UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 2, 2022

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13
OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

COMMISSION FILE NUMBER 1-3619

PFIZER INC.
(Exact name of registrant as specified in its charter)

Delaware	13-5315170
(State of Incorporation)	(I.R.S. Employer Identification No.)

235 East 42nd Street, New York, New York 10017
(Address of principal executive offices) (zip code)
(212) 733-2323
(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.05 par value	PFE	New York Stock Exchange
1.000% Notes due 2027	PFE27	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

At November 4, 2022, 5,613,314,537 shares of the issuer's voting common stock were outstanding.

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N/A = Not Applicable

DEFINED TERMS

Unless the context requires otherwise, references to "Pfizer," "the Company," "we," "us" or "our" in this Form 10-Q (defined below) refer to Pfizer Inc. and its subsidiaries. Pfizer's fiscal quarter-end for subsidiaries operating outside the U.S. is as of and for the three and nine months ended August 28, 2022 and August 29, 2021, and for U.S. subsidiaries is as of and for the three and nine months ended October 2, 2022 and October 3, 2021. References to "Notes" in this Form 10-Q are to the Notes to the Condensed or Consolidated Financial Statements in this Form 10-Q or in our 2021 Form 10-K. We also have used several other terms in this Form 10-Q, most of which are explained or defined below:

2021 Form 10-K	Annual Report on Form 10-K for the fiscal year ended December 31, 2021
ACIP	Advisory Committee on Immunization Practices
ALK	anaplastic lymphoma kinase
Alliance revenues	Revenues from alliance agreements under which we co-promote products discovered or developed by other companies or us
Arena	Arena Pharmaceuticals, Inc.
Astellas	Astellas Pharma Inc., Astellas US LLC and Astellas Pharma US, Inc.
Arvinas	Arvinas, Inc.
ATTR-CM	transthyretin amyloid cardiomyopathy
Biohaven	Biohaven Pharmaceutical Holding Company Ltd.
BioNTech	BioNTech SE
Biopharma	Global Biopharmaceuticals Business
BLA	Biologics License Application
BMS	Bristol-Myers Squibb Company
BOD	Board of Directors
CDC	U.S. Centers for Disease Control and Prevention
CGRP	calcitonin gene-related peptide
CMA	conditional marketing authorisation
*Comirnaty**	Unless otherwise noted, refers to, as applicable, and as authorized or approved, the Pfizer-BioNTech COVID-19 Vaccine, the Pfizer-BioNTech COVID-19 Vaccine, Bivalent (Original and Omicron BA.4/BA.5), the Comirnaty Original/Omicron BA.1 Vaccine, and Comirnaty Original/Omicron BA.4/BA.5 Vaccine
Cond. J-NDA	Conditional Japan New Drug Application
Consumer Healthcare JV	GSK Consumer Healthcare JV
COVID-19	novel coronavirus disease of 2019
Developed Europe	Includes the following markets: Western Europe, Scandinavian countries and Finland
Developed Markets	Includes the following markets: U.S., Developed Europe, Japan, Australia, Canada, South Korea and New Zealand
Developed Rest of World	Includes the following markets: Japan, Australia, Canada, South Korea and New Zealand
EC	European Commission
EMA	European Medicines Agency
Emerging Markets	Includes, but is not limited to, the following markets: Asia (excluding Japan and South Korea), Latin America, Central Europe, Eastern Europe, the Middle East, Africa and Turkey
EPS	earnings per share
EU	European Union
EUA	emergency use authorization
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FDA	U.S. Food and Drug Administration
FFDCA	U.S. Federal Food, Drug and Cosmetic Act
Form 10-Q	This Quarterly Report on Form 10-Q for the quarterly period ended October 2, 2022
GAAP	Generally Accepted Accounting Principles
GIST	gastrointestinal stromal tumors
GPD	Global Product Development organization
GSK	GlaxoSmithKline plc
Haleon	Haleon plc
HIPAA	Health Insurance Portability and Accountability Act of 1996
Hospira	Hospira, Inc.
IPR&D	in-process research and development
IRA	Inflation Reduction Act of 2022
IRS	U.S. Internal Revenue Service
JAK	Janus kinase

JV	joint venture
King	King Pharmaceuticals LLC (formerly King Pharmaceuticals, Inc.)
LIBOR	London Interbank Offered Rate
LOE	loss of exclusivity

mCRC	metastatic colorectal cancer
mCRPC	metastatic castration-resistant prostate cancer
mCSPC	metastatic castration-sensitive prostate cancer
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
Meridian	Meridian Medical Technologies, Inc.
mRNA	messenger ribonucleic acid
MSA	Manufacturing Supply Agreement
Mylan	Mylan N.V.
Myovant	Myovant Sciences Ltd.
NDA	New Drug Application
nmCRPC	non-metastatic castration-resistant prostate cancer
NSCLC	non-small cell lung cancer
ODT	oral disintegrating tablet
OPKO	OPKO Health, Inc.
OTC	over-the-counter
*Paxlovid**	an oral COVID-19 treatment (nirmatrelvir [PF-07321332] tablets and ritonavir tablets)
PC1	Pfizer CentreOne
PGS	Pfizer Global Supply
Pharmacia	Pharmacia Corporation
PRAC	Pharmacovigilance Risk Assessment Committee
PsA	psoriatic arthritis
QTD	Quarter-to-date or three months ended
RA	rheumatoid arthritis
RCC	renal cell carcinoma
R&D	research and development
ReViral	ReViral Ltd.
SEC	U.S. Securities and Exchange Commission
sNDA	supplemental new drug application
TSAs	transition service arrangements
UC	ulcerative colitis
U.K.	United Kingdom
U.S.	United States
Upjohn Business	Pfizer's former global, primarily off-patent branded and generics business, which included a portfolio of 20 globally recognized solid oral dose brands, including Lipitor, Lyrica, Norvasc, Celebrex and Viagra, as well as a U.S.-based generics platform, Greenstone, that was spun-off on November 16, 2020 and combined with Mylan to create Viatris
Viatris	Viatris Inc.
ViiV	ViiV Healthcare Limited
WRDM	Worldwide Research, Development and Medical
YTD	Year-to-date or nine months ended

* Paxlovid and emergency uses of the Pfizer-BioNTech COVID-19 Vaccine or the Pfizer-BioNTech COVID-19 Vaccine, Bivalent (Original and Omicron BA.4/BA.5), have not been approved or licensed by the FDA. Paxlovid has not been approved, but has been authorized for emergency use by the FDA under an EUA, for the treatment of mild-to-moderate COVID-19 in adults and pediatric patients (12 years of age and older weighing at least 40 kg [88 lbs]) with positive results of direct SARS-CoV-2 viral testing, and who are at high-risk for progression to severe COVID-19, including hospitalization or death. Emergency uses of the vaccines have been authorized by the FDA under an EUA to prevent COVID-19 in individuals aged 6 months and older for the Pfizer-BioNTech COVID-19 Vaccine and 5 years and older for the Pfizer-BioNTech COVID-19 Vaccine, Bivalent. The emergency uses are only authorized for the duration of the declaration that circumstances exist justifying the authorization of emergency use of the medical product during the COVID-19 pandemic under Section 564(b)(1) of the FFDCA unless the declaration is terminated or authorization revoked sooner. Please see the EUA Fact Sheets at *www.covid19oralrx.com* and *www.cvdvaccine-us.com*.

This Form 10-Q includes discussion of certain clinical studies relating to various in-line products and/or product candidates. These studies typically are part of a larger body of clinical data relating to such products or product candidates, and the discussion herein should be considered in the context of the larger body of data. In addition, clinical trial data are subject to differing interpretations, and, even when we view data as sufficient to support the safety and/or effectiveness of a product candidate or a new indication for an in-line product, regulatory authorities may not share our views and may require additional data or may deny approval altogether.

Some amounts in this Form 10-Q may not add due to rounding. All percentages have been calculated using unrounded amounts. All trademarks mentioned are the property of their owners.

The information contained on our website, our Facebook, Instagram, YouTube and LinkedIn pages or our Twitter accounts, or any third-party website, is not incorporated by reference into this Form 10-Q.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PFIZER INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Three Months Ended		Nine Months Ended	
(MILLIONS, EXCEPT PER COMMON SHARE DATA)	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
Revenues	$ 22,638	$ 24,035	$ 76,040	$ 57,450
Costs and expenses:				
Cost of sales[a]	6,063	9,932	24,696	21,085
Selling, informational and administrative expenses[a]	3,391	2,899	9,032	8,599
Research and development expenses[a]	2,696	2,681	7,813	6,914
Acquired in-process research and development expenses[b]	524	762	880	1,000
Amortization of intangible assets	822	968	2,478	2,743
Restructuring charges and certain acquisition-related costs	199	646	580	667
Other (income)/deductions—net	(59)	(1,696)	1,063	(4,043)
Income from continuing operations before provision/(benefit) for taxes on income	9,001	7,843	29,498	20,484
Provision/(benefit) for taxes on income	356	(328)	3,098	1,603
Income from continuing operations	8,645	8,171	26,400	18,881
Discontinued operations—net of tax	(21)	(13)	4	(248)
Net income before allocation to noncontrolling interests	8,623	8,159	26,404	18,633
Less: Net income attributable to noncontrolling interests	15	12	27	47
Net income attributable to Pfizer Inc. common shareholders	$ 8,608	$ 8,146	$ 26,378	$ 18,586
Earnings per common share—basic:				
Income from continuing operations attributable to Pfizer Inc. common shareholders	$ 1.54	$ 1.45	$ 4.70	$ 3.37
Discontinued operations—net of tax	—	—	—	(0.04)
Net income attributable to Pfizer Inc. common shareholders	$ 1.54	$ 1.45	$ 4.71	$ 3.32
Earnings per common share—diluted:				
Income from continuing operations attributable to Pfizer Inc. common shareholders	$ 1.51	$ 1.43	$ 4.60	$ 3.31
Discontinued operations—net of tax	—	—	—	(0.04)
Net income attributable to Pfizer Inc. common shareholders	$ 1.51	$ 1.42	$ 4.60	$ 3.27
Weighted-average shares—basic	5,607	5,609	5,606	5,597
Weighted-average shares—diluted	5,718	5,725	5,729	5,688

[a] Exclusive of amortization of intangible assets.
[b] See *Note 1D.*

See Accompanying Notes.

