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 September 30, 2024

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	**94-3047598**
(State or Other Jurisdiction of Incorporation or Organization)	(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 October 31, 2024: 1,246,265,857

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®, LIVDELZI®, ODEFSEY®, SOVALDI®, STRIBILD®, SUNLENCA®, TECARTUS®, TRODELVY®, TRUVADA®, TRUVADA FOR PREP®, TYBOST®, VEKLURY®, VEMLIDY®, VIREAD®, VOSEVI®, YESCARTA® and ZYDELIG®. Other trademarks and trade names 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 "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "goal," "hope," "intend," "may," "might," "plan," "project," "seek," "should," "target" 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 of this Quarterly Report on Form 10-Q. 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)	September 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 5,037	$ 6,085
Short-term marketable debt securities	—	1,179
Accounts receivable, net	4,587	4,660
Inventories	1,869	1,787
Prepaid and other current assets	3,287	2,374
Total current assets	14,779	16,085
Property, plant and equipment, net	5,391	5,317
Long-term marketable debt securities	—	1,163
Intangible assets, net	20,546	26,454
Goodwill	8,314	8,314
Other long-term assets	5,494	4,792
Total assets	$ 54,525	$ 62,125
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 903	$ 550
Accrued rebates	4,113	3,802
Current portion of long-term debt and other obligations, net	1,812	1,798
Other current liabilities	4,896	5,130
Total current liabilities	11,725	11,280
Long-term debt, net	21,437	23,189
Long-term income taxes payable	782	2,039
Deferred tax liability	794	1,588
Other long-term obligations	1,396	1,280
Commitments and contingencies (Note 10)		
Stockholders' equity:		
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; 1,246 shares issued and outstanding	1	1
Additional paid-in capital	7,327	6,500
Accumulated other comprehensive income	73	28
Retained earnings	11,073	16,304
Total Gilead stockholders' equity	18,475	22,833
Noncontrolling interest	(84)	(84)
Total stockholders' equity	18,390	22,749
Total liabilities and stockholders' equity	$ 54,525	$ 62,125

See accompanying notes.

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

(in millions, except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenues:				
Product sales	$ 7,515	$ 6,994	$ 21,074	$ 19,864
Royalty, contract and other revenues	30	56	111	138
Total revenues	7,545	7,051	21,185	20,002
Costs and expenses:				
Cost of goods sold	1,574	1,565	4,670	4,408
Research and development expenses	1,395	1,457	4,266	4,310
Acquired in-process research and development expenses	505	91	4,674	808
In-process research and development impairment	1,750	—	4,180	—
Selling, general and administrative expenses	1,433	1,315	4,184	4,482
Total costs and expenses	6,657	4,428	21,975	14,009
Operating income (loss)	888	2,623	(790)	5,993
Interest expense	238	232	728	692
Other (income) expense, net	(306)	72	(41)	95
Income (loss) before income taxes	956	2,318	(1,477)	5,206
Income tax (benefit) expense	(297)	146	(174)	1,010
Net income (loss)	1,253	2,172	(1,303)	4,196
Net loss attributable to noncontrolling interest	—	(8)	—	(40)
Net income (loss) attributable to Gilead	$ 1,253	$ 2,180	$ (1,303)	$ 4,236
Basic earnings (loss) per share attributable to Gilead	$ 1.00	$ 1.75	$ (1.04)	$ 3.39
Shares used in basic earnings (loss) per share attributable to Gilead calculation	1,247	1,248	1,247	1,249
Diluted earnings (loss) per share attributable to Gilead	$ 1.00	$ 1.73	$ (1.04)	$ 3.37
Shares used in diluted earnings (loss) per share attributable to Gilead calculation	1,254	1,257	1,247	1,259

See accompanying notes.

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

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss)	$ 1,253	$ 2,172	$ (1,303)	$ 4,196
Other comprehensive (loss) income, net:				
Net foreign currency translation gain (loss)	54	(35)	38	(3)
Available-for-sale debt securities:				
Net unrealized gain, net of tax impact of $0, $0, $0 and $0, respectively	—	4	—	10
Reclassifications to net income (loss), net of tax impact of $0, $0, $0 and $0, respectively	—	—	5	2
Net change	—	5	5	11
Cash flow hedges:				
Net unrealized (loss) gain, net of tax impact of $(9), $9, $3 and $9, respectively	(61)	66	20	65
Reclassifications to net income (loss), net of tax impact of $2, $2, $2 and $6, respectively	(12)	(14)	(17)	(44)
Net change	(74)	51	3	21
Other comprehensive (loss) income, net	(20)	21	45	30
Comprehensive income (loss), net	1,233	2,193	(1,258)	4,226
Comprehensive loss attributable to noncontrolling interest, net	—	(8)	—	(40)
Comprehensive income (loss) attributable to Gilead, net	$ 1,233	$ 2,201	$ (1,258)	$ 4,265

See accompanying notes.

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

	Three Months Ended September 30, 2024						
	Gilead Stockholders' Equity						
	Common Stock						
(in millions, except per share amounts)	Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Retained Earnings	Noncontrolling Interest	Total Stockholders' Equity
Balance as of June 30, 2024	1,246	$ 1	$ 7,022	$ 93	$ 11,165	$ (84)	$ 18,197
Net income	—	—	—	—	1,253	—	1,253
Other comprehensive loss, net	—	—	—	(20)	—	—	(20)
Issuances under employee stock purchase plan	1	—	58	—	—	—	58
Issuances under equity incentive plans	4	—	45	—	—	—	45
Stock-based compensation	—	—	216	—	—	—	216
Repurchases of common stock under repurchase programs ($76.30 average price per share)	(4)	—	(15)	—	(285)	—	(300)
Repurchases of common stock for employee tax withholding under equity incentive plans and other	(1)	—	—	—	(82)	—	(82)
Dividends declared ($0.77)	—	—	—	—	(977)	—	(977)
Balance as of September 30, 2024	1,246	$ 1	$ 7,327	$ 73	$ 11,073	$ (84)	$ 18,390

	Nine Months Ended September 30, 2024						
	Gilead Stockholders' Equity						
	Common Stock						
(in millions, except per share amounts)	Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Retained Earnings	Noncontrolling Interest	Total Stockholders' Equity
Balance as of December 31, 2023	1,246	$ 1	$ 6,500	$ 28	$ 16,304	$ (84)	$ 22,749
Net loss	—	—	—	—	(1,303)	—	(1,303)
Other comprehensive income, net	—	—	—	45	—	—	45
Issuances under employee stock purchase plan	2	—	139	—	—	—	139
Issuances under equity incentive plans	12	—	115	—	—	—	115
Stock-based compensation	—	—	613	—	—	—	613
Repurchases of common stock under repurchase programs ($75.23 average price per share)	(11)	—	(40)	—	(760)	—	(800)
Repurchases of common stock for employee tax withholding under equity incentive plans and other	(3)	—	—	—	(232)	—	(232)
Dividends declared ($2.31 per share)	—	—	—	—	(2,935)	—	(2,935)
Balance as of September 30, 2024	1,246	$ 1	$ 7,327	$ 73	$ 11,073	$ (84)	$ 18,390

See accompanying notes.

(in millions, except per share amounts)	Three Months Ended September 30, 2023						
	Gilead Stockholders' Equity						
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount					
Balance as of June 30, 2023	1,247	$ 1	$ 6,008	$ 10	$ 15,138	$ (64)	$ 21,094
Net income (loss)	—	—	—	—	2,180	(8)	2,172
Other comprehensive income, net	—	—	—	21	—	—	21
Issuances under employee stock purchase plan	1	—	62	—	—	—	62
Issuances under equity incentive plans	4	—	21	—	—	—	21
Stock-based compensation	—	—	202	—	—	—	202
Repurchases of common stock under repurchase programs ($77.08 average price per share)	(4)	—	(14)	—	(286)	—	(300)
Repurchases of common stock for employee tax withholding under equity incentive plans and other	(1)	—	—	—	(77)	—	(77)
Dividends declared ($0.75 per share)	—	—	—	—	(953)	—	(953)
Balance as of September 30, 2023	1,247	$ 1	$ 6,279	$ 31	$ 16,002	$ (72)	$ 22,242

(in millions, except per share amounts)	Nine Months Ended September 30, 2023						
	Gilead Stockholders' Equity						
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Retained Earnings	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount					
Balance as of December 31, 2022	1,247	$ 1	$ 5,550	$ 2	$ 15,687	$ (31)	$ 21,209
Net income (loss)	—	—	—	—	4,236	(40)	4,196
Other comprehensive income, net	—	—	—	30	—	—	30
Issuances under employee stock purchase plan	2	—	129	—	—	—	129
Issuances under equity incentive plans	11	—	71	—	—	—	71
Stock-based compensation	—	—	566	—	—	—	566
Repurchases of common stock under repurchase programs ($79.92 average price per share)	(11)	—	(38)	—	(812)	—	(850)
Repurchases of common stock for employee tax withholding under equity incentive plans	(3)	—	—	—	(245)	—	(245)
Dividends declared ($2.25 per share)	—	—	—	—	(2,864)	—	(2,864)
Balance as of September 30, 2023	1,247	$ 1	$ 6,279	$ 31	$ 16,002	$ (72)	$ 22,242

See accompanying notes.

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

(in millions)	Nine Months Ended September 30, 2024	2023
Operating Activities:		
Net (loss) income	$ (1,303)	$ 4,196
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation expense	286	263
Amortization expense	1,788	1,742
Stock-based compensation expense	613	565
Deferred income taxes	(1,465)	(592)
Net loss from equity securities	148	356
Acquired in-process research and development expenses	4,674	808
In-process research and development impairment	4,180	—
Other	294	260
Changes in operating assets and liabilities:		
Accounts receivable, net	67	(63)
Inventories	(200)	(535)
Prepaid expenses and other	(113)	71
Accounts payable	348	(304)
Income tax assets and liabilities, net	(1,268)	(1,070)
Accrued and other liabilities	(197)	141
Net cash provided by operating activities	7,853	5,837
Investing Activities:		
Purchases of marketable debt securities	(244)	(1,474)
Proceeds from sales of marketable debt securities	2,265	412
Proceeds from maturities of marketable debt securities	327	985
Acquisitions, including in-process research and development, net of cash acquired	(4,765)	(873)
Purchases of equity securities	(453)	(218)
Capital expenditures	(376)	(370)
Other	23	—
Net cash used in investing activities	(3,224)	(1,538)
Financing Activities:		
Proceeds from debt financing, net of issuance costs	—	1,979
Proceeds from issuances of common stock	249	206
Repurchases of common stock under repurchase programs	(800)	(850)
Repayments of debt and other obligations	(1,963)	(2,250)
Payments of dividends	(2,945)	(2,866)
Other	(234)	(245)
Net cash used in financing activities	(5,693)	(4,026)
Effect of exchange rate changes on cash and cash equivalents	15	20
Net change in cash and cash equivalents	(1,049)	293
Cash and cash equivalents at beginning of period	6,085	5,412
Cash and cash equivalents at end of period	$ 5,037	$ 5,705

See accompanying notes.

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, 2023, 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.

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.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2024-03 "Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." ASU 2024-03 requires disclosure, in the notes to financial statements, of specified information about certain costs and expenses. We plan to adopt this guidance beginning with our 2027 annual report to be filed in early 2028 and all quarterly and annual reports thereafter. We expect the adoption of this standard to result in increased disclosures in our Notes to Consolidated Financial Statements.

2. REVENUES

Disaggregation of Revenues

The following table summarizes our Total revenues:

(in millions)	Three Months Ended September 30, 2024				Three Months Ended September 30, 2023			
	U.S.	Europe	Rest of World	Total	U.S.	Europe	Rest of World	Total
Product sales:								
HIV								
Biktarvy	$ 2,826	$ 375	$ 272	$ 3,472	$ 2,504	$ 313	$ 268	$ 3,085
Descovy	534	24	28	586	460	25	26	511
Genvoya	384	44	21	449	433	47	23	503
Odefsey	248	69	9	326	257	74	11	343
Symtuza - Revenue share[1]	103	33	3	139	96	32	3	131
Other HIV[2]	65	26	9	100	56	28	9	94
Total HIV	4,161	570	342	5,073	3,807	519	341	4,667
Liver Disease								
Sofosbuvir/Velpatasvir[3]	222	67	96	385	215	76	85	377
Vemlidy	126	11	95	232	112	9	106	228
Other Liver Disease[4]	45	54	17	116	49	33	20	102
Total Liver Disease	393	132	207	733	376	119	211	706
Veklury	393	81	219	692	258	65	313	636
Oncology								
Cell Therapy								
Tecartus	63	29	6	98	64	27	4	96
Yescarta	145	182	60	387	197	154	40	391
Total Cell Therapy	208	211	66	485	261	181	45	486
Trodelvy	226	80	26	332	201	62	21	283
Total Oncology	433	291	92	816	462	243	65	769
Other								
AmBisome	6	71	52	130	12	63	39	115
Other[5]	47	8	16	71	69	9	23	101
Total Other	53	80	68	201	82	72	62	216
Total product sales	5,433	1,154	928	7,515	4,985	1,017	992	6,994
Royalty, contract and other revenues	17	13	1	30	32	23	1	56
Total revenues	$ 5,450	$ 1,167	$ 929	$ 7,545	$ 5,017	$ 1,040	$ 993	$ 7,051

(in millions)	Nine Months Ended September 30, 2024 U.S.	Europe	Rest of World	Total	Nine Months Ended September 30, 2023 U.S.	Europe	Rest of World	Total
Product sales:								
HIV								
Biktarvy	$ 7,726	$ 1,110	$ 814	$ 9,649	$ 7,104	$ 920	$ 717	$ 8,741
Descovy	1,339	75	82	1,496	1,314	75	86	1,475
Genvoya	1,088	138	66	1,292	1,305	157	81	1,544
Odefsey	705	217	30	952	754	223	33	1,011
Symtuza - Revenue share[1]	338	101	9	448	278	101	10	390
Other HIV[2]	190	96	36	322	192	91	38	321
Total HIV	11,386	1,737	1,038	14,160	10,949	1,568	965	13,482
Liver Disease								
Sofosbuvir/Velpatasvir[3]	737	230	299	1,266	643	250	266	1,159
Vemlidy	338	33	328	699	295	28	322	645
Other Liver Disease[4]	134	148	55	337	113	112	64	289
Total Liver Disease	1,210	411	682	2,302	1,051	390	652	2,093
Veklury	784	204	473	1,461	607	227	630	1,465
Oncology								
Cell Therapy								
Tecartus	181	102	22	305	179	83	11	272
Yescarta	502	509	170	1,181	624	408	99	1,130
Total Cell Therapy	683	611	192	1,485	802	491	109	1,402
Trodelvy	655	217	88	960	551	169	44	764
Total Oncology	1,338	828	280	2,446	1,354	660	153	2,167
Other								
AmBisome	37	210	176	424	39	192	150	381
Other[5]	203	26	52	281	197	31	49	277
Total Other	241	236	228	705	236	224	199	658
Total product sales	14,958	3,416	2,700	21,074	14,196	3,069	2,599	19,864
Royalty, contract and other revenues	66	43	2	111	57	77	4	138
Total revenues	$ 15,024	$ 3,459	$ 2,703	$ 21,185	$ 14,253	$ 3,146	$ 2,603	$ 20,002

(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, Complera/Eviplera, Emtriva, Sunlenca, Stribild, Truvada and Tybost.
(3) Includes Epclusa and the authorized generic version of Epclusa sold by Gilead's separate subsidiary, Asegua Therapeutics LLC ("Asegua").
(4) Includes ledipasvir/sofosbuvir (Harvoni and the authorized generic version of Harvoni sold by Asegua), Hepcludex, Hepsera, Livdelzi, Sovaldi, Viread and Vosevi.
(5) Includes Cayston, Jyseleca, Letairis, Ranexa and Zydelig.

Revenues Recognized from Performance Obligations Satisfied in Prior Years

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

(in millions)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Revenue share with Janssen and royalties for licenses of intellectual property	$ 173	$ 166	$ 545	$ 517
Changes in estimates	$ 146	$ 111	$ 388	$ 347

Contract Balances

The following table summarizes our contract balances:

(in millions)	September 30, 2024	December 31, 2023
Contract assets	$ 184	$ 117
Contract liabilities	$ 68	$ 109

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:

	September 30, 2024				December 31, 2023			
(in millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Available-for-sale debt securities[1]:								
U.S. treasury securities	$ —	$ —	$ —	$ —	$ 426	$ —	$ —	$ 426
U.S. government agencies securities	—	—	—	—	—	127	—	127
Non-U.S. government securities	—	—	—	—	—	10	—	10
Certificates of deposit	—	—	—	—	—	45	—	45
Corporate debt securities	—	—	—	—	—	1,451	—	1,451
Residential mortgage and asset-backed securities	—	—	—	—	—	367	—	367
Equity securities:								
Money market funds	3,502	—	—	3,502	4,465	—	—	4,465
Publicly traded equity securities[2]	1,665	—	—	1,665	1,458	—	—	1,458
Deferred compensation plan	343	—	—	343	284	—	—	284
Foreign currency derivative contracts	—	7	—	7	—	7	—	7
Total	$ 5,510	$ 7	$ —	$ 5,517	$ 6,633	$ 2,007	$ —	$ 8,639
Liabilities:								
Liability for MYR GmbH ("MYR") contingent consideration	$ —	$ —	$ 222	$ 222	$ —	$ —	$ 228	$ 228
Deferred compensation plan	343	—	—	343	283	—	—	283
Foreign currency derivative contracts	—	49	—	49	—	59	—	59
Total	$ 343	$ 49	$ 222	$ 615	$ 283	$ 59	$ 228	$ 570

[1] During the three months ended March 31, 2024, we sold all of our available-for-sale debt securities and used the proceeds to partially fund our acquisition of CymaBay Therapeutics, Inc. ("CymaBay") discussed in Note 6. Acquisitions, Collaborations and Other Arrangements.

[2] Publicly traded equity securities include our investment in Arcellx, Inc. ("Arcellx") of $561 million as of September 30, 2024, which is subject to contractual sale restrictions until June 2025.

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 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 ("SOFR") and swap rates. These inputs, where applicable, are observable at commonly quoted intervals.

Senior Unsecured Notes

The following table summarizes the total estimated fair value and carrying value of our senior unsecured notes, determined using Level 2 inputs based on their quoted market values:

(in millions)	September 30, 2024	December 31, 2023
Fair value	$ 20,931	$ 22,567
Carrying value	$ 22,094	$ 23,834

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 September 30,		Nine Months Ended September 30,	
(in millions)	2024	2023	2024	2023
Beginning balance	$ 208	$ 288	$ 228	$ 275
Changes in valuation assumptions[1]	5	(2)	(6)	3
Effect of foreign exchange remeasurement[2]	9	(11)	1	(4)
Ending balance[3]	$ 222	$ 275	$ 222	$ 275

(1) Included in Research and development expenses on our Condensed Consolidated Statements of Operations. The changes in 2024 and 2023 primarily related to changes in discount rates and assumptions around probability and timing of regulatory approval.
(2) Included in Other (income) expense, net on our Condensed Consolidated Statements of Operations.
(3) Included in Other long-term obligations on our Condensed Consolidated Balance Sheets.

Liability Related to Future Royalties

We recorded a liability related to future royalties as part of our 2020 acquisition of Immunomedics, Inc. ("Immunomedics"), which is subsequently amortized using the effective interest method over the remaining estimated life. The fair value of the liability related to future royalties was approximately $1.0 billion and $1.2 billion as of September 30, 2024 and December 31, 2023, respectively, and the carrying value was $1.2 billion as of September 30, 2024 and December 31, 2023.

Nonrecurring Fair Value Measurements

During the three and nine months ended September 30, 2024, we recorded partial impairment charges of $1.8 billion and $4.2 billion, respectively, related to certain acquired in-process research and development ("IPR&D") assets. See Note 7. Intangible Assets for additional information.

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

During the three months ended March 31, 2024, we sold all of our available-for-sale debt securities and used the proceeds to partially fund our acquisition of CymaBay discussed in Note 6. Acquisitions, Collaborations and Other Arrangements. As such, there are no balances as of September 30, 2024 in the following tables.

The following table summarizes our available-for-sale debt securities as of December 31, 2023:

	December 31, 2023			
(in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. treasury securities	$ 427	$ —	$ (1)	$ 426
U.S. government agencies securities	127	—	—	127
Non-U.S. government securities	10	—	—	10
Certificates of deposit	45	—	—	45
Corporate debt securities	1,455	4	(8)	1,451
Residential mortgage and asset-backed securities	366	1	—	367
Total	$ 2,430	$ 5	$ (10)	$ 2,426

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, as of December 31, 2023:

	December 31, 2023					
	Less Than 12 Months		12 Months or Longer		Total	
(in millions)	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value
U.S. treasury securities	$ —	$ 161	$ (1)	$ 48	$ (1)	$ 209
U.S. government agencies securities	—	106	—	2	—	108
Non-U.S. government securities	—	5	—	5	—	10
Corporate debt securities	(1)	333	(7)	546	(8)	878
Residential mortgage and asset-backed securities	—	123	—	24	—	147
Total	$ (2)	$ 727	$ (8)	$ 624	$ (10)	$ 1,351

The following table summarizes the classification of our available-for-sale debt securities in our Condensed Consolidated Balance Sheets as of December 31, 2023:

(in millions)	December 31, 2023
Cash and cash equivalents	$ 83
Short-term marketable debt securities	1,179
Long-term marketable debt securities	1,163
Total	$ 2,426

Equity Securities

The following table summarizes the classification of our equity securities on our Condensed Consolidated Balance Sheets:

(in millions)	September 30, 2024	December 31, 2023
Equity securities measured at fair value:		
Cash and cash equivalents	$ 3,502	$ 4,465
Prepaid and other current assets	1,660	1,086
Other long-term assets	348	656
Equity method investments and other equity investments without readily determinable fair values:		
Other long-term assets	382	$ 340
Total	$ 5,892	$ 6,547

For our equity method investments in Galapagos NV ("Galapagos") and Arcus Biosciences, Inc. ("Arcus"), we elected and applied the fair value option as we believe it best reflects the underlying economics of these investments. Our investment in Galapagos was classified in Prepaid and other current assets as of September 30, 2024 and December 31, 2023 at $483 million and $686 million, respectively. Our investment in Arcus was classified in Prepaid and other current assets as of September 30, 2024 and December 31, 2023 at $460 million and $283 million, respectively.

Unrealized Gains and Losses

The following table summarizes net unrealized gains and losses on equity securities still held as of the respective balance sheet dates, included in Other (income) expense, net on our Condensed Consolidated Statements of Operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2024	2023	2024	2023
Unrealized (gain) loss, net	$ (257)	$ 128	$ 155	$ 249

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 $2.3 billion and $2.5 billion as of September 30, 2024 and December 31, 2023, respectively.

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:

	September 30, 2024					
(in millions)	Prepaid and other current assets	Other long-term assets	Total Derivative Assets	Other current liabilities	Other long-term obligations	Total Derivative Liabilities
Foreign currency exchange contracts designated as hedges	$ 4	$ —	$ 4	$ 34	$ 6	$ 40
Foreign currency exchange contracts not designated as hedges	3	—	3	9	—	9
Total derivatives presented gross on the Condensed Consolidated Balance Sheets			$ 7			$ 49
Gross amounts not offset on the Condensed Consolidated Balance Sheets:						
Derivative financial instruments			$ (7)			$ (7)
Cash collateral received / pledged			—			—
Net amount (legal offset)			$ —			$ 42

	December 31, 2023					
(in millions)	Prepaid and other current assets	Other long-term assets	Total Derivative Assets	Other current liabilities	Other long-term obligations	Total Derivative Liabilities
Foreign currency exchange contracts designated as hedges	$ 6	$ —	$ 6	$ 38	$ 7	$ 45
Foreign currency exchange contracts not designated as hedges	1	—	1	15	—	15
Total derivatives presented gross on the Condensed Consolidated Balance Sheets			$ 7			$ 59
Gross amounts not offset on the Condensed Consolidated Balance Sheets:						
Derivative financial instruments			$ (7)			$ (7)
Cash collateral received / pledged			—			—
Net amount (legal offset)			$ —			$ 52

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2024	2023	2024	2023
Derivatives designated as hedges:				
Net (loss) gain recognized in Accumulated other comprehensive income	$ (70)	$ 75	$ 23	$ 74
Net gain reclassified from Accumulated other comprehensive income into Product sales	$ 14	$ 16	$ 19	$ 50
Derivatives not designated as hedges:				
Net (loss) gain recognized in Other (income) expense, net	$ (2)	$ (4)	$ 51	$ 46

The majority of gains and losses related to the hedged forecasted transactions reported in Accumulated other comprehensive income as of September 30, 2024 are expected to be reclassified to Product sales within 12 months. There were no discontinuances of cash flow hedges for the three and nine months ended September 30, 2024 and 2023.

The cash flow effects of our derivative contracts for the nine months ended September 30, 2024 and 2023 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 research, development and commercialization of certain products and product candidates. The collaborations 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. The financial terms of 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

CymaBay

In March 2024, we completed the acquisition of CymaBay Therapeutics, Inc. ("CymaBay") for total consideration of $3.9 billion, net of cash acquired. Upon closing, CymaBay became our wholly-owned subsidiary.

We accounted for this transaction as an asset acquisition since the lead asset, seladelpar, an investigational, oral, peroxisome proliferator-activated receptor delta agonist shown to regulate critical metabolic and liver disease pathways, represented substantially all of the fair value of the gross assets acquired. During the three months ended March 31, 2024, we recorded a $3.9 billion charge, representing an acquired IPR&D asset with no alternative future use, to Acquired in-process research and development expenses, as well as share-based compensation expense of $133 million related to the cash settlement of unvested CymaBay employee stock awards attributable to post-acquisition services, with $67 million being recorded in Research and development expenses and $67 million in Selling, general and administrative expenses on our Condensed Consolidated Statements of Operations. In connection with this acquisition, we recorded $263 million of assets acquired, primarily consisting of deferred tax assets, and $228 million of liabilities assumed, primarily related to an assumed financing arrangement.

During the three months ended June 30, 2024, we paid $101 million towards the assumed financing arrangement related to a change-of-control provision, and in August 2024, we paid $108 million to settle the remaining liability.

In July 2024, we paid $320 million to Janssen Pharmaceutica NV to extinguish a future royalty obligation related to seladelpar, which was recorded to Acquired in-process research and development expenses on our Condensed Consolidated Statements of Operations for the three months ended September 30, 2024.

In August 2024, FDA granted accelerated approval for Livdelzi (seladelpar) for the treatment of primary biliary cholangitis in combination with ursodeoxycholic acid ("UDCA") in adults who have had an inadequate response to UDCA, or as monotherapy in patients unable to tolerate UDCA.

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 Operations 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, with the first $50 million of such milestones paid and charged primarily to Acquired in-process research and development expenses in October 2023.

Tmunity

In February 2023, we closed an agreement to acquire Tmunity Therapeutics, Inc. ("Tmunity"), a clinical-stage, private biotechnology company focused on next-generation chimeric antigen receptor ("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 Operations 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, with the first $25 million of milestones charged to Acquired in-process research and development expenses in 2023 and paid in January 2024. During the three months ended September 30, 2024, we paid an additional $47 million for development milestones met, which was charged to Acquired in-process research and development expenses on our Condensed Consolidated Statements of Operations.

