sofosbuvir. In 2017, the court granted our motion to transfer the case to California. We have also filed petitions for inter partes review with the U.S. Patent and Trademark Office Patent Trial and Appeal Board ("PTAB") alleging that all asserted claims are invalid for anticipation and obviousness. The PTAB instituted one of these petitions and a merits hearing was held in February 2021. In 2018, the U.S. District Court for the Northern District of California stayed the litigation until after the PTAB concluded the inter partes review that it had initiated. In May 2021, the PTAB issued a written decision finding the asserted claims of the University's patent invalid. In July 2021, the University appealed this decision, and in March 2023, a three-judge panel of the Court of Appeals for the Federal Circuit affirmed the PTAB's decision. The litigation in the District Court was dismissed in April 2023 after the University did not pursue any further appeals.

Litigation Relating to Pre-Exposure Prophylaxis

In August 2019, we filed petitions requesting inter partes review of U.S. Patent Nos. 9,044,509, 9,579,333, 9,937,191 and 10,335,423 (collectively, "HHS Patents") by PTAB. The HHS Patents are assigned to the U.S. Department of Health and Human Services ("HHS") and purport to claim a process of protecting a primate host from infection by an immunodeficiency retrovirus by administering a combination of FTC and tenofovir disoproxil fumarate ("TDF") or TAF prior to exposure of the host to the immunodeficiency retrovirus, a process commonly known as pre-exposure prophylaxis ("PrEP"). In November 2019, the U.S. Department of Justice filed a lawsuit against us in the U.S. District Court of Delaware, alleging that the sale of Truvada and Descovy for use as PrEP infringes the HHS Patents. In February 2020, PTAB declined to institute our petitions for inter partes review of the HHS Patents. In April 2020, we filed a lawsuit against the U.S. federal government in the U.S. Court of Federal Claims ("CFC"), alleging breach of three material transfer agreements ("MTAs") related to the research underlying the HHS Patents and two clinical trial agreements ("CTAs") by the U.S. Centers for Disease Control and Prevention related to PrEP research. A trial for the bifurcated portion of the lawsuit in the CFC was held in June 2022, and in November 2022, the CFC determined that the government breached the MTAs. The CFC also made findings of fact relating to the CTAs but declined to issue a decision on breach of the CTAs at least until after trial in the District Court. In May 2023, the District Court held a trial regarding the government's patent infringement claims, and the jury rendered a full defense verdict in favor of Gilead, finding that the asserted claims of the HHS Patents are invalid and not infringed. The government has filed post-trial motions, and we expect the District Court to issue a decision by September 2023, January 2024. In October 2023, oral argument regarding the remaining CTA liability decision took place in the CFC. Although we cannot predict with certainty the ultimate outcome of each of these litigation matters, we believe that the U.S. federal government breached its contracts with Gilead, that Truvada and Descovy do not infringe the HHS Patents and that the HHS Patents are invalid over prior art descriptions of Truvada's use for PrEP and post-exposure prophylaxis as well because physicians and patients were using the claimed methods years before HHS filed the applications for the patents. A separate trial at the CFC to determine the damages Gilead is owed based on the government's breach has yet to be scheduled.

Litigation with Generic Manufacturers

As part of the approval process for some of our products, FDA granted us a New Chemical Entity ("NCE") exclusivity period during which other manufacturers' applications for approval of generic versions of our products will not be approved. Generic manufacturers may challenge the patents protecting products that have been granted NCE exclusivity one year prior to the end of the NCE exclusivity period. Generic manufacturers have sought and may continue to seek FDA approval for a similar or identical drug through an abbreviated new drug application ("ANDA"), the application form typically used by manufacturers seeking approval of a generic drug. The sale of generic versions of our products prior to their patent expiration would have a significant negative effect on our revenues and results of operations. To seek approval for a generic version of a product having NCE status, a generic company may submit its ANDA to FDA four years after the branded product's approval.

In October 2021, we received a letter from Lupin Ltd. ("Lupin") indicating that it has submitted an ANDA to FDA requesting permission to market and manufacture a generic version of Symtuza, a product commercialized by Janssen and for which Gilead shares in revenues. In November 2021, we, along with Janssen and Janssen Products, L.P., filed a patent infringement lawsuit against Lupin as co-plaintiffs in the U.S. District Court of Delaware. In September 2022, we received a letter from Apotex Inc. and Apotex Corp. ("Apotex") stating that they have submitted an ANDA for a generic version of Symtuza. In October 2022, we, along with Janssen and Janssen Products, L.P., filed a patent infringement lawsuit against Apotex as co-plaintiffs in the U.S. District Court of Delaware. The cases against Lupin and Apotex have been consolidated into a single trial scheduled for May 2024. We separately filed an additional lawsuit against Apotex asserting infringement of two additional patents in the same court, court, which has been resolved.

Starting in March 2022, we received letters from Lupin, Laurus Labs ("Laurus") and Cipla Ltd. ("Cipla"), indicating that they have submitted ANDAs to FDA requesting permission to market and manufacture generic versions of Biktarvy. Lupin, Laurus, and Cipla have challenged the validity of three of the five patents listed in the Orange Book as associated with Biktarvy. We filed a lawsuit against Lupin, Laurus and Cipla in May 2022 in the U.S. District Court of Delaware, and intend to enforce and defend our intellectual property. Trial has been scheduled for December 2024.

In June 2023, we received a letter from Apotex indicating that it has submitted an ANDA to FDA requesting permission to market and manufacture a generic version of Genvoya. In July 2023, we filed a patent infringement lawsuit against Apotex in the U.S. District Court of Delaware, and intend to enforce and defend our intellectual property.

European Patent Claims

In 2015, several parties filed oppositions in **This case has been consolidated with** the European Patent Office ("EPO") requesting revocation of one of our granted European patents covering sofosbuvir that expires in 2028. In 2016, the EPO upheld the validity of certain claims of our sofosbuvir patent. We have appealed this decision, seeking to restore all of the original claims, **Symtuza matters discussed above**, and several of the original opposing parties have also appealed, requesting full revocation. The appeal hearing was held in November 2022, but a final decision regarding the validity of the claims has not yet been announced.

In 2017, several parties filed oppositions in the EPO requesting revocation of our granted European patent relating to sofosbuvir that expires in 2024. The EPO conducted an oral hearing for this opposition in 2018 and upheld the claims. The original opposing parties have appealed, requesting full revocation. The hearing for the appeal **trial** has been scheduled for **September 2023. May 2024.**

In 2017, several parties filed oppositions in the EPO requesting revocation of our granted European patent relating to TAF hemifumarate that expires in 2032. In 2019, the EPO upheld the validity of the claims of our TAF hemifumarate patent. Three parties have appealed this decision. The appeal hearing was held in March 2023 and the EPO affirmed the validity of the TAF hemifumarate patent.

The appeal process for sofosbuvir opposition proceedings may take several years. While we are confident in the strength of our patents, we cannot predict the ultimate outcome of these oppositions. If we are unsuccessful in defending these oppositions, some or all of our patent claims may be narrowed or revoked and the patent protection for sofosbuvir in the EU could be substantially shortened or eliminated entirely. If our patents are revoked, and no other European patents are granted covering these compounds, our exclusivity may be based entirely on regulatory exclusivity granted by EMA. If we lose patent protection for sofosbuvir, our revenues and results of operations could be negatively impacted for the years including and succeeding the year in which such exclusivity is lost.

Antitrust and Consumer Protection

We, along with Bristol-Myers Squibb Company ("BMS"), Johnson & Johnson, Inc. ("Johnson & Johnson"), and Teva Pharmaceutical Industries Ltd. ("Teva") have been named as defendants in class action lawsuits filed in 2019 and 2020 related to various drugs used to treat HIV, including drugs used in combination antiretroviral therapy. Plaintiffs allege that we (and the other defendants) engaged in various conduct to restrain competition in violation of federal and state antitrust laws and state consumer protection laws. The lawsuits, which have been consolidated, are pending in the U.S. District Court for the Northern District of California. The lawsuits seek to bring claims on behalf of direct purchasers consisting largely of wholesalers and indirect or end-payor purchasers, including health insurers and individual patients. Plaintiffs seek damages, permanent injunctive relief and other relief. In the second half of 2021 and first half of 2022, several plaintiffs consisting of retail pharmacies, individual health plans and United Healthcare, filed separate lawsuits effectively opting out of the class action cases, asserting claims that are substantively the same as the classes. These cases have been coordinated with the class actions. In March 2023, the District Court granted our motion to hold separate trials as to (i) the allegations against us and Teva seeking monetary damages relating to Truvada and Atripla ("Phase I") and (ii) the allegations against us and, in part, Johnson & Johnson, seeking monetary damages and injunctive relief relating to Complera ("Phase II"). In May 2023, we settled claims with the direct purchaser class and the retailer opt-out plaintiffs for \$525 million, which we **have agreed to pay paid** in the second half of 2023. The settlement agreements are not an admission of liability or fault by us, and are subject to a number of other conditions including, with respect to the preliminary settlement agreement between us and the direct purchaser class, court approval. From May 2023 through June 2023, a jury trial was held on the remaining plaintiffs' Phase I allegations. The jury returned a complete verdict in Gilead's favor. Trial on the Phase II claims has not yet been scheduled. While we believe the Phase II claims are without merit, we cannot predict the ultimate outcome. If the plaintiffs are successful in their Phase II claims, we could be required to pay monetary damages or could be subject to permanent injunctive relief in favor of the plaintiffs.

In January 2022, we, along with BMS and Janssen Products, L.P., were named as defendants in a lawsuit filed in the Superior Court of the State of California, County of San Mateo, by Aetna, Inc. on behalf of itself and its affiliates and subsidiaries that effectively opts the Aetna plaintiffs out of the above class actions. The allegations are substantively the same as those in the class actions. The Aetna plaintiffs seek damages, permanent injunctive relief and other relief.

In September 2020, we, along with generic manufacturers Cipla and Cipla USA Inc. (together, "Cipla Defendants"), were named as defendants in a class action lawsuit filed in the U.S. District Court for the Northern District of California by Jacksonville Police Officers and Fire Fighters Health Insurance Trust ("Jacksonville Trust") on behalf of end-payor purchasers. Jacksonville Trust claims that the 2014 settlement agreement between us and the Cipla Defendants, which settled a patent dispute relating to patents covering our Emtriva, Truvada and Atripla products and permitted generic entry prior to patent expiry, violates certain federal and state antitrust and consumer protection laws. The Plaintiff seeks damages, permanent injunctive relief and other relief.

In February 2021, we, along with BMS and Teva Pharmaceutical Industries Ltd., were named as defendants in a lawsuit filed in the First Judicial District Court for the State of New Mexico, County of Santa Fe by the New Mexico Attorney General. The New Mexico Attorney General alleges that we (and the other defendants) restrained competition in violation of New Mexico antitrust and consumer protection laws. The New Mexico Attorney General seeks damages, permanent injunctive relief and other relief.

While we believe these cases are without merit, we cannot predict the ultimate outcome. If plaintiffs are successful in their claims, we could be required to pay significant monetary damages or could be subject to permanent injunctive relief awarded in favor of plaintiffs.

Product Liability

We have been named as a defendant in one class action lawsuit and various product liability lawsuits related to Viread, Truvada, Atripla, Complera and Stribild. Plaintiffs allege that Viread, Truvada, Atripla, Complera and/or Stribild caused them to experience kidney, bone and/or tooth injuries. The lawsuits, which are pending in state or federal court in California **Delaware**, and Missouri, involve more than 25,000 active plaintiffs. Plaintiffs in these cases seek damages and other relief on various grounds for alleged personal injury and economic loss. The first bellwether trial in California state court was scheduled to begin in October 2022, but is currently stayed while the California First District Court of Appeal considers the merits of plaintiffs' theories of liability. The first bellwether trial in California federal court is scheduled to begin in April 2024. We intend to vigorously defend ourselves in these actions. While we believe these cases are without merit, we cannot predict the ultimate outcome. If plaintiffs are successful in their claims, we could be required to pay significant monetary damages.

Government Investigation

In 2017, we received a subpoena from the U.S. Attorney's Office for the Southern District of New York requesting documents related to our promotional speaker programs for HIV. We are cooperating with this inquiry.

Qui Tam Litigation

A former sales employee filed a qui tam lawsuit against Gilead in March 2017 in U.S. District Court for the Eastern District of Pennsylvania. Following the government's decision not to intervene in the suit, the case was unsealed in December 2020. The lawsuit alleges that certain of Gilead's HCV sales and marketing activities violated the federal False Claims

Act and various state false claims acts. The lawsuit seeks all available relief under these statutes.

Health Choice Advocates, LLC ("Health Choice") filed a qui tam lawsuit against Gilead in April 2020 in New Jersey state court. Following the New Jersey Attorney General's Office's decision not to intervene in the suit, Health Choice served us with their original complaint in August 2020. The lawsuit alleges that Gilead violated the New Jersey False Claims Act through our clinical educator programs for Sovaldi and Harvoni and our HCV and HIV patient access programs. The lawsuit seeks all available relief under the New Jersey False Claims Act. In April 2021, the trial court granted our motion to dismiss with prejudice. Health Choice has appealed the trial court's dismissal.

Health Choice filed another qui tam lawsuit against Gilead in May 2020 making similar allegations in Texas state court. Following the Texas Attorney General's Office's decision not to intervene in the suit, Health Choice served us with their original complaint in October 2020. The lawsuit alleges that Gilead violated the Texas Medicare Fraud Prevention Act ("TMFPA") through our clinical educator programs for Sovaldi and Harvoni and our HCV and HIV patient access programs. The lawsuit seeks all available relief under the TMFPA. This case was stayed in September 2021, which was lifted in April 2023.

We intend to vigorously defend ourselves in these actions. While we believe these cases are without merit, we cannot predict the ultimate outcomes. If any of these plaintiffs are successful in their claims, we could be required to pay significant monetary damages.

Securities Litigation

Immunomedics and several of its former officers and directors have been named as defendants in putative class actions filed in 2018 and 2019, which were consolidated in September 2019 in the U.S. District Court for the District of New Jersey. Plaintiffs filed a consolidated complaint in November 2019 and an amended complaint in July 2021. Plaintiffs allege that Immunomedics and the individual defendants violated the federal securities laws in connection with Immunomedics' Biologics License Application for Trodelvy, and seek certification of a class of shareholders, damages and other relief. In June 2023, the District Court entered an order approving a settlement that resolves this litigation, entering a final judgment and dismissing the litigation with prejudice.

Other Matters

We are a party to various legal actions that arose in the ordinary course of our business. We do not believe that these other legal actions will have a material adverse impact on our consolidated financial position, results of operations or cash flows.

11. EARNINGS PER SHARE

The following table shows the calculation of basic and diluted earnings per share attributable to Gilead:

		Three Months Ended		Six Months Ended			Three Months Ended		Nine Months Ended	
		June 30,		June 30,			September 30,		September 30,	
(in millions, except per share amounts)	(in millions, except per share amounts)	2023	2022	2023	2022	(in millions, except per share amounts)	2023	2022	2023	2022
Net income attributable to Gilead	Net income attributable to Gilead	\$ 1,045	\$ 1,144	\$ 2,055	\$ 1,163	Net income attributable to Gilead	\$ 2,180	\$ 1,789	\$ 4,236	\$ 2,952
Shares used in basic earnings per share attributable to Gilead calculation	Shares used in basic earnings per share attributable to Gilead calculation	1,249	1,256	1,249	1,255	Shares used in basic earnings per share attributable to Gilead calculation	1,248	1,255	1,249	1,255
Dilutive effect of stock options and equivalents	Dilutive effect of stock options and equivalents	9	4	11	5	Dilutive effect of stock options and equivalents	8	6	10	5
Shares used in diluted earnings per share attributable to Gilead calculation	Shares used in diluted earnings per share attributable to Gilead calculation	1,258	1,260	1,260	1,261	Shares used in diluted earnings per share attributable to Gilead calculation	1,257	1,261	1,259	1,261
Basic earnings per share attributable to Gilead	Basic earnings per share attributable to Gilead	\$ 0.84	\$ 0.91	\$ 1.65	\$ 0.93	Basic earnings per share attributable to Gilead	\$ 1.75	\$ 1.43	\$ 3.39	\$ 2.35
Diluted earnings per share attributable to Gilead	Diluted earnings per share attributable to Gilead	\$ 0.83	\$ 0.91	\$ 1.63	\$ 0.92	Diluted earnings per share attributable to Gilead	\$ 1.73	\$ 1.42	\$ 3.37	\$ 2.34

Potential shares of common stock excluded from the computation of diluted earnings per share attributable to Gilead because their effect would have been antidilutive were 5 million 6 million and 3 million 4 million for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, and 20 million and 17 million, for the three and six nine months ended June 30, 2022, respectively, September 30, 2022.

12. INCOME TAXES

The following table summarizes our Income tax expense:

		Three Months Ended		Six Months Ended			Three Months Ended		Nine Months Ended	
		June 30,		June 30,			September 30,		September 30,	
(in millions, except percentages)	(in millions, except percentages)	2023	2022	2023	2022	(in millions, except percentages)	2023	2022	2023	2022
Income before income taxes	Income before income taxes	\$ 1,588	\$ 1,503	\$ 2,888	\$ 1,351	Income before income taxes	\$ 2,318	\$ 2,432	\$ 5,206	\$ 3,783
Income tax expense	Income tax expense	\$ (549)	\$ (368)	\$ (865)	\$ (204)	Income tax expense	\$ (146)	\$ (646)	\$ (1,010)	\$ (850)
Effective tax rate	Effective tax rate	34.6 %	24.5 %	29.9 %	15.1 %	Effective tax rate	6.3 %	26.6 %	19.4 %	22.5 %

Our effective income tax rate of 34.6% and 29.9% 6.3% for the three and six months ended June 30, 2023, respectively, are higher September 30, 2023 was lower than the U.S. federal statutory rate of 21% primarily due to a decrease in unrecognized tax benefits as a result of reaching agreement with a tax authority on certain tax positions.

Our effective income tax rate of 19.4% for the nine months ended September 30, 2023 was lower than the U.S. federal statutory rate of 21% primarily due to the above mentioned reason for the three months ended September 30, 2023, partially offset by remeasurement of certain deferred tax liabilities related to acquired intangible assets and non-deductible acquired IPR&D expenses recorded in connection associated with our second quarter 2023 acquisition acquisitions of XinThera and first quarter 2023 acquisition of Tmunity.

Our effective income tax rate rates of 24.5% 26.6% and 22.5% for the three and nine months ended June 30, 2022 is September 30, 2022, respectively, were higher than the U.S. federal statutory rate of 21% primarily due to unfavorable changes in the fair value of our equity investments that are a non-deductible for income tax purposes.

Our effective income tax rate of 15.1% for the six months ended June 30, 2022 is lower than the U.S. federal statutory rate of 21% primarily due to a decrease in state deferred tax liabilities acquired IPR&D charge recorded associated with a partial IPR&D impairment charge our acquisition of \$2.7 billion, partially offset by unfavorable changes in the fair value of our equity investments that are non-deductible for income tax purposes. MiroBio.

Our income tax returns are subject to audit by federal, state and foreign tax authorities. We are currently under examination by the Internal Revenue Service for our 2016 to 2018 tax years. There are differing interpretations of tax laws and regulations, and as a result, significant disputes may arise with these tax authorities involving issues of the timing and amount of deductions and allocations of income among various tax jurisdictions. We periodically evaluate our exposures associated with our tax filing positions.

As of June 30, 2023, we We believe that it is reasonably possible that our unrecognized tax benefits may further decrease by approximately \$500 million \$400 million in the next 12 months due to potential resolutions with a taxing tax authority.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is intended to provide material information around events and uncertainties known to management relevant to an assessment of the financial condition and results of operations of Gilead and should therefore be read in conjunction with our audited Consolidated Financial Statements and the related notes thereto and other disclosures included as part of our Annual Report on Form 10-K for the year ended December 31, 2022 and our unaudited Condensed Consolidated Financial Statements for the three and six nine months ended June 30, 2023 September 30, 2023 and the related notes thereto and other disclosures (including the disclosures under Part II, Item 1A. Risk Factors) included in this Quarterly Report on Form 10-Q where other material events and uncertainties not otherwise discussed below are disclosed.

Management Overview

Gilead Sciences, Inc. ("Gilead," "we," "our" or "us") 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. We are committed to advancing innovative medicines to prevent and treat life-threatening diseases, including HIV, viral hepatitis, coronavirus disease 2019 ("COVID-19"), and cancer. We operate in more than 35 countries worldwide, with headquarters in Foster City, California.

Key Business Updates

The following updates are based on press releases recently issued since our last quarterly report. Readers are encouraged to review all press releases available on our website at www.gilead.com. The content on the referenced website does not constitute a part of and is not incorporated by reference into this Quarterly Report on Form 10-Q.

Virology

- Received We received U.S. Food and Drug Administration ("FDA") and European Commission ("EC") approval to extend the use of Veklury to treat COVID-19 in people appropriate patients with mild to severe renal impairment, including those on dialysis. hepatic impairment.
- Received full marketing authorization from EC We announced a collaboration with Assembly Biosciences, Inc. to advance the research and development of novel antiviral therapies, including for Hepcludex (bulevirtide) for the treatment of adults with herpesviruses, chronic hepatitis B virus ("HBV") and chronic hepatitis delta virus ("HDV") and compensated liver disease. Hepcludex was initially granted conditional marketing authorization in July 2020. Bulevirtide remains the only approved treatment for HDV in the EU and is not approved in the U.S. .

Oncology

- Announced that We discontinued the Phase 3 ENHANCE study in higher-risk myelodysplastic syndromes ("MDS") has been discontinued due to futility based on a planned analysis. The safety data seen in this study is consistent with the known magrolimab profile and adverse events that are typical in this patient population. Magrolimab is an anti-CD47 immunotherapy with a clinical development program spanning ten potential indications including ongoing trials in solid tumors and two pivotal trials: ENHANCE-2 study of magrolimab in first-line TP53m acute myeloid leukemia ("AML") with TP53 mutations based on an ad hoc analysis and ENHANCE-3 following review by an independent data monitoring committee. Additionally, we announced that FDA placed a partial clinical hold on magrolimab studies in first-line, unfit AML. AML that paused enrollment, though previously enrolled patients may continue to receive the study medicine.
- Received EC approval for Trodelvy as monotherapy for the treatment of adult patients We announced a collaboration with unresectable or metastatic hormone receptor-positive, human epidermal growth factor receptor 2-negative Tentaris Biotherapeutics Inc. ("HR+/HER2- Tentaris") breast cancer who have received endocrine-based therapy, to discover and at least two additional systemic develop novel therapies in the advanced setting, across oncology and inflammation, using Tentaris's proprietary Tentacles platform.

Other

- Announced, through Fosun Kite Biotechnology Co., Ltd., We issued \$2.0 billion aggregate principal amount of senior unsecured notes in a joint venture between Kite registered offering, comprised of \$1.0 billion principal amount of 5.25% senior notes due in 2033 and Shanghai Fosun Pharmaceutical (Group) Co., Ltd., the approval \$1.0 billion principal amount of axicabtagene ciloleucel (under the trade name Yikaidā®) by the China National Medical Products Administration for the treatment 5.55% senior notes due in 2053, and repaid debt of adult patients with relapsed or refractory ("R/R") large B-cell lymphoma ("LBCL") who failed first-line immunochemotherapy or relapsed within 12 months after first-line immunochemotherapy. \$2.25 billion.
- Completed the transfer of Yescarta's marketing authorization in Japan from Daiichi Sankyo Co., Ltd. to Gilead Sciences K.K.
- Announced the acquisition of XinThera, Inc. ("XinThera"), adding additional pipeline assets including rights to a portfolio of small molecule inhibitors targeting PARP1 for oncology as well as MK2 for inflammatory diseases.

