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PRESENTATION

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Great. Thanks, everybody, for joining us. I'm Terence Flynn, the pharma -- pharma analyst here at Morgan Stanley. We're very pleased to be hosting Pfizer today. Before we get started, I've got to make a disclosure and then Pfizer is going to make one.

For important disclosures, please see the Morgan Stanley research disclosure website at www.morganstanley.com/researchdisclosures. If you have any questions, please reach out to your Morgan Stanley sales representative.

Bryan Dunn - *Pfizer Inc. - Senior Director, Investor Relations*

Just before we get started here, we just want to remind you that we will be making forward-looking statements, which are subject to risks and uncertainties and the actual results may vary. Additional information regarding forward-looking statements is available under Risk Factors and forward-looking information and factors that may affect future results in our SEC filings on Form 10-K and 10-Q. Thanks.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Great. Thanks, Bryan.

Okay. Well sorry about that. Today, we're hosting Dr. William Pao, who is Chief Development Officer. Thanks, William; and Aamir Malik, who is Chief Business Innovation Officer. Thanks so much both for being here today. Really appreciate it.

QUESTIONS AND ANSWERS

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

I wanted to start with is just kind of a big picture question on -- obviously, we're coming out of COVID. It's great to be back in person at events like this. But there are probably some structural changes that the pandemic has had both with respect to kind of your R&D process and productivity internally at Pfizer, but also maybe externally for the industry. So William, maybe you could start there and just give us your perspective as obviously, you have a lot of experience in the sector over the last decade.

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Yes, Terence. Thanks a lot. Thanks for having me. Yes. So I think one of the amazing things that Pfizer has really gone to transformation over the past decade, especially over the last few years. And with community impacts, Pfizer obviously has shown that it can move things at light speed, so to speak.

But some of the key things are that actually we're very proud in 2021. We actually had, I think, a 20 -- 30-something percent success rate in terms of proof-of-concept studies versus a lower rate in the industry. And then in terms of Phase 2 studies, we've actually had a 50% success rate compared to 30% in the industry.

Notably, over the past few years, we've really been trying to also improve on cycle times. So we used to have, for example, it used to take us about 9.5 years to go from first in human to a launch. And we've really worked on getting that down and so we've analyzed actually my predecessor Rod MacKenzie and others really looked at detail every single step in the value chain process and has broken it down into what's easier to reduce and then what's harder to reduce.

And then in terms of what's easier to reduce we've really taken a systematic effort in trying to bring that down. And since 2019, we've reduced the cycle times by 2.5 years, and we've actually gone from a lowest quartile in the industry benchmarks to top quartile. So that's really quite an achievement.

And then we've shown with Comirnaty and PAXLOVID what's possible with those kinds of "lights speed things" going on. Moving forward, what's really important is we're not only in the top quartile, which is based on median, but really that we're 2x better than our next best in-class competitor. That's what's really important to get our medicines to patients as quickly as possible.

Now you can look at what are some of the factors that have really driven the speed, and that's taking more risks early on multiple assets when you know the target is really good and the biology is really good. Obviously, faster decision-making is really important and all because of cutting the red tape, but really trying to get rid of all the layers of decision-making and just make the decisions quickly. We're all the senior people at the table. Another element is making sure that we choose to provide the right dose and schedule for which we have a lot of expertise. We also have a huge network and so leveraging that network across the globe in terms of sites and relationships to get our things done as quickly as possible. Manufacturing is really showing what it can do, producing billions and billions of vaccines over the past several years.

And then importantly, we work very closely with regulatory agencies. So I'm hoping that we can work with the regulatory agencies to additionally identify some areas where we can work so they call it Lightspeed. There's a lot of unmet medical need out there. And hopefully, we can work together to address those as we move forward.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Great. And obviously, congrats on all the progress on the COVID side, it's been remarkable. I guess, on the regulatory front, do you think that resonates with regulators in terms of trying to accelerate the timelines, especially in cases of unmet need obviously, COVID was once-in-a-generation-type event. But as you think about other areas, other diseases, do you think that's something where regulators are willing to engage and maybe move forward more quickly?

