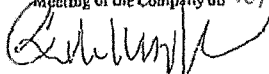

EpiTherapeutics ApS

c/o Gilad Sciences Denmark ApS, Korskindelund 6,
DK-2670 Greve

Annual Report for 1 January - 31
December 2015

CVR No 30 52 90 67

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on 16/5/2016



Chairman

Contents

| | <u>Page</u> |
|--|-------------|
| Management's Statement and Auditor's Report | |
| Management's Statement | 1 |
| Independent Auditor's Report on the Financial Statements | 2 |
| Management's Review | |
| Company Information | 4 |
| Management's Review | 5 |
| Financial Statements | |
| Income Statement 1 January - 31 December | 6 |
| Balance Sheet 31 December | 7 |
| Statement of Changes in Equity | 9 |
| Notes to the Financial Statements | 10 |
| Accounting Policies | 15 |

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of EpiTherapeutics ApS for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

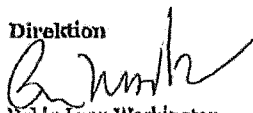
In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations for the year ended 31 December 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Greve, 16/5/2016

Direktion


Robin Lynn Washington


Brett Alan Fletcher

Bestyrelse


Robin Lynn Washington


Brett Alan Fletcher

Independent Auditor's Report on the Financial Statements

To the Shareholder of EpiTherapeutics ApS

Report on the Financial Statements

We have audited the Financial Statements of EpiTherapeutics ApS for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, statement of change in equity, notes and accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Further, Management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by Management as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

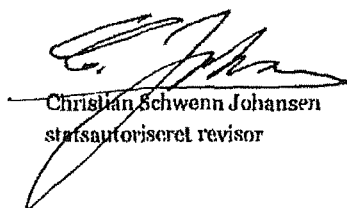
In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, *MAY 16, 2016*
Ernst & Young
Godkendt Revisionspartnerselskab
CVR No 30 70 02 28


Christian Schwenn Johansen
statsautoriseret revisor

Company Information

| | |
|---------------------------|--|
| The Company | EpiTherapeutics ApS c/o Gilead Sciences Denmark ApS Korskildelund 6 DK-2670 Greve CVR No: 30 52 30 67 Financial period: 1 January - 31 December Municipality of reg. office: Greve |
| Board of Directors | Robin Lynn Washington Brett Alan Fletcher |
| Executive Board | Robin Lynn Washington Brett Alan Fletcher |
| Auditors | Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4 Postboks 250 DK-2000 Frederiksberg |
| Lawyers | Nyborg & Rørdam Store Kongensgade 77, 1264 København K |
| Bankers | Nykredit Kalvebod Brygge 1-3, 1780 København V |

Management's Review

Main activity

The company's core activity is research and development of pharmaceutical products. In 2015 the company ceased operations.

Development in the year

The income statement of the Company for 2015 shows a loss of DKK 17,092,330, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 39,702,516

On 6 May, 2015 EpiTherapeutics ApS, a privately-held Danish company, announced the signing of a definitive agreement pursuant to which Gilead Sciences, Inc. has acquired EpiTherapeutics ApS for USD \$71 million, subject to certain purchase price adjustments, to be financed through available cash on hand.

Following the acquisition of the Company the employees were made redundant throughout the course of the year. There were no employees in place at the end of the year.

In accordance with the purchase offer made by Gilead Biopharmaceutics Ireland UC ("GBIUC"), the warrant programme was terminated. Warrant holders made a capital contribution which together with their existing warrants were converted to Share Capital and subsequently purchased by EpiTherapeutics ApS, resulting in Share Capital increasing by DKK 417,761, and share premium increasing by DKK 397,155.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2015 of the Company and the results of the activities of the Company for the financial year for 2015 have not been affected by any unusual events.

Subsequent events

On the 20th of January 2016 EpiTherapeutics ApS transferred the rights to its intangible property ("IP") to GBIUC. The IP was transferred in two tranches whereby, GBIUC paid USD \$47.9 million and USD \$17.1 million for the non-US rights and the US rights respectively.