Inflammation

- Announced expansion of the Arcus Biosciences, Inc. ("Arcus") collaboration to include research programs in inflammatory diseases.

Key Financial Results

		Three Months Ended			Six Months Ended				Three Months Ended			Nine Months Ended		
		June 30,			June 30,				September 30,			September 30,		
(in millions, except percentages and per share amounts)	(in millions, except percentages and per share amounts)	2023	2022	Change	2023	2022	Change	(in millions, except percentages and per share amounts)	2023	2022	Change	2023	2022	Change
Total revenues	Total revenues	\$ 6,599	\$ 6,260	5 %	\$ 12,951	\$ 12,850	1 %	Total revenues	\$ 7,051	\$ 7,042	— %	\$ 20,002	\$ 19,892	1 %
Net income attributable to Gilead	Net income attributable to Gilead	\$ 1,045	\$ 1,144	(9) %	\$ 2,055	\$ 1,163	77 %	Net income attributable to Gilead	\$ 2,180	\$ 1,789	22 %	\$ 4,236	\$ 2,952	44 %
Diluted earnings per share attributable to Gilead	Diluted earnings per share attributable to Gilead	\$ 0.83	\$ 0.91	(9) %	\$ 1.63	\$ 0.92	77 %	Diluted earnings per share attributable to Gilead	\$ 1.73	\$ 1.42	22 %	\$ 3.37	\$ 2.34	44 %

Total revenues increased by 5% were \$7.1 billion and 1% to \$6.6 billion and \$13.0 billion \$20.0 billion for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, and remained relatively flat compared to the same periods in 2022, primarily due to higher product sales in HIV Oncology and Oncology, HIV, partially offset by lower sales of Veklury, Veklury and Liver Disease product sales.

Net income attributable to Gilead was \$1.0 billion \$2.2 billion, or \$0.83 \$1.73 diluted earnings per share, for the three months ended June 30, 2023 September 30, 2023, compared to \$1.1 billion \$1.8 billion, or \$0.91 \$1.42 diluted earnings per share, for the same period in 2022. The decrease increase was primarily due to a \$525 million litigation accrual for settlements with certain plaintiffs in the HIV antitrust litigation, as well as other lower tax expense and higher operating costs and tax expense, interest income, partially offset by net higher product revenues total costs and unrealized gains on equity investments compared to unrealized losses in 2022. expenses.

Net income attributable to Gilead was \$2.1 billion \$4.2 billion, or \$1.63 \$3.37 diluted earnings per share, for the six nine months ended June 30, 2023 September 30, 2023, compared to \$1.2 billion \$3.0 billion, or \$0.92 \$2.34 diluted earnings per share, for the same period in 2022. The increase was primarily due to a \$2.7 billion in-process research and development ("IPR&D") &D impairment recorded in the first quarter of 2022, which did not repeat in 2023, lower unrealized losses on equity investments and higher product revenues, interest income, partially offset by higher tax expense and higher operating costs, including the \$525 million litigation accrual expense for settlements with certain plaintiffs in the HIV antitrust litigation.

Results of Operations

Revenues

The following table summarizes the period-over-period changes in our Total revenues:

(in millions, except percentages)											Three Months Ended September 30, 2023								Three Months Ended September 30, 2022		
	(in millions, except percentages)	Three Months Ended June 30, 2023				Three Months Ended June 30, 2022				Change	(in millions, except percentages)	Three Months Ended September 30, 2023				Three Months Ended September 30, 2022					
		U.S.	Europe	Other International	Other Total	U.S.	Europe	Other International	Other Total			U.S.	Europe	Other International	Other Total						
Product sales:	Product sales:										Product sales:										
HIV	HIV	\$3,778	\$ 521	\$ 326	\$4,626	\$3,383	\$ 562	\$ 282	\$4,228	9 %	HIV	\$3,807	\$ 519	\$ 341	\$4,667	\$3,661	\$ 541	\$ 341			
Oncology	Oncology	462	215	51	728	366	141	21	527	38 %	Oncology	462	243	65	769	409	149	65			
Cell Therapy	Cell Therapy	272	162	34	469	246	105	17	368	27 %	Cell Therapy	261	181	45	486	270	111	45			
Trodelvy	Trodelvy	189	53	17	260	120	35	3	159	63 %	Trodelvy	201	62	21	283	139	38	21			
Liver Disease	Liver Disease	356	131	225	711	363	124	195	682	4 %	Liver Disease	376	119	211	706	413	170	211			
Chronic hepatitis C virus ("HCV")		259	95	98	452	263	94	91	448	1 %											
Chronic hepatitis B virus ("HBV") / HDV		97	35	127	259	100	30	104	234	11 %											
HCV ⁽¹⁾											HCV ⁽¹⁾	260	85	93	438	283	143	93			
HBV / HDV											HBV / HDV	116	34	119	269	131	28	119			
Veklury	Veklury	97	52	107	256	41	126	278	445	(43) %	Veklury	258	65	313	636	336	130	313			
Other	Other	85	80	78	243	101	88	67	256	(5) %	Other	82	72	62	216	80	75	62			
Total product sales	Total product sales	4,777	999	788	6,564	4,254	1,042	842	6,138	7 %	Total product sales	4,985	1,017	992	6,994	4,900	1,064	992			
Royalty, contract and other revenues	Royalty, contract and other revenues	6	28	1	35	85	34	2	122	(71) %	Royalty, contract and other revenues	32	23	1	56	28	37	1			
Total revenues	Total revenues	\$4,784	\$1,027	\$ 789	\$6,599	\$4,339	\$1,076	\$ 844	\$6,260	5 %	Total revenues	\$5,017	\$1,040	\$ 993	\$7,051	\$4,928	\$1,101	\$993			

(1) Chronic hepatitis C virus ("HCV")

(in millions, except percentages)	(in millions, except percentages)	Six Months Ended June 30, 2023				Six Months Ended June 30, 2022					Change	(in millions, except percentages)	Nine Months Ended September 30, 2023				Nine Months Ended September 30, 2022	
		U.S.	Other			U.S.	Other			U.S.			Other			U.S.	Europe	
			Europe	International	Total		Europe	International	Total				Europe	International	Total			
Product sales:	Product sales:											Product sales:						
HIV	HIV	\$7,142	\$1,049	\$ 624	\$ 8,816	\$6,245	\$1,112	\$ 577	\$ 7,935	11 %		HIV	\$10,949	\$1,568	\$ 965	\$13,482	\$ 9,906	
Oncology	Oncology	893	417	88	1,398	658	258	32	947	48 %		Oncology	1,354	660	153	2,167	1,067	
Cell Therapy	Cell Therapy	542	310	65	916	418	197	27	642	43 %		Cell Therapy	802	491	109	1,402	688	
Trodelvy	Trodelvy	351	107	23	482	240	61	5	305	58 %		Trodelvy	551	169	44	764	379	
Liver Disease	Liver Disease	674	271	441	1,386	642	247	427	1,317	5 %		Liver Disease	1,051	390	652	2,093	1,056	
HCV	HCV	491	209	197	897	462	189	196	847	6 %		HCV	751	294	289	1,335	745	
HBV / HDV	HBV / HDV	183	62	244	489	180	57	232	470	4 %		HBV / HDV	299	96	363	758	311	
Veklury	Veklury	349	163	317	829	843	430	708	1,980	(58) %		Veklury	607	227	630	1,465	1,179	
Other	Other	153	152	137	442	195	169	129	493	(10) %		Other	236	224	199	658	275	
Total product sales	Total product sales	9,211	2,052	1,607	12,870	8,582	2,216	1,873	12,672	2 %		Total product sales	14,196	3,069	2,599	19,864	13,482	

Royalty, contract and other revenues	Royalty, contract and other revenues										Royalty, contract and other revenues									
		25	54	3	81	112	61	5	178	(54) %		57	77	4	138	140				
Total revenues	Total revenues	\$9,236	\$2,106	\$	1,610	\$12,951	\$8,694	\$2,277	\$	1,878	\$12,850	1 %	Total revenues	\$14,253	\$3,146	\$	2,603	\$20,002	\$13,622	\$3,146

See Note 2. Revenues of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for further disaggregation of revenue by product.

HIV

HIV product sales increased by 4% to \$4.7 billion for the three months ended September 30, 2023 compared to the same period in 2022, primarily due to higher demand for Biktarvy and channel inventory dynamics, partially offset by lower average realized price due to a shift in channel mix.

HIV product sales increased by 9% and 11% to \$4.6 billion and \$8.8 billion \$13.5 billion for the three and six nine months ended June 30, 2023, respectively, September 30, 2023 compared to the same periods period in 2022, primarily due to favorable pricing dynamics, and higher demand for Biktarvy and Descovy for pre-exposure prophylaxis ("PrEP"), channel inventory dynamics, partially offset by unfavorable foreign currency exchange impact. The increase for the three months ended June 30, 2023 was also partially offset by lower channel inventory.

Oncology

Cell Therapy

Cell Therapy product sales increased by 27% 22% and 43% 35% to \$469 million \$486 million and \$916 million \$1.4 billion for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, compared to the same periods in 2022, primarily due to increased Yescarta demand for the treatment of relapsed or refractory ("R/R LBCL R") large B-cell lymphoma and increased Tecartus demand for the treatment of R/R mantle cell lymphoma and R/R adult acute lymphoblastic leukemia.

Trodelvy

Trodelvy product sales increased by 63% and 58% to \$260 million \$283 million and \$482 million \$764 million for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, compared to the same periods in 2022, primarily due to the launch of the indication for pre-treated HR+/HER2- metastatic breast cancer higher demand in both the U.S. and the increased adoption in metastatic triple-negative breast cancer, Europe.

Liver Disease

Liver Disease product sales increased decreased by 4% 10% and 5% 1% to \$711 million \$706 million and \$1.4 billion \$2.1 billion for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, compared to the same periods in 2022, primarily due to as higher demand, partially HCV patient starts were more than offset by unfavorable pricing dynamics, dynamics, primarily due to the resolution of a rebate claim in HCV in the third quarter of 2022.

Veklury

Veklury product sales decreased by 43% 31% and 58% 50% to \$256 million \$636 million and \$829 million \$1.5 billion for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, compared to the same periods in 2022, primarily due to lower demand driven by reduced hospitalization hospitalizations rates in all regions. Sales of Veklury generally reflect COVID-19 related rates and severity of infections and hospitalizations as well as the availability, uptake and effectiveness of vaccinations and alternative treatments for COVID-19.

Royalty, Contract and Other Revenues

Other product sales were \$243 million Royalty, contract and other revenues decreased by 13% and 43% to \$56 million and \$138 million for the three and nine months ended June 30, 2023 and remained relatively flat compared to the same period in 2022.

Other product sales decreased by 10% to \$442 million for the six months ended June 30, 2023 September 30, 2023, respectively, compared to the same period in 2022, primarily due to lower demand for AmBisome and Letairis.

Royalty, contract and other revenues

Royalty, contract and other revenues decreased by 71% and 54% to \$35 million and \$81 million for the three and six months ended June 30, 2023, respectively, compared to the same periods in 2022, primarily due to higher milestone payments received in 2022 and lower royalty revenues in 2023 due to the impact of generic launches. The decrease for the nine months ended September 30, 2023 was also due to higher milestone payments received in 2022.

Foreign Currency Exchange Impact

We generally face exposure to movements in foreign currency exchange rates, primarily in the Euro. We use foreign currency exchange contracts to hedge a portion of our foreign currency exposures.

Of our total product sales, 27% 29% and 31% 30% were generated outside the U.S. for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively. Foreign currency exchange, net of hedges, had an unfavorable a relatively flat impact on our total product sales of \$82 million for the three months ended June 30, 2023 September 30, 2023, based on a comparison using foreign currency exchange rates from the three months ended June 30, 2022 September 30, 2022.

Of our total product sales, 28% 29% and 32% 31% were generated outside the U.S. for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. Foreign currency exchange, net of hedges, had an unfavorable impact on our total product sales of \$188 million \$191 million for the six nine months ended June 30, 2023 September 30, 2023, based on a comparison using foreign currency exchange rates from six the nine months ended June 30, 2022 September 30, 2022.

Costs and Expenses

The following table summarizes the period-over-period changes in our costs and expenses:

		Three Months Ended			Six Months Ended				Three Months Ended			Nine Months Ended		
		June 30,			June 30,				September 30,			September 30,		
(in millions, except percentages)	(in millions, except percentages)	2023	2022	Change	2023	2022	Change	(in millions, except percentages)	2023	2022	Change	2023	2022	Change
Cost of goods sold	Cost of goods sold	\$ 1,442	\$ 1,442	— %	\$ 2,843	\$ 2,866	(1) %	Cost of goods sold	\$ 1,565	\$ 1,395	12 %	\$ 4,408	\$ 4,261	3 %
Product gross margin	Product gross margin	78.0 %	76.5 %	152 bps	77.9 %	77.4 %	53 bps	Product gross margin	77.6 %	80.0 %	-239 bps	77.8 %	78.3 %	-51 bps
Research and development expenses	Research and development expenses	\$ 1,407	\$ 1,102	28 %	\$ 2,854	\$ 2,280	25 %	Research and development expenses	\$ 1,457	\$ 1,149	27 %	\$ 4,310	\$ 3,429	26 %
Acquired in-process research and development expenses	Acquired in-process research and development expenses	\$ 236	\$ 330	(29) %	\$ 717	\$ 338	NM	Acquired in-process research and development expenses	\$ 91	\$ 448	(80) %	\$ 808	\$ 786	3 %
In-process research and development impairment	In-process research and development impairment	\$ —	\$ —	NM	\$ —	\$ 2,700	NM	In-process research and development impairment	\$ —	\$ —	NM	\$ —	\$ 2,700	NM
Selling, general and administrative expenses	Selling, general and administrative expenses	\$ 1,849	\$ 1,357	36 %	\$ 3,168	\$ 2,440	30 %	Selling, general and administrative expenses	\$ 1,315	\$ 1,213	8 %	\$ 4,482	\$ 3,653	23 %

NM - Not Meaningful

Product Gross Margin

Product gross margin was 78.0% and 77.9% decreased to 77.6% for the three and six months ended June 30, 2023, respectively, and remained relatively flat September 30, 2023 compared to the same periods period in 2022, primarily driven by intangible asset amortization expenses related to the pretreated hormone receptor-positive, human epidermal growth factor receptor 2-negative ("HR+/HER2-") metastatic breast cancer indication for Trodelvy following its approval in February 2023, as well as product mix.

Product gross margin decreased to 77.8% for the nine months ended September 30, 2023 compared to the same period in 2022, primarily driven by intangible asset amortization expenses related to the pretreated HR+/HER2- metastatic breast cancer indication for Trodelvy following its approval in February 2023, partially offset by higher amortization of inventory step-up charges in 2022.

Research and Development Expenses

Research and development ("R&D") expenses consist primarily of personnel costs including salaries, benefits and stock-based compensation expense, infrastructure, materials and supplies and other support costs, research and clinical studies performed by contract research organizations and our collaboration partners and other outside services.

We manage our R&D expenses by identifying the R&D activities we expect to be performed during a given period and then prioritizing efforts based on scientific data, probability of successful technical development and regulatory approval, market potential, available human and capital resources and other considerations. We regularly review our R&D activities based on unmet medical need and, as necessary, reallocate resources among our internal R&D portfolio and external opportunities that we believe will best support the long-term growth of our business. We do not track total R&D expenses by product candidate, therapeutic area or development phase.

The following table provides a breakout of expenses by major cost type:

	Three Months Ended				Six Months Ended		Three Months Ended			Nine Months Ended	
	June 30,		June 30,		June 30,		September 30,		September 30,		
(in millions)	(in millions)	2023	2022	2023	2022	(in millions)	2023	2022	2023	2022	
Personnel, infrastructure and other support costs	Personnel, infrastructure and other support costs	\$ 788	\$ 634	\$ 1,606	\$ 1,317	Personnel, infrastructure and other support costs	\$ 776	\$ 688	\$ 2,382	\$ 2,004	
Clinical studies and other costs	Clinical studies and other costs	619	468	1,248	964	Clinical studies and other costs	681	461	1,928	1,425	
Total	Total	\$ 1,407	\$ 1,102	\$ 2,854	\$ 2,280	Total	\$ 1,457	\$ 1,149	\$ 4,310	\$ 3,429	

Research and development expenses increased by 28% 27% and 25% 26% to \$1.4 \$1.5 billion and \$2.9 \$4.3 billion for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, compared to the same periods in 2022. Personnel, infrastructure and other support costs as well as Clinical studies and other costs both increased due to clinical activities primarily related to oncology, including progression and acceleration of trials, as well as new study launches, launches and costs associated with the discontinuation of two Phase 3 magrolimab studies.

Acquired In-Process Research and Development Expenses

Acquired in-process research and development expenses are recorded when incurred and reflect costs of externally-developed IPR&D projects, acquired directly in a transaction other than a business combination, that do not have an alternative future use, including upfront and milestone payments related to various collaborations and the costs of rights to IPR&D projects.

Acquired in-process research and development expenses were \$236 million \$91 million and \$717 million \$808 million for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, primarily due related to a \$56 million upfront payment associated with our collaboration with Tentarix entered into in August 2023, a \$170 million charge associated with our acquisition of XinThera in May 2023, a \$244 million charge associated with our acquisition of Tmunity Therapeutics, Inc. ("Tmunity") in February 2023 and a \$212 million upfront payment associated with the our collaboration with Arcellx, Inc., which we entered into in January 2023. Acquired in-process research and development expenses were \$330 million \$448 million and \$338 million \$786 million for the three and six nine months ended June 30, 2022 September 30, 2022, respectively, primarily related to a \$389 million charge associated with our acquisition of MiroBio in September 2022 and a \$300 million upfront payment for associated with our collaboration with Dragonfly Therapeutics, Inc. entered into in April 2022. See Note 6. Acquisitions, Collaborations and Other Arrangements of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

In-Process Research and Development Impairment

In-process research and development impairment was \$2.7 billion for the six nine months ended June 30, 2022 September 30, 2022 related to a partial impairment charge on our HR+/HER2- IPR&D intangible asset. No IPR&D impairment charges were recorded during the three and six nine months ended June 30, 2023 September 30, 2023.

Selling, General and Administrative Expenses

Selling, general and administrative expenses are recorded when incurred and consist primarily of personnel costs, facilities and overhead costs, outside marketing, advertising and legal expenses, and other general and administrative costs related to sales and marketing, finance, human resources, legal and other administrative activities.

Selling, general and administrative expenses increased by 36% and 30% 8% to \$1.8 billion and \$3.2 \$1.3 billion for the three and six months ended June 30, 2023, respectively, September 30, 2023 compared to the same periods period in 2022, primarily due to increased commercial activities in oncology and HIV, as well as higher corporate activities.

Selling, general and administrative expenses increased by 23% to \$4.5 billion for the nine months ended September 30, 2023 compared to the same period in 2022, primarily due to a \$525 million litigation accrual expense for settlements with certain plaintiffs in the HIV antitrust litigation and in the second quarter of 2023, increased commercial activities in oncology and HIV, as well as higher corporate activities, partially offset by a reduction in donations to the Gilead Foundation and other corporate expenses. Foundation.

Interest Expense and Other Income (Expense), Net

The following table summarizes the period-over-period changes in Interest expense and Other income (expense), net:

(in millions, except percentages)	(in millions, except percentages)	Three Months Ended June 30,			Six Months Ended June 30,			(in millions, except percentages)	Three Months Ended September 30,			Nine Months Ended September 30,		
		2023	2022	Change	2023	2022	Change		2023	2022	Change	2023	2022	Change
Interest expense	Interest expense	\$ (230)	\$ (242)	(5) %	\$ (459)	\$ (480)	(4) %	Interest expense	\$ (232)	\$ (229)	2 %	\$ (692)	\$ (709)	(2) %
Other income (expense), net	Other income (expense), net	\$ 152	\$ (284)	NM	\$ (22)	\$ (395)	(94) %	Other income (expense), net	\$ (72)	\$ (176)	(59) %	\$ (95)	\$ (571)	(83) %

NM - Not Meaningful

Interest expense was \$232 million and \$692 million for the three and six nine months ended June 30, 2023 decreased by 5% September 30, 2023, respectively, and 4% to \$230 million and \$459 million, respectively, remained relatively flat compared to the same periods in 2022, primarily due 2022. See Note 9. Debt and Credit Facilities of the Notes to lower outstanding debt balances. Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

The changes in Other income (expense), net for the three and six nine months ended June 30, 2023 September 30, 2023 compared to the same periods in 2022 primarily reflect net unrealized gains from equity securities during the second quarter of 2023 compared to net unrealized losses during the first quarter of 2023 and the first and second quarters of 2022, as well as higher interest income due to rising interest rates, rates, as well as fewer net unrealized losses on equity investments.

Income Taxes

The following table summarizes the period-over-period changes in Income tax expense:

(in millions, except percentages)	(in millions, except percentages)	Three Months Ended June 30,			Six Months Ended June 30,			(in millions, except percentages)	Three Months Ended September 30,			Nine Months Ended September 30,		
		2023	2022	Change	2023	2022	Change		2023	2022	Change	2023	2022	Change

Income before income taxes	Income before income taxes	\$ 1,588	\$ 1,503	\$ 84	\$ 2,888	\$ 1,351	\$ 1,537	Income before income taxes	\$ 2,318	\$ 2,432	\$ (114)	\$ 5,206	\$ 3,783	\$ 1,424
Income tax expense	Income tax expense	\$ (549)	\$ (368)	\$ 181	\$ (865)	\$ (204)	\$ 660	Income tax expense	\$ (146)	\$ (646)	\$ (500)	\$ (1,010)	\$ (850)	\$ 160
Effective tax rate	Effective tax rate	34.6 %	24.5 %	10.1 %	29.9 %	15.1 %	14.8 %	Effective tax rate	6.3 %	26.6 %	(20.3) %	19.4 %	22.5 %	(3.1) %

Our effective tax rate **increased** **decreased** for the three and nine months ended September 30, 2023 compared to the same periods in 2022, primarily due to a decrease in unrecognized tax benefits as a result of reaching agreement with a tax authority on certain tax positions in the three months ended June 30, 2023, compared to September 30, 2023 and a non-deductible acquired IPR&D charge recorded associated with our acquisition of MiroBio in September 2022. The decrease in our effective tax rate for the **same period in 2022, primarily due to nine months ended September 30, 2023 was partially offset by** remeasurement of certain deferred tax liabilities related to acquired intangible assets and non-deductible acquired IPR&D expenses recorded **in connection** associated with our **acquisition** acquisitions of **XinThera**.

Our effective tax rate increased for the six months ended June 30, 2023, compared to the same period **XinThera and Tmunity** in 2022, primarily due to non-deductible acquired IPR&D expenses recorded in connection with our acquisition of Tmunity and a partial IPR&D impairment charge of \$2.7 billion recorded in the six months ended June 30, 2022, in addition to the above mentioned drivers for the three months ended June 30, 2023, 2023.