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Yes. I mean, I've had some off-the-cuff conversations, and I think there is interest. I think the question is which disease types would we choose but we certainly want to adopt the same mindset with those regulators and then move forward as quickly as possible. That might be done in the industry as an industry consortium with regulations.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Great. Maybe, Aamir, over to you, earlier this year, Pfizer guided to business development opportunities that could add at least $25 billion in risk-adjusted revenues to top line in 2030. Maybe just, it is a pretty unique guidance figure to put out there. So maybe some of the thought process about why that you guys put that out there and then maybe the progress you're making towards that target?

Aamir Malik - *Pfizer Inc. - Executive VP & Chief Business Innovation Officer*

Yes, for sure. Thank you for the question. I think we principally put the number out there for 2 reasons. Firstly, we wanted to just be very clear with everyone, what our expectations were on how we were going to deploy our capital and what we were going to achieve as a result of that. And we wanted to give everyone who is modeling our business a clear sense of order of magnitude for what we plan to do in BD and it underscores the commitments that we've made that we're certainly going to be a growth company through 2025, but we also see ourselves as a growth company in the back half of the decade, '25 till '30 and that $25 billion is a very important part of that.

And the second reason, and you heard Albert, our CEO talk about this, is that when you put out a bold target, it is a catalyst for action. So those were the principal reasons why we did that.

Now we have a great deal of confidence in our ability to hit that number and to get there. And I see that for a couple of reasons. Number one, if you look at our balance sheet right now and the cash flow that we're going to generate, it gives us a lot of financial flexibility to deploy that capital and beyond growing our dividend, we think that the best place to put that capital is on internal R&D and sourcing external science. The second reason is when you look outside, we're actually very compelled by the external scientific substrate that exists right now, whether it's in academia, venture, big biotech, small biotech. There's a lot that we think is very complementary to what we're doing inside.

So we think the substrate is there. And the third reason we have confidence behind that is that we feel very strongly that we have a robust and clear process on how we're going to prosecute these deals. There's a lot of rigor that goes into it. It's something that is done cross-functionally. William and I work very closely together, along with Mikael Dolsten, our Chief Scientific Officer; Dave Denton, our CFO; and how we think about allocating that capital and how we make those decisions.

So -- for those reasons, we have a lot of confidence behind it, and we're excited about the momentum that we've had so far. So this year alone, you alluded to some of our deals between ReViral, Biohaven and GBT since the announcement of that $25 billion. We think that those deals and if the programs they are successful, have the potential to add more than $10 billion in peak sales to our business.

And that is a set of deals that comes on the back of what was a very active 2021, where we had Trillium as well as Arena and Arena, we think also has multibillion-dollar potential. So -- it's a number that we have confidence in. It focuses us to action, and we think we're making very good progress against that, but there's still more to go.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Great. As you touched on a couple of those deals, so Biohaven, ReViral, GBT, it appears like the focus is more on kind of bolt-on commercial stage assets that could contribute kind of immediately to growth. And so is that the playbook on the forward here? Or are you also willing to scale that up and look at even larger deals as you think about achieving that $25 billion target?

Aamir Malik - *Pfizer Inc. - Executive VP & Chief Business Innovation Officer*

I would say that those deals represent a portion of what we're going to do, but not exclusively what we're going to do. So if I take a step back, what is the criteria for the business development that we're pursuing. The criteria is, first and foremost, is it compelling science and does it potentially have breakthrough versus standard of care? That's the most important thing to us.

The second is, is there something that we can do scientifically, commercially to add value to that science.

And thirdly, we have to feel confident that it's going to generate revenues in that '25 to '30 period. Now through that prism, there's a lot of opportunities that fit. Certainly, these types of later stage, early commercial opportunities fit. But there's a lot of early scientific programs where we have the potential to derisk the science or accelerate the science in ways that William was describing, that also fit.

And if you look at the period since 2021, we've done approximately 36 transactions. 80% of those have been on earlier-stage programs, right? So we often end up talking about the 20%, which is the ones we have touched on in this conversation so far. But we're focused on the entire spectrum. And we think diversification is quite important.