PFIZER INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

(MILLIONS)	Three Months Ended		Nine Months Ended	
	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
Net income before allocation to noncontrolling interests	$ 8,623	$ 8,159	$ 26,404	$ 18,633
Foreign currency translation adjustments, net	(918)	(866)	(2,549)	(366)
Unrealized holding gains/(losses) on derivative financial instruments, net	589	213	1,443	179
Reclassification adjustments for (gains)/losses included in net income[a]	(615)	48	(972)	286
	(26)	261	471	464
Unrealized holding gains/(losses) on available-for-sale securities, net	(777)	(266)	(1,397)	(128)
Reclassification adjustments for (gains)/losses included in net income[b]	606	9	1,094	(172)
	(171)	(257)	(303)	(300)
Reclassification adjustments related to amortization of prior service costs and other, net	(31)	(39)	(99)	(119)
Reclassification adjustments related to curtailments of prior service costs and other, net	2	(58)	(8)	(62)
	(29)	(97)	(107)	(181)
Other comprehensive income/(loss), before tax	(1,144)	(959)	(2,488)	(382)
Tax provision/(benefit) on other comprehensive income/(loss)	(33)	(65)	(149)	(44)
Other comprehensive income/(loss) before allocation to noncontrolling interests	$ (1,111)	$ (894)	$ (2,339)	$ (338)
Comprehensive income/(loss) before allocation to noncontrolling interests	$ 7,512	$ 7,265	$ 24,065	$ 18,296
Less: Comprehensive income/(loss) attributable to noncontrolling interests	10	9	16	48
Comprehensive income/(loss) attributable to Pfizer Inc.	$ 7,503	$ 7,256	$ 24,049	$ 18,248

[a] Reclassified into *Other (income)/deductions—net* and *Cost of sales.* See *Note 7E.*
[b] Reclassified into *Other (income)/deductions—net.*

See Accompanying Notes.

PFIZER INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(MILLIONS)	October 2, 2022	December 31, 2021
	(Unaudited)	
Assets		
Cash and cash equivalents	$ 1,298	$ 1,944
Short-term investments	34,825	29,125
Trade accounts receivable, less allowance for doubtful accounts: 2022—$474; 2021—$492	16,076	11,479
Inventories	9,513	9,059
Current tax assets	2,544	4,266
Other current assets	6,149	3,820
Total current assets	70,403	59,693
Equity-method investments	9,826	16,472
Long-term investments	4,062	5,054
Property, plant and equipment, less accumulated depreciation: 2022—$14,931; 2021—$15,074	15,441	14,882
Identifiable intangible assets	28,151	25,146
Goodwill	49,441	49,208
Noncurrent deferred tax assets and other noncurrent tax assets	7,136	3,341
Other noncurrent assets	10,890	7,679
Total assets	$ 195,350	$ 181,476
Liabilities and Equity		
Short-term borrowings, including current portion of long-term debt: 2022—$2,566; 2021—$1,636	$ 4,040	$ 2,241
Trade accounts payable	6,267	5,578
Dividends payable	2,245	2,249
Income taxes payable	3,071	1,266
Accrued compensation and related items	2,852	3,332
Deferred revenues	6,191	3,067
Other current liabilities	19,647	24,939
Total current liabilities	44,314	42,671
Long-term debt	32,629	36,195
Pension benefit obligations	2,738	3,489
Postretirement benefit obligations	222	235
Noncurrent deferred tax liabilities	616	349
Other taxes payable	9,701	11,331
Other noncurrent liabilities	12,239	9,743
Total liabilities	102,459	104,013
Commitments and Contingencies		
Common stock	476	473
Additional paid-in capital	91,359	90,591
Treasury stock	(113,945)	(111,361)
Retained earnings	122,967	103,394
Accumulated other comprehensive loss	(8,225)	(5,897)
Total Pfizer Inc. shareholders' equity	92,631	77,201
Equity attributable to noncontrolling interests	259	262
Total equity	92,891	77,462
Total liabilities and equity	$ 195,350	$ 181,476

See Accompanying Notes.

PFIZER INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(UNAUDITED)

	PFIZER INC. SHAREHOLDERS								
	Common Stock			Treasury Stock					
(MILLIONS, EXCEPT PER COMMON SHARE DATA)	Shares	Par Value	Add'l Paid-In Capital	Shares	Cost	Retained Earnings	Accum. Other Comp. Loss	Share-holders' Equity	Non-controlling interests	Total Equity
Balance, July 3, 2022	9,496	$ 476	$ 91,183	(3,903)	$ (113,939)	$ 116,608	$ (7,119)	$ 87,208	$ 261	$ 87,469
Net income						8,608		8,608	15	8,623
Other comprehensive income/(loss), net of tax							(1,106)	(1,106)	(5)	(1,111)
Cash dividends declared, per share: $0.40										
Common stock						(2,245)		(2,245)		(2,245)
Noncontrolling interests									(7)	(7)
Share-based payment transactions	20	—	172	—	(6)	(5)		161		161
Purchases of common stock				—	—			—		—
Other			4					4	(4)	—
Balance, October 2, 2022	9,515	$ 476	$ 91,359	(3,903)	$ (113,945)	$ 122,967	$ (8,225)	$ 92,631	$ 259	$ 92,891

	PFIZER INC. SHAREHOLDERS								
	Common Stock			Treasury Stock					
(MILLIONS, EXCEPT PER COMMON SHARE DATA)	Shares	Par Value	Add'l Paid-In Capital	Shares	Cost	Retained Earnings	Accum. Other Comp. Loss	Share-holders' Equity	Non-controlling interests	Total Equity
Balance, July 4, 2021	9,450	$ 472	$ 89,336	(3,851)	$ (111,356)	$ 96,346	$ (4,758)	$ 70,042	$ 273	$ 70,315
Net income						8,146		8,146	12	8,159
Other comprehensive income/(loss), net of tax							(891)	(891)	(3)	(894)
Cash dividends declared, per share: $0.39										
Common stock						(2,192)		(2,192)		(2,192)
Noncontrolling interests									(8)	(8)
Share-based payment transactions	13	1	637	—	(3)	(1)		634		634
Purchases of common stock				—	—			—		—
Other						(47)		(47)	1	(46)
Balance, October 3, 2021	9,462	$ 473	$ 89,973	(3,851)	$ (111,359)	$ 102,252	$ (5,649)	$ 75,691	$ 275	$ 75,967

	PFIZER INC. SHAREHOLDERS								
	Common Stock			Treasury Stock					
(MILLIONS, EXCEPT PER COMMON SHARE DATA)	Shares	Par Value	Add'l Paid-In Capital	Shares	Cost	Retained Earnings	Accum. Other Comp. Loss	Share-holders' Equity	Non-controlling interests	Total Equity
Balance, January 1, 2022	9,471	$ 473	$ 90,591	(3,851)	$ (111,361)	$ 103,394	$ (5,897)	$ 77,201	$ 262	$ 77,462
Net income						26,378		26,378	27	26,404
Other comprehensive income/(loss), net of tax							(2,328)	(2,328)	(11)	(2,339)
Cash dividends declared, per share: $1.20										
Common stock						(6,734)		(6,734)		(6,734)
Noncontrolling interests									(7)	(7)
Share-based payment transactions	45	2	760	(12)	(584)	(71)		108		108
Purchases of common stock				(39)	(2,000)			(2,000)		(2,000)
Other			7			—		7	(11)	(4)
Balance, October 2, 2022	9,515	$ 476	$ 91,359	(3,903)	$ (113,945)	$ 122,967	$ (8,225)	$ 92,631	$ 259	$ 92,891

	PFIZER INC. SHAREHOLDERS								
	Common Stock			Treasury Stock					
(MILLIONS, EXCEPT PER COMMON SHARE DATA)	Shares	Par Value	Add'l Paid-In Capital	Shares	Cost	Retained Earnings	Accum. Other Comp. Loss	Share-holders' Equity	Non-controlling interests	Total Equity
Balance, January 1, 2021	9,407	$ 470	$ 88,674	(3,840)	$ (110,988)	$ 90,392	$ (5,310)	$ 63,238	$ 235	$ 63,473
Net income						18,586		18,586	47	18,633
Other comprehensive income/(loss), net of tax							(338)	(338)	—	(338)
Cash dividends declared, per share: $1.17										
Common stock						(6,569)		(6,569)		(6,569)
Noncontrolling interests									(8)	(8)
Share-based payment transactions	56	3	1,300	(11)	(371)	(77)		855		855
Purchases of common stock				—	—			—		—
Other						(81)		(81)	1	(79)
Balance, October 3, 2021	9,462	$ 473	$ 89,973	(3,851)	$ (111,359)	$ 102,252	$ (5,649)	$ 75,691	$ 275	$ 75,967

See Accompanying Notes.