Collaborations and Other Arrangements

Arcellx

In January 2023, we closed an agreement to enter into a global strategic collaboration with Arcellx, a public company, 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 December 2023, we expanded the scope of the collaboration to include lymphomas and exercised our option to negotiate a license for Arcellx's ARC-SparX program, ACLX-001, in multiple myeloma. In conjunction with these collaboration agreements, we recorded a $212 million charge and a $101 million charge to Acquired in-process research and development expenses on our Condensed Consolidated Statements of Operations for the three months ended March 31, 2023 and December 31, 2023, respectively, primarily related to upfront payments, as well as a combined equity investment of $299 million. Our equity investment is subject to lock-up provisions until June 2025 and is included in Prepaid and other current assets as of September 30, 2024. 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 $1.5 billion 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-promoted products and royalties on at least a portion of worldwide net sales, depending on whether Arcellx opts in to co-promote the future products. During the three months ended September 30, 2024, we paid $68 million for development milestones met, which was charged to Acquired in-process research and development expenses on our Condensed Consolidated Statements of Operations. If additional future products are developed, Arcellx would be eligible to receive additional milestone payments, profit split payments on 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.

Arcus

In January 2024, we amended our collaboration agreement with Arcus whereby we acquired approximately 15.2 million additional shares of Arcus common stock at a premium for $320 million, increasing our ownership to 30.1 million shares, or 33% of the issued and outstanding voting stock of Arcus immediately following the closing of the transaction. We recorded $233 million for the fair value of the equity investment in Prepaid and other current assets on our Condensed Consolidated Balance Sheets and $87 million for the premium in Other (income) expense, net on our Condensed Consolidated Statements of Operations for the three months ended March 31, 2024. We also recorded a charge for the $100 million fourth anniversary option continuation fee under the amended agreement to Acquired in-process research and development expenses on our Condensed Consolidated Statements of Operations for the three months ended March 31, 2024. During the three months ended September 30, 2024, we paid the continuation fee, which was included in Net cash used in investing activities on our Condensed Consolidated Statements of Cash Flows. Our number of designees on Arcus' board of directors was also increased to three.

7. INTANGIBLE ASSETS

The following table summarizes our Intangible assets, net:

(in millions)	September 30, 2024				December 31, 2023			
	Gross Carrying Amount	Accumulated Amortization	Foreign Currency Translation Adjustment	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Foreign Currency Translation Adjustment	Net Carrying Amount
Finite-lived assets:								
Intangible asset – sofosbuvir	$ 10,720	$ (7,574)	$ —	$ 3,146	$ 10,720	$ (7,050)	$ —	$ 3,670
Intangible asset – axicabtagene ciloleucel	7,110	(2,619)	—	4,491	7,110	(2,314)	—	4,796
Intangible asset – Trodelvy	11,730	(2,813)	—	8,917	11,730	(2,002)	—	9,728
Intangible asset – Hepcludex	845	(308)	—	537	845	(243)	—	602
Other	1,474	(911)	1	565	1,414	(827)	1	588
Total finite-lived assets	31,879	(14,224)	1	17,656	31,819	(12,436)	1	19,384
Indefinite-lived assets – IPR&D[1]	2,890	—	—	2,890	7,070	—	—	7,070
Total intangible assets	$ 34,769	$ (14,224)	$ 1	$ 20,546	$ 38,889	$ (12,436)	$ 1	$ 26,454

[1] The Indefinite-lived assets – IPR&D balance as of December 31, 2023 was comprised of $5.9 billion related to sacituzumab govitecan-hziy ("SG") for non-small cell lung cancer ("NSCLC") and $1.1 billion related to bulevirtide. See "2024 IPR&D Impairments" below for 2024 activity. The Indefinite-lived assets – IPR&D balance as of September 30, 2024 was comprised of $1.8 billion related to SG for NSCLC and $1.1 billion related to bulevirtide.

Impairment Assessments

No intangible asset-related indicators of impairment were noted for the three and nine months ended September 30, 2024 and 2023, except as described under "2024 IPR&D Impairments" below. In October 2024, we announced plans to voluntarily withdraw the U.S. accelerated approval for Trodelvy for treatment of adult patients with locally advanced or metastatic urothelial cancer who have previously received a platinum-containing chemotherapy and either programmed death receptor-1 (PD-1) or programmed death-ligand 1 (PD-L1) inhibitor. We have analyzed the implications of this and determined that it will not have an impact on the carrying amount of our finite-lived intangible asset related to Trodelvy.

2024 IPR&D Impairments

In January 2024, we received data from our Phase 3 EVOKE-01 study of Trodelvy evaluating SG indicating that the study did not meet its primary endpoint of overall survival in previously treated metastatic NSCLC, thus triggering a review for potential impairment of the NSCLC IPR&D intangible asset. Based on our evaluation of the study results and all other data currently available, and in connection with the preparation of the financial statements for the first quarter, we performed an interim impairment test and determined that the revised estimated fair value of the NSCLC IPR&D intangible asset was below its carrying value. As a result, we recognized a partial impairment charge of $2.4 billion in In-process research and development impairment on our Condensed Consolidated Statements of Operations for the three months ended March 31, 2024.

In September 2024, based on discussions with regulators and external opinion leaders and the completed evaluation of the Phase 3 EVOKE-01 study data, we made a strategic decision to discontinue our clinical development program in metastatic NSCLC for Trodelvy in the second-line indication. This decision triggered a review for potential impairment of the NSCLC IPR&D intangible asset. Based on our evaluation, and in connection with the preparation of the financial statements for the third quarter, we performed an interim impairment test and determined that the revised estimated fair value of the NSCLC IPR&D intangible asset was below its carrying value. As a result, we recognized a partial impairment charge of $1.8 billion in In-process research and development impairment on our Condensed Consolidated Statements of Operations for the three months ended September 30, 2024.

To arrive at the revised estimated fair values as of March 31, 2024 and September 30, 2024, we used a probability-weighted income approach that discounts expected future cash flows to present value, which requires the use of Level 3 fair value measurements and inputs, and requires the use of critical estimated inputs, including: revenues and operating profits related to the planned utilization of SG in NSCLC, which includes inputs such as addressable patient population, projected market share, treatment duration, and the life of the potential commercialized product; the probability of technical and regulatory success; the time and resources needed to complete the development and approval of SG in NSCLC; an appropriate discount rate based on the estimated weighted-average cost of capital for companies with profiles similar to our profile; and risks related to the viability of and potential alternative treatments in any future target markets. We used a discount rate of 7.00% which is based on the estimated weighted-average cost of capital for companies with profiles similar to ours. The revised estimated fair value of the NSCLC IPR&D intangible asset was $3.5 billion as of March 31, 2024 and $1.8 billion as of September 30, 2024.

8. OTHER FINANCIAL INFORMATION

Accounts Receivable, Net

The following table summarizes our Accounts receivable, net:

(in millions)	September 30, 2024	December 31, 2023
Accounts receivable	$ 5,462	$ 5,495
Less: allowances for chargebacks	722	679
Less: allowances for cash discounts and other	89	101
Less: allowances for credit losses	65	56
Accounts receivable, net	$ 4,587	$ 4,660

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)	September 30, 2024	December 31, 2023
Raw materials	$ 1,332	$ 1,246
Work in process	684	847
Finished goods	1,419	1,272
Total	$ 3,435	$ 3,366
Reported as:		
Inventories	$ 1,869	$ 1,787
Other long-term assets[(1)]	1,566	1,578
Total	$ 3,435	$ 3,366

(1) Amounts primarily consist of raw materials.

Other Current Liabilities

The following table summarizes the components of Other current liabilities:

(in millions)	September 30, 2024	December 31, 2023
Compensation and employee benefits	$ 1,051	$ 1,201
Income taxes payable	1,536	1,208
Allowance for sales returns	321	387
Other	1,988	2,334
Other current liabilities	$ 4,896	$ 5,130

Accumulated Other Comprehensive Income

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

(in millions)	Foreign Currency Translation	Unrealized Gains and Losses on Available-for-Sale Debt Securities, Net of Tax	Unrealized Gains and Losses on Cash Flow Hedges, Net of Tax	Total
Balance as of December 31, 2023	$ 62	$ (5)	$ (29)	$ 28
Net unrealized gain	38	—	20	58
Reclassifications to net income	—	5	(17)	(12)
Net current period other comprehensive income	38	5	3	45
Balance as of September 30, 2024	$ 100	$ —	$ (27)	$ 73

(in millions)	Foreign Currency Translation	Unrealized Gains and Losses on Available-for-Sale Debt Securities, Net of Tax	Unrealized Gains and Losses on Cash Flow Hedges, Net of Tax	Total
Balance as of December 31, 2022	$ 2	$ (33)	$ 33	$ 2
Net unrealized (loss) gain	(3)	10	65	72
Reclassifications to net income	—	2	(44)	(42)
Net current period other comprehensive (loss) income	(3)	11	21	30
Balance as of September 30, 2023	$ (1)	$ (22)	$ 54	$ 31

Restructuring

During the three and nine months ended September 30, 2024, we incurred restructuring charges of $28 million and $112 million, respectively, primarily related to the initiation of reductions in our commercial and research and development workforce. We recorded $5 million and $68 million of these charges in Research and development expenses and $23 million and $45 million of these charges in Selling, general and administrative expenses on our Condensed Consolidated Statements of Operations during the three and nine months ended September 30, 2024, respectively.

9. DEBT AND CREDIT FACILITIES

The following table summarizes the carrying amount of our borrowings under various financing arrangements:

(in millions)				Carrying Amount	
Type of Borrowing	Issue Date	Maturity Date	Interest Rate	September 30, 2024	December 31, 2023
Senior Unsecured	March 2014	April 2024	3.70%	$ —	$ 1,750
Senior Unsecured	November 2014	February 2025	3.50%	1,750	1,749
Senior Unsecured	September 2015	March 2026	3.65%	2,746	2,744
Senior Unsecured	September 2016	March 2027	2.95%	1,248	1,248
Senior Unsecured	September 2020	October 2027	1.20%	748	747
Senior Unsecured	September 2020	October 2030	1.65%	995	994
Senior Unsecured	September 2023	October 2033	5.25%	993	992
Senior Unsecured	September 2015	September 2035	4.60%	994	993
Senior Unsecured	September 2016	September 2036	4.00%	743	743
Senior Unsecured	September 2020	October 2040	2.60%	989	988
Senior Unsecured	December 2011	December 2041	5.65%	996	996
Senior Unsecured	March 2014	April 2044	4.80%	1,737	1,737
Senior Unsecured	November 2014	February 2045	4.50%	1,735	1,734
Senior Unsecured	September 2015	March 2046	4.75%	2,223	2,222
Senior Unsecured	September 2016	March 2047	4.15%	1,730	1,729
Senior Unsecured	September 2020	October 2050	2.80%	1,479	1,478
Senior Unsecured	September 2023	October 2053	5.55%	988	988
Total senior unsecured notes				22,094	23,834
Liability related to future royalties				1,155	1,153
Total debt, net				23,249	24,987
Less: Current portion of long-term debt, net				1,812	1,798
Total Long-term debt, net				$ 21,437	$ 23,189

Senior Unsecured Notes

In April 2024, we repaid at maturity $1.75 billion of principal balance related to our senior unsecured notes. We are required to comply with certain covenants under our note indentures governing our senior unsecured notes. As of September 30, 2024, we were not in violation of any covenants.

Credit Facilities

In June 2024, we terminated our $2.5 billion revolving credit facility maturing in June 2025 (the "2020 Revolving Credit Facility") and entered into a new $2.5 billion revolving credit facility maturing in June 2029 (the "2024 Revolving Credit Facility"), which has terms substantially similar to the 2020 Revolving Credit Facility. The 2024 Revolving Credit Facility can be used for working capital requirements and for general corporate purposes, including, without limitation, acquisitions. As of September 30, 2024 and December 31, 2023, there were no amounts outstanding under these revolving credit facilities.

The 2024 Revolving Credit Facility contains customary representations, warranties, affirmative and negative covenants and events of default. At September 30, 2024, we were in compliance with all covenants. Loans under the 2024 Revolving Credit Facility bear interest at either (i) Term SOFR plus the Applicable Percentage, (ii) the Alternative Currency Term Rate plus the Applicable Percentage, or (iii) the Base Rate plus the Applicable Percentage, each as defined in the 2024 Revolving Credit Facility agreement. We may terminate or reduce the commitments and may prepay any loans under the 2024 Revolving Credit Facility in whole or in part at any time without premium or penalty.

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. We did not have any material accruals for the matters described herein on our Condensed Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023.

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 the Patent Trial and Appeal Board ("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 use of Truvada and Descovy for 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. In January 2024, the CFC found the government liable for breach of both CTAs. A separate trial at the CFC to determine the damages we are owed based on the government's breaches has been scheduled for March 2025. 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 the HHS patents are not infringed. In March 2024, the District Court upheld the jury's verdict that the government's patents are invalid, denied the government's request for a new trial and then entered final judgment. In July 2024, the government filed a notice of appeal. 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 because physicians and patients were using the claimed methods years before HHS filed the applications for the patents.

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 February 2025.

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 the adult dosage strength of Biktarvy. Lupin, Laurus, and Cipla have challenged the validity of four of the six 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. Additionally, in November 2023, we received a letter from Cipla indicating that it has submitted an ANDA to FDA requesting permission to market and manufacture a generic version of the pediatric dosage strength of Biktarvy. Cipla challenged the validity of two of the patents listed in the Orange Book as associated with Biktarvy. We filed a separate lawsuit against Cipla in December 2023 in the U.S. District Court of Delaware. This lawsuit has been consolidated with the first lawsuit, with a single trial scheduled for October 2025. In October 2024, Cipla separately filed a petition at the U.S. Patent & Trademark Office (USPTO) for Inter Partes Review (IPR) of one of the patents at issue in District Court litigation. We intend to defend this patent at the USPTO.

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. This case has been consolidated with the Symtuza matters discussed above, and a trial has been scheduled for February 2025.

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 paid in the second half of 2023. The settlement agreements are not an admission of liability or fault by us. In June 2023, the jury returned a complete verdict in Gilead's favor on the remaining plaintiffs' Phase I allegations. In November 2023, the court denied plaintiffs' motion to set aside the verdict, and in February 2024, the court entered final judgment on the Phase I verdict and certain summary judgment rulings. In September 2024, plaintiffs filed their opening appellate briefs challenging the Phase I verdict and those summary judgment rulings. The court has stayed Phase II pending the appeal of Phase I. While we intend to vigorously oppose the appeal and defend against the Phase II claims, we cannot predict the ultimate outcome. If plaintiffs are successful in their appeal or Phase II claims, we could be required to pay monetary damages or could be subject to permanent injunctive relief in favor of 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 March 2024, the court denied our motion for judgment on the pleadings to preclude Aetna from re-litigating claims that were dismissed at summary judgment in the above class action cases. We filed a writ petition appealing the denial of our motion for judgment on the pleadings, which the appellate court denied in May 2024. In April 2024, the court granted our motion to bifurcate the case to adjudicate the issue of preclusion before litigating the merits of the case. In July 2024, Aetna filed a request to voluntarily dismiss two of its claims with prejudice, which the court subsequently granted, leaving only the claims related to Truvada and Atripla. In September 2024, Aetna filed an amended complaint with respect to these claims.

In February 2021, we, along with BMS and Teva, 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. We moved to dismiss the case based on lack of personal jurisdiction and, in July 2023, the New Mexico Supreme Court remanded the case back to the trial court for limited jurisdictional discovery.

We intend to vigorously defend ourselves in these actions, however, 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, which may result in a material, adverse effect on our results of operations and financial condition, including in a particular reporting period in which any such outcome becomes probable and estimable.

Product Liability

We have been named as a defendant in one putative 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 and Missouri, involve approximately 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 pending the conclusion of appellate proceedings in the California Supreme Court. A bellwether trial date in California federal court has been vacated following a settlement agreement in principle. Specifically, Gilead reached an agreement to make a one-time payment of up to $40 million to a group of eligible plaintiffs (approximately 2,625 plaintiffs). The agreement is subject to certain conditions, including that at least 98% of eligible plaintiffs elect to participate in the settlement. The putative class action in Missouri is currently awaiting decision from the court whether to certify the proposed class. We intend to vigorously defend ourselves in these actions, however, we cannot predict the ultimate outcome. If plaintiffs are successful in their claims, we could be required to pay significant monetary damages, which may result in a material, adverse effect on our results of operations and financial condition, including in a particular reporting period in which any such outcome becomes probable and estimable.

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 May 2020 in Texas state court. The lawsuit alleged 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 support programs. The lawsuit sought all available relief under the TMFPA. Health Choice voluntarily dismissed the case without prejudice in August 2023, and commenced a new action in October 2023, asserting largely identical allegations and claims. In the newly filed action, the Texas Attorney General has intervened as a plaintiff.

We intend to vigorously defend ourselves in these actions, however, 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, which may result in a material, adverse effect on our results of operations and financial condition, including in a particular reporting period in which any such outcome becomes probable and estimable.

Other Matters

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

11. EARNINGS (LOSS) PER SHARE

The following table shows the calculation of Basic and Diluted earnings (loss) per share attributable to Gilead:

(in millions, except per share amounts)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net income (loss) attributable to Gilead	$ 1,253	$ 2,180	$ (1,303)	$ 4,236
Shares used in basic earnings (loss) per share attributable to Gilead calculation	1,247	1,248	1,247	1,249
Dilutive effect of stock options and equivalents	7	8	—	10
Shares used in diluted earnings (loss) per share attributable to Gilead calculation	1,254	1,257	1,247	1,259
Basic earnings (loss) per share attributable to Gilead	$ 1.00	$ 1.75	$ (1.04)	$ 3.39
Diluted earnings (loss) per share attributable to Gilead	$ 1.00	$ 1.73	$ (1.04)	$ 3.37

Potential shares of common stock excluded from the computation of Diluted earnings (loss) per share attributable to Gilead because their effect would have been antidilutive were 7 million and 14 million for the three and nine months ended September 30, 2024, respectively, and 6 million and 4 million for the three and nine months ended September 30, 2023, respectively.

12. INCOME TAXES

The following table summarizes our Income tax (benefit) expense:

(in millions, except percentages)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Income (loss) before income taxes	$ 956	$ 2,318	$ (1,477)	$ 5,206
Income tax (benefit) expense	$ (297)	$ 146	$ (174)	$ 1,010
Effective tax rate	(31.1)%	6.3 %	11.8 %	19.4 %

Our effective income tax rate of (31.1)% for the three months ended September 30, 2024 differed from the U.S. federal statutory rate of 21% primarily due to a non-recurring tax benefit associated with a legal entity restructuring and a decrease in state deferred tax liabilities associated with the $1.8 billion NSCLC IPR&D intangible asset impairment charge.

Our effective income tax rate of 11.8% for the nine months ended September 30, 2024 differed from the U.S. federal statutory rate of 21% primarily due to $3.9 billion of non-deductible acquired IPR&D expense recorded in connection with our acquisition of CymaBay, partially offset by a non-recurring tax benefit associated with a legal entity restructuring, a decrease in state deferred tax liabilities associated with the $4.2 billion NSCLC IPR&D intangible asset impairment charge, and settlements with tax authorities.

Our effective income tax rate of 6.3% for the three months ended September 30, 2023 differed from 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 differed from 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 associated with our acquisitions of XinThera and Tmunity.

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 2019 to 2021 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 on 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.

During the nine months ended September 30, 2024, our unrecognized tax benefits balance as of December 31, 2023 increased by approximately $200 million. This net increase was primarily due to an increase of approximately $700 million for current year unrecognized tax benefits, partially offset by a decrease of approximately $500 million for reductions to prior year tax positions and settlements.

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 that are 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, 2023 and our unaudited Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2024 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.

Management Overview

Gilead Sciences, Inc. (including its consolidated subsidiaries, referred to as "Gilead," the "company," "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 select press releases issued since the filing of our Annual Report on Form 10-K for the year ended December 31, 2023. 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

- Announced results of PURPOSE 2, the second Phase 3 study of twice-yearly lenacapavir for HIV prevention, with data presented at the HIV Research for Prevention Conference. In the lenacapavir group, 99.9% of participants did not acquire HIV infection, with two incident cases among 2,179 participants. Lenacapavir reduced HIV infections by 96% compared to background HIV incidence in cisgender men and gender-diverse people, and additionally demonstrated superiority to daily Truvada (89% relative risk reduction). Lenacapavir was generally well-tolerated and no significant or new safety concerns were identified. Gilead expects to file for U.S. Food and Drug Administration ("FDA") approval before the end of the year, with global filings to follow. The use of lenacapavir for the prevention of HIV is investigational.
- Received approval from FDA to update Biktarvy's label with additional data reinforcing the safety and efficacy profile to treat pregnant people with HIV-1 with suppressed viral loads.
- Received approval from FDA to expand Biktarvy's label to include treatment of people with HIV who have suppressed viral loads with known or suspected M184V/I resistance.
- Received approval from FDA to expand the indication for Vemlidy to include treatment of chronic hepatitis B virus ("HBV") in children six years and older who weigh at least 25 kg with compensated liver disease.

Oncology

- Announced plans to voluntarily withdraw the U.S. accelerated approval of Trodelvy for use in pre-treated adult patients with locally advanced or metastatic urothelial cancer, following the results of the Phase 3 TROPiCS-04 trial announced in May 2024.
- Announced a research collaboration, option and license agreement with Merus N.V. to discover novel antibody-based trispecific T-cell engagers in oncology.
- Entered into an exclusive license agreement with Xilio Therapeutics, Inc. ("Xilio") to develop and commercialize Xilio's tumor-activated IL-12 program, including investigational candidate XTX301 in advanced solid tumors.

Inflammation

- Received accelerated approval from FDA for Livdelzi (seladelpar) for the treatment of primary biliary cholangitis in combination with ursodeoxycholic acid ("UDCA") in adults who have had an inadequate response to UDCA, or as monotherapy in patients unable to tolerate UDCA.
- Entered into an amended license agreement featuring the buy-out of global seladelpar royalties from Janssen Pharmaceutica NV ("Janssen") for $320 million.
- Completed the acquisition of CymaBay Therapeutics, Inc. ("CymaBay"), for $4.3 billion in total equity value, or $3.9 billion net cash paid, adding investigational candidate seladelpar for the treatment of primary biliary cholangitis to Gilead's Liver Disease portfolio.

Other

- Announced a strategic collaboration with Genesis Therapeutics, Inc. (“Genesis”) to discover and develop novel small molecule therapies across multiple targets using Genesis’ artificial intelligence platform.

Key Financial Results

(in millions, except percentages and per share amounts)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Change	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change
Total revenues	$ 7,545	$ 7,051	*7 %*	$ 21,185	$ 20,002	*6 %*
Net income (loss) attributable to Gilead	$ 1,253	$ 2,180	*(43)%*	$ (1,303)	$ 4,236	*NM*
Diluted earnings (loss) per share attributable to Gilead	$ 1.00	$ 1.73	*(42)%*	$ (1.04)	$ 3.37	*NM*

NM - Not Meaningful

Total revenues increased 7% to $7.5 billion for the three months ended September 30, 2024, compared to the same period in 2023, primarily due to higher product sales in HIV.

Total revenues increased 6% to $21.2 billion for the nine months ended September 30, 2024, compared to the same period in 2023, primarily due to higher product sales in HIV, Oncology and Liver Disease.

Net income attributable to Gilead was $1.3 billion and diluted earnings per share attributable to Gilead was $1.00 for the three months ended September 30, 2024, compared to net income attributable to Gilead of $2.2 billion and diluted earnings per share attributable to Gilead of $1.73 for the same period in 2023. The decrease was primarily due to:

- A pre-tax in-process research and development (“IPR&D”) partial impairment charge of $1.8 billion related to assets acquired by Gilead from Immunomedics, Inc. (“Immunomedics”) in 2020 (see further information in “Results of Operations; In-Process Research and Development Impairment” below); and
- Higher acquired IPR&D expenses; partially offset by
- Higher revenues;
- Lower income tax expense; and
- Higher net unrealized gains on equity securities.

Net loss attributable to Gilead was $1.3 billion and diluted loss per share attributable to Gilead was $1.04 for the nine months ended September 30, 2024, compared to net income attributable to Gilead of $4.2 billion and diluted earnings per share attributable to Gilead of $3.37 for the same period in 2023. The decrease was primarily due to:

- A pre-tax IPR&D partial impairment charge of $4.2 billion related to assets acquired by Gilead from Immunomedics in 2020 (see further information in “Results of Operations; In-Process Research and Development Impairment” below); and
- Higher acquired IPR&D expenses, primarily $3.9 billion related to the acquisition of CymaBay; partially offset by
- Lower income tax expense;
- Higher revenues; and
- Lower net unrealized losses on equity securities.

Results of Operations

Revenues

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

(in millions)	Three Months Ended September 30, 2024 U.S.	Europe	Rest of World	Total	Three Months Ended September 30, 2023 U.S.	Europe	Rest of World	Total	Change
Product sales:									
HIV									
Biktarvy	$ 2,826	$ 375	$ 272	$ 3,472	$ 2,504	$ 313	$ 268	$ 3,085	*13 %*
Descovy	534	24	28	586	460	25	26	511	*15 %*
Genvoya	384	44	21	449	433	47	23	503	*(11)%*
Odefsey	248	69	9	326	257	74	11	343	*(5)%*
Symtuza - Revenue share[1]	103	33	3	139	96	32	3	131	*6 %*
Other HIV[2]	65	26	9	100	56	28	9	94	*7 %*
Total HIV	4,161	570	342	5,073	3,807	519	341	4,667	*9 %*
Liver Disease									
Sofosbuvir/Velpatasvir[3]	222	67	96	385	215	76	85	377	*2 %*
Vemlidy	126	11	95	232	112	9	106	228	*2 %*
Other Liver Disease[4]	45	54	17	116	49	33	20	102	*14 %*
Total Liver Disease	393	132	207	733	376	119	211	706	*4 %*
Veklury	393	81	219	692	258	65	313	636	*9 %*
Oncology									
Cell Therapy									
Tecartus	63	29	6	98	64	27	4	96	*2 %*
Yescarta	145	182	60	387	197	154	40	391	*(1)%*
Total Cell Therapy	208	211	66	485	261	181	45	486	*— %*
Trodelvy	226	80	26	332	201	62	21	283	*17 %*
Total Oncology	433	291	92	816	462	243	65	769	*6 %*
Other									
AmBisome	6	71	52	130	12	63	39	115	*13 %*
Other[5]	47	8	16	71	69	9	23	101	*(29)%*
Total Other	53	80	68	201	82	72	62	216	*(7)%*
Total product sales	5,433	1,154	928	7,515	4,985	1,017	992	6,994	*7 %*
Royalty, contract and other revenues	17	13	1	30	32	23	1	56	*(46)%*
Total revenues	$ 5,450	$ 1,167	$ 929	$ 7,545	$ 5,017	$ 1,040	$ 993	$ 7,051	*7 %*

(in millions)	Nine Months Ended September 30, 2024 U.S.	Europe	Rest of World	Total	Nine Months Ended September 30, 2023 U.S.	Europe	Rest of World	Total	Change
Product sales:									
HIV									
Biktarvy	$ 7,726	$ 1,110	$ 814	$ 9,649	$ 7,104	$ 920	$ 717	$ 8,741	*10 %*
Descovy	1,339	75	82	1,496	1,314	75	86	1,475	*1 %*
Genvoya	1,088	138	66	1,292	1,305	157	81	1,544	*(16)%*
Odefsey	705	217	30	952	754	223	33	1,011	*(6)%*
Symtuza - Revenue share[1]	338	101	9	448	278	101	10	390	*15 %*
Other HIV[2]	190	96	36	322	192	91	38	321	*— %*
Total HIV	11,386	1,737	1,038	14,160	10,949	1,568	965	13,482	*5 %*
Liver Disease									
Sofosbuvir/Velpatasvir[3]	737	230	299	1,266	643	250	266	1,159	*9 %*
Vemlidy	338	33	328	699	295	28	322	645	*8 %*
Other Liver Disease[4]	134	148	55	337	113	112	64	289	*17 %*
Total Liver Disease	1,210	411	682	2,302	1,051	390	652	2,093	*10 %*
Veklury	784	204	473	1,461	607	227	630	1,465	*— %*
Oncology									
Cell Therapy									
Tecartus	181	102	22	305	179	83	11	272	*12 %*
Yescarta	502	509	170	1,181	624	408	99	1,130	*4 %*
Total Cell Therapy	683	611	192	1,485	802	491	109	1,402	*6 %*
Trodelvy	655	217	88	960	551	169	44	764	*26 %*
Total Oncology	1,338	828	280	2,446	1,354	660	153	2,167	*13 %*
Other									
AmBisome	37	210	176	424	39	192	150	381	*11 %*
Other[5]	203	26	52	281	197	31	49	277	*1 %*
Total Other	241	236	228	705	236	224	199	658	*7 %*
Total product sales	14,958	3,416	2,700	21,074	14,196	3,069	2,599	19,864	*6 %*
Royalty, contract and other revenues	66	43	2	111	57	77	4	138	*(19)%*
Total revenues	$ 15,024	$ 3,459	$ 2,703	$ 21,185	$ 14,253	$ 3,146	$ 2,603	$ 20,002	*6 %*

(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, Complera/Eviplera, Emtriva, Sunlenca, Stribild, Truvada and Tybost.
(3) Includes Epclusa and the authorized generic version of Epclusa sold by Gilead's separate subsidiary, Asegua Therapeutics LLC ("Asegua").
(4) Includes ledipasvir/sofosbuvir (Harvoni and the authorized generic version of Harvoni sold by Asegua), Hepcludex, Hepsera, Livdelzi, Sovaldi, Viread and Vosevi.
(5) Includes Cayston, Jyseleca, Letairis, Ranexa and Zydelig.

