



GILD Q222 Summary of Prepared Remarks

(\$ in millions, except percentages)	Q222	Yr/Yr	Qtr/Qtr	Management Commentary
<p>HIV</p> <p><i>Includes Atripla, Biktarvy, Complera/Eviplera, Descovy, Emtriva, Genvoya, Odefsey, Stribild, revenue share Symtuza, Truvada, and Tybost. Revenue share Symtuza represents Gilead's revenue from cobicistat (C), FTC and TAF in Symtuza (darunavir / C / FTC / TAF), a fixed dose combination product commercialized by Janssen</i></p>	\$4,228	7%	14%	<ul style="list-style-type: none"> – Total HIV sales YoY driven by channel mix associated with lower government utilization leading to higher average realized price, and higher demand for both treatment and PrEP. – YoY excluding LOE impact, HIV sales +11%. – Total HIV sales QoQ driven by channel mix associated with lower government utilization leading to higher average realized price and normal, favorable seasonal inventory dynamics. – Biktarvy \$2.6B, +28% YoY due to strong demand and channel mix; +19% QoQ due to channel mix, seasonal inventory dynamics and share gain. – Biktarvy market share of 44% in Q222 vs 40% in Q221. Continues to be market leader and fastest growing HIV treatment. – YoY tx market +4% in US, largely flat in Europe. – QoQ tx market over 2% in US, 1% in Europe. – Descovy sales of \$460M +6%. PrEP market share continues to hold in mid-40% range. – PrEP market volumes are well above pre-pandemic levels – PrEP market +25% YoY, +5% QoQ reflecting robust recovery and growing adoption.
<p>HCV</p> <p><i>Includes Epclusa, the authorized generic version of Epclusa, Harvoni, the authorized generic version of Harvoni, Sovaldi and Vosevi</i></p>	\$448	(18)%	12%	<ul style="list-style-type: none"> – YoY due to channel mix leading to lower average realized price and fewer patient starts, partially offset by higher volume in Eastern Europe. – QoQ driven by timing of large order in addition to higher patient starts. – Maintained steady market share of 50-60% in both US and Europe.
<p>HBV/HDV</p> <p><i>Includes Hepcludex, Hepsera, Vemlidy and Viread</i></p>	\$234	(1)%	(1)%	<ul style="list-style-type: none"> – Vemlidy sales -3% YoY and -2% QoQ driven by China Volume Based Procurement update, offset in part by volume growth in all other regions

(\$ in millions, except percentages)	Q222	Yr/Yr	Qtr/Qtr	Management Commentary (continued)
Cell therapy <i>Includes Yescarta and Tecartus</i>	\$368	68%	34%	<ul style="list-style-type: none"> – Results driven by very strong US launch of Yescarta for 2L LBCL that exceeded our expectations, and continued strong growth in 3L+ Yescarta. – 2L Launch supported by NCCN recommendation that predated the 2L approval. – 3L+ deliveries increased QoQ and YoY with growing overall awareness and confidence in Yescarta following 5 yr ZUMA-1 data at ASH and recent 2L approval.
Trodelvy	\$159	79%	9%	<ul style="list-style-type: none"> – QoQ driven by 41% growth ex-US with particularly strong growth in Germany and France due to increased awareness and adoption. – QoQ growth in U.S. reflected 7% volume growth largely offset by unfavorable pricing dynamics. – Favorable NCCN Category 1 recommendation for Trodelvy for TNBC in US. – Favorable NICE decision for Trodelvy for TNBC in UK.
Other <i>Includes AmBisome, Cayston, Jyseleca, Letairis, Ranexa and Zydelig</i>	\$256	(12)%	9%	
Product sales excluding Veklury	\$5,693	7%	14%	<ul style="list-style-type: none"> – YoY driven by HIV, Cell Therapy, and Trodelvy, partly offset by HCV. – QoQ driven by normal, seasonal pricing and inventory dynamics (primarily in HIV), and higher demand across portfolio.
Veklury	\$445	(46)%	(71)%	<ul style="list-style-type: none"> – As expected, declined YoY and QoQ reflecting lower hospitalization rates in most geographies. – Inventory drawdown in U.S.
Product sales	\$6,138	—%	(6)%	
Royalty, contract and other	\$122	87%	117%	
Total revenues	\$6,260	1%	(5)%	

Q222 Key Portfolio Highlights

	Management Commentary
Virology	
Veklury (remdesivir) & COVID-19	<ul style="list-style-type: none"> – Encouraged with early Phase 1 data for GS-5245, an investigational novel oral nucleoside in development for the treatment of COVID-19. Discussing early data with regulatory agencies and planning to move into the clinic.
Lenacapavir	<ul style="list-style-type: none"> – NDA submission for lenacapavir for heavily treatment experienced PLWH accepted by FDA last week, with a PDUFA date at the end of December. – Received positive CHMP opinion based on Phase 2/3 CAPELLA data.

