NEWS RELEASE

Gilead Sciences to Increase Its Ownership In Arcus Biosciences

2/1/2021

- Gilead to purchase additional shares in Arcus, increasing its ownership to 19.5%, further aligning the two companies

- Proceeds of $220 million to support and accelerate Arcus's comprehensive clinical development plans

- Increase in ownership does not impact any other terms of the existing Arcus-Gilead alliance agreement, including those relating to the opt-ins, R&D sharing or future economic or commercial rights

HAYWARD, Calif.--(BUSINESS WIRE)-- Arcus Biosciences, Inc. (NYSE:RCUS), an oncology-focused biopharmaceutical company working to create best-in-class cancer therapies, today announced that Gilead Sciences is increasing its ownership in Arcus to 19.5%, from approximately 13%, by purchasing 5,650,000 additional shares of Arcus's common stock at a per share purchase price of $39.00.

"Gilead's additional investment in Arcus demonstrates the strength of our relationship, a recognition of the depth of our pipeline and our shared commitment to bringing innovative, transformative therapies to cancer patients as quickly as possible," said Terry Rosen, Ph.D., Chief Executive Officer of Arcus. "The proceeds from this financing will support and enable the acceleration of our development plans for our four clinical-stage molecules, including AB680, our small molecule CD73 inhibitor, for which we recently presented encouraging data in first-line metastatic pancreatic cancer. We appreciate Gilead's continued confidence in Arcus and our ability to execute. We look forward to providing a multitude of data readouts across our entire portfolio of clinical molecules, including the ARC-7 study interim analysis for domvanalimab expected in the second quarter, throughout what we expect will be

a transformational year for the company."

The Arcus-Gilead partnership, which closed in July 2020, includes an Option, License and Collaboration Agreement, a Common Stock Purchase Agreement, and an Investor Rights Agreement. Collectively, this transaction established a 10-year partnership to co-develop and co-commercialize next-generation cancer immunotherapies, provided for an initial equity investment and upfront payment to Arcus totaling $375 million, and gave Gilead the right, but not the obligation, to make additional equity investments in Arcus by purchasing additional shares of Arcus's common stock. Arcus and Gilead entered into an amended and restated Common Stock Purchase Agreement to provide for this purchase of 5,650,000 additional shares of Arcus's common stock. No other agreements or terms were amended. Following this investment, Arcus expects its cash and investments to fund its operations through at least 2023.

About Arcus Biosciences

Arcus Biosciences is an oncology-focused biopharmaceutical company leveraging its deep cross-disciplinary expertise to discover highly differentiated therapies and to develop a broad portfolio of novel combinations addressing significant unmet needs. Arcus currently has four molecules in clinical development: Etrumadenant (AB928), the first dual A2a/A2b adenosine receptor antagonist to enter the clinic, is being evaluated in multiple Phase 2 and 1b studies across different indications, including prostate, colorectal, non-small cell lung, pancreatic and triple-negative breast cancers. AB680, the first small-molecule CD73 inhibitor to enter the clinic, is in Phase 1/1b development for first-line treatment of metastatic pancreatic cancer in combination with zimberelimab and gemcitabine/nab-paclitaxel. Domvanalimab (AB154), an anti-TIGIT monoclonal antibody and new potential immuno-oncology backbone therapy, is in a three-arm randomized Phase 2 study for first-line treatment of PD-L1-high metastatic non-small cell lung cancer (NSCLC) evaluating zimberelimab monotherapy, domvanalimab with zimberelimab and domvanalimab plus AB928 with zimberelimab. In addition, domvanalimab is advancing into ARC-10, Arcus's "two in one trial" to support the potential approvals of both zimberelimab and zimberelimab + domvanalimab and a registrational study, in collaboration with AstraZeneca, evaluating the curative-intent stage III NSCLC setting. AB308, an anti-TIGIT antibody that is FcR enabled, is advancing into clinical development to investigate additional indications, with a focus on hematological malignancies. Zimberelimab (AB122), Arcus's anti-PD-1 monoclonal antibody, was in-licensedto enable the development of Arcus's combination regimens and is being evaluated in various combinations across the portfolio. For more information about Arcus Biosciences, please visit **www.arcusbio.com**.

Forward-Looking Statements

This press release contains forward-looking statements. All statements regarding events or results that may occur

in the future contained herein, including, but not limited to, the expected benefits of this transaction, Arcus's ability to provide a multitude of data readouts, including the ARC-7 interim analysis, throughout the year and Arcus's expectation that its cash and investments can fund operations through at least 2023, are forward-looking statements reflecting the current beliefs and expectations of management made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause Arcus's actual results, performance or achievements to differ significantly from those expressed or implied. Factors that could cause or contribute to such differences include, but are not limited to: the closing of Gilead's stock purchase is subject to satisfaction of customary closing conditions, which, if they do not occur, could prevent or delay Gilead's purchase of Arcus comment stock, Arcus's dependence on its collaboration with Gilead for the successful development and commercialization of its investigational products; the inherent uncertainty associated with pharmaceutical product development and clinical trials; the inherent uncertainty associated with the COVID-19 pandemic, including the duration and/or severity of the outbreak and actions by government authorities to contain or slow the spread of the virus; risks associated with preliminary and interim data; the emergence of adverse events or other undesirable side effects; delays in Arcus's clinical trials due to difficulties or delays in the regulatory process, enrolling subjects or manufacturing or supplying product for such clinical trials; and changes in the competitive landscape for Arcus's programs. Risks and uncertainties facing Arcus are described more fully in Arcus's quarterly report on Form 10-Q for the quarter ended September 30, 2020 filed on November 5, 2020 with the SEC, particularly under the caption "Risk Factors". You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this press release. Arcus disclaims any obligation or undertaking to update, supplement or revise any forward-looking statements contained in this press release.

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