Liquidity and Capital Resources

We continually evaluate our liquidity and capital resources, including our access to external capital, so that we can adequately and efficiently finance our operations.

Liquidity

Cash, cash equivalents and marketable debt securities were \$8.0 billion and \$7.6 billion as of **June 30, 2023** **September 30, 2023** and December 31, 2022, respectively. Cash and cash equivalents increased by **\$292 million** **\$293 million** from December 31, 2022 to **June 30, 2023** **September 30, 2023**. The following table summarizes our cash flow activities:

	Six Months Ended				Nine Months Ended	
		June 30,			September 30,	
(in millions)	(in millions)	2023	2022	(in millions)	2023	2022
Net cash provided by (used in):	Net cash provided by (used in):			Net cash provided by (used in):		
Operating activities	Operating activities	\$ 4,082	\$ 3,642	Operating activities	\$ 5,837	\$ 6,505
Investing activities	Investing activities	\$ (1,309)	\$ (1,378)	Investing activities	\$ (1,538)	\$ (2,091)
Financing activities	Financing activities	\$ (2,507)	\$ (2,797)	Financing activities	\$ (4,026)	\$ (4,915)
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	\$ 26	\$ (66)	Effect of exchange rate changes on cash and cash equivalents	\$ 20	\$ (138)

Operating Activities

Net cash provided by operating activities is derived by adjusting our net income for non-cash items and changes in operating assets and liabilities. Net cash provided by operating activities was **\$4.1 billion** **\$5.8 billion** for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** compared to **\$3.6 billion** **\$6.5 billion** for the same period in 2022. The change was primarily due to **higher inventory and operating spend, which includes HIV antitrust litigation payments, in 2023, reduced by the effect of the a non-recurring payment of a \$1.25 billion settlement related to bictegravir litigation in 2022, partially offset by higher inventory and operating spend in 2023, 2022.**

Investing Activities

Net cash used in investing activities was **\$1.3 billion** **\$1.5 billion** for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** compared to **\$1.4 billion** **\$2.1 billion** for the same period in 2022. The change was primarily due to a decrease in acquisition spend, including acquired IPR&D, and capital expenditures, partially offset by higher net purchases of marketable debt and equity securities.

Financing Activities

Net cash used in financing activities was **\$2.5 billion** **\$4.0 billion** for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** compared to **\$2.8** **\$4.9 billion** for the same period in 2022. During the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, we utilized cash of **\$1.9** **\$2.25 billion** for debt repayments, **\$2.9 billion** for dividend payments and **\$550** **\$850 million** for common stock repurchases. These were partially offset by **\$2.0 billion** in proceeds from the issuance of senior unsecured notes in September 2023, net of issuance costs. During the **six** **nine** months ended **June 30, 2022** **September 30, 2022**, we utilized cash of **\$500 million** **\$1.5 billion** for debt repayments, **\$1.9** **\$2.8 billion** for dividend payments and **\$424 million** **\$604 million** for common stock repurchases.

Capital Resources and Material Cash Requirements

A summary of our capital resources and material cash requirements is presented in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2022. See Other than as disclosed in Notes 6. Acquisitions, Collaborations and Other Arrangements, 9. Debt and Credit Facilities, 10. Commitments and Contingencies and 12. Income Taxes of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, for any there were no material changes to our capital resources and material cash requirements during the six nine months ended June 30, 2023 September 30, 2023.

Critical Accounting Estimates

A summary of our critical accounting estimates is presented in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2022. There Other than as disclosed in Notes 2. Revenues, 7. Intangible Assets, 10. Commitments and Contingencies and 12. Income Taxes of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, there were no material changes to our critical accounting estimates during the six nine months ended June 30, 2023 September 30, 2023.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information about our market risk is presented in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2022. See Other than as disclosed in Notes 3. Fair Value Measurements, 4. Available-For-Sale Debt Securities and Equity Securities and 5. Derivative Financial Instruments of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, for any there were no material changes to these disclosures.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

An evaluation as of June 30, 2023 September 30, 2023 was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our "disclosure controls and procedures," which are defined in Rule 13a-15(e) under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), as controls and other procedures of a company that are designed to ensure that the information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in U.S. Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2023 September 30, 2023.

Changes in Internal Control over Financial Reporting

Our management, including our Chief Executive Officer and Chief Financial Officer, has evaluated any changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2023 September 30, 2023, and has concluded that there was no to identify any change during such quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We anticipate implementing In August 2023, we began deploying a new enterprise resource planning system ("ERP") system beginning as well as other related systems. We have made changes to our internal control over financial reporting to address the related processes and systems. We will continue to evaluate any further changes in August 2023. Along with this our internal control over financial reporting over the course of the implementation of the new ERP and other related systems, which is scheduled to occur in phases over the next few years, we anticipate making changes to our internal controls over financial reporting to address processes impacted by the new ERP system. As such changes occur, we will evaluate quarterly whether such changes materially affect our internal control over financial reporting, years.

Limitations on the Effectiveness of Controls

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met and, as set forth above, our Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of the end of the period covered by this report, that our disclosure controls and procedures were effective to provide reasonable assurance that the objectives of our disclosure control system were met.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

For a description of our significant pending legal proceedings, please see Note 10. Commitments and Contingencies of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A. RISK FACTORS

In evaluating our business, you should carefully consider the following discussion of material risks, events and uncertainties that make an investment in us speculative or risky in addition to the other information in this Quarterly Report on Form 10-Q. A manifestation of any of the following risks and uncertainties could, in circumstances we may or may not be able to accurately predict, materially and adversely affect our business and operations, growth, reputation (including the commercial or scientific reputation of our products), prospects, product pipeline and sales, operating and financial results, financial condition, cash flows, liquidity and stock price. We note these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. It is not possible to predict or identify all such factors; our operations could also be affected by factors, events or uncertainties that are not presently known to us or that we currently do not consider to present significant risks to our operations. Therefore, you should not consider the following risks to be a complete statement of all the potential risks or uncertainties that we face.

Product and Commercialization Risks

Certain of our products subject us to additional or heightened risks.

HIV

We receive a substantial portion of our revenue from sales of our products for the treatment and prevention of HIV infection. During the six nine months ended June 30, 2023 September 30, 2023, sales of our HIV products accounted for approximately 68% of our total product sales. We may be unable to sustain or increase sales of our HIV products

for any number of reasons, including market share gains by competitive products, including generics, or the inability to introduce new HIV medications necessary to remain competitive. In such case, we may need to scale back our operations, including our future drug development and spending on research and development ("R&D") efforts. For example, many of our HIV products contain tenofovir alafenamide ("TAF"), which belongs to the nucleoside class of antiviral therapeutics. If there are any changes to the treatment or prevention paradigm for HIV that cause nucleoside-based therapeutics to fall out of favor, our HIV product sales would be adversely impacted.

Veklury

We face risks related to our supply and sale of Veklury, which was approved by U.S. Food and Drug Administration ("FDA") as a treatment for patients with coronavirus disease 2019 ("COVID-19"). Veklury sales generally reflect COVID-19 related rates and severity of infections and hospitalizations, as well as the availability, uptake and effectiveness of vaccines and alternative treatments for COVID-19. In May 2023, the World Health Organization declared the end of COVID-19 as a public health emergency of international concern. Future sales of Veklury in the short- and long-term remain uncertain. If we do not accurately forecast demand or manufacture Veklury at levels to align with actual demand, then we may experience product shortages or build excess inventory that may need to be written off.

Cell Therapy

Advancing a novel and personalized therapy such as Yescarta or Tecartus, which are chimeric antigen receptor ("CAR") T-cell therapies, creates significant challenges, including:

- educating and certifying medical personnel regarding the procedures and the potential side effects, such as cytokine release syndrome and neurologic toxicities, in compliance with the Risk Evaluation and Mitigation Strategy program required by FDA;
- securing sufficient supply of other medications to manage side effects, such as tocilizumab and corticosteroids, which may not be available in sufficient quantities, may not adequately control the side effects and/or may have detrimental impacts on the efficacy of cell therapy;
- developing and maintaining a robust and reliable process for engineering a patient's T cells in our facilities and infusing them back into the patient; and
- conditioning patients with chemotherapy in advance of administering our therapy, which may increase the risk of adverse side effects.

The use of engineered T cells as a potential cancer treatment is a recent development and may not be broadly accepted by physicians, patients, hospitals, cancer treatment centers, payers and others in the medical community. While FDA has approved some cell therapies, including Yescarta and Tecartus, we must continue to demonstrate to the medical community the potential advantages of cell therapy compared to existing and future therapeutics. For challenges related to the reimbursement of Yescarta and Tecartus, see also "Our existing products are subject to reimbursement pressures from government agencies and other third parties, required rebates and other discounts on our products and other pricing pressures."

We rely on third-party sites to collect patients' white blood cells, known as apheresis centers, as well as shippers, couriers, and hospitals for the logistical collection of patients' white blood cells and ultimate delivery of Yescarta and Tecartus to patients. These vendors may encounter disruptions or difficulties that could result in product loss and regulatory action. Apheresis centers may also choose not to participate in our quality certification process, or we may be unable to complete such certification in a timely manner or at all, which could delay or constrain our manufacturing and commercialization efforts.

We operate an automated CAR T-cell therapy manufacturing facility in Frederick, Maryland. We have not previously manufactured our products in an automated facility on a commercial scale, and as a result, we may require additional time and resources in order to effectively increase manufacturing capacity. We also operate a retroviral vector manufacturing facility in Oceanside, California, which received FDA approval for commercial production in October 2022. We also have not previously manufactured viral vectors on a commercial scale, and as a result, we may require additional time and resources in order to effectively increase manufacturing capacity. In addition, we may not be able to produce or otherwise obtain an amount of viral vector supply sufficient to satisfy demand for our finished products. If we are unable to meet product demand, we will have difficulty meeting sales forecasts for our finished products.

Our success depends on developing and commercializing new products or expanding the indications for existing products.

If we are unable to launch commercially successful new products or new indications for existing products, our business will be adversely impacted. The launch of commercially successful products is necessary to grow our business, cover our substantial R&D expenses, and offset revenue losses when existing products lose market share due to factors such as competition and loss of patent exclusivity. There are many difficulties and uncertainties inherent in drug development and the introduction of new products. The product development cycle is characterized by significant investments of resources, long lead times and unpredictable outcomes due to the nature of developing medicines for human use. We expend significant time and resources on our product pipeline without any assurance that we will recoup our investments or that our efforts will be commercially successful. A high rate of failure is inherent in the discovery and development of new products, and failure can occur at any point in the process, including late in the process after substantial investment.

We face challenges in accurately forecasting sales because of the difficulties in predicting demand for our products and fluctuations in purchasing patterns or wholesaler inventories.

We may be unable to accurately predict demand for our products, including the uptake of new products, as demand depends on a number of factors. For example, product demand may be adversely affected if physicians do not see the benefit of our products. Additionally, the non-retail sector in the U.S., which includes government institutions, including state AIDS Drug Assistance Programs, the U.S. Department of Veterans Affairs, correctional facilities and large health maintenance organizations, tends to be less consistent in terms of buying patterns and often causes quarter-over-quarter fluctuations that do not mirror actual patient demand for our products. Federal and state budget pressures, as well as the annual grant cycles for federal and state funds, may cause purchasing patterns to not reflect patient demand for our products. We expect to continue to experience fluctuations in the purchasing patterns of our non-retail customers. In light of the budget crises faced by many European countries, we have observed variations in purchasing patterns induced by cost containment measures in Europe. We believe these measures have caused some government agencies and other purchasers to reduce inventory of our products in the distribution channels, and we may continue to see this trend in the future.

We sell and distribute most of our products in the U.S. exclusively through the wholesale channel. For the **six nine** months ended **June 30, 2023** **September 30, 2023**, approximately 90% of our product sales in the U.S. were to three wholesalers, **Cencora, Inc. (formerly known as AmerisourceBergen Corporation, Corporation)**, Cardinal Health, Inc. and McKesson Corporation. The U.S. wholesalers with whom we have entered into inventory management agreements make estimates to determine end-user demand and may not be accurate in matching their inventory levels to actual end-user demand. As a result, changes in inventory levels held by those wholesalers can cause our operating results to fluctuate unexpectedly if our sales to these wholesalers do not match end-user demand. In addition, inventory is held at retail pharmacies and other non-wholesaler locations with whom we have no inventory management agreements and no control over buying patterns. Adverse changes in economic conditions, increased competition or other factors may cause retail pharmacies to reduce their inventories of our products, which would reduce their orders from wholesalers and, consequently, the wholesalers' orders from us, even if end-user demand has not changed. In addition, we have observed that strong wholesaler and sub-wholesaler purchases of our products in the fourth quarter typically results in

inventory draw-down by wholesalers and sub-wholesalers in the subsequent first quarter. As inventory in the distribution channel fluctuates from quarter to quarter, we may continue to see fluctuations in our earnings and a mismatch between prescription demand for our products and our revenues.

We face significant competition from global pharmaceutical and biotechnology companies, specialized pharmaceutical firms and generic drug manufacturers.

New branded or generic products entering major markets affects our ability to maintain pricing and market share. Our products compete with other available products based primarily on efficacy, safety, tolerability, acceptance by doctors, ease of patient compliance, ease of use, price, insurance and other reimbursement coverage, distribution and marketing. A number of companies are pursuing the development of products and technologies that may be competitive with our existing products or research programs. These competing companies include large pharmaceutical and biotechnology companies and specialized pharmaceutical firms acting either independently or together with other such companies. Furthermore, academic institutions, government agencies and other public and private organizations conducting research may seek patent protection or may establish collaborative arrangements for competitive products or programs. We may be adversely impacted if any of these competitors gain market share as a result of new technologies, commercialization strategies or otherwise.

Our existing products are subject to reimbursement pressures from government agencies and other third parties, required rebates and other discounts on our products and other pricing pressures.

Product Reimbursements

Successful commercialization of our products depends, in part, on the availability and amount of third-party payer reimbursement for our products and related treatments and medical services in the markets where we sell our products. As our products mature, pricing pressures from private insurers and government payers often result in a reduction of the net product prices.

Legislative and regulatory actions affecting government prescription drug procurement and reimbursement programs occur relatively frequently. For example, in September 2020, FDA issued a final rule implementing a pathway for the importation of certain prescription drugs from Canada. This rule is subject to ongoing litigation. We may be adversely impacted by any such legislative and regulatory actions, though it is difficult to predict the impact, if any, on the use and reimbursement of our products.

Product Pricing, Discounts and Rebates

In the U.S., the European Union ("EU") and other significant or potentially significant markets for our products and product candidates, government authorities and third-party payers are increasingly attempting to limit or regulate the price of medical products and services. The volume of drug pricing-related legislation has dramatically increased in recent years, including:

- U.S. Congress has enacted laws requiring manufacturer refunds on certain amounts of discarded drug from single-use vials beginning in 2023 and eliminating the existing cap on Medicaid rebate amounts beginning in 2024.
- U.S. Congress has enacted the Inflation Reduction Act of 2022 (the "Act"), which, among other changes, (1) requires the Department of Health and Human Services to "negotiate" Medicare prices for certain drugs (starting with 10 drugs in 2026, adding 15 drugs in 2027 and 2028, and adding 20 drugs in 2029 and subsequent years), (2) imposes an inflation-based rebate on Medicare Part B utilization starting in 2023 and Part D utilization beginning October 1, 2022, and (3) restructures the Medicare Part D benefit to cap out-of-pocket expenses for Part D beneficiaries beginning in 2024 and, effective January 1, 2025, increases Part D plans' contributions in the catastrophic coverage phase and increases manufacturers' discount contributions across coverage phases such that manufacturers must pay a 10% discount in the initial coverage phase and a 20% discount in the catastrophic phase on drugs utilized by all Part D beneficiaries, including low income subsidy patients. We continue to evaluate the potential impact of the Act on our business. Centers for Medicare & Medicaid Services ("CMS") has issued a number of guidance documents but how certain provisions will be implemented remains unclear. Additional guidance, legislation or rulemaking may be issued that could reflect the government's evolving views. In addition, **several more than eight** manufacturers and trade organizations have challenged the Medicare "negotiation" provisions of the Act, and additional legal challenges may be filed in the future. While the full impact of the Act on our business and the pharmaceutical industry remains uncertain at this time, we anticipate that the Act will increase our payment obligations under the redesigned Part D discount program, limit the prices we can charge for our products, and increase the rebates we must provide government programs for our products, thereby reducing our profitability and negatively impacting our financial results.
- Many state legislatures are considering, or have already passed into law, legislation that seeks to indirectly or directly regulate pharmaceutical drug pricing, such as requiring manufacturers to publicly report proprietary pricing information, creating review boards for prices, establishing drug payment limits, and encouraging the use of generic drugs. **For example, the Colorado Prescription Drug Affordability Review board has selected Genvoya for an affordability review, and it is possible the board may designate an upper limit on the amount certain purchasers and payors can pay for Genvoya.** These initiatives and such other legislation may cause added pricing pressures on our products, and the resulting impact on our business is **uncertain, uncertain at this time.**
- Many countries outside the U.S., including the EU member states, have established complex and lengthy procedures to obtain price approvals and coverage reimbursement and periodically review their pricing and reimbursement decisions. The outcome of these reviews cannot be predicted and could have an adverse effect on the pricing and reimbursement of our medical products in the EU member states. Reductions in the pricing of our medical products in one member state could affect the price in other member states and have a negative impact on our financial results.

A substantial portion of our product sales is subject to significant discounts from list price, including rebates that we may be required to pay state Medicaid agencies and discounts provided to covered entities under Section 340B of the Public Health Service Act ("340B"). Changes to the 340B program or the Medicaid program at the federal or state level could have a material adverse effect on our business. For example, the continued growth of the 340B program limits the prices we may charge on an increasing percentage of sales. Changes to the calculation of rebates under the Medicaid program could substantially increase our Medicaid rebate obligations and decrease the prices we charge 340B-covered entities.

In March 2022, we implemented a contract pharmacy integrity initiative for our branded hepatitis C virus ("HCV") products. This integrity initiative does not involve any products from Aseguia Therapeutics LLC. Our integrity initiative requires covered entities that enter into 340B bill to/ship to arrangements with contract pharmacies for our branded HCV products to provide claims level data for units dispensed from such contract pharmacies; covered entities without an in-house pharmacy that choose not to participate in the initiative can designate a single contract pharmacy for shipment. Certain manufacturers that have implemented other contract pharmacy integrity programs have received enforcement letters from the U.S. Department of Health and Human Services ("HHS") asserting that those programs violate the 340B statute, have been referred to the HHS Office of Inspector General for assessment of civil monetary penalties, and have been subject to administrative dispute resolution proceedings brought on behalf of covered

entities. These manufacturers are currently challenging HHS' position in ongoing litigation. Certain states have also enacted laws requiring manufacturers to provide 340B pricing through contract pharmacy arrangements; these laws are also being challenged in ongoing litigation. We believe that our integrity initiative complies with the requirements of the 340B statute. However, additional legal or legislative developments with respect to the 340B program, including potential litigation with HHS or other stakeholders, may negatively impact our ability to implement or continue our integrity initiative.

In addition, standard reimbursement structures may not adequately reimburse for innovative therapies. For example, beginning in fiscal year 2021, CMS established a new severity-adjusted diagnosis-related group ("DRG") 018 for Medicare inpatient reimbursement of CAR T-cell products such as Yescarta and Tecartus. While the new DRG has a significantly higher base payment amount than the prior DRG 016, the payment available may not be sufficient to reimburse some hospitals for their cost of care for patients receiving Yescarta and Tecartus. When reimbursement is not aligned well to account for treatment costs, Medicare beneficiaries may be denied access as this misalignment could impact the willingness of some hospitals to offer the therapy and of doctors to recommend the therapy. Additionally, in the EU, there are barriers to reimbursement in individual countries that could limit the uptake of Yescarta and Tecartus.

Moreover, we estimate the rebates we will be required to pay in connection with sales during a particular quarter based on claims data from prior quarters. In the U.S., actual rebate claims are typically made by payers one to three quarters in arrears. Actual claims and payments may vary significantly from our estimates.

We may experience adverse impacts resulting from the importation of our products from lower price markets or the distribution of illegally diverted or counterfeit versions of our products.

Prices for our products are based on local market economics and competition and sometimes differ from country to country. Our sales in countries with relatively higher prices may be reduced if products can be imported and resold into those countries from lower price markets. U.S. sales could also be affected if FDA permits importation of drugs from Canada. We have entered into agreements with generic drug manufacturers as well as licensing agreements with the Medicines Patent Pool, a United Nations-backed public health organization, which allow generic drug manufacturers to manufacture generic versions of certain of our products for distribution in certain low- and middle-income countries. We may be adversely affected if any generic versions of our products, whether or not produced and/or distributed under these agreements, are exported to the U.S., the EU or markets with higher prices.

In the EU, we are required to permit products purchased in one EU member state to be sold in another member state. Purchases of our products in member states where our selling prices are relatively low for resale in member states in which our selling prices are relatively high can affect the inventory level held by our wholesalers and can cause the relative sales levels in the various countries to fluctuate from quarter to quarter and not reflect the actual consumer demand in any given quarter.

Additionally, diverted products may be used in countries where they have not been approved and patients may source the diverted products outside the legitimate supply chain. These diverted products may be handled, shipped and stored inappropriately, which may affect the quality and/or efficacy of the products and could harm patients and adversely impact us.

We are also aware of the existence of various suppliers around the world that, without Gilead's authorization, purport to source our products and generic versions of our products and sell them for use in countries where those products have not been approved. As a result, patients may be at risk of taking unapproved medications that may not be what they purport to be, may not have the potency they claim to have or may contain harmful substances, which could harm patients and adversely impact us.

Further, third parties have illegally distributed and sold, and may continue to illegally distribute and sell, illegally diverted and counterfeit versions of our medicines, which do not meet the rigorous quality standards of our manufacturing and supply chain. For example, as part of a U.S. civil enforcement lawsuit in coordination with law enforcement, and pursuant to court order, we seized thousands of bottles of Gilead-labeled medication with counterfeit supply chain documentation. Our investigation revealed that pharmaceutical distributors that are not authorized by Gilead to sell Gilead medicine sold purportedly genuine Gilead medicine sourced from an illegal counterfeiting scheme to independent pharmacies nationwide.

Illegally diverted and counterfeit versions of Gilead-branded medicines exist and may pose a serious risk to patient health and safety. Our actions to stop or prevent the distribution and sale of illegally diverted and counterfeit versions of our medicines around the world may be costly and unsuccessful, which may adversely affect patients and our reputation and business, including our product revenues and financial results.

Product Development and Supply Chain Risks

We face risks in our clinical trials, including the potential for unfavorable results, delays in anticipated timelines and disruption.

We are required to demonstrate the safety and efficacy of product candidates that we develop for each intended use through extensive preclinical studies and clinical trials. The results from these studies do not always accurately predict results in later, large-scale clinical trials. Even successfully completed large-scale clinical trials may not result in marketable products.