PFIZER INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(MILLIONS)	Nine Months Ended October 2, 2022	Nine Months Ended October 3, 2021
Operating Activities		
Net income before allocation to noncontrolling interests	$ 26,404	$ 18,633
Discontinued operations—net of tax	4	(248)
Net income from continuing operations before allocation to noncontrolling interests	26,400	18,881
Adjustments to reconcile net income before allocation to noncontrolling interests to net cash provided by operating activities:		
Depreciation and amortization	3,545	3,856
Asset write-offs and impairments	287	93
Deferred taxes from continuing operations	(3,399)	(3,610)
Share-based compensation expense	508	686
Benefit plan contributions in excess of expense/income	(532)	(1,933)
Other adjustments, net	1,481	(1,848)
Other changes in assets and liabilities, net of acquisitions and divestitures	(7,605)	10,867
Net cash provided by operating activities from continuing operations	20,685	26,993
Net cash provided by/(used in) operating activities from discontinued operations	—	(327)
Net cash provided by operating activities	20,685	26,666
Investing Activities		
Purchases of property, plant and equipment	(2,235)	(1,709)
Purchases of short-term investments	(29,701)	(26,280)
Proceeds from redemptions/sales of short-term investments	35,087	15,852
Net (purchases of)/proceeds from redemptions/sales of short-term investments with original maturities of three months or less	(10,877)	(7,152)
Purchases of long-term investments	(1,627)	(861)
Proceeds from redemptions/sales of long-term investments	446	569
Acquisition of business, net of cash acquired	(6,225)	—
Dividends received from Haleon/GSK Consumer Healthcare JV (*Note 2C*)	3,960	—
Other investing activities, net	(200)	(370)
Net cash provided by/(used in) investing activities from continuing operations	(11,373)	(19,951)
Net cash provided by/(used in) investing activities from discontinued operations	—	(8)
Net cash provided by/(used in) investing activities	(11,373)	(19,960)
Financing Activities		
Proceeds from short-term borrowings	3,887	—
Payments on short-term borrowings	(3,887)	(1)
Net (payments on)/proceeds from short-term borrowings with original maturities of three months or less	870	265
Proceeds from issuance of long-term debt	—	997
Payments on long-term debt	(1,609)	(1,001)
Purchases of common stock	(2,000)	—
Cash dividends paid	(6,738)	(6,540)
Other financing activities, net	(342)	(185)
Net cash provided by/(used in) financing activities	(9,819)	(6,465)
Effect of exchange-rate changes on cash and cash equivalents and restricted cash and cash equivalents	(139)	(32)
Net increase/(decrease) in cash and cash equivalents and restricted cash and cash equivalents	(646)	209
Cash and cash equivalents and restricted cash and cash equivalents, at beginning of period	1,983	1,825
Cash and cash equivalents and restricted cash and cash equivalents, at end of period	$ 1,338	$ 2,034
Supplemental Cash Flow Information		
Cash paid/(received) during the period for:		
Income taxes	$ 4,919	$ 2,943
Interest paid	1,121	1,205
Interest rate hedges	28	(26)
Non-cash transaction:		
Right-of-use assets obtained in exchange for lease liabilities	$ 463	$ 1,552

See Accompanying Notes.

Note 1. Basis of Presentation and Significant Accounting Policies

A. Basis of Presentation

We prepared these condensed consolidated financial statements in conformity with U.S. GAAP, consistent in all material respects with those applied in our 2021 Form 10-K. As permitted under the SEC requirements for interim reporting, certain footnotes or other financial information have been condensed or omitted.

These financial statements include all normal and recurring adjustments that are considered necessary for the fair statement of results for the interim periods presented. The information included in this Form 10-Q should be read in conjunction with the consolidated financial statements and accompanying notes included in our 2021 Form 10-K. Revenues, expenses, assets and liabilities can vary during each quarter of the year. Therefore, the results and trends in these interim financial statements may not be representative of those for the full year.

Pfizer's fiscal quarter-end for subsidiaries operating outside the U.S. is as of and for the three and nine months ended August 28, 2022 and August 29, 2021, and for U.S. subsidiaries is as of and for the three and nine months ended October 2, 2022 and October 3, 2021.

Beginning in the fourth quarter of 2021, we reorganized our commercial operations and began to manage our commercial operations through a global structure consisting of two operating segments, each led by a single manager: Biopharma, our innovative science-based biopharmaceutical business, and PC1, our global contract development and manufacturing organization and a leading supplier of specialty active pharmaceutical ingredients. Beginning in the third quarter of 2022, we made several additional organizational changes to further transform our operations to better leverage our expertise in certain areas and in anticipation of potential future new product launches. These changes include establishing a new commercial structure within our Biopharma operating segment and realigning certain enabling and platform functions across the organization to ensure alignment with this new operating structure. Biopharma is the only reportable segment. See *Note 17A* in our 2021 Form 10-K and *Notes 9B* and *13A* below.

Business development activities completed in 2021 and 2022 impacted financial results in the periods presented. Discontinued operations in the periods presented relate to the previously divested Meridian subsidiary and post-closing adjustments for other previously divested businesses. See *Notes 1A* and *2B* in our 2021 Form 10-K, and *Note 2B* below.

We have made certain reclassification adjustments to conform prior-period amounts to the current presentation for discontinued operations, acquired IPR&D expenses and segment reporting.

B. New Accounting Standard Adopted in 2022

On January 1, 2022, we early adopted a new accounting standard for contract assets and contract liabilities acquired in a business combination. Under the new standard, acquired contract assets and contract liabilities are required to be recognized and measured by the acquirer on the acquisition date in accordance with Accounting Standards Codification 606. This new guidance generally results in the acquirer recognizing contract assets and contract liabilities at the same amounts that were recorded by the acquiree. Previously, these amounts were recognized by the acquirer at fair value as of the acquisition date. We adopted this new standard on a prospective basis and there was no impact to our consolidated financial statements.

C. Revenues and Trade Accounts Receivable

Revenue Recognition—We record revenues from product sales when there is a transfer of control of the product from us to the customer. We typically determine transfer of control based on when the product is shipped or delivered and title passes to the customer. For certain contracts, the finished product may temporarily be stored at our or our third-party subcontractors' locations under a bill-and-hold arrangement. Revenue is recognized on bill-and-hold arrangements at the point in time when the customer obtains control of the product and all of the following criteria have been met: the arrangement is substantive; the product is identified separately as belonging to the customer; the product is ready for physical transfer to the customer; and we do not have the ability to use the product or direct it to another customer. In determining when the customer obtains control of the product, we consider certain indicators, including whether we have a present right to payment from the customer, whether title and/or significant risks and rewards of ownership have transferred to the customer and whether customer acceptance has been received.

Customers—Our prescription pharmaceutical products, with the exception of Paxlovid, are sold principally to wholesalers, but we also sell directly to retailers, hospitals, clinics, government agencies and pharmacies. We principally sell Paxlovid to

government agencies. In the U.S., we primarily sell our vaccine products directly to the federal government, CDC, wholesalers, individual provider offices, retail pharmacies and integrated delivery networks. Outside the U.S., we primarily sell our vaccines to government and non-government institutions.

Deductions from Revenues—Our accruals for Medicare, Medicaid and related state program and performance-based contract rebates, chargebacks, sales allowances and sales returns and cash discounts are as follows:

(MILLIONS)	October 2, 2022	December 31, 2021
Reserve against ***Trade accounts receivable, less allowance for doubtful accounts***	$ 1,133	$ 1,077
Other current liabilities:		
Accrued rebates	3,991	3,811
Other accruals	418	528
Other noncurrent liabilities	497	433
Total accrued rebates and other sales-related accruals	$ 6,038	$ 5,850

Trade Accounts Receivable—Trade accounts receivable are stated at their net realizable value. The allowance for credit losses reflects our best estimate of expected credit losses of the receivables portfolio determined on the basis of historical experience, current information, and forecasts of future economic conditions. In developing the estimate for expected credit losses, trade accounts receivables are segmented into pools of assets depending on market (U.S. versus international), delinquency status, and customer type (high risk versus low risk and government versus non-government), and fixed reserve percentages are established for each pool of trade accounts receivables.

