Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ **See separate instructions.**

OMB No. 1545-0123

Part I Reporting Issuer

1 Issuer's name	2 Issuer's employer identification number (EIN)
Tizona Therapeutics, Inc.	47-2105555

3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact
Shelly Pinto	650-386-0593	spinto@tizonatx.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact	7 City, town, or post office, state, and ZIP code of contact
4000 Shoreline Court, Suite 200	South San Francisco, CA 94080

8 Date of action	9 Classification and description
August 25, 2020	Common and Preferred Stock

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On August 25, 2020, Tizona Therapeutics, Inc. (“Company”) completed a transaction with Gilead Sciences, Inc. (“Parent”) pursuant to which Parent’s wholly-owned subsidiary (“Merger Sub”) merged with and into the Company and Parent acquired 49.9% of the outstanding capital stock of the Company (the “First Merger”). In connection with the First Merger, the Company contributed certain assets to a newly created subsidiary (“030 Newco”) and the shares in 030 Newco were distributed to the Company's record shareholders pursuant to the First Merger. As a result of the First Merger, for U.S. federal income tax purposes, the shareholders of the Company were deemed to (i) receive (A) new Class A and Class B shares of the Company and (B) shares in 030 Newco, (ii) sell the Class B shares to Parent in exchange for cash, and (iii) grant Parent an option to acquire the Class A shares in exchange for cash (the “Purchase Option”). Please see the attached for a detailed explanation of the First Merger and the 030 Newco spin off.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See response to Part II, Question 16.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See response to Part II, Question 16.

The Company received third party valuations indicating the per share value of Class A and Class B and 030 Newco, respectively. The $0.30 per share value of 030 Newco is pursuant to a 409A report and reflects a 40% marketability discount. The value of the Purchase Option was also determined and agreed by the parties to the First Merger. The per share valuations are provided on the attached shareholder calculation template for consideration by the shareholders in determining each shareholder’s tax calculation. These valuations are not binding on the IRS or other taxing authorities.

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

IRC Sections 302, 318, 356, 358, 368(a)(1)(E), 453, 453A, 483, 1001, 1234, 1274

18 Can any resulting loss be recognized? ▶ Please see the information contained in the attachment for Part II, Questions 15 and 16 and the shareholder calculation template attached.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

The transaction closed on August 25, 2020. See the attachment for the distribution of 030 Newco on such date.

If holders of Company shares acquired their shares at different times and at different prices, shareholders will need to calculate a separate tax basis for each share or block of shares and allocate the basis in each share or block of shares separately to the Class A, Class B and 030 Newco shares received in the First Merger. See more detailed description in the attachment.

The information provided is intended to satisfy the requirements of IRC Section 6045B. The information contained in this document and attachment is a general description of certain U.S. federal income tax laws and regulations and does not constitute tax advice and is not a complete description of all tax consequences that may apply to all shareholders pursuant to the transaction.

Shareholders should consult their tax advisor for the federal (and state(s)) tax treatment of the transaction.

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.				
	Signature ▶ Shelly Pinto		Date ▶ 10/1/2020		
	Print your name ▶ Shelly Pinto		Title ▶ VP, Finance & Controller		
Paid Preparer Use Only	Print/Type preparer's name: RICK ACKEL	Preparer's signature: RAckel	Date: 10/1/20	Check ☐ if self-employed	PTIN: P00538233
	Firm's name ▶ ANDERSEN TAX LLC			Firm's EIN ▶	33-1197384
	Firm's address ▶ 333 BUSH STREET, SUITE 1700, SAN FRANCISCO, CA 94104			Phone no.	415-764-2786

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Tizona Therapeutics, Inc.
EIN: 47-2105555
ATTACHMENT TO FORM 8937

Attachment to Form 8937, Part II, Questions 15 and 16

CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO U.S. STOCKHOLDERS

The following discussion summarizes certain material U.S. federal income tax consequences of the First Merger that are generally applicable to holders of Company Capital Stock. This summary deals only with holders of Company Capital Stock who hold their shares of Company Capital Stock as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment) and are U.S. Stockholders (as defined below). This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury regulations promulgated thereunder, and administrative rulings or pronouncements and judicial decisions, all as in effect on the date of the First Merger and all of which are subject to change, possibly with retroactive effect. All capitalized terms not specifically defined in this summary have the meaning ascribed to such terms set forth in the First Merger Agreement

This discussion does not address tax consequences applicable to holders of Company Options or holders of Company Capital Stock that are not U.S. Stockholders.