HIV

HIV product sales increased 9% to $5.1 billion for the three months ended September 30, 2024, compared to the same period in 2023, primarily due to higher average realized price, mainly due to shifts in channel mix, and higher demand, partially offset by inventory dynamics. In particular:

- Biktarvy sales increased primarily due to higher demand, including patients switching from Genvoya and other Gilead HIV products, and higher average realized price, partially offset by lower inventory build in the distribution channel.
- Descovy sales increased primarily due to higher demand and higher average realized price, partially offset by lower inventory build in the distribution channel.

HIV product sales increased 5% to $14.2 billion for the nine months ended September 30, 2024, compared to the same period in 2023, primarily due to higher demand and higher average realized price, driven mainly by higher net pricing partially offset by unfavorable channel mix in the U.S. In particular:

- Biktarvy sales increased primarily due to higher demand, including patients switching from Genvoya and other Gilead HIV products, and higher average realized price.
- Descovy sales increased primarily due to higher demand, partially offset by lower average realized price.

Liver Disease

Liver Disease product sales increased 4% to $733 million for the three months ended September 30, 2024, compared to the same period in 2023, primarily due to higher demand in products for chronic hepatitis C virus ("HCV"), HBV and, in Europe, chronic hepatitis D virus ("HDV"), partially offset by lower average realized price.

Liver Disease product sales increased 10% to $2.3 billion for the nine months ended September 30, 2024, compared to the same period in 2023, primarily due to higher demand in products for HCV, HBV and, in Europe, HDV, as well as higher average realized price.

Veklury

Veklury product sales increased 9% to $692 million for the three months ended September 30, 2024, compared to the same period in 2023, primarily driven by increased rates of COVID-19-related hospitalizations, particularly in the U.S.

Veklury product sales were $1.5 billion and remained relatively flat for the nine months ended September 30, 2024, compared to the same period in 2023.

Oncology

Cell Therapy

Cell Therapy product sales were $485 million and remained relatively flat for the three months ended September 30, 2024, compared to the same period in 2023, primarily due to:

- Decreased Yescarta sales primarily due to lower demand from higher in- and out-of-class competition in the U.S. partially offset by higher demand for the treatment of relapsed or refractory ("R/R") large B-cell lymphoma ("LBCL") outside the U.S.; and
- Increased Tecartus sales primarily due to higher demand for the treatment of R/R adult acute lymphoblastic leukemia ("ALL").

Cell Therapy product sales increased 6% to $1.5 billion for the nine months ended September 30, 2024, compared to the same period in 2023, primarily due to:

- Increased Yescarta sales primarily due to higher demand for the treatment of R/R LBCL outside the U.S., partially offset by lower demand from higher in- and out-of-class competition in the U.S.; and
- Increased Tecartus sales primarily due to higher demand for the treatment of R/R ALL.

Trodelvy

Trodelvy product sales increased 17% to $332 million for the three months ended September 30, 2024, compared to the same period in 2023, primarily due to higher demand across all regions.

Trodelvy product sales increased 26% to $960 million for the nine months ended September 30, 2024, compared to the same period in 2023, primarily due to higher demand across all regions.

Other

Other product sales decreased 7% to $201 million for the three months ended September 30, 2024, compared to the same period in 2023, primarily due to lower demand for Letairis and other products, partially offset by higher demand for AmBisome.

Other product sales increased 7% to $705 million for the nine months ended September 30, 2024, compared to the same period in 2023, primarily due to higher average realized price and higher demand for AmBisome as well as higher average realized price and higher demand for Letairis related to a temporary shortage of generics in the market.

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.

Approximately 26% and 27% of our product sales were denominated in foreign currencies during the three months ended September 30, 2024 and 2023, respectively. Foreign currency exchange, net of hedges, had an unfavorable impact on our total product sales of $56 million for the three months ended September 30, 2024, based on a comparison using foreign currency exchange rates from the three months ended September 30, 2023.

Approximately 27% of our product sales were denominated in foreign currencies during the nine months ended September 30, 2024 and 2023. Foreign currency exchange, net of hedges, had an unfavorable impact on our total product sales of $172 million for the nine months ended September 30, 2024, based on a comparison using foreign currency exchange rates from the nine months ended September 30, 2023.

Costs and Expenses

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions, except percentages)	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
Cost of goods sold	$ 1,574	$ 1,565	*1 %*	$ 4,670	$ 4,408	*6 %*
Product gross margin	79.1 %	77.6 %	*144 bps*	77.8 %	77.8 %	*3 bps*
Research and development expenses	$ 1,395	$ 1,457	*(4)%*	$ 4,266	$ 4,310	*(1)%*
Acquired in-process research and development expenses	$ 505	$ 91	*NM*	$ 4,674	$ 808	*NM*
In-process research and development impairment	$ 1,750	$ —	*NM*	$ 4,180	$ —	*NM*
Selling, general and administrative expenses	$ 1,433	$ 1,315	*9 %*	$ 4,184	$ 4,482	*(7)%*

NM - Not Meaningful

Product Gross Margin

Product gross margin increased to 79.1% for the three months ended September 30, 2024, compared to the same period in 2023, primarily due to fixed intangible asset amortization expenses over a higher revenue base and changes in product mix.

Product gross margin was 77.8% and remained relatively flat for the nine months ended September 30, 2024, compared to the same period in 2023.

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:

(in millions)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Personnel, infrastructure and other support costs	$ 808	$ 776	$ 2,601	$ 2,382
Clinical studies and other costs	587	681	1,665	1,928
Total	$ 1,395	$ 1,457	$ 4,266	$ 4,310

Research and development expenses decreased 4% to $1.4 billion for the three months ended September 30, 2024, compared to the same period in 2023, primarily due to:

- Clinical studies and other costs decreases mainly related to timing of clinical activities, including the wind-down of studies for magrolimab and obeldesivir for treatment of COVID-19; partially offset by
- Personnel, infrastructure and other support costs increases mainly related to higher compensation expenses.

Research and development expenses decreased 1% to $4.3 billion for the nine months ended September 30, 2024, compared to the same period in 2023, primarily due to:

- Clinical studies and other costs decreases related to timing of clinical activities, including the wind-down of studies for magrolimab and obeldesivir for treatment of COVID-19 and higher R&D reimbursements, which was higher than increases from the progression of other studies; partially offset by
- Personnel, infrastructure and other support costs increases mainly related to higher compensation expenses, restructuring costs of $68 million, and stock-based compensation expenses of $67 million and other integration costs related to the acquisition of CymaBay.

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 $505 million and $4.7 billion for the three and nine months ended September 30, 2024, respectively, primarily related to the following transactions based on their respective period of occurrence:

- $68 million associated with the Arcellx, Inc. (“Arcellx”) collaboration for milestones met in August 2024;
- $47 million associated with the Tmunity Therapeutics, Inc. (“Tmunity”) acquisition for milestones met in August 2024;
- $320 million associated with the Janssen future royalty obligation extinguishment related to seladelpar in July 2024;
- $3.9 billion associated with the CymaBay acquisition in March 2024; and
- $100 million associated with the Arcus Biosciences, Inc. collaboration amendment in January 2024.

Acquired in-process research and development expenses were $91 million and $808 million for the three and nine months ended September 30, 2023, respectively, primarily related to the following transactions based on their respective period of occurrence:

- $56 million associated with the Tentarix Biotherapeutics Inc. collaboration entered into in August 2023;
- $170 million associated with the XinThera, Inc. acquisition in May 2023;
- $244 million associated with the Tmunity acquisition in February 2023; and
- $212 million associated with the Arcellx collaboration entered into in January 2023.

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

As of December 31, 2023, approximately $5.9 billion was assigned to an indefinite-lived IPR&D intangible asset related to Trodelvy for metastatic non-small cell lung cancer ("NSCLC"). In addition to NSCLC, Trodelvy is being explored for potential investigational use in a range of tumor types where Trop-2 is highly expressed. Gilead's clinical development program in metastatic NSCLC includes ongoing Phase 2 and registrational Phase 3 studies for Trodelvy as a first- or second-line indication.

In January 2024, we received data from our Phase 3 EVOKE-01 study of Trodelvy evaluating sacituzumab govitecan-hziy ("SG") indicating that the study did not meet its primary endpoint of overall survival in previously treated metastatic NSCLC, thus triggering a review for potential impairment of the NSCLC IPR&D impairment asset. Based on our evaluation of the study results and all other data currently available, and in connection with the preparation of the financial statements for the first quarter, we performed an interim impairment test and determined that the revised estimated fair value of the NSCLC IPR&D intangible asset was below its carrying value. As a result, we recognized a partial impairment charge of $2.4 billion in In-process research and development impairment on our Condensed Consolidated Statements of Operations for the three months ended March 31, 2024.

In September 2024, based on discussions with regulators and external opinion leaders and the completed evaluation of the Phase 3 EVOKE-01 study data, we made a strategic decision to discontinue our clinical development program in metastatic NSCLC for Trodelvy in the second-line indication. This decision triggered a review for potential impairment of the NSCLC IPR&D intangible asset. Based on our evaluation, and in connection with the preparation of the financial statements for the third quarter, we performed an interim impairment test and determined that the revised estimated fair value of the NSCLC IPR&D intangible asset was below its carrying value. As a result, we recognized a partial impairment charge of $1.8 billion in In-process research and development impairment on our Condensed Consolidated Statements of Operations for the three months ended September 30, 2024, and including the first quarter impairment described above, the total In-process research and development impairment on our Condensed Consolidated Statements of Operations for the nine months ended September 30, 2024 totaled $4.2 billion.

To arrive at the revised estimated fair value, we used a probability-weighted income approach that discounts expected future cash flows to present value, which requires the use of Level 3 fair value measurements and inputs, and requires the use of critical estimated inputs, including: revenues and operating profits related to the planned utilization of SG in NSCLC, which, include inputs such as addressable patient population, projected market share, treatment duration, and the life of the potential commercialized product; the probability of technical and regulatory success; the time and resources needed to complete the development and approval of SG in NSCLC; an appropriate discount rate based on the estimated weighted-average cost of capital for companies with profiles similar to our profile; and risks related to the viability of and potential alternative treatments in any future target markets. Our revised discounted cash flows for the March 31, 2024 fair value estimation primarily reflect the smaller addressable market that Trodelvy could serve among metastatic NSCLC patients and a delay in expected launch timing for second-line plus patients. Our revised discounted cash flows for the September 30, 2024 fair value estimation primarily reflect the removal of cash flows associated with second-line plus patients, and the remaining carrying value as of that date reflects Trodelvy's opportunity as a combination therapy in first-line metastatic NSCLC patients supported by its ongoing Phase 3 clinical trial in this patient population. The revised estimated fair value of the NSCLC IPR&D intangible asset was $3.5 billion as of March 31, 2024 and $1.8 billion as of September 30, 2024.

If future events result in adverse changes in the key assumptions used in determining fair value, including the timing of product launches, information on the competitive landscape of treatments in this indication, changes to the probability of technical or regulatory success, failure to obtain anticipated regulatory approval or discount rate, among others, additional impairments may be recorded and could be material to our financial statements.

No IPR&D impairment charges were recorded during the three and nine months ended 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 9% to $1.4 billion for the three months ended September 30, 2024, compared to the same period in 2023, primarily due to:

- Higher commercial activities, including the launch of Livdelzi in the U.S.; and
- Higher corporate activities.

Selling, general and administrative expenses decreased 7% to $4.2 billion for the nine months ended September 30, 2024, compared to the same period in 2023, primarily due to:

- A 2023 expense of $525 million for settlements with certain plaintiffs in HIV antitrust litigation which did not repeat in 2024; and
- A decrease in our allocation of the branded prescription drug fee; partially offset by
- Stock-based compensation expenses of $67 million and other integration costs related to the acquisition of CymaBay;
- Higher commercial activities, including the launch of Livdelzi in the U.S.; and
- Higher restructuring costs.

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)	Three Months Ended September 30, 2024	2023	Change	Nine Months Ended September 30, 2024	2023	Change
Interest expense	$ 238	$ 232	*2 %*	$ 728	$ 692	*5 %*
Other (income) expense, net	$ (306)	$ 72	*NM*	$ (41)	$ 95	*NM*
(Gain) loss from equity securities, net	*$ (258)*	*$ 168*	*NM*	*$ 148*	*$ 356*	*(58)%*
Interest income	*$ (52)*	*$ (106)*	*(50)%*	*$ (196)*	*$ (274)*	*(28)%*
Other, net	*$ 4*	*$ 10*	*(56)%*	*$ 7*	*$ 13*	*(44)%*

NM - Not Meaningful

Interest expense was $238 million and remained relatively flat for the three months ended September 30, 2024, compared to the same period in 2023.

Interest expense increased 5% to $728 million for the nine months ended September 30, 2024, compared to the same period in 2023, primarily due to a higher average interest rate on long-term debt, partially offset by lower debt balances.

See Note 9. Debt and Credit Facilities 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 on our long-term debt and related interest rates.

Favorable movements in Other (income) expense, net for the three months ended September 30, 2024, compared to the same period in 2023, primarily related to higher net gains from equity securities, partially offset by lower interest income due to lower average cash balances.

Favorable movements in Other (income) expense, net for the nine months ended September 30, 2024, compared to the same period in 2023, primarily related to lower net losses from equity securities, partially offset by lower interest income due to lower average cash balances.

Income Taxes

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

(in millions, except percentages)	Three Months Ended September 30, 2024	2023	Change	Nine Months Ended September 30, 2024	2023	Change
Income (loss) before income taxes	$ 956	$ 2,318	*$ (1,362)*	$ (1,477)	$ 5,206	*$ (6,684)*
Income tax (benefit) expense	$ (297)	$ 146	*$ (443)*	$ (174)	$ 1,010	*$ (1,185)*
Effective tax rate	(31.1)%	6.3 %	*(37.4)%*	11.8 %	19.4 %	*(7.6)%*

Our effective tax rate decreased for the three months ended September 30, 2024, compared to the same period in 2023, primarily due to:

- A non-recurring tax benefit associated with a legal entity restructuring; and
- A decrease in state deferred tax liabilities associated with the $1.8 billion NSCLC IPR&D intangible asset impairment charge; partially offset by
- A decrease in unrecognized tax benefits as a result of negotiations with a tax authority in the three months ended September 30, 2023.

Our effective tax rate decreased for the nine months ended September 30, 2024, compared to the same period in 2023, primarily due to:

- The non-deductible acquired IPR&D expense recorded in connection with our first quarter 2024 acquisition of CymaBay; partially offset by
- A non-recurring tax benefit associated with a legal entity restructuring;
- A decrease in state deferred tax liabilities associated with the $4.2 billion NSCLC IPR&D intangible asset impairment charge; and
- Remeasurement of certain deferred tax liabilities related to acquired intangible assets in the nine months ended September 30, 2023.

Liquidity and Capital Resources

We regularly evaluate our liquidity and capital resources, including our access to external capital, so that we can adequately and efficiently finance our operations. We believe our existing capital resources, including cash and cash equivalents and our revolving credit facility, supplemented by cash flows generated from our operations, will be adequate to satisfy our capital needs for the foreseeable future.

Liquidity

Cash, cash equivalents and marketable debt securities were $5.0 billion and $8.4 billion as of September 30, 2024 and December 31, 2023, respectively. During the three months ended March 31, 2024, we sold all of our marketable debt securities and used the proceeds to partially fund our acquisition of CymaBay.

Cash and cash equivalents decreased by $1.0 billion from December 31, 2023 to September 30, 2024 due to the following cash flow activities:

(in millions)	Nine Months Ended September 30, 2024
Net cash provided by (used in):	
Operating activities	$ 7,853
Investing activities	$ (3,224)
Financing activities	$ (5,693)
Effect of exchange rate changes on cash and cash equivalents	$ 15

Operating Activities

Net cash provided by operating activities for the nine months ended September 30, 2024 amounted to $7.9 billion, net of a $1.2 billion transition tax payment associated with the Tax Cuts and Jobs Acts of 2017. Refer to the Condensed Consolidated Statements of Cash Flows for additional information.

Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2024 primarily related to:

- $4.8 billion for acquisitions, including IPR&D, mainly related to $3.9 billion for the CymaBay acquisition; and
- Purchases of equity securities; partially offset by
- Proceeds from the liquidation of marketable debt securities.

Financing Activities

Net cash used in financing activities for the nine months ended September 30, 2024 primarily related to:

- $2.9 billion for dividend payments;
- $2.0 billion for repayment of debt and other obligations; and
- $800 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, 2023. Other than as disclosed in the Liquidity section above and in Notes 4. Available-For-Sale Debt Securities and Equity Securities, 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, there were no material changes to our capital resources and material cash requirements during the nine months ended September 30, 2024.

Subsequently, in November 2024, we announced that our Board of Directors declared a quarterly dividend of $0.77 per share of common stock for the fourth quarter of 2024. The dividend is payable on December 30, 2024, to stockholders of record at the close of business on December 13, 2024. Future dividends will be subject to Board approval.

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, 2023. 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 nine months ended September 30, 2024.

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, 2023. Other than as disclosed in Notes 3. Fair Value Measurements, 4. Available-For-Sale Debt Securities and Equity Securities, 5. Derivative Financial Instruments and 9. Debt and Credit Facilities 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 these disclosures.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

An evaluation as of September 30, 2024 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 September 30, 2024.

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 during the quarter ended September 30, 2024, to identify any change that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. In August 2023, we began deploying a new enterprise resource planning system ("ERP") 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 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.

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. 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, and nucleoside-based therapeutics do not remain the preferred regimen, our HIV product sales would be adversely impacted.

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 the U.S. Food and Drug Administration ("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. For example, in January 2024, FDA instituted a class labeling change for all approved CAR T-cell therapies, including a "boxed warning" about the possible risk of secondary T-cell malignancies in patients treated with CAR T-cell therapy. 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 discounts, 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 also face risks related to our in-house CAR T-cell therapy manufacturing facilities in California, Maryland and the Netherlands, spanning process development, vector manufacturing, clinical trial production and commercial product manufacturing. Quality, reliability and speed are critical in cell therapy manufacturing to quickly and safely deliver our cell therapies to patients. Any delays or quality issues with our manufacturing operations could adversely affect our business and damage our reputation. In addition, we may not be able to sufficiently increase manufacturing network capacity to meet growing demand.

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 as well as on preparations for potential commercial launch 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. Such failures have had, and may have in the future, a negative impact on our business and financial results, including as a result of our inability to recover R&D, clinical trial, acquisition-related and other expenses incurred in connection with the development of and launch preparations for our product candidates. For example, we enter into commitments to purchase materials and supplies in anticipation of the potential manufacture and sale of new product candidates, and in the event the development, approval or launch of these product candidates is delayed or otherwise unsuccessful, we may experience excess inventory that needs to be written down or other costs and expenses resulting from such commitments.

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

We may be unable to accurately predict demand for our products as demand depends on a number of factors. If we do not accurately forecast demand or manufacture products at levels to align with actual demand, then we may experience product shortages or build excess inventory that may need to be written off. For example, product demand may be adversely affected if physicians do not see the benefit of our products. Additionally, uptake of new products may not materialize as expected, or at all in the case of unsuccessful product candidates. For example, 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, and future sales in the short- and long-term remain uncertain.

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 wholesaler/distributor channel. Historically, approximately 90% of our product sales in the U.S. have been to three wholesalers, Cardinal Health, Inc., Cencora, Inc., and McKesson Corporation, and their specialty distributor affiliates. The U.S. wholesalers and distributors 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 and distributors can cause our operating results to fluctuate unexpectedly if our sales to these wholesalers and distributors do not match end-user demand. In addition, inventory is held at retail and specialty pharmacies and other non-wholesaler/distributor 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 and specialty pharmacies to reduce their inventories of our products, which would reduce their orders from wholesalers and distributors and, consequently, the wholesalers' and distributors' orders from us, even if end-user demand has not changed. In addition, we have observed that strong wholesaler/distributor and sub-wholesaler/distributor purchases of our products in the second half of the year typically results in inventory draw-down by wholesalers/distributors and sub-wholesalers/distributors 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 discounts, 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. 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 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. In August 2024, the Centers for Medicare & Medicaid Services ("CMS") disclosed the Maximum Fair Prices ("MFP") of the first group of 10 drugs selected for the MFP determination process; if these prices are lower than the Medicaid Best Price, they could also affect the manufacturers' Medicaid rebate obligations and the 340B ceiling prices charged to covered entities. We continue to evaluate the potential impact of the Act on our business. CMS has issued a number of guidance documents, but it remains unclear how certain provisions of the Act will be implemented. Additional guidance, legislation or rulemaking may be issued that could change the scope or implementation of the Act. In addition, multiple 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, in August 2023, the Colorado Prescription Drug Affordability Review Board ("PDAB") selected Genvoya for an affordability review, and subsequently determined that Genvoya was not unaffordable. Additional state PDABs have or may in the future undertake similar affordability reviews of our products. A finding that one of our products is unaffordable could lead to legislative action to designate an upper limit on the amount certain purchasers and payors can pay for our products. These initiatives and such other legislation may cause added pricing pressures on our products, and the resulting impact on our business is 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 Asegua 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. Some of these manufacturers are challenging HHS' position in litigation. Certain states have also enacted laws requiring manufacturers to provide 340B pricing through contract pharmacy arrangements, and additional states may adopt similar laws; we believe these laws, which are being challenged in ongoing litigation, are invalid but we have carved out covered entities in certain states from our integrity initiative while litigation challenging these laws proceeds. We also 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 do not always 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. For example, in January 2024, FDA authorized Florida's proposed program to import prescription drugs from Canada, and U.S. sales may be adversely affected if Florida meets the additional requirements set by FDA in its authorization. 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 January 2024, we announced that our Phase 3 EVOKE-01 study evaluating sacituzumab govitecan-hziy did not meet its primary endpoint of overall survival in previously treated metastatic non-small cell lung cancer ("NSCLC"), which resulted in us recording an impairment charge during the three months ended March 31, 2024. In September 2024, we decided to discontinue our clinical development program in NSCLC for the second-line indication, resulting in us recording an impairment charge during the three months ended September 30, 2024 (for more information, see Note 7. Intangible Assets of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q). In May 2024, we provided an update that (i) our Phase 3 TROPiCs-04 study did not meet its primary endpoint, which was a confirmatory study required in connection with the accelerated approval of sacituzumab govitecan-hziy for treatment of metastatic urothelial cancer, and (ii) there was a higher number of deaths due to adverse events with sacituzumab govitecan-hziy compared to treatment of physician's choice. In addition, following results and data from several magrolimab studies as well as corresponding FDA clinical holds, we announced in February 2024 that we would not pursue further development of magrolimab in hematologic cancers.

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. Additionally, products and indications approved under accelerated approval pathways may be subject to withdrawal where confirmatory studies are unsuccessful. In October 2024, we announced plans to voluntarily withdraw the U.S. accelerated approval for Trodelvy (sacituzumab govitecan-hziy; SG) for treatment of adult patients with locally advanced or metastatic urothelial cancer who have previously received a platinum-containing chemotherapy and either programmed death receptor-1 (PD-1) or programmed death-ligand 1 (PD-L1) inhibitor. 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 have in the past and we may in the future make a strategic decision to discontinue development of our product candidates, including but not limited to situations where we believe commercialization will be difficult relative to other opportunities in our pipeline. For example, in January 2024, we announced with our partner Arcus Biosciences, Inc. ("Arcus") the discontinuation of further enrollment in the Phase 3 ARC-10 study evaluating domvanalimab plus zimberelimab in first-line locally advanced or metastatic, PD-L1-high NSCLC based on strategic prioritization to advance and potentially accelerate other Phase 3 studies in our collaboration with Arcus. Therefore, our product candidates may never be successfully commercialized, and we may be unable to recoup the significant R&D, clinical trial, acquisition-related and other expenses incurred. We expect to spend 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 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 bioanalysis. In addition, we depend on third-party contract manufacturing organizations ("CMOs"), including those located outside the U.S., to manufacture clinical materials. Many important aspects of the services performed for us by the CROs and CMOs are not within our direct control. If there is any dispute or disruption in our relationships with our CROs and CMOs, including as a result of legislative or regulatory actions (such as the recently proposed BIOSECURE Act in the U.S. (the "BIOSECURE Act")), our clinical trials and regulatory submissions may be delayed and our costs may increase. 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, recordkeeping 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 can 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 as well as changes we may adopt in our manufacturing strategy, 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 as well as increase our expenses.

We need access to certain materials and supplies to conduct our clinical trials and to manufacture and sell our products. If we are unable to purchase enough of these materials and supplies or find suitable alternatives 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 has been 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 R&D 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 supplier is qualified by the regulatory authority, the supplier must continue to expend time, money and effort in the area of production and quality control to maintain full compliance with GMP. Suppliers 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, including as a result of natural disasters or extreme weather conditions, 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, flood or fire, 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 products and product candidates 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 new, or changes in or interpretations of existing, trade regulations, compliance requirements or tax or other legislation (such as the recently proposed BIOSECURE Act), 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 products to meet market needs and have a material and adverse effect on our operating results. Such factors may also negatively impact our ability to supply our clinical trials, which may result in the delay of our clinical trials and regulatory submissions as well as increased costs.

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 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. 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. 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, the 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, including the Executive Order on Preventing Access to Americans' Bulk Sensitive Personal Data and United States Government-Related Data by Countries of Concern issued in February 2024. 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, including as a result of legal challenges, which may increase following the U.S. Supreme Court decision to overrule the *Chevron* doctrine, any of 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. Additionally, recently proposed legislation in the U.S., such as the BIOSECURE Act (which, among other things, could prohibit U.S. executive agencies from contracting with, or expending loans or granting funds to, companies that use biotechnology equipment or services for certain activities from certain foreign-owned entities), has the potential to adversely impact our ability to receive equipment or services from such entities, including certain of which we use in connection with our clinical trials and our clinical and commercial manufacturing, which could increase the cost or limit the supply of material available to us, delay the procurement or supply of such material, delay or impact clinical trials and regulatory submissions, delay the launch of commercial products and adversely affect our financial condition and business prospects.

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 subject to assumptions 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 support offerings 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's 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 the halt of product sales.

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: 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 nine months ended September 30, 2024.

- Interest Rates and Inflation: We have interest-generating assets and interest-bearing liabilities, including our senior unsecured notes and credit facilities. Fluctuations 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 assets such as nationalization, expropriation, the imposition of compulsory licenses or similar actions, including waiver of intellectual property protections.
- Protective economic policies taken by 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.
- 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, Ukraine, Israel and surrounding areas.
- Increasing use of social media platforms and modern technologies present new risks and challenges, and inappropriate or unauthorized use of these platforms can result in exposure of sensitive data or information and damage our brand and reputation.

