

REFINITIV STREETEVENTS

EDITED TRANSCRIPT

PFE.N - Pfizer Inc at Truist Financial AI Symposium - Biotech & Tools

EVENT DATE/TIME: MARCH 01, 2022 / 5:30PM GMT

CORPORATE PARTICIPANTS

Lidia L. Fonseca *Pfizer Inc. - Chief Digital & Technology Officer, Executive VP*

Ronen Tamir *Pfizer Inc. - VP, Investor Relations*

CONFERENCE CALL PARTICIPANTS

Robyn Kay Shelton Karnauskas *Truist Securities, Inc., Research Division - Research Analyst*

PRESENTATION

Robyn Kay Shelton Karnauskas - *Truist Securities, Inc., Research Division - Research Analyst*

Hello, and good morning or good afternoon, everyone. My name is Robyn Karnauskas, one of the biotech analysts at Truist Securities. With me, I also have Kripa Devarakonda, also a biotech analyst. And I'd like to welcome you to our keynote presentation at our Truist Securities AI Symposium with Pfizer.

So the title of the talk is Pharma and AI -- is it the future? And this is a real-world case study of how it actually sped up development of the COVID vaccine.

So we'll start off with a presentation by Lidia Fonseca, Pfizer's Chief Digital and Technology Officer, followed by some Q&A. And with that, I will turn it over to Ronen and Lidia to begin the presentation.

Ronen Tamir - *Pfizer Inc. - VP, Investor Relations*

Thank you so much, Robyn. It is my obligation to make everybody aware of the fact that we're going to use some forward-looking statements in this presentation, among others about further digital strategy, our response to COVID-19, including the development of our COMIRNATY, PAXLOVID and other potential products in development or in line. For any additional information regarding these and other factors, can be found in our annual report and all our SEC filing and on pfizer.com.

And with that, I'm going to hand it over to Lidia.

Lidia L. Fonseca - *Pfizer Inc. - Chief Digital & Technology Officer, Executive VP*

Great. Thank you, Ronen, and thank you, Robyn. Thank you for inviting me to be here today. It's great to have this opportunity to be at the Truist conference and to share some of the exciting work we're doing at Pfizer Digital with all of you. In the next 20 minutes, I'll take you on a high-level tour of Pfizer Digital's vision, strategy and priorities. I will also share some real life examples of digital impact across the Pfizer value chain, specifically speaking to how we've leveraged digital, data, AI and machine learning to accelerate innovation at every step, from discovery to clinical development, manufacturing, distribution and commercialization.

But first, I think it's important to step back and set the contents and highlight some of the key trends I see at the intersection of health care and digital. We're seeing the health care industry being revived across the entire patient journey, from how we access health care, to health care payments, to the care and delivery experience itself. Transformation of the health care industry will continue to accelerate exponentially as we see the intersection of health care and digital expand.

The pandemic served as a catalyst, forging an increased digital fluency and receptivity to engaging virtually and we're seeing this from patients to health care providers to regulators. Increasingly, we're moving from a traditional physician office setting to virtual engagement and more payers are reimbursing for digital services.

Technology is accelerating the shift from volume to value. It's not enough for health care professionals to prescribe medication. They must show the intended outcomes. AI and machine learning powered data analytics are turbo charged in drug discovery and development but also help enhanced prevention, early detection, personalized treatment and digital therapies. On the technology front, developments such as new gene therapies, digital therapeutics that are approved and reimbursable and quantum computing capabilities will help bring breakthrough medicines to patients faster.

Distribution is being reshaped with online and retail pharmacies and new intermediaries. And there are also new entrants into health care, particularly by tech companies like Amazon, Verily, Apple and Microsoft, who are helping to spark innovation. We believe COVID-19 accelerated these trends by as much as 5 years. It's not that these are new technologies, mind you. I think one of the key differences is that we're applying them at scale. Next slide, please.