This discussion assumes that the First Merger will be completed in accordance with the terms and assumptions described in the Information Statement and the First Merger Agreement previously provided to shareholders. This discussion is not binding on the Internal Revenue Service (the "IRS"), and there can be no assurance that the IRS would not successfully assert a position contrary to those contained herein. This discussion also does not address tax consequences applicable to a holder's particular circumstances or to holders that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions;
- brokers, dealers or traders in securities;
- U.S. expatriates;
- tax-exempt organizations or governmental organizations;
- persons that are partnerships, S corporations, trusts or other pass-through entities (or are treated as such for U.S. federal income tax purposes) and investors therein;
- persons who hold their shares of Company Capital Stock as a position in a hedging transaction, "straddle," "conversion transaction" or other risk reduction transaction;
- persons deemed to sell their shares of Company Capital Stock under the constructive sale provisions of the Code;
- persons for whom shares of Company Capital Stock constitute "qualified small business stock" within the meaning of Section 1202 of the Code;
- persons who acquired their shares of Company Capital Stock upon the exercise of stock options or otherwise as compensation;
- persons subject to special accounting rules under Section 451(b) of the Code; or
- tax-qualified retirement plans.

No state, local or foreign tax consequences are addressed herein. In addition, except as expressly provided below, this discussion does not address the tax consequences of transactions occurring prior to, concurrently with or after the First Merger (whether or not such transactions occur in connection with the First

Merger), or any federal tax consequences related to any tax other than the income tax. This discussion does not address the tax consequences to U.S. Stockholders that exercise dissenters' or appraisal rights. This discussion also does not address the impact of the Medicare contribution tax on net investment income or the alternative minimum tax. No opinions of counsel or rulings from the IRS have been or will be requested or obtained in connection with the First Merger.

THIS SUMMARY DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF THE POTENTIAL TAX CONSEQUENCES RELATING TO THE FIRST MERGER AND IS NOT, AND IS NOT INTENDED TO BE, TAX ADVICE. ALL STOCKHOLDERS ARE STRONGLY ADVISED AND ARE EXPECTED TO CONSULT THEIR LEGAL AND TAX ADVISORS WITH RESPECT TO THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE FIRST MERGER IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER U.S. FEDERAL TAX LAWS, INCLUDING ESTATE OR GIFT TAX LAWS, OR UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS OR UNDER ANY APPLICABLE INCOME TAX TREATY.

For purposes of this discussion, the term "U.S. Stockholder" means a beneficial owner of Company Capital Stock that is or is treated for U.S. federal income tax purposes as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and all substantial decisions of which are subject to the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for United States federal income tax purposes.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds shares of Company Capital Stock, the tax treatment of a partner in the partnership will generally depend on the status of the partner, the activities of the partnership, and certain determinations made at the partner level. Partnerships that hold Company Capital Stock and partners in such partnerships should consult their tax advisors regarding the specific U.S. federal income tax consequences to them.

Intended Tax Treatment

The U.S. federal income tax consequences of the transactions contemplated by, and in connection with, the First Merger are not entirely clear. It is intended that such transactions are to be treated by the parties as follows:

- First, each holder of a share of Company Capital Stock shall be deemed to have exchanged their share of Company Capital Stock held immediately before the First Merger Effective Time for an equivalent value of Class A Common Stock, Class B Common Stock, and stock in 030 Newco;

- Each holder's receipt of Class A Common Stock, Class B Common Stock and stock in 030 Newco shall be treated as received pursuant to a "reorganization" within the meaning of Section 368(a)(1)(E) of the Code.

- Each holder's receipt of stock in 030 Newco shall be treated as "other property" (i.e., boot) received from the Company in exchange for stock of the Company in such "reorganization," which receipt of such property shall not be treated as a dividend under Section 356(a)(2) of the Code or Section 302 of the Code.

- Second, each such holder shall be deemed to have sold such Class B Common Stock to Parent in exchange for such holder's allocable portion of the Stockholders' Cash Closing Consideration payable pursuant to the First Merger, less the amount allocated to the Purchase Option in accordance with the Allocation (as defined and discussed below); and

- Third, concurrently with the sale of the Class B Common Stock to Parent, Parent shall be deemed to have purchased the Purchase Option from the holders of Company Capital Stock in exchange for the amount allocated to the Purchase Option in accordance with the Allocation (as defined and discussed below) (the "Option Premium"), with the Purchase Option having been granted in a transaction governed by Section 1234 of the Code.

The tax treatment described in the bullets above are collectively referred to as the "Intended Tax Treatment." Pursuant to the First Merger Agreement, each of Parent and the Company, and each of their respective Affiliates are required to file all Tax Returns consistent with the Intended Tax Treatment, except as otherwise required by (i) a decision, judgment, decree or other order by a court of competent jurisdiction, which has become final (regardless of whether such decision, judgment, decree or order is appealable), or (ii) any final settlement with a tax authority.