Management Commentary (continued)

Oncology	
Trodelvy - Breast	<ul style="list-style-type: none"> – Favorable Category 2A recommendation from U.S. NCCN on Trodelvy for HR+/HER2- advanced breast cancer patients although not approved by U.S. FDA for this indication. – Following TROPiCS-02, discussions with FDA are ongoing on potential regulatory path. – TROPiCS-02 is ongoing, and patients continue to be followed for subsequent, planned OS analyses. – ASCENT-03 (Phase 3 1L mTNBC PD-L1-) screening has started. – ASCENT-04 (Phase 3 1L mTNBC PD-L1+ evaluating Trodelvy + Keytruda) screening has started.
Trodelvy - Bladder	<ul style="list-style-type: none"> – TROPiCS-04 (Phase 3 confirmatory study for bladder) ongoing. – TROPHY-U01 (Phase 2 1L expansion cohorts) results could lead to two Phase 3 studies in 1L mUC.
Trodelvy - Lung	<ul style="list-style-type: none"> – EVOKE-02 (Phase 2 NSCLC evaluating Trodelvy + Keytruda in patients without actionable genomic mutations) initiated. This is led by Gilead. – EVOKE-03 (Phase 3 NSCLC evaluating Trodelvy + Keytruda in PD-L1 \geq50%) expected to begin enrolling in 2H22. This is led by Merck.
Magrolimab	<ul style="list-style-type: none"> – No new updates on magrolimab program since the lifting of the partial clinical holds. All magrolimab programs have resumed enrollment without the FDA requiring any additional protocol changes, and our confidence in magro’s potential efficacy and safety profile is unchanged. – ENHANCE (Phase 3 1L HR MDS) continues to target interim analysis no later than early 2023. – ENHANCE enrollment overall progressing nicely. – Dosed the first patient in ENHANCE-3 (Phase 3 1L unfit AML). – Dosed the first patient in Trodelvy combination arm in ongoing magrolimab TNBC study.
Yescarta	<ul style="list-style-type: none"> – Presented real-world data at ASCO that demonstrated consistent outcomes for survival and safety, regardless of race and ethnicity. – Presented sub-analysis of ZUMA-7 patients over 65 where Yescarta demonstrated 8x greater median EFS and a clinically meaningful improvement in quality of life – Plan to enroll first patient later this year for 1) ZUMA-24, a Phase 2 study in 2L LBCL outpatient setting; 2) ZUMA-23, a Phase 3 study in 1L HR LBCL; 3) ZUMA-22, a Phase 3 study in 2L HR follicular lymphoma.
Domvanalimab, Etrumadenant, Quemliclustat, Zimberelimab	<ul style="list-style-type: none"> – ARC-7: expect Phase 2 data in 2H22. – ARC-6: expect interim Phase 2 for etruma data later this year. – ARC-8: expect Phase 2 data for quemli later this year.
<p><i>Note: Arcus Q2 Earnings Call is scheduled for August 3, 2022.</i></p>	

Select Upcoming 2022 Anticipated Milestones

2022 Focus: Select Key Catalysts Across Portfolio

1H22

2H22

Program	Trial	Indication	Update	Status
Trodelvy	TROPICS-02	HR+/HER2- mBC	Phase 3 topline readout	Completed
	EVOKE-02	1L NSCLC	Phase 2 FPI	Completed
	ASCENT-03	1L mTNBC PD-L1-	Phase 3 FPI	Completed
	ASCENT-04	1L mTNBC PD-L1+	Phase 3 FPI	Completed
Yescarta	ZUMA-7	2L R/R LBCL	sBLA decision	Completed
	ZUMA-5	3L+ FL	MAA decision	Completed
Lenacapavir	CAPELLA	HIV Tx in HTE	NDA decision	2H22

Completed On Track

Program	Trial	Indication	Update	Status
Trodelvy	TROPICS-02	HR+/HER2- mBC	Potential sBLA sub.	On Track
	EVOKE-03	1L NSCLC	Phase 3 FPI	On Track
Magrolimab	ENHANCE-3	1L Unfit AML	Phase 3 FPI	Completed
Yescarta	ZUMA-7	2L R/R LBCL	MAA decision	On Track
	ZUMA-24	2L LBCL OPT	Phase 2 FPI	On Track
	ZUMA-23	1L HR LBCL	Phase 3 FPI	On Track
Tecartus	ZUMA-22	2L+ HR FL	Phase 3 FPI	On Track
	ZUMA-3	R/R aALL	MAA decision	On Track
Hepcludex	MYR301	HDV	BLA decision	On Track
Domvanalimab	ARC-7	1L NSCLC	Phase 2 data	On Track
	ARC-21	1L Upper GI	Phase 2 FPI	On Track
	STAR-121	1L NSCLC	Phase 3 FPI	On Track
Etrumadenant	ARC-6	mCRPC	Interim Phase 2 data	On Track
	ARC-9	mCRC	Interim Phase 2 data	On Track
Quemliclustat	ARC-8	1L PDAC	Phase 2 data	On Track

aALL - adult acute lymphocytic leukemia, AML - acute myeloid leukemia, BLA - biologics license application, FL - follicular lymphoma, FPI - first patient in, HDV - hepatitis D virus, HR - high risk, HIV - human immunodeficiency virus, HR+/HER2- mBC - hormone receptor positive, human epidermal growth factor receptor 2 negative metastatic breast cancer, HTE - heavily treatment-experienced, LBCL - large B cell lymphoma, MAA - marketing authorization application, GI - gastrointestinal, mCRC - metastatic colorectal cancer, mCRPC - metastatic castrate-resistant prostate cancer, mTNBC - metastatic triple-negative breast cancer, NDA - new drug application, NSCLC - non-small cell lung cancer, OPT - outpatient, PDAC - pancreatic ductal adenocarcinoma, PD-L1 - programmed death-ligand 1, PFS - progression-free survival, R/R - relapsed/refractory, sBLA - supplemental biologics license application, Tx - treatment.