But coming back, what does all of this mean for us at Pfizer? What I see across the industry is that a digital mindset is now at the forefront of health care. That is why I tell my team, rather than create a digital strategy for our business, we're creating a business strategy for a digital world. It is leading with this mindset that has enabled us to move with speed never before seen in our industry and to discover and deliver breakthroughs that impacted approximately 1.4 billion patients' lives just in 2021 alone. That is the foundation on which we're making digital a competitive advantage at Pfizer. Next slide, please.

All of our efforts ladder back to Pfizer's purpose, breakthroughs that change patients' lives. When Albert Bourla became CEO of Pfizer on January 1, 2019, we accelerated our transition to being a more science-driven and patient-focused company. This has been the driving vision for our new Pfizer. And since then, we have made several strategic moves and investments to execute on that. We made significant investments in novel science and technology platforms, such as gene therapy and mRNA and are continuing to nurture one of the strongest pipelines in our company's history.

We have also made major strides towards our goal of being patient-centric. From our bold approach to deliver the first COVID vaccine, to be voted #2 on the patients we are serving, up from #5 in 2018. And just last month, Pfizer was ranked 4th on Fortune's Most Admired Companies list, alongside leaders like Apple, Amazon and Microsoft. We are laser-focused on building on this foundation and further investing in creating value for patients.

At the same time, we also embarked on a digital transformation journey. As Albert understood the critical role digital would play in our future. And now I'll be bringing to life the digital transformation for you. Next slide, please.

We are leveraging digital data and technology to drive innovation across our entire value chain, making our work faster and easier, and enhancing every aspect of our business, from the way we discover and develop medicines to the way we manufacture and distribute them to the world. And we're also bringing digital to bear and improving our patient, health care provider and payer experiences, engaging them where and when they want.

We're driving this end-to-end innovation through 3 strategic priorities in mind: one, to improve patient health outcomes; second, to bring medicines to patients faster; and third, to fuel tomorrow's breakthrough therapies. We believe these will enable us to create sustainable competitive advantage for Pfizer, and it underpins everything that we do in digital.

And to deliver this, we continue to bring a wide variety of products, capabilities and tools across our entire value chain, including artificial intelligence and machine learning. But let me bring this to life by telling you about as Robyn said at the beginning, how we apply digital data in AI to accelerate our COVID-19 efforts, both the vaccine, COMIRNATY, and the oral treatment PAXLOVID, delivering these to the world in record time. Next slide, please.

To start, Pfizer is using digital capabilities to help double our innovation success rate. We've invested in supercomputing capabilities, which are helping scientists accelerate compounds through discovery to development. A great example of this is how supercomputing fast-tracked PAXLOVID, our COVID-19 oral treatment compound. To support our scientists, we enabled the acceleration of virtual in silico screening capabilities through cloud-based supercomputing with AI machine learning models.

Virtually, in silico screening refers to using sophisticated computational modeling and simulation techniques to test molecular compounds in a virtual lab environment rather than having to test them all in a physical wet lab setting, which would take much longer. This capability enables us to synthesize and test a manageable fraction of the millions of known compounds that might work as a new drug, quickly narrowing down to only those compounds with the highest chance of becoming medicines.

Using supercomputing, we can run very complex calculations at a factor of 5 to 10x acceleration. This has reduced overall computational times by 80% to 90%, which helped us fast track the development of PAXLOVID. We were also able to deploy these advanced analytics to optimize the search for the right molecules that could deliver PAXLOVID in a pill form versus intravenously. This was huge, because it allowed us to produce PAXLOVID, which could be then taken by patients at home rather than having to administer it in a hospital setting.

Supercomputing and advanced analytics also helped us to hone COMIRNATY, our vaccine. Many of the allergic reactions, patients reported while testing our vaccine resulted from the lipid nanoparticles that are part of the vaccine. Using supercomputing, we ran molecular dynamic simulations to find the right combination of lipid nanoparticle properties that reduce allergic reactions, creating a safe and effective vaccine as possible. Next slide, please.