So since 2021, if you look at Trillium, Arena, Biohaven, GBT, ReViral, you see a set of deals that touch on all of our therapeutic areas of importance, oncology, INI, anti-infectives, rare disease, internal medicine. So we're pursuing diversification from that point of view. But we've talked about the acquisitions, but there's many things that we've done outside of acquisitions as well.

If you look at our collaboration with Beam, obviously, our collaboration with BioNTech, and we feel like many of those types of deals that are lighter in capital deployment hold a lot of great deal of potential for us, too. So I think you can expect us to do the kinds of deals that we have been doing, but also a lot more. The one thing that we have been clear on is that deals where cost synergies are the primary source of value creation are not a focus for us. We are agnostic to size. So if we see a large-scale transaction that meets that criteria where we can advance breakthrough science and add value and create growth, we're certainly very open to it.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Great. One other dynamic that maybe is kind of changing here is the inflation Reduction Act. And some companies have commented about thinking of the impact on the business. But again, from each of your seats, maybe you could talk, William, about -- does that change how you're thinking about which projects to invest in on the R&D side, biologic versus small molecule or cancer versus other therapeutic areas. And then maybe your mirror, as you think about, again, from the business development side, does it change how you think about ROI on deals at all?

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Sure.

Aamir Malik - *Pfizer Inc. - Executive VP & Chief Business Innovation Officer*

I can get started -- maybe before we jump into the implications, it's important to take a minute and just talk about what the act means. While we certainly applaud the attempts that are being made to reduce patient out-of-pocket cost for patients and families. Fundamentally, we think this legislation is an attack on medical innovation. And we're very concerned about that. The notion of Medicare and biopharma negotiating, it's probably much more into price controls.

And when you look at countries where there are government price controls, if you look at all drugs that were approved since 2012 onward, for instance. Those countries where you have government price controls have access to about 50% of that innovation versus the United States today, we have access to more than 85% of that innovation. And you've seen many independent economists come out with forecasts of even up to a 100 medicines being sacrificed over the next 2 decades as a result of this. So we're very concerned about what this means for innovation.

Now in terms of our own processes, one of the things that William and I celebrate is the fact that we look at internal development opportunities and external substrate through the exact same lens. And it's a holistic lens. So we look at unmet need, we look at competition, we look at breakthrough potential as I talked about. And of course, when we're developing risk-adjusted returns on these deals and our internal programs, we look at access and pricing. So of course, this is going to factor into how we make decisions on how we allocate our capital, it has to. But at the same time, we're not going to be knee-jerk about it. And you're not going to hear us declare that we're all of a sudden in one area out the other. There's still a lot of this that still has to play out.

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Yes. And I would just add, in terms of the innovation, I echo Aamir's thoughts, there could be a knock-on effect on innovation. If you just compare the development of new molecules in antibiotics versus oncology over the past 30 years. There hasn't been a lot of innovation in antibiotics, and we're stuck now with antibiotic resistance and no new real mechanisms of action.

If you look at oncology, actually, from 1991 to 2019, there's actually been a 32% reduction in cancer deaths over that period. And there's probably earlier screening and other things, but I think a lot of it is attributable to molecules and medicines. That's 3.5 million fewer cancer deaths over that period. So you see what innovation can bring. And I'm hoping that, that act doesn't affect the innovation in the U.S. industry.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Great. Maybe we can go into some of the kind of commercial pipeline questions now. So we talked about a little bit at the beginning, but the COVID vaccine, obviously, an area of tremendous success across the globe really. One of the questions that I have is just, again, seeing the pace of new mutations that come up, again, pretty frequently. How do we stay ahead of the curve? Or how does Pfizer work with your partners to stay ahead of that curve and roll out a vaccine that, again, either in parallel or maybe ahead of the next variant that's coming? So rather than a majority of people waiting getting infected, do you have a strategy to kind of stay ahead of the curve almost?

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Yes, and that's a great question. Obviously, we've been dealing with that over the last several years. I still would remind that 6 million -- more than 6 million deaths attributed to COVID-19 over the past 2 years worldwide. -- more than 1 million in the U.S. and probably at least 200,000 this year, which still is double, if not triple or quadruple the amount for influenza. So it's still a problem. So we need to continue to be on top of that.