Q222 FX Impact

	Reported			Guidance
	Q122	Q222	1H22	2H22
Total Product Sales	~\$100M	~\$85M	~\$185M	~\$200M
Total Product Sales, Excluding Veklury	na	~\$65M	na	na

Additional Commentary:

- Excluding impact of FX and impact of LOEs, total Q222 product sales, excluding Veklury, grew 11%.
- Excluding impact of FX and impact of LOEs, total 1H22 product sales, excluding Veklury, grew 8% (compared to 5% reported).

Q222 Non-GAAP Financial Results

You are encouraged to review the GAAP reconciliation of the following non-GAAP measures at the end of this summary.

(in millions, except percentages)

	Q222	Yr/Yr	Qtr/Qtr	Management Commentary
Cost of goods sold	\$886	6%	7%	
Product gross margin	86%	-83 bps	-183 bps	– YoY primarily due to Biktarvy-related royalty following settlement in Q122. – QoQ primarily driven by Biktarvy-related royalty, inventory reserves, and product mix.
Research and development expenses	\$1,102	6%	(4)%	– YoY due to increase development investments and timing of clinical trial activities, esp. oncology. – QoQ primarily due to lower manufacturing activities as compared to Q1 and timing of clinical activities.
Acquired IPR&D expenses ⁽¹⁾	\$330	139%	NM	– Includes \$300M associated with new Dragonfly collaboration.
Selling, general and administrative expenses	\$1,272	13%	17%	– YoY and QoQ due to increased promotional and marketing activities, primarily for Trodelvy, as well as higher corporate expenses including IT investments and grants.
Total costs and expenses	\$3,590	14%	17%	
Income from operations	\$2,670	(13)%	(24)%	
Operating margin	43%	-684 bps	(1084) bps	– Excluding Dragonfly, Operating Margin was 47.5%.
Effective tax rate	19.3%	-20 bps	90 bps	
Net income attributable to Gilead	\$1,985	(13)%	(26)%	
Net income per share attributable to Gilead common stockholders - diluted	\$1.58	(13)%	(26)%	– Impacted by \$0.18 on a post-tax, per share basis for Dragonfly, and the Biktarvy-related royalty.
Shares used in per share calculation - diluted	1,260	—%	—%	

NM - Not Meaningful

⁽¹⁾ Acquired IPR&D Q222 was up \$330M compared to Q221

Q222 Balance Sheet and Cash Flow

(in millions)

	Q222	Yr/Yr	Qtr/Qtr
Net cash provided by operating activities	\$1,802	(22)%	(2)%
Less: Capital expenditures	\$(143)	20%	(42)%
Free cash flow⁽¹⁾	\$1,659	(24)%	4%
Cash, cash equivalents and marketable securities	\$7,000	(5)%	4%
Debt repaid	\$—	N/A	N/A
Cash dividends paid	\$(920)	3%	(3)%
Share repurchases	\$(72)	67%	(80)%

⁽¹⁾ Free cash flow is a non-GAAP liquidity measure. Please refer to our disclosures in the Non-GAAP Financial Information section of our Press Release, issued by Gilead Sciences, Inc. on August 2, 2022 on Form 8-K, which is available on <http://investors.gilead.com>.

Q222 Product Sales by Region

(in millions, except percentages)

	Q222	Yr/Yr	Qtr/Qtr
Total product sales – U.S.	\$4,254	1%	(2)%
Total product sales – Europe	\$1,042	(9)%	(11)%
Total product sales – Other Intl	\$842	6%	(18)%
Total product sales	\$6,138	—%	(6)%

2022 Guidance

You are encouraged to review the GAAP reconciliation of the following non-GAAP measures at the end of this summary.

(in millions, except percentages and per share amounts)

	FY22	Management Commentary
GAAP		
Total product sales	\$24.5 billion - \$25.0 billion	<ul style="list-style-type: none"> – Was \$23.8 to \$24.3B. – Revision reflects strong performance YTD, including strong growth in cell therapy and HIV. – Includes expectations for an additional ~\$200M FX headwind in 2H22. – In HIV, expect modest sequential growth in Q322 keeping in mind Q222 strength. – In cell therapy, expect flat to modestly higher sequential revenue in Q322. Expect demand to stabilize following launch bolus of orders in Q222.
Veklury	~\$2.5 billion	<ul style="list-style-type: none"> – Was ~\$2B. – Following inventory drawdown in Q2, expect sales to increase sequentially in US and continue to track hospitalization rates. – Guidance assumes no significant increase in hospitalization rates from Q2 levels.
Total product sales excluding Veklury	\$22.0 billion - \$22.5 billion	<ul style="list-style-type: none"> – Was \$21.8 to \$22.3B, growth of 2-4%. – New range represents growth of 3-5%.
Diluted EPS	\$2.90 - \$3.30	
Debt repayments	\$1.5 billion	
Non-GAAP		
Product gross margin	85% - 86%	– No change from 2/1/22.
R&D	Mid-single digit % growth vs FY'21	<ul style="list-style-type: none"> – Was previously a decline. – \$762M of IPR&D expense previously reported as R&D in 2021 has now moved to IPR&D. – 2021 R&D basis is now \$4.5B vs \$5.2B. – This is only change to R&D guidance (i.e. actual R&D expense expectations remain largely unchanged from the start of the year).
SG&A	Low-single digit % growth vs. FY'21	<ul style="list-style-type: none"> – Was previously flat on a dollar basis vs. 2021. – Update reflects continued investment across our commercial organization and expectations for higher costs as a result of inflation.
Income from operations	\$11.0 billion - \$11.6 billion	– Was \$10.7 to \$11.5B.
Effective tax rate	~ 20%	– No change from 2/1/22.
Diluted EPS	\$6.35 - \$6.75	<ul style="list-style-type: none"> – Was \$6.20 to \$6.70. – Now includes the impact of the Dragonfly collaboration we announced in May that was NOT included in our previous guidance. – Note that today's guidance does NOT include additional upfront payments related to normal course of business partnerships or licensing deals that we might announce in Q3 or Q422.