Digital data and AI are also accelerating our drug development process. In just 4 months, we were able to launch and recruit to our COVID vaccine clinical trial, 46,000 participants at 150 sites in 6 countries. We use real-time predictive models to project COVID prevalence at accounting level, identifying where the next big wave of infection would hit based on the dynamic movements of the virus.

We did this to help our development team optimize their plans for clinical trial science based on where we anticipate our recruitment being strongest. And our smart data query solution helped our clinical development teams, more quickly, quality check and analyze vast amounts of data associated with the trial in near real time. Smart data query leverage AI and machine learning rather than manual human analysis to identify discrepancies in how participants in our clinical trial reported their symptoms in response to the vaccine.

Let me clarify why this is important. During clinical studies, participants use a variety of means for reporting, ranging from self-reported e-diaries to discussions with physicians or trial coordinators in reconciling the data from all these sources, sometimes we would find inconsistencies in reports from the same patient.

For example, they might have accidentally changed the start or end date of their symptoms or told the trial coordinator something different than what they submitted in their e-diary. All of these details matter enormously in a clinical environment, when you're trying to understand the safety and efficacy of a new treatment. And so every patient data discrepancy has to be tracked and followed up with 46,000 participants, each of whom could have multiple symptoms. Data reconciliation can become an extremely labor and time consuming undertaking for hundreds of data managers.

Using smart data query, we could process high volumes of data in near real time and refocus our team's energies and follow-up with patients in critical decision-making. Altogether, smart data query is 50% faster than other methods of reconciling data. This was critical in accelerating our vaccine science, while maintaining quality and data integrity. Since then, we have scaled these AI capabilities beyond COVID-19 treatments and integrated them into more than half of all of our clinical studies across different therapeutic areas with consistent outcomes.

Also, cloud-based technology enabled our investigative science to share source pathogen mutation with site managers, which was previously mostly done in person. So just to give you a sense of the cumulative impact between March and December of 2020, 75% of the site monitoring visits for the vaccine study were conducted remotely compared to a typical rate of approximately 17% prior to COVID-19. This translates to a significant amount of resources saved.

Additionally, during the COVID-19 study, we would aggregate and refresh the trial data every 4 hours. This means we could get the latest data to our clinicians and scientists with greater speed and frequency than before COVID, when it could take a few weeks after each participant visit to aggregate the data. Moving from weeks to hours, is a major paradigm shift, as you can imagine, and have significant implications. Next slide, please.

The story continues in our manufacturing and distribution methods. To date, we have manufactured over 3 billion COVID vaccine doses across the globe, a major breakthrough in and of itself, given the scale and complexity involved, and we expect to manufacture 4 billion in 2022. To support this rapid manufacturing scale-up of the vaccine, we deployed several critical digital data and AI capabilities.

We accelerated the deployment of our first-in-industry, Digital Operation Center to provide an end-to-end view of manufacturing, allowing us to predict issues and adjust in real time. Our manufactured analytics intelligence platform uses AI and machine learning to predict product throughput and yield. This supports more consistent production and allows our manufacturing to be more predictable, so we can understand how we're trending.

The batch tracker solution takes the information from all of our systems and proactively identifies any bottling risks or areas of high risk, helping us to understand where to focus our efforts. Additionally, within days of the FDA's emergency use authorization for our vaccine, we deployed end-to-end cold chain capabilities throughout our supply chain with real-time tracking and monitoring of shipments and temperatures anywhere in the world with close to 100% accuracy.

Artificial intelligence and machine learning predict product temperatures and enable preventative maintenance over our more than 3,000 freezers that house our vaccine doses. With these tools in place, we have never lost a batch due to freezer issues. Collectively, these digital capabilities have been critical as we work to meet the global demand of both the vaccine and the antiviral. Next slide, please.

And finally, one of the biggest changes we've seen is the way we're engaging with customers, including health care professionals and patients. With in-person visits to doctors' offices dramatically reduced during the pandemic, our commercial reps quickly transitioned to video and audio meetings to keep these vital interactions going virtually. And along with virtual engagement, we accelerated the launch of our digital rep adviser, which leverages AI and machine learning to recommend the next best action for our sales reps to take, helping to make our physician interactions more impactful.