The discussion below assumes the Intended Tax Treatment is respected. However, as noted above, the tax consequences of the transactions contemplated by, and in connection with, the First Merger are not entirely clear. There can be no assurance that any or all of the Intended Tax Treatment will be respected by the IRS (or other relevant taxing authority). In the event any portion of the Intended Tax Treatment is challenged, and such challenge is sustained, the tax consequences of the transactions contemplated by, and in connection with, the First Merger could be materially different than those set forth in the discussion below.

The tax consequences of the transactions contemplated by the Merger Agreements are complex and uncertain. Neither Parent nor the Company is providing any tax or valuation advice to Company stockholders. All holders of Company Capital Stock are expected and urged to consult their tax advisors regarding the Intended Tax Treatment as well as the specific U.S. federal income tax consequences to them of the transactions contemplated by, and in connection with the Mergers, as well as any U.S. federal non-income tax consequences and any state, local or foreign tax consequences.

Tax Consequences of the First Merger and Purchase Option Issuance

If the Intended Tax Treatment applies, the U.S. federal income tax consequences of the First Merger and the issuance of the Purchase Option to U.S. Stockholders would generally be as follows:

- A U.S. Stockholder would be deemed to have exchanged each share of Company Capital Stock for an equivalent value of Class A Common Stock, Class B Common Stock, and stock in 030 Newco immediately prior to the First Merger Effective Time in a recapitalization pursuant to Section 368(a)(1)(E) of the Code (the "Recapitalization").

    - A U.S. Stockholder's gain on a share of Company Capital Stock in this exchange is generally equal to the difference between such U.S. Stockholder's tax basis of such share deemed surrendered in the Recapitalization and the fair market value of such share. Such gain (and not loss) is required to be taken into income to the extent of the fair market value of the stock in 030 Newco deemed received with respect to such share of Company Capital Stock (but limited to the gain if the 030 Newco stock value exceeds the gain). Such gain, if any, would be capital gain and would be long-term capital gain if such U.S. Stockholder's holding period in its share of Company Capital Stock surrendered in the Recapitalization exceeded one year as of the date of the Recapitalization. Long-term capital gain of a non-corporate taxpayer is generally taxable at reduced rates. A U.S. Stockholder's tax basis in the stock in 030 Newco received would equal such stock's fair market value, and such U.S. Stockholder's holding period in the stock in 030 Newco would begin on the day following the Recapitalization.

    - A U.S. Stockholder's tax basis in each share of Class A Common Stock and Class B Common Stock deemed received in the Recapitalization would be an amount (allocated to the Class A Common Stock and Class B Common Stock based on relative values) equal the tax basis of each share of Company Capital Stock deemed surrendered in the Recapitalization in exchange for such shares of Class A Common Stock, Class B Common Stock and 030 Newco stock, increased by the amount of any gain recognized on each share by such U.S. Stockholder on receipt of the 030 Newco stock in the Recapitalization, and decreased by the fair market value of stock in 030 Newco deemed received for each share by such U.S. Stockholder in the Recapitalization. Such U.S. Stockholder's holding period in each share of Class A Common Stock and Class B Common Stock received in the Recapitalization would include the holding period in the share of Company Capital Stock deemed surrendered in exchange for such shares of Class A Common Stock and Class B Common Stock. U.S. Stockholders of Company Capital Stock should consult their own tax advisors regarding the allocation of tax basis and holding period among their shares of Class A Common Stock, the shares of Class B Common Stock and stock in 030 Newco deemed received, which must be determined based on the relative values of such shares (i.e., a share of Company Common Stock is treated as being exchanged for an equal value of a combination of Class A Common Stock, Class B Common Stock, and 030 Newco stock). A sample shareholder calculation template has been included for shareholder use and instructions on how to access this template will be provided to each shareholder.

- Subject to the discussion below regarding the installment sale method and imputed interest, in addition to any gain recognized in respect the Recapitalization (described above), a U.S. Stockholder would generally recognize gain or loss computed on a share by share basis in an amount equal to the difference, if any, between (i) the amount of cash consideration deemed received by such U.S. Stockholder in exchange for Class B Common Stock pursuant to the First Merger, and (ii) such U.S. Stockholder's adjusted tax basis (determined as described above) in the shares of Class B Common Stock deemed exchanged therefor pursuant to the First Merger. Such gain or loss would be capital gain or loss and

would be long-term capital gain or loss if such U.S. Stockholder's holding period in the relevant shares of Class B Common Stock deemed sold exceeded one year as of the date of the First Merger Effective Time. Long-term capital gains of non-corporate taxpayers are generally taxable at reduced rates. The deductibility of capital losses is subject to limitations.