Certain amounts and percentages in this document may not sum or recalculate due to rounding.

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

(in millions, except per share amounts)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Revenues:				
Product sales	\$ 6,138	\$ 6,152	\$12,672	\$12,492
Royalty, contract and other revenues	122	65	178	148
Total revenues	6,260	6,217	12,850	12,640
Costs and expenses:				
Cost of goods sold	1,442	1,390	2,866	2,751
Research and development expenses	1,102	1,092	2,280	2,142
Acquired in-process research and development expenses	330	138	338	205
In-process research and development impairment	—	—	2,700	—
Selling, general and administrative expenses	1,357	1,351	2,440	2,406
Total costs and expenses	4,231	3,971	10,624	7,504
Income from operations	2,029	2,246	2,226	5,136
Interest expense	(242)	(256)	(480)	(513)
Other income (expense), net	(284)	(173)	(395)	(542)
Income before income taxes	1,503	1,817	1,351	4,081
Income tax expense	(368)	(300)	(204)	(842)
Net income	1,135	1,517	1,147	3,239
Net loss attributable to noncontrolling interest	9	5	16	12
Net income attributable to Gilead	\$ 1,144	\$ 1,522	\$ 1,163	\$ 3,251
Net income per share attributable to Gilead common stockholders - basic	\$ 0.91	\$ 1.21	\$ 0.93	\$ 2.59
Shares used in per share calculation - basic	1,256	1,255	1,255	1,256
Net income per share attributable to Gilead common stockholders - diluted	\$ 0.91	\$ 1.21	\$ 0.92	\$ 2.58
Shares used in per share calculation - diluted	1,260	1,260	1,261	1,261
Cash dividends declared per share	\$ 0.73	\$ 0.71	\$ 1.46	\$ 1.42
Product gross margin	76.5 %	77.4 %	77.4 %	78.0 %
Research and development expenses as a % of revenues	17.6 %	17.6 %	17.7 %	16.9 %
Selling, general and administrative expenses as a % of revenues	21.7 %	21.7 %	19.0 %	19.0 %
Operating margin	32.4 %	36.1 %	17.3 %	40.6 %
Effective tax rate	24.5 %	16.5 %	15.1 %	20.6 %

GILEAD SCIENCES, INC.
TOTAL REVENUE SUMMARY
(unaudited)

(in millions, except percentages)	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	Change	2022	2021	Change
Product sales:						
HIV	\$ 4,228	\$ 3,938	7%	\$ 7,935	\$ 7,588	5%
HCV	448	549	(18)%	847	1,059	(20)%
HBV/HDV	234	237	(1)%	470	457	3%
Cell therapy	368	219	68%	642	410	57%
Trodelvy	159	89	79%	305	161	90%
Other	256	291	(12)%	493	532	(7)%
Total product sales excluding Veklury	5,693	5,323	7%	10,692	10,207	5%
Veklury	445	829	(46)%	1,980	2,285	(13)%
Total product sales	6,138	6,152	—%	12,672	12,492	1%
Royalty, contract and other revenues	122	65	87%	178	148	20%
Total revenues	<u>\$ 6,260</u>	<u>\$ 6,217</u>	1%	<u>\$ 12,850</u>	<u>\$ 12,640</u>	2%

GILEAD SCIENCES, INC.
NON-GAAP FINANCIAL INFORMATION⁽¹⁾
(unaudited)

(in millions, except percentages)	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	Change	2022	2021	Change
Non-GAAP:						
Cost of goods sold	\$ 886	\$ 836	6%	\$ 1,711	\$ 1,691	1%
Research and development expenses	\$ 1,102	\$ 1,042	6%	\$ 2,251	\$ 2,086	8%
Acquired IPR&D expenses	\$ 330	\$ 138	139%	\$ 338	\$ 205	65%
Selling, general and administrative expenses	\$ 1,272	\$ 1,121	13%	\$ 2,355	\$ 2,154	9%
Other income (expense), net	\$ 20	\$ 1	NM	\$ 5	\$ (17)	NM
Diluted EPS	\$ 1.58	\$ 1.81	(13)%	\$ 3.70	\$ 3.85	(4)%
Product gross margin	85.6 %	86.4 %	-83 bps	86.5%	86.5%	-0 bps
Research and development expenses as a % of revenues	17.6 %	16.8 %	81 bps	17.5%	16.5%	102 bps
Selling, general and administrative expenses as a % of revenues	20.3 %	18.0 %	232 bps	18.3%	17.0%	132 bps
Operating margin	42.7 %	49.5 %	-684 bps	48.2%	51.5%	-329 bps
Effective tax rate	19.3 %	19.5 %	-20 bps	18.8%	18.9%	-10 bps

NM - Not Meaningful

⁽¹⁾ Refer to Non-GAAP Financial Information section above for further disclosures on non-GAAP financial measures. A reconciliation between GAAP and non-GAAP financial information is provided in the tables on pages 11 - 12. Beginning in the first quarter of 2022, consistent with recent industry communications from the U.S. Securities and Exchange Commission, the Company no longer excludes the initial costs of acquired IPR&D projects from its non-GAAP financial measures. Prior period non-GAAP financial measures are revised to conform to the new presentation.