Turning to patients. During the clinical trials and after emergency use authorization was granted for COVID vaccine, we launched websites in more than 90 countries to communicate critical vaccine information to both patients and health care professionals. And we launched an enhanced adverse event portal with AI capabilities to manage patient reporting more efficiently during the clinical trials. It was also the first time in history that we brought new products to market virtually.

Now 2 years into the pandemic, we're taking -- we're thinking ahead, how we can continue reimagining our engagement model. Ultimately, it's about meeting people where they want to be met and allowing for more agile, interactive, personalized and informed engagement. Customer expectations are rapidly evolving, and we believe that leaning into these changes is necessary to creating a competitive edge in the future. Next slide.

Looking back, Pfizer was well positioned to respond to a crisis. And when the pandemic hit, we anchored firmly to our purpose and set 3 clear priorities: number one, the safety and well-being of our colleagues; number two, continue to deliver critical medicines to patients around the world; and number three, we committed to use all of our expertise know-how and resources to finding a solution to the pandemic. Practically overnight, we transitioned 80% of our workforce to remote work to keep them safe and continue to deliver critical medicines to patients around the world. This ensured business continuity.

In parallel, together with our scientists, clinical development, manufacturing and commercial colleagues, we harnessed digital innovation to accelerate our COVID efforts. Simply put, digital fueled our ability to develop a safe and effective vaccine as well as an oral treatment in record time without cutting any corners.

The numbers speak for themselves. It took us just 269 days from the day we announced our plans to collaborate with BioNTech on a COVID-19 vaccine to the day we received the emergency use authorization from the U.S. Food and Drug Administration. And in the 12 months after receiving that emergency use authorization, we produced over 3 billion doses of COMIRNATY.

The pace of innovation has been all different with PAXLOVID, our oral treatment. Since receiving the final clinical trial data for our high-risk trial in December 2021, over 40 countries have given emergency or conditional authorizations for PAXLOVID. And we're on track to produce an estimated 120 million courses in 2022. As Mikael Dolsten, our Chief Scientific Officer, has said, science will win and digital will help us do it faster. Next slide, please.

As you can see, there is no shortage of ways in which we have leveraged the power of digital to bring our vaccine and antiviral to the world safely and efficiently as possible. We're continuing the momentum. Our purpose and values underpin our culture and Project Lightspeed, our pandemic effort, represents our new way of working across Pfizer.

As I mentioned earlier, we're driving this innovation with 3 strategic priorities in mind: first, to improve patient health outcomes; second, to bring medicines to patients faster; and third, to fuel tomorrow's breakthrough therapies. We're applying our Lightspeed approach to other critical efforts. We will continue to build on our learnings and our successes to bring even more breakthroughs to more patients across multiple therapeutic areas where the unmet need is high.

I don't see us going back because we've seen what is possible when we focus, when we drive with speed, when we are data-driven and when we harness the power of digital data and AI across our entire value chain. I believe this is what will drive a sustainable and competitive advantage for Pfizer and enable us to continue having a positive impact on patients across the globe. Thank you, everyone.

QUESTIONS AND ANSWERS

Robyn Kay Shelton Karnauskas - *Truist Securities, Inc., Research Division - Research Analyst*

Thank you, Lidia, and thank you so much for sort of giving a real-world example of what machine learning can do across different parts of your process. So I really appreciate sort of making this more tangible for a lot of people.

Maybe just tell me about yourself first, seeing your role at Pfizer, I think many people haven't heard of a Chief Digital and Technology Officer. And how has your role evolved over the last 3 years?

Lidia L. Fonseca - *Pfizer Inc. - Chief Digital & Technology Officer, Executive VP*

Sure. So I serve as Pfizer's Chief Digital and Technology Officer, and the organization I lead, which is an amazing group of colleagues, is responsible for all digital data and technology products and solutions across the company. 18 months ago, I also took on the additional responsibilities for learning and development and business process excellence, including driving agile ways of working across the company.