In determining the reserve percentages for each pool of trade accounts receivables, we considered our historical experience with certain customers and customer types, regulatory and legal environments, country and political risk, and other relevant current and future forecasted macroeconomic factors. These credit risk indicators are monitored on a quarterly basis to determine whether there have been any changes in the economic environment that would indicate the established reserve percentages should be adjusted, and are considered on a regional basis to reflect more geographic-specific metrics. Additionally, write-offs and recoveries of customer receivables are tracked against collections on a quarterly basis to determine whether the reserve percentages remain appropriate. When management becomes aware of certain customer-specific factors that impact credit risk, specific allowances for these known troubled accounts are recorded. Trade accounts receivable are written off after all reasonable means to collect the full amount (including litigation, where appropriate) have been exhausted.

During the three and nine months ended October 2, 2022 and October 3, 2021, additions to the allowance for credit losses, write-offs and recoveries of customer receivables were not material to our condensed consolidated financial statements. For additional information on our trade accounts receivable, see *Note 1H* in our 2021 Form 10-K.

D. Acquired In-Process Research and Development Expenses

In the first quarter of 2022, we began reporting acquired IPR&D expense as a separate line item in our consolidated statements of income. *Acquired in-process research and development expenses* includes costs incurred in connection with (a) all upfront and milestone payments on collaboration and in-license agreements, including premiums on equity securities and (b) asset acquisitions of acquired IPR&D. These costs were previously recorded in *Research and development expenses*. When we acquire net assets that do not constitute a business, as defined in U.S. GAAP, no goodwill is recognized and acquired IPR&D is expensed. The fair value of IPR&D acquired in connection with a business combination is recorded on the balance sheet as *Identifiable intangible assets*. See *Notes 1E* and *10* in our 2021 Form 10-K.

Note 2. Acquisitions, Discontinued Operations, Equity-Method Investment and Collaborative Arrangement

A. Acquisitions

ReViral—On June 9, 2022, which fell in our international third quarter of 2022, we acquired ReViral, a privately held, clinical-stage biopharmaceutical company focused on discovering, developing and commercializing novel antiviral therapeutics that target respiratory syncytial virus, for a total consideration of up to $536 million, including upfront payments of $436 million upon closing (including a base payment of $425 million plus working capital adjustments) and an additional $100 million contingent upon future development milestones.

We accounted for the transaction as an asset acquisition since the lead asset, sisunatovir, represented substantially all of the fair value of the gross assets acquired. At the acquisition date, we recorded a $426 million charge representing an acquired IPR&D asset with no alternative use in *Acquired in-process research and development expenses*, which is presented as a cash outflow from operating activities. Other assets acquired and liabilities assumed were not significant.

Arena—On March 11, 2022, we acquired Arena, a clinical stage company, for $100 per share in cash. The total fair value of the consideration transferred was $6.6 billion ($6.2 billion, net of cash acquired). In addition, $138 million in payments to Arena employees for the fair value of previously unvested long-term incentive awards was recognized as post-closing compensation expense and recorded in *Restructuring charges and certain acquisition-related costs* (see *Note 3*).

Arena's portfolio includes development-stage therapeutic candidates in gastroenterology, dermatology, and cardiology, including etrasimod, an oral, selective sphingosine 1-phosphate (S1P) receptor modulator currently in development for a range of immuno-inflammatory diseases including UC, Crohn's disease, atopic dermatitis, eosinophilic esophagitis, and alopecia areata. In connection with this acquisition, we provisionally recorded: (i) $5.5 billion in *Identifiable intangible assets*, consisting of $5.0 billion of *IPR&D* and $460 million of indefinite-lived *Licensing agreements and other*, (ii) $1.0 billion of *Goodwill* and (iii) $505 million of net deferred tax liabilities. The allocation of the consideration transferred to the assets acquired and the liabilities assumed has not yet been finalized.

B. Discontinued Operations

Meridian—On December 31, 2021, we completed the sale of our Meridian subsidiary. In the three and nine months ended October 2, 2022, the amounts recorded under the interim TSAs and MSA were not material.

Upjohn Separation and Combination with Mylan—On November 16, 2020, we completed the spin-off and the combination of the Upjohn Business with Mylan to form Viatris. In connection with this transaction, Pfizer and Viatris entered into various agreements to effect the separation and combination and to provide a framework for our relationship after the combination, including a separation and distribution agreement, interim operating models, including agency arrangements, MSAs, TSAs, a tax matters agreement, and an employee matters agreement, among others. The amounts recorded under these agreements were not material to our consolidated results of operations in the three and nine months ended October 2, 2022 and October 3, 2021. Net amounts due from Viatris under the agreements were approximately $167 million as of October 2, 2022 and $53 million as of December 31, 2021. The cash flows associated with the agreements are included in *Net cash provided by operating activities from continuing operations,* except for a $277 million payment to Viatris made in the first quarter of 2021 pursuant to terms of the separation agreement, which is reported in *Other financing activities, net*.

Discontinued operations—net of tax for the three and nine months ended October 3, 2021 reflects pre-tax loss from discontinued operations of $17 million and $353 million, respectively, and primarily includes pre-disposal operations related to our former Meridian subsidiary including a $345 million pre-tax expense in the first nine months of 2021 to resolve a Multi-District Litigation relating to EpiPen against the Company in the U.S. District Court for the District of Kansas (prior to presenting Meridian as discontinued operations, this EpiPen litigation amount was included in *Other (income)/deductions—net*). For the three and nine months ended October 2, 2022, *Discontinued operations—net of tax* reflects pre-tax loss of $15 million and pre-tax income of $9 million from discontinued operations, respectively, and relates to post-closing adjustments for previously divested businesses primarily for tax and legal matters.

C. Equity-Method Investment

Haleon/Consumer Healthcare JV—On July 31, 2019, we completed a transaction in which we and GSK combined our respective consumer healthcare businesses into a new JV that operated globally under the GSK Consumer Healthcare name. In exchange for the contribution of our consumer healthcare business to the JV, we received a 32% equity stake in the new company and GSK owned the remaining 68%. On July 18, 2022, GSK completed a demerger of the Consumer Healthcare JV which became Haleon, an independent, publicly traded company listed on the London Stock Exchange that holds the joint Consumer Healthcare business of GSK and Pfizer following the demerger. We continue to own 32% of the ordinary shares of Haleon after the demerger. We continue to account for our interest in Haleon as an equity-method investment. The carrying value of our investment in Haleon as of October 2, 2022 and in the Consumer Healthcare JV as of December 31, 2021 is $9.6 billion and $16.3 billion, respectively, and is reported in *Equity-method investments*. The fair value of our investment in Haleon as of October 2, 2022, based on quoted market prices of Haleon stock, was $9.1 billion. Haleon/the Consumer Healthcare JV is a foreign investee whose reporting currency is the U.K. pound, and therefore we translate its financial statements into U.S. dollars and recognize the impact of foreign currency translation adjustments in the carrying value of our investment and in other comprehensive income. The decrease in the value of our investment from December 31, 2021 is primarily due to dividends totaling approximately $4.5 billion, of which cash flows of $4.0 billion are included in *Net cash used in investing activities from continuing operations* and $584 million are included in *Net cash provided by operating activities from continuing operations*, as well as $2.4 billion in pre-tax foreign currency translation adjustments (see *Note 6*), partially offset by our share of the JV's earnings. We record our share of earnings from Haleon/the Consumer Healthcare JV on a quarterly basis on a one-quarter lag in *Other (income)/deductions—net*. Our total share of the JV's earnings generated in the second quarter of 2022, which we recorded in our operating results in the third quarter of 2022, was $67 million. Our total share of the JV's earnings generated in the fourth quarter of 2021 and first six months of 2022, which we recorded in our operating results in the first nine months of

2022, was $402 million. Our total share of the JV's earnings generated in the second quarter of 2021, which we recorded in our operating results in the third quarter of 2021, was $106 million. Our total share of the JV's earnings generated in the fourth quarter of 2020 and first six months of 2021, which we recorded in our operating results in the first nine months of 2021, was $324 million. In the third quarter and first nine months of 2022, our equity-method income included in *Other (income)/deductions—net* also includes charges of $118 million and $119 million, respectively, primarily for adjustments to our equity-method basis differences related to the separation of Haleon/the GSK Consumer Healthcare JV from GSK. The total amortization and adjustment of basis differences resulting from the excess of the initial fair value of our investment over the underlying equity in the carrying value of the net assets of the JV was not material to our results of operations in the third quarter and first nine months of 2021. See *Note 4*.

Summarized financial information for our equity method investee, the Consumer Healthcare JV, for the three and nine months ending June 30, 2022, the most recent period available, and for the three and nine months ending June 30, 2021, is as follows:

	Three Months Ended		Nine Months Ended	
(MILLIONS)	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net sales	$ 3,218	$ 3,152	$ 10,164	$ 9,428
Cost of sales	(1,196)	(1,180)	(3,830)	(3,536)
Gross profit	$ 2,022	$ 1,972	$ 6,334	$ 5,892
Income from continuing operations	226	348	1,303	1,064
Net income	226	348	1,303	1,064
Income attributable to shareholders	210	330	1,256	1,012

In connection with GSK's previously announced planned demerger of at least 80% of GSK's 68% equity interest in the Consumer Healthcare JV, in March 2022 the Consumer Healthcare JV completed its offering of a total aggregate principal amount of $8.75 billion in U.S. dollar-denominated senior notes of various maturities, €2.35 billion in euro-denominated senior notes of various maturities and £700 million in U.K. pound-denominated senior notes of various maturities (collectively, the "notes"). The notes were guaranteed by GSK generally up to and excluding the date of the demerger (the "Guarantee Assumption Date"). We agreed to indemnify GSK for 32% (representing our pro rata equity interest in the Consumer Healthcare JV) of any amount payable by GSK pursuant to its guarantee of the notes. Our indemnity was provided solely for the benefit of GSK. Neither we nor any of our subsidiaries were an issuer or guarantor of any of the notes.