Climate change and related natural disasters, as well as legal, regulatory, or market measures to address climate change, can negatively affect our business and operations.

Many of our operations and facilities, including those essential to our manufacturing, R&D and commercialization/distribution activities, are located in regions subject to natural or man-made disasters, such as climate change, earthquakes, hurricanes, rising sea levels and flooding, fires, extreme heat, drought or other extreme weather conditions, or efforts taken by third parties to prevent or mitigate such disasters, such as public safety power shutoffs and facility shutdowns. The severity and frequency of weather-related events has been amplified, and is expected to continue to be amplified, by climate change. Such natural disasters have caused, and in the future may cause, damage to and/or disrupt our operations, which may result in a material adverse effect on our business and financial results. 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 in October 2023. Additionally, our corporate headquarters in Foster City and certain R&D and manufacturing facilities are located in California, a seismically active region. Although we have business continuity plans and contingencies in place and conduct periodic assessments of our natural disaster risk as part of our overall enterprise risk management program, a major earthquake or other natural disaster can result in significant recovery time and a prolonged interruption to our operational and business activities. We may be required to incur significant costs to remedy the effects of such natural disasters and to resume or restore our operations, which could adversely impact us. Our suppliers and third-party manufacturers and corporate partners face similar risks, and any disruption to their operations could have an adverse effect on our manufacturing and supply chain. Also, see risks under the headings "We may face manufacturing difficulties, delays or interruptions, including at our third-party manufacturers and corporate partners" and "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 as well as increase our expenses."

In addition, growing concern regarding climate change has resulted in an evolving legal and regulatory landscape, with new requirements enacted to prevent, mitigate or adapt to the implications of climate change. These regulations, which can differ across jurisdictions, subject Gilead to many transitional risks, including, for example, new or expanded carbon pricing or taxes, increased compliance costs, restrictions on greenhouse gas emissions, investment in new technologies, increased carbon disclosure and transparency, investments in data gathering and reporting systems, upgrades of facilities to meet new building codes and the redesign of utility systems, which could increase the company's operating costs, including the cost of electricity and energy. Our suppliers and third-party manufacturers and corporate partners face similar transition risks and may pass along any increased costs to us.

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, such as recent U.S. Securities and Exchange Commission rules requiring companies to make certain climate-related disclosures, including information about climate-related risks, greenhouse gas emissions and certain climate-related financial statement metrics, or California's Climate-Related Financial Risk Act and the Climate Corporate Data Accountability Act. 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. Furthermore, changes to 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. Additionally, we periodically make adjustments, including to the size and composition of our workforce, to reflect our personnel needs in response to changing macroeconomic conditions, market opportunities, management changes, acquisitions, cost levels and other internal and external considerations, which may adversely impact our workplace culture and ability to retain and incentivize employees.

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, administrative and technical problems, interruptions or delays in sales, manufacturing or R&D processes, expenditure overruns, delays in paying our suppliers and employees, and data migration issues. If we do not properly address or mitigate these issues, this 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 after a significant period of time well 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, exploitation of vulnerabilities, computer viruses, key loggers, 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 and expect to continue to be the target of cybersecurity incidents, including data breaches and temporary 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. Financial, legal, business, or reputational losses may result from a cybersecurity incident or breach of our information technology systems.

Regulators globally are also imposing data privacy and security requirements, such as EU's General Data Protection Regulation ("GDPR") and other domestic data privacy and security laws, such as the California Consumer Privacy Act and the California Privacy Rights Act. These and other similar types of laws and regulations that have been or may be passed, often include 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 government 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 required by U.S. generally accepted accounting principles, we conduct annual impairment testing of our goodwill and other indefinite-lived intangible assets in the fourth quarter or more frequently if events or changes in circumstances indicate that it is more likely than not that the assets are impaired. We have in the past and may in the future need to recognize impairment charges related to the products, intellectual property and technologies that are acquired or licensed as a result of such testing. 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. Similarly, we recorded partial impairment charges during the three months ended March 31, 2024 in connection with our Phase 3 EVOKE-01 study evaluating sacituzumab govitecan-hziy and during the three months ended September 30, 2024 following the strategic decision to discontinue our clinical development program in metastatic NSCLC for Trodelvy in the second-line indication (for more information, see Note 7. Intangible Assets of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q). We also continue to monitor the progression of our in-process research and development assets related to sacituzumab govitecan-hziy for non-small cell lung cancer and bulevirtide for chronic hepatitis D virus for treatment primarily in the U.S. and may need to evaluate these items for impairment prior to the fourth quarter if there are any events or circumstances in our ongoing development activities indicating it is more like than not that these assets might be impaired. 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., Galapagos NV and Arcellx, Inc., 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, Inc. 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, but the program does not obligate us to repurchase any specific number of shares and may be amended, suspended or discontinued at any time. We started repurchases under the 2020 Program in December 2022.

The table below summarizes our stock repurchase activity for the three months ended September 30, 2024:

	Total Number of Shares Purchased (in thousands)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs (in thousands)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs (in millions)
July 1 - July 31, 2024	1,360	$ 72.06	1,317	$ 3,279
August 1 - August 31, 2024	2,075	$ 74.99	1,456	$ 3,169
September 1 - September 30, 2024	1,575	$ 81.76	1,160	$ 3,074
Total[(1)]	5,010	$ 76.32	3,933	

(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

On August 28, 2024, Merdad V. Parsey, M.D., Ph.D., our Chief Medical Officer, adopted a trading plan intended to satisfy Rule 10b5-1(c) under the Exchange Act to sell, subject to certain conditions, through April 8, 2025: (a) up to 395,164 shares of our common stock; and (b) 40% of the net vested shares of our common stock to be issued to Dr. Parsey in connection with the potential vesting and settlement of certain performance stock units.

On August 29, 2024, Andrew Dickinson, our Chief Financial Officer, adopted a trading plan intended to satisfy Rule 10b5-1(c) under the Exchange Act to sell up to 695,164 shares of our common stock through November 29, 2026, subject to certain conditions.

Item 6. EXHIBITS

Reference is made to the Exhibit Index included herein.

Exhibit Index

Exhibit Footnote	Exhibit Number	Description of Document
(1)	2.1	Agreement and Plan of Merger, dated February 11, 2024, among CymaBay Therapeutics, Inc., Registrant and Pacific Merger Sub, Inc.
(2)	3.1	Restated Certificate of Incorporation of Registrant
(3)	3.2	Amended and Restated Bylaws of Registrant
	4.1	Reference is made to Exhibit 3.1 and Exhibit 3.2
(4)	4.2	Indenture related to Senior Notes, dated as of March 30, 2011, between Registrant and Wells Fargo, National Association, as Trustee
(4)	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)
(5)	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)
(6)	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 2044 Note)
(7)	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)
(8)	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)
(9)	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)
10	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)
(11)	4.10	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)
(12)	4.11	Description of Registrant's Securities
(13)	10.1*	Gilead Sciences, Inc. 2004 Equity Incentive Plan, amended and restated May 10, 2017
(14)	10.2*	Amendment No. 1 to Gilead Sciences, Inc. 2004 Equity Incentive Plan, amended and restated May 10, 2017
(15)	10.3*	Gilead Sciences, Inc. 2022 Equity Incentive Plan
(16)	10.4*	Form of employee stock option agreement under 2004 Equity Incentive Plan (for grants made in 2011 through 2018)
(17)	10.5*	Form of global employee stock option agreement under 2004 Equity Incentive Plan (for grants made in 2019)
(18)	10.6*	Form of global employee stock option agreement under 2004 Equity Incentive Plan (4 year vest) (for grants made in 2019)
(19)	10.7*	Form of global employee stock option agreement under 2004 Equity Incentive Plan (4 year vest) (for grants made in 2020)
(20)	10.8*	Form of global employee stock option agreement under 2004 Equity Incentive Plan (4 year vest) (for grants made in 2021)
(21)	10.9*	Form of global employee stock option agreement under 2004 Equity Incentive Plan (4 year vest) (for certain grants made in 2022)
(22)	10.10*	Form of global employee stock option agreement under 2022 Equity Incentive Plan (4 year vest) (for certain grants made in 2022)
(23)	10.11*	Form of global employee stock option agreement under 2022 Equity Incentive Plan (4 year vest) (for certain grants made in 2023)
(42)	10.12*	Form of global employee stock option agreement under 2022 Equity Incentive Plan (4 year vest) (for certain grants commencing in 2024)
(24)	10.13*	Form of non-employee director stock option agreement under 2004 Equity Incentive Plan (for grants made in 2014 through 2018)
(17)	10.14*	Form of non-employee director stock option agreement under 2004 Equity Incentive Plan (for grants made in 2019)
(25)	10.15*	Form of non-employee director stock option agreement under 2004 Equity Incentive Plan (for grants made in 2020 and 2021)
(22)	10.16*	Form of non-employee director stock option agreement under 2022 Equity Incentive Plan (for grants made in 2022)
(26)	10.17*	Form of non-employee director stock option agreement under 2022 Equity Incentive Plan (for grants made in 2023)
(43)	10.18*	Form of non-employee director stock option agreement under 2022 Equity Incentive Plan (for grants commencing in 2024)
(19)	10.19*	Form of performance share award agreement - TSR Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2020)
(20)	10.20*	Form of performance share award agreement - TSR Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2021)
(21)	10.21*	Form of performance share award agreement - TSR Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2022)
(23)	10.22*	Form of performance share award agreement - TSR Goals (U.S.) under 2022 Equity Incentive Plan (for grants made in 2023)

(42)	10.23*	Form of performance share award agreement - TSR Goals (U.S.) under 2022 Equity Incentive Plan (for grants commencing in 2024)
(19)	10.24*	Form of performance share award agreement - Revenue Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2020)
(20)	10.25*	Form of performance share award agreement - Revenue Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2021)
(21)	10.26*	Form of performance share award agreement - Revenue Goals (U.S.) under 2004 Equity Incentive Plan (for grants made in 2022)
(23)	10.27*	Form of performance share award agreement - Revenue Goals (U.S.) under 2022 Equity Incentive Plan (for grants made in 2023)
(42)	10.28*	Form of performance share award agreement - Revenue Goals (U.S.) under 2022 Equity Incentive Plan (for grants commencing in 2024)
(17)	10.29*	Form of global employee restricted stock unit issuance agreement under 2004 Equity Incentive Plan (for grants made in 2019)
(18)	10.30*	Form of global employee restricted stock unit issuance agreement under 2004 Equity Incentive Plan (4 year vest) (for grants made in 2019)
(19)	10.31*	Form of global employee restricted stock unit issuance agreement under 2004 Equity Incentive Plan (4 year vest) (for grants made in 2020)
(20)	10.32*	Form of global employee restricted stock unit issuance agreement under 2004 Equity Incentive Plan (4 year vest) (for grants made in 2021)
(21)	10.33*	Form of global employee restricted stock unit issuance agreement under 2004 Equity Incentive Plan (4 year vest) (for certain grants made in 2022)
(22)	10.34*	Form of global employee restricted stock unit agreement under 2022 Equity Incentive Plan (4 year vest) (for certain grants made in 2022)
(23)	10.35*	Form of global employee restricted stock unit agreement under 2022 Equity Incentive Plan (4 year vest) (for grants made in 2023)
(42)	10.36*	Form of global employee restricted stock unit agreement under 2022 Equity Incentive Plan (4 year vest) (for grants commencing in 2024)
(43)	10.37*	Form of non-employee director restricted stock unit agreement under 2022 Equity Incentive Plan (for grants commencing in 2024)
(25)	10.38*	Gilead Sciences, Inc. 2018 Equity Incentive Plan, amended and restated April 7, 2020
(27)	10.39*	Gilead Sciences, Inc. Employee Stock Purchase Plan, amended and restated January 25, 2023
(17)	10.40*	Gilead Sciences, Inc. 2005 Deferred Compensation Plan, amended and restated April 19, 2016
	10.41*,**	Gilead Sciences, Inc. Severance Plan, amended and restated August 1, 2024
(28)	10.42*	Gilead Sciences, Inc. Corporate Annual Incentive Plan, amended and restated August 1, 2023
(29)	10.43*	Offer Letter between Registrant and Daniel O'Day, dated November 30, 2018
(17)	10.44*	Stock option agreement for Daniel O'Day under 2004 Equity Incentive Plan
(17)	10.45*	Form of restricted stock unit issuance agreement for Daniel O'Day (in 2019) under 2004 Equity Incentive Plan
(17)	10.46*	Offer Letter between Registrant and Johanna Mercier, dated May 21, 2019
(19)	10.47*	Global stock option agreement for Johanna Mercier (in 2019) under 2004 Equity Incentive Plan
(19)	10.48*	Restricted stock unit issuance agreement for Johanna Mercier (for Performance Objectives in 2019-2020) under 2004 Equity Incentive Plan
(19)	10.49*	Offer Letter between Registrant and Merdad Parsey, dated September 29, 2019
(19)	10.50*	Global stock option agreement for Merdad Parsey (in 2019) under 2004 Equity Incentive Plan
	10.51*,**	Transition Services and General Release Agreement for Merdad Parsey, dated July 16, 2024
(23)	10.52*	Offer Letter between Registrant and Deborah Telman, dated June 2, 2022
(23)	10.53*	Global stock option agreement for Deborah Telman under 2022 Equity Incentive Plan
(23)	10.54*	Global restricted stock unit issuance agreement for Deborah Telman under 2022 Equity Incentive Plan (3 year vest)
(23)	10.55*	Global restricted stock unit issuance agreement for Deborah Telman under 2022 Equity Incentive Plan (4 year vest)
(30)	10.56*	Form of Indemnity Agreement entered into between Registrant and its directors and executive officers
(30)	10.57*	Form of Employee Proprietary Information and Invention Agreement entered into between Registrant and certain of its officers and key employees
(31)	10.58*	Form of Employee Proprietary Information and Invention Agreement entered into between Registrant and certain of its officers and key employees (revised September 2006)
+(32)	10.59*	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)
+(33)	10.60*	Amendment Agreement between Registrant and IOCB/REGA, dated December 27, 2000, amending the 1991 License Agreement and the December 1992 License Agreement
+(34)	10.61	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

+(35)	10.62	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
+(36)	10.63	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
+(37)	10.64	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
+(37)	10.65	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
++(38)	10.66	Amended and Restated EVG License Agreement by and between Japan Tobacco Inc. and Registrant, dated November 29, 2018
++(38)	10.67	Master Agreement by and between Registrant, Gilead Sciences K.K. and Japan Tobacco Inc., dated November 29, 2018
+(39)	10.68	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
+(40)	10.69	License Agreement by and among Kite Pharma, Inc., Cabaret Biotech Ltd. and Dr. Zelig Eshhar, dated December 12, 2013
++(18)	10.70	Option, License and Collaboration Agreement by and between Galapagos NV and Registrant, dated July 14, 2019
	31.1**	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
	31.2**	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
	32***	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)
(41)	97.1	Gilead Sciences, Inc. Compensation Recovery Policy
	101.INS**	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 February 12, 2024, and incorporated herein by reference.
(2) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on May 9, 2024, and incorporated herein by reference.
(3) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on February 6, 2023, and incorporated herein by reference.
(4) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on April 1, 2011, and incorporated herein by reference.
(5) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on December 13, 2011, and incorporated herein by reference.
(6) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on March 7, 2014, and incorporated herein by reference.
(7) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on November 17, 2014, and incorporated herein by reference.
(8) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on September 14, 2015, and incorporated herein by reference.
(9) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on September 20, 2016, and incorporated herein by reference.
(10) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on September 30, 2020, and incorporated herein by reference.
(11) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on September 14, 2023, and incorporated herein by reference.
(12) 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.
(13) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on May 12, 2017, and incorporated herein by reference.
(14) 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.
(15) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on May 5, 2022, and incorporated herein by reference.
(16) 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.
(17) 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.
(18) 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.
(19) 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.
(20) 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.
(21) 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.
(22) 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.
(23) 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.
(24) 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.
(25) 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.
(26) 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.
(27) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on May 5, 2023, and incorporated herein by reference.
(28) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, and incorporated herein by reference.
(29) Filed as an exhibit to Registrant's Current Report on Form 8-K filed on December 10, 2018, and incorporated herein by reference.
(30) Filed as an exhibit to Registrant's Registration Statement on Form S-1 (No. 33-55680), as amended, 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, 2006, and incorporated herein by reference.
(32) 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.
(33) 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.
(34) 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.
(35) 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.
(36) 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.
(37) 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.

(38) 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.
(39) 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.
(40) 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.
(41) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and incorporated herein by reference.
(42) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, and incorporated herein by reference.
(43) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, 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 portions of this Exhibit were omitted by means of marking such portions with the Mark because the identified portions are (i) private or confidential and (ii) not material.

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: November 12, 2024

/s/ DANIEL P. O'DAY

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

Date: November 12, 2024

/s/ ANDREW D. DICKINSON

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

EXHIBIT 10.41

GILEAD SCIENCES, INC.

SEVERANCE PLAN
AND
SUMMARY PLAN DESCRIPTION

(As Amended and Restated Effective August 1, 2024)

I. INTRODUCTION

The Gilead Sciences, Inc. Severance Plan (the "Plan") was originally adopted by the Company effective January 29, 2003, and was subsequently amended and restated on May 9, 2006, May 8, 2007, in February, May and December 2008, in December 2009, in January 2010, in January 2012, in March 2016, in July 2019, in May 2020, and most recently in August 2024. This Plan and Summary Plan Description as so amended and restated replaces all severance or similar plans or programs of the Company previously in effect. Except as expressly set forth in a written agreement between an Eligible Employee and the Company, the Company currently maintains no severance or similar plan, program, policy or arrangement other than this Plan.

The purpose of the Plan is to provide a Severance Pay Benefit to certain Eligible Employees whose employment with the Company terminates under certain prescribed circumstances. Eligible Employees who previously participated in the Gilead Sciences International Severance Plan are eligible to participate in the Plan, as well as other Eligible Employees who are not remunerated through payroll in the United States. The program of benefits for Eligible Employees who previously participated in the Gilead Sciences International Severance Plan and/or who are otherwise not remunerated through payroll in the United States shall be referred to herein as the "International Program."

The Company is the Plan Administrator for purposes of ERISA (other than with respect to the International Program). For the avoidance of doubt, the International Program is not subject to ERISA. For Participants who are U.S. taxpayers, the Plan is intended to comply with the requirements of Section 409A of the Code.

Capitalized terms used in this Plan shall have the meanings set forth in Section XVIII.

II. COMMENCEMENT OF PARTICIPATION

An Eligible Employee shall commence participation in the Plan upon the later of (i) January 29, 2003 or (ii) his or her date of hire.

III. TERMINATION OF PARTICIPATION

A Participant's participation in the Plan shall terminate upon the occurrence of the earliest of the following:

(a) The Participant's employment terminates without meeting the requirements of Section IV(a)(i)(1).

(b) The Participant's employment terminates with a provision of Section IV(a)(ii) being applicable.

(c) The Participant fails to meet the requirements of Section IV(a)(i)(2).

(d) The Participant has received a complete distribution of his or her Severance Pay Benefit.

(e) The Participant ceases to be an Eligible Employee (other than by reason of termination of his or her employment with the Company).

(f) The Plan terminates.

IV. SEVERANCE PAY BENEFIT

(a) Eligibility for Severance Pay Benefit.

(i) Subject to Section IV(a)(ii), a Participant shall be eligible for a Severance Pay Benefit only if the Participant meets the requirements of Section IV(a)(i)(1) and Section IV(a)(i)(2).

(1) The Participant incurs a Separation from Service as a result of: (A) a termination of his or her Employee status by the Company without Cause; (B) a resignation of his or her Employee status as a result of a transfer, without consent, to a new work location that is more than 50 miles from his or her previous work location; or (C) in the case of a Participant whose Severance Pay Benefit is determined with reference to Appendix A, B, C or D, a Constructive Termination (as defined in Section 2(m) of the 2022 Equity Incentive Plan) in conjunction with a Change in Control and within the Change in Control Period specified in Appendix A, B, C or D, as applicable.

(2) The Participant (A) executes and delivers to the Company the Release within the time frame prescribed by the Company therein, and the period (if any such period is prescribed by the Company in the Release) for revoking the execution of the Release under applicable law expires without the Participant's revocation of such Release, and (B) fulfills any required prerequisites for the Release to be enforceable (such as, by way of example, obtaining any governmental or third-party ratification or approval of such Release). A Participant's failure to comply on a timely basis with such Release requirement shall render such individual ineligible to receive any Separation Pay Benefit under the Plan.

The business decisions that may result in a Participant qualifying for a Severance Pay Benefit are decisions to be made by the Company in its sole discretion. In making these decisions, similarly situated organizations, locations, functions, classifications, and/or Participants need not be treated in the same manner. Each Participant who is remunerated through payroll in the United States remains an

employee at will, and the date selected by the Company to terminate the Participant's Employee status is within its sole discretion.

(ii) Notwithstanding Section IV(a)(i), a Participant shall be disqualified from receiving a Severance Pay Benefit upon the occurrence of any of the following:

(1) The Participant voluntarily terminates Employee status for any reason prior to the termination date set by the Company;

(2) The Participant's Employee status is terminated by death or for Cause;

(3) The Participant terminates Employee status in order to accept employment with an organization that is wholly or partly owned (directly or indirectly) by the Company or an Affiliate;

(4) The Participant accepts any job with a Buyer or Outsourcing Supplier;

(5) The Participant is offered full-time employment with a Buyer or Outsourcing Supplier at a new work location 50 miles or less from his or her previous work location with the Company and taking such position would not result in a reduction in his or her Regular Earnings; or

(6) Except in the case of a Severance Pay Benefit payable in connection with a Change in Control, the Participant received a severance benefit in connection with an acquisition effected by the Company within 24 months prior to his or her Separation from Service.

Under no circumstances shall a Participant be eligible for a Severance Pay Benefit under the Plan if he or she terminates Employee status for the purpose of accepting employment with the entity that effectuates a Change in Control, or any of its subsidiaries or affiliates. In addition, except as expressly provided otherwise in Section IV(a)(i)(1), for the avoidance of doubt, no Participant shall be eligible for a Severance Pay Benefit under the Plan if he or she terminates his or her own Employee status, including for good reason or as a result of any alleged or actual constructive termination.

(b) Amount of Severance Pay Benefit.

(i) Subject to Section IV(b)(ii), the Severance Pay Benefit payable to a Participant shall be as set forth in the applicable Appendix for that Participant based on his or her position:

Appendix A - The Executive Chairman (if any) and the Chief Executive Officer.

Appendix B - Executive Vice Presidents and any other executive officers of the Company not covered by Appendix A.

Appendix C - Senior Vice Presidents.

Appendix D - Vice Presidents.

Appendix E - All Eligible Employees not covered by Appendix A, B, C, or D.

(ii) Notwithstanding Section IV(b)(i), the total Severance Pay Benefit otherwise payable to a Participant under the Plan shall be subject to reduction (but not below zero) as follows:

(1) If a Participant is reemployed by the Company or an Affiliate within the number of weeks after his or her Separation from Service that is equal to the number of weeks taken into consideration in calculating the Regular Earnings component of his or her Severance Pay Benefit, the total Severance Pay Benefit payable to such Participant shall be reduced to the dollar amount that the Participant's Regular Earnings would have been for the period from the date of termination to the date of reemployment. In all cases, the reduced benefit will be based on the Participant's Regular Earnings originally used to calculate such Participant's Severance Pay Benefit under the Plan. A Participant will be considered "reemployed" under the Plan for purposes of the foregoing repayment provision if he or she is rehired as an Employee or if he or she is retained at a Company facility as or through a contractor as a full-time equivalent for more than 45 workdays.

(2) If a Participant is employed by a Buyer or Outsourcing Vendor within the number of weeks after his or her Separation from Service that is equal to the number of weeks taken into consideration in calculating the Regular Earnings component of his or her Severance Pay Benefit, the total Severance Pay Benefit payable to such Participant shall be reduced to the dollar amount that the Participant's Regular Earnings would have been for the period from the date of termination to the date of employment with the Buyer or Outsourcing Vendor. This Section IV(b)(ii)(2) may be waived in writing by the Company in its sole discretion.

(3) The Severance Pay Benefit shall be reduced (A) for Participants in the International Program, by the dollar amount of any payments made during the period following notice of termination (including for any period of garden leave), any payments in lieu of such notice, and termination indemnities, and (B) for all Participants, by the dollar amount of any severance pay or other similar benefits payable under any other individual agreement, plan or policy of the Company or an Affiliate or otherwise required under applicable law or collective or labor agreement (other than unemployment compensation under applicable law), including, but not limited to, any benefit enhancement program adopted as part of a pension plan and any amounts payable pursuant to the Worker Adjustment and Retraining Notification Act ("WARN") or any other similar federal, state or local statute, but for any Participant who is a U.S. taxpayer, only to the extent the time and form of such alternative payments do not otherwise

result in an impermissible acceleration or deferral under Code Section 409A of the Severance Pay Benefit payable under this Plan.

(4) The Severance Pay Benefit shall be reduced by the amount of any indebtedness owed to the Company, but for any Participant who is a U.S. taxpayer, only to the extent such offset would not otherwise contravene any applicable limitations of Code Section 409A.

(iii) Withholding.

The Company (or other applicable member of the Employer Group) shall withhold from any Severance Pay Benefit all national, federal, state and local income or other taxes, national insurance contributions or similar amounts required to be withheld therefrom and any other required payroll deductions.

(c) Repayment of the Severance Pay Benefit.

If the Participant has received payment under the Plan in excess of the Severance Pay Benefit, as reduced in accordance with Section IV(b)(ii), the Participant (i) shall promptly return any excess to the Company upon request (to the fullest extent permitted by applicable law), and (ii) must agree as a condition of any reemployment that such excess will be repaid to the Company within 60 days after the date his or her reemployment commences.

(d) Clawback/Recoupment of the Severance Pay Benefit.

The Severance Pay Benefit shall be subject to any recoupment policy that the Company may adopt from time to time, to the extent any such policy is applicable to the Participant, including, but not limited to, the Company's Compensation Recovery Policy, designed to comply with the requirements of Rule 10D-1 promulgated under the Exchange Act and the Company's Compensation Reconciliation and Recoupment Policy, as well as any recoupment provisions required under applicable law. Additionally, if at any time following the Participant's Separation from Service the Company determines (and provides written notice thereof to the Participant) that the Company would otherwise have been entitled to terminate the Participant's Employee status for Cause, whether or not the Company was aware of such circumstances at the time of the Participant's Separation from Service, the Company shall be entitled to recover from the Participant all or any portion of the gross amount of any Severance Pay Benefit paid to the Participant.

V. TIME AND FORM OF SEVERANCE PAY BENEFIT

(a) The Severance Pay Benefit (other than the Lump Sum Health Care Payment, the CIC Pro Rata Bonus and the Pro Rata Bonus, in each case if applicable) for each Participant whose Severance Pay Benefit is determined pursuant to Appendix A or B, shall be paid in equal periodic installments over the total number of weeks taken into account in calculating the Regular Earnings component of the Severance Pay Benefit to which such Participant is entitled. Except as set forth below, such installments shall be payable over

the applicable period on the regularly scheduled pay dates in effect for the Company's salaried employees, beginning with the first such pay date within the 60-day period measured from the date of his or her Separation from Service on which the Release delivered by the Participant in accordance with Section IV(a)(i)(2) is effective following the expiration of any applicable review and revocation periods and the fulfillment of any required perquisites for the Release to be enforceable, but in no event shall the first such installment be paid later than the last day of such 60-day period, provided (i) such Release has been delivered to the Company within the required time period following the Participant's Separation from Service, as set forth in Section IV, (ii) such Release has not been revoked and any requirements for such Release to be enforceable have been fulfilled, and (iii) should such 60-day period measured from the date of the Participant's Separation from Service extend over two calendar years, then the first such installment of the Severance Pay Benefit shall be paid during the portion of that 60-day period that occurs in the second calendar year.