I bring more than 20 years of experience in health care. Previously I was CIO at Quest Diagnostics and Labcorp and held senior leadership technology and operations roles at Philips Healthcare. Throughout my career, it has been my passion to apply digital data and technology to improve patient health outcomes. This drives and motivates me each and every day. And actually, that's what attracted me to join Pfizer, the tremendous impact we have on patients, health outcomes on a global scale and just makes my role so meaningful, both personally and professionally.

To break it down, our Pfizer Digital group is driving innovation across the entire value chain, with 3 strategic priorities: to improve patient health outcomes, to bring medicines to patients faster and to fuel tomorrow's breakthrough therapies, all of which lead us back to Pfizer's purpose, to deliver breakthroughs that change patients' lives.

Robyn Kay Shelton Karnauskas - *Truist Securities, Inc., Research Division - Research Analyst*

So you can help me also to understand how is Pfizer's culture evolved over the last 2 years? And how do you think it will impact your approach going forward?

Lidia L. Fonseca - Pfizer Inc. - Chief Digital & Technology Officer, Executive VP

Sure. And I think all of us, right, COVID happened to all of us. And I think that culture plays a really key part in not only the response but also how companies thrive and evolve. On January 1, 2019, Albert Bourla became CEO of Pfizer. And we began our transition to being a more science-driven, patient-focused company and also embarked on a digital transformation journey. That same year, Albert set us on a purpose blueprint, that clarified our purpose, breakthroughs that change patients' lives, but also the underlying ambition, bold moves and values that reinforce our culture and to ensure we stay focused.

Thus, in early 2020, we were well positioned to respond. When the pandemic hit, we anchored firmly to our purpose and set 3 clear priorities: the safety and well-being of our colleagues, continue to deliver critical medicines to patients around the world and then use all of our expertise and resources to find a solution to the pandemic.

Several cultural factors underpin our success, maintain a hyper focus on the customer, whether that be the patient, their health care provider, health systems, regulators or our own colleagues because it's also important that we look after our own colleagues as well. Driving horizontal thinking, aligning ourselves to what the patient is experiencing as opposed to our own internal processes, which tend to be vertical or functional.

Focus, focus on a few critical coming goals with minimal bureaucracy, fostering a strong emphasis on outcomes as opposed to activity, has also been a key contributor. We also drove an enterprise-wide effort to embed agile across Pfizer. Agile ways of working helped us to be more flexible, respond to patients' changing needs and deliver better and faster outcomes.

I'm pleased to say that today, we have 300 cross-functional agile teams across the company, focusing on Pfizer's most important programs. Our agile teams are empowered to work in parallel rather than sequentially to drive speed and to have the courage to think big, be creative and work differently. This was particularly critical these past 2 years to accelerate our COVID efforts, including the development of the vaccine because we needed thousands of people to believe we could do the impossible.

I'm proud to say that we did. And it comes back to anchoring firmly in our purpose, and agile ways of working played a large part in enabling us to develop and launch the first safe and effective vaccine and now the antiviral treatment. Lightspeed represents our new way of working, and we're applying this approach to other critical efforts. And Robyn, I don't see us going back. This is how we are stepping into the future and how we see also as the future of work.

Robyn Kay Shelton Karnauskas - Truist Securities, Inc., Research Division - Research Analyst

I think that's part of the theme and the purpose of this conference is to let people know we're not going back. So I guess outside of COVID, you touched on this, but how is Pfizer applying AI and machine learning to accelerate your efforts in the commercial space? You touched on it briefly with COVID, maybe talk about outside of COVID?

Lidia L. Fonseca - Pfizer Inc. - Chief Digital & Technology Officer, Executive VP

Sure. So digital data and AI are helping us improve patient health outcomes, and we're particularly focused on enhancing diagnosis, treatment and adherence. Let me share 3 examples in the commercial space. Our AI-powered estimator tool helps health care professionals understand clinical red flags and risk factors for ATTR-CM, a rare serious and underdiagnosed form of heart disease.