GILEAD SCIENCES, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION
(unaudited)

(in millions, except percentages and per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Cost of goods sold reconciliation:				
GAAP cost of goods sold	\$ 1,442	\$ 1,390	\$ 2,866	\$ 2,751
Acquisition-related – amortization of acquired intangibles and inventory step-up charges	(556)	(554)	(1,113)	(1,060)
Other ⁽¹⁾	—	—	(42)	—
Non-GAAP cost of goods sold	\$ 886	\$ 836	\$ 1,711	\$ 1,691
Product gross margin reconciliation:				
GAAP product gross margin	76.5 %	77.4 %	77.4 %	78.0 %
Acquisition-related – amortization of acquired intangibles and inventory step-up charges	9.1 %	9.0 %	8.8 %	8.5 %
Other ⁽¹⁾	— %	— %	0.3 %	— %
Non-GAAP product gross margin	85.6 %	86.4 %	86.5 %	86.5 %
Research and development expenses reconciliation:				
GAAP research and development expenses	\$ 1,102	\$ 1,092	\$ 2,280	\$ 2,142
Acquisition-related – other costs ⁽²⁾	—	(6)	(11)	(12)
Other ⁽¹⁾	—	(44)	(18)	(44)
Non-GAAP research and development expenses	\$ 1,102	\$ 1,042	\$ 2,251	\$ 2,086
IPR&D impairment reconciliation:				
GAAP IPR&D impairment	\$ —	\$ —	\$ 2,700	\$ —
IPR&D impairment	—	—	(2,700)	—
Non-GAAP IPR&D impairment	\$ —	\$ —	\$ —	\$ —
Selling, general and administrative expenses reconciliation:				
GAAP selling, general and administrative expenses	\$ 1,357	\$ 1,351	\$ 2,440	\$ 2,406
Acquisition-related – other costs ⁽²⁾	—	(10)	—	(32)
Other ⁽¹⁾	(85)	(220)	(85)	(220)
Non-GAAP selling, general and administrative expenses	\$ 1,272	\$ 1,121	\$ 2,355	\$ 2,154
Income from operations reconciliation:				
GAAP income from operations	\$ 2,029	\$ 2,246	\$ 2,226	\$ 5,136
Acquisition-related – amortization of acquired intangibles and inventory step-up charges	556	554	1,113	1,060
Acquisition-related – other costs ⁽²⁾	—	16	11	44
IPR&D impairment	—	—	2,700	—
Other ⁽¹⁾	85	264	145	264
Non-GAAP income from operations	\$ 2,670	\$ 3,080	\$ 6,195	\$ 6,504
Operating margin reconciliation:				
GAAP operating margin	32.4 %	36.1 %	17.3 %	40.6 %
Acquisition-related – amortization of acquired intangibles and inventory step-up charges	8.9 %	8.9 %	8.7 %	8.4 %
Acquisition-related – other costs ⁽²⁾	— %	0.3 %	0.1 %	0.3 %
IPR&D impairment	— %	— %	21.0 %	— %
Other ⁽¹⁾	1.4 %	4.2 %	1.1 %	2.1 %
Non-GAAP operating margin	42.7 %	49.5 %	48.2 %	51.5 %
Other income (expense), net reconciliation:				
GAAP other income (expense), net	\$ (284)	\$ (173)	\$ (395)	\$ (542)
Loss from equity securities, net	303	174	399	525
Non-GAAP other income (expense), net	\$ 20	\$ 1	\$ 5	\$ (17)

GILEAD SCIENCES, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION - (Continued)
(unaudited)

(in millions, except percentages and per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Effective tax rate reconciliation:				
GAAP effective tax rate	24.5 %	16.5 %	15.1 %	20.6 %
Income tax effect of above non-GAAP adjustments and discrete and related tax adjustments ⁽³⁾	(5.2) %	3.0 %	3.7 %	(1.7) %
Non-GAAP effective tax rate	19.3 %	19.5 %	18.8 %	18.9 %
Net income attributable to Gilead reconciliation:				
GAAP net income attributable to Gilead	\$ 1,144	\$ 1,522	\$ 1,163	\$ 3,251
Acquisition-related – amortization of acquired intangibles and inventory step-up charges	442	446	885	855
Acquisition-related – other costs ⁽²⁾	—	15	11	37
IPR&D impairment	—	—	2,057	—
Other ⁽¹⁾	59	166	104	166
Loss from equity securities, net	308	169	372	533
Discrete and related tax charges ⁽³⁾	31	(40)	68	14
Non-GAAP net income attributable to Gilead	\$ 1,985	\$ 2,278	\$ 4,661	\$ 4,856
Diluted EPS reconciliation:				
GAAP diluted EPS	\$ 0.91	\$ 1.21	\$ 0.92	\$ 2.58
Acquisition-related – amortization of acquired intangibles and inventory step-up charges	0.35	0.35	0.70	0.68
Acquisition-related – other costs ⁽²⁾	—	0.01	0.01	0.03
IPR&D impairment	—	—	1.63	—
Other ⁽¹⁾	0.05	0.13	0.08	0.13
Loss from equity securities, net	0.24	0.13	0.30	0.42
Discrete and related tax charges ⁽³⁾	0.02	(0.03)	0.05	0.01
Non-GAAP diluted EPS	\$ 1.58	\$ 1.81	\$ 3.70	\$ 3.85
Non-GAAP adjustment summary:				
Cost of goods sold adjustments	\$ 556	\$ 554	\$ 1,155	\$ 1,060
Research and development expenses adjustments	—	50	29	56
IPR&D impairment adjustments	—	—	2,700	—
Selling, general and administrative expenses adjustments	85	230	85	252
Total non-GAAP adjustments before other income (expense), net, and income taxes	641	834	3,968	1,368
Other income (expense), net, adjustments	303	174	399	525
Total non-GAAP adjustments before income taxes	945	1,008	4,368	1,893
Income tax effect of non-GAAP adjustments above	(135)	(212)	(938)	(302)
Discrete and related tax charges ⁽³⁾	31	(40)	68	14
Total non-GAAP adjustments after tax	\$ 841	\$ 756	\$ 3,498	\$ 1,605