We face numerous risks and uncertainties with our clinical trials that could result in delays or prevent completion of the development and approval of our product candidates, including challenges in clinical trial protocol design, our ability to enroll patients in clinical trials, the possibility of unfavorable or inadequate trial results to support further development of our product candidates, including failure to meet a trial's primary endpoint, safety issues arising from our clinical trials, and the need to modify or delay our clinical trials or to perform additional trials. For example, in October 2022, we announced that FDA issued a complete response letter for our Biologics License Application for bulevirtide for the treatment of adults with hepatitis delta virus infection. More recently, we announced the discontinuation of the Phase 3 ENHANCE study of magrolimab in higher-risk myelodysplastic syndromes and the Phase 3 ENHANCE-2 study of magrolimab in first-line TP53m acute myeloid leukemia ("AML"), as well as the partial clinical hold placed by FDA on magrolimab studies in AML. In addition, see Note 7. Intangible Assets of the Condensed Consolidated Financial Statements included in Part I, Item I of this Quarterly Report on Form 10-Q for a discussion of the partial in-process research and development impairment charge that we recognized during the three months ended March 31, 2022 related to assets we acquired from Immunomedics, Inc. ("Immunomedics") in 2020.

As a result, we may be unable to successfully complete our clinical trials on our anticipated timelines, or at all. Based on trial results, it is possible that FDA and other regulatory authorities do not approve our product candidates, or that any market approvals include significant limitations on the products' use. In addition, clinical trials involving our commercial products can raise new safety issues for our existing products, which could adversely impact our business. Further, we may make a strategic decision to discontinue development of our product candidates if, for example, we believe commercialization will be difficult relative to other opportunities in our pipeline. Therefore, our product candidates may never be successfully commercialized, and we may be unable to recoup the significant R&D and clinical trial expenses incurred. We expect to expend significant time and resources on our clinical trial activities without any assurance that we will recoup our investments or that our efforts will be commercially successful.

There are also risks associated with the use of third parties in our clinical trial activities. We extensively outsource our clinical trial activities and usually perform only a small portion of the start-up activities in-house. We rely on independent third-party contract research organizations ("CROs") to perform most of our clinical studies, including document preparation, site identification, screening and preparation, pre-study visits, training, program management, patient enrollment, ongoing monitoring, site management and

bioanalytical analysis. Many important aspects of the services performed for us by the CROs are out of our direct control. If there is any dispute or disruption in our relationship with our CROs, our clinical trials may be delayed. Moreover, in our regulatory submissions, we rely on the quality and validity of the clinical work performed by third-party CROs. If any of our CROs' processes, methodologies or results were determined to be invalid or inadequate, our own clinical data and results and related regulatory approvals may be adversely affected.

We may face manufacturing difficulties, delays or interruptions, including at our third-party manufacturers and corporate partners.

Our products, which are manufactured at our own facilities or by third-party manufacturers and corporate partners, are the result of complex, highly regulated manufacturing processes. We depend on third-party manufacturers and corporate partners to perform manufacturing activities effectively and on a timely basis for the majority of our active pharmaceutical ingredients and drug products. These third parties are independent entities subject to their own unique operational and financial risks that are out of our control. We and our third-party manufacturers and corporate partners are subject to Good Manufacturing Practices ("GMP"), which are extensive regulations governing manufacturing processes, stability testing, record keeping and quality standards as defined by FDA and European Medicines Agency ("EMA"), as well as comparable regulations in other jurisdictions. Manufacturing operations are also subject to routine inspections by regulatory agencies.

Any adverse developments affecting or resulting from our manufacturing operations or the operations of our third-party manufacturers and corporate partners may result in shipment delays, inventory shortages, lot failures, product withdrawals or recalls or other interruptions in the commercial supply of our products. We have incurred, and will continue to incur, inventory write-off charges and other expenses for products that fail to meet specifications and quality standards, and we may need to undertake costly remediation efforts or seek more costly manufacturing alternatives. Such developments could increase our manufacturing costs, cause us to lose revenues or market share and damage our reputation. In addition, manufacturing issues may cause delays in our clinical trials and applications for regulatory approval. For example, if we are unable to remedy any deficiencies cited by FDA or other regulatory agencies in their inspections, our existing products and the timing of regulatory approval of product candidates in development could be adversely affected. Further, there is risk that regulatory agencies in other countries where marketing applications are pending will undertake similar additional reviews or apply a heightened standard of review, which could delay the regulatory approvals for products in those countries. Our business may be adversely affected if approval of any of our product candidates were delayed or if production of our products were interrupted.

We may not be able to obtain materials or supplies necessary to conduct clinical trials or to manufacture and sell our products, which could limit our ability to generate revenues.

We need access to certain supplies and products to conduct our clinical trials and to manufacture and sell our products. If we are unable to purchase enough of these materials or find suitable alternative materials in a timely manner, our development efforts for our product candidates may be delayed or our ability to manufacture and sell our products could be limited. For example, in the U.S., there is currently a shortage of certain cancer drugs that are the backbone of standard-of-care treatments, such as carboplatin and cisplatin, which are also used in research and development and clinical trials. While we have observed minimal impacts to our oncology clinical trials to date, if these shortages continue or increase in magnitude, our ongoing and future oncology clinical trials may be delayed, halted or adversely impacted.

Suppliers of key components and materials must be named in the new drug application or marketing authorization application filed with the regulatory authority for any product candidate for which we are seeking marketing approval, and significant delays can occur if the qualification of a new supplier is required. Even after a manufacturer is qualified by the regulatory authority, the manufacturer must continue to expend time, money and effort in the area of production and quality control to maintain full compliance with GMP. Manufacturers are subject to regular periodic inspections by regulatory authorities following initial approval. If, as a result of these inspections, a regulatory authority determines that the equipment, facilities, laboratories or processes do not comply with applicable regulations and conditions of product approval, the regulatory authority may suspend the manufacturing operations. If the manufacturing operations of any of the single suppliers for our products are suspended, we may be unable to generate sufficient quantities of commercial or clinical supplies of product to meet market demand. In addition, if deliveries of materials from our suppliers are interrupted for any reason, we may be unable to ship certain of our products for commercial supply or to supply our product candidates in development for clinical trials. Also, some of our products and the materials that we utilize in our operations are manufactured by only one supplier or at only one facility, which we may not be able to replace in a timely manner and on commercially reasonable terms, or at all. Problems with any of the single suppliers or facilities we depend on, including in the event of a disaster, such as an earthquake, equipment failure or other difficulty, may negatively impact our development and commercialization efforts.

A significant portion of the raw materials and intermediates used to manufacture our antiviral products are supplied by third-party manufacturers and corporate partners outside of the U.S. As a result, any political or economic factors in a specific country or region, including any changes in or interpretations of trade regulations, compliance requirements or tax legislation, that would limit or prevent third parties outside of the U.S. from supplying these materials could adversely affect our ability to manufacture and supply our antiviral products to meet market needs and have a material and adverse effect on our operating results.

If we were to encounter any of these difficulties, our ability to conduct clinical trials on product candidates and to manufacture and sell our products could be impaired.

Regulatory and Other Legal Risks

Our operations depend on compliance with complex FDA and comparable international regulations. Failure to obtain broad approvals on a timely basis or to maintain compliance could delay or halt commercialization of our products.

The products we develop must be approved for marketing and sale by regulatory authorities and, once approved, are subject to extensive regulation by FDA, EMA and comparable regulatory agencies in other countries. We have filed, and anticipate that we will continue to file, for marketing approval in additional countries and for additional indications and products. These and any future marketing applications we file may not be approved by the regulatory authorities on a timely basis, or at all. Even if marketing approval is granted for these products, there may be significant limitations on their use. We cannot state with certainty when or whether any of our product candidates under development will be approved or launched; whether we will be able to develop, license or acquire additional product candidates or products; or whether any products, once launched, will be commercially successful.

Further, how we manufacture and sell our products is subject to extensive regulation and review. For example, under FDA rules, we are often required to conduct post-approval clinical studies to assess a known serious risk, signals of serious risk or to identify an unexpected serious risk. In certain circumstances, we may be required to implement a Risk Evaluation and Mitigation Strategy program for our products, which could include a medication guide, patient package insert, a communication plan to healthcare providers, restrictions on distribution or use of a product and other elements FDA deems necessary to assure safe use of the drug. Discovery of previously unknown problems with our marketed products or product candidates, including serious safety, resistance or drug interaction issues, or problems with our manufacturing, safety reporting or promotional activities, may result in regulatory approvals being delayed, denied or granted with significant restrictions on our products, including limitations on or the withdrawal of the products from the market.

Failure to comply with these or other requirements imposed by FDA could result in significant civil monetary penalties, fines, suspensions of regulatory approvals, product recalls, seizure of products and criminal prosecutions.

We are impacted by evolving laws, regulations and legislative or regulatory actions applicable to the healthcare industry.

The healthcare industry is subject to various federal, state and international laws and regulations pertaining to drug approval, reimbursement, rebates, price reporting, healthcare fraud and abuse, and data privacy and security. In the U.S., these laws include anti-kickback and false claims laws, Federal Food, Drug, and Cosmetic Act, laws and regulations relating to the Medicare and Medicaid programs and other federal and state programs, such as the Medicaid Rebate Statute and the 340B statute, laws that regulate written and verbal communications about our products, individual state laws relating to pricing and sales and marketing practices, the Health Insurance Portability and Accountability Act and other federal and state laws relating to the privacy and security of health information. Actual or alleged violations of these laws or any related regulations may be punishable by criminal and/or civil sanctions, including, in some instances, substantial fines, civil monetary penalties, exclusion from participation in federal and state healthcare programs, including Medicare, Medicaid and U.S. Department of Veterans Affairs and U.S. Department of Defense health programs, actions against executives overseeing our business and significant remediation measures, negative publicity or other consequences. These laws and regulations are broad in scope and subject to changing and evolving interpretations, which could require us to incur substantial costs associated with compliance, alter one or more of our sales or marketing practices, or impact our ability to obtain or maintain regulatory approvals. The resulting impact on our business is uncertain and could be material.

In addition, government price reporting and payment regulations are complex, and we are continually assessing the methods by which we calculate and report pricing in accordance with these obligations. Our methodologies for calculations are inherently subjective and may be subject to review and challenge by various government agencies, which may disagree with our interpretation. If the government disagrees with our reported calculations, we may need to restate previously reported data and could be subject to additional financial and legal liability.

There also continues to be enhanced scrutiny of company-sponsored patient assistance programs, including co-pay assistance programs and manufacturer donations to third-party charities that provide such assistance. There has also been enhanced scrutiny by governments on reimbursement and other patient support offerings, clinical education programs and promotional speaker programs. If we, or our agents and vendors, are deemed to have failed to comply with laws, regulations or government guidance in any of these areas, we could be subject to criminal or civil sanctions. Any similar violations by our competitors could also negatively impact our industry reputation and increase scrutiny over our business and our products.

For a description of our government investigations and related litigation, see Note 10. Commitments and Contingencies of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

We are subject to risks if significant safety issues arise for our marketed products or our product candidates.

As additional studies are conducted after obtaining marketing approval for our products, and as our products are used over longer periods of time by many patients, including patients with underlying health problems or those taking other medicines, we expect to continue finding new issues related to safety, resistance or drug interactions. Any such issues may require changes to our product labels, such as additional warnings, contraindications or even narrowed indications, or to halt sales of a product.

Regulatory authorities have been moving towards more active and transparent pharmacovigilance and are making greater amounts of stand-alone safety information and clinical trial data directly available to the public through websites and other means, such as periodic safety update report summaries, risk management plan summaries and various adverse event data. Safety information, without the appropriate context and expertise, may be misinterpreted and lead to misperception or legal action.

Our success depends to a significant degree on our ability to obtain and defend our patents and other intellectual property rights both domestically and internationally, and to operate without infringing upon the patents or other proprietary rights of third parties.

Patents and other proprietary rights are very important to our business. As part of our business strategy, we actively seek patent protection both in the U.S. and internationally and file additional patent applications, when appropriate, to cover improvements in our compounds, products and technology. Our success depends to a significant degree on our ability to:

- obtain patents and licenses to patent rights;
- preserve trade secrets and internal know-how;
- defend against infringement of our patents and efforts to invalidate them; and
- operate without infringing on the intellectual property of others.

Because patent applications are confidential for a period of time after filing, we may not know if our competitors have filed applications for technology covered by our pending applications or if we were the first to invent or first to file an application directed toward the technology that is the subject of our patent applications. If competitors file patent applications covering our technology, we may have to participate in litigation, post-grant proceedings before the U.S. Patent and Trademark Office or other proceedings to determine the right to a patent or validity of any patent granted. Such litigation and proceedings are unpredictable and expensive, and could divert management attention from other operations, such that, even if we are ultimately successful, we may be adversely impacted.

Patents covering our existing compounds, products and processes, and those that we will likely file in the future, may not provide complete or adequate protection. Filing patent applications is a fact-intensive and complex process. We may file patent applications that ultimately do not result in patents or have patents that do not provide adequate protection for the related product. Future litigation or other proceedings regarding the enforcement or validity of our existing patents or any future patents could result in the invalidation of our patents or substantially reduce their protection. In addition, we may face criticism as a result of our legitimate use of the patent systems to protect our investments in new and useful innovations in medicine.

Generic manufacturers have sought, and may continue to seek, FDA approval to market generic versions of our products through an abbreviated new drug application ("ANDA"), the application process typically used by manufacturers seeking approval of a generic drug. For a description of our ANDA litigation, see Note 10. Commitments and Contingencies of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. ANDA litigation and related settlement and license agreements, in some cases, may result in a loss of exclusivity for our patents sooner than we would otherwise expect. In addition, loss of exclusivity may be earlier than expected under these settlement and license agreements under certain circumstances. For example, settlement and license agreements with generic manufacturers typically include acceleration clauses that permit generic entry before the agreed-upon entry date in certain circumstances, and generic manufacturers may continue to challenge the patents protecting our products. The entry of generic versions of our products has, and may in the future, lead to market share and price erosion.

If we are found to infringe the valid patents of third parties, we may be required to pay significant monetary damages or we may be prevented from commercializing products or may be required to obtain licenses from these third parties. We may not be able to obtain alternative technologies or any required license on commercially reasonable terms or

at all. If we fail to obtain these licenses or alternative technologies, we may be unable to develop or commercialize some or all of our products. For example, we are aware of patents and patent applications owned by other parties that such parties may claim to cover the use of our products and research activities. For a description of our pending patent litigation, see Note 10. Commitments and Contingencies of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Furthermore, we also rely on unpatented trade secrets and improvements, unpatented internal know-how and technological innovation. We protect these rights mainly through confidentiality agreements with our corporate partners, employees, consultants and vendors. We cannot be certain that these parties will comply with these confidentiality agreements, that we have adequate remedies for any breach or that our trade secrets, internal know-how or technological innovation will not otherwise become known or be independently discovered by our competitors. Under some of our R&D agreements, inventions become jointly owned by us and our corporate partner and in other cases become the exclusive property of one party. In certain circumstances, it can be difficult to determine who owns a particular invention and disputes could arise regarding those inventions. We could be adversely affected if our trade secrets, internal know-how, technological innovation or confidential information become known or independently discovered by competitors or if we enter into disputes over ownership of inventions.

We face potentially significant liability and increased expenses from litigation and government investigations relating to our products and operations.

We are involved in a number of litigation, investigation and other dispute-related matters that require us to expend substantial internal and financial resources. From time to time, these matters require us to pay significant monetary amounts, including royalty payments for past and future sales. We expect these matters will continue to require a high level of internal and financial resources for the foreseeable future. These matters have reduced, and are expected to continue to reduce, our earnings and require significant management attention.

In addition, the testing, manufacturing, marketing and use of our commercial products, as well as product candidates in development, involve substantial risk of product liability claims. These claims may be made directly by consumers, healthcare providers, pharmaceutical companies or others. We have limited insurance for product liabilities that may arise and claims may exceed our coverage.

For a description of our litigation, investigation and other dispute-related matters, see Note 10. Commitments and Contingencies of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. The outcome of such legal proceedings or any other legal proceedings that may be brought against us, the investigations or any other investigations that may be initiated and any other dispute-related matters, are inherently uncertain, and adverse developments or outcomes can result in significant expenses, monetary damages, penalties or injunctive relief against us.

Operational Risks

Our business has been, and may in the future be, adversely affected by outbreaks of epidemic, pandemic or contagious diseases.

Actual or threatened outbreaks of epidemic, pandemic or contagious diseases, or other public health emergencies, may significantly disrupt our global operations and adversely affect our business, financial condition and results of operations. As we have seen with the COVID-19 pandemic, outbreaks can result in global supply chain and logistics disruptions and distribution constraints. The impact of an outbreak or other public health crisis on our results of operations and financial condition would depend on numerous evolving factors, but could involve higher operating expenses, lower demand for our products as a result of governmental, business and individuals' actions taken in response to such an event (including quarantines, travel restrictions and interruptions to healthcare services, which can impact enrollment in or operation of our clinical trials or limit patients' ability or willingness to access and seek care), challenges associated with the safety of our employees and safe occupancy of our job sites, and financial market volatility and significant macroeconomic uncertainty in global markets. An outbreak or public health emergency also could amplify many of the other risks described throughout the "Risk Factors" section of this Quarterly Report on Form 10-Q.

We face risks associated with our global operations.

Our global operations are accompanied by certain financial, political, economic and other risks, including those listed below:

- Foreign Currency Exchange: For the **six nine** months ended **June 30, 2023** **September 30, 2023**, approximately **28% 29%** of our product sales were outside the U.S. Because a significant percentage of our product sales is denominated in foreign currencies, primarily the Euro, we face exposure to adverse movements in foreign currency exchange rates. Overall, we are a net receiver of foreign currencies, and therefore, we benefit from a weaker U.S. dollar and are adversely affected by a stronger U.S. dollar. Our hedging program does not eliminate our exposure to currency fluctuations. We may be adversely impacted if the U.S. dollar appreciates significantly against certain currencies and our hedging program does not sufficiently offset the effects of such appreciation. For example, see "Foreign Currency Exchange Impact" in Part I, Item 2 of this Quarterly Report on Form 10-Q for a discussion of our exposure to movements in foreign currency exchange rates, primarily in the Euro, and the impacts from foreign currency exchange, net of hedges, for the **six nine** months ended **June 30, 2023** **September 30, 2023**.
- Interest Rates and Inflation: We hold interest-generating assets and interest-bearing liabilities, including our available-for-sale debt securities and our senior unsecured notes and credit facilities. Fluctuations in interest rates, including the U.S. Federal Reserve's recent increases in interest rates, could expose us to increased financial risk. In addition, high inflation, such as what we are seeing in the current economic environment, has adversely impacted and may continue to adversely impact our business and financial results.
- Anti-Bribery: We are subject to the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws that govern our international operations with respect to payments to government officials. Our international operations are heavily regulated and require significant interaction with foreign officials. We operate in parts of the world that have experienced governmental corruption to some degree. In certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices or may require us to interact with doctors and hospitals, some of which may be state-controlled, in a manner that is different than local custom. It is possible that certain of our practices may be challenged under these laws. In addition, our internal control policies and procedures may not protect us from reckless or criminal acts committed by our employees and agents. Enforcement activities under anti-bribery laws could subject us to administrative and legal proceedings and actions, which could result in civil and criminal sanctions, including monetary penalties and exclusion from healthcare programs.

Other risks inherent in conducting a global business include:

- Restrictive government actions against our intellectual property and other foreign assets such as nationalization, expropriation, the imposition of compulsory licenses or similar actions, including waiver of intellectual property protections.

- Protective economic policies taken by foreign governments, such as trade protection measures and import and export licensing requirements, which may result in the imposition of trade sanctions or similar restrictions by the U.S. or other governments.
- Business interruptions stemming from natural or man-made disasters, such as climate change, earthquakes, hurricanes, flooding, fires, extreme heat, drought or actual or threatened public health emergencies, or efforts taken by third parties to prevent or mitigate such disasters, such as public safety power shutoffs and facility shutdowns, for which we may not have sufficient insurance. For example, our facility in Cork, Ireland, where we conduct commercial manufacturing, packaging and labeling and perform quality control testing and final release of many of our products, temporarily suspended on-site operations as a result of the flooding caused by Storm Babet. Additionally, our corporate headquarters in Foster City and certain R&D and manufacturing facilities are located in California, a seismically active region. In the event of a major earthquake, we may not carry sufficient earthquake insurance, and significant recovery time could be required to resume operations.
- Political instability or disruption in a geographic region where we operate, regardless of cause, including war, terrorism, social unrest and political changes, including in China, Russia and Ukraine, Ukraine, and Israel and surrounding areas.

Our aspirations, goals and disclosures related to environmental, social and governance ("ESG") matters expose us to numerous risks, including risks to our reputation and stock price.

Institutional and individual investors are increasingly using ESG screening criteria to determine whether Gilead qualifies for inclusion in their investment portfolios. We are frequently asked by investors and other stakeholders to set ambitious ESG goals and provide new and more robust disclosure on goals, progress toward goals and other matters of interest to ESG stakeholders. In response, we have adapted the tracking and reporting of our corporate responsibility program to various evolving ESG frameworks, and we have established and announced goals and other objectives related to ESG matters. These goal statements reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Our efforts to accomplish and accurately report on these goals and objectives present numerous operational, reputational, financial, legal and other risks, any of which could have a material negative impact, including on our reputation and stock price.

Our ability to achieve any goal or objective, including with respect to environmental and diversity initiatives, is subject to numerous risks, many of which are outside of our control. Examples of such risks include: (1) the availability and cost of low- or non-carbon-based energy sources and technologies, (2) evolving regulatory requirements affecting ESG standards or disclosures, (3) the availability of suppliers that can meet our sustainability, diversity and other standards, (4) our ability to recruit, develop and retain diverse talent in our labor markets and (5) the impact of our organic growth and acquisitions or dispositions of businesses or operations.

The standards for tracking and reporting on ESG matters are relatively new, have not been harmonized and continue to evolve. Our selection of disclosure frameworks that seek to align with various reporting standards may change from time to time and may result in a lack of consistent or meaningful comparative data from period to period. In addition, regulatory authorities may impose mandatory disclosure requirements with respect to ESG matters. For example, in March 2022, U.S. Securities and Exchange Commission ("SEC") proposed rule changes that would require companies to make certain climate-related disclosures, including information about climate-related risks, greenhouse gas emissions and certain climate-related financial statement metrics. Also, in October 2023, the California Governor signed the Climate-Related Financial Risk Act and the Climate Corporate Data Accountability Act into law, which impose significant and mandatory climate-related reporting requirements for large companies doing business in the state. Our processes and controls may not reflect evolving standards for identifying, measuring and reporting ESG matters, immediately or at all, our interpretation of reporting standards may differ from those of others, and such standards may change over time, any of which could result in significant revisions to our goals or reported progress in achieving such goals. In addition, enhancements to our processes and controls to reflect evolving reporting standards may be costly and require additional resources.

If our ESG practices do not meet evolving investor or other stakeholder expectations and standards, then our reputation, our ability to attract or retain employees and our attractiveness as an investment, business partner or acquiror could be negatively impacted. Similarly, our failure or perceived failure to pursue or fulfill our goals, targets and objectives or to satisfy various reporting standards within the timelines we announce, or at all, could also have similar negative impacts and expose us to government enforcement actions and private litigation.