No other events materially effecting the assessment of the annual report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

| | Note | 2015 DKK | 2014 DKK |
|--|------|-------------|-------------|
| Gross profit/loss | | -38.726.094 | -28.615.909 |
| Staff expenses | 1 | -11.797.109 | -16.306.246 |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | 2 | -493.662 | -612.762 |
| Other operating expenses | | -750.089 | 0 |
| Loss before financial income and expenses | | -51.766.954 | -45.534.917 |
| Financial income | | 126.632 | 123.332 |
| Financial expenses | | -156.005 | -46.848 |
| Loss before tax | | -51.796.327 | -45.458.433 |
| Tax on loss for the year | 3 | 34.703.997 | 6.125.000 |
| Net loss for the year | | -17.092.330 | -39.333.433 |

Appropriation of loss

| | | | |
|--------------------------------|--|-------------|-------------|
| Proposed appropriation of loss | | | |
| Retained earnings | | -17.092.330 | -39.333.433 |
| | | -17.092.330 | -39.333.433 |

Balance Sheet 31 December

Assets

| | Note | 2015 DKK | 2014 DKK |
|--|----------|-------------------|-------------------|
| Acquired intangible assets | | 0 | 237 308 |
| Intangible assets | 4 | 0 | 237.308 |
| Other fixtures and fittings, tools and equipment | | 0 | 841 565 |
| Leasehold improvements | | 0 | 164 877 |
| Property, plant and equipment | 5 | 0 | 1.006.442 |
| Deposits | | 0 | 350 617 |
| Fixed asset investments | | 0 | 350.617 |
| Non current assets | | 0 | 1.894.367 |
| Other receivables | | 51 144 | 472 417 |
| Deferred tax asset | 7 | 38 664 607 | 0 |
| Corporation tax receivable | | 2 264 390 | 6 125 000 |
| Prepayments | | 0 | 906 136 |
| Receivables | | 40.880.141 | 7.503.553 |
| Cash at bank and in hand | | 5.730.685 | 56.838.308 |
| Current assets | | 46.610.826 | 64.341.861 |
| Assets | | 46.610.826 | 65.936.228 |

Balance Sheet 31 December

Liabilities and equity

| | Note | 2015 DKK | 2014 DKK |
|--|----------|-------------------|-------------------|
| Share capital | | 4 545 875 | 4 128 114 |
| Retained earnings | | 35 156 641 | 51 851 816 |
| Equity | 6 | 39,702,516 | 56,979,930 |
| Trade payables | | 20 391 | 7 457 039 |
| Payables to group enterprises | | 6 683 518 | 0 |
| Payables to owners and Management | | 0 | 406 092 |
| Other payables | | 204 401 | 2 093 187 |
| Short-term debt | | 6,908,310 | 9,956,298 |
| Debt | | 6,908,310 | 9,956,298 |
| Liabilities and equity | | 46,610,826 | 66,936,228 |
| Contingent assets, liabilities and other financial obligations | 8 | | |
| Related parties and ownership | 9 | | |
| Subsequent events | 10 | | |

Statement of Changes in Equity

| | Share capital DKK | Share premium account DKK | Retained earnings DKK | Total DKK |
|-------------------------------------|----------------------|---------------------------------|-----------------------------|-------------------|
| Equity at 1 January | 4 128 114 | 0 | 51 851 816 | 55 979 930 |
| Cash capital increase | 417 781 | 397 155 | 0 | 814 916 |
| Net loss for the year | 0 | 0 | -17 092 330 | -17 092 330 |
| Transfer from share premium account | 0 | -397 155 | 397 155 | 0 |
| Equity at 31 December | 4.545.875 | 0 | 35.156.641 | 39.702.516 |

Notes to the Financial Statements

| | <u>2016</u> DKK | <u>2014</u> DKK |
|--|--------------------|--------------------|
| 1 Staff expenses | | |
| Wages and salaries | 10 073 616 | 13 540 112 |
| Pensions | 1 373 914 | 2 007 663 |
| Other social security expenses | 197 485 | 178 575 |
| Other staff expenses | 152 094 | 579 896 |
| | <u>11.797,109</u> | <u>16.306,246</u> |
| | | |
| Average number of employees | <u>11</u> | <u>20</u> |
| | | |
| <p>The company had a warrants programme comprising of the founders of the company, members of the executive board, key employees, board members and advisors, the objective being to reward holders of warrants for meeting milestones and to motivate them to work for and participate in future increases in shareholder value. In connection with the sale of the company the warrant programme was terminated in accordance with the purchase offer made by GBIUC. There were no employees in place at the year end.</p> | | |
| 2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | | |
| Amortisation of intangible assets | 125 634 | 167 512 |
| Depreciation of property, plant and equipment | 368 028 | 445 250 |
| | <u>493,662</u> | <u>612,762</u> |
| | | |
| 3 Tax on loss for the year | | |
| Current tax for the year, joint taxation contribution | -2 264 390 | 6 125 000 |
| Deferred tax for the year | -38 564 607 | 0 |
| Adjustment of tax concerning previous years | 6 125 000 | 0 |
| | <u>-34.703,997</u> | <u>-6.125,000</u> |

Notes to the Financial Statements

4 Intangible assets

| | Acquired intangible assets DKK |
|--|---|
| Cost at 1 January | 502 535 |
| Disposals for the year | -502 535 |
| Cost at 31 December | <u>0</u> |
| Impairment losses and amortisation at 1 January | 265 227 |
| Amortisation for the year | 125 634 |
| Reversal of amortisation of disposals for the year | -390 661 |
| Impairment losses and amortisation at 31 December | <u>0</u> |
| Carrying amount at 31 December | <u>0</u> |

5 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment DKK | Leaschold improvements DKK |
|--|--|----------------------------------|
| Cost at 1 January | 3 497 171 | 337 328 |
| Disposals for the year | -3 497 171 | -337 328 |
| Cost at 31 December | <u>0</u> | <u>0</u> |
| Impairment losses and depreciation at 1 January | 2 655 606 | 172 451 |
| Depreciation for the year | 317 430 | 50 599 |
| Reversal of impairment and depreciation of sold assets | -2 973 036 | -223 050 |
| Impairment losses and depreciation at 31 December | <u>0</u> | <u>0</u> |
| Carrying amount at 31 December | <u>0</u> | <u>0</u> |

Notes to the Financial Statements

6 Equity

The share capital is broken down as follow

| | <u>Number</u> | <u>Nominal value DKK</u> |
|----------|---------------|------------------------------|
| A-shares | 533 951 | 533 951 |
| B-shares | 977 242 | 977 242 |
| C-shares | 3 034 682 | <u>3 034 682</u> |
| | | <u>4.545.875</u> |

The share capital has developed as follows

| | <u>2015 DKK</u> | <u>2014 DKK</u> | <u>2013 DKK</u> | <u>2012 DKK</u> | <u>2011 DKK</u> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Share capital at 1 January | 4 128 114 | 2 395 868 | 1 102 242 | 1 102 242 | 1 102 242 |
| Capital increase | 417 761 | 1 732 248 | 1 293 624 | 0 | 0 |
| Capital decrease | 0 | 0 | 0 | 0 | 0 |
| Share capital at 31 December | <u>4.545.875</u> | <u>4.128.114</u> | <u>2.395.866</u> | <u>1.102.242</u> | <u>1.102.242</u> |

