Gilead and Assembly Biosciences Establish Partnership to Develop Next-Generation Therapeutics for Serious Viral Diseases

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—Partnership combines Gilead's proven track record and mission to develop transformative therapeutics targeting serious viral diseases, with Assembly Bio's expertise and focus on antiviral R&D to advance differentiated treatments for herpesviruses, HBV, HDV and beyond—

—Collaboration includes Assembly Bio's current and future pipeline candidates and incorporates two Gilead herpesvirus programs—

—Assembly Bio to receive $100 million upfront payment, including equity investment, plus potential for future regulatory, commercial, opt-in and collaboration extension payments—

—Assembly Bio management to host webcast today at 8:30 a.m. ET/5:30 a.m. PT—

FOSTER CITY, Calif. & SOUTH SAN FRANCISCO, Calif.--(BUSINESS WIRE)--Oct. 17, 2023-- Gilead Sciences, Inc. (Nasdaq: GILD) and Assembly Biosciences, Inc. (Nasdaq: ASMB), a biotechnology company developing innovative antiviral therapeutics targeting serious viral diseases, today announced that the companies have entered into a 12-year partnership to advance the research and development of novel antiviral therapies, with an initial focus in Assembly Bio's established areas of herpesviruses, hepatitis B virus (HBV) and hepatitis D virus (HDV).

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20231017843279/en/

Assembly Bio's current portfolio of small molecule antiviral therapeutics includes both clinical and preclinical programs, including next-generation core inhibitor ABI-4334 for the treatment of HBV, long-acting helicase-primase inhibitor ABI-5366 for herpes simplex virus (HSV), an orally bioavailable HDV entry inhibitor ABI-6250, and a pan-herpes polymerase inhibitor program.

"Advancing the next wave of innovation in virology remains a core focus for Gilead as we seek to address the unmet needs of people affected by serious viral infections around the world," said Tomas Cihlar, Senior Vice President of Virology Research, Gilead. "Collaborations and partnerships are key in the pursuit of the next wave of transformative innovations. We are excited to announce this partnership with Assembly Bio to synergize our efforts on advancing and accelerating the discovery and development of novel antiviral therapeutics."

"We are thrilled to partner with Gilead to address significant unmet medical needs in herpesviruses, viral hepatitis and beyond," said Jason Okazaki, chief executive officer and president of Assembly Bio. "With Gilead's established success in developing and commercializing antiviral medicines and Assembly Bio's advanced virology research capabilities, we believe the shared expertise and promising investigational therapies that both organizations contribute to this collaboration have the potential to deliver significant advances to patients. This transaction represents a critical step in Assembly Bio's path to becoming a fully-integrated biotechnology company and we are eager to begin working with our new partner."

Terms of the Partnership

Under the terms of the agreement, Assembly Bio will receive $100 million, consisting of an $84.8 million upfront payment and a $15.2 million equity investment from Gilead. Gilead's initial equity investment at a premium represents 19.9 percent of the outstanding voting stock of Assembly Bio as of the date of closing. In addition, subject to certain conditions, Gilead has agreed to purchase up to 29.9 percent of Assembly Bio's outstanding voting stock at a premium.

Gilead may opt-in to obtain exclusive rights for each of Assembly Bio's current and future programs, including two preclinical programs targeting HSV and transplant-associated herpesviruses that Gilead is licensing to Assembly Bio, upon payment of an opt-in fee of at least $45 million per program after clinical proof-of-concept is achieved. If Gilead opts-in to any current or future program under the collaboration, Assembly Bio is eligible to receive up to $330 million per program in potential regulatory and commercial milestones, in addition to royalties ranging from the high single digits to high teens. During the term of the collaboration, Assembly Bio will also be eligible to receive three separate $75 million collaboration extension payments at prespecified timepoints during the collaboration term to help fund future research and development.

Following Gilead's exercise of its option for an Assembly Bio program, Assembly Bio will have the right to opt-in to share profits and costs in the United States. For future new programs, Assembly Bio will also have an option to co-promote those products in

the United States.

Assembly Bio will be primarily responsible for the research and development efforts on the collaboration programs, including the two contributed Gilead programs, prior to Gilead's potential opt-in. Following Gilead's opt-in, Gilead will control discovery, research, development and commercialization on the optioned program(s).

Gilead has the right to appoint two individuals to Assembly Bio's Board of Directors.

ABI-4334, ABI-5366 and ABI-6250 are investigational and not approved anywhere globally. Their efficacy and safety have not been established. More information about clinical trials with ABI-4334 is available at www.clinicaltrials.gov.