And a lot of the change has been -- or the challenge has been that the variants keep evolving. We're now probably on at least the fifth variant or so. So we've taken a very systematic approach to that. We've really tried to anticipate what's coming but also using the mRNA platform that we have, which is great for basically switching in and out the mRNA template, but using the same rest of the backbone as the vaccine to come up with the new vaccines. So working very closely with the regulatory agencies who advised us to actually come up with Omicron adapted bivalent COVID-19 boosters.

In 3 months, we came up with the BA.1 variant and then also the BA.4/5 variant. Also working very closely with regulatory agencies. We tried to follow on out what's been going on with flu. And with flu, you don't actually do clinical testing on the next year's variant, you can use preclinical testing. And so with the regulatory agencies, we use clinical data from BA. 1 and then preclinical data with BA.4/5. And we're happy to say that we've got an approval now, well, emergency use authorization for the adaptive booster in the U.S. for adults and children over age 12.

And then also recently in the EU, not only the BA.1, but today, it was announced that the European Commission approved the BA. 4/5 variant. So we're confident that with that approach, we can continue to hopefully stay current and hopefully, in the future, stay ahead of what's going on with Omicron and COVID.

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Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

What's the quickest turnaround time you could do like from identification of a new variant to roll out of a vaccine, assuming that you can continue to leverage preclinical data?

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

That's a great question. As I said in 3 months, we did the Omacon-adapted one. So we're always striving to be better. So let's see if we can be even faster than that.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. And how about next-gen vaccines? I mean, the current vaccines target the spike protein. I know you guys have a next-gen strategy as well. Maybe just an update there. And could that be more effective than the existing vaccine.

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Yes. So we still have 70%, if not greater, vaccine efficacy with community, and we anticipate that the new Omicron adapted variant vaccine will have efficacy against that specific BA.4/5 as well as omicron but we continue to try to improve upon that. So we're really looking for vectors in vaccines -- sorry vaccines that could increase the longevity of protection. So hopefully, you only have a yearly vaccine.

So we are having a number of programs where we're testing different constructs and seeing if that can work. Notably, the mRNA vaccine is not only eliciting a B-cell response, but also a T cell response which could be more important and longer lasting immunity. So we do have a number of programs so watch that space.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. The...

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

We're also working on a pan coronavirus vaccine.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

When might that and when might be able to see some data from that one.

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Yes, we're not ready to disclose that timeline there.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. I guess the other mRNA vaccine program that you guys had some recent data on is for seasonal flu. And so I think the ultimate goal would be to come out with once-yearly vaccine that could target both COVID-19 and the seasonal flu. So maybe just give us your perspective on the data, next steps for that program? And then ultimately, what needs to happen to get into a combination type vaccine?

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Sure. Yes. So we've already been testing the modified flu RNA vaccine, and we released some data on that. We did see good hemoglutinin titers against A as well as B. But importantly, we saw good T-cell responses, which aren't seen with the inactivated vaccines. So we're hopeful that, that will lead to protection. And so we are hoping to start that trial, Phase 3 trial as early as this quarter. And we'll see what the data show.

I think the ultimate is you're right, there would be hopefully combinations, the challenge with a combination, as you know, is keeping up on the flu variant as well as the COVID variant. But as long as we can predict with reasonable time frame, then we can prepare those combination vaccines.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Yes. And so there's nothing from a limitation standpoint in terms of number of antigens or strains you could put into a messenger on a vaccine?

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Well, currently, with the current version, we do -- well, we're working on next-generation vaccines where we hopefully can increase even more of the valency in terms of what we put in there.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. And what would be the, I guess, the timing of that Phase 3 program? I mean how long do those typically take to run?

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Yes. We're not ready to disclose that. I think we are going for an efficacy study. And hopefully, we'll be able to disclose the timeline on that shortly.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Maybe another vaccine. Obviously, you've been working on. You've been leaders on as Prevnar for pneumococcal disease. Here, you have approval in adults, you're still working on the pediatric side. Again, I know based on some of the recent press release, you met the noninferiority trial for one of the co-primary endpoints, but missed on the second co-primary endpoint. You have a second Phase 3 trial going on now ex U.S. And so maybe just help us think about your conviction level that you'll see maybe a different result from the second Phase 3 trial than you did from the first Phase 3 trial.