⁽¹⁾ Adjustments to Cost of goods sold and Research and development expenses include various restructuring expenses during the first quarter of 2022 and the second quarter of 2021. Adjustments to Selling, general and administrative expenses include donations to the Gilead Foundation, a California nonprofit organization, during the second quarters of 2022 and 2021.

⁽²⁾ Primarily includes employee-related expenses, contingent consideration fair value adjustments and other expenses associated with Gilead's acquisitions of Immunomedics, Inc. and MYR GmbH.

⁽³⁾ Represents discrete and related deferred tax charges or benefits primarily associated with acquired intangible assets and transfers of intangible assets from a foreign subsidiary to Ireland and the United States.

GILEAD SCIENCES, INC.
RECONCILIATION OF GAAP TO NON-GAAP 2022 FULL-YEAR GUIDANCE⁽¹⁾
(unaudited)

(in millions, except percentages and per share amounts)	Provided February 1, 2022	Updated April 28, 2022	Updated August 2, 2022
Projected product gross margin GAAP to non-GAAP reconciliation:			
GAAP projected product gross margin	76% - 77%	76% - 77%	76% - 77%
Acquisition-related and other	~ 9%	~ 9%	~ 9%
Non-GAAP projected product gross margin	<u>85% - 86%</u>	<u>85% - 86%</u>	<u>85% - 86%</u>
Projected income from operations GAAP to non-GAAP reconciliation:			
GAAP projected income from operations	\$8,600 - \$9,400	\$5,800 - \$6,600	\$6,050 - \$6,650
Acquisition-related, IPR&D impairment and other	~ 2,100	~ 4,900	~ 4,950
Non-GAAP projected income from operations	<u>\$10,700 - \$11,500</u>	<u>\$10,700 - \$11,500</u>	<u>\$11,000 - \$11,600</u>
Projected effective tax rate GAAP to non-GAAP reconciliation:			
GAAP projected effective tax rate	~ 22%	~ 20%	~ 21%
Discrete and related tax adjustments, and income tax effect of adjustments above and fair value adjustments of equity securities	~ 2%	—%	~ 1%
Non-GAAP projected effective tax rate	<u>~ 20%</u>	<u>~ 20%</u>	<u>~ 20%</u>
Projected diluted EPS GAAP to non-GAAP reconciliation:			
GAAP projected diluted EPS	\$4.70 - \$5.20	\$3.00 - \$3.50	\$2.90 - \$3.30
Acquisition-related, IPR&D impairment, fair value adjustments of equity securities, other and discrete and related tax adjustments	~ 1.50	~ 3.20	~ 3.45
Non-GAAP projected diluted EPS	<u>\$6.20 - \$6.70</u>	<u>\$6.20 - \$6.70</u>	<u>\$6.35 - \$6.75</u>

⁽¹⁾ The non-GAAP 2022 full-year guidance includes non-GAAP adjustments to actual current period results as well as adjustments for the known future impact associated with events that have already occurred, such as future amortization of our intangible assets and the future impact of discrete and related deferred tax charges or benefits primarily associated with acquired intangible assets and transfers of intangible assets from a foreign subsidiary to Ireland and the United States. Our full-year guidance excludes the potential impact of any (i) acquisitions or business development transactions that have not been executed, (ii) future fair value adjustments of equity securities and (iii) discrete tax charges or benefits associated with changes in tax related laws and guidelines that have not been enacted, as Gilead is unable to project such amounts.

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

(in millions)	June 30, 2022	December 31, 2021
Assets		
Cash, cash equivalents and marketable securities	\$ 7,000	\$ 7,829
Accounts receivable, net	4,118	4,493
Inventories	2,587	2,734
Property, plant and equipment, net	5,299	5,121
Intangible assets, net	29,885	33,455
Goodwill	8,314	8,332
Other assets	5,667	5,988
Total assets	<u>\$ 62,870</u>	<u>\$ 67,952</u>
Liabilities and Stockholders' Equity		
Current liabilities	\$ 9,220	\$ 11,610
Long-term liabilities	33,435	35,278
Stockholders' equity ⁽¹⁾	20,215	21,064
Total liabilities and stockholders' equity	<u>\$ 62,870</u>	<u>\$ 67,952</u>

⁽¹⁾ As of June 30, 2022 and December 31, 2021, there were 1,254 shares of common stock issued and outstanding, respectively.