And we're applying similar predictive algorithms across other therapeutic areas such as breast cancer and oncology and growth hormone deficiency in rare disease. Another example is that the Bristol Myers Squibb Pfizer alliance and Fitbit are working together to help drive timely diagnosis of atrial fibrillation. AI algorithms help to detect heart rhythm suggestive with AFib.

The alliance is developing an educational content and guidance, complementing Fitbit's AFib detection software to encourage those at risk to have informed discussions with physicians, and an estimated 3.3 million patients in the U.S. and 1.8 million in the EU5 are undiagnosed.

And a third example, our Living with Cancer app provides valuable resources to 90,000 patients and their caregivers. It connects patients with a support network improves communication between patients, caregivers and health care providers as well as helps patients manage their day-to-day health and wellness while undergoing cancer treatment. So these are just a few examples outside of COVID in our commercial space.

Robyn Kay Shelton Karnauskas - *Truist Securities, Inc., Research Division - Research Analyst*

That's really helpful. And maybe I can ask the same question for your R&D, how you apply AI and machine learning for R&D outside of COVID?

Lidia L. Fonseca - *Pfizer Inc. - Chief Digital & Technology Officer, Executive VP*

Sure. And we have plenty of examples here because I will tell you that both our Chief Scientific Officer, Mikael Dolsten, and I have a lot of energy around the topic of AI and applying digital. On the research and development front, we are fueling tomorrow's breakthrough therapies by simplifying and accelerating our scientific research. Digital is key to delivering first-in-class science by sourcing the best science in the world, doubling our innovation success rate and bringing medicines to the world faster.

We're investing in new scientific technology platforms that power our science. For years, there's been a movement away from traditional biotherapeutics to new modalities such as messenger RNA or mRNA and that movement has now been accelerated due to the successful development and production of COVID-19 vaccines. The beauty of the mRNA platform and other similar scientific technology platforms is the flexibility that technology provides, allowing us to make modifications quickly.

So let me share specific examples. Our running cloud solution has enabled chemists to quickly search and analyze large volumes of internal and external compound collections that exceed 1 billion molecules, reducing the selection to hours rather than weeks. And by doing the initial selection computationally, we can ensure that synthesis and screening efforts are focused on the most promising compounds. And Orion allows us to do this at a massive scale.

To streamline the process of designing new medicines, Pfizer has accelerated virtually in silico screening capabilities through optimization of cloud-based supercomputing with AI/ML models.

Like we did with COVID, we can synthesize a large manageable fraction of the millions of known compounds that are -- that might work as a new drug to only those with the highest chance of becoming medicines. Pfizer has greatly enhanced the performance of these screening capabilities in 2021.

For example, in the past, we were unable to screen one of our key libraries that today house 4.5 billion commercially available compounds. Today, we can screen this and other comparable libraries in under 48 hours. So we went from not being able to screen them at all to being able to screen them in a matter of 48 hours.

These screening capabilities are being heavily leveraged in our oncology and I&I teams. And at the same time, Pfizer is actively scaling these screening capabilities across the company through user-friendly point-and-click tools that allow our project teams to configure and access -- and do these models without coding.

Pfizer is also using generative AI modeling to design entirely new molecules with optimal activity, searching beyond the space of known molecules to propose entirely new chemical structures with a high probability of driving positive biological outcomes. These capabilities allow us to more accurately predict how a drug may interact with its molecular target, where it will go in the body and how it may play in the greater context of the disease itself.

On the development front, I spoke about smart data query in my presentation. That solution leverages AI and ML to help our clinical development teams more quickly quality check and analyze data associated with the trial in near real time. Smart data query is 50% faster than other methods

of reconciling data. We have scaled these AI capabilities beyond COVID-19 treatments and integrated them into more than half of all of our clinical studies across different therapeutic areas and with consistent outcomes. So we're pleased about that.