We depend on relationships with third parties for sales and marketing performance, technology, development, logistics and commercialization of products. Failure to maintain these relationships, poor performance by these companies or disputes with these third parties could negatively impact our business.

We rely on a number of collaborative relationships with third parties for our sales and marketing performance in certain territories. In some countries, we rely on international distributors for sales of certain of our products. Some of these relationships also involve the clinical development of these products by our partners. Reliance on collaborative relationships poses a number of risks, including the risk that:

- we are unable to control the resources our corporate partners devote to our programs or products;
- disputes may arise with respect to the ownership of rights to technology developed with our corporate partners;
- disagreements with our corporate partners could cause delays in, or termination of, the research, development or commercialization of product candidates or result in litigation or arbitration;
- contracts with our corporate partners may fail to provide significant protection or may fail to be effectively enforced if one of these partners fails to perform;
- our corporate partners have considerable discretion in electing whether to pursue the development of any additional products and may pursue alternative technologies or products either on their own or in collaboration with our competitors;
- our corporate partners with marketing rights may choose to pursue competing technologies or to devote fewer resources to the marketing of our products than they do to products of their own development; and
- our distributors and our corporate partners may be unable to pay us.

Given these risks, there is a great deal of uncertainty regarding the success of our current and future collaborative efforts. If these efforts fail, our product development or commercialization of new products could be delayed or revenues from products could decline.

Due to the specialized and technical nature of our business, the failure to attract, develop and retain highly qualified personnel could adversely impact us.

Our future success will depend in large part on our continued ability to attract, develop and retain highly qualified scientific, technical and management personnel, as well as personnel with expertise in clinical testing, governmental regulation and commercialization. Our ability to do so also depends in part on how well we maintain a strong workplace culture that is attractive to employees. In addition, competition for qualified personnel in the biopharmaceutical field is intense, and there is a limited pool of qualified potential employees to recruit. We face competition for personnel from other companies, universities, public and private research institutions, government entities and other organizations. Additionally, changes to U.S. immigration and work authorization laws and regulations could make it more difficult for employees to work in or transfer to one of the jurisdictions in which we operate.

The failure to successfully implement or upgrade enterprise resource planning and other information systems could adversely impact our business and results of operations.

We periodically implement or upgrade new or enhanced enterprise resource planning ("ERP") and other information systems in order to better manage our business operations, align our global organizations and enable future growth. Implementation or upgrade of new business processes and information systems requires the commitment of significant personnel, training and financial resources, and entails risks to our business operations. If we do not successfully implement ERP and other information systems improvements, or if there are delays or difficulties in implementing these systems, we may not realize anticipated productivity improvements or cost efficiencies, and we may experience operational difficulties and challenges in effectively managing our business, all of which could result in quality issues, reputational harm, lost market and revenue opportunities, and otherwise adversely affect our business, financial condition and results of operations.

For example, we are currently in the process of implementing new ERP and other information systems to help us manage our operations and financial reporting. Costs and risks inherent in this transition may include disruptions to business continuity, difficulty in maintaining effective internal controls, administrative and technical problems, interruptions or delays in sales processes, expenditure overruns and data migration issues. If we do not properly address or mitigate these issues it could result in increased costs and diversion of resources, negatively impacting our operating results and ability to effectively manage our business. Additionally, if we do not effectively implement the ERP system as planned, or the ERP system does not operate as intended, the effectiveness of our internal control over financial reporting could be negatively affected.

Information system service interruptions or breaches, including significant cybersecurity incidents, could give rise to legal liability and regulatory action under data protection and privacy laws and adversely affect our business and operations.

We are dependent upon information technology systems, infrastructure and data, including our Kite Konnect platform, which is critical to maintain chain of identity and chain of custody of Yescarta and Tecartus. The multitude and complexity of our computer systems make them inherently vulnerable to service interruption or destruction, including those caused by failures during system upgrades or implementations, user error, network or hardware failure, malicious intrusion and ransomware attack. Likewise, data privacy or cybersecurity incidents or breaches by employees or others can result in the exposure of sensitive data, including our intellectual property or trade secrets or the personal information of our employees, patients, customers or other business partners to unauthorized persons or to the public. If our information systems or third-party information systems on which we rely suffer severe damage, disruption or shutdown, including during upgrades or new implementations, and our business continuity plans do not effectively resolve the issues in a timely manner, we could experience delays in reporting our financial results, and we may lose revenue and profits as a result of our inability to timely manufacture, distribute, invoice and collect payments. Cybersecurity attacks and incidents are increasing in their frequency, sophistication and intensity. Malicious actors seek to steal money, gain unauthorized access to, destroy or manipulate data, and disrupt operations, and some of their attacks may not be recognized or discovered until launched or after initial entry into the environment, such as novel or zero-day attacks that are launched before patches are available and defenses can be readied. Malicious actors are also increasingly developing methods to avoid prevention, detection and alerting capabilities, including employing counter-forensic tactics making response activities more difficult. Such attacks and incidents include, for example, the deployment of harmful malware, ransomware, denial-of-service, social engineering and other means to affect service reliability and operations and threaten data confidentiality, integrity and availability. Our business and technology partners face similar risks and any security breach of their systems could adversely affect our security posture.

Like many companies, we have experienced cybersecurity incidents, including data breaches and service interruptions. When cybersecurity incidents occur, our policy is to respond and address them in accordance with applicable governmental regulations and other legal requirements, including our cybersecurity protocols. There can be no assurance that our efforts in response to cybersecurity incidents, as well as our investments to protect our information technology infrastructure and data, will shield us from significant losses, brand and reputational harm and potential liability or prevent any future interruption or breach of our systems. Such cybersecurity incidents can cause the loss of critical or sensitive information, including personal information, and could give rise to legal liability and regulatory action under data protection and privacy laws.

Regulators globally are also imposing new data privacy and security requirements, including new and greater monetary fines for privacy violations. For example, the General Data Protection Regulation ("GDPR") established regulations regarding the handling of personal data, and non-compliance with the GDPR may result in monetary penalties of up to four percent of worldwide revenue. In addition, new domestic data privacy and security laws, such as the California Consumer Privacy Act and the California Privacy Rights Act and other laws that have been or may be passed, similarly introduce requirements with respect to personal information, and non-compliance with such laws may result in liability through private actions (subject to statutorily defined damages in the event of certain data breaches) and enforcement. Other changes or new laws or regulations associated with the enhanced protection of personal information, could greatly increase our cost of providing our products and services or even prevent us from offering certain services in jurisdictions in which we operate.

Strategic and Financial Risks

We are subject to risks associated with engaging in business acquisitions, licensing arrangements, collaborations, options, equity investments, asset divestitures and other strategic transactions.

We have engaged in, and may in the future engage in, such transactions as part of our business strategy. We may not identify suitable transactions in the future and, if we do, we may not complete such transactions in a timely manner, on a cost-effective basis, or at all, including the possibility that a governmental entity or regulatory body may delay or refuse to grant approval for the consummation of the transaction. If we are successful in making an acquisition or closing a licensing arrangement or collaboration, the products, intellectual property and technologies that are acquired or licensed may not be successful or may require significantly greater resources and investments than anticipated. As part of our annual impairment testing of our goodwill and other indefinite-lived intangible assets in the fourth quarter, and earlier if impairment indicators exist, as required under U.S. generally accepted accounting principles, we may need to recognize impairment charges related to the products, intellectual property and technologies that are acquired or licensed. For example, as a result of an impairment analysis we conducted following our receipt of data in March 2022 from the Phase 3 TROPICS-02 study evaluating Trodelvy in patients with hormone receptor-positive, human epidermal growth receptor 2-negative metastatic breast cancer, we recognized a partial in-process research and development impairment charge on our Condensed Consolidated Statements of Income during 2022. For option structured deals, there is no assurance that we will elect to exercise our option right, and it is possible that disagreements, uncertainties or other circumstances may arise, including with respect to whether our option rights have been appropriately triggered, which may hinder our ability to realize the expected benefits. For example, in March 2023, we waived our exclusive option to acquire Pionyr Immunotherapeutics and in September

2023, we waived our exclusive option to acquire Tizona Therapeutics, Inc. For equity investments in our strategic partners, such as in connection with our collaborations with Arcus Biosciences, Inc. and Galapagos NV, the value of our equity investments may fluctuate and decline in value. If we are not successful in the execution or implementation of these transactions, our financial condition, cash flows and results of operations may be adversely affected, and our stock price could decline.

We have paid substantial amounts of cash and incurred additional debt to finance our strategic transactions. Additional indebtedness and a lower cash balance could result in a downgrade of our credit ratings, limit our ability to borrow additional funds or refinance existing debt on favorable terms, increase our vulnerability to adverse economic or industry conditions, and reduce our financial flexibility to continue with our capital investments, stock repurchases and dividend payments. For example, as a result of the cash used and the debt issued in connection with our acquisition of Immunomedics in 2020, S&P Global Ratings downgraded our credit rating. We may be adversely impacted by any failure to overcome these additional risks.

Changes in our effective income tax rate could reduce our earnings.

We are subject to income taxes in the U.S. and various foreign jurisdictions. Due to economic and political conditions, various countries are actively considering and have made changes to existing tax laws, and we cannot predict the form or timing of such changes. Our effective tax rates are affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, the introduction of new taxes, and changes in tax laws, regulations, administrative practices and interpretations, including in the U.S., Germany and Ireland.

We are also subject to the examination of our tax returns and other tax matters by the U.S. Internal Revenue Service and tax authorities in various foreign jurisdictions. There are differing interpretations of tax laws and regulations and, as a result, significant disputes may arise with these tax authorities involving issues of the timing and amount of deductions and allocations of income among various tax jurisdictions. We may be adversely affected by the resolution of one or more of these exposures in any reporting period.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

In the first quarter of 2020, our Board of Directors authorized a \$5.0 billion stock repurchase program ("2020 Program"), with no fixed expiration. Purchases under the 2020 Program may be made in the open market or in privately negotiated transactions.

The table below summarizes our stock repurchase activity for the three months ended June 30, 2023 September 30, 2023:

	Total Number of Shares Purchased (in thousands)	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program (in thousands)	Maximum Fair Value of Shares that May Yet Be Purchased Under the 2020 Program (in millions)
April 1 - April 30, 2023	607	\$ 83.55	568	\$ 4,426
May 1 - May 31, 2023	754	\$ 78.50	700	\$ 4,371
June 1 - June 30, 2023	935	\$ 77.59	615	\$ 4,324
Total	2,296 ⁽¹⁾	\$ 79.46	1,883 ⁽¹⁾	

	Total Number of Shares Purchased (in thousands)	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program (in thousands)	Maximum Fair Value of Shares that May Yet Be Purchased Under the 2020 Program (in millions)
July 1 - July 31, 2023	1,285	\$ 77.25	1,229	\$ 4,229
August 1 - August 31, 2023	2,087	\$ 78.45	1,478	\$ 4,114
September 1 - September 30, 2023	1,504	\$ 75.90	1,186	\$ 4,024
Total	4,876 ⁽¹⁾	\$ 77.35	3,893 ⁽¹⁾	

⁽¹⁾ The difference between the total number of shares purchased and the total number of shares purchased as part of a publicly announced program is due to shares of common stock withheld by us from employee restricted stock awards in order to satisfy applicable tax withholding obligations.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

None of our directors or officers adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the quarter ended June 30, 2023 September 30, 2023, as such terms are defined under Item 408(a) of Regulation S-K.

Item 6. EXHIBITS

Reference is made to the Exhibit Index included herein.

Exhibit Index

Exhibit		
Footnote	Exhibit Number	Description of Document
(1)	3.1	<u>Restated Certificate of Incorporation of Registrant</u>
(2)	3.2	<u>Amended and Restated Bylaws of Registrant</u>
	4.1	Reference is made to <u>Exhibit 3.1</u> and <u>Exhibit 3.2</u>
(3)	4.2	<u>Indenture related to Senior Notes, dated as of March 30, 2011, between Registrant and Wells Fargo, National Association, as Trustee</u>
(3)	4.3	<u>First Supplemental Indenture related to Senior Notes, dated as of March 30, 2011, between Registrant and Wells Fargo, National Association, as Trustee (including Form of Senior Notes)</u>
(4)	4.4	<u>Second Supplemental Indenture related to Senior Notes, dated as of December 13, 2011, between Registrant and Wells Fargo, National Association, as Trustee (including Form of 2041 Note)</u>
(5)	4.5	<u>Third Supplemental Indenture related to Senior Notes, dated as of March 7, 2014, between Registrant and Wells Fargo, National Association, as Trustee (including Form of 2024 Note and Form of 2044 Note)</u>
(6)	4.6	<u>Fourth Supplemental Indenture related to Senior Notes, dated as of November 17, 2014, between Registrant and Wells Fargo, National Association, as Trustee (including Form of 2025 Note and Form of 2045 Note)</u>
(7)	4.7	<u>Fifth Supplemental Indenture, dated as of September 14, 2015, between Registrant and Wells Fargo Bank, National Association, as Trustee (including Form of 2026 Note, Form of 2035 Note and Form of 2046 Note)</u>
(8)	4.8	<u>Sixth Supplemental Indenture, dated as of September 20, 2016, between Registrant and Wells Fargo Bank, National Association, as Trustee (including Form of 2023 Note, Form of 2027 Note, Form of 2036 Note and Form of 2047 Note)</u>
(9)	4.9	<u>Eighth Supplemental Indenture, dated as of September 30, 2020, between the Registrant and Wells Fargo Bank, National Association, as Trustee (including form of notes)</u>
(10)	4.10	<u>Description of Registrant's Securities</u>
(11)	10.1*	<u>Gilead Sciences, Inc. 2004 Equity Incentive Plan, amended and restated May 10, 2017</u>
(12)	10.2*	<u>Amendment No. 1 to Gilead Sciences, Inc. 2004 Equity Incentive Plan, amended and restated May 10, 2017</u>
(13)	10.3*	<u>Gilead Sciences, Inc. 2022 Equity Incentive Plan</u>
(14)	10.4*	<u>Form of employee stock option agreement under 2004 Equity Incentive Plan (for grants made in 2011 through 2018)</u>
(15)	10.5*	<u>Form of employee stock option agreement under 2004 Equity Incentive Plan (for grants made in 2019)</u>
(16)	10.6*	<u>Form of global employee stock option agreement under 2004 Equity Incentive Plan (4 year vest) (for grants made in 2019)</u>
(17)	10.7*	<u>Form of global employee stock option agreement under 2004 Equity Incentive Plan (4 year vest) (for grants made in 2020)</u>
(18)	10.8*	<u>Form of global employee stock option agreement under 2004 Equity Incentive Plan (4 year vest) (for grants made in 2021)</u>
(19)	10.9*	<u>Form of global employee stock option agreement under 2004 Equity Incentive Plan (4 year vest) (for certain grants made in 2022)</u>
(20)	10.10*	<u>Form of global employee stock option agreement under 2022 Equity Incentive Plan (4 year vest) (for certain grants made in 2022)</u>
(21)	10.11*	<u>Form of global employee stock option agreement under 2022 Equity Incentive Plan (4 year vest) (for certain grants commencing in 2023)</u>
(22)	10.12*	<u>Form of non-employee director stock option agreement under 2004 Equity Incentive Plan (for grants made in 2014 through 2018)</u>
(15)	10.13*	<u>Form of non-employee director stock option agreement under 2004 Equity Incentive Plan (for grants made in 2019)</u>
(23)	10.14*	<u>Form of non-employee director stock option agreement under 2004 Equity Incentive Plan (for grants made in 2020 and 2021)</u>
(20)	10.15*	<u>Form of non-employee director stock option agreement under 2022 Equity Incentive Plan (for grants made in 2022)</u>
	10.16*,**	<u>Form of non-employee director stock option agreement under 2022 Equity Incentive Plan (for grants commencing in 2023)</u>
(17)	10.17*	<u>Form of performance share award agreement - TSR Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2020)</u>
(18)	10.18*	<u>Form of performance share award agreement - TSR Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2021)</u>
(19)	10.19*	<u>Form of performance share award agreement - TSR Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2022)</u>
(21)	10.20*	<u>Form of performance share award agreement - TSR Goals (U.S.) under 2022 Equity Incentive Plan (for grants commencing in 2023)</u>
(17)	10.21*	<u>Form of performance share award agreement - Revenue Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2020)</u>

(18)	10.22*	Form of performance share award agreement - Revenue Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2021)
(19)	10.23*	Form of performance share award agreement - Revenue Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2022)
(21)	10.24*	Form of performance share award agreement - Revenue Goals (U.S.) under 2022 Equity Incentive Plan (for grants commencing in 2023)

Exhibit Footnote	Exhibit Number	Description of Document
(1)	3.1	Restated Certificate of Incorporation of Registrant
(2)	3.2	Amended and Restated Bylaws of Registrant
	4.1	Reference is made to Exhibit 3.1 and Exhibit 3.2
(3)	4.2	Indenture related to Senior Notes, dated as of March 30, 2011, between Registrant and Wells Fargo, National Association, as Trustee
(3)	4.3	First Supplemental Indenture related to Senior Notes, dated as of March 30, 2011, between Registrant and Wells Fargo, National Association, as Trustee (including Form of Senior Notes)
(4)	4.4	Second Supplemental Indenture related to Senior Notes, dated as of December 13, 2011, between Registrant and Wells Fargo, National Association, as Trustee (including Form of 2041 Note)
(5)	4.5	Third Supplemental Indenture related to Senior Notes, dated as of March 7, 2014, between Registrant and Wells Fargo, National Association, as Trustee (including Form of 2024 Note and Form of 2044 Note)
(6)	4.6	Fourth Supplemental Indenture related to Senior Notes, dated as of November 17, 2014, between Registrant and Wells Fargo, National Association, as Trustee (including Form of 2025 Note and Form of 2045 Note)
(7)	4.7	Fifth Supplemental Indenture, dated as of September 14, 2015, between Registrant and Wells Fargo Bank, National Association, as Trustee (including Form of 2026 Note, Form of 2035 Note and Form of 2046 Note)
(8)	4.8	Sixth Supplemental Indenture, dated as of September 20, 2016, between Registrant and Wells Fargo Bank, National Association, as Trustee (including Form of 2027 Note, Form of 2036 Note and Form of 2047 Note)
(9)	4.9	Eighth Supplemental Indenture, dated as of September 30, 2020, between the Registrant and Wells Fargo Bank, National Association, as Trustee (including Form of 2027 Note, Form of 2030 Note, Form of 2040 Note, and Form of 2050 Note)
(10)	4.1	Ninth Supplemental Indenture, dated as of September 14, 2023, between the Registrant and Computershare Trust Company, National Association, as successor to Wells Fargo Bank, National Association, as Trustee (including Form of 2033 Note and Form of 2053 Note)
(11)	4.10	Description of Registrant's Securities
(12)	10.1*	Gilead Sciences, Inc. 2004 Equity Incentive Plan, amended and restated May 10, 2017
(13)	10.2*	Amendment No. 1 to Gilead Sciences, Inc. 2004 Equity Incentive Plan, amended and restated May 10, 2017
(14)	10.3*	Gilead Sciences, Inc. 2022 Equity Incentive Plan
(15)	10.4*	Form of employee stock option agreement under 2004 Equity Incentive Plan (for grants made in 2011 through 2018)
(16)	10.5*	Form of employee stock option agreement under 2004 Equity Incentive Plan (for grants made in 2019)
(17)	10.6*	Form of global employee stock option agreement under 2004 Equity Incentive Plan (4 year vest) (for grants made in 2019)
(18)	10.7*	Form of global employee stock option agreement under 2004 Equity Incentive Plan (4 year vest) (for grants made in 2020)
(19)	10.8*	Form of global employee stock option agreement under 2004 Equity Incentive Plan (4 year vest) (for grants made in 2021)
(20)	10.9*	Form of global employee stock option agreement under 2004 Equity Incentive Plan (4 year vest) (for certain grants made in 2022)
(21)	10.10*	Form of global employee stock option agreement under 2022 Equity Incentive Plan (4 year vest) (for certain grants made in 2022)
(22)	10.11*	Form of global employee stock option agreement under 2022 Equity Incentive Plan (4 year vest) (for certain grants commencing in 2023)
(23)	10.12*	Form of non-employee director stock option agreement under 2004 Equity Incentive Plan (for grants made in 2014 through 2018)
(16)	10.13*	Form of non-employee director stock option agreement under 2004 Equity Incentive Plan (for grants made in 2019)
(24)	10.14*	Form of non-employee director stock option agreement under 2004 Equity Incentive Plan (for grants made in 2020 and 2021)
(21)	10.15*	Form of non-employee director stock option agreement under 2022 Equity Incentive Plan (for grants made in 2022)
(25)	10.16*	Form of non-employee director stock option agreement under 2022 Equity Incentive Plan (for grants commencing in 2023)
(18)	10.17*	Form of performance share award agreement - TSR Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2020)
(19)	10.18*	Form of performance share award agreement - TSR Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2021)