The Company shall pay the Lump Sum Health Care Payment to the Participant on the first regularly scheduled pay date for the Participant's former job and location that occurs within the 60-day period measured from the date of his or her Separation from Service on which the Release delivered by the Participant in accordance with Section IV(a)(i)(2) of the Plan is effective following the expiration of any applicable review and revocation periods and the fulfillment of any required prerequisites for the Release to be enforceable, but in no event shall such payment be made later than the last day of such 60-day period, provided (i) such Release has been delivered to the Company within the required time period following the Participant's Separation from Service, as set forth in Section IV, (ii) such Release has not been revoked and any requirements for such Release to be enforceable have been fulfilled and (iii) should such 60-day period measured from the date of the Participant's Separation from Service extend over two calendar years, then the Lump Sum Health Care Payment shall be made during the portion of that 60-day period that occurs in the second calendar year. It shall be the sole responsibility of the Participant and his or her spouse and eligible dependents to obtain actual COBRA coverage under the Company's group health care plan.

The Company shall pay the CIC Pro Rata Bonus to the Participant as soon as administratively practicable after the Separation from Service and in all events within 30 days thereafter. The Pro Rata Bonus shall be payable at the time set forth in the applicable Appendix.

(b) For purposes of Section 409A of the Code (if applicable), the Severance Pay Benefit shall be deemed to be a series of separate payments, with each installment of the Severance Pay Benefit to be treated as a separate payment.

(c) The Severance Pay Benefit for each Participant whose Severance Pay Benefit is determined pursuant to Appendix C, D or E shall be paid in a lump sum on the first regularly scheduled pay date for the Participant's former job and location that occurs within the 60-day period measured from the date of his or her Separation from Service on which the Release delivered by the Participant in accordance with Section IV(a)(i)(2) is effective following the expiration of any applicable review and revocation periods and

the fulfillment of any required perquisites for the Release to be enforceable, but in no event shall such lump sum payment be made later than the last day of such 60-day period, provided (i) such Release has been delivered to the Company within the required time period following the Participant's Separation from Service, as set forth in Section IV, (ii) such Release has not been revoked and any requirements for such Release to be enforceable have been fulfilled, and (iii) should such 60-day period measured from the date of the Participant's Separation from Service extend over two calendar years, then such lump sum payment shall be made during the portion of that 60-day period that occurs in the second calendar year.

(d) Notwithstanding any provision to the contrary in this Section V or any other Section of the Plan, other than Section V(e) and (f) below, no Severance Pay Benefit (or component thereof) that is deemed to constitute "nonqualified deferred compensation" within the meaning of and subject to Section 409A of the Code shall be paid with respect to a Participant who is a U.S. taxpayer until the earlier of (i) the first day of the seventh month following the date of such Participant's Separation from Service or (ii) the date of his or her death, if the Participant is deemed at the time of such Separation from Service to be a Specified Employee ***and*** such delayed commencement is otherwise required in order to avoid a prohibited distribution under Code Section 409A(a)(2). Upon the expiration of the applicable deferral period, all payments deferred pursuant to this Section V(d), whether they were otherwise payable in installments or a lump sum, shall be paid in a lump sum to the Participant, and any remaining Severance Pay Benefit shall be paid in accordance with the schedule described in Section V(a) above or in a lump sum to the extent such Severance Pay Benefit is to be paid pursuant to Section V(c) above.

(e) Notwithstanding Section V(d), should a Participant who is a U.S. taxpayer and a Specified Employee at the time of his or her Separation from Service become entitled to a Severance Pay Benefit prior to the occurrence of a Change in Control, then the portion of that Severance Pay Benefit that does not exceed the dollar limit described below and is otherwise scheduled to be paid no later than the last day of the second calendar year following the calendar year in which his or her Separation from Service occurs will not be subject to any deferred commencement date under Section V(d) and shall be paid to such Participant as it becomes due under Section V(a), to the extent that such portion qualifies as an involuntary separation pay plan in accordance with the requirements set forth in Section 1.409A-1(b)(9)(iii) of the Treasury Regulations. For purposes of this Section V(e), the applicable dollar limitation will be equal to two times the lesser of (i) the Participant's annualized compensation (based on his or her annual rate of pay for the taxable year preceding the taxable year of his or her Separation from Service, adjusted to reflect any increase during that taxable year which was expected to continue indefinitely had such Separation from Service not occurred) or (ii) the compensation limit under Section 401(a)(17) of the Code as in effect in the year of the Separation from Service. To the extent the portion of the Severance Pay Benefit to which such Participant would otherwise be entitled under Section V(a) during the deferral period under Section V(d) exceeds the foregoing dollar limitation, such excess shall be paid in a lump sum upon the expiration of that deferral period, in accordance with the payment delay provisions of Section V(d), and the remainder of the Severance Pay Benefit (if any) shall be paid in

accordance with the schedule described in Section V(a). In no event, however, shall this Section V(e) be applicable to any Severance Pay Benefit (or any portion thereof) which does not qualify as an involuntary separation pay plan under Section 1.409A-(b)(9)(iii) of the Treasury Regulations.

(f) Notwithstanding any other provision of the Plan to the contrary, no distribution shall be made from the Plan to any U.S. taxpayers that would constitute an impermissible acceleration of payment as defined in Section 409A(a)(3) of the Code and the Treasury Regulations thereunder.

(g) No interest shall be paid on a Severance Pay Benefit required to be deferred in accordance with the foregoing.

VI. DEATH OF A PARTICIPANT

If a Participant dies after qualifying for a Severance Pay Benefit but before such benefit is completely paid, the balance of the Severance Pay Benefit shall be paid in a lump sum to the Participant's Beneficiary not later than the later of (i) December 31 of the year in which the Participant's death occurred or (ii) the 15th day of the third calendar month following the date of the Participant's death.

VII. AMENDMENT AND TERMINATION

(a) General Rule.

Although the Company expects to continue the Plan indefinitely, inasmuch as future conditions cannot be foreseen, (subject to Sections VII(b) and (c)) the Company reserves the right to amend or terminate the Plan at any time by action of its Board of Directors or by action of a committee or individual(s) acting pursuant to a valid delegation of authority of the Board of Directors. However, no amendment or termination shall adversely affect the right of a Participant who incurs a Separation from Service prior to the date of such amendment or termination to:

(i) receive the unpaid balance of any Severance Pay Benefit that has become payable in accordance with the foregoing provisions of the Plan, with such balance to be paid in accordance with the provisions of the Plan in effect immediately prior to such amendment or termination; or

(ii) qualify for a Severance Pay Benefit upon the timely execution and delivery of the requisite Release after the date of such amendment or termination.

(b) Restrictions on Amendments.

Notwithstanding Section VII(a) of the Plan, and except to the extent required to comply with applicable law, no termination of the Plan and no amendment described below shall be effective if adopted within six months before or at any time after the public announcement of an event or proposed transaction which would constitute a Change in Control (as such term is defined prior to such amendment); provided, however, that such an amendment or termination of the Plan may be effected, even if adopted after such a

public announcement, if (i) the amendment or termination is adopted after any plans have been abandoned to cause the event or effect the transaction which, if effected, would have constituted the Change in Control, and the event which would have constituted the Change in Control has not occurred, and (ii) within a period of six months after such adoption, no other event constituting a Change in Control has occurred, and no public announcement of a proposed transaction which would constitute a Change in Control has been made, unless thereafter any plans to effect the Change in Control have been abandoned and the event which would have constituted the Change in Control has not occurred.

The amendments prohibited by this Section VII(b) include any amendment which is executed (or would otherwise become effective) at the request of a third party who effectuates a Change in Control or any amendment which, if adopted and given effect would:

(i) For any individual who is an Eligible Employee as of the Change in Control, deprive such individual of coverage under the Plan as in effect at the time of such amendment;

(ii) Limit eligibility for or reduce the amount of any Severance Pay Benefit; or

(iii) Amend Section VII, IX, or the definitions of the terms "Change in Control" or "Successors and Assigns" in Section XVIII of the Plan.

No person shall take any action that would directly or indirectly have the same effect as any of the prohibited amendments or termination described in this Section VII(b).

(c) No Change in Payment Schedule.

Under no circumstances shall any amendment or termination of the Plan affect or modify the payment schedule in effect for a Severance Pay Benefit of a Participant who is a U.S. taxpayer in a manner which would otherwise result in an impermissible acceleration or deferral of that payment schedule under Code Section 409A.

(d) Amendments to Comply with Section 409A of the Code.

Notwithstanding any provision of Section VII to the contrary, the Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Plan as may be necessary to ensure the Severance Pay Benefits provided under this Plan are made in a manner that qualifies for exemption from, or otherwise complies with, Section 409A of the Code; provided, however, that the Company makes no representation that the Severance Pay Benefit provided under this Plan will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the Severance Pay Benefits provided under this Plan or to indemnify any participant from any taxes or penalties imposed under Section 409A.

To the extent there is any ambiguity as to whether any provision of this Plan would otherwise contravene one or more requirements or limitations of Code Section 409A applicable to the Plan, such provision shall be interpreted and applied in a manner that

does not result in a violation of the applicable requirements or limitations of Code Section 409A and the Treasury Regulations thereunder.

VIII. NON-ALIENATION OF BENEFITS

To the full extent permitted by law and except as expressly provided in the Plan, no Severance Pay Benefit shall be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so shall be void.

IX. SUCCESSORS AND ASSIGNS

The Plan shall be binding upon the Company, its Successors and Assigns. Notwithstanding that the Plan may be binding upon such Successors and Assigns by operation of law, the Company shall require any Successor or Assign to expressly assume and agree to be bound by the Plan in the same manner and to the same extent that the Company would be if no succession or assignment had taken place.

X. LEGAL CONSTRUCTION

All provisions of this Plan other than the International Program are governed by and shall be construed in accordance with the Code and ERISA and, to the extent not preempted by ERISA, with the laws of the State of California. The International Program is governed by and shall be construed in accordance with the applicable jurisdiction in which the Eligible Employee's remuneration is processed through payroll.

XI. ADMINISTRATION AND OPERATION OF THE PLAN

For the avoidance of doubt, this Article XI of the Plan shall not apply to the International Program.

(a) Plan Sponsor and Plan Administrator.

The Company is the "Plan Sponsor" and the "Plan Administrator" of the Plan as such terms are used in ERISA.

(b) Administrative Power and Responsibility.

The Company in its capacity as Plan Administrator of the Plan is the named fiduciary that has the authority to control and manage the operation and administration of the Plan. The Company shall make such rules, regulations, interpretations, and computations and shall take such other action to administer the Plan as it may deem appropriate. The Company shall have the sole discretion to interpret the provisions of the Plan and to determine eligibility for benefits pursuant to the objective criteria set forth in the Plan. In administering the Plan, the Company shall at all times discharge its duties with respect to the Plan in accordance with the standards set forth in section 404(a)(l) of ERISA. The Company may engage the services of such persons or organizations to render advice or perform services with respect to its responsibilities under the Plan as it shall determine to be necessary or appropriate. Such persons or organizations may include (without limitation) actuaries, attorneys, accountants and consultants.

(c) Review Panel.

Upon receipt of a request for review, the Company shall appoint a Review Panel that shall consist of three or more individuals. The Review Panel shall be the named fiduciary that shall have authority to act with respect to appeals from any denial of benefits under the Plan.

(d) Service in More Than One Fiduciary Capacity.

Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan.

(e) Performance of Responsibilities.

The responsibilities of the Company under the Plan shall be carried out on its behalf by its officers, employees, and agents. The Company may delegate any of its fiduciary responsibilities under the Plan to another person or persons pursuant to a written instrument that specifies the fiduciary responsibilities so delegated to each such person.

(f) Employee Communications and Other Plan Activities.

In communications with its employees and in any other activities relating to the Plan, the Company shall comply with the rules, regulations, interpretations, computations, and instructions that were issued to administer the Plan. With respect to matters relating to the Plan, directors, officers, and employees of the Company shall act on behalf or in the name of the Company in their capacity as directors, officers, and employees and not as individual fiduciaries.

XII. CLAIMS, INQUIRIES AND APPEALS

For the avoidance of doubt, this Article XII of the Plan shall not apply to the International Program.

(a) Claims for Benefits and Inquiries.

All claims for benefits and all inquiries concerning the Plan or present or future rights to benefits under the Plan, shall be submitted to the Plan Administrator in writing and addressed as follows: “Gilead Sciences, Inc., Plan Administrator under the Gilead Sciences, Inc. Severance Plan, 333 Lakeside Drive, Foster City, CA 94404” or such other location as communicated to the Participant. A claim for benefits shall be signed by the Participant, or if a Participant is deceased, by such Participant’s spouse or registered domestic partner, designated beneficiary or estate, as the case may be.

(b) Denials of Claims.

In the event that any claim for benefits is denied, in whole or in part, the Plan Administrator shall notify the claimant in writing of such denial and of the right to a review thereof. Such written notice shall set forth in a manner calculated to be understood by the claimant, specific reasons for such denial, specific references to the Plan provision

on which such denial is based, a description of any information or material necessary to perfect the claim, an explanation of why such material is necessary, an explanation of the Plan's review procedure which includes information on how to appeal the denial and a statement regarding the claimant's right to bring a civil action under ERISA section 502(a) following an adverse benefit determination on review. Such written notice shall be given to the claimant within 90 days after the Plan Administrator receives the claim, unless special circumstances require an extension of time of up to an additional 90 days for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period. This notice of extension shall indicate the special circumstances requiring the extension of time and the date by which the Plan Administrator expects to render its decision on the claim for benefits. The claimant shall be permitted to appeal such denial in accordance with the Review Procedure set forth below.

(c) Review Panel.

The Plan Administrator shall appoint a "Review Panel," consisting of three or more individuals who may (but need not) be employees of the Company. The Review Panel shall be the named fiduciary that has the authority to act with respect to any appeal from a denial of benefits.

(d) Requests for a Review.

Any person whose claim for benefits is denied in whole or in part, or such person's duly authorized representative, may appeal from such denial by submitting a request for a review of the claim to the Review Panel within 60 days after receiving written notice of such denial from the Plan Administrator. A request for review shall be in writing and shall be addressed as follows: "Review Panel under the Gilead Sciences, Inc. Severance Plan, 333 Lakeside Drive, Foster City, CA 94404" or such other location as communicated to the Participant. A request for review shall set forth all of the grounds on which it is based, all facts in support of the request and any other matters that the claimant deems pertinent. As part of the review procedure, the claimant or the claimant's duly authorized representative may submit written comments, documents, records and other information related to the claim. The Review Panel will consider all comments, documents, records and other information submitted by the claimant or the claimant's duly authorized representative relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The claimant will be provided, upon request and free of charge, reasonable access to and copies of all documents, records or other information (all of which must not be privileged) relevant to the benefit claim. The Review Panel may require the claimant to submit such additional facts, documents or other material as it may deem necessary or appropriate in making its review.

(e) Decision on Review.

The Review Panel shall act on each request for review and notify the claimant within 60 days after receipt thereof unless special circumstances require an extension of time, up to an additional 60 days, for processing the request. If such an extension for review is

required, written notice of the extension shall be furnished to the claimant within the initial 60-day period. The Review Panel shall give prompt, written notice of its decision to the claimant and to the Plan Administrator. In the event that the Review Panel confirms the denial of the claim for benefits, in whole or in part, such notice shall set forth, in a manner calculated to be understood by the claimant, the specific reasons for such denial, specific references to the Plan provisions on which the decision is based, a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to the benefit claim, a statement describing any voluntary appeal procedures offered by the Plan and the claimant's right to obtain information about such procedures, and a statement informing the claimant of his or her right to bring a civil action under ERISA section 502(a). Any decision on appeal shall be final, conclusive, and binding on all parties. It is the intent that the standard of review to be applied to any challenge by a claimant to a denial of benefits on final appeal under these procedures shall be an arbitrary and capricious standard and not a de novo review.

(f) Rules and Procedures.

The Review Panel shall establish such rules and procedures, consistent with the Plan and with ERISA, as it may deem necessary or appropriate in carrying out its responsibilities under this Section XII. The Review Panel may require a claimant who wishes to submit additional information in connection with an appeal from the denial of benefits to do so at the claimant's own expense.

(g) Exhaustion of Remedies.

No legal action for benefits under the Plan shall be brought unless and until the claimant:

(i) has submitted a written claim for benefits in accordance with Section XII(a);

(ii) has been notified by the Plan Administrator that the claim is denied;

(iii) has filed a written request for a review of the claim in accordance with Section XII(d); and

(iv) has been notified in writing that the Review Panel has affirmed the denial of the claim.

A claimant must initiate any such legal action for benefits within 12 months following the date of a final denial of a claim under the Plan. Any legal action brought after such 12-month period will be time barred and cannot be brought in any forum. Any legal action in connection with the Plan may only be brought in the United States District Court for the Northern District of California.

XIII. BASIS OF PAYMENTS TO AND FROM PLAN

All Severance Pay Benefits under the Plan shall be paid by the Company. The Plan shall be unfunded and benefits hereunder shall be paid only from the general assets of the Company.

XIV. OTHER PLAN INFORMATION

For the avoidance of doubt, this Article XIV of the Plan shall not apply to the International Program.

(a) Plan Identification Numbers.

The Employer Identification Number (EIN) assigned to the Plan Sponsor (Gilead Sciences, Inc.) by the Internal Revenue Service is 94-3047598. The Plan Number assigned to the Plan by the Plan Sponsor pursuant to instructions of the Internal Revenue Service is 508.

(b) Ending Date of the Plan's Fiscal Year.

The date of the end of the year for the purpose of maintaining the Plan's fiscal records is December 31.

(c) Agent for the Service of Legal Process.

The agent for the service of legal process with respect to the Plan is the Secretary of Gilead Sciences, Inc., 333 Lakeside Drive, Foster City, CA 94404. The service of legal process may also be made on the Plan by serving the Plan Administrator.

(d) Plan Sponsor and Administrator.

The "Plan Sponsor" and the "Plan Administrator" of the Plan is Gilead Sciences, Inc., 333 Lakeside Drive, Foster City, CA 94404; 650-522-5800 or such other location as communicated to the Participant. The Plan Administrator is the named fiduciary charged with responsibility for administering the Plan.

XV. STATEMENT OF ERISA RIGHTS

As a participant in this Plan (which is a welfare plan sponsored by the Company), you are entitled to the following rights and protection under ERISA. For the avoidance of doubt, this Article XV of the Plan shall not apply to the International Program.

(a) Examine, without charge, at the Plan Administrator's office and at other specified locations such as work sites, all Plan documents, collective bargaining agreements and copies of all documents filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure of the Employee Benefits Security Administration.

(b) Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.

(c) In addition to creating rights for Plan Participants, ERISA imposes duties upon the people responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and Beneficiaries.

(d) No one, including your employer, your union, nor any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Plan benefit or exercising your rights under ERISA. If your claim for a Plan benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the claim reviewed and reconsidered.

(e) Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that the Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

(f) If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

XVI. AVAILABILITY OF PLAN DOCUMENTS FOR EXAMINATION

For the avoidance of doubt, this Article XVI of the Plan shall not apply to the International Program. ERISA requires Gilead Sciences, Inc., as the Plan Administrator of a benefit plan sponsored by the Company, to make available for your examination the Plan documents under which the Plan is established and operated.

The pertinent Plan documents include official Plan texts and any other documents under which the Plan is established or operated, and applicable collective bargaining agreements.

These Plan documents are available for your examination at the Plan Administrator's office, 333 Lakeside Drive, Foster City, CA 94404, and at certain other locations such as the Company's Human Resources offices.

XVII. INTERNATIONAL PROGRAM; SUB-PLANS

The Plan Administrator hereby delegates to the Company's Executive Vice President, Human Resources, the authority to establish additional terms, conditions, rules, procedures or sub-plans as necessary or advisable to accommodate the customs, rules or laws of applicable non-U.S. jurisdictions and to afford Participants under the International Program favorable treatment under such rules or laws.

XVIII. DEFINITIONS

(a) "2022 Equity Incentive Plan" means the Gilead Sciences, Inc. 2022 Equity Incentive Plan, as it may be amended from time to time or any successor to such plan, in which case references to a specific section of the 2022 Equity Incentive Plan shall be deemed to refer to commensurate provisions of such successor plan.

(b) "Affiliate" means a member of the Affiliated Group other than Gilead Sciences, Inc. and any Subsidiary.

(c) "Affiliated Group" means the Company and each member of the group of commonly controlled corporations or other businesses that include the Company, as determined in accordance with Section 414(b) and (c) of the Code and the Treasury Regulations issued thereunder.

(d) "Beneficiary" means the person or persons so designated by a Participant. A Participant may change or revoke a designation of a Beneficiary at any time. To be effective, any designation of a Beneficiary, or any change or revocation thereof, must be made in writing on the prescribed form and must be received by the Company (in a form acceptable to the Company) before the Participant's death. If a Participant fails to make a valid designation of a Beneficiary, or if the validly designated Beneficiary is not living when a payment is to be made to such Beneficiary hereunder, the Participant's Beneficiary shall be the Participant's spouse or registered domestic partner if then living or, if none or not then living, the Participant's estate.

(e) "Buyer" means an entity that purchases (or has purchased) some or all of the Affiliated Group's interest applicable to the operation in which the Participant is employed, or an entity that is a direct or indirect successor in ownership or management of the operation in which the Participant is employed. Notwithstanding the above, Buyer shall not include any entity that effectuates a Change in Control.

(f) "Cause" (i) has the meaning ascribed to such term in a written agreement between the Participant and the Company or an Affiliate; or (ii) if no such agreement exists or such term is not defined in such agreement, means, as determined in the sole discretion of the Company, the Participant's (1) performance of any act, or failure to perform any act, in bad faith and to the detriment of the Company or an Affiliate; (2) dishonesty, fraud, misconduct, material violation of any applicable Company or Affiliate policy, or material breach of any agreement with the Company or an Affiliate; (3) conviction or plea of nolo contendere to a crime involving dishonesty, breach of trust, or physical or emotional

harm to any person; or (4) poor performance, nonperformance, or neglect of the Participant's duties to the Company or an Affiliate or insubordination.

(g) "Change in Control" means an event which constitutes a change in control of the Company as defined in Section 2(h) of the Gilead Sciences, Inc. 2022 Equity Incentive Plan, as it may be amended from time to time or any successor to such provision.

(h) "Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

(i) "Company" means Gilead Sciences, Inc. Where the context requires, "Company" also includes its Subsidiaries, and any of their Successors and Assigns.

(j) "Continuous Service" means the sum of the following:

(i) Any period of time during which a person qualifies as an Eligible Employee or, having once so qualified, is on a leave of absence with pay, is on a leave of absence without pay that must be recognized as Continuous Service under applicable laws, is on a paid vacation or holiday or is receiving benefits under the Company's short-term disability plan; or

(ii) Any other period that constitutes Continuous Service under written rules or procedures adopted from time to time by the Company, subject to such terms and conditions as the Company may establish; and

(iii) any period of time while employed by the Company's Successor or Assigns that that would have constituted Continuous Service if the service had been with the Company prior to the occurrence of a Change in Control.

If an Eligible Employee's Continuous Service is interrupted and the Eligible Employee subsequently returns to a status that constitutes Continuous Service, such prior Continuous Service shall be disregarded for all purposes of the Plan. However, should an Eligible Employee terminate employment under circumstances that do not result in his or her receipt of a Severance Pay Benefit under the Plan and such individual be reemployed by the Company (or any entity that is at the time a Subsidiary of the Company) within one year following his or her termination of Continuous Service without the receipt of a Severance Pay Benefit hereunder, then his or her Continuous Service prior to such termination, the time period between the date of such termination and the date of such subsequent reemployment and the period of Continuous Service following such reemployment will be considered Continuous Service. An Eligible Employee whose termination of employment and concurrent cessation of Continuous Service results in his or her receipt of a Severance Pay Benefit under the Plan shall not, upon his or her subsequent re-employment by the Company (or any entity that is at the time a Subsidiary of the Company), be entitled to any Continuous Service credit for any prior period of employment or service with the Company or any Subsidiary or for the bridge period between the period of such prior service and the date of his or her re-employment.

(k) "Determination Date" means each December 31.

(l) "Eligible Employee" means, except under the International Program, any common law employee on the U.S. dollar payroll of the Company or any Subsidiary who (i) is not on the payroll of a person other than the Company or such Subsidiary and is for any reason deemed by the Company or any Subsidiary to be a common law employee of the Company or such Subsidiary; (ii) is not considered by the Company or any Subsidiary in its sole discretion to be an independent contractor, regardless of whether the individual is in fact a common law employee of the Company or such Subsidiary; and (iii) who at the time of his or her Separation from Service with the Company or such Subsidiary is not on a Leave of Absence Without Pay. Under the International Program, "Eligible Employee" means any employee of the Company or any Subsidiary who is remunerated through a non-U.S. dollar payroll of a jurisdiction designated by the Company's Executive Vice President, Human Resources to participate in the Plan, and who (1) is not on the payroll of a person other than the Company or such Subsidiary and is for any reason deemed by the Company or any Subsidiary to be an employee of the Company or such Subsidiary; (2) is not considered by the Company or any Subsidiary in its sole discretion to be an independent contractor, regardless of whether the individual is in fact an employee of the Company or such Subsidiary; and (3) who at the time of his or her Separation from Service with the Company or such Subsidiary is not on a Leave of Absence Without Pay. An individual's status as an Eligible Employee shall be determined by the Company in its sole discretion, and such determination shall be conclusively binding on all persons. Notwithstanding the foregoing, "Eligible Employee" does not include an employee or former employee of an entity the stock or assets of which are acquired by the Company or any Subsidiary, unless and until the Company's management determines that the Plan shall be applicable to such employees or former employees.

(m) "Employer Group" means the Company and each other member of the group of commonly controlled corporations or other businesses that include the Company, as determined in accordance with Sections 414(b) and (c) of the Code and the Treasury Regulations thereunder, except that in applying Sections 1563(1), (2) and (3) of the Code for purposes of determining the controlled group of corporations under Section 414(b), the phrase "at least 50 percent" shall be used instead of "at least 80 percent" each place the latter phrase appears in such sections, and in applying Section 1.414(c)-2 of the Treasury Regulations for purposes of determining trades or businesses that are under common control for purposes of Section 414(c), the phrase "at least 50 percent" shall be used instead of "at least 80 percent" each place the latter phrase appears in Section 1.414(c)-2 of the Treasury Regulations.

(n) "Employee" means an individual for so long as he or she is in the employ of at least one member of the Employer Group, subject to the control and direction of the applicable member of the Employer Group as to both the work to be performed and the manner and method of performance.

(o) "ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended from time-to-time, and the regulations promulgated thereunder.

(p) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended from time-to-time, and the regulations promulgated thereunder.

(q) "Leave of Absence Without Pay" means a leave of absence without pay under the Company's leave of absence policy or applicable law, except for those leaves of absence without pay that must be recognized as Continuous Service under applicable laws.

(r) "Outsourcing Supplier" means an entity to whom the Company outsources a function performed by Eligible Employees where the Company agrees with such entity in the outsourcing agreement that it will offer jobs to current Eligible Employees performing that function for the Company.

(s) "Participant" means any Eligible Employee who has commenced participation in the Plan pursuant to Section II and whose participation has not terminated pursuant to Section III.

(t) "Plan" means this Gilead Sciences, Inc. Severance Plan, as amended from time to time.

(u) "Plan Administrator" means the Company.

(v) "Regular Earnings" means straight-time wages or salary paid to a Participant by any entity within the Employer Group for working a regular work schedule or for a leave of absence with pay, and shall, as applicable, include any amount that is contributed to any employee benefit plan on behalf of the Participant by any entity within the Employer Group under a salary reduction agreement entered into pursuant to such plan and that is excluded from the Participant's gross income under section 125, 132(f), or 402(g) of the Code.