GILEAD SCIENCES, INC.
SELECTED CASH FLOW INFORMATION
(unaudited)

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net cash provided by operating activities	\$ 1,802	\$ 2,316	\$ 3,642	\$ 4,926
Net cash used in investing activities	(308)	(577)	(1,378)	(2,619)
Net cash used in financing activities	(1,003)	(931)	(2,797)	(3,408)
Effect of exchange rate changes on cash and cash equivalents	(48)	20	(66)	(3)
Net change in cash and cash equivalents	443	828	(599)	(1,104)
Cash and cash equivalents at beginning of period	4,296	4,065	5,338	5,997
Cash and cash equivalents at end of period	\$ 4,739	\$ 4,893	\$ 4,739	\$ 4,893

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net cash provided by operating activities	\$ 1,802	\$ 2,316	\$ 3,642	\$ 4,926
Capital expenditures	(143)	(119)	(390)	(284)
Free cash flow ⁽¹⁾	\$ 1,659	\$ 2,197	\$ 3,252	\$ 4,642

⁽¹⁾ Free cash flow is a non-GAAP liquidity measure. Please refer to our disclosures in the Non-GAAP Financial Information section of our Press Release, issued by Gilead Sciences, Inc. on August 2, 2022 on Form 8-K, which is available on <http://investors.gilead.com>.

GILEAD SCIENCES, INC.
PRODUCT SALES SUMMARY
(unaudited)

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
HIV				
Biktarvy – U.S.	\$ 2,095	\$ 1,586	\$ 3,801	\$ 3,051
Biktarvy – Europe	268	237	529	453
Biktarvy – Other International	193	171	376	314
	2,556	1,994	4,707	3,818
Descovy – U.S.	397	357	708	639
Descovy – Europe	32	44	64	86
Descovy – Other International	32	34	63	69
	460	435	834	794
Genvoya – U.S.	482	551	939	1,057
Genvoya – Europe	72	100	149	206
Genvoya – Other International	29	55	76	116
	582	706	1,164	1,379
Odefsey – U.S.	255	258	487	498
Odefsey – Europe	97	111	193	224
Odefsey – Other International	12	13	23	27
	364	382	703	749
Revenue share – Symtuza ⁽¹⁾ – U.S.	80	86	166	175
Revenue share – Symtuza ⁽¹⁾ – Europe	42	40	86	84
Revenue share – Symtuza ⁽¹⁾ – Other International	4	3	6	5
	126	129	258	264
Complera / Eviplera – U.S.	20	20	37	45
Complera / Eviplera – Europe	31	39	55	73
Complera / Eviplera – Other International	3	3	7	7
	54	62	99	125
Stribild – U.S.	24	35	46	66
Stribild – Europe	8	11	16	22
Stribild – Other International	2	5	5	9
	33	51	66	97
Truvada – U.S.	24	94	52	213
Truvada – Europe	5	6	9	13
Truvada – Other International	5	8	11	17
	34	108	72	243
Other HIV ⁽²⁾ – U.S.	5	57	10	86
Other HIV ⁽²⁾ – Europe	9	8	13	13
Other HIV ⁽²⁾ – Other International	4	6	9	20
	18	71	33	119
Total HIV – U.S.	3,383	3,044	6,245	5,830
Total HIV – Europe	562	596	1,112	1,174
Total HIV – Other International	282	298	577	584
	4,228	3,938	7,935	7,588

GILEAD SCIENCES, INC.
PRODUCT SALES SUMMARY - (Continued)
(unaudited)

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<u>HCV</u>				
Ledipasvir / Sofosbuvir ⁽³⁾ – U.S.	6	30	19	49
Ledipasvir / Sofosbuvir ⁽³⁾ – Europe	4	3	8	19
Ledipasvir / Sofosbuvir ⁽³⁾ – Other International	13	29	31	50
	23	62	58	118
Sofosbuvir / Velpatasvir ⁽⁴⁾ – U.S.	227	262	389	476
Sofosbuvir / Velpatasvir ⁽⁴⁾ – Europe	75	82	157	157
Sofosbuvir / Velpatasvir ⁽⁴⁾ – Other International	74	98	159	190
	376	442	706	823
Other HCV ⁽⁵⁾ – U.S.	30	35	54	60
Other HCV ⁽⁵⁾ – Europe	16	8	24	52
Other HCV ⁽⁵⁾ – Other International	3	2	5	6
	49	45	83	118
Total HCV – U.S.	263	327	462	585
Total HCV – Europe	94	93	189	228
Total HCV – Other International	91	129	196	246
	448	549	847	1,059
<u>HBV/HDV</u>				
Vemlidy – U.S.	97	86	177	163
Vemlidy – Europe	9	8	18	16
Vemlidy – Other International	89	106	199	202
	195	200	394	381
Viread – U.S.	3	3	3	7
Viread – Europe	6	8	12	15
Viread – Other International	15	17	32	37
	24	28	47	59
Other HBV/HDV ⁽⁶⁾ – U.S.	—	1	—	1
Other HBV/HDV ⁽⁶⁾ – Europe	15	8	28	16
	16	9	28	17
Total HBV/HDV – U.S.	100	90	180	171
Total HBV/HDV – Europe	30	24	57	47
Total HBV/HDV – Other International	104	123	232	239
	234	237	470	457
<u>Veklury</u>				
Veklury – U.S.	41	416	843	1,236
Veklury – Europe	126	264	430	652
Veklury – Other International	278	149	708	397
	445	829	1,980	2,285
<u>Cell therapy</u>				
Tecartus – U.S.	53	32	100	59
Tecartus – Europe	20	9	35	13
Tecartus – Other International	—	—	1	—
	73	41	136	72
Yescarta – U.S.	193	108	318	200
Yescarta – Europe	85	61	162	122
Yescarta – Other International	17	9	26	16
	295	178	506	338
Total cell therapy – U.S.	246	140	418	259
Total cell therapy – Europe	105	70	197	135
Total cell therapy – Other International	17	9	27	16
	368	219	642	410