We're also delving into the next frontier of supercomputing or quantum computing. We believe it will be transformative to Pfizer in discovery and development. Quantum computing is a -- for us, it's a significant shift, you can even call it a paradigm shift, where we're moving from a classical computation system to quantum-based machines that use qubits and the laws of quantum mechanics. A qubit can store infinitely more information and process information at scales -- at scales that are physically not possible with classical computing.

Quantum computing will be, in our opinion, the catalyst for AI adoption across a range of industries. With a Quantum machine, we'll be able to accurately model and simulate our physical world with near 100% accuracy. This will allow us to create digital twins of all known chemicals, materials and drugs and run the kinds of experiments that are not possible today with classical computing.

By being able to model experiments with near 100% accuracy, we will be able to just think about the speed of being able to be faster in the development. And I think that this could dramatically speed up drug discovery and even open up new areas of research.

Robyn Kay Shelton Karnauskas - *Truist Securities, Inc., Research Division - Research Analyst*

I mean you are much smarter than me because quantum computing seems very challenging to understand, but it seems like all the technology is moving very, very fast, it seems.

And I guess, this is very topical given what's going on in the world today actually. So how are you applying AI and machine learning to your cybersecurity efforts at Pfizer? Because that's -- I think that's a question I haven't asked anyone, actually, today.

Lidia L. Fonseca - *Pfizer Inc. - Chief Digital & Technology Officer, Executive VP*

Sure. So every day, Pfizer fends off attempts to steal our intellectual property, disrupt our supply chain, take our money or compromise personal information. We have a robust cybersecurity program that focuses on 3 pillars: world-class prevention capabilities that obstruct tens of millions of daily attempts, AI-enabled detection that identifies potential incidents in minutes, rather than days or months. Round the globe, round-the-clock response capabilities that include the world's leading infinite response firms on retainer.

Let me give you an example of how we use AI in cybersecurity. We ingest and analyze 8 billion to 10 billion security log entries every day, 8 billion to 10 billion. The vast majority are records of normal activities of users and systems. Like many other companies, we leverage advanced AI and machine learning to find a signal in the noise, evaluating real-time behavior signals from hundreds of sources to reliably detect inappropriate or malicious activity. And we also use it to automate our response. For example, we can detect if someone is logging in from an unusual location or device. As you can see, AI and machine learning is critical to our cybersecurity efforts.

Robyn Kay Shelton Karnauskas - *Truist Securities, Inc., Research Division - Research Analyst*

And I guess this is my favorite question actually for you. And you sort of touched on next-generation computing. But if you look forward maybe 5, 10 years or more, when I'm 25 or 20, Can you just talk a little bit about how you think the pharma model will evolve?

I mean this whole panel -- this whole day has been panels of a lot of new technology, and there is a perception that it's far off in the future, but you highlight today how it's already being used. So how do you see this evolving over the next 5 to 10 years?

Lidia L. Fonseca - Pfizer Inc. - Chief Digital & Technology Officer, Executive VP

Yes. Sure. And I'll do my best to kind of use the crystal ball so to speak, but some of it actually, I think, is based on what we experienced, particularly in the last couple of years. Transformation of the health care industry will continue to accelerate exponentially, particularly at the intersection of health care and digital.

In the next 5 to 10 years, I expect that future generations of patients and customers will expect an end-to-end, personalized real-time digital health experiences, directly from mobile devices and the latest wearable technology. My point of view is that pharma as well as other key players in the health care ecosystem will need to work together to provide that experience.

In discovery, there will be a substantial number of AI discovered molecules and indications entering clinical trials. And the growing application of quantum computing will drive speedy discovery and development that we cannot imagine today. The landscape of AI companies will continue to proliferate with new AI players that specialize in various areas, including data generation, data aggregation, advanced analytics and then those that consider themselves AI value generators that create algorithms. These new companies and business models will continue to disrupt the industry, but also drive innovation.

In development, we will see accelerated use of digital technologies in clinical trials and optimization of trial protocol design using advanced predictive analytics. A substantial number of trials I anticipate will be run in a decentralized way. to maximize access and convenience for patients.