(20)	10.19*	Form of performance share award agreement - TSR Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2022)
(22)	10.20*	Form of performance share award agreement - TSR Goals (U.S.) under 2022 Equity Incentive Plan (for grants commencing in 2023)
(18)	10.21*	Form of performance share award agreement - Revenue Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2020)
(19)	10.22*	Form of performance share award agreement - Revenue Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2021)
(20)	10.23*	Form of performance share award agreement - Revenue Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2022)
(15) (22)	10.24*	Form of performance share award agreement - Revenue Goals (U.S.) under 2022 Equity Incentive Plan (for grants commencing in 2023)
(16)	10.25*	Form of employee restricted stock unit issuance agreement under 2004 Equity Incentive Plan (for grants made in 2019)
(16) (17)	10.26*	Form of global employee restricted stock unit issuance agreement under 2004 Equity Incentive Plan (4 year vest) (for grants made in 2019)
(17) (18)	10.27*	Form of global employee restricted stock unit issuance agreement under 2004 Equity Incentive Plan (4 year vest) (for grants made in 2020)
(18) (19)	10.28*	Form of global employee restricted stock unit issuance agreement under 2004 Equity Incentive Plan (4 year vest) (for grants made in 2021)
(19) (20)	10.29*	Form of global employee restricted stock unit issuance agreement under 2004 Equity Incentive Plan (4 year vest) (for certain grants made in 2022)
(20) (21)	10.30*	Form of global employee restricted stock unit agreement under 2022 Equity Incentive Plan (4 year vest) (for certain grants made in 2022)
(21) (22)	10.31*	Form of global employee restricted stock unit agreement under 2022 Equity Incentive Plan (4 year vest) (for grants commencing in 2023)
(23) (24)	10.32*	Form of non-employee director restricted stock unit issuance agreement under 2004 Equity Incentive Plan (for grants made in 2020 and 2021)
(20) (21)	10.33*	Form of non-employee director restricted stock unit agreement under 2022 Equity Incentive Plan (for grants made in 2022)
(25)	10.34* **	Form of non-employee director restricted stock unit agreement under 2022 Equity Incentive Plan (for grants commencing commencing in 2023) 2023)
(24)	10.35*	Gilead Sciences Inc. 2018 Equity Incentive Plan, amended and restated April 7, 2020
(26)	10.36*	Gilead Sciences, Inc. Employee Stock Purchase Plan, amended and restated January 25, 2023 January 25, 2023
(15) (16)	10.36* 10.37*	Gilead Sciences, Inc. 2005 Deferred Compensation Plan, amended and restated April 19, 2016
(23) (25)	10.37* 10.38*	Gilead Sciences, Inc. Severance Plan, amended and restated May 5, 2020
(17)	10.38* 10.39*,**	Gilead Sciences, Inc. Corporate Annual Incentive Plan, amended and restated January 1, 2020 August 1, 2023
(25) (27)	10.39* 10.40*	Offer Letter between Registrant and Daniel O'Day, dated November 30, 2018
(15) (16)	10.40* 10.41*	Stock option agreement for Daniel O'Day under 2004 Equity Incentive Plan
(15) (16)	10.41* 10.42*	Form of restricted stock unit issuance agreement for Daniel O'Day (in 2019) under 2004 Equity Incentive Plan
(15) (16)	10.42* 10.43*	Offer Letter between Registrant and Johanna Mercier, dated May 21, 2019
(17) (18)	10.43* 10.44*	Global stock option agreement for Johanna Mercier (in 2019) under 2004 Equity Incentive Plan
(17) (18)	10.44* 10.45*	Global restricted stock unit issuance agreement for Johanna Mercier (in 2019) under 2004 Equity Incentive Plan
(17) (18)	10.45*	Offer Letter between Registrant and Merdad Parsey, dated September 29, 2019
(17) (18)	10.46* 10.47*	Global stock option agreement for Merdad Parsey (in 2019) under 2004 Equity Incentive Plan
(21) (22)	10.47* 10.48*	Offer Letter between Registrant and Deborah Telman, dated June 2, 2022
(21) (22)	10.48* 10.49*	Global stock option agreement for Deborah Telman under 2022 Equity Incentive Plan
(21) (22)	10.49* 10.50*	Global restricted stock unit issuance agreement for Deborah Telman under 2022 Equity Incentive Plan (3 year vest)
(21) (22)	10.50* 10.51*	Global restricted stock unit issuance agreement for Deborah Telman under 2022 Equity Incentive Plan (4 year vest)
(26) (28)	10.51* 10.52*	Form of Indemnity Agreement entered into between Registrant and its directors and executive officers
(26) (28)	10.52* 10.53*	Form of Employee Proprietary Information and Invention Agreement entered into between Registrant and certain of its officers and key employees
(27) (29)	10.53* 10.54*	Form of Employee Proprietary Information and Invention Agreement entered into between Registrant and certain of its officers and key employees (revised September 2006)
*(28) *(30)	10.54 10.55	Amendment Agreement, dated October 25, 1993, between Registrant, the Institute of Organic Chemistry and Biochemistry (IOCB) and Rega Stichting v.z.w. (REGA), together with the following exhibits: the License Agreement, dated December 15, 1991, between Registrant, IOCB and REGA (the 1991 License Agreement); the License Agreement, dated October 15, 1992, between Registrant, IOCB and REGA (the

October 1992 License Agreement); and the License Agreement, dated December 1, 1992, between Registrant, IOCB and REGA (the December 1992 License Agreement)

†(29) †(31)	10.55 10.56	<u>Amendment Agreement between Registrant and IOCB/REGA, dated December 27, 2000, amending the 1991 License Agreement and the December 1992 License Agreement</u>
†(30) †(32)	10.56 10.57	<u>Sixth Amendment Agreement to the License Agreement, between IOCB/REGA and Registrant, dated August 18, 2006, amending the October 1992 License Agreement and the December 1992 License Agreement</u>
†(31) †(33)	10.57 10.58	<u>Seventh Amendment Agreement to the License Agreement, between IOCB/REGA and Registrant, dated July 1, 2013, amending the October 1992 License Agreement and the December 1992 License Agreement</u>
†(32) †(34)	10.58 10.59	<u>Exclusive License Agreement by and between Registrant (as successor to Triangle Pharmaceuticals, Inc.), Glaxo Group Limited, The Wellcome Foundation Limited, Glaxo Wellcome Inc. and Emory University, dated May 6, 1999</u>
†(33) †(35)	10.59 10.60	<u>Royalty Sale Agreement by and among Registrant, Emory University and Investors Trust & Custodial Services (Ireland) Limited, solely in its capacity as Trustee of Royalty Pharma, dated July 18, 2005</u>
†(33) †(35)	10.60 10.61	<u>Amended and Restated License Agreement by and between Registrant, Emory University and Investors Trust & Custodial Services (Ireland) Limited, solely in its capacity as Trustee of Royalty Pharma, dated July 21, 2005</u>
++(34) (36)	10.61 10.62	<u>Amended and Restated EVG License Agreement by and between Japan Tobacco Inc. and Registrant, dated November 29, 2018</u>
++(34) (36)	10.62 10.63	<u>Master Agreement by and between Registrant, Gilead Sciences K.K. and Japan Tobacco Inc., dated November 29, 2018</u>
†(35) †(37)	10.63 10.64	<u>Amended and Restated Collaboration Agreement by and among Registrant, Gilead Sciences Ireland UC (formerly Gilead Sciences Limited) and Janssen R&D Ireland, dated December 23, 2014</u>
†(36) †(38)	10.64 10.65	<u>License Agreement by and among Kite Pharma, Inc., Cabaret Biotech Ltd. and Dr. Zelig Eshhar, dated December 12, 2013</u>
++(16) (17)	10.65 10.66	<u>Option, License and Collaboration Agreement by and between Galapagos NV and Registrant, dated July 14, 2019</u>
31.1**		<u>Certification of Chief Executive Officer, as required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended</u>
31.2**		<u>Certification of Chief Financial Officer, as required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended</u>
32***		<u>Certifications of Chief Executive Officer and Chief Financial Officer, as required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350)</u>
101.JNS**		XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH**		Inline XBRL Taxonomy Extension Schema Document
101.CAL**		Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**		Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**		Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE**		Inline XBRL Taxonomy Extension Presentation Linkbase Document
104		Cover Page Interactive Data File, formatted in Inline XBRL (included as Exhibit 101)

- (1) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on May 9, 2019, and incorporated herein by reference.
- (2) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on February 6, 2023, and incorporated herein by reference.
- (3) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on April 1, 2011, and incorporated herein by reference.
- (4) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on December 13, 2011, and incorporated herein by reference.
- (5) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on March 7, 2014, and incorporated herein by reference.
- (6) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on November 17, 2014, and incorporated herein by reference.
- (7) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on September 14, 2015, and incorporated herein by reference.
- (8) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on September 20, 2016, and incorporated herein by reference.
- (9) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on September 30, 2020, and incorporated herein by reference.
- (10) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on September 14, 2023, and incorporated herein by reference.
- (11) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and incorporated herein by reference.
- (12) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on May 12, 2017, and incorporated herein by reference.
- (13) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, and incorporated herein by reference.
- (14) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on May 5, 2022, and incorporated herein by reference.
- (15) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, and incorporated herein by reference.
- (16) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, and incorporated herein by reference.
- (17) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, and incorporated herein by reference.
- (18) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, and incorporated herein by reference.
- (19) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, and incorporated herein by reference.
- (20) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, and incorporated herein by reference.
- (21) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, and incorporated herein by reference.
- (22) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, and incorporated herein by reference.
- (23) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, and incorporated herein by reference.
- (24) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, and incorporated herein by reference.
- (25) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, and incorporated herein by reference.
- (26) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on May 5, 2023, and incorporated herein by reference.
- (27) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on December 10, 2018, and incorporated herein by reference.
- (28) Filed as an exhibit to Registrant's Registration Statement on Form S-1 (No. 33-55680), as amended, and incorporated herein by reference.
- (29) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, and incorporated herein by reference.
- (30) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended March 31, 1994, and incorporated herein by reference.
- (31) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, and incorporated herein by reference.

(30) (32) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2006, and incorporated herein by reference.
 (31) (33) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, and incorporated herein by reference.
 (32) (34) Filed as an exhibit to Triangle Pharmaceuticals, Inc.'s Quarterly Report on Form 10-Q/A filed on November 3, 1999, and incorporated herein by reference.
 (33) (35) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005, and incorporated herein by reference.
 (34) (36) Filed as an exhibit to Registrant's Amendment No. 1 to Annual Report on Form 10-K/A filed on April 18, 2019, and incorporated herein by reference.
 (35) (37) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and incorporated herein by reference.
 (36) (38) Filed as an exhibit to Kite Pharma, Inc.'s Registration Statement on Form S-1/A (No. 333-196081) filed on June 17, 2014, and incorporated herein by reference.

* Management contract or compensatory plan or arrangement.

** Filed herewith.

*** Furnished herewith.

+ Certain confidential portions of this Exhibit were omitted by means of marking such portions with an asterisk (the Mark). This Exhibit has been filed separately with the Secretary of the Securities and Exchange Commission without the Mark pursuant to Registrant's Application Requesting Confidential Treatment under Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

++ Certain confidential portions of this Exhibit were omitted by means of marking such portions with the Mark because the identified confidential portions are (i) not material and (ii) would be competitively harmful if publicly disclosed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GILEAD SCIENCES, INC.

(Registrant)

Date: August 4, November 7, 2023

/s/ DANIEL P. O'DAY

Daniel P. O'Day
Chairman and Chief Executive Officer
(Principal Executive Officer)

Date: August 4, November 7, 2023

/s/ ANDREW D. DICKINSON

Andrew D. Dickinson
Chief Financial Officer
(Principal Financial Officer)

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EXHIBIT 10.16

Exhibit 10.39

NON-EMPLOYEE DIRECTOR AWARD Gilead Sciences, Inc. Corporate Annual Incentive Plan

GILEAD SCIENCES, INC.

2022 EQUITY INCENTIVE PLAN

STOCK OPTION AGREEMENT

RECITALS Amended and Restated Effective as of August 1, 2023

A. This Gilead Sciences, Inc. Corporate Annual Incentive Plan (the "**The Company maintains Plan**"), formerly known as the Gilead Sciences Corporate Bonus Plan, has been established by Gilead Sciences, Inc. 2022 Equity Incentive ("**Gilead**") and the participating subsidiaries of Gilead, as determined by the Plan Administrator (as defined below) from time to time, with the same may be amended, following plan objectives:

- to provide a link between compensation and performance;
- to motivate participants to achieve individual and corporate performance goals and metrics; and
- to enable Gilead and each participating subsidiary to attract and retain high quality employees. References in the "**Plan**" Plan to the "**Company**" mean Gilead and each of the participating subsidiaries.

Section 1. ADMINISTRATION

(a) **Authority of Plan Administrator.** The Compensation & Talent Committee (the "**Committee**") of Gilead's Board of Directors shall have full power and authority to administer and interpret the Plan, including, without limitation, the power to: (i) prescribe, amend, and rescind rules and procedures relating to the Plan and to define terms not otherwise defined herein, including, for the purpose avoidance of providing incentives to attract, retain doubt, alternative rules and motivate eligible Employees, Directors and Consultants.

B. This Stock Option Agreement (this "Agreement") is executed pursuant to, and is intended to carry out the purposes and procedures regarding operation of the Plan in connection with various jurisdictions as necessary or appropriate to comply with local legal requirements or customs; (ii) establish the Company's grant of corporate performance goals and metrics (and the relative weightings thereof) for any performance year, certify the level at which those goals and metrics are attained for such performance year, and determine the amount to be paid to participants pursuant to incentive awards; (iii) determine which employees qualify as Participants (as herein defined) in the Plan, including with respect to employees who commence employment after the beginning of an option the performance year or whose service terminates before the end of the performance year, and which Participants shall be paid under the Plan; (iv) determine whether, to what extent, and under what circumstances incentive awards granted hereunder may be forfeited or suspended, or any forfeiture provided for under the Plan waived; (v) correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any incentive award granted under the Plan in the manner and to the Participant set forth below (the "Optionee") to the extent that it shall determine appropriate; (vi) adjust or modify the calculation of a performance goal or metric for a performance year so as to avoid unanticipated consequences or address unanticipated events; and (vii) make all determinations necessary and advisable in administering the Optionee's capacity as a non-employee Director.

C. Capitalized terms not otherwise defined in this Agreement have the meanings set forth in the Plan and the meanings set forth in incentive awards granted under the Plan.

NOW, THEREFORE (b) **the Company Delegations.** The Committee hereby grants an option and delegates to the Optionee named below upon Chief Executive Officer of Gilead (the "CEO") full power and authority to administer and interpret the following terms and conditions of the Plan:

1. Grant of Option. The Company hereby grants to Optionee a Non-statutory Stock Option to purchase shares of Common Stock any incentive awards granted under the Plan (the "Option") with respect to any Nonexecutive Participant (as defined below), subject and references to the terms and conditions set forth in this Agreement.

AWARD SUMMARY

Optionee:

Grant Date:

Exercise Price:

Total Number of Option Shares:

Expiration Date:

Vesting Schedule: The Option will vest and become exercisable as of the Grant Date.

2. Option Term; Exercisability. The term of the Option begins on the Grant Date and continues through the close of business on the last business day prior to the Expiration Date, unless sooner terminated in accordance with Paragraph 4 or 5 below (as applicable, the "Term Plan Administrator"). The portion of the Option that has vested in accordance with the Vesting Schedule above will remain exercisable through the end of the Term. Upon the expiration of the Term, the Option will terminate and cease to be outstanding.

3. Transferability. Optionee may not transfer or assign any interest in the Option or the Option Shares, except that the Option may be assigned in whole or in part during Optionee's lifetime to one or more members of Optionee's Immediate Family, provided such

assignment constitutes a gratuitous transfer by Optionee for which no consideration is directly or indirectly received. The assigned portion may only be exercised by the person who acquires a proprietary interest in the Option pursuant to the assignment. The terms applicable to the assigned portion as used herein shall be the same as those in effect for the Option immediately prior to such assignment and shall be set forth in such documents to be executed by Optionee and the assignee as the Company may deem appropriate. The Option may also be transferred to a designated beneficiary or, if none or if a beneficiary designation is not permitted by the Administrator or not valid under Applicable Laws, to Optionee's estate following Optionee's death.

4. Cessation of Service. The Term will terminate (and the Option will cease to be outstanding) prior to the Expiration Date in accordance with this Paragraph 4.

(a) **Death.** In the event Optionee ceases Continuous Service as a result of Optionee's death, then the Option may be exercised by Optionee's designated beneficiary (or, if none or if a beneficiary designation is not permitted by the Administrator or not valid under Applicable Laws, the personal representative of Optionee's estate or person(s) to whom the Option is transferred pursuant to Optionee's will or the laws of inheritance) or the person(s) to whom the Option was transferred in accordance with Paragraph 3 until the close of business on the last business day prior to the **earlier** of (A) the expiration of the three-year period measured from the date of Optionee's death or (B) the Expiration Date.

(b) **For Cause Termination.** Notwithstanding any other provision hereof, should Optionee's Continuous Service terminate for Cause, or should Optionee engage in any other conduct, while in such service or following cessation of Continuous Service, that is materially detrimental to the business or affairs of the Company (or any Related Entity), as determined in the sole discretion of the Administrator, then the Option will be immediately cancelled and forfeited, whether or not vested.

(c) **Other Terminations.** In the event Optionee ceases Continuous Service for any reason other than as provided in Paragraphs 4(a) – 4(b), then the Option may be exercised by the Optionee until the close of business on the last business day prior to the **earlier** of (A) the expiration of the three-year period measured from the date of Optionee's cessation of Continuous Service or (B) the Expiration Date. For purposes of this Paragraph 4, Optionee will not be deemed to cease Continuous Service if Optionee continues **refer** to serve the Company as a Director Emeritus immediately following Optionee's cessation of service as a Board member without an intervening break in Continuous Service.

(d) The period of post-service exercisability in effect pursuant to this Paragraph 4 will automatically be extended by an additional period of time equal in duration **Committee and, with respect** to any interval within such post-service exercise period during which **Nonexecutive Participants, to include the** exercise of the Option or the immediate sale of the Option Shares acquired cannot be effected in compliance with applicable federal, state and foreign securities laws, but in no event will such an extension result in the continuation of the Option beyond the close of business on the last business day prior to the Expiration Date. **CEO.**

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(e) For all purposes under the Plan, a **"During Nonexecutive Participant"** is a Participant who at the time of action by the CEO is at the level of Senior Vice President (or any period equivalent position at a participating subsidiary) or below and who is neither subject to Section 16 of post-service exercisability or a "named executive officer" under the Securities Exchange Act of 1934, as amended. The Committee hereby delegates to and authorizes the head of Human Resources and his or her agents to assist in effect pursuant to this Paragraph 4, the Option may be exercisable only for the portion day-to-day administration of the Option which is vested and exercisable (after giving effect Plan, to any accelerated vesting under this Paragraph 4 or Paragraph 5), and upon a cessation of Continuous Service, any portion communicate the terms of the Option which is not vested Plan and exercisable will terminate incentive awards to Participants, and cease to be outstanding.

5. **Change in Control.**

(a) In determine the event treatment (including any proration) of awards for Nonexecutive Participants who take any leave of absence, join the Company after the beginning of a Change in Control, performance year, terminate employment with the Option will be fully vested and exercisable with adequate opportunity for Optionee to exercise the Option Company prior to the consummation of payment date with respect to any award, change job grades or geographic work location, or have a similar change in status during a performance year. Notwithstanding the Change delegations in Control.

(b) In this paragraph, the event the Option is assumed or otherwise continued in effect, the Option will be adjusted immediately after the consummation of the Change in Control in accordance with Section 9 of Committee shall retain full authority to act and make any determinations under the Plan.

(c) **In Administrative Determinations.** The Plan Administrator may establish a performance period that covers a period other than a fiscal year, and any reference in the Plan to a performance year shall refer to such performance period. Section headings are provided for administrative convenience and shall not restrict the Plan Administrator's interpretive authority. The determinations of the Plan Administrator with respect to the Plan and incentive awards granted under the Plan will be final, binding, and conclusive on all interested parties.

Section 2. ELIGIBILITY

Unless otherwise determined by the Plan Administrator, all Company employees (each, a “Participant”) are eligible to participate in the Plan for each performance year the Plan remains in effect, except that:

- Sales employees, who are eligible to participate in incentive plans tailored to their positions, are not eligible for the Plan.
- Any individual who (a) is not on the Company's payroll and for any reason deemed to be a Company employee, or (b) is not classified by the Company as a Company employee (but, for example, is classified as an “independent contractor”) and, for that reason, the Company has not withheld employment taxes with respect to that individual, even in the event that the individual is determined retroactively to have been a Company employee during all or any portion of the Option that period.
- Employees whose initial hire date is not assumed, immediately following the consummation in November or December of a Change in Control, the Option will terminate and cease to be outstanding, performance year.

6. Except as otherwise determined by the Plan Administrator, in its sole discretion, an employee who joins the Company before November of a performance year (*Stockholder Rights* i.e., Optionee January 1 to October 31) may be eligible for a prorated incentive award, based on his or her length of service that year. The incentive award target for an employee who changes job grades or geographic work location during a performance year shall be based on the grade or geographic work location incentive award target(s), and any proration of such amounts, as shall be determined by the Plan Administrator in its sole discretion.

Section 3. AWARD DETERMINATION

(a) **Performance Goals and Metrics.** Payment of incentive awards will not have be based on the attainment of corporate and individual performance goals and metrics. The Plan Administrator will establish in writing and generally within 90 days of the beginning of the performance year, the corporate performance goals and/or metrics, and the relative weightings of each, for such performance year, which may vary for different Participants or categories of Participants, including on the basis of title or pay grade, the business unit or employing entity where a Participant works, or geographic location. The Plan Administrator may establish threshold corporate performance level(s) that must be achieved in order for any stockholder rights including voting, dividend or liquidation rights payout with respect to the Option Shares until corporate performance goal(s) and metric(s) to occur. Except as otherwise determined by the Option is exercised, Plan Administrator, individual performance will be evaluated based on achievement of goals and metrics as reflected in the Exercise Price is paid Participant's written performance goals and Optionee becomes metrics for the performance year.

(b) **Target Awards for Participants.** The target incentive award for each Participant will be determined by the Plan Administrator in its sole discretion for each Participant, which may vary for different Participants or categories of Participants, including on the basis of title or pay grade, the business unit or employing entity where a holder Participant works, or geographic location, and communicated to Participants in such manner as the Plan Administrator determines appropriate. The CEO may amend the target incentive award for one or more titles or pay grades, business units or employing entities, or geographic locations for Nonexecutive Participants (or approve new target incentive award tables) from time to time, in his or her sole discretion, with or without advance notice to the affected Nonexecutive Participants.

(c) **Award Determination.** Actual amounts payable under incentive awards can range from zero (0) to two hundred percent (200%) of record target, with such payout range subject to modification from time to time by the Plan Administrator in its sole discretion. Final amounts payable to Participants under incentive awards will be determined based on the level at which any individual performance goals and metrics are achieved and the level at which the applicable corporate performance goals and metrics are achieved, subject to the conditions described in this Section 3(c). Notwithstanding the foregoing, the Plan Administrator has the discretionary authority to reduce the actual amount payable under an incentive award to any one or more Participants below the amount otherwise determined for the attained level of the Option Shares.

7. Manner of Exercising Option.

(a) In order to exercise all performance goal(s) or any portion metric(s) for the performance period. The determinations of the Option, Optionee must take the following actions: Plan Administrator will be final, binding and conclusive on all interested parties.

(i) **Execute** Subject to Section 11 below, following the completion of the performance year, the Plan Administrator will determine the extent to which corporate performance goals and deliver metrics have been met, and certify the achievement level of such goals and metrics, including the achievement of any threshold corporate performance level(s) that the Plan Administrator had established as a condition for such corporate performance component payout to occur.

(ii) The Plan Administrator has the Company sole discretion in determining whether and the extent to which a notice Participant's individual performance goals and metrics have been achieved, as evaluated through the Company's annual review process. The Plan Administrator may establish a threshold individual performance level for each Participant, and, if so established, a Participant must receive an individual performance factor recommendation of option exercise at least such individual performance level to be eligible for any individual performance component payout to occur.

Section 4. PAYMENT

Subject to Section 11 below, incentive award payments, if any, will be paid to Participants promptly following the final incentive amount determination, provided that, except as specified in Section 5 or otherwise determined by the form authorized Plan Administrator, a Participant must be actively employed by the Company (the "Notice of Exercise") (which may be obtained upon request through stockplanservices@gilead.com) as on the incentive award payment date in order to the Option Shares for which the Option is receive any amount pursuant to be exercised or comply with such other procedures as the Company may establish for notifying the Company of such exercise;

(ii) Pay the aggregate Exercise Price in accordance with Section 7 of the Plan;

(iii) Furnish to the Company appropriate documentation that the person or persons exercising the Option (if other than Optionee) have the right to exercise the Option; and

(iv) Make appropriate arrangements with the Company (or Related Entity) incentive award for the satisfaction of any Withholding Taxes.

(b) As soon as practical after the date the Option is exercised, the Company will issue to or on behalf of Optionee (or any other person or persons exercising the

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Option) a certificate for the purchased Option Shares (either in paper or electronic form), subject to appropriate restrictions, if any.

(c) In no event may the Option be exercised for any fractional Option Shares.

(d) The exercise of the Option and the issuance of the Option Shares upon such exercise will be subject to compliance by the Company and Optionee with all Applicable Laws relating thereto, as determined by counsel for the Company.

