

Gilead Sciences and Kite Acquire Cell Design Labs

December 7, 2017

-Adds Two Technology Platforms that May be Broadly Applicable in Cellular Therapy-

-Enables Research and Development of Potential Future Generations of CAR T and TCR T-cell Therapies for Solid Tumors-

Foster City, Calif. and Santa Monica, Calif., December 7, 2017 -Gilead Sciences, Inc. (Nasdaq: GILD) and its cell therapy subsidiary Kite announced today that they have entered into a definitive agreement under which they have agreed to acquire Cell Design Labs, Inc., gaining new technology platforms that will enhance research and development efforts in cellular therapy. Under the terms of the agreement, Gilead will acquire all of the outstanding shares of Cell Design Labs, which includes the approximately 12.2 percent of shares of Cell Design Labs that are currently held by Kite, for up to approximately \$567 million. The agreement includes an initial upfront payment of approximately \$175 million, subject to certain adjustments, and additional payments of up to \$322 million that will be paid to the shareholders of Cell Design Labs other than Kite upon the occurrence of certain events, including the achievement of development and approval milestones. The acquisition is subject to customary closing conditions, and is expected to close shortly.

The transaction will build on Gilead's recent acquisition of Kite Pharma, Inc. and has the potential to help the Gilead and Kite organizations accelerate the development of next generation cellular therapy candidates.

Cell Design Labs is a pre-clinical stage company with significant expertise in custom cell engineering. The company is developing two propriety technology platforms: synNotch™, a synthetic gene expression system that responds to external cues which, among other applications, can be deployed to engineer chimeric antigen receptor T (CAR T) cells that require dual antigen recognition for activation, and Throttle™, an "on switch" that modulates CAR T activity using small molecules. The addition of these technologies to existing Kite research and development programs could lead to the treatment of a broader range of hematological malignancies and solid tumors, and potentially offer improved selectivity and safety of future treatments. Additionally, Cell Design Labs is developing several pre-clinical product candidates, including therapies for prostate cancer and hepatocellular carcinoma that use the synNotch technology. The company's lead pre-clinical candidate targets multiple myeloma.

"We are excited about the potential of the synNotch and Throttle technology platforms and the application of these technologies to complement ongoing Kite research and development efforts," said John F. Milligan, PhD, Gilead's President and Chief Executive Officer. "This acquisition demonstrates our deep commitment to continuing to invest in future innovation in the field of cellular therapy, both internally and externally. Cell Design Labs' talented team of cell biology experts will augment and accelerate our work to bring forward new generations of CAR T and TCR therapies, building on our acquisition of Kite earlier this year and our efforts to improve care for people with advanced cancers."

"Our growing understanding of molecular networks now allows us to engineer cells with novel behaviors, including therapeutic immune cells programmed to precisely recognize and treat cancer," said Wendell Lim, PhD, Scientific Founder, Cell Design Labs and Chair of the Department of Cellular and Molecular Pharmacology at the University of California, San Francisco. "This transaction has the potential to significantly advance the field, ultimately leading to the development of transformative treatments for cancer and other complex diseases."

"Gilead and Kite have the expertise, resources and infrastructure to help deliver on our vision of using the body's own immune system to develop powerful living therapies," said Fred Cohen, MD, PhD, Chairman of the Board of Directors for Cell Design Labs. "We believe that by becoming part of the Gilead and Kite organizations, we will be better able to

advance a new class of cell-based therapies to help people for generations to come.”

Cell Design Labs’ investors, led by Kleiner Perkins, also included Kite, Osage Ventures, Mission Bay Ventures, Brian Atwood, President, Chief Executive Officer and Co-Founder of Cell Design Labs, Kite founder and member of the Cell Design Labs Board of Directors, Arie Beldegrun, MD, as well as other investors with significant experience in biopharmaceutical innovation.

Citi acted as financial advisor to the Cell Design Labs in connection with the transaction.

About Cell Design Labs

Cell Design Labs is a biotherapeutics company that discovers and develops cell-based therapies. Using its proprietary technology platform for custom cell engineering, Cell Design Labs has been developing a portfolio of anticancer therapies. Initially focused on cancer, including both hematologic and solid tumors, this broad technology may also have applications in other complex diseases, such as autoimmune and degenerative disorders.

About Gilead Sciences

Gilead Sciences is a biopharmaceutical company that discovers, develops and commercializes innovative therapeutics in areas of unmet medical need. The company’s mission is to advance the care of patients suffering from life-threatening diseases. Gilead has operations in more than 30 countries worldwide, with headquarters in Foster City, California.

For more information on Gilead Sciences, please visit the company’s China website at www.gileadchina.com, contact Gilead Public Affairs at infochina@gilead.com, or follow Gilead on WeChat by scanning the QR code below:

