

FREQUENTLY ASKED QUESTIONS ON VEKLURY PRICING



Veklury® (remdesivir) is a nucleotide analog invented by Gilead Sciences, building on decades of antiviral research. Veklury has also been approved or authorized for temporary use as a COVID-19 treatment in approximately 50 countries worldwide. Veklury is the first FDA-approved treatment for patients with COVID-19 in the United States. In the United States, Veklury is approved for adults and pediatric patients (12 years of age and older and weighing at least 40 kg) for the treatment of COVID-19 requiring hospitalization. Veklury should only be administered in a hospital or in a healthcare setting capable of providing acute care comparable to inpatient hospital care. Veklury is contraindicated in patients who are allergic to Veklury or any of its components. Please see the full Prescribing Information for Veklury available at www.gilead.com for additional information.

Veklury is the first antiviral to consistently demonstrate patient improvement across three randomized Phase 3 clinical trials. In the National Institute of Allergy and Infectious Diseases' randomized, placebo-controlled study, Veklury significantly improved time to recovery by five days, as compared to placebo. In the United States, for example, reducing hospitalization by five days equates to a potential savings of more than \$12,000.

Gilead is working closely with health authorities to ensure rapid and broad access to Veklury to help ease the significant burden that COVID-19 has brought to the world. Supply of Veklury is meeting real-time demand and stockpiling needs, as a result of early investments to scale up manufacturing. Gilead proactively scaled up manufacturing to increase available supply as rapidly as possible, anticipating potential future supply needs. Our goal is to produce more than 2 million treatment courses by year-end and several million in 2021, if required.

On June 29, 2020, Gilead announced the pricing for Veklury, following the donation of 1.5 million vials of the drug, which represented our entire supply of the drug through the end of June. Given the unique situation of this global pandemic, we have set the government pricing for Veklury in developed countries significantly below the potential overall value that Veklury provides. In doing so, we ensure Veklury is accessible and affordable to patients, while also balancing the need to recoup our investment to date and continue to invest in this medicine and research that will prepare us for emerging pandemic threats.

Why did you announce two prices for Veklury?

The unique situation of this pandemic requires a unique solution to ensure Veklury is accessible to patients around the world, while also balancing the need to recoup our investment to date and continue to invest in this medicine and research that will prepare us for emerging pandemic threats. In light of the extraordinary medical needs during this pandemic, we are setting a single government price for Veklury in developed countries that is significantly below the potential value that the medicine delivers. The majority of patients will take a 5-day treatment course of Veklury. In developed countries, the price of a 5-day treatment course is \$2,340. By setting the price well below the expected immediate health system savings and the overall value that Veklury provides, we can move as quickly as possible, spending less time in government negotiations, to deliver rapid and broad access for patients in need.

In the United States, the commercial list price for Veklury is \$520 per vial. Whether U.S. patients have commercial or government health plans, the pricing for Veklury supports patient affordability. We do not expect affordability to be an issue for patients because of government efforts in place for COVID-19 patients, healthcare insurers and additional assistance that Gilead will provide as needed.

What will U.S. patients pay for Veklury? in the United States, where there is no universal healthcare system?

In the United States, the list and government prices for Veklury are not what patients pay. We do not expect affordability to be an issue for patients because of government efforts in place for COVID-19 patients, healthcare insurers and additional assistance that Gilead will provide as needed.

For patients with commercial insurance

Patients' out-of-pocket costs will be determined by individual health plans. The healthcare insurance industry has responded to the pandemic to support patients who need COVID-19 treatment, with many companies waiving out-of-pocket costs. More information is available at <https://www.ahip.org/health-insurance-providers-respond-to-coronavirus-covid-19/>.

For patients with government plans

Patients do not pay directly for hospital-administered drugs like Veklury.

For patients without insurance

For the uninsured, the CARES Act created a Provider Relief Fund, which helps hospitals provide uninsured patients with access to COVID-19 treatments without any out-of-pocket costs. Hospitals may submit claims to the Provider Relief Fund for reimbursement for the treatment of uninsured patients with COVID-19, and if the hospital submits a claim, it cannot bill the patient for any remaining costs that may result from their stay. We are hopeful that hospitals will seek to access this funding for patient treatment needs, including Veklury.

How much will Veklury cost in the developing world?

We have entered into non-exclusive voluntary licensing agreements with nine generic manufacturers to further expand access and supply of Veklury in 127 countries classified as lower-income or that face significant obstacles to healthcare access. These generic manufacturers will be free to set their own prices. It is our hope and intent that volumes and competition will drive costs down.

In regions of high need that are not currently covered by these agreements, we are exploring a number of innovative strategies to support access to Veklury.

How much has Gilead invested to date in the development of Veklury?

This year alone, Gilead's investment will exceed \$1 billion. This does not include the investment we have made in the development of the drug, which began more than a decade ago. We have also invested significantly to conduct and support studies to evaluate Veklury's efficacy and safety, and to shorten manufacturing timelines, expand our international supply chain and ramp up manufacturing of this investigational drug to support global demand. We continue to invest heavily in further studies and the development of new formulations with the goal of extending the medicine's benefit to additional patients in need.

Are U.S. taxpayers paying twice for Veklury because the U.S. government has already invested in its development?

No. Gilead scientists invented Veklury with research that started more than a decade ago. Our scientists invented the remdesivir compound, identified its antiviral activity, optimized the formulation of the product and scaled up the manufacturing process. This research was exclusively funded by Gilead. Our research and development are fundamental to Veklury's use to treat COVID-19, and our investment in the research and development of Veklury is significantly greater than investment from public sources.

We value our collaboration with government partners who helped further confirm Veklury's activity and use after Gilead's initial research, including Gilead's research regarding Veklury's antiviral activity against coronaviruses. Portions of Gilead's preclinical research was conducted in collaboration with scientists at the University of North Carolina and Vanderbilt that was undertaken in connection with a multi-university consortium focused on identifying potential treatments for a variety of emerging diseases. Because many of the federal grants used to support the consortium were for a broader spectrum of work in terms of both compounds and viruses, we are unable to determine what portion of those grant awards were used to fund research associated with remdesivir, much less remdesivir's activity against coronaviruses. Consequently, funding originating from public sources was not considered as part of our decision to set the government price of Veklury significantly below the potential overall value that the treatment provides.

Similarly, Gilead has limited insight into the amount of federal funding used to support the coronavirus-focused collaborative preclinical research conducted with NIAID beginning in February 2016. In addition, we do not believe that federal funding devoted to research focused on the use of remdesivir to treat Ebola virus disease is appropriately considered in connection with research and development efforts focused on the use of remdesivir to treat COVID-19.