I would even say we're going to start to see trials that we can run with a synthetic arm, not even meeting patients in some cases. And if I were to give you an analogy in the insurance, the medical insurance and coverage space, we didn't shift to -- there used to be the need to always have a nurse come out and take all the biometrics and come to your home and all the testing and draw your blood.

What we found in that business is that, over time, we were actually able to use the different data and knowledge that we have to actually model and what would be the probabilities. And so they actually shifted the medical insurance coverage to a data driven model without having to have all these nurses going to everyone's homes.

And I think that if we think about clinical trials and think about all the knowledge that we've gained over time and now the data that's available, I believe that the trials with a synthetic arm, I think our -- we're going to start to see that over the next 5 to 10 years. In the commercial and medical space, digital medicines and digital health will become more of the norm, supplementing traditional treatment methods and applying therapies to create even greater value for patients, all of which improve the patient experience and drive patient adherence to treatment.

To take our industry to the next level, however, we will need to take a more nimble, entrepreneurial agile approach to breakthrough innovations that are personal lines to patients and bring them to market at greater speed. We now have the momentum to drive greater innovations at greater speed and also at scale. So that's what I see, Robyn, in terms of the next 5 to 10 years.

Robyn Kay Shelton Karnauskas - Truist Securities, Inc., Research Division - Research Analyst

That's amazing because that's not very far away. So that's -- you brought up a lot of new topics, even like a synthetic arm, if a lot of people don't even know what that is.

I guess my last question for you is like, what advice do you have to the industry to get them to embrace digital and help them move drug development and move clinical development quicker, commercialization quicker?

Lidia L. Fonseca - Pfizer Inc. - Chief Digital & Technology Officer, Executive VP

I think we can all agree that digital data and technology can accelerate innovation. The health care industry has made great strides over the past couple of years to accelerate transformation. My advice is to leverage this momentum and embrace a new mindset.

First, we needed to think more horizontally across the health care ecosystem with the patient at the center, aligning ourselves to what the patient is experiencing and what their greatest needs are. Anchored to purpose to create clarity for the organization.

Pfizer was successful in delivering breakthroughs because we unleashed the power of our people across all corners of the company, from our scientists, clinical development, manufacturing, commercial, HR, legal, compliance, safety, corporate affairs, finance and digital. We had to think about a different way of prioritizing our time and our investments. We all contributed and answered the call when Pfizer and the world needed us too.

And finally, I take us back to what I said at the beginning. I truly believe that as leaders in the industry, we must think differently, to look for opportunities of capabilities that you can do with digital that we cannot do today in an analog -- so think of that analogy, right?

I believe that leading with this mindset will allow us to move with the speed needed to discover and deliver breakthroughs. And my final piece of advice to each of you, rather than create a digital strategy for your business, we should be creating a business strategy for a digital world.

Robyn Kay Shelton Karnauskas - *Truist Securities, Inc., Research Division - Research Analyst*

Well, thank you so much, Lidia. I really appreciate it. You've given me a lot to think about, and I'm going to be looking forward to where we are next year and how we're making that progress toward what you describe. So thank you so much for your presentation. Thank you, Ronen, as well for helping facilitate the presentation. And...

Ronen Tamir - *Pfizer Inc. - VP, Investor Relations*

Absolutely.

Robyn Kay Shelton Karnauskas - *Truist Securities, Inc., Research Division - Research Analyst*

Yes, it was a really great. I think a different way of even thinking about Pfizer than what we are normally used to talking about. So I appreciate it. And thank all of you for joining into our keynote. And with that, I'll say have a great afternoon or good morning.

Ronen Tamir - *Pfizer Inc. - VP, Investor Relations*

Thank you, everybody.

Lidia L. Fonseca - *Pfizer Inc. - Chief Digital & Technology Officer, Executive VP*

Thank you, Robyn. It's a pleasure to be here with you.

Robyn Kay Shelton Karnauskas - *Truist Securities, Inc., Research Division - Research Analyst*

Thank you.

DISCLAIMER

Refinitiv reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2022, Refinitiv. All Rights Reserved.