Following its issuance of the notes in March 2022, which fell in our international second quarter of 2022, the Consumer Healthcare JV loaned to us and GSK the net proceeds received from the notes on a pro rata equity ownership basis, for which we received a loan of £2.9 billion ($3.7 billion as of the end of our second quarter of 2022), at an interest rate of 1.365% per annum payable semi-annually in arrears. In conjunction with the demerger, we received £3.5 billion ($4.2 billion) in dividends from the JV in July 2022, of which $4.0 billion related to a one-time pre-separation dividend, which decreased the carrying value of our investment (as discussed above). Simultaneous with the receipt of the dividends, we repaid the £2.9 billion loan from the JV. GSK similarly received pro rata dividends and simultaneously repaid its pro rata loan from the JV. In conjunction with these transactions, our indemnification of GSK's guarantee discussed above was terminated.

D. Collaborative Arrangement

Collaboration with Biohaven—In November 2021, we entered into a collaboration and license agreement and related sublicense agreement with Biohaven and certain of its subsidiaries to commercialize rimegepant and zavegepant for the treatment and prevention of migraines outside of the U.S., subject to regulatory approval. Under the terms of the agreement, Biohaven would lead R&D globally and we would have the exclusive right to commercialization globally, outside of the U.S. Upon the closing of the transaction on January 4, 2022, we paid Biohaven $500 million, including an upfront payment of $150 million and an equity investment of $350 million. We recognized $263 million for the upfront payment and premium paid on our equity investment in *Acquired in-process research and development expenses*. In October 2022, within our fiscal fourth quarter of 2022, we acquired all outstanding common shares of Biohaven not already owned by us for $148.50 per share, in cash, for payments of approximately $11.5 billion.

Note 3. Restructuring Charges and Other Costs Associated with Acquisitions and Cost-Reduction/Productivity Initiatives

A. Transforming to a More Focused Company Program

With the formation of the Consumer Healthcare JV in 2019 and the spin-off of our Upjohn Business in the fourth quarter of 2020, Pfizer has transformed into a focused, global leader in science-based innovative medicines and vaccines. We continue our

efforts to ensure our cost base and support model align appropriately with our operating structure. While certain direct costs transferred to the Consumer Healthcare JV, and to the Upjohn Business in connection with the spin-off, there are indirect costs which did not transfer. This program is primarily composed of the following three initiatives:

- We are taking steps to restructure our corporate enabling functions to appropriately support our business, R&D and PGS platform functions. We expect costs, primarily related to restructuring our corporate enabling functions, of $1.8 billion, to be incurred primarily from 2020 through 2022, with substantially all costs to be cash expenditures. Actions include, among others, changes in location of certain activities, expanded use and co-location of centers of excellence and shared services, and increased use of digital technologies. The associated actions and the specific costs primarily include severance and benefit plan impacts, exit costs as well as associated implementation costs.
- In addition, we are transforming our commercial go-to market model in the way we engage patients and physicians. We have also made several organizational changes in the third quarter of 2022 to further transform our operations to better leverage our expertise in certain areas and in anticipation of potential future new product launches (see *Note 1A*). We expect costs of $1.4 billion to be incurred primarily from 2020 through 2022, with all costs to be cash expenditures. Actions include, among others, centralization of certain activities and enhanced use of digital technologies. The costs for this effort primarily include severance and associated implementation costs.
- We are also optimizing our manufacturing network under this program and incurring one-time costs for cost-reduction initiatives related to our manufacturing operations. We expect to incur costs of $800 million to be incurred primarily from 2020 through 2023, with approximately 25% of the costs to be non-cash. The costs for this effort include, among other things, severance costs, implementation costs, product transfer costs, site exit costs, as well as accelerated depreciation.

The program costs discussed above may be rounded and represent approximations.

From the start of this program in the fourth quarter of 2019 through October 2, 2022, we incurred costs of $2.8 billion, of which $1.1 billion ($862 million of restructuring charges) is associated with Biopharma.

B. Key Activities

The following summarizes acquisitions and cost-reduction/productivity initiatives costs and credits:

	Three Months Ended		Nine Months Ended	
(MILLIONS)	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
Restructuring charges/(credits):				
Employee terminations	$ 158	$ 630	$ 293	$ 649
Asset impairments	17	10	44	7
Exit costs/(credits)	2	3	31	—
Restructuring charges/(credits)[a]	177	643	368	656
Transaction costs[b]	—	—	42	—
Integration costs and other[c]	22	3	170	11
Restructuring charges and certain acquisition-related costs	199	646	580	667
Net periodic benefit costs/(credits) recorded in *Other (income)/deductions—net*	—	(63)	(5)	(51)
Additional depreciation—asset restructuring recorded in our condensed consolidated statements of income as follows[d]:				
Cost of sales	7	19	22	53
Selling, informational and administrative expenses	1	8	1	23
Total additional depreciation—asset restructuring	7	27	22	76
Implementation costs recorded in our condensed consolidated statements of income as follows[e]:				
Cost of sales	14	8	40	29
Selling, informational and administrative expenses	136	142	344	287
Research and development expenses	—	—	—	1
Total implementation costs	150	151	384	316
Total costs associated with acquisitions and cost-reduction/productivity initiatives	$ 357	$ 760	$ 982	$ 1,008

[a] Primarily represents cost reduction initiatives. Restructuring charges/(credits) associated with Biopharma: charges of $62 million and $108 million for the three and nine months ended October 2, 2022, respectively, and charges of $616 million and $617 million for the three and nine months ended October 3, 2021, respectively.
[b] Represents external costs for banking, legal, accounting and other similar services.

(c) Represents external, incremental costs directly related to integrating acquired businesses, such as expenditures for consulting and the integration of systems and processes, and certain other qualifying costs. In the three and nine months ended October 2, 2022, integration costs and other were mostly related to our acquisition of Arena, including $138 million in payments to Arena employees in the first quarter of 2022 for the fair value of previously unvested long-term incentive awards. See *Note 2A*.
(d) Represents the impact of changes in the estimated useful lives of assets involved in restructuring actions.
(e) Represents external, incremental costs directly related to implementing our non-acquisition-related cost-reduction/productivity initiatives.

The following summarizes the components and changes in restructuring accruals:

(MILLIONS)	Employee Termination Costs	Asset Impairment Charges	Exit Costs	Accrual
Balance, December 31, 2021[a]	$ 1,014	$ —	$ 57	$ 1,071
Provision	293	44	31	368
Utilization and other[b]	(447)	(44)	(80)	(572)
Balance, October 2, 2022[c]	$ 859	$ —	$ 8	$ 867

(a) Included in *Other current liabilities* ($816 million) and *Other noncurrent liabilities* ($255 million).
(b) Includes adjustments for foreign currency translation.
(c) Included in *Other current liabilities* ($758 million) and *Other noncurrent liabilities* ($110 million).

Note 4. Other (Income)/Deductions—Net

Components of *Other (income)/deductions—net* include:

	Three Months Ended		Nine Months Ended	
(MILLIONS)	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
Interest income	$ (70)	$ (10)	$ (114)	$ (21)
Interest expense	311	325	925	975
Net interest expense	240	315	811	954
Royalty-related income	(239)	(261)	(628)	(649)
Net (gains)/losses on asset disposals	7	(1)	6	(99)
Net (gains)/losses recognized during the period on equity securities[a]	112	(400)	1,353	(1,601)
Income from collaborations, out-licensing arrangements and sales of compound/product rights[b]	(4)	(65)	(17)	(317)
Net periodic benefit costs/(credits) other than service costs	(306)	(1,132)	(294)	(1,635)
Certain legal matters, net	77	38	175	112
Certain asset impairments[c]	200	—	200	—
Haleon/Consumer Healthcare JV equity method (income)/loss[d]	51	(105)	(283)	(307)
Other, net	(198)	(84)	(260)	(502)
Other (income)/deductions—net	$ (59)	$ (1,696)	$ 1,063	$ (4,043)

(a) The losses in the first nine months of 2022 include, among other things, unrealized losses of $974 million related to investments in BioNTech, Cerevel Therapeutics Holdings, Inc. (Cerevel) and Arvinas. The gains in the third quarter and first nine months of 2021 included, among other things, unrealized gains of $420 million and $1.5 billion, respectively, related to investments in BioNTech and Cerevel.
(b) The first nine months of 2021 included, among other things, $188 million of net collaboration income from BioNTech in the first quarter of 2021 related to Comirnaty.
(c) The amount in the third quarter and first nine months of 2022 represents an intangible asset impairment charge associated with our Biopharma segment, representing an IPR&D asset for the unapproved indication of symptomatic dilated cardiomyopathy (DCM) due to a mutation of the gene encoding the lamin A/C protein (LMNA), acquired in our Array BioPharma Inc. acquisition. The intangible asset impairment charge was a result of the Phase 3 trial reaching futility at a pre-planned interim analysis.
(d) See *Note 2C*.