- The Representative Expense Amount set aside pursuant to the First Merger Agreement would be considered part of the cash consideration deemed received by (and voluntarily set aside by) U.S. Stockholders (to the extent of their respective shares of the Representative Expense Amount) at the closing of the First Merger.

- The receipt of any consideration allocated to the Purchase Option would be taxable to a U.S. Stockholder at the time the Purchase Option is exercised or lapses. U.S. Stockholders are urged to consult their tax advisors regarding the taxation of the exercise or lapse of the Purchase Option.

- Pursuant to the First Merger Agreement, both Parent and the Company agreed to allocate approximately $259 million of the cash consideration to the purchase of the Class B Common Stock and approximately $41 million to the Purchase Option (the "Allocation"). The Allocation will not be binding on the IRS.

- Installment Method Reporting and Imputed Interest

  To the extent U.S. Stockholders receive any payments of merger consideration (including any payments from the applicable Indemnification Escrow Account) in connection with the First Merger after the close of the taxable year in which the First Merger occurs, such payments may be eligible for reporting under the installment method for U.S. federal income tax purposes, provided such U.S. Stockholders otherwise meet the requirements for installment sale reporting under Section 453 of the Code. A U.S. Stockholder that is eligible to report under the installment method must generally do so unless such stockholder affirmatively elects not to use the installment method (as described below).

  If a U.S. Stockholder has an overall gain and the installment method applies, gain with respect to consideration received by the U.S. Stockholder after the Effective Time of the First Merger will generally be recognized in the taxable year of receipt, and the amount of such gain will be based on the fair market value of the applicable consideration received by the U.S. Stockholder, making proper adjustment for the U.S. Stockholder's remaining tax basis determined by assuming the maximum amount of applicable merger consideration (including payments from the applicable Indemnification Escrow Account) would ultimately be received by such U.S. Stockholder. Such gain would generally be treated as capital gain, taxable in the manner described above. The rules governing the allocation of basis under the installment method are complex and may substantially defer recovery of a portion of a U.S. Stockholder's basis.

  A U.S. Stockholder may affirmatively elect out of the installment method on its timely filed tax return for the year in which the First Merger occurs. If a U.S. Stockholder elects out, the U.S. Stockholder would generally recognize taxable gain or loss in the taxable year of the First Merger based on the fair market value, at the time of the applicable Merger, of the amounts (including payments from the applicable

Indemnification Escrow Account) that such U.S. Stockholder may receive after the applicable Merger. If a U.S. Stockholder elects out of the installment method with respect to a Merger and actually receives total consideration (including payments from the applicable Indemnification Escrow Account) greater (or less) than the amount reported as the fair market value of those amounts, the U.S. Stockholder generally would recognize either gain or loss equal to such difference at the time of receipt, subject to the imputed interest rules described below.

A portion of any consideration received by the U.S. Stockholder after the Effective Time of the applicable Merger may be treated as interest income, which would be taxable to the U.S. Stockholder as ordinary income at the time such interest is deemed paid in accordance with such U.S. Stockholder's regular method of tax accounting.

A U.S. Stockholder that reports its gain under the installment method may be subject to an annual interest charge on a portion of its tax liability deferred by the installment method.

U.S. Stockholders are urged to consult their tax advisors regarding the application of the installment method to them as well as the availability of an election out of the installment method.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES SUMMARIZED ABOVE ARE FOR GENERAL INFORMATION ONLY. AS DISCUSSED ABOVE, THE TAX TREATMENT OF THE CONTEMPLATED TRANSACTIONS IS UNCERTAIN AND THE TAX CONSEQUENCES ARE COMPLEX. EACH STOCKHOLDER SHOULD CONSULT ITS OWN TAX ADVISOR AS TO THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES THAT MAY APPLY TO SUCH STOCKHOLDER (INCLUDING THE TREATMENT OF PAYMENTS RECEIVED IN CONNECTION WITH THE FIRST MERGER, THE ALLOCATION OF SUCH PAYMENTS, THE ALLOCATION OF BASIS AND HOLDING PERIOD, THE APPLICABILITY OF THE INSTALLMENT METHOD, AND WHETHER TO ELECT OUT OF THE INSTALLMENT METHOD) AS WELL AS ANY U.S. FEDERAL NON-INCOME, STATE, LOCAL OR FOREIGN TAX CONSEQUENCES THAT MAY APPLY TO SUCH STOCKHOLDER.