(w) "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 Employer Group and the termination of that employment, other than claims that cannot be waived under applicable law. For employees subject to the U.S. Age Discrimination in Employment Act, such Release shall be structured so as to comply with the requirements of the Older Workers' Benefit Protection Act, 29 U.S.C. § 626(f). 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.

(x) "Severance Pay Benefit" means a benefit provided by the Plan, as determined pursuant to Section IV.

(y) "Specified Employee" shall mean a "key employee" (within the meaning of that term under Code Section 416(i)). That is, a Specified Employee is an Eligible Employee who, at any time during the 12-month period ending with the applicable Determination Date, is:

(i) An officer of the Company or any other member of the Affiliated Group having aggregate annual compensation from the Company and/or one or more other members of the Affiliated Group greater than the compensation limit in effect at the time under Section 416(i)(1)(A)(i) of the Code, provided that no more than 50 officers of the Company shall be determined to be Specified Employees as of any Determination Date;

(ii) A five percent owner of the Company or any other member of the Affiliated Group; or

(iii) A one percent owner of the Company or any other member of the Affiliated Group who has aggregate annual compensation from the Company and/or one or more other members of the Affiliated Group of more than $150,000.

If an Eligible Employee is determined to be a Specified Employee on a Determination Date, then such Eligible Employee shall be considered a Specified Employee for purposes of the Plan during the period beginning on the first April 1 following the Determination Date and ending on the next March 31.

For purposes of determining an officer's compensation when identifying Specified Employees, compensation is defined in accordance with Treas. Reg. §1.415(c)-2(a), without applying any safe harbor, special timing or other special rules described in Treas. Reg. §§ 1.415(c)-2(d), 2(e) and 2(g).

(z) "Subsidiary" means any corporation with respect to which Gilead Sciences, Inc., one or more Subsidiaries, or Gilead Sciences, Inc., together with one or more Subsidiaries, own not less than 80% of the total combined voting power of all classes of stock entitled to vote, or not less than 80% of the total value of all shares of all outstanding classes of stock.

(aa) "Successors and Assigns" means a corporation or other entity acquiring all or substantially all the assets and business of the Company (including the Plan) whether by operation of law or otherwise.

(ab) "Separation from Service" means the Participant's cessation of Employee status. For purposes of the Plan, a Separation from Service shall be determined in accordance with the following standards:

A Separation from Service will not be deemed to have occurred if the Participant continues to provide services to one or more members of the Employer Group (whether as an employee or non-employee consultant or contractor) at an annual rate that amounts to 50% or more of the services rendered, on average, during the immediately preceding 36-months of employment with the Employer Group (or if employed by the Employer Group less than 36 months, such lesser period).

A Separation from Service will be deemed to have occurred if the Participant's service with the Employer Group (whether as an employee or non-employee consultant or

contractor) is permanently reduced to an annual rate that amounts to 20% or less of the services rendered, on average, during the immediately preceding 36 months of employment with the Employer Group (or if employed by the Employer Group less than 36 months, such lesser period).

If such services are permanently reduced to more than 20% but less than 50% of the average over the prior 36 months (or lesser period), a Separation from Service may be deemed to occur based on the facts and circumstances, including, but not limited to, whether the Participant is treated as an employee for other purposes, such as participation in employee benefit programs, and whether the Participant is able to perform services for other unrelated entities.

In addition to the foregoing, a Separation from Service will not be deemed to have occurred while the Participant is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months or any longer period for which such Participant's right to reemployment with one or more members of the Employer Group is provided either by statute, collective agreement or contract; ***provided, however,*** that in the event of a Participant's leave of absence due to any medically determinable physical or mental impairment that can be expected to result in death or to last for a continuous period of not less than six months and that causes such individual to be unable to perform his or her duties as an Employee, no Separation from Service shall be deemed to occur during the first 29 months of such leave. If the period of leave exceeds six months (or 29 months in the event of disability as indicated above) and the Participant's right to reemployment is not provided by statute, collective agreement or contract, then such Participant will be deemed to have a Separation from Service on the first day immediately following the expiration of such six-month or 29-month period.

This definition of Separation from Service shall not be interpreted as limiting the right of the Company or any other member of the Employer Group to terminate the employment of an individual while on military leave, sick leave or other bona fide leave of absence, to the extent permissible under applicable law.

(ac) "Year of Continuous Service" means the number of days (as defined by the Company in written rules adopted by it from time to time) of Continuous Service, divided by 365. A Participant's Severance Pay Benefit calculation shall include both full and any partial Years of Continuous Service.

XIX. EXECUTION

The Company has caused its duly-authorized officer to execute the foregoing Plan, as amended and restated effective as of August 1, 2024.

GILEAD SCIENCES, INC.

/s/ Jyoti Mehra

By: Jyoti Mehra

Executive Vice President, Human Resources

APPENDIX A

Executive Chairman and Chief Executive Officer

Severance Benefits

A. **Change in Control Severance Pay Benefit**.

If a Severance Pay Benefit becomes payable under Section IV(a)(i) in connection with a Separation from Service occurring within the period beginning six months prior to the consummation of a Change in Control and ending 24 months following the consummation of such Change in Control (the "Change in Control Period"), the Severance Pay Benefit shall be:

1. Three times the Participant's annual Regular Earnings plus three times the Participant's target annual bonus opportunity under the Company's annual bonus plan applicable to the Participant for the fiscal year in which the Participant's employment terminates.

2. A pro-rated annual bonus for the fiscal year in which the Participant's employment terminates (the "CIC Pro Rata Bonus"). The CIC Pro Rata Bonus shall equal the product of (a) the Participant's target annual bonus opportunity under the Company's annual bonus plan applicable to the Participant for the fiscal year in which the Participant's employment terminates, multiplied by (b) a fraction, the numerator of which is that number of days the Participant was employed by the Company during the year of termination and the denominator of which is the total number of days in such fiscal year.

3. For Participants other than those in the International Program for whom this subsection shall not apply, a lump sum cash payment (the "Lump Sum Health Care Payment") in an amount equal to 36 times the monthly cost that would be payable by the Participant, as measured as of the date of his or her termination of employment, to obtain continued medical care coverage for the Participant and his or her spouse and eligible dependents under the Company's employee group health plan, pursuant to their COBRA rights, at the level in effect for each of them on the date of such termination of employment.

4. Outplacement services for 12 months following the date of Separation from Service, or if greater, for the minimum period permitted under any contract between the Company and its designated outplacement services provider.

5. Any Severance Pay Benefit to which a Participant becomes entitled under the Plan as a result of a Separation from Service during the Change in Control Period, together with any other payment in the nature of compensation to which he or she may become entitled that constitutes a "parachute payment" under Section 280G of the Code, shall be subject to the following limitation (the "Benefit Limitation"):

a. If the parachute value of the Severance Pay Benefit and the other payments, as calculated in accordance with the parachute payment determination and valuation provisions of Section 280G of the Code and the applicable Treasury Regulations thereunder, does not exceed in the aggregate 110% of the safe harbor amount allowable under Section 280G of the Code without triggering a parachute payment under Section 280G(b)(2)(A) of the Code (the "Safe Harbor Amount"), then the aggregate amount of the Severance Pay Benefit and such other payments shall be reduced to the extent (if any) necessary to assure that they do not exceed the Safe Harbor Amount.

b. If the parachute value of the Severance Pay Benefit and the other payments, as calculated in accordance with the parachute payment determination and valuation provisions of Section 280G of the Code and the applicable Treasury Regulations thereunder, exceeds in the aggregate 110% of the Safe Harbor Amount, then the Severance Pay Benefit and any other amounts in the nature of a parachute payment under Code Section 280G payable to the Participant shall be limited to the ***greater*** of (x) the Safe Harbor Amount or (y) the amount that yields the Participant the greatest after-tax aggregate amount of such Severance Pay Benefit and other payments due the Participant after taking into account any excise tax imposed on those amounts under Code Section 4999.

c. All calculations required under this section A.5 shall be made by an independent registered public accounting firm (the "Auditor") selected by the Company, and the fees of such Auditor shall be paid by the Company. Unless the Participant agrees otherwise in writing, the Auditor selected by the Company shall be a nationally recognized United States registered public accounting firm that has not during the two years preceding the date of its selection, acted in any way on behalf of the Company. The required calculations shall be provided to the Participant and the Company within 10 business days following the Participant's Separation from Service during the Change in Control Period under circumstances entitling the Participant to a Severance Pay Benefit under the Plan and within 10 days following the occurrence of any other event triggering a parachute payment for the Participant.

d. If a reduction in the payments or benefits constituting a parachute payment under Code Section 280G is required pursuant to the Benefit Limitation imposed under this section A.5, then such reduction shall be effected in the following order: first, the Participant's salary and bonus continuation payments under section A.1 of this Appendix A to the Plan shall be reduced (with such reduction to be applied pro-rata to each such payment and without any change to the payment dates), then the amount of the Participant's Lump Sum Health Care Payment shall be reduced, and

finally any accelerated vesting of the Participant's equity awards under one or more of the Company's stock compensation plans, including (without limitation) the 2022 Equity Incentive Plan and any predecessor plans, shall be reduced (based on the amount of the parachute payment calculated for each such award in accordance with the Treasury Regulations under Code Section 280G), with such reduction to occur in the same chronological order in which those awards were made.

B. **Non-Change in Control Severance Pay Benefit**.

If a Severance Pay Benefit becomes payable under Section IV(a)(i) in connection with a Separation from Service occurring at any time other than within the Change in Control Period (as defined in paragraph A of this Appendix A), then the Severance Pay Benefit shall be:

1. Two times the Participant's annual Regular Earnings plus two times the Participant's target annual bonus opportunity under the Company's annual bonus plan applicable to the Participant for the fiscal year in which the Participant's employment terminates.

2. A pro-rated annual bonus for the fiscal year in which the Participant's employment terminates (the "Pro Rata Bonus"). The Pro Rata Bonus shall equal the product of (a) the Participant's target annual bonus opportunity under the Company's annual bonus plan applicable to the Participant for the fiscal year in which the Participant's employment terminates, multiplied by (b) a fraction, the numerator of which is that number of days the Participant was employed by the Company during the year of termination and the denominator of which is the total number of days in such fiscal year. The Company shall pay the Pro Rata Bonus to the Participant at the same time that annual bonus amounts for such year are paid to other Company executives and in all events by no later than March 15th of the calendar year following the year in which the Separation from Service occurs.

3. For Participants other than those in the International Program for whom this subsection shall not apply, a lump sum cash payment (the "Lump Sum Health Care Payment") in an amount equal to 24 times the monthly cost that would be payable by the Participant, as measured as of the date of his or her termination of employment, to obtain continued medical care coverage for the Participant and his or her spouse and eligible dependents under the Company's employee group health plan, pursuant to their COBRA rights, at the level in effect for each of them on the date of such termination of employment.

4. Outplacement services for 12 months following the date of Separation from Service, or if greater, for the minimum period permitted under any contract between the Company and its designated outplacement services provider.

APPENDIX B

Executive Vice President
and Other Executive Officers (Not Covered by Appendix A)
Severance Benefits

A. **Change in Control Severance Pay Benefit.**

If a Severance Pay Benefit becomes payable under Section IV(a)(i) in connection with a Separation from Service occurring within the period beginning six months prior to the consummation of a Change in Control and ending 18 months following the consummation of such Change in Control (the "Change in Control Period"), the Severance Pay Benefit shall be:

1. 2.5 times the Participant's annual Regular Earnings, plus 2.5 times the Participant's target annual bonus opportunity under the Company's annual bonus plan applicable to the Participant for the fiscal year in which the Participant's employment terminates.

2. A pro-rated annual bonus for the fiscal year in which the Participant's employment terminates (the "CIC Pro Rata Bonus"). The CIC Pro Rata Bonus shall equal the product of (a) the Participant's target annual bonus opportunity under the Company's annual bonus plan applicable to the Participant for the fiscal year in which the Participant's employment terminates, multiplied by (b) a fraction, the numerator of which is that number of days the Participant was employed by the Company during the year of termination and the denominator of which is the total number of days in such fiscal year.

3. For Participants other than those in the International Program for whom this subsection shall not apply, a lump sum cash payment (the "Lump Sum Health Care Payment") in an amount equal to 30 times the monthly cost that would be payable by the Participant, as measured as of the date of his or her termination of employment, to obtain continued medical care coverage for the Participant and his or her spouse and eligible dependents under the Company's employee group health plan, pursuant to their COBRA rights, at the level in effect for each of them on the date of such termination of employment.

4. Outplacement services for six months following the date of Separation from Service, or if greater, for the minimum period permitted under any contract between the Company and its designated outplacement services provider.

5. Any Severance Pay Benefit to which a Participant becomes entitled under the Plan as a result of a Separation from Service during the Change in Control Period, together with any other payment in the nature of compensation to which he or she may become entitled that constitutes a "parachute payment" under Section 280G

of the Code, shall be subject to the following limitation (the "Benefit Limitation"):

a. If the parachute value of the Severance Pay Benefit and the other payments, as calculated in accordance with the parachute payment determination and valuation provisions of Section 280G of the Code and the applicable Treasury Regulations thereunder, does not exceed in the aggregate 110% of the safe harbor amount allowable under Section 280G of the Code without triggering a parachute payment under Section 280G(b)(2)(A) of the Code (the "Safe Harbor Amount"), then the aggregate amount of the Severance Pay Benefit and such other payments shall be reduced to the extent (if any) necessary to assure that they do not exceed the Safe Harbor Amount.

b. If the parachute value of the Severance Pay Benefit and the other payments, as calculated in accordance with the parachute payment determination and valuation provisions of Section 280G of the Code and the applicable Treasury Regulations thereunder, exceeds in the aggregate 110% of the Safe Harbor Amount, then the Severance Pay Benefit and any other amounts in the nature of a parachute payment under Code Section 280G payable to the Participant shall be limited to the ***greater*** of (x) the Safe Harbor Amount or (y) the amount that yields the Participant the greatest after-tax aggregate amount of such Severance Pay Benefit and other payments due the Participant after taking into account any excise tax imposed on those amounts under Code Section 4999.

c. All calculations required under this section A.5 shall be made by an independent registered public accounting firm (the "Auditor") selected by the Company, and the fees of such Auditor shall be paid by the Company. Unless the Participant agrees otherwise in writing, the Auditor selected by the Company shall be a nationally recognized United States registered public accounting firm that has not during the two years preceding the date of its selection, acted in any way on behalf of the Company. The required calculations shall be provided to the Participant and the Company within 10 business days following the Participant's Separation from Service during the Change in Control Period under circumstances entitling the Participant to a Severance Pay Benefit under the Plan and within 10 days following the occurrence of any other event triggering a parachute payment for the Participant.

d. If a reduction in the payments or benefits constituting a parachute payment under Code Section 280G is required pursuant to the Benefit Limitation imposed under this section A.5, then such reduction shall be effected in the following order: first, the Participant's salary and bonus continuation payments under section A.1 of this Appendix B to the Plan shall be

reduced (with such reduction to be applied pro-rata to each such payment and without any change to the payment dates), then the amount of the Participant's Lump Sum Health Care Payment shall be reduced, and finally any accelerated vesting of the Participant's equity awards under one or more of the Company's stock compensation plans, including (without limitation) the 2022 Equity Incentive Plan and any predecessor plans, shall be reduced (based on the amount of the parachute payment calculated for each such award in accordance with the Treasury Regulations under Code Section 280G), with such reduction to occur in the same chronological order in which those awards were made.

B. **Non-Change in Control Severance Pay Benefit**.

If a Severance Pay Benefit becomes payable under Section IV(a)(i) in connection with a Separation from Service occurring at any time other than within the Change in Control Period (as defined in paragraph A of this Appendix B), then the Severance Pay Benefit shall be:

1. 1.5 times the Participant's annual Regular Earnings plus 1.0 times the Participant's target annual bonus opportunity under the Company's annual bonus plan applicable to the Participant for the fiscal year in which the Participant's employment terminates.

2. A pro-rated annual bonus for the fiscal year in which the Participant's employment terminates (the "Pro Rata Bonus").

    a. In the case of a Participant who is an "executive officer" within the meaning of Section 16 of the Exchange Act, at any point during the year in which the Separation from Service occurs, the Pro Rata Bonus shall equal the product of (x) the Participant's target annual bonus opportunity under the Company's annual bonus plan applicable to the Participant for the fiscal year in which the Participant's employment terminates, multiplied by (y) a fraction, the numerator of which is that number of days Participant was employed by the Company during the year of termination and the denominator of which is the total number of days in such fiscal year. The Company shall pay the Pro Rata Bonus to the Participant at the same time that annual bonus amounts for such year are paid to other Company executives and in all events by no later than March 15th of the calendar year following the year in which the Separation from Service occurs.

    b. In the case of a Participant who is not an "executive officer" within the meaning of Section 16 of the Exchange Act, at any point during the year in which the Separation from Service occurs, the Pro Rata Bonus shall equal the product of (x) the Participant's bonus for the year in which the

Separation from Service occurs (based on target achievement) under the annual cash incentive plan in which the Participant participates immediately prior to the Participant's Separation from Service, multiplied by (y) a fraction, the numerator of which is that number of days Participant was employed by the Company during the year of termination and the denominator of which is the total number of days in such fiscal year. The Company shall pay the Pro Rata Bonus to the Participant as soon as administratively practicable after the Separation from Service and in all events within 60 days thereafter.

3. For Participants other than those in the International Program for whom this subsection shall not apply, a lump sum cash payment (the "Lump Sum Health Care Payment") in an amount equal to 18 times the monthly cost that would be payable by the Participant, as measured as of the date of his or her termination of employment, to obtain continued medical care coverage for the Participant and his or her spouse and eligible dependents under the Company's employee group health plan, pursuant to their COBRA rights, at the level in effect for each of them on the date of such termination of employment.

4. Outplacement services for six months following the date of Separation from Service, or if greater, for the minimum period permitted under any contract between the Company and its designated outplacement services provider.

APPENDIX C

Senior Vice President Severance Benefits

A. **Change in Control Severance Pay Benefit.**

If a Severance Pay Benefit becomes payable under Section IV(a)(i) in connection with a Separation from Service occurring within the period beginning six months prior to the consummation of a Change in Control and ending 18 months following the consummation of such Change in Control (the "Change in Control Period"), the Severance Pay Benefit shall be:

1. A lump sum cash payment equal to 2 times the Participant's annual Regular Earnings plus 2 times the Participant's target annual bonus opportunity under the Company's annual bonus plan applicable to the Participant for the fiscal year in which the Participant's employment terminates.

2. A pro-rated annual bonus for the fiscal year in which the Participant's employment terminates (the "CIC Pro Rata Bonus"). The CIC Pro Rata Bonus shall equal the product of (a) the Participant's target annual bonus opportunity under the Company's annual bonus plan applicable to the Participant for the fiscal year in which the Participant's employment terminates, multiplied by (b) a fraction, the numerator of which is that number of days Participant was employed by the Company during the year of termination and the denominator of which is the total number of days in such fiscal year.

3. For Participants other than those in the International Program for whom this subsection shall not apply, a lump sum cash payment (the "Lump Sum Health Care Payment") in an amount equal to 24 times the monthly cost that would be payable by the Participant, as measured as of the date of his or her termination of employment, to obtain continued medical care coverage for the Participant and his or her spouse and eligible dependents under the Company's employee group health plan, pursuant to their COBRA rights, at the level in effect for each of them on the date of such termination of employment.

4. Outplacement services for six months following the date of Separation from Service, or if greater, for the minimum period permitted under any contract between the Company and its designated outplacement services provider.

5. Any Severance Pay Benefit to which a Participant becomes entitled under the Plan as a result of a Separation from Service during the Change in Control Period, together with any other payment in the nature of compensation to which he or she may become entitled that constitutes a "parachute payment" under Section 280G of the Code, shall be subject to the following limitation (the "Benefit Limitation"):

a. If the parachute value of the Severance Pay Benefit and the other payments, as calculated in accordance with the parachute payment determination and valuation provisions of Section 280G of the Code and the applicable Treasury Regulations thereunder, does not exceed in the aggregate 110% of the safe harbor amount allowable under Section 280G of the Code without triggering a parachute payment under Section 280G(b)(2)(A) of the Code (the "Safe Harbor Amount"), then the aggregate amount of the Severance Pay Benefit and such other payments shall be reduced to the extent (if any) necessary to assure that they do not exceed the Safe Harbor Amount.

b. If the parachute value of the Severance Pay Benefit and the other payments, as calculated in accordance with the parachute payment determination and valuation provisions of Section 280G of the Code and the applicable Treasury Regulations thereunder, exceeds in the aggregate 110% of the Safe Harbor Amount, then the Severance Pay Benefit and any other amounts in the nature of a parachute payment under Code Section 280G payable to the Participant shall be limited to the ***greater*** of (x) the Safe Harbor Amount or (y) the amount that yields the Participant the greatest after-tax aggregate amount of such Severance Pay Benefit and other payments due the Participant after taking into account any excise tax imposed on those amounts under Code Section 4999.

c. All calculations required under this section A.5 shall be made by an independent registered public accounting firm (the "Auditor") selected by the Company, and the fees of such Auditor shall be paid by the Company. Unless the Participant agrees otherwise in writing, the Auditor selected by the Company shall be a nationally recognized United States registered public accounting firm that has not during the two years preceding the date of its selection, acted in any way on behalf of the Company. The required calculations shall be provided to the Participant and the Company within 10 business days following the Participant's Separation from Service during the Change in Control Period under circumstances entitling the Participant to a Severance Pay Benefit under the Plan and within 10 days following the occurrence of any other event triggering a parachute payment for the Participant.

d. If a reduction in the payments or benefits constituting a parachute payment under Code Section 280G is required pursuant to the Benefit Limitation imposed under this section A.5, then such reduction shall be effected in the following order: first, the Participant's salary and bonus continuation payments under section A.1 of this Appendix C to the Plan shall be reduced (with such reduction to be applied pro-rata to each such payment and without any change to the payment dates), then the amount of the Participant's Lump Sum Health Care Payment shall be reduced, and

finally any accelerated vesting of the Participant's equity awards under one or more of the Company's stock compensation plans, including (without limitation) the 2022 Equity Incentive Plan and any predecessor plans, shall be reduced (based on the amount of the parachute payment calculated for each such award in accordance with the Treasury Regulations under Code Section 280G), with such reduction to occur in the same chronological order in which those awards were made.

B. **Non-Change in Control Severance Pay Benefit**.

If a Severance Pay Benefit becomes payable under Section IV(a)(i) in connection with a Separation from Service occurring at any time other than within the Change in Control Period (as defined in paragraph A of this Appendix C), then the Severance Pay Benefit shall be:

1. A lump sum cash payment equal to 1.5 times the Participant's annual Regular Earnings.

2. A pro-rated annual bonus for the fiscal year in which the Participant's employment terminates (the "Pro Rata Bonus"). The Pro Rata Bonus shall equal the product of (a) the Participant's bonus for the year in which the Separation from Service occurs (based on target achievement) under the annual cash incentive plan in which the Participant participates immediately prior to the Participant's Separation from Service, multiplied by (b) a fraction, the numerator of which is that number of days Participant was employed by the Company during the year of termination and the denominator of which is the total number of days in such fiscal year. The Company shall pay the Pro Rata Bonus to the Participant as soon as administratively practicable after the Separation from Service and in all events within 60 days thereafter.

3. For Participants other than those in the International Program for whom this subsection shall not apply, a lump sum cash payment (the "Lump Sum Health Care Payment") in an amount equal to 18 times the monthly cost that would be payable by the Participant, as measured as of the date of his or her termination of employment, to obtain continued medical care coverage for the Participant and his or her spouse and eligible dependents under the Company's employee group health plan, pursuant to their COBRA rights, at the level in effect for each of them on the date of such termination of employment.

4. Outplacement services for six months following the date of Separation from Service, or if greater, for the minimum period permitted under any contract between the Company and its designated outplacement services provider.

APPENDIX D

Vice President and Kite Vice President Benefits

A. **Change in Control Severance Pay Benefit.**

If a Severance Pay Benefit becomes payable under Section IV(a)(i) in connection with a Separation from Service occurring within the period beginning six months prior to the consummation of a Change in Control and ending 12 months following the consummation of such Change in Control (the "Change in Control Period"), the Severance Pay Benefit shall be:

1. A lump sum cash payment equal to 1.5 times the Participant's annual Regular Earnings, plus 1.5 times the Participant's target annual bonus opportunity under the Company's annual bonus plan applicable to the Participant for the fiscal year in which the Participant's employment terminates.

2. A pro-rated annual bonus for the fiscal year in which the Participant's employment terminates (the "CIC Pro Rata Bonus"). The CIC Pro Rata Bonus shall equal the product of (a) the Participant's bonus for the year in which the Separation from Service occurs (based on target achievement) under the annual cash incentive plan in which the Participant participates immediately prior to the Participant's Separation from Service, multiplied by (b) a fraction, the numerator of which is that number of days Participant was employed by the Company during the year of termination and the denominator of which is the total number of days in such fiscal year.

3. For Participants other than those in the International Program for whom this subsection shall not apply, a lump sum cash payment (the "Lump Sum Health Care Payment") in an amount equal to 18 times the monthly cost that would be payable by the Participant, as measured as of the date of his or her termination of employment, to obtain continued medical care coverage for the Participant and his or her spouse and eligible dependents under the Company's employee group health plan, pursuant to their COBRA rights, at the level in effect for each of them on the date of such termination of employment.

4. Outplacement services for six months following the date of Separation from Service, or if greater, for the minimum period permitted under any contract between the Company and its designated outplacement services provider.

5. Any Severance Pay Benefit to which a Participant becomes entitled under the Plan as a result of a Separation from Service during the Change in Control Period, together with any other payment in the nature of compensation to which he or she may become entitled that constitutes a "parachute payment" under Section 280G of the Code, shall be subject to the following limitation (the "Benefit Limitation"):

a. If the parachute value of the Severance Pay Benefit and the other payments, as calculated in accordance with the parachute payment determination and valuation provisions of Section 280G of the Code and the applicable Treasury Regulations thereunder, does not exceed in the aggregate 110% of the safe harbor amount allowable under Section 280G of the Code without triggering a parachute payment under Section 280G(b)(2)(A) of the Code (the "Safe Harbor Amount"), then the aggregate amount of the Severance Pay Benefit and such other payments shall be reduced to the extent (if any) necessary to assure that they do not exceed the Safe Harbor Amount.

b. If the parachute value of the Severance Pay Benefit and the other payments, as calculated in accordance with the parachute payment determination and valuation provisions of Section 280G of the Code and the applicable Treasury Regulations thereunder, exceeds in the aggregate 110% of the Safe Harbor Amount, then the Severance Pay Benefit and any other amounts in the nature of a parachute payment under Code Section 280G payable to the Participant shall be limited to the ***greater*** of (x) the Safe Harbor Amount or (y) the amount that yields the Participant the greatest after-tax aggregate amount of such Severance Pay Benefit and other payments due the Participant after taking into account any excise tax imposed on those amounts under Code Section 4999.

c. All calculations required under this section A.5 shall be made by an independent registered public accounting firm (the "**Auditor**") selected by the Company, and the fees of such Auditor shall be paid by the Company. Unless the Participant agrees otherwise in writing, the Auditor selected by the Company shall be a nationally recognized United States registered public accounting firm that has not during the two years preceding the date of its selection, acted in any way on behalf of the Company. The required calculations shall be provided to the Participant and the Company within 10 business days following the Participant's Separation from Service during the Change in Control Period under circumstances entitling the Participant to a Severance Pay Benefit under the Plan and within 10 days following the occurrence of any other event triggering a parachute payment for the Participant.

d. If a reduction in the payments or benefits constituting a parachute payment under Code Section 280G is required pursuant to the Benefit Limitation imposed under this section A.5, then such reduction shall be effected in the following order: first, the Participant's salary and bonus continuation payments under section A.1 of this Appendix D to the Plan shall be reduced (with such reduction to be applied pro-rata to each such payment and without any change to the payment dates), then the amount of the Participant's Lump Sum Health Care Payment shall be reduced, and

finally any accelerated vesting of the Participant's equity awards under one or more of the Company's stock compensation plans, including (without limitation) the 2022 Equity Incentive Plan and any predecessor plans, shall be reduced (based on the amount of the parachute payment calculated for each such award in accordance with the Treasury Regulations under Code Section 280G), with such reduction to occur in the same chronological order in which those awards were made.