Additional information about the intangible asset that was impaired during 2022 (impairment recorded in *Other (income)/deductions–net*) follows:

	Fair Value[a]				Nine Months Ended October 2, 2022
(MILLIONS)	Amount	Level 1	Level 2	Level 3	Impairment
Intangible asset—IPR&D[b]	$ —	$ —	$ —	$ —	$ 200

(a) The fair value amount is presented as of the date of impairment, as this asset is not measured at fair value on a recurring basis. See also *Note 1F* in our 2021 Form 10-K.

(b) Reflects an intangible asset written down to fair value in 2022. Fair value was determined using the income approach, specifically the multi-period excess earnings method, also known as the discounted cash flow method. We started with a forecast of all the expected net cash flows for the asset and then applied an asset-specific discount rate to arrive at a net present value amount. Some of the more significant estimates and assumptions inherent in this approach include: the amount and timing of the projected net cash flows, which includes the expected impact of competitive, legal and/or regulatory forces on the product; the discount rate, which seeks to reflect the various risks inherent in the projected cash flows; and the tax rate, which seeks to incorporate the geographic diversity of the projected cash flows.

Note 5. Tax Matters

A. Taxes on Income from Continuing Operations

Our effective tax rate for continuing operations was 4.0% for the third quarter of 2022, compared to (4.2)% for the third quarter of 2021, and was 10.5% for the first nine months of 2022, compared to 7.8% for the first nine months of 2021. The higher effective tax rates for the third quarter and first nine months of 2022, compared to the third quarter and first nine months of 2021, were mainly due to the non-recurrence of certain initiatives executed in the third quarter of 2021 associated with our investment in the Consumer Healthcare JV with GSK, partially offset by tax benefits in the third quarter of 2022 related to global income tax resolutions in multiple tax jurisdictions spanning multiple tax years that included the closing of U.S. IRS audits covering five tax years.

We elected, with the filing of our 2018 U.S. Federal Consolidated Income Tax Return, to pay our initial estimated $15 billion repatriation tax liability on accumulated post-1986 foreign earnings over eight years through 2026. The fourth annual installment of this liability was paid by its April 18, 2022 due date. The fifth annual installment is due April 18, 2023 and is reported in current *Income taxes payable* as of October 2, 2022. The remaining liability is reported in noncurrent *Other taxes payable.* Our obligations may vary as a result of changes in our uncertain tax positions and/or availability of attributes such as foreign tax and other credit carryforwards.

B. Tax Contingencies

We are subject to income tax in many jurisdictions, and a certain degree of estimation is required in recording the assets and liabilities related to income taxes. All of our tax positions are subject to audit by the local taxing authorities in each tax jurisdiction. These tax audits can involve complex issues, interpretations and judgments and the resolution of matters may span multiple years, particularly if subject to negotiation or litigation.

The U.S. is one of our major tax jurisdictions, and we are regularly audited by the IRS. During the third quarter of 2022, Pfizer reached resolution of disputed issues at the IRS Independent Office of Appeals, thereby settling all issues related to U.S. tax returns of Pfizer for the years 2011-2015. With respect to Pfizer, tax years 2016-2018 are under audit. Tax years 2019-2022 are open but not under audit. All other tax years are closed. In addition to the open audit years in the U.S., we have open audit years in certain major international tax jurisdictions dating back to 2011.

For additional information, see *Note 5D* in our 2021 Form 10-K.

C. Tax Provision/(Benefit) on Other Comprehensive Income/(Loss)

Components of *Tax provision/(benefit) on other comprehensive income/(loss)* include:

	Three Months Ended		Nine Months Ended	
(MILLIONS)	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
Foreign currency translation adjustments, net[a]	$ 20	$ (32)	$ (165)	$ (30)
Unrealized holding gains/(losses) on derivative financial instruments, net	47	21	177	28
Reclassification adjustments for (gains)/losses included in net income	(72)	13	(97)	48
	(25)	34	80	76
Unrealized holding gains/(losses) on available-for-sale securities, net	(97)	(33)	(175)	(16)
Reclassification adjustments for (gains)/losses included in net income	76	1	137	(22)
	(21)	(32)	(38)	(37)
Reclassification adjustments related to amortization of prior service costs and other, net	(7)	(22)	(23)	(39)
Reclassification adjustments related to curtailments of prior service costs and other, net	—	(14)	(3)	(15)
	(8)	(36)	(26)	(54)
Tax provision/(benefit) on other comprehensive income/(loss)	$ (33)	$ (65)	$ (149)	$ (44)

[a] Taxes are not provided for foreign currency translation adjustments relating to investments in international subsidiaries that we intend to hold indefinitely.

Note 6. Accumulated Other Comprehensive Loss, Excluding Noncontrolling Interests

The following summarizes the changes, net of tax, in *Accumulated other comprehensive loss*:

	Net Unrealized Gains/(Losses)			Benefit Plans	
(MILLIONS)	Foreign Currency Translation Adjustments[a]	Derivative Financial Instruments	Available-For-Sale Securities	Prior Service (Costs)/Credits and Other	Accumulated Other Comprehensive Income/(Loss)
Balance, December 31, 2021	$ (6,172)	$ 119	$ (220)	$ 377	$ (5,897)
Other comprehensive income/(loss)	(2,373)	391	(265)	(81)	(2,328)
Balance, October 2, 2022	$ (8,545)	$ 509	$ (485)	$ 296	$ (8,225)

[a] Amounts do not include foreign currency translation adjustments attributable to noncontrolling interests. Foreign currency translation adjustments include net losses related to our equity method investment in Haleon/the Consumer Healthcare JV (see *Note 2C*) and the impact of our net investment hedging program.

Note 7. Financial Instruments

A. Fair Value Measurements

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis and Fair Value Hierarchy, using a Market Approach:

	October 2, 2022			December 31, 2021		
(MILLIONS)	Total	Level 1	Level 2	Total	Level 1	Level 2
Financial assets:						
Short-term investments						
Equity securities with readily determinable fair values:						
Money market funds	$ 12,154	$ —	$ 12,154	$ 5,365	$ —	$ 5,365
Available-for-sale debt securities:						
Government and agency—non-U.S.	15,885	—	15,885	17,318	—	17,318
Government and agency—U.S.	2,931	—	2,931	4,050	—	4,050
Corporate and other	1,361	—	1,361	647	—	647
	20,176	—	20,176	22,014	—	22,014
Total short-term investments	32,330	—	32,330	27,379	—	27,379
Other current assets						
Derivative assets:						
Interest rate contracts	9	—	9	4	—	4
Foreign exchange contracts	1,950	—	1,950	704	—	704
Total other current assets	1,959	—	1,959	709	—	709
Long-term investments						
Equity securities with readily determinable fair values[a]	2,972	2,960	12	3,876	3,849	27
Available-for-sale debt securities:						
Government and agency—non-U.S.	285	—	285	465	—	465
Government and agency—U.S.	—	—	—	6	—	6
Corporate and other	73	—	73	50	—	50
	358	—	358	521	—	521
Total long-term investments	3,330	2,960	370	4,397	3,849	548
Other noncurrent assets						
Derivative assets:						
Interest rate contracts	—	—	—	16	—	16
Foreign exchange contracts	812	—	812	242	—	242
Total derivative assets	812	—	812	259	—	259
Insurance contracts[b]	631	—	631	808	—	808
Total other noncurrent assets	1,444	—	1,444	1,067	—	1,067
Total assets	$ 39,063	$ 2,960	$ 36,103	$ 33,552	$ 3,849	$ 29,703
Financial liabilities:						
Other current liabilities						
Derivative liabilities:						
Foreign exchange contracts	$ 295	$ —	$ 295	$ 476	$ —	$ 476
Total other current liabilities	295	—	295	476	—	476
Other noncurrent liabilities						
Derivative liabilities:						
Interest rate contracts	330	—	330	—	—	—
Foreign exchange contracts	1,153	—	1,153	405	—	405
Total other noncurrent liabilities	1,482	—	1,482	405	—	405
Total liabilities	$ 1,777	$ —	$ 1,777	$ 881	$ —	$ 881

[a] Long-term equity securities of $139 million as of October 2, 2022 and $194 million as of December 31, 2021 were held in restricted trusts for U.S. non-qualified employee benefit plans.
[b] Includes life insurance policies held in restricted trusts for U.S. non-qualified employee benefit plans. The underlying invested assets in these contracts are marketable securities, which are carried at fair value, with changes in fair value recognized in *Other (income)/deductions—net* (see *Note 4*).

Financial Assets and Liabilities Not Measured at Fair Value on a Recurring Basis—The carrying value of Long-term debt, excluding the current portion was $33 billion as of October 2, 2022 and $36 billion as of December 31, 2021. The estimated fair value of such debt, using a market approach and Level 2 inputs, was $29 billion as of October 2, 2022 and $42 billion as of December 31, 2021.