(e) The inability of the Company to obtain approval from any regulatory body having authority deemed by the Company to be necessary to the lawful issuance and sale of any Common Stock pursuant to the Option will relieve the Company of any liability with respect to the non-issuance or sale of the Common Stock as to which such approval shall not have been obtained. applicable performance year. The Company however, will use its reasonable best efforts to obtain all such approvals.

8. Insider Trading Restrictions/Market Abuse Laws. Optionee may be subject to insider trading restrictions or market abuse laws based on shall withhold from the exchange on which the Shares are listed and in applicable jurisdictions including the United States and Optionee's country or Optionee's broker's country, if different, which may affect Optionee's ability to accept, acquire, sell incentive award payment and/or otherwise dispose of Shares, rights to Shares (e.g., options) or rights linked to the value of Shares during such times as Optionee is considered to have "inside information" regarding the Company (as defined by the laws in applicable jurisdictions). Local insider trading laws collect from each Participant all employment, income, and regulations may prohibit the cancellation or amendment of orders Optionee placed before Optionee possessed inside information. Furthermore, Optionee could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees other taxes and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. Optionee acknowledges amounts that it is Optionee's responsibility determines are required or appropriate. Employees who have elected to comply with any applicable restrictions and Optionee should speak with Optionee's personal legal advisor on this matter.

9. Notices. Any notice required to be given or delivered to the Company under the terms of this Agreement will be participate in writing and addressed to the Company at its principal corporate offices. Any notice required to be given or delivered to Optionee will be in writing and addressed to Optionee at the most current address then indicated for Optionee on the Company's records Employee Stock Purchase Plan and/or will be delivered electronically to Optionee through the Company's electronic mail system or through the on-line brokerage firm authorized by the Company to effect option exercises through the internet. All notices retirement plan (if applicable) will be deemed effective upon personal delivery or electronic delivery to have expressly consented to having the applicable funds withheld from their incentive award payment as specified above or upon deposit contributions to such plans. The Plan Administrator, in the U.S. or local country mail, postage prepaid its sole discretion, may permit a Participant to defer payment of an incentive award, subject to such rules and properly addressed to the party to procedures as shall be notified.

10. Successors and Assigns. Except to the extent otherwise provided in Paragraphs 3 and 5 above, the provisions of this Agreement will inure to the benefit of and be binding upon the Company and its successors and assigns and Optionee, Optionee's assigns, and the legal representatives, heirs and legatees of Optionee's estate.

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11. Construction; Interpretation. This Agreement and the Option evidenced hereby are made and granted pursuant to determined by the Plan Administrator and are in all respects limited by and subject to the terms a manner consistent with Section 409A of the Plan. In the event Internal Revenue Code of any conflict between the provisions of this Agreement and the terms of the Plan, the terms of the Plan will control. All decisions of the Administrator with respect to any question or issue arising under the Plan or this Agreement will be conclusive and binding on all persons having an interest in the Option. Unless the context requires otherwise, all references to laws, regulations, contracts, agreements, plans and instruments refer to such laws, regulations, contracts, agreements, plans and instruments 1986, as they may be amended from time to time (the "Code") and references any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service ("Section 409A").

Section 5. TERMINATION OF EMPLOYMENT

(a) **Employment Requirement.** Unless waived by the Plan Administrator or provided otherwise under the terms of an applicable severance plan or a then-effective written agreement between the Participant and the Company, a Participant whose active employment with the Company terminates prior to the incentive award payment date will not be eligible for or entitled to receive his or her incentive award payment for the performance year, including any separation from service on account of the employee's resignation or termination by the Company with or without cause, except that the forgoing shall not apply in the case of separation on account of (i) permanent site closure or a significant reduction in force, or (ii) death or Disability. In addition, unless waived by the Committee, any Participant who gives notice of his or her intent to terminate prior to the incentive award payment date will not be eligible for or entitled to receive his or her incentive award payment for the performance year.

(b) **Permanent Site Closure or Significant Reduction in Force.** Should an otherwise eligible Participant's employment terminate prior to the incentive award payment date for a particular performance year by reason of (i) the permanent closure or shutdown of an entire site, facility, business unit, or other established organizational unit, department, or functional center (each hereby designated an "Organizational Unit") in or at which such individual is

employed, provided such termination occurs on or after the date such closure or shutdown is first communicated to the individuals employed at such Organizational Unit, or (ii) a significant reduction in force affecting the Organizational Unit in or at which such individual is employed, then, subject to the Participant's execution and non-revocation of an effective Release within the time period specified therein, the following amount will be paid under the Plan to such Participant following the completion of the applicable performance year pursuant to the provisions set forth under Section 4 above or on such earlier date (including in the year of termination) as the Plan Administrator shall determine: an amount tied to his or her target incentive award amount for the performance year based on target level attainment of all applicable corporate performance and individual performance components of that incentive award, but pro-rated to reflect his or her actual period of employment during that performance year.

(c) **Pro-rated Payment Provisions.** For purposes of applying the pro-rated payment provisions of laws Section 5(b):

(i) a “significant reduction in force” will be deemed to occur at the Organizational Unit in or regulations include at which the Participant is employed if both of the following conditions are met: (A) there are multiple individuals employed in or at such Organizational Unit, and (B) the lesser of (x) fifty (50) individuals or (y) fifteen percent (15%) or more of the total number of individuals employed on a reference full-time basis in or at such Organizational Unit are unilaterally terminated by the Company other than for cause over any period of ninety (90) consecutive days or less, unless a longer or shorter period is otherwise specified by the Company at the time the reduction in force is first communicated to the corresponding affected employees.

(ii) A termination for “cause” will be deemed to occur if such termination occurs by reason of the individual’s (A) performance of any act, or failure to perform any act, in bad faith and to the detriment of the Company; (B) dishonesty, intentional misconduct, material violation of any applicable Company policy, or material breach of any agreement with the Company; (C) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person; provided that the foregoing definition shall not apply if such term is expressly defined in a then-effective written agreement between the Participant and the Company, in which case the definition in such agreement shall apply, or in a merger, consolidation or other reorganization agreement approved by the Company’s stockholders, unless securities representing more than fifty percent (50%) of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the persons who beneficially owned the Company’s outstanding voting securities immediately prior to such transaction.

The determination of whether a particular site, facility, business unit or other established organizational unit, department or functional center constitutes an Organization Unit for purposes of the foregoing provisions shall be made by the Committee, the CEO, or the head of Human Resources, or his or her designated agent.

The Plan Administrator, in its sole discretion, may provide for an earlier payment date for any pro-rated incentive award payment that becomes payable to any involuntarily-terminated employee, provided that in any such case payment will be made no later than March 15th of the year following the performance year.

(d) **Death or Disability.** The following provisions shall apply in the event the otherwise eligible Participant’s employment terminates prior to the payment date for his or her incentive award by reason of death or Disability:

(i) Should such a Participant’s employment cease prior to the incentive award payment date by reason of his or her death, then the Participant’s designated beneficiary shall be paid an amount, in full satisfaction of the deceased Participant’s incentive award under the Plan, calculated as follows: an amount equal to one hundred percent of the deceased Participant’s target incentive award amount for the performance year based on target level of attainment of any applicable corporate performance and individual performance components of that incentive award. To the extent there is a valid universal beneficiary designation form for the deceased Participant on file with the Company at the time of his or her death, such Participant’s beneficiary shall be the person or persons designated as beneficiary therein; otherwise, such beneficiary shall be the Participant’s estate or otherwise determined according to local law and/or practice. Any incentive award payment to which such beneficiary becomes entitled on the basis of such calculations shall be payable no later than the incentive award payment date determined by the Company in accordance with the provisions set forth under Section 4 above or on such earlier date (including in the year of termination) as the Company may determine.

(ii) Should such a Participant’s employment cease prior to the incentive award payment date by reason of Disability, then, subject to the Participant’s execution and non-revocation of an effective Release within the time period specified therein, the Participant shall be paid an amount, in full satisfaction of the Disabled Participant’s incentive award under the Plan, calculated as follows: an amount equal to one hundred percent of the Participant’s target incentive award amount for the performance year based on target level of attainment of any applicable corporate performance and individual performance components of that incentive award. Any incentive award payment to which such Participant becomes entitled on the basis of such calculations shall be payable no later than the incentive award payment date determined by the Company in accordance with the provisions set forth under Section 4 above or on such earlier date (including in the year of termination) as the Company may determine. Subject to Section 11 below, “Disability” shall have the meaning established by the Plan Administrator.

As used herein “Release” means a waiver and general release of claims in the form prescribed by the Company in its sole discretion, pursuant to which the Participant shall waive all employment-related claims in connection with his or her employment with the Company and the termination of that employment, other than claims that cannot be waived under applicable law. The form of Release may vary among jurisdictions, categories of employees and from employee to employee within any category of employees. At the Company’s discretion, and to the extent

permitted by applicable law, the Release may include non-disparagement and non-solicitation covenants as well.

Section 6. AMENDMENT OR TERMINATION OF THE PLAN

The Committee reserves the right to interpret, modify, suspend or terminate the Plan at any time, with or without notice, as determined in its sole discretion.

Section 7. NO RIGHTS TO EMPLOYMENT

The designation of an employee as a Participant will not give the employee any right to be retained in the employ of the Company or its affiliates and the ability of the Company and its affiliates to dismiss or discharge a Participant at any time and for any reason is specifically reserved notwithstanding the existence of the Plan.

Section 8. UNFUNDED PLAN

No amounts awarded or accrued under the Plan will be funded, set aside or otherwise segregated prior to payment. The obligation to pay the incentive award amount granted hereunder will at all times be an unfunded and unsecured obligation of the participating entity employing the Participant at the time such incentive award becomes payable (or, if none, the participating entity most recently employing the Participant) (the **"Paying Entity"**). Participants shall have the status of general creditors and shall look solely to the general assets of the Paying Entity for the payment of their incentive awards.

Section 9. NO ASSIGNMENT

No Participant will have the right to alienate, assign, encumber, hypothecate or pledge his or her interest in any award under the Plan, voluntarily or involuntarily, and any attempt to so dispose of any such interest will be void. During the lifetime of any Participant, payment of an incentive award under the Plan shall only be made to such Participant.

Section 10. CLAWBACK/RECOUPMENT

Notwithstanding any other provision in this Plan to the contrary, any incentive award payment earned, paid or payable hereunder shall be and is subject to such reconciliation, reduction and recoupment as may be required or permitted pursuant to any law, government regulation, stock exchange listing requirement, or policy adopted by the Company.

Section 11. SECTION 409A

To the extent applicable, it is intended that this Plan and any incentive awards granted hereunder comply with the requirements of Section 409A. Any provision that would cause the Plan or any incentive award granted hereunder to fail to satisfy Section 409A shall have no force or effect until amended to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A. Notwithstanding the provisions of Section 3(c) and Section 4 above, with respect to incentive awards granted to Participants subject to the provisions of the

Code: (i) in no event except as provided in Section 5 above shall any incentive award granted for a particular performance calendar year be paid at any time earlier than the first business day of the succeeding calendar year or later than the last business day of that succeeding calendar year; and (ii) notwithstanding the provisions of Section 5(d)(ii), **"Disability"** shall have the meaning set forth in Section 22(e)(3) of the Code.

Section 12. APPLICABLE LAW

To the extent not preempted by federal law, or regulation. The word "or" is not exclusive. Words in the masculine gender include the feminine gender, and where appropriate, the plural includes the singular and the singular includes the plural. All references to "including" Plan shall be construed as meaning "including without limitation."

12. Governing Law and Venue

(a) The interpretation, performance and enforcement of this Agreement shall be governed by and construed in accordance with and governed by the laws of the State of Delaware, without resort to its conflict-of-laws rules.

(b) For purposes excluding any conflicts or choice of litigating any dispute law rule or principle that arises directly might otherwise refer construction or indirectly from the relationship interpretation of the parties evidenced by the Option and this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be

conducted only in the courts of San Mateo County, California, or the federal courts for the Northern District of California, and no other courts where the grant of the Option is made or to be performed.

13. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

14. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Optionee's participation in the Plan or Optionee's acquisition or sale of the Option Shares. Optionee is hereby advised to consult with Optionee's personal tax, legal and financial advisors regarding Optionee's participation in the Plan before taking any action related to the Plan.

15. Waiver. Optionee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

16. No Impairment of Rights. This Agreement will not in any way be construed or interpreted so as to affect adversely or otherwise impair the right of the Company or its stockholders to remove Optionee from the Board at any time in accordance with the provisions of Applicable Law.

17. Plan Prospectus. The official prospectus for the Plan is attached if the Option is the first option granted to Optionee under the Plan. Optionee may obtain an additional

printed copy of the prospectus by contacting Stock Plan Services at stockplanservices@gilead.com.

18. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Optionee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

19. Optionee Acceptance. Optionee must accept the terms and conditions of this Agreement either electronically through the electronic acceptance procedure established by the Company or through a written acceptance delivered to the Company in a form satisfactory to the Company. In no event will the Option be exercised in the absence of such acceptance. An exercise of any portion of the Shares subject to this Option shall be deemed to be an acceptance by Optionee of the terms and conditions of this Agreement.

20. Appendices A and B. Notwithstanding any provision of this Agreement to the contrary, if Optionee resides in a country outside the United States or is otherwise subject to the laws of a country other than the United States, the option and any Option Shares acquired under the Plan shall be subject to the additional terms and conditions set forth in Appendix A to this Agreement and to any special terms and provisions as set forth in Appendix B for Optionee's country, if any. Moreover, if Optionee relocates to one of the countries included in Appendix B, the special terms and conditions for such country will apply to Optionee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendices A and B constitute part of this Agreement.

21. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Optionee's participation in the Plan, on the option and on any shares of Common Stock acquired under the Plan to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

substantive law of another jurisdiction.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly-authorized officer on the day and year first indicated above.

GILEAD SCIENCES, INC.

By: /s/ Jyoti Mehra

Title: Jyoti Mehra

EVP, Human Resources

OPTIONEE

By: _____

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APPENDIX A

TERMS AND CONDITIONS FOR NON-U.S. OPTIONEES

The provisions in this Appendix A apply to Optionees that reside in a country outside the United States or who are otherwise subject to the laws of a country other than the United States and supplement, amend or replace the provisions in the Agreement, as applicable:

1. Transferability. The following replaces Paragraph 3 of the Agreement in its entirety:

The Option is not transferable or assignable by Optionee other than by will or the laws of inheritance following Optionee's death and may be exercised, during Optionee's lifetime, only by Optionee.

2. Acknowledgment of Nature of Plan and Option. In accepting the Option, Optionee acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;

(c) all decisions with respect to future options or other grants, if any, will be at the sole discretion of the Company;

(d) Optionee's participation in the Plan is voluntary;

(e) the Option and the Option Shares are for future services only and should not be considered as compensation for past services for the Company (or any Related Entity);

(f) the Option and Optionee's participation in the Plan will not be interpreted to form an employment relationship with the Company (or any Related Entity);

(g) the future value of the Option Shares is unknown, indeterminable and cannot be predicted with any certainty;

(h) if the Option Shares do not increase in value, the Option will have no value;

(i) if Optionee exercises the Option, the value of the Option Shares acquired may increase or decrease, even below the Exercise Price;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of Optionee's Continuous Service by the Company (for any reason whatsoever, whether or not later found to be invalid or in breach of

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labor laws in the jurisdiction where Optionee is providing service or the terms of Optionee's service agreement, if any), and in consideration of the grant of the option, Optionee irrevocably agrees not to institute any claim against the Company (or any Related Entity), waives Optionee's ability, if any, to bring any such claim, and releases the Company (or any Related Entity) from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Optionee shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(k) unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and

(l) neither the Company nor any Related Entity shall be liable for any exchange rate fluctuation between Optionee's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to Optionee pursuant to the exercise of the Option or the subsequent sale of any Option Shares acquired upon exercise.

3. Data Privacy.

(a) Data Privacy Consent. By accepting this Agreement either electronically through the electronic acceptance procedure established by the Company or through a written acceptance, Optionee is declaring that Optionee agrees with the data processing practices described herein and consents to the collection, processing and use of Personal Data (as defined below) by the Company and the Related Entities and the transfer of Personal Data to the recipients mentioned herein, including recipients located in countries which do not adduce an adequate level of protection from a European (or other) data protection law perspective, for the purposes described herein.

(b) Declaration of Consent. Optionee understands that Optionee needs to review the following information about the processing of Optionee's personal data by or on behalf of the Company and/or any Related Entity as described in the Agreement and any other Plan materials (the "Personal Data") and declare Optionee's consent. As regards the processing of Optionee's Personal Data in connection with the Plan and this Agreement, Optionee understands that the Company is the controller of Optionee's Personal Data.

(c) Data Processing and Legal Basis. The Company collects, uses and otherwise processes Personal Data about Optionee for the purposes of allocating shares of Common Stock and implementing, administering and managing the Plan. Optionee understands that this Personal Data may include Optionee's name, home address and telephone number, email address, date of birth, social insurance number, passport number or other identification number (e.g., resident registration number), remuneration, nationality, job title, any shares of stock or directorships held in the Company, details of all options or any other entitlement to shares of stock or equivalent benefits awarded, cancelled, exercised, vested, unvested or

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outstanding in Optionee's favor. The legal basis for the processing of Optionee's Personal Data, where required, will be Optionee's consent.

(d) Stock Plan Administration Service Providers. Optionee understands that the Company transfers Optionee's Personal Data, or parts thereof, to E*TRADE Financial Services, Inc. (and its affiliated companies), an independent service provider based in the United States which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share Optionee's Personal Data with such different service provider that serves the Company in a similar manner. Optionee understands and acknowledges that the Company's service provider will open an account for Optionee to receive and trade shares of Common Stock acquired under the Plan and that Optionee will be asked to agree on separate terms and data processing practices with the service provider, which is a condition of Optionee's ability to participate in the Plan.

(e) International Data Transfers. Optionee understands that the Company and, as of the date hereof, any third parties assisting in the implementation, administration and management of the Plan, such as E*TRADE Financial Services, Inc., are based in the United States. Optionee understands and acknowledges that Optionee's country may have enacted data privacy laws that are different from the laws of the United States. The Company's legal basis for the transfer of Optionee's Personal Data is Optionee's consent.

(f) Data Retention. Optionee understands that the Company will use Optionee's Personal Data only as long as is necessary to implement, administer and manage Optionee's participation in the Plan, or to comply with legal or regulatory obligations, including under tax and securities laws. In the latter case, Optionee understands and acknowledges that the Company's legal basis for the processing of Optionee's Personal Data would be compliance with the relevant laws or regulations. When the Company no longer needs Optionee's Personal Data for any of the above purposes, Optionee understands the Company will remove it from its systems.

(g) Voluntariness and Consequences of Denial/Withdrawal of Consent. Optionee understands that Optionee's participation in the Plan and Optionee's consent is purely voluntary. Optionee may deny or later withdraw Optionee's consent at any time, with future effect and for any or no reason. If Optionee denies or later withdraws Optionee's consent, the Company can no longer offer Optionee participation in the Plan or offer other equity awards to Optionee or administer or maintain such awards and Optionee would no longer be able to participate in the Plan. Optionee further understands that denial or withdrawal of Optionee's consent would not affect Optionee's status or remuneration as a non-employee Director and that Optionee would merely forfeit the opportunities associated with the Plan.

(h) Data Subject Rights. Optionee understands that data subject rights regarding the processing of Personal Data vary depending on the Applicable Laws and that, depending on where Optionee is based and subject to the conditions set out in the Applicable Laws, Optionee may have, without limitation, the rights to (i) inquire whether and what kind of Personal Data the Company holds about Optionee and how it is processed, and to access or request copies of such Personal Data, (ii) request the correction or supplementation of Personal Data about Optionee that is inaccurate, incomplete or out-of-date in light of the purposes

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underlying the processing, (iii) obtain the erasure of Personal Data no longer necessary for the purposes underlying the processing, processed based on withdrawn consent, processed for legitimate interests that, in the context of Optionee's objection, do not prove to be compelling, or processed in non-compliance with applicable legal requirements, (iv) request the Company to restrict the processing of Optionee's Personal Data in certain situations where Optionee feels its processing is inappropriate, (v) object, in certain circumstances, to the processing of Personal Data for legitimate interests, and to (vi) request portability of Optionee's Personal Data that Optionee has actively or passively provided to the Company (which does not include data derived or inferred from the collected data), where the processing of such Personal Data is based on consent or Optionee's service and is carried out by automated means. In case of concerns, Optionee understands that Optionee may also have the right to lodge a complaint with the competent local data protection authority. Further, to receive clarification of, or to exercise any of, Optionee's rights, Optionee understands that Optionee should contact stockplanservices@gilead.com.

4. Withholding Taxes.

(a) Optionee acknowledges that, regardless of any action the Company or any Related Entity may take with respect to any or all Withholding Taxes related to the Option, the ultimate liability for all such Withholding Taxes legally due by Optionee is and remains Optionee's responsibility and may exceed the amount, if any, actually withheld by the Company or any Related Entity. Optionee further acknowledges that the Company and any Related Entity (i) make no representations or undertakings regarding the treatment of any Withholding Taxes in connection with any aspect of the Option, including the grant, vesting or exercise of the Option, the subsequent sale of any Option Shares and the receipt of any dividends on those Shares; and (ii) do not commit to, and are under no obligation to, structure the terms of the grant or any aspect of the Option to reduce or eliminate Optionee's liability for Withholding Taxes or achieve any particular tax result. Further, if Optionee has become subject to Withholding Taxes in more than one jurisdiction, Optionee acknowledges that the Company or any Related Entity may be required to withhold or account for Withholding Taxes in more than one jurisdiction.

(b) Prior to any relevant taxable event, Optionee agrees to make arrangements satisfactory to the Company or a Related Entity to satisfy all Withholding Taxes. Optionee authorizes the Company or Related Entity, or their respective agents, at their discretion, to satisfy the obligations with regard to all Withholding Taxes by one or a combination of the following:

- (i) Withholding of Shares otherwise deliverable upon exercise of the Option;
- (ii) withholding from any cash compensation or other remuneration paid to Optionee by the Company or Related Entity; or
- (iii) payment through a broker-dealer sale and remittance procedure in accordance with Section 7(d) of the Plan.

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The Company may refuse to issue or deliver the purchased Option Shares or the proceeds of the sale of shares, if Optionee fails to comply with Optionee's obligations in connection with the Withholding Taxes.

5. Foreign Account / Assets Reporting. Depending upon the country to which laws Optionee is subject, Optionee may have certain foreign asset or account reporting requirements that may affect Optionee's ability to acquire or hold shares of Common Stock under the Plan or cash received from participating in the Plan (including from any dividends or sale proceeds arising from the sale of shares of Common Stock) in a brokerage or bank account outside Optionee's country. Optionee's country may require that Optionee report such accounts, assets or transactions to the applicable authorities in Optionee's country. Optionee is responsible for knowledge of and compliance with any such regulations and should speak with Optionee's own personal tax, legal and financial advisors regarding same.

6. Language. By electing to accept this Agreement, Optionee acknowledges that Optionee is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English so as to allow Optionee, to understand the terms and conditions of this Agreement. Further, if Optionee has received this Agreement or any other document related to the Plan translated into a language other than English and if translated version differs in substance from the English version, the English version will control.