7 Provision for deferred tax

| | <u>2015 DKK</u> | <u>2014 DKK</u> |
|-----------------------------------|--------------------------|---------------------|
| Intangible assets | 0 | 52 208 |
| Property, plant and equipment | 0 | -329 444 |
| Leasehold improvements | 0 | -19 037 |
| Tax loss carry-forward | -38 564 607 | -28 967 510 |
| Transferred to deferred tax asset | <u>38 564 607</u> | <u>29 263 783</u> |
| | <u>0</u> | <u>0</u> |
| Deferred tax asset | | |
| Calculated tax asset | 38 564 607 | 29 263 783 |
| Write-down to assessed value | <u>0</u> | <u>-29 263 783</u> |
| Carrying amount | <u>38.564.607</u> | <u>0</u> |

Notes to the Financial Statements

| | 2015 DKK | 2014 DKK |
|---|-------------|-------------|
| 8 Contingent assets, liabilities and other financial obligations | | |
| <i>Rental agreements and leases</i> | | |
| Rent and lease liabilities | 0 | 382 064 |
| <i>Contingent liabilities</i> | | |

The Danish group of Gilead companies ("Danish Group"), which is effective from 7 May 2015, are jointly and severally liable for tax on the jointly taxed income of the Danish Group and for any Danish taxes payable by the Danish Group at source such as dividend tax, tax on royalty payments and withholding tax. The total corporation tax payable is disclosed in the 2015 Annual Report of Gilead Sciences Denmark ApS, which is the management company of the joint taxation.

Notes to the Financial Statements

9 Related parties and ownership

Basis

Controlling interest

Gilead Biopharmaceuticals Ireland UC
Gilead Sciences Inc

Parent company
Ultimate parent company

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital

Gilead Biopharmaceuticals Ireland UC, Ireland

On 20 January 2016, GBIUC distributed its 100% ownership interest in EpiTherapeutics ApS to Gilead Sciences, Inc

Consolidated Financial Statements

The Company is included in the Group Annual Report of the ultimate parent company Gilead Sciences Inc

The Group Annual Report of Gilead Sciences Inc may be obtained at the following address

333 Lakeside Drive, Foster City, Ca 94404, USA

10 Subsequent events

On the 20th of January 2016 EpiTherapeutics ApS transferred the rights to its intangible property ("IP") to GBIUC. The IP was transferred in two tranches whereby, GBIUC paid USD \$47.9 million and USD \$17.1 million for the non-US rights and the US rights respectively

No other events materially affecting the assessment of the annual report have occurred after the balance sheet date

Accounting Policies

Basis of Preparation

Financial Statements of EpiTherapeutics ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciations, amortisations, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Translation policies

Transactions in foreign currencies are translated at the exchange rate at the date of transaction. Gains and losses arising due to differences between the transaction date rate and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rate at the balance sheet date. Any differences between the exchange rate at the balance sheet date and the transaction date rate are recognised in financial income and expenses in the income statement.

Accounting Policies

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Income from research, development and cooperation agreements are recognised in the income statement provided that the general recognition criteria are met, including that the service concerned has been provided before financial year end, that the amount can be determined reliably and that it can be expected to be received.

Revenue is recognised over the term of the agreement in accordance with the terms and conditions of the agreement.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Accounting Policies

Extraordinary income and expenses

Extraordinary income and expenses comprise income and expenses resulting from events or transactions which clearly differ from ordinary activities and which are not expected to be of a recurring nature.

Tax on loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Other intangible assets include software licences, etc. Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised over the estimated useful lives 5-7 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Property, plant and equipment are tested for impairment whenever there is an indication that an asset might be impaired. The impairment test is performed for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

| | | |
|--|-----|-------|
| Other fixtures and fittings, tools and equipment | 3-5 | years |
| Leasehold improvements | 3-5 | years |

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of objective evidence that a receivable or a group of receivables are impaired.

Accounting Policies

Prepayments

Prepayments comprise of prepaid expenses concerning expenses regarding subsequent financial reporting years.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. Interest bearing debt is subsequently measured at amortised cost, using the effective interest rate method.

Other debt is subsequently measured at amortised cost corresponding to the nominal unpaid debt.