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Yes. So for the PCV20 vaccine, we're confident in the data that we released. I think the European data that you talked about is a very different design. It's a 2 plus 1 design versus the 1 in the U.S., which is a 3 plus 1, meaning you get 3 shots and then a booster versus the European, which is 2 plus 1. We eagerly anticipate seeing the readout from that study. But we think from the U.S. one that we just released that we're confident that the totality of the data will support filing.

Notably, if approved, and we'll work very closely with regulatory agencies, it would cover a far more pneumococcal serotypes than any other vaccine there on the market. Yes.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. And I guess in terms of the timing of that second Phase 3 study?

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

So we're just anticipating events, and we'll release that when we are ready to disclose the information.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Got it. Again, maybe one last one on the vaccine side here is the RSV program. And so I know you had some recent Phase 3 data, GSK had some Phase 3 data. I think we're waiting on Johnson & Johnson's Phase 3 data. Maybe you could just remind us how your approach at Pfizer differs from what GSK and J&J have in terms of the vaccine side?

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Yes. Well, Terence, we don't comment on any competitor data. I think what we released in terms of our RSV vaccine is we have a vaccine against strains A and B of RSV, it's nonadjuvanted and we thought that adjuvants can sometimes cause reactogenicity. So we hopefully will have a better safety profile in terms of that. It's against the pre-stabilized F fusion protein which originally was an insight discovered by the NIH, but at Pfizer, we looked at multiple confirmations of the pre-stabilized fusion protein and selected one that we thought would lead to the most immunogenicity.

And then, as you know, we recently released interim analysis data on 34,000 patients. We're now up to 37,000 patients with the goal of 40,000 patients in the interim analysis, there were -- we had to initially look at patients with 2-plus symptoms in terms of lower respiratory tract infection. And we saw the independent data monitoring committee of 66.7% vaccine efficacy. With that interim analysis, look, then we were allowed to look at the 3-plus symptoms. And in there, we showed a 85.7% vaccine efficacy.

So -- we're very happy with those results. We think those would be very competitive, but importantly, we'll hopefully prevent vaccine -- prevent RSV infection in the older adults. And then later on, this year, we anticipate results from the maternal vaccine study.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. And when would we see the full Phase 3 data from the adult study?

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Yes. So we will present that at a conference, and you'll see it when it comes out.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Got it. And anything else in terms of differentiation with respect to the maternal side? I think that's another area where maybe the competition is -- there's been some questions around.

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Well as you know, I think we're probably the only maternal vaccine now that's in development. And this is really critical because the period between the time a baby is born versus then by the time they can get protection from a vaccine is both they're vulnerable. And so by immunizing the mothers, we think that we can get passive immunization to the infants and then prevent infection there.

So not only do we have that program, but we also have a Group B strep vaccine program for maternal vaccination. And we hope to be the leaders in maternal vaccination as well.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Great. Maybe there's a tag team question is, one thing that's been interesting is Pfizer has made more investments in the genetics medicine space relative to your peers, I think, and you've talked a lot about also the manufacturing investment that you guys have made. So maybe, Aamir, first to you, what do you guys see that maybe of your peer set does in terms of that opportunity set? Or maybe it's, again, an internal advantage at Pfizer? How are you thinking about that on the forward?

Aamir Malik - *Pfizer Inc. - Executive VP & Chief Business Innovation Officer*

Yes. What I'd say is genetic medicines and frankly, extending that into gene therapy in rare disease has been an ongoing commitment and the focus for the company for 30 years plus. And it continues to be a very high priority for us. If I think about the momentum that we have on VYNDAQEL as well as our next-generation genetic therapies and gene therapy programs. Right now, we have over 18 programs in development, 3 of them in Phase 3 that William can touch on. And that's part of the investment that we're making, right? We have also made significant capital investments. If I think about our gene therapy facility in Sanford, North Carolina. It is a world-class facility, both in terms of capabilities and capacity that we made significant investments in 2019.