B. **Non-Change in Control Severance Pay Benefit for Vice Presidents**.

If the Severance Pay Benefit becomes payable under Section IV(a)(i) in connection with a Separation from Service occurring at any time other than the Change in Control Period (as defined in paragraph A of this Appendix D), then the Severance Pay Benefit shall be:

1. A lump sum cash payment equal to 1.0 times the Participant's annual Regular Earnings.

2. A pro-rated annual bonus for the fiscal year in which the Participant's employment terminates (the "Pro Rata Bonus"). The Pro Rata Bonus shall equal the product of (a) the Participant's bonus for the year in which the Separation from Service occurs (based on target achievement) under the annual cash incentive plan in which the Participant participates immediately prior to the Participant's Separation from Service, multiplied by (b) a fraction, the numerator of which is that number of days Participant was employed by the Company during the year of termination and the denominator of which is the total number of days in such fiscal year. The Company shall pay the Pro Rata Bonus to the Participant as soon as administratively practicable after the Separation from Service and in all events within 60 days thereafter.

3. For Participants other than those in the International Program for whom this subsection shall not apply, a lump sum cash payment (the "Lump Sum Health Care Payment") in an amount equal to 12 times the monthly cost that would be payable by the Participant, as measured as of the date of his or her termination of employment, to obtain continued medical care coverage for the Participant and his or her spouse and eligible dependents under the Company's employee group health plan, pursuant to their COBRA rights, at the level in effect for each of them on the date of such termination of employment.

4. Outplacement services for six months following the date of Separation from Service, or if greater, for the minimum period permitted under any contract between the Company and its designated outplacement services provider.

APPENDIX E

Severance Benefits for Eligible Employees other than Executive Chairman, Chief Executive Officer, Executive Vice Presidents, Senior Vice Presidents, and Vice Presidents and Kite Vice Presidents

This Appendix is effective for covered individuals who cease Employee status on or after August 1, 2024, unless they have a pre-existing contract providing a different level of severance pay.

A. **Change in Control Severance Pay Benefit.**

If a Severance Pay Benefit becomes payable under Section IV(a)(i) in connection with a Separation from Service occurring within the 12-month period following a Change in Control (the "Change in Control Period"), then regardless of the period of Continuous Service the Severance Pay Benefit shall be:

1. **Eligible Employees in Grades 31 through 34:**

   a. A lump sum cash payment equal to three weeks of the Participant's Regular Earnings times the Participant's Years of Continuous Service, with a maximum of 52 weeks of Regular Earnings and a minimum of 22 weeks of Regular Earnings.

   b. A pro-rated annual bonus for the fiscal year in which the Participant's employment terminates (the "CIC Pro Rata Bonus"). The CIC Pro Rata Bonus shall equal the product of (x) the Participant's bonus for the year in which the Separation from Service occurs (based on target achievement) under the annual cash incentive plan in which the Participant participates immediately prior to the Participant's Separation from Service, multiplied by (y) a fraction, the numerator of which is that number of days Participant was employed by the Company during the year of termination and the denominator of which is the total number of days in such fiscal year.

   c. For Participants other than those in the International Program for whom this subsection shall not apply, a lump sum cash payment (the "Lump Sum Health Care Payment") in the dollar amount determined by multiplying (x) the number of months (rounded up to the next whole month) in the applicable severance pay period determined for the Participant in accordance with Paragraph A.1.a above by (y) the monthly cost that would be payable by the Participant, as measured as of the date of his or her termination of employment, to obtain continued medical care coverage for the Participant and his or her spouse and eligible dependents under the Company's employee group health plan, pursuant to their COBRA rights, at the level in effect for each of them on the date of the Participant's termination of employment.

d. Outplacement services for six months following the date of Separation from Service, or if greater, for the minimum period permitted under any contract between the Company and its designated outplacement services provider.

2. **Eligible Employees in Grades 25 through 30:**

a. A lump sum cash payment equal to three weeks of the Participant's Regular Earnings times the Participant's Years of Continuous Service, with a maximum of 39 weeks of Regular Earnings and a minimum of 13 weeks of Regular Earnings.

b. A pro-rated annual bonus for the fiscal year in which the Participant's employment terminates (the "CIC Pro Rata Bonus"). The CIC Pro Rata Bonus shall equal the product of (x) the Participant's bonus for the year in which the Separation from Service occurs (based on target achievement) under the annual cash incentive plan in which the Participant participates immediately prior to the Participant's Separation from Service, multiplied by (y) a fraction, the numerator of which is that number of days Participant was employed by the Company during the year of termination and the denominator of which is the total number of days in such fiscal year.

c. For Participants other than those in the International Program for whom this subsection shall not apply, a lump sum cash payment (the "Lump Sum Health Care Payment") in the dollar amount determined by multiplying (x) the number of months (rounded up to the next whole month) in the applicable severance pay period determined for the Participant in accordance with Paragraph A.2.a above by (y) the monthly cost that would be payable by the Participant, as measured as of the date of his or her termination of employment, to obtain continued medical care coverage for the Participant and his or her spouse and eligible dependents under the Company's employee group health plan, pursuant to their COBRA rights, at the level in effect for each of them on the date of the Participant's termination of employment.

d. Outplacement services for three months following the date of Separation from Service, or if greater, for the minimum period permitted under any contract between the Company and its designated outplacement services provider.

3. **Eligible Employees in Grades 22 through 24**:

a. A lump sum cash payment equal to three weeks of the Participant's Regular Earnings times the Participant's Years of Continuous Service,

with a maximum of 26 weeks of Regular Earnings and a minimum of 9 weeks of Regular Earnings.

b. A pro-rated annual bonus for the fiscal year in which the Participant's employment terminates (the "CIC Pro Rata Bonus"). The CIC Pro Rata Bonus shall equal the product of (x) the Participant's bonus for the year in which the Separation from Service occurs (based on target achievement) under the annual cash incentive plan in which the Participant participates immediately prior to the Participant's Separation from Service, multiplied by (y) a fraction, the numerator of which is that number of days Participant was employed by the Company during the year of termination and the denominator of which is the total number of days in such fiscal year.

c. For Participants other than those in the International Program for whom this subsection shall not apply, a lump sum cash payment (the "Lump Sum Health Care Payment") in the dollar amount determined by multiplying (x) the number of months (rounded up to the next whole month) in the applicable severance pay period determined for the Participant in accordance with Paragraph A.3.a above by (y) the monthly cost that would be payable by the Participant, as measured as of the date of his or her termination of employment, to obtain continued medical care coverage for the Participant and his or her spouse and eligible dependents under the Company's employee group health plan, pursuant to their COBRA rights, at the level in effect for each of them on the date of the Participant's termination of employment.

d. Outplacement services for one week following the date of Separation from Service, or if greater, for the minimum period permitted under any contract between the Company and its designated outplacement services provider.

B. **Non-Change in Control Severance Pay Benefit for Participants with at Least Six Months of Continuous Service.**

If a Severance Pay Benefit becomes payable under Section IV(a)(i) after completion of six or more months of Continuous Service in connection with a Separation from Service occurring at any time other than within the Change in Control Period (as defined in paragraph A of this Appendix E), then the Severance Pay Benefit shall be:

1. **Eligible Employees in Grades 31 through 34.**

a. A lump sum cash payment equal to three weeks of the Participant's Regular Earnings times the Participant's Years of Continuous Service, with a maximum of 39 weeks of Regular Earnings and a minimum of 13 weeks of Regular Earnings.

b. A pro-rated annual bonus for the fiscal year in which the Participant's employment terminates (the "Pro Rata Bonus"). The Pro Rata Bonus shall equal the product of (A) the Participant's bonus for the year in which the Separation from Service occurs (based on target achievement) under the annual cash incentive plan in which the Participant participates immediately prior to the Participant's Separation from Service, multiplied by (B) a fraction, the numerator of which is that number of days Participant was employed by the Company during the year of termination and the denominator of which is the total number of days in such fiscal year. The Company shall pay the Pro Rata Bonus to the Participant as soon as administratively practicable after the Separation from Service and in all events within 60 days thereafter.

c. For Participants other than those in the International Program for whom this subsection shall not apply, a lump sum cash payment (the "Lump Sum Health Care Payment") in the dollar amount determined by multiplying (x) the number of months (rounded up to the next whole month) in the applicable severance pay period determined for the Participant in accordance with Paragraph B.1.a above by (y) the monthly cost that would be payable by the Participant, as measured as of the date of his or her termination of employment, to obtain continued medical care coverage for the Participant and his or her spouse and eligible dependents under the Company's employee group health plan, pursuant to their COBRA rights, at the level in effect for each of them on the date of the Participant's termination of employment.

d. Outplacement services for three months following the date of Separation from Service, or if greater, for the minimum period permitted under any contract between the Company and its designated outplacement services provider.

2. **Eligible Employees in Grades 25 through 30:**

a. A lump sum cash payment equal to three weeks of the Participant's Regular Earnings times the Participant's Years of Continuous Service, with a maximum of 39 weeks of Regular Earnings and a minimum of 13 weeks of Regular Earnings.

b. A pro-rated annual bonus for the fiscal year in which the Participant's employment terminates (the "Pro Rata Bonus"). The Pro Rata Bonus shall equal the product of (x) the Participant's bonus for the year in which the Separation from Service occurs (based on target achievement) under the annual cash incentive plan in which the Participant participates immediately prior to the Participant's Separation from Service, multiplied by (y) a fraction, the numerator of which is that number of days Participant was employed by the Company during the year of termination

and the denominator of which is the total number of days in such fiscal year. The Company shall pay the Pro Rata Bonus to the Participant as soon as administratively practicable after the Separation from Service and in all events within 60 days thereafter.

c. For Participants other than those in the International Program for whom this subsection shall not apply, a lump sum cash payment (the "Lump Sum Health Care Payment") in the dollar amount determined by multiplying (x) the number of months (rounded up to the next whole month) in the applicable severance pay period determined for the Participant in accordance with Paragraph B.2.a above by (y) the monthly cost that would be payable by the Participant, as measured as of the date of his or her termination of employment, to obtain continued medical care coverage for the Participant and his or her spouse and eligible dependents under the Company's employee group health plan, pursuant to their COBRA rights, at the level in effect for each of them on the date of the Participant's termination of employment.

d. Outplacement services for three months following the date of Separation from Service, or if greater, for the minimum period permitted under any contract between the Company and its designated outplacement services provider.

3. **Eligible Employees in Grades 22 through 24:**

a. A lump sum cash payment equal to three weeks of the Participant's Regular Earnings times the Participant's Years of Continuous Service, with a maximum of 26 weeks of Regular Earnings and a minimum of nine weeks of Regular Earnings.

b. A pro-rated annual bonus for the fiscal year in which the Participant's employment terminates (the "Pro Rata Bonus"). The Pro Rata Bonus shall equal the product of (x) the Participant's bonus for the year in which the Separation from Service occurs (based on target achievement) under the annual cash incentive plan in which the Participant participates immediately prior to the Participant's Separation from Service, multiplied by (y) a fraction, the numerator of which is that number of days Participant was employed by the Company during the year of termination and the denominator of which is the total number of days in such fiscal year. The Company shall pay the Pro Rata Bonus to the Participant as soon as administratively practicable after the Separation from Service and in all events within 60 days thereafter.

c. For Participants other than those in the International Program for whom this subsection shall not apply, a lump sum cash payment (the "Lump Sum Health Care Payment") in the dollar amount determined by multiplying (x)

the number of months (rounded up to the next whole month) in the applicable severance pay period determined for the Participant in accordance with Paragraph B.3.a above by (y) the monthly cost that would be payable by the Participant, as measured as of the date of his or her termination of employment, to obtain continued medical care coverage for the Participant and his or her spouse and eligible dependents under the Company's employee group health plan, pursuant to their COBRA rights, at the level in effect for each of them on the date of the Participant's termination of employment.

d. Outplacement services for one week following the date of Separation from Service, or if greater, for the minimum period permitted under any contract between the Company and its designated outplacement services provider.

C. **Non Change in Control Severance Pay Benefit Without Six Months of Continuous Service.**

For Eligible Employees in Grades 22 through 34 who have not completed six or more months of Continuous Service but are eligible for a severance benefit under Section IV(a)(i), if the Severance Pay Benefit becomes payable in connection with a Separation from Service occurring at any time other than within the Change Control Period (as defined in paragraph A of this Appendix E), then the Severance Pay Benefit shall be:

1. A lump sum cash payment equal to four weeks of the Participant's Regular Earnings.

2. A pro-rated annual bonus for the fiscal year in which the Participant's employment terminates (the "Pro Rata Bonus"). The Pro Rata Bonus shall equal the product of (a) the Participant's bonus for the year in which the Separation from Service occurs (based on target achievement) under the annual cash incentive plan in which the Participant participates immediately prior to the Participant's Separation from Service, multiplied by (b) a fraction, the numerator of which is that number of days Participant was employed by the Company during the year of termination and the denominator of which is the total number of days in such fiscal year. The Company shall pay the Pro Rata Bonus to the Participant as soon as administratively practicable after the Separation from Service and in all events within 60 days thereafter.

3. For Participants other than those in the International Program for whom this subsection shall not apply, a lump sum cash payment (the "Lump Sum Health Care Payment") in the amount equal to one times the monthly cost that would be payable by the Participant, as measured as of the date of his or her termination of employment, to obtain continued medical care coverage for the Participant and his or her spouse and eligible dependents under the Company's employee group

health plan, pursuant to their COBRA rights, at the level in effect for each of them on the date of the Participant's termination of employment.

4. Outplacement services for one week following the date of Separation from Service, or if greater, for the minimum period permitted under any contract between the Company and its designated outplacement services provider.

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GILEAD

Delivery Date: July 16, 2024

Merdad Parsey

Re: Transition Services and General Release Agreement

Dear Merdad:

This Transition Services and General Release Agreement (this "Transition Agreement"), which provides for a Supplemental Release (together with the general release herein, the "Releases," and this Transition Agreement and the Supplemental Release together, the "Agreement"), confirms the terms and conditions of your separation of employment with Gilead Sciences, Inc. (the "Company"), as well as the benefits the Company will provide to you in exchange for your consent to be bound by the terms of this Agreement and your execution of the Releases under and in accordance with the Gilead Sciences, Inc. Severance Plan (as in effect on the date hereof, the "Severance Plan"). If you agree to the terms of this Agreement, please sign above your name at the bottom of the last page prior to the expiration date set forth below. Regardless of whether or not you accept this Agreement, you will receive all earned but unpaid compensation, including the value of any accrued but unused vacation time, in your final paycheck.

TRANSITION SERVICES AND GENERAL RELEASE AGREEMENT

In exchange for the terms, conditions and releases set forth below, you and the Company agree as follows:

1. ***Employment Transition and Separation.***

(a) You acknowledge and agree that you will continue to serve as a full-time, active employee of the Company in the role of Chief Medical Officer through the date that your identified successor commences employment with the Company (the "Transition Date"). You will serve as a non-executive, full-time employee in the role of senior advisor to the Company from the Transition Date through (i) April 1, 2025 or (ii) such later date as mutually agreed upon by you and the Company (such date, the "Separation Date"), and your employment relationship with the Company will terminate effective as of the Separation Date. For the avoidance of doubt, your termination of employment on the Separation Date will be without "Cause" as defined under the Severance Plan. After the Separation Date, you will not perform any further job duties for the Company or render services to the Company in any other capacity except as provided below. Accordingly, on the Separation Date, you shall incur a "separation from service" for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code" and such section "Section 409A"). Notwithstanding the foregoing,

the Company may terminate your employment at any time prior to the Separation Date for Cause (as defined in the Severance Plan), in which case you shall not be entitled to the Severance Pay Benefit set forth in Paragraph 2 below.

(b) From the date hereof through the Separation Date, (i) you shall, in good faith, perform such customary and transitional duties as are reasonably requested by the Company's Chief Executive Officer, (ii) continue to be paid your annual base salary at the rate in effect as of the date hereof and (iii) except as set forth below, you shall continue to be eligible to participate in the Company's employee benefit plans and programs in which you participate as of the date hereof.

(c) You will be eligible to receive a 2024 annual bonus based on actual performance and paid at the time such bonuses are paid to other Company executives (and in all events by March 15, 2025) based on your current target bonus amount of 100% of base salary and the actual salary amounts paid to you through December 31, 2024, including, for the avoidance of doubt, any salary paid for the Transition Period.

(d) You will be eligible to participate in the Company's annual bonus program for 2025. To the extent the Separation Date occurs on or after December 31, 2025, your 2025 annual bonus will be based on actual performance and paid at the time such bonuses are paid to other Company executives (and in all events by March 15, 2026) based on your current target bonus amount of 100% of base salary and the actual salary amounts paid to you through December 31, 2025, including, for the avoidance of doubt, any salary paid for the Transition Period. If, as currently anticipated, the Separation Date occurs before December 31, 2025, you will not be paid a separate 2025 annual bonus and will instead be eligible to receive the Pro-Rated Bonus, a Severance Pay Benefit described in Paragraph 2(b) below, subject to the terms and conditions set forth with respect to Severance Pay Benefits below.

(e) It is not expected that you will receive any further equity awards from the Company following the date hereof.

2. ***Severance Pay Benefit.*** If you (i) sign and deliver this Transition Agreement as described in Paragraph 21 and (ii) sign and timely deliver the Supplemental Release in the form set forth as Attachment A hereto (the "Supplemental Release") within 21 days following the Separation Date and do not subsequently revoke the Supplemental Release within the time period set forth therein, the Company will provide you with the following benefits (collectively, the "Severance Pay Benefit") pursuant to, and subject to the terms and conditions contained in, this Agreement and the Severance Plan:

(a) Cash payments (the "Severance Payment") equal to the equivalent of (i) 18 months of your current regular base pay for regularly scheduled work hours (for a total pre-tax amount of $1,720,500), plus (ii) 1.0 times the average of the actual bonuses earned by you under the Company's annual bonus plan for the three fiscal years immediately preceding the

year in which the Separation Date occurs, less (iii) all applicable withholdings and standard deductions. The Severance Payment will be paid in a series of successive equal periodic installments over a period of 18 months. The first such installment will be paid within the 60-day period following the Separation Date (provided that if such period spans two calendar years, payments shall commence in the second calendar year). Each subsequent installment will be paid on a successive basis thereafter on each regularly-scheduled pay date for the Company's salaried employees. The Severance Payment amount will be included on an applicable W-2 Form issued by the Company.

(b) A pro-rated annual bonus for the fiscal year in which the Separation Date occurs (the "Pro Rata Bonus"), equal to the product of (i) your earned bonus for the year in which the Separation Date occurs (based on actual results without regard to any individual performance component) under the Company's annual bonus plan, multiplied by (ii) a fraction, the numerator of which is that number of days you were employed by the Company during the year in which the Separation Date occurs and the denominator of which is the total number of days in such fiscal year. The Pro Rata Bonus will be paid at the time such bonuses are paid to other Company executives (and in all events by March 15 of the year following the year in which the Separation Date occurs). The Pro Rata Bonus amount will be included on an applicable W-2 Form issued by the Company.

(c) A lump sum cash payment equal to the costs of your health care continuation coverage as if you were electing coverage for you and your eligible dependents under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") for 18 months (the "Lump Sum Health Care Payment"), less all applicable withholdings and standard deductions. Please note that if you are not a participant in the Company's group health care plan as of the Separation Date, you will not be eligible for the Lump Sum Health Care Payment. The Lump Sum Health Care Payment, if applicable, will be paid within the (60-day period following the Separation Date (provided that if such period spans two calendar years, payments shall commence in the second calendar year). The Lump Sum Health Care Payment amount will be included on an applicable W-2 Form issued by the Company.

(d) Reasonable professional outplacement services as determined by the Company for a period of six consecutive months ("Outplacement Services"), provided you elect to begin the Outplacement Services within 30 days after either the Separation Date or the Effective Date of the Supplemental Release, whichever is later.

(e) In accordance with the terms of your applicable award agreements, (i) any unvested stock options, restricted stock units and performance shares that you hold on the Separation Date will be forfeited, and (ii) each vested stock option that you hold on the Separation Date will remain exercisable through the last business day prior to the expiration of the earlier of (A) the three-month period measured from the Separation Date, and (B) the maximum term of the stock option, as set forth in the applicable stock option agreement.

(f) Notwithstanding any provision to the contrary, no Separation Pay Benefit (or component thereof) that is deemed to constitute "nonqualified deferred compensation" within the meaning of and subject to Section 409A shall be paid until the earlier of (i) the first day of the seventh month following the Separation Date or (ii) the date of your death, if you are deemed at the Separation Date to be a Specified Employee (as such term is defined in Section 409A) and such delayed commencement is otherwise required in order to avoid a prohibited distribution under Code Section 409A(a)(2). Upon the expiration of the applicable deferral period, all payments deferred pursuant to this Paragraph 2(f), whether they were otherwise payable in installments or a lump sum, shall be paid to you in a lump sum without interest, and any remaining Severance Pay Benefit shall be paid in accordance with the schedule described above.

3. ***Repayment Obligations.*** In the event you receive payment under this Agreement in excess of the Severance Pay Benefit to which you are entitled under the Plan, you agree to repay the applicable excess amounts to the Company. In the event that you breach your obligations set forth herein (including without limitation under Paragraphs 9, 12, 14, 16, 17 and 22), you agree to repay the Severance Pay Benefit to the Company within 60 days following your receipt of the Company's notification requesting such repayment. Notice shall be deemed effective upon receipt if made by email, personal delivery or upon deposit if sent by overnight courier or the U.S. Postal Service, in each case at your most recent address on file with the Company.

4. ***Clawback/Recoupment of the Severance Pay Benefit***. The Severance Pay Benefit shall be subject to any recoupment policy that the Company may maintain from time to time, to the extent any such policy is applicable you, including, but not limited to, the Company's Compensation Recovery Policy, designed to comply with the requirements of Rule 10D-1 promulgated under the Securities Exchange Act of 1934, as amended, and the Company's Compensation Reconciliation and Recoupment Policy, as well as any recoupment provisions required under applicable law. Additionally, if at any time following the Separation Date the Company determines (and provides written notice thereof to you) that the Company would otherwise have been entitled to terminate your status as an employee for Cause, whether or not the Company was aware of such circumstances on the Separation Date, the Company shall be entitled to recover from you all or any portion of the gross amount of any Severance Pay Benefit paid to you.

5. ***Cessation of Company Benefits.*** Your eligibility to participate in the Company's employee benefit plans and programs, such as the Company's 401(k) plan, short- and long-term disability insurance, life insurance, the employee stock purchase plan, is governed by the terms of applicable benefits plans and programs, and will cease in accordance with those terms. If you participate in the Company's group health insurance, your health insurance benefits will cease on the last day of the month in which the Separation Date falls, subject to your right to continue health insurance for you and any eligible dependents under COBRA or other applicable law should you be eligible to and make a timely election to do so. All of your other benefits will end on the Separation Date.

6. ***Entire Consideration*****.** You agree and acknowledge that the Severance Pay Benefit constitutes compensation that you would not otherwise be entitled to receive, now or in the future, and constitutes valuable consideration for the promises set forth in this Agreement. You agree that the Severance Pay Benefit will constitute the entire amount of monetary consideration provided to you under this Agreement and you will not seek from the Company or the Releasees (as defined below) any further compensation or other consideration for any other claimed obligation, entitlement, damage, cost, or attorneys' fees in connection with the matters encompassed by this Agreement. You expressly acknowledge that you have not asserted against any Releasee any allegation or claim related to sexual harassment or sexual abuse, and therefore, you represent that no portion of the Severance Pay Benefit is provided to you in settlement or payment for any such allegation or claim.

7. ***Release of Claims.*** In consideration of the promises and commitments undertaken herein by the Company, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, you, on behalf of yourself, your agents, heirs, executors, successors and assigns, hereby irrevocably release, discharge, and covenant not to sue the Company, including its parents, subsidiaries, affiliates, partners, trustees, members, owners, labor contractors, staffing agencies, and related companies, and all of its and their respective past and present employees, directors, officers, principals, managers, shareholders, attorneys, accountants, representatives, insurers, agents, successors, predecessors, assignees, administrators, and other affiliated persons, and the Company's and its affiliates' benefit plans (and the fiduciaries and trustees of such plans) (individually and collectively the "Releasees"), with respect to any and all actions, causes of action, suits, liabilities, claims, and demands whatsoever (upon any legal or equitable theory, whether contractual, in tort, common law, statutory, federal, state, local or otherwise), and each of them, whether known or unknown, from the beginning of time up to and including the date you sign this Transition Agreement. The parties intend this release to be general and comprehensive in nature and to release all claims and potential claims against the Releasees to the maximum extent permitted at law. Claims being released include specifically by way of description, but not by way of limitation, any and all claims:

(a) arising out of or in any way related to your employment with the Company or any Releasee, including without limitation claims under Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1866 and 1871, the Civil Rights Act of 1991, the Pregnancy Discrimination Act, the Equal Pay Act of 1963, the Rehabilitation Act of 1973, 42 U.S.C. § 1981 through § 1988, the Americans with Disabilities Act, the Pregnancy Disability Leave law, the Family and Medical Leave Act, the Employee Retirement Income Security Act, as amended, COBRA, the Occupational Safety and Health Act, the Immigration Reform and Control Act, the Worker Adjustment and Retraining Notification Act of 1988, the Health Insurance Portability and Accountability Act of 1996, the National Labor Relations Act of 1935, the Fair Labor Standards Act, the California Fair Employment and Housing Act, the California Family Rights Act, the Healthy Workplace Healthy Family Act of 2014, the California Labor Code, the Private Attorneys' General Act (Labor Code§ 2698 et seq.), any Wage Orders issued

by the California Industrial Welfare Commission, the California Business and Professionals Code, and any similar laws or regulations of any state, local, or federal governmental entity;

(b) arising out of or in any way related to any federal, state, or local law prohibiting bullying, harassment, retaliation, wrongful termination, or discrimination on any basis, including on the basis of sex, gender, race, color, religion, disability, medical condition, genetic information, pregnancy, sexual orientation, national origin, marital status, military or veteran status, citizenship, or for exercising any legal rights or otherwise engaging in any protected or concerted activity;

(c) for breach of contract (express or implied), breach of promise, wrongful discharge, unjust dismissal, retaliation, whistleblowing, breach of fiduciary duty, breach of implied covenant of good faith and fair dealing, defamation, wrongful denial of benefits, intentional and negligent infliction of emotional distress, negligence, and any intentional torts;

(d) arising out of or in any way related to the Severance Plan or any restricted stock unit agreement(s), stock option agreement(s), performance share agreement(s) or other equity award agreement(s) previously signed by you;

(e) for any alleged unpaid wages due, as to which you have considered and agree that there is a good-faith dispute as to whether such wages are due, and, based on this good-faith dispute, you release and waive any and all claims regarding any alleged unpaid wages and any corresponding penalties, interest, or attorneys' fees, in exchange for the consideration provided in this Agreement;

(f) regarding benefits, vacation or sick leave or arising out of any employment contract, policy or procedure; and

(g) for any remedies available at law or in equity, including damages, penalties, restitution, liens, injunctive relief, or the recovery of attorneys' fees, costs, or expert witness fees.

The only claims that you are not releasing under this Transition Agreement are (i) claims for payments under and as provided in this Transition Agreement, (ii) claims for vested benefits (including rights under equity awards), (iii) rights to coverage under indemnification agreements or policies or directors and officers liability insurance; and (iv) claims you may have for violation of any federal, state or local law that, by operation of law, are not waivable, including but not limited to unemployment, state disability, and California Labor Code Section 2802. With regard to Labor Code Section 2802 or similar law of any other state, you represent and warrant that you have been reimbursed all business expenses and other expenditures incurred in direct consequence of your duties for the Company.