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Appendix B

COUNTRY-SPECIFIC PROVISIONS

Terms and Conditions

This Appendix B includes special terms and conditions that govern the options granted to Optionee if Optionee resides in one of the countries listed herein. Capitalized terms used but not defined herein have the meanings set forth in the Agreement (of which this Appendix B is a part) and the Plan.

Notifications

This Appendix B may also include information regarding exchange controls and certain other issues of which Optionee should be aware with respect to Optionee's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of May 2023. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Optionee not rely on the information noted herein as the only source of information relating to the consequences of Optionee's participation in the Plan because the information may be out of date at the time Optionee exercises the Options or sells Shares acquired under the Plan.

In addition, the information is general in nature and may not apply to Optionee's particular situation, and the Company is not in a position to assure Optionee of any particular result. **Accordingly, Optionee is strongly advised to seek appropriate professional advice as to how the relevant laws in Optionee's country apply to Optionee's specific situation.**

If Optionee is a citizen or resident of another country, relocated to another country after the Grant Date, or is considered a resident of another country for local law purposes, the information contained in this Appendix B may not be applicable to Optionee.

Singapore

Notifications

Securities Law Notice. The grant of the Option is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA") under which it is exempt from the prospectus and registration requirements under the SFA and the grant is not made to Optionee with a view to the shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. Optionee should note that the Option is subject to section 257 of the SFA and Optionee should not make (i) any subsequent sale of the Shares in Singapore, or (ii) any offer of such subsequent sale of the Shares in Singapore, unless such sale or offer is made: (a) more than six months after the Grant Date or (b) pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA, or pursuant to, and in accordance with the conditions of, any applicable provisions of the SFA.

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EXHIBIT 10.34

NON-EMPLOYEE DIRECTOR AWARD

GILEAD SCIENCES, INC.
2022 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

RECITALS

A. The Company maintains the Gilead Sciences, Inc. 2022 Equity Incentive Plan (as the same may be amended, the "**Plan**") for the purpose of providing incentives to attract, retain and motivate eligible Employees, Directors and Consultants.

B. This Restricted Stock Unit Agreement (this "**Agreement**") is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Company's issuance of shares of Common Stock to Participant in Participant's capacity as a non-employee Director thereunder.

C. Capitalized terms not otherwise defined in this Agreement have the meanings set forth in the Plan.

NOW, THEREFORE, the Company hereby awards Restricted Stock Units to the Participant named below upon the following terms and conditions:

1. Grant of Restricted Stock Units. The Company hereby awards to Participant, as of the Grant Date indicated below, Restricted Stock Units under the Plan (the "**Award**"), subject to the terms and conditions set forth in this Agreement. Each Restricted Stock Unit will entitle Participant to receive one share of Common Stock on the specified issuance date for that unit.

AWARD SUMMARY

Participant:

Grant Date:

Number of Shares Subject to Award:

Vesting Schedule: The Award will be fully vested on the Grant Date.

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Issuance Schedule: Unless Participant has made a timely deferral election with the Company in accordance with the applicable requirements of Section 409A of the Code to defer the issuance of Shares to one or more designated issuance or distribution dates or events beyond the otherwise applicable settlement date (a "**Deferral Election**"), the Shares will be issued no later than 30 days following the Grant Date. However, if Participant has made a timely Deferral Election, then the Shares will be issued in accordance with the terms and provisions of such Deferral Election, including the applicable distribution event and method of distribution. In the event of a Change in Control, the distribution provisions of Paragraph 5 will apply.

2. Limited Transferability. Prior to actual receipt of the Shares issuable hereunder, Participant may not transfer any interest in the Award or the underlying Shares or pledge or otherwise hedge the sale of those Shares, including through any short sale or any acquisition or disposition of any put or call option or other instrument tied to the value of the underlying Shares. However, any Shares issuable hereunder but which otherwise remain unissued at the time of Participant's death will be issued and delivered to Participant's designated beneficiary or beneficiaries of the Award, or, if none or if a beneficiary designation is not permitted by the Administrator or not valid under Applicable Laws, to Participant's estate. Participant may also direct the Company to re-issue the stock certificates (which may be in electronic form) for any Shares issuable under the Award (including pursuant to any Deferral Election) during Participant's lifetime to one or more designated members of Participant's Immediate Family.

3. Stockholder Rights and Dividend Equivalents.

(a) Participant will not have any stockholder rights, including voting, dividend (except as provided in Paragraph 4(b)) or liquidation rights, with respect to the Shares subject to the Award until Participant becomes the record holder of those Shares upon their actual issuance.

(b) Notwithstanding the foregoing, if and to the extent that the Award is outstanding on the record date for any dividend or other distribution, whether regular or extraordinary and whether payable in cash, securities (other than Common Stock) or other property, and one or more Shares subject to the Award on such record date have not been delivered as of the payment date for such dividend or distribution and do not otherwise receive such dividend or distribution (i.e., those Shares are not otherwise treated as issued and outstanding for purposes of entitlement to the dividend or distribution pursuant to state law, the terms of such distribution or otherwise), then a special book account will be established for Participant and credited with a vested phantom dividend that is equivalent to

the actual dividend or distribution which would have been paid on such Shares at the time subject to the Award had they been issued and outstanding and entitled to that dividend or distribution. The dividend equivalents will be distributed to Participant (in the form of additional Shares or in such other

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form as the Administrator deems appropriate under the circumstances) concurrently with the issuance of the Shares to which those dividend equivalents relate. Settlement of dividend equivalents will be subject to the Company's collection of any applicable Withholding Taxes. The Administrator will have the sole discretion to determine the dollar value of any dividend or distribution paid other than in the form of cash, and its determination will be controlling.

4. Change in Control.

(a) If the Award is outstanding as of the effective date of a Change in Control, the Shares will be converted into the right to receive the same consideration per Share payable to the other stockholders of the Company upon consummation of that Change in Control, and such consideration per Share will be distributed to Participant either (i) as soon as practicable, and in all events within 30 days following the effective date of that Change in Control in the event that no Deferral Election applies to the Award or (ii) in accordance with the distribution provisions of that Deferral Election in the event that a Deferral Election applies to the Award.

(b) This Agreement will not in any way affect the right of the Company to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

5. Settlement of Award.

(a) On each date on which one or more Shares are to be issued in accordance with this Agreement and, if applicable, Participant's Deferral Election, the Company will issue to or on behalf of Participant a stock certificate (which may be in electronic form) for those Shares and will concurrently distribute to Participant any dividend equivalents with respect to those Shares (in the form of additional Shares or such other form as the Administrator deems appropriate under the circumstances), subject in each instance to the Company's collection of any applicable Withholding Taxes.

(b) Except as otherwise provided in Paragraph 4, the settlement of all Restricted Stock Units issuable under the Award will be made solely in Shares. In no event, however, will any fractional Shares be issued. Accordingly, the total number of Shares to be issued pursuant to the Award (including any Shares issued in settlement of dividend equivalents) will, to the extent necessary, be rounded down to the next whole Share in order to avoid the issuance of a fractional Share.

(c) The issuance of Shares pursuant to the Award will be subject to compliance by the Company and Participant with all Applicable Laws relating thereto, as determined by counsel for the Company.

(d) The inability of the Company to obtain approval from any regulatory body having authority deemed by the Company to be necessary to the lawful issuance and sale of any Common Stock pursuant to the Award will relieve the Company of any liability

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with respect to the non-issuance or sale of the Common Stock as to which such approval shall not have been obtained. The Company, however, will use its reasonable best efforts to obtain all such approvals.

6. Insider Trading Restrictions/Market Abuse Laws. Participant may be subject to insider trading restrictions or market abuse laws based on the exchange on which the Shares are listed and in applicable jurisdictions including the United States and Participant's country or Participant's broker's country, if different, which may affect Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., Restricted Stock Units) or rights linked to the value of Shares (e.g., dividend equivalents) during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws in applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant placed before Participant possessed inside information. Furthermore, Participant could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. Participant acknowledges that it is Participant's responsibility to comply with any applicable restrictions and Participant should speak with Participant's personal legal advisor on this matter

7. Notices. Any notice required to be given or delivered to the Company under the terms of this Agreement will be in writing and addressed to the Company at its principal corporate offices. Any notice required to be given or delivered to Participant will be in writing and addressed to Participant at the most current address then indicated for Participant on the Company's records or will be delivered electronically to Participant through the Company's electronic mail system or through an on-line brokerage firm authorized by the Company to effect the sale of Shares issued hereunder. All notices will be deemed effective upon personal delivery or delivery through the Company's electronic mail system or upon deposit in the U.S. or local country mail, postage prepaid and properly addressed to the party to be notified.

8. Successors and Assigns. Except to the extent otherwise provided in this Agreement, the provisions of this Agreement will inure to the benefit of, and be binding upon, the Company and its successors and assigns and Participant, Participant's assigns, and the legal representatives, heirs and legatees of Participant's estate.

9. Construction; Interpretation. This Agreement and the Award evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. In the event of any conflict between the provisions of this Agreement and the terms of the Plan, the terms of the Plan will control. All decisions of the Administrator with respect to any question or issue arising under the Plan or this Agreement will be conclusive and binding on all persons having an interest in the Award. Unless the context requires otherwise, all references to laws, regulations, contracts, agreements, plans and instruments refer to such laws, regulations, contracts, agreements, plans and instruments as they may be amended from time to time, and references to particular provisions of laws or regulations include a reference to the

corresponding provisions of any succeeding law or regulation. The word "or" is not exclusive. Words in the masculine gender include the feminine gender, and where appropriate, the plural includes the singular and the singular includes the plural. All references to "including" shall be construed as meaning "including without limitation."

10. Governing Law and Venue

(a) The interpretation, performance and enforcement of this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without resort to its conflict-of-laws rules.

(b) For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by the Award and this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Mateo County, California, or the federal courts for the Northern District of California, and no other courts where the grant of the Restricted Stock Units is made or to be performed.

11. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

12. Waiver. Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

13. Section 409A. If Participant is a U.S. taxpayer, the terms and provisions of this Agreement will be applied and interpreted in a manner that complies with all applicable requirements of Section 409A of the Code and the Treasury Regulations thereunder. Accordingly, to the extent there is any ambiguity as to whether one or more provisions of this Agreement would otherwise contravene the applicable requirements or limitations of Section 409A of the Code, then those provisions will be interpreted and applied in a manner that does not result in a violation of the applicable requirements or limitations of Section 409A of the Code and the Treasury Regulations thereunder.

14. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with Participant's personal tax, legal and financial advisors regarding Participant's participation in the Plan before taking any action related to the Plan.

15. No Impairment of Rights. This Agreement will not in any way be construed or interpreted so as to affect adversely or otherwise impair the right of the Company or its stockholders to remove Participant from the Board at any time in accordance with the provisions of Applicable Law.

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16. Plan Prospectus. The official prospectus for the Plan is attached if the Award is the first Restricted Stock Unit award made to Participant under the Plan. Participant may obtain an additional printed copy of the prospectus by contacting Stock Plan Services at stockplanservices@gilead.com.

17. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

18. Participant Acceptance. Participant must accept the terms and conditions of this Agreement either electronically through the electronic acceptance procedure established by the Company or through a written acceptance delivered to the Company in a form satisfactory to the Company. In no event will any Shares be issued (or other securities or property distributed) under this Agreement in the absence of such acceptance.

19. Appendices A and B. Notwithstanding any provision of this Agreement to the contrary, if Participant resides in a country outside the United States or is otherwise subject to the laws of a country other than the United States, the Award and any Shares acquired under the Plan shall be subject to the additional terms and conditions set forth in Appendix A to this Agreement and to any special terms and provisions as set forth in Appendix B for Participant's country, if any. Moreover, if Participant relocates to one of the countries included in Appendix B, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendices A and B constitute part of this Agreement.

20. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

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IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly-authorized officer on the day and year first indicated above.

GILEAD SCIENCES, INC.

/s/ Jyoti Mehra

By: Jyoti Mehra

Title: EVP, Human Resources

PARTICIPANT

By: _____

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APPENDIX A

TERMS AND CONDITIONS FOR NON-U.S. PARTICIPANTS

The provisions in this Appendix A apply to Participants that reside in a country outside the United States or who are otherwise subject to the laws of a country other than the United States and supplement, amend or replace the provisions in the Agreement, as applicable:

1. Transferability. The following replaces Paragraph 2 of the Agreement in its entirety:

Prior to actual receipt of the Shares, Participant may not transfer any interest in the Award or the underlying Shares. Any Shares which remain unissued at the time of Participant's death may be issued and delivered to Participant's estate.

2. Acknowledgment of Nature of Plan and Award. In accepting the Award, Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(c) all decisions with respect to future Awards or other grants, if any, will be at the sole discretion of the Company;

(d) Participant's participation in the Plan is voluntary;

(e) the Award and the Shares subject to the Award are for future services and should not be considered as compensation for, or relating in any way to, past services for the Company (or any Related Entity);

(f) the Award and Participant's participation in the Plan will not be interpreted to form an employment relationship with the Company (or any Related Entity);

(g) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with any certainty;

(h) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of Participant's Continuous Service by the Company (for any reason whatsoever, whether or not later found to be invalid or in breach of the terms of Participant's service agreement, if any), and in consideration of the grant of the Restricted Stock Units, Participant irrevocably agrees not to institute any claim against the Company (or any Related Entity), waives Participant's ability, if any, to bring any such claim, and releases the Company (or any Related Entity) from any such claim; if, notwithstanding the

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foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(i) unless otherwise provided for in the Plan or by the Company in its discretion, the grant of Restricted Stock Units and the benefits evidenced by this Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to or assumed by another company nor to be exchanged, cashed out or substituted for in connection with any corporate transaction affecting the shares of the Company; and

(j) neither the Company nor any Related Entity will be liable for any exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement.

3. **Data Privacy.**

(a) **Data Privacy Consent.** By accepting this Agreement either electronically through the electronic acceptance procedure established by the Company or through a written acceptance, Participant is declaring that Participant agrees with the data processing practices described herein and consents to the collection, processing and use of Personal Data (as defined below) by the Company and the Related Entities and the transfer of Personal Data to the recipients mentioned herein, including recipients located in countries which do not adduce an adequate level of protection from a European (or other) data protection law perspective, for the purposes described herein.

(b) **Declaration of Consent.** Participant understands that Participant needs to review the following information about the processing of Participant's personal data by or on behalf of the Company or any Related Entity as described in the Agreement and any other Plan materials (the "*Personal Data*") and declare Participant's consent. As regards the processing of Participant's Personal Data in connection with the Plan and this Agreement, Participant understands that the Company is the controller of Participant's Personal Data.

(c) **Data Processing and Legal Basis.** The Company collects, uses and otherwise processes Personal Data about Participant for the purposes of allocating Shares and implementing, administering and managing the Plan. Participant understands that this Personal Data may include Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to shares of stock or equivalent benefits awarded, cancelled, exercised, vested, unvested or outstanding in Participant's favor. The legal basis for the processing of Participant's Personal Data, where required, will be Participant's consent.

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(d) Stock Plan Administration Service Providers. Participant understands that the Company transfers Participant's Personal Data, or parts thereof, to E*TRADE Financial Services, Inc. (and its affiliated companies), an independent service provider based in the United States which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share Participant's Personal Data with such different service provider that serves the Company in a similar manner. Participant understands and acknowledges that the Company's service provider will open an account for Participant to receive and trade Shares acquired under the Plan and that Participant will be asked to agree on separate terms and data processing practices with the service provider, which is a condition of Participant's ability to participate in the Plan.

(e) International Data Transfers. Participant understands that the Company and, as of the date hereof, any third parties assisting in the implementation, administration and management of the Plan, such as E*TRADE Financial Services, Inc., are based in the United States. Participant understands and acknowledges that his or her country may have enacted data privacy laws that are different from the laws of the United States. The Company's legal basis for the transfer of Participant's Personal Data is his or her consent.

(f) Data Retention. Participant understands that the Company will use Participant's Personal Data only as long as is necessary to implement, administer and manage Participant's participation in the Plan, or to comply with legal or regulatory obligations, including under tax and securities laws. In the latter case, Participant understands and acknowledges that the Company's legal basis for the processing of Participant's Personal Data would be compliance with the relevant laws or regulations. When the Company no longer needs Participant's Personal Data for any of the above purposes, Participant understands the Company will remove it from its systems.

(g) Voluntariness and Consequences of Denial/Withdrawal of Consent. Participant understands that Participant's participation in the Plan and Participant's consent is purely voluntary. Participant may deny or later withdraw Participant's consent at any time, with future effect and for any or no reason. If Participant denies or later withdraws Participant's consent, the Company can no longer offer Participant participation in the Plan or offer other equity awards to Participant or administer or maintain such awards and Participant would no longer be able to participate in the Plan. Participant further understands that denial or withdrawal of Participant's consent would not affect Participant's status or remuneration as a non-employee Director and that Participant would merely forfeit the opportunities associated with the Plan.

(h) Data Subject Rights. Participant understands that data subject rights regarding the processing of Personal Data vary depending on the Applicable Laws and that, depending on where Participant is based and subject to the conditions set out in the Applicable Laws, Participant may have, without limitation, the rights to (i) inquire whether and what kind of Personal Data the Company holds about Participant and how it is processed, and to access or request copies of such Personal Data, (ii) request the correction or supplementation of

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Personal Data about Participant that is inaccurate, incomplete or out-of-date in light of the purposes underlying the processing, (iii) obtain the erasure of Personal Data no longer necessary for the purposes underlying the processing, processed based on withdrawn consent, processed for legitimate interests that, in the context of Participant's objection, do not prove to be compelling, or processed in non-compliance with applicable legal requirements, (iv) request the Company to restrict the processing of Participant's Personal Data in certain situations where Participant feels its processing is inappropriate, (v) object, in certain circumstances, to the processing of Personal Data for legitimate interests, and to (vi) request portability of Participant's Personal Data that Participant has actively or passively provided to the Company (which does not include data derived or inferred from the collected data), where the processing of such Personal Data is based on consent or Participant's service and is carried out by automated means. In case of concerns, Participant understands that he or she may also have the right to lodge a complaint with the competent local data protection authority. Further, to receive clarification of, or to exercise any of, Participant's rights, Participant understands that Participant should contact stockplanservices@gilead.com.

4. Responsibility for Taxes

(a) Participant acknowledges that, regardless of any action the Company or any Related Entity take with respect to any or all Withholding Taxes related to the Award or Participant's participation in the Plan and legally applicable to Participant, the ultimate

liability for all such Withholding Taxes is and remains Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or any Related Entity. Participant further acknowledges that the Company and any Related Entity (i) make no representations or undertakings regarding the treatment of any Withholding Taxes in connection with any aspect of the Award, including the grant or settlement of the Award, the issuance of Shares upon settlement of the Award, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends or dividend equivalent amounts; and (ii) do not commit to, and are under no obligation to, structure the terms of the grant or any aspect of the Award to reduce or eliminate Participant's liability for Withholding Taxes or achieve any particular tax result. Further, if Participant has become subject to Withholding Taxes in more than one jurisdiction, Participant acknowledges that the Company and any Related Entity may be required to withhold or account for Withholding Taxes in more than one jurisdiction.

(b) The Company will collect, and Participant authorizes the Company to collect, the Withholding Taxes with respect to the issued Shares through an automatic Share withholding procedure pursuant to which the Company will withhold, immediately as the Shares are issued under the Award, a portion of those Shares with a Fair Market Value (measured as of the issuance date) equal to the amount of such Withholding Taxes (the "**Share Withholding Method**"), unless the Share Withholding Method is not permissible or advisable under local law or until the Company otherwise decides, in its sole discretion, to no longer utilize the Share Withholding Method and provides Participant with a corresponding notice. If the obligation for Withholding Taxes is satisfied by using the Share Withholding Method, then Participant will, for tax purposes, be deemed to have been issued the full number of Shares subject to the Award,

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notwithstanding that a number of the Shares are withheld solely for the purpose of paying the applicable Withholding Taxes.

(c) If the Share Withholding Method is not being used, then the Withholding Taxes will be collected from Participant through another method set forth in Section 7 of the Plan.

(d) Notwithstanding the above, the Company may collect the Withholding Taxes with respect to the distributed dividend equivalents by withholding a portion of that distribution equal to the amount of the Withholding Taxes.

5. Foreign Account / Assets Reporting. Depending upon the country to which laws Participant is subject, Participant may have certain foreign asset or account reporting requirements that may affect Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends or dividend equivalent amounts received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside Participant's country. Participant's country may require that Participant report such accounts, assets or transactions to the applicable authorities in Participant's country. Participant is responsible for knowledge of and compliance with any such regulations and should speak with Participant's own personal tax, legal and financial advisors regarding same.

6. Language. By electing to accept this Agreement, Participant acknowledges that Participant is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English so as to allow Participant, to understand the terms and conditions of this Agreement. Further, if Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version differs in substance from the English version, the English version will control.

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APPENDIX B

COUNTRY-SPECIFIC PROVISIONS

Terms and Conditions

This Appendix B includes special terms and conditions that govern the Restricted Stock Units granted to Participant if Participant resides in one of the countries listed herein. Capitalized terms used but not defined herein have the meanings set forth in the Agreement (of which this Appendix B is a part) and the Plan.

Notifications

This Appendix B may also include information regarding exchange controls and certain other issues of which Participant should be aware with respect to Participant's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of May 2023. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information noted herein as the only source of information relating to the consequences of Participant's participation in the Plan because the information may be out of date at the time Participant vests in the Restricted Stock Units or sells Shares he or she acquires under the Plan.

In addition, the information is general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. **Accordingly, Participant is strongly advised to seek appropriate professional advice as to how the relevant laws in Participant's country apply to his or her specific situation.**

If Participant is a citizen or resident of another country, relocated to another country after the Grant Date, or is considered a resident of another country for local law purposes, the information contained in this Appendix B may not be applicable to him or her.

Singapore

Notifications

Securities Law Notice. The grant of the Restricted Stock Units is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA") under which it is exempt from the prospectus and registration requirements under the SFA and the grant of the Restricted Stock Units is not made to Participant with a view to the Shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. Participant should note that the Restricted Stock Units are subject to section 257 of the SFA and Participant should not make (i) any subsequent sale of the Shares in Singapore, or (ii) any offer of such subsequent sale of the Shares in Singapore, unless such sale or offer is made: (a) more than six months after the Grant Date or (b) pursuant to the exemptions under Part XIII Division

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(1) Subdivision (4) (other than section 280) of the SFA, or pursuant to, and in accordance with the conditions of, any applicable provisions of the SFA.

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CERTIFICATION

I, Daniel P. O'Day, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gilead Sciences, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2023 November 7, 2023

/s/ DANIEL P. O'DAY

Daniel P. O'Day
Chairman and Chief Executive Officer

CERTIFICATION

I, Andrew D. Dickinson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gilead Sciences, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2023 November 7, 2023

/s/ ANDREW D. DICKINSON

Andrew D. Dickinson
Chief Financial Officer

Exhibit 32

CERTIFICATIONS

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350, as adopted), Daniel P. O'Day, the Chairman and Chief Executive Officer of Gilead Sciences, Inc. (the Company), and Andrew D. Dickinson, the Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 September 30, 2023 (the Report) fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 4, 2023 November 7, 2023

/s/ DANIEL P. O'DAY

Daniel P. O'Day
Chairman and Chief Executive Officer

/s/ ANDREW D. DICKINSON

Andrew D. Dickinson
Chief Financial Officer

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

DISCLAIMER

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