And in 2022, earlier this year, we announced our collaboration with Beam Therapeutics on their base gene editing technology that we're very excited about. And most recently, you heard us announce our deal with GBT looking at sickle cell disease to bring a much-needed therapy as well as development programs to an underserved population. So this is a space that we are deeply committed to, and we make multiple investments in our own programs in external programs and in our capabilities to develop.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

And then William, maybe just touch on kind of the latest in terms of hemophilia and DMD. Those are 2 of your lead programs. What are kind of the next steps? And when should we expect some more data there?

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Sure. So we have gene therapy programs in DMD, hemophilia A and hemophilia B. Incidentally, we also have an antibody marstacimab, which is an anti-tissue factor pathway inhibitor antibody for hemophilia A and B. So we continue to be on track in terms of those programs. We hope to complete enrollment in the DMD study by the end of this year. And given the totality of the data, we hope to file the most complete package in terms of efficacy and patient safety data for patients with DMD. For hemophilia B I think we're well on track. In hemophilia A, we know that BioMarin has gotten an approval in the EU, but we feel that our profile will be very competitive. And ultimately, I think patients will choose which therapy provides the longest benefit with the best safety profile.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Maybe in the last few minutes here, the program on to touch on, which again, is endocrinology. So obviously, Pfizer has an existing presence there. But danuglipron, the initial data looked very interesting. I know you have a second-generation program as well, and we're expecting to see some additional data, I think, from both assets at EASD, which is next week. And so maybe just what should we be focused on next week in terms of the data? Like what are kind of the key learnings that we're going to walk away with from the presentations?

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Sure. So danuglipron as well as our second molecule, which we call 532 are both GLP-1 receptor agonists. And as you know, GLP-1 receptor agonists have been approved for use in both type 2 diabetes and obesity. Most of the ones that are available for patients are currently injectables, although

there is an oral form. We are trying to develop oral small molecules which really have a differentiated profile in terms of efficacy, but also in terms of patient convenience that wouldn't require any special administration or taking of the medicines daily.

So I think what you're going to see is there's early data. There's data both on danuglipron as well as 532. And you'll see, hopefully, that there's a good benefit risk in terms of lowering of plasma glucose as well as a decrease in weight.

So we feel fortunate to have 2 opportunities in-house, and we'll pick the winner and are very confident that we can have a best-in-class differentiated profile in type 2 diabetes as well as obesity.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

And when you say best-in-class do you mean versus the orals or versus the injectables?

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

I mean I think what we want to do is offer patients a good option that will be convenient as well as very efficacious.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. And I guess that when we look at the space, this has been a duopoly market, I guess, for the last 5, 7 years or something. So how do you break into that market as you think about kind of maybe making inroads there? It just seems like, again, Nova and Lilly have pretty entrenched positions. So what's the strategy in terms of making inroads to that space?

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Yes. I mean I think there's still room for the oral space. And as long as there's a differentiated molecule, which shows good efficacy as well as good safety that's competitive. I think we'll with the Pfizer machine commercial powerhouse, I think, will easily make inroads.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

And then, Aamir, from your seat, I mean, -- is it key to have a cornerstone molecule like danu before you make further investments into that kind of endocrine space? Or is this more of like a primary care purview as you think about where this fits in the organization?

Aamir Malik - *Pfizer Inc. - Executive VP & Chief Business Innovation Officer*

I think fundamentally, we're excited about the science of these programs that William described and you'll see more of next week. And I think they can open up the doors to many different places for us to go and invest.

Clearly, we have a ton of capabilities in primary care. And to your point around the market, if I just think about what we can do in terms of patient awareness, provider awareness, our relationships with the channel. Those are all things that we can bring to bear on the back of what we think is going to be best-in-class science that will give us a tremendous foothold in this market.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Great. Well, I think we're up against time. But thank you so much, William. Thank you, Aamir. Thanks. Great to see you in person.

William Pao - *Pfizer Inc. - Executive VP & Chief Development Officer*

Great to see you, too.

Aamir Malik - *Pfizer Inc. - Executive VP & Chief Business Innovation Officer*

Thank you.