This release of claims does not prevent you or the Company or any Releasee from seeking a binding determination as to the validity of this Agreement or bringing an action in arbitration to enforce this Agreement.

8. ***Waiver of Unknown Claims*****.** You expressly waive any and all rights or benefits conferred by the provisions of Section 1542 of the California Civil Code or similar law of any other state, and consent that this Transition Agreement shall be given full force and effect according to each and all of its express terms and conditions, including those relating to unknown and unsuspected claims, demands and causes of actions, if any. Section 1542 of the Civil Code states:

> **"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."**

You acknowledge that you may later discover claims or facts in addition to or different to those which you now know or believe to exist with respect to the subject matter of this Agreement and which, if known or suspected at the time of executing this Transition Agreement, may have materially affected this settlement. Nevertheless, you waive any right, claim or cause of action that might arise as a result of such different or additional claims or facts.

9. ***Covenant Not to Sue*****.** As to any claim released under the Releases, you specifically agree and acknowledge that: (a) such claims, including those you have or might have pertaining to your employment with any Releasee, or separation of employment from any Releasee, or pertaining to any Releasee's employment practices arising under any municipal, state, or federal law, are completely released; and (b) you have not filed or initiated any complaints, charges, claims, or causes of action against any Releasee with any municipal, state, or federal government agency or court directly or indirectly related to your employment with Company, which includes, for the sake of clarity, claims of sexual assault, or workplace harassment or discrimination based on sex, or failure to prevent an act of workplace harassment or discrimination based on sex, or an act of retaliation against a person for reporting harassment or discrimination based on sex. You agree not to reargue, reinstitute, refile, appeal, renew, or seek reconsideration or any kind of judicial review of any of the claims released under this Agreement in any court or other legal forum whatsoever, nor shall any other court actions, suits, appeals or other legal proceedings of any type be pursued or filed that are connected in any fashion to your employment with the Company or to your separation from employment. For the sake of clarity, this covenant not to sue does not prevent you from seeking a binding determination as to the validity of this Agreement or from engaging in any protected activity described in Paragraph 10, nor does it cover any claim not released under the Releases.

10. ***Protected Activity***. Nothing in this Agreement shall be construed to prohibit you from engaging in any protected or concerted activity, or filing a complaint or charge with, or

participating in any investigation or proceeding conducted by, or providing information to or otherwise assisting the Equal Employment Opportunity Commission, Department of Fair Employment and Housing, National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state, or local governmental agency or commission ("Government Agencies"). By signing this Agreement you agree to waive your right to recover individual relief based on any claims asserted in such a complaint or charge; provided, however, that nothing in this Agreement limits your right to receive an award for information you provide to any Government Agencies that are authorized to provide monetary or other awards to eligible individuals who come forward with information that leads to an agency enforcement action. You further understand that this Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any of the Government Agencies, including providing documents or other information, without notice to the Company, nor does it limit your ability to disclose factual information relating to a claim filed in a civil action or a complaint filed in an administrative action regarding sexual assault, or workplace harassment or discrimination based on sex, or failure to prevent an act of workplace harassment or discrimination based on sex, or an act of retaliation against a person for reporting harassment or discrimination based on sex. Should any charge or action be filed on your behalf involving claims released by the Releases, you agree to promptly inform the relevant agency, court, or arbitral forum that any individual claims you might otherwise have had have been released. Additionally, nothing in this Agreement shall prohibit you from (a) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful, (b) reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or (c) making other disclosures that are protected under the whistleblower provisions of federal or state law or regulation, and you do not need prior authorization from the Company to make any such reports or disclosures and you are not required to notify the Company that you have made such reports or disclosures.

11. ***No Admission of Liability*****.** Neither this Agreement, nor anything contained in it, shall constitute or shall be used or construed as an admission or as evidence of any liability or wrongdoing. Neither this Agreement, nor anything contained in it, shall be introduced in any proceeding except to enforce this Agreement or to defend against any claim relating to the subject matter of the release contained herein or as required by court order, subpoena or other legal process, and such introduction under these exceptions shall be pursuant to an appropriate order protecting its confidentiality.

12. ***Non-Solicitation of Employees***. You agree not to interfere with the Company's business by soliciting, or causing or encouraging another person to solicit, any employee of the Company to terminate or cease his or her employment with the Company for a period from the date hereof through 12 months after either the Separation Date or the Effective Date of the

Supplemental Release, whichever is later, provided that general solicitation through a public medium not directly or indirectly targeted at employees of the Company shall not be considered a breach of this Paragraph 12.

13. ***Governing Law and Venue*****.** The rights and obligations of you and the Company will be construed and enforced in accordance with, and will be governed by, the laws of the State of California, without regard to principles of conflict of laws. Any dispute or claim arising out of or in connection with this Agreement or relating in any way to your employment, including any dispute regarding the enforceability, interpretation, construction or breach of this Agreement, will be resolved exclusively by binding arbitration in accordance with the then-applicable JAMS rules, policies, and/or procedures for employment-related disputes provided, however, that any claims, which by law may not be submitted to arbitration are not covered by this arbitration provision. This means that both you and the Company give up the right to have any dispute decided in court by a jury; instead, a neutral arbitrator whose decision is final and binding will resolve it, subject to judicial review as provided by law. Furthermore, any such dispute or claim shall be brought in an individual capacity, and not as a plaintiff or class member in any purported or actual class or collective action proceeding except where applicable law prohibits a class or collective action waiver. A copy of the JAMS Employment Arbitration Rules and Procedures can be found online at www.jamsadr.com/rules-employment-arbitration/. There will be one arbitrator appointed in accordance with said rules. The arbitrator will conduct any arbitration consistent with the rules. The arbitrator will have the authority to determine the arbitrability of any dispute between the parties. The arbitrator will have the authority to award attorneys' fees to the prevailing party pursuant to statute or this Agreement as described below in Paragraph 24. If there is a dispute as to who is the prevailing party in the arbitration, the arbitrator will decide this issue. The Federal Arbitration Act shall govern the enforceability of this arbitration agreement.

14. ***Confidentiality Agreement.*** You acknowledge that you signed an Employee Confidential Information and Invention Assignment Agreement ("CIIA") in connection with your employment with the Company, and that your obligations to protect the Company's confidential and proprietary information, and prevent the disclosure of any such information in your possession, are continuing and survive the termination of your employment with the Company. Notwithstanding any provisions in this Agreement or the CIIA related to the unauthorized use or disclosure of trade secrets, you are hereby notified that, pursuant to the Defend Trade Secrets Act of 2016, you cannot be held criminally or civilly liable under any Federal or State trade secret law or this Agreement for the disclosure of a trade secret that is made (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (b) solely for the purpose of reporting or investigating a suspected violation of law. You also may not be held so liable for such disclosures made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, individuals who file a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document

containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. Additionally, in accordance with the provisions of California Labor Code section 2870, you understand that the provisions of this Agreement and the CIIA requiring assignment of inventions to the Company shall not apply to any invention that you have developed entirely on your own time without using the Company's equipment, supplies, facilities, trade secret information or confidential information except for those inventions that either (i) relate at the time of conception or reduction to practice of the invention to the Company's business, or actual or demonstrably anticipated research or development of the Company or (ii) result from any work that you performed for the Company.

15. ***Neutral Reference.*** The Company agrees that if it is asked for a reference, it will respond that pursuant to Company policy, the Company can only provide your name, your position, the dates of your employment and, with written authorization from you, your salary and will provide only such information in response to a request for a reference. Such inquiries should be directed to HR Answer by email at HR.Answer@gilead.com.

16. ***Cooperation***. You agree to provide reasonable information when requested by the Company about subjects you worked on during your employment. You further agree to cooperate fully with the Company to facilitate an orderly transition of your job responsibilities to person(s) designated by the Company. You agree that, as requested by the Company or its counsel, you will fully cooperate with the Company and its counsel in any formal or informal inquiry, investigation, disciplinary or other proceeding initiated by any government agency. You further agree to fully cooperate with the Company and its counsel in both the pursuit or prosecution of any claim or right the Company may hold against others for damages or relief and in defending the Company against any pending or future claims, complaints or actions brought against the Company, including but not limited to regulatory actions, administrative proceedings, arbitration claims or lawsuits, as well as any independent investigations by the Board of Directors of the Company ("Board") in conjunction with a stockholder demand. In this regard, you agree that you will promptly provide all information or documents you may possess relevant to the subject matter of any inquiry, and that you will testify truthfully and with complete candor in connection with any such matter. Nothing in this Agreement shall require you to act in an unlawful manner. You agree that the Severance Pay Benefit you receive pursuant to this Agreement is intended to fully compensate you for any services you perform pursuant to this Paragraph 16 through the second anniversary of the Separation Date. Should your services be required after the second anniversary of the Separation Date, you will be compensated for any further cooperation at an agreed upon hourly rate.

17. ***Non-Disparagement***. Other than in connection with filing a charge or participating in any investigation or proceeding conducted by any Government Agency when constituting protected activity described in Paragraph 10 including, but not limited to, making disclosures that are protected under the whistleblower provisions of federal or state law or regulation, You will not criticize, denigrate, or otherwise disparage the Company, or any other Releasee, or any of their products, processes, policies, practices, standards of business conduct,

or areas of research, or counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against the Company or any Releasee.

18. ***Integration and Amendment.*** This Agreement, including the Releases, collectively, constitute and contain the entire agreement and understanding between the parties concerning the subject matters specifically addressed herein, including but not limited to eligibility for and payment of severance or separation benefits, and supersede and replace all prior negotiations and all agreements proposed or otherwise, whether written or oral. This Agreement, however, does not modify, amend or supersede written Company agreements that are consistent with enforceable provisions of this Agreement, and any other agreements regarding intellectual property, invention assignment and confidentiality, including but not limited to the CIIA or any other confidentiality agreements, restricted stock unit agreement(s), stock option agreement(s), performance share agreement(s) or other equity award agreement(s) previously signed by you. The CIIA and any such confidentiality agreements or restricted stock unit agreement(s), stock option agreement(s), performance share agreement(s) or equity award agreement(s) are herein incorporated by reference and remain fully enforceable as part of this integrated document, as amended by this Agreement. Except for any changes that the Company may make with respect to Section 409A as set forth in Paragraph 23 of this Transition Agreement, this Agreement can only be changed or modified by another written agreement signed by you and an authorized executive officer of the Company.

19. ***Severability*****.** If any provision of this Agreement or the application thereof is held invalid, such invalidation will not affect other provisions or applications of this Agreement and to this end, the provisions of this Agreement are declared to be severable.

20. ***Execution and Copies*****.** This Agreement may be executed in counterparts, and each counterpart, when executed, shall have the efficacy of a signed original. Photographic, PDF, and facsimiled copies of signed counterparts may be used in lieu of the originals for any purpose.

21. ***Knowing and Voluntary Agreement.*** By your signature below, you understand and agree that:

(a) To accept this Transition Agreement, you must sign and date this Transition Agreement by 5:00 p.m. on Tuesday, July 16, 2024.

(b) You have carefully read and fully understand all of the provisions of this Agreement and are hereby advised to consult with legal counsel.

(c) You are, through this Agreement, releasing the Company from any and all claims you may have against the Company consistent with the terms of this Agreement;

provided, however, that you understand that rights or claims that may arise after the date of signing are not waived in this Transition Agreement.

(d) You knowingly and voluntarily agree to all of the terms set forth in this Agreement.

(e) You knowingly and voluntarily intend to be legally bound by the terms set forth in this Agreement.

(f) This Transition Agreement, and the Release herein, shall become effective and irrevocable on the date you sign it.

22. ***Return of Property.*** On or before the Separation Date, and as a condition precedent to your receipt of the Severance Pay Benefit, you will return to the Company any and all Company property, including, but not limited to, documents (in whatever paper or electronic form they exist), things relating to the business of the Company or containing confidential information and all intellectual, electronic and physical property belonging to the Company that is in your possession or control, including but not limited to any Company computer, laptop, cell phone, tablet, office keys, credit card, entry cards, and identification badges.

23. ***Deferred Compensation Tax Consequences*****.** All payments and benefits described in this Agreement are intended to comply with the requirements of Section 409A or an exemption therefrom; provided, however, that the Company does not warrant or guarantee such compliance. Under no circumstances may the time or schedule of any payment made or benefit provided pursuant to this Agreement be accelerated or subject to a further deferral except as permitted or required pursuant to regulations and other guidance issued pursuant to Section 409A. You shall not have any right to make any election regarding the time or form of any payment due under the terms of this Agreement. In the event that any change to this Agreement or any additional terms are required to comply with Section 409A (or an exemption therefrom), the parties shall cooperate and use reasonable efforts to modify the terms of this Agreement to comply with Section 409A while preserving the economic benefits hereunder to the extent possible. Furthermore, neither the Company nor its counsel has made any representations regarding the taxability of the monetary consideration to be made by the Company pursuant to this Agreement. You understand and expressly agree that in the event any income or other taxes, including any interest and/or penalties, are determined to be owed by you on any portion of the payments made hereunder, you are solely responsible for the payment of such amounts, and you agree that you shall fully indemnify the Company for any taxes, penalties, interests, fees, costs and other damages incurred or paid by the Company related to the taxability of the payments made hereunder. The Company agrees to notify you within a reasonable time period regarding any payments sought from it for such alleged taxes, penalties, interest, fees, costs and/or other damages related to the taxability of payments made by it pursuant to this Agreement so that you will have a reasonable opportunity to defend against such claims.

24. ***Attorneys' Fees and Costs.*** In the event that either the Company or you bring an action to enforce this Agreement, the prevailing party shall be entitled to recover its costs and expenses, including the cost of arbitration and all reasonable attorneys' fees incurred in connection with such an action.

25. ***Further Assurances*****.** You shall, and shall cause your affiliates, representatives and agents to, from time to time at the request of the Company and without any additional consideration, furnish the Company with such further information or assurances, execute and deliver such additional documents, instruments and conveyances, and take such other actions and do such other things, as may be reasonably necessary or desirable to carry out the provisions of this Agreement.

26. ***Plan Terms.*** The details of the Plan are encompassed in the Gilead Sciences, Inc. Severance Plan and Summary Plan Description. A copy of the Severance Plan is attached.

To accept these terms, please sign and date below and return this Agreement as set forth above. The offer of this Agreement shall expire at 5:00 p.m. on Tuesday, July 16, 2024.

Sincerely,

/s/ Jyoti Mehra
Name: Jyoti Mehra
Title: EVP, Human Resources

PLEASE READ CAREFULLY. THIS AGREEMENT CONTAINS A GENERAL RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

I have read and understood the foregoing Transition Services and General Release Agreement, have been advised to and have had the opportunity to discuss it with anyone I desire, including an attorney of my own choice, and I accept and agree to its terms, acknowledge receipt of a copy of the same and the sufficiency of the Severance Pay Benefit described above, and hereby execute this Transition Services and General Release Agreement voluntarily and with full understanding of its consequences.

/s/ Merdad Parsey July 16, 2024
Merdad Parsey Date

PLEASE READ CAREFULLY. THIS AGREEMENT CONTAINS A GENERAL RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

SUPPLEMENTAL RELEASE OF CLAIMS

This Supplemental Release (this "Supplemental Release") is made between Merdad Parsey ("Parsey") and Gilead Sciences, Inc. ("Gilead") pursuant to the Transition Services and General Release Agreement by and between Parsey and Gilead (the "Transition Agreement"), and is effective on the Effective Date set forth in Paragraph 2 of this Supplemental Release.

1. Release of Claims.

(a) General Release. In consideration of the promises and commitments undertaken by Gilead in the Transition Agreement, and for other good and valuable consideration, the receipt and sufficiency of which Parsey hereby acknowledges, Parsey on behalf of himself, his agents, heirs, executors, successors and assigns, hereby releases, discharges, and covenants not to sue Gilead, including its parents, subsidiaries, affiliates, partners, trustees, members, owners, labor contractors, staffing agencies, and related companies, and all of its and their respective past and present employees, directors, principals, managers officers, shareholders, attorneys, accountants, representatives, insurers, agents, successors, predecessors, assignees, administrators, and other affiliated persons, and Gilead's and its affiliates' benefit plans (and the fiduciaries and trustees of such plans) (individually and collectively the "Releasees"), with respect to any and all actions, causes of action, suits, liabilities, claims, and demands whatsoever (upon any legal or equitable theory, whether contractual, in tort, common law, statutory, federal, state, local or otherwise), and each of them, whether known or unknown, from the beginning of time up to and including the date Parsey executes this Supplemental Release. Parsey and Gilead intend this release to be general and comprehensive in nature and to release all claims and potential claims against the Releasees to the maximum extent permitted at law. Claims being released include specifically by way of description, but not by way of limitation, any and all claims:

(i) arising out of or in any way related to Parsey's employment with Gilead or any Releasee, including without limitation claims under Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1866 and 1871, the Civil Rights Act of 1991, the Pregnancy Discrimination Act, the Equal Pay Act of 1963, the Rehabilitation Act of 1973, 42 U.S.C. § 1981 through § 1988, the Americans with Disabilities Act, the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act of 1990, the Pregnancy Disability Leave law, the Family and Medical Leave Act, the Employee Retirement Income Security Act, as amended, the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, the Occupational Safety and Health Act, the Immigration Reform and Control Act, the Worker Adjustment and Retraining Notification Act of 1988, the Health Insurance Portability and Accountability Act of 1996, the National Labor Relations Act of 1935, the Fair Labor Standards Act, the California Fair Employment and Housing Act, the California Family

Rights Act, the Healthy Workplace Healthy Family Act of 2014, the California Labor Code, the Private Attorneys' General Act (Labor Code§ 2698 et seq.), any Wage Orders issued by the California Industrial Welfare Commission, the California Business and Professionals Code, and any similar laws or regulations of any state, local, or federal governmental entity;

(ii) arising out of or in any way related to any federal, state, or local law prohibiting bullying, harassment, retaliation, wrongful termination, or discrimination on any basis, including on the basis of age, sex, gender, race, color, religion, disability, medical condition, genetic information, pregnancy, sexual orientation, national origin, marital status, military or veteran status, citizenship, or for exercising any legal rights or otherwise engaging in any protected or concerted activity;

(iii) for breach of contract (express or implied), breach of promise, wrongful discharge, unjust dismissal, retaliation, whistleblowing, breach of fiduciary duty, breach of implied covenant of good faith and fair dealing, defamation, wrongful denial of benefits, intentional and negligent infliction of emotional distress, negligence, and any intentional torts;

(iv) arising out of or in any way related to the Plan or any restricted stock unit agreement(s), stock option agreement(s), performance share agreement(s) or other equity award agreement(s) previously signed by Parsey;

(v) for any alleged unpaid wages due, as to which Parsey has considered and agree that there is a good-faith dispute as to whether such wages are due, and, based on this good-faith dispute, Parsey releases and waives any and all claims regarding any alleged unpaid wages and any corresponding penalties, interest, or attorneys' fees, in exchange for the consideration provided in the Transition Agreement; and

(vi) regarding benefits, vacation or sick leave or arising out of any employment contract, policy or procedure;

(vii) for any remedies available at law or in equity, including damages, penalties, restitution, liens, injunctive relief, or the recovery of attorneys' fees, costs, or expert witness fees.

(b) The only claims that Parsey is not releasing under this Supplemental Release are (i) claims for payment under the Transition Agreement, (ii) claims for vested benefits (including rights under equity awards), (iii) rights to coverage under indemnification agreements or policies or directors and officers liability insurance and (iv) claims Parsey may have for violation of any federal, state or local law that, by operation of law, are not waivable, including but not limited to unemployment, state disability, and California Labor Code Section 2802. With regard to Labor Code Section 2802 or similar law of any other state, Parsey represents and warrants that Parsey has been reimbursed all business expenses and other expenditures incurred in direct consequence of Parsey's duties for Gilead.

(c) This Supplemental Release does not prevent Parsey or Gilead or any Releasee from seeking a binding determination as to the validity of this Supplemental Release or the Transition Agreement or bringing an action in arbitration to enforce this Supplemental Release or the Transition Agreement.

(d) Waiver of Unknown Claims. Parsey expressly waives any and all rights or benefits conferred by the provisions of Section 1542 of the California Civil Code or similar law of any other state, and consents that this Supplemental Release and the Transition Agreement shall be given full force and effect according to each and all of its express terms and conditions, including those relating to unknown and unsuspected claims, demands and causes of actions, if any. Section 1542 of the Civil Code states:

> **"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her, would have materially affected his or her settlement with the debtor or released party."**

Parsey acknowledges that Parsey may later discover claims or facts in addition to or different to those which Parsey now knows or believes to exist with respect to the subject matter of this Supplemental Release and the Transition Agreement and which, if known or suspected at the time of executing this Supplemental Release, may have materially affected this settlement. Nevertheless, Parsey waives any right, claim or cause of action that might arise as a result of such different or additional claims or facts.

(e) Covenant Not to Sue. As to any claim released under the Releases, Parsey specifically agrees and acknowledges that: (i) such claims, including those Parsey has or might have pertaining to Parsey's employment with any Releasee, or separation of employment from any Releasee, or pertaining to any Releasee's employment practices arising under any municipal, state, or federal law, are completely released; and (ii) Parsey has not filed or initiated any pending complaints, charges, claims, or causes of action against any Releasee with any municipal, state, or federal government agency or court directly or indirectly related to Parsey's employment with Gilead, which includes, for the sake of clarity, claims of sexual assault, or workplace harassment or discrimination based on sex, or failure to prevent an act of workplace harassment or discrimination based on sex, or an act of retaliation against a person for reporting harassment or discrimination based on sex. Parsey agrees not to reargue, reinstitute, refile, appeal, renew, or seek reconsideration or any kind of judicial review of any of the claims released under this Agreement in any court or other legal forum whatsoever, nor shall any other court actions, suits, appeals or other legal proceedings of any type be pursued or filed that are connected in any fashion to Parsey's employment with Gilead or to Parsey's separation from employment. For the sake of clarity, this covenant not to sue does not prevent Parsey from seeking a binding determination as to the validity of this Supplemental Release or from engaging in any protected activity described in Paragraph 1(f), nor does it cover any claim not released under this Supplemental Release.

(f) Protected Activity. Nothing in this Agreement shall be construed to prohibit Parsey from engaging in any protected or concerted activity, or filing a complaint or charge with, or participating in any investigation or proceeding conducted by, or providing information to or otherwise assisting the Equal Opportunity Employment Commission, Department of Fair Employment and Housing, National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state, or local governmental agency or commission ("Government Agencies"). By signing this Agreement Parsey agrees to waive Parsey's right to recover individual relief based on any claims asserted in such a complaint or charge; provided, however, that nothing in this Agreement limits Parsey's right to receive an award for information Parsey provides to any Government Agencies that are authorized to provide monetary or other awards to eligible individuals who come forward with information that leads to an agency enforcement action. Parsey further understands that this Agreement does not limit Parsey's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any of the Government Agencies, including providing documents or other information, without notice to Gilead nor does it limit Parsey's ability to disclose factual information relating to a claim filed in a civil action or a complaint filed in an administrative action regarding sexual assault, or workplace harassment or discrimination based on sex, or failure to prevent an act of workplace harassment or discrimination based on sex, or an act of retaliation against a person for reporting harassment or discrimination based on sex. Should any charge or action be filed on Parsey's behalf involving claims released by the Releases, Parsey agrees to promptly inform the relevant agency, court, or arbitral forum that any individual claims Parsey might otherwise have had have been released. Additionally, nothing in this Agreement shall prohibit Parsey from (i) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Parsey has reason to believe is unlawful, (ii) reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or (iii) making other disclosures that are protected under the whistleblower provisions of federal or state law or regulation, and Parsey does not need prior authorization from Gilead to make any such reports or disclosures and Parsey is not required to notify Gilead that Parsey has made such reports or disclosures.

(g) Knowing and Voluntary Agreement. Parsey expressly recognizes and agrees that, by entering into this Agreement, Parsey is waiving any and all rights or claims that Parsey may have arising under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act of 1990, which have arisen on or before the date Parsey executes this Release.

2. Revocation and Effective Date.

(a) Parsey acknowledges that Parsey has carefully read and fully understands all of the provisions of this Supplemental Release and is hereby advised to consult with legal counsel. Parsey acknowledges that Parsey has 21 full calendar days within which to consider this

Supplemental Release before executing it. Parsey is free to sign this Supplemental Release in less than 21 days, but should Parsey take fewer than 21 days to review and sign this Supplemental Release, Parsey knowingly and voluntarily waives Parsey's right to review for the full 21-day period. Parsey further acknowledges that unless more time is required by applicable law or as set forth below, Parsey has seven calendar days within which to revoke this Supplemental Release after it is executed by Parsey (the "Revocation Period"). Any such revocation shall be in writing and shall be sent by email or certified mail to:

Jyoti Mehra
Executive Vice President, Human Resources
Gilead Sciences, Inc.
333 Lakeside Drive
Foster City, CA 94404
[…***…]

(a) Parsey's written revocation must be postmarked on or before the end of the seventh day after Parsey initially signed the Supplemental Release, ***provided, however***, that the expiration of the Revocation Period and deadline to submit the written revocation will be extended to the next business day after such Revocation Period expires should the seventh day fall on a Saturday, Sunday, or holiday recognized by the U.S. Postal Service, or if a revocation period longer than seven calendar days is required under applicable law. If Parsey revokes this Supplemental Release, Parsey will not be entitled to the Severance Pay Benefit (as defined in the Transition Agreement). If Parsey does not revoke this Supplemental Release in the time specified above, the Supplemental Release shall become effective once the Revocation Period expires (the "Effective Date").

(b) This Supplemental Release may be executed in counterparts, and each counterpart, when executed, shall have the efficacy of a signed original. Photographic, PDF, and facsimiled copies of signed counterparts may be used in lieu of the originals for any purpose.

(c) This Supplemental Release was entered into in California and the rights and obligations of Parsey and Gilead will be construed and enforced in accordance with, and will be governed by, the laws of the State of California, without regard to principles of conflict of laws.

3. Further Assurances.

Parsey shall, and shall cause Parsey's affiliates, representatives and agents to, from time to time at the request of Gilead and without any additional consideration, furnish Gilead with such further information or assurances, execute and deliver such additional documents,

instruments and conveyances, and take such other actions and do such other things, as may be reasonably necessary or desirable to carry out the provisions of this Agreement.

4. Integration.

This Supplemental Release shall constitute a part of the Transition Agreement entered into by and between Gilead and Parsey, which collectively constitute and contain the entire agreement and understanding between the parties concerning the subject matters specifically addressed herein, including but not limited to eligibility for and payment of severance or separation benefits, and supersedes and replaces all prior negotiations and all agreements proposed or otherwise, whether written or oral. Except as otherwise set forth in this Supplemental Release, this Supplemental Release shall be governed by the terms and conditions of the Transition Agreement.

NOT TO BE SIGNED UNTIL THE SEPARATION DATE

I have read and understood the foregoing Supplemental Release, have been advised to and have had the opportunity to discuss it with anyone I desire, including an attorney of my own choice, and I accept and agree to its terms, acknowledge receipt of a copy of the same and the sufficiency of the monies and benefits described above, and hereby execute this Supplemental Release voluntarily and with full understanding of its consequences.

EXECUTED this _____ day of _____, 2025, at _____.

_____
Merdad Parsey

EXECUTED this _____ day of _____ 2025, at Foster City, California.

Gilead Sciences, Inc.

By: _____

Name:
Title:

Exhibit 31.1

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: November 12, 2024

/s/ DANIEL P. O'DAY

Daniel P. O'Day
Chairman and Chief Executive Officer

Exhibit 31.2

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: November 12, 2024

/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 September 30, 2024 (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: November 12, 2024

/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.