Beginning in the first quarter of 2022, consistent with recent industry communications from the U.S. Securities and Exchange Commission (SEC), Gilead no longer excludes acquired IPR&D expenses from its non-GAAP financial measures. This transaction with Assembly Bio is expected to reduce Gilead's GAAP and non-GAAP 2023 EPS by approximately $0.05 - $0.07.

BofA Securities, Inc. and Mizuho Securities USA LLC are acting as financial advisors to Assembly Bio. Wilson Sonsini is serving as legal counsel to Assembly Bio.

Assembly Bio Webcast

Management from Assembly Bio will be hosting an investor webcast today at 8:30 a.m. ET/5:30 a.m. PT to discuss the Gilead partnership. The live webcast will be available on the Events & Presentations page in the Investors section of Assembly Bio's website and a replay will be accessible following the event. An accompanying slide presentation will also be available. To register for the live webcast and replay, please visit: https://investor.assemblybio.com/events-presentations.

About Assembly Biosciences

Assembly Biosciences is a biotechnology company dedicated to the development of innovative small molecule antiviral therapeutics designed to change the path of serious viral diseases and improve the lives of patients worldwide. Led by an accomplished team of leaders in virologic drug development, Assembly Bio is committed to improving outcomes for patients struggling with the serious, chronic impacts of herpesvirus, hepatitis B virus (HBV) and hepatitis delta virus (HDV) infections. For more information, visit **Assemblybio.com**.

About Gilead Sciences

Gilead Sciences, Inc. is a biopharmaceutical company that has pursued and achieved breakthroughs in medicine for more than three decades, with the goal of creating a healthier world for all people. The company is committed to advancing innovative medicines to prevent and treat life-threatening diseases, including HIV, viral hepatitis, COVID-19, and cancer. Gilead operates in more than 35 countries worldwide, with headquarters in Foster City, California.

Assembly Biosciences Forward-Looking Statements

The information in this press release contains forward-looking statements that are subject to certain risks and uncertainties that could cause actual results to materially differ. These risks and uncertainties include: Assembly Bio's ability to realize the potential benefits of its collaboration with Gilead, including all financial aspects of the collaboration and equity investments; Assembly Bio's ability to initiate and complete clinical studies involving its therapeutic product candidates, including studies contemplated by Assembly Bio's collaboration with Gilead, in the currently anticipated timeframes or at all; the occurrence of any event, change or other circumstance that could give rise to the termination of Assembly Bio's collaboration with Gilead; safety and efficacy data from clinical or nonclinical studies may not warrant further development of Assembly Bio's product candidates; clinical and nonclinical data presented at conferences may not differentiate Assembly Bio's product candidates from other companies' candidates; results of nonclinical studies may not be representative of disease behavior in a clinical setting and may not be predictive of the outcomes of clinical studies; and other risks identified from time to time in Assembly Bio's reports filed with the U.S. Securities and Exchange Commission (the SEC). You are urged to consider statements that include the words may, will, would, could, should, might, believes, hopes, estimates, projects, potential, expects, plans, anticipates, intends, continues, forecast, designed, goal or the negative of those words or other comparable words to be uncertain and forward-looking. Assembly Bio intends such forward-looking statements to be covered by the safe harbor provisions contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. More information about Assembly Bio's risks and uncertainties are more fully detailed under the heading "Risk Factors" in Assembly Bio's filings with the SEC, including its most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Except as required by law, Assembly Bio assumes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Gilead Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks, uncertainties and other factors, including Gilead's ability to realize the anticipated benefits from the collaboration with Assembly; difficulties or unanticipated expenses in connection with the collaboration, including Gilead's equity investment in Assembly, and the potential effects on Gilead s earnings; the ability of the parties to initiate, progress or complete clinical trials within currently anticipated timelines or at all, and the possibility of unfavorable results from trials, including those involving ABI-4334, ABI-5366, ABI-6250 and additional programs that may become subject of the collaboration; the possibility that the parties may make a strategic decision to terminate the collaboration or discontinue development of any of the investigational agents under the collaboration, and therefore these investigational agents may never be successfully commercialized; and any assumptions underlying any of the foregoing. These and other risks, uncertainties and other factors are described in detail in Gilead's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, as filed with the U.S. Securities and Exchange Commission. These risks, uncertainties and other factors could cause actual results to differ materially from those referred to in the forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The reader is cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties 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 and disclaims any intent to update any such forward-looking statements.

For more information about Gilead, please visit the company's website at www.gilead.com, follow Gilead on Twitter (@GileadSciences) or call Gilead Public Affairs at 1-800-GILEAD-5 or 1-650-574-3000.

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