The differences between the estimated fair values and carrying values of held-to-maturity debt securities, private equity securities, long-term receivables and short-term borrowings not measured at fair value on a recurring basis were not significant as of October 2, 2022 and December 31, 2021. The fair value measurements of our held-to-maturity debt securities and short-term borrowings are based on Level 2 inputs. The fair value measurements of our long-term receivables and private equity securities are based on Level 3 inputs.

B. Investments

Total Short-Term, Long-Term and Equity-Method Investments

The following summarizes our investments by classification type:

(MILLIONS)	October 2, 2022	December 31, 2021
Short-term investments		
Equity securities with readily determinable fair values[a]	$ 12,154	$ 5,365
Available-for-sale debt securities	20,176	22,014
Held-to-maturity debt securities	2,495	1,746
Total Short-term investments	$ 34,825	$ 29,125
Long-term investments		
Equity securities with readily determinable fair values[b]	$ 2,972	$ 3,876
Available-for-sale debt securities	358	521
Held-to-maturity debt securities	36	34
Private equity securities at cost[b]	696	623
Total Long-term investments	$ 4,062	$ 5,054
Equity-method investments	9,826	16,472
Total long-term investments and equity-method investments	$ 13,888	$ 21,526
Held-to-maturity cash equivalents	$ 969	$ 268

[a] Includes money market funds primarily invested in U.S. Treasury and government debt.
[b] Represent investments in the life sciences sector.

Debt Securities

At October 2, 2022, our investment portfolio consisted of debt securities issued across diverse governments, corporate and financial institutions, which are investment-grade. The contractual or estimated maturities, are as follows:

	October 2, 2022						December 31, 2021			
		Gross Unrealized			Maturities (in Years)				Gross Unrealized	
(MILLIONS)	Amortized Cost	Gains	Losses	Fair Value	Within 1	Over 1 to 5	Over 5	Amortized Cost	Gains	Losses	Fair Value
Available-for-sale debt securities											
Government and agency—non-U.S.	$ 16,711	$ 26	$ (567)	$ 16,169	$ 15,885	$ 285	$ —	$ 18,032	$ 13	$ (263)	$ 17,783
Government and agency—U.S.	2,932	—	(1)	2,931	2,931	—	—	4,056	—	(1)	4,055
Corporate and other	1,446	—	(12)	1,434	1,361	73	—	698	—	(1)	697
Held-to-maturity debt securities											
Time deposits and other	1,557	—	—	1,557	1,525	20	12	947	—	—	947
Government and agency—non-U.S.	1,943	—	—	1,943	1,939	3	1	1,102	—	—	1,102
Total debt securities	$ 24,589	$ 26	$ (580)	$ 24,034	$ 23,641	$ 381	$ 13	$ 24,835	$ 14	$ (265)	$ 24,584

Any expected credit losses to these portfolios would be immaterial to our financial statements.

Equity Securities

The following presents the calculation of the portion of unrealized (gains)/losses that relates to equity securities, excluding equity-method investments, held at the reporting date:

	Three Months Ended		Nine Months Ended	
(MILLIONS)	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
Net (gains)/losses recognized during the period on equity securities[a]	$ 112	$ (400)	$ 1,353	$ (1,601)
Less: Net (gains)/losses recognized during the period on equity securities sold during the period	(5)	(78)	(84)	(83)
Net unrealized (gains)/losses during the reporting period on equity securities still held at the reporting date[b]	$ 116	$ (322)	$ 1,436	$ (1,518)

[a] Reported in *Other (income)/deductions—net.* See *Note 4*.
[b] Included in net unrealized (gains)/losses are observable price changes on equity securities without readily determinable fair values. As of October 2, 2022, there were cumulative impairments and downward adjustments of $148 million and upward adjustments of $201 million. Impairments, downward and upward adjustments were not significant in the third quarter and first nine months of 2022 and 2021.

C. Short-Term Borrowings

Short-term borrowings include:

(MILLIONS)	October 2, 2022	December 31, 2021
Current portion of long-term debt, principal amount	$ 2,550	$ 1,636
Other short-term borrowings, principal amount[a]	1,474	605
Total short-term borrowings, principal amount	4,024	2,241
Net fair value adjustments related to hedging and purchase accounting	16	—
Total *Short-term borrowings, including current portion of long-term debt*, carried at historical proceeds, as adjusted	$ 4,040	$ 2,241

[a] Primarily includes cash collateral. See *Note 7F*.

D. Long-Term Debt

The following summarizes the aggregate principal amount of our senior unsecured long-term debt, and adjustments to report our aggregate long-term debt:

(MILLIONS)	October 2, 2022	December 31, 2021
Total long-term debt, principal amount	$ 31,831	$ 34,948
Net fair value adjustments related to hedging and purchase accounting	976	1,438
Net unamortized discounts, premiums and debt issuance costs	(178)	(195)
Other long-term debt	—	4
Total long-term debt, carried at historical proceeds, as adjusted	$ 32,629	$ 36,195

E. Derivative Financial Instruments and Hedging Activities

Foreign Exchange Risk—A significant portion of our revenues, earnings and net investments in foreign affiliates is exposed to changes in foreign exchange rates. Where foreign exchange risk is not offset by other exposures, we manage our foreign exchange risk principally through the use of derivative financial instruments and foreign currency debt. These financial instruments serve to mitigate the impact on net income as a result of remeasurement into another currency, or against the impact of translation into U.S. dollars of certain foreign exchange-denominated transactions.

The derivative financial instruments primarily hedge or offset exposures in the euro, U.K. pound, Japanese yen, and Canadian dollar, and include a portion of our forecasted foreign exchange-denominated intercompany inventory sales hedged up to two years. We may seek to protect against possible declines in the reported net investments of our foreign business entities.

Interest Rate Risk—Our interest-bearing investments and borrowings are subject to interest rate risk. Depending on market conditions, we may change the profile of our outstanding debt or investments by entering into derivative financial instruments like interest rate swaps, either to hedge or offset the exposure to changes in the fair value of hedged items with fixed interest rates, or to convert variable rate debt or investments to fixed rates. The derivative financial instruments primarily hedge U.S. dollar fixed-rate debt.

The following summarizes the fair value of the derivative financial instruments and notional amounts (including those reported as part of discontinued operations):

	October 2, 2022			December 31, 2021		
		Fair Value			Fair Value	
(MILLIONS)	Notional	Asset	Liability	Notional	Asset	Liability
Derivatives designated as hedging instruments:						
Foreign exchange contracts[a]	$ 33,274	$ 2,479	$ 1,175	$ 29,576	$ 787	$ 717
Interest rate contracts	2,250	9	330	2,250	21	—
		2,488	1,505		808	717
Derivatives not designated as hedging instruments:						
Foreign exchange contracts	$ 26,426	283	273	$ 21,419	160	164
Total		$ 2,771	$ 1,777		$ 968	$ 881

[a] The notional amount of outstanding foreign exchange contracts hedging our intercompany forecasted inventory sales was $4.5 billion as of October 2, 2022 and $4.8 billion as of December 31, 2021.

The following summarizes information about the gains/(losses) incurred to hedge or offset operational foreign exchange or interest rate risk exposures (including those reported as part of discontinued operations):

	Gains/(Losses) Recognized in OID[a]		Gains/(Losses) Recognized in OCI[a]		Gains/(Losses) Reclassified from OCI into OID and COS[a]	
	Three Months Ended					
(MILLIONS)	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
Derivative Financial Instruments in Cash Flow Hedge Relationships:						
Foreign exchange contracts[b]	$ —	$ —	$ 528	$ 204	$ 558	$ (59)
Amount excluded from effectiveness testing and amortized into earnings[c]	—	—	61	10	57	10
Derivative Financial Instruments in Fair Value Hedge Relationships:						
Interest rate contracts	(124)	(5)	—	—	—	—
Hedged item	124	5	—	—	—	—
Derivative Financial Instruments in Net Investment Hedge Relationships:						
Foreign exchange contracts	—	—	680	177	—	—
Amount excluded from effectiveness testing and amortized into earnings[c]	—	—	78	19	32	26
Non-Derivative Financial Instruments in Net Investment Hedge Relationships:[d]						
Foreign currency short-term borrowings	—	—	—	25	—	—
Foreign currency long-term debt	—	—	49	19	—	—
Derivative Financial Instruments Not Designated as Hedges:						
Foreign exchange contracts	(420)	(74)	—	—	—	—
All other net[c]	—	—	—	—	—	—
	$ (420)	$ (74)	$ 1,396	$ 453	$ 647	$ (21)

(MILLIONS)	Gains/(Losses) Recognized in OID[a]		Gains/(Losses) Recognized in OCI[a]		Gains/(Losses) Reclassified from OCI into OID and COS[a]	
	Nine Months Ended					
	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
Derivative Financial Instruments in Cash Flow Hedge Relationships:						
Foreign exchange contracts[b]	$ —	$ —	$ 1,339	$ 147	$ 872	$ (314)
Amount excluded from effectiveness testing and amortized into earnings[c]	—	—	105	31	100	28
Derivative Financial Instruments in Fair Value Hedge Relationships:						
Interest rate contracts	(346)	(6)	—	—	—	—
Hedged item	346	6	—	—	—	—
Derivative Financial Instruments in Net Investment Hedge Relationships:						
Foreign exchange contracts	—	—	1,613	332	—	—
Amount excluded from effectiveness testing and amortized into earnings[c]	—	—	63	54	95	82
Non-Derivative Financial Instruments in Net Investment Hedge Relationships:[d]						
Foreign currency short-term borrowings	—	—	26	52	—	—
Foreign currency long-term debt	—	—	119	66	—	—
Derivative Financial Instruments Not Designated as Hedges:						
Foreign exchange contracts	(832)	(97)	—	—	—	—
All other net[c]	—	—	—	1	—	1
	$ (832)	$ (97)	$ 3,264	$ 683	$ 1,068	$ (204)

[a] OID = Other (income)/deductions—net, included in *Other (income)/deductions—net* in the condensed consolidated statements of income. COS = Cost of Sales, included in *Cost of sales* in the condensed consolidated statements of income. OCI = Other comprehensive income/(loss), included in the condensed consolidated statements of comprehensive income.