GILEAD SCIENCES, INC.
PRODUCT SALES SUMMARY - (Continued)
(unaudited)

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Trodelvy				
Trodelvy – U.S.	120	89	240	161
Trodelvy – Europe	35	—	61	—
Trodelvy – Other International	3	—	5	—
	159	89	305	161
Other				
AmBisome – U.S.	15	13	40	25
AmBisome – Europe	63	69	129	135
AmBisome – Other International	54	74	107	117
	132	156	275	277
Letairis – U.S.	49	57	92	111
Other ⁽⁷⁾ – U.S.	37	37	63	75
Other ⁽⁷⁾ – Europe	26	31	41	51
Other ⁽⁷⁾ – Other International	13	10	22	18
	76	78	125	144
Total other – U.S.	101	107	195	211
Total other – Europe	88	100	169	186
Total other – Other International	67	84	129	135
	256	291	493	532
Total product sales – U.S.	4,254	4,213	8,582	8,453
Total product sales – Europe	1,042	1,147	2,216	2,422
Total product sales – Other International	842	792	1,873	1,617
	\$ 6,138	\$ 6,152	\$ 12,672	\$ 12,492

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

⁽²⁾ Includes Atripla, Emtriva and Tybost.

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

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

⁽⁵⁾ Includes Vosevi and Sovaldi.

⁽⁶⁾ Includes Hepcludex and Hepsera.

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

Forward-Looking Statements

Statements included in this press release that are not historical in nature are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Gilead cautions readers that forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties include those relating to: the impact of the COVID-19 pandemic on Gilead's business, financial condition and results of operations; the development, manufacturing and distribution of Veklury as a treatment for COVID-19, including the uncertainty of the amount and timing of future Veklury sales and Gilead's ability to effectively manage the global supply and distribution of Veklury; Gilead's ability to achieve its anticipated full year 2022 financial results, including as a result of potential adverse revenue impacts from COVID-19 and potential revenues from Veklury; Gilead's ability to make progress on any of its long-term ambitions or strategic priorities laid out in its corporate strategy; Gilead's ability to accelerate or sustain revenues for its virology, oncology and other programs; Gilead's ability to realize the potential benefits of acquisitions, collaborations or licensing arrangements; Gilead's ability to initiate, progress or complete clinical trials within currently anticipated timeframes or at all, the risk that FDA may not remove clinical holds currently in place on any clinical trials, the possibility of unfavorable results from ongoing and additional clinical trials, including those involving Biktarvy, Trodelvy, Veklury, Yescarta, lenacapavir and magrolimab, and the risk that safety and efficacy data from clinical trials may not warrant further development of Gilead's product candidates or the product candidates of Gilead's strategic partners; Gilead's ability to submit new drug applications for new product candidates or expanded indications in the currently anticipated timelines; Gilead's ability to provide the requested documentation and address the comments in a Complete Response Letter to the satisfaction of the FDA; Gilead's ability to receive regulatory approvals in a timely manner or at all, including FDA approval of Trodelvy for treatment of HR+/HER2- metastatic breast cancer and other indications and lenacapavir for treatment of HIV-1 infection in heavily treatment-experienced people with multi-drug resistant infection, and the risk that any such approvals may be subject to significant limitations on use; Gilead's ability to successfully commercialize its products; the risk of potential disruptions to the manufacturing and supply chain of Gilead's products, including the risk that Kite may be unable to increase its manufacturing capacity, timely manufacture and deliver its products or produce an amount of supply sufficient to satisfy demand for such products; pricing and reimbursement pressures from government agencies and other third parties, including required rebates and other discounts; a larger than anticipated shift in payer mix to more highly discounted payer segments; market share and price erosion caused by the introduction of generic versions of Gilead products; the risk that physicians and patients may not see advantages of these products over other therapies and may therefore be reluctant to prescribe the products, including Yescarta; and other risks identified from time to time in Gilead's reports filed with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. In addition, Gilead makes estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. Gilead bases its estimates on historical experience and on various other market specific and other relevant assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. There may be other factors of which Gilead is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ significantly from these estimates. Further, results for the quarter ended June 30, 2022 are not necessarily indicative of operating results for any future periods. Gilead directs readers to its press releases, annual reports on Form 10-K, quarterly reports on Form 10-Q and other subsequent disclosure documents filed with the SEC. Gilead claims the protection of the Safe Harbor contained in the Private Securities Litigation Reform Act of 1995 for forward-looking statements.

The reader is cautioned that forward-looking statements are not guarantees of future performance and is cautioned not to place undue reliance on these forward-looking statements. All forward-looking statements are based on information currently available to Gilead and Gilead assumes no obligation to update or supplement any such forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statements.

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