[b] The amounts reclassified from OCI into COS were:

- a net gain of $125 million in the third quarter of 2022;
- a net gain of $227 million in the first nine months of 2022;
- a net loss of $18 million in the third quarter of 2021; and
- a net loss of $94 million in the first nine months of 2021.

The remaining amounts were reclassified from OCI into OID. Based on quarter-end foreign exchange rates that are subject to change, we expect to reclassify a pre-tax gain of $1 billion within the next 12 months into income. The maximum length of time over which we are hedging our exposure to the variability in future foreign exchange cash flows is approximately 21 years and relates to foreign currency debt.

[c] The amounts reclassified from OCI were reclassified into OID.

[d] Short-term borrowings and long-term debt include foreign currency borrowings, which are used in net investment hedges. The related short-term borrowings' carrying value as of December 31, 2021 was $1.1 billion. The related long-term debt carrying values as of October 2, 2022 and December 31, 2021 were $726 million and $844 million, respectively.

The following summarizes cumulative basis adjustments to our debt in fair value hedges:

(MILLIONS)	October 2, 2022			December 31, 2021		
		Cumulative Amount of Fair Value Hedging Adjustment Increase/(Decrease) to Carrying Amount			Cumulative Amount of Fair Value Hedging Adjustment Increase/(Decrease) to Carrying Amount	
	Carrying Amount of Hedged Assets/Liabilities[a]	Active Hedging Relationships	Discontinued Hedging Relationships	Carrying Amount of Hedged Assets/Liabilities[a]	Active Hedging Relationships	Discontinued Hedging Relationships
Short-term borrowings, including current portion of long-term debt	$ —	$ —	$ 16	$ —	$ —	$ —
Long-term debt	$ 2,235	$ (330)	$ 1,061	$ 2,233	$ 16	$ 1,154

[a] Carrying amounts exclude the cumulative amount of fair value hedging adjustments.

F. Credit Risk

A significant portion of our trade accounts receivable balances are due from wholesalers and governments. For additional information on our trade accounts receivables with significant customers, see *Note 13C* below and *Note 17C* in our 2021 Form 10-K.

As of October 2, 2022, the largest investment exposures in our portfolio represent primarily sovereign debt instruments issued by Germany, the U.S., the Netherlands, Japan, the U.K., France, and Canada, as well as money market funds primarily invested in U.S. Treasury and government debt.

With respect to our derivative financial instrument agreements with financial institutions, we do not expect to incur a significant loss from failure of any counterparty. Derivative financial instruments are executed under International Swaps and Derivatives Association master agreements with credit-support annexes that contain zero threshold provisions requiring collateral to be exchanged daily depending on levels of exposure. As a result, there are no significant concentrations of credit risk with any individual financial institution. As of October 2, 2022, the aggregate fair value of these derivative financial instruments that are in a net payable position was $595 million, for which we have posted collateral of $612 million with a corresponding amount reported in *Short-term investments*. As of October 2, 2022, the aggregate fair value of our derivative financial instruments that are in a net receivable position was $1.5 billion, for which we have received collateral of $1.5 billion with a corresponding amount reported in *Short-term borrowings, including current portion of long-term debt.*

Note 8. Other Financial Information

A. Inventories

The following summarizes the components of *Inventories*:

(MILLIONS)	October 2, 2022	December 31, 2021
Finished goods	$ 3,159	$ 3,641
Work-in-process	4,540	4,424
Raw materials and supplies	1,813	994
Inventories[a]	$ 9,513	$ 9,059
Noncurrent inventories not included above[b]	$ 3,327	$ 939

[a] The increase from December 31, 2021 primarily reflects higher inventory levels for Paxlovid, partially offset by decreases due to net supply recovery and inventory build, and market demand.
[b] Included in *Other noncurrent assets*. The increase from December 31, 2021 is primarily due to strategic inventory build related to Paxlovid. There are no recoverability issues for these amounts.

B. Other Current Liabilities

Other current liabilities includes, among other things, amounts payable to BioNTech for the gross profit split for Comirnaty, which totaled $4.5 billion as of October 2, 2022 and $9.7 billion as of December 31, 2021.

Note 9. Identifiable Intangible Assets

A. Identifiable Intangible Assets

The following summarizes the components of *Identifiable intangible assets*:

	October 2, 2022			December 31, 2021		
(MILLIONS)	Gross Carrying Amount	Accumulated Amortization	Identifiable Intangible Assets, less Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Identifiable Intangible Assets, less Accumulated Amortization
Finite-lived intangible assets						
Developed technology rights	$ 72,818	$ (55,309)	$ 17,509	$ 73,346	$ (53,732)	$ 19,614
Brands	922	(832)	90	922	(807)	115
Licensing agreements and other	2,296	(1,373)	923	2,284	(1,299)	985
	76,036	(57,514)	18,522	76,552	(55,838)	20,714
Indefinite-lived intangible assets						
Brands	827		827	827		827
IPR&D[a]	7,829		7,829	3,092		3,092
Licensing agreements and other[a]	972		972	513		513
	9,629		9,629	4,432		4,432
Identifiable intangible assets[a], [b]	$ 85,665	$ (57,514)	$ 28,151	$ 80,984	$ (55,838)	$ 25,146

[a] The increase in the gross carrying amounts mainly reflect the impact of the acquisition of Arena (see *Note 2A*), and for IPR&D, is partially offset by an impairment (see *Note 4*).
[b] The increase is primarily due to the acquisition of Arena, partially offset by amortization expense.

B. Goodwill

The following summarizes the changes in the carrying amount of *Goodwill*:

(MILLIONS)	Total[a]
Balance, January 1, 2022	$ 49,208
Additions[b]	1,029
Other[c]	(797)
Balance, October 2, 2022	$ 49,441

[a] All goodwill is assigned within the Biopharma reportable segment. As a result of the organizational changes to the commercial structure within the Biopharma operating segment effective in the third quarter of 2022 (see *Note 1A*), our goodwill is required to be reallocated amongst impacted reporting units. The allocation of goodwill is a complex process that requires, among other things, that we determine the fair value of each reporting unit under our old and new organizational structure and the portions being transferred. Therefore, we have not yet completed the allocation, but it will be completed in the current year.
[b] Additions relate to our acquisition of Arena. See *Note 2A*.
[c] Other represents the impact of foreign exchange.

Note 10. Pension and Postretirement Benefit Plans

The following summarizes the components of net periodic benefit cost/(credit):

	Pension Plans				Postretirement Plans	
	U.S.		International			
	Three Months Ended					
(MILLIONS)	Oct. 2, 2022	Oct. 3, 2021	Oct. 2, 2022	Oct. 3, 2021	Oct. 2, 2022	Oct. 3, 2021
Service cost	$ —	$ —	$ 29	$ 32	$ 7	$ 9
Interest cost	151	114	38	37	7	7
Expected return on plan assets	(195)	(261)	(72)	(83)	(12)	(10)
Amortization of prior service cost/(credit)	—	—	—	—	(31)	(39)
Actuarial (gains)/losses[a]	(193)	(836)	—	—	—	—
Curtailments	—	—	—	—	(1)	(64)
Special termination benefits	1	—	—	—	—	—
Net periodic benefit cost/(credit) reported in income	$ (235)	$ (983)	$ (6)	$ (14)	$ (30)	$ (96)

	Pension Plans					
	U.S.		International		Postretirement Plans	
	Nine Months Ended					
(MILLIONS)	Oct. 2, 2022	Oct. 3, 2021	Oct. 2, 2022	Oct. 3, 2021	Oct. 2, 2022	Oct. 3, 2021
Service cost	$ —	$ —	$ 89	$ 98	$ 22	$ 27
Interest cost	387	341	121	110	21	22
Expected return on plan assets	(685)	(782)	(229)	(246)	(35)	(29)
Amortization of prior service credits	1	(1)	(1)	(1)	(99)	(116)
Actuarial (gains)/losses[a]	231	(881)	—	—	—	—
Curtailments	—	—	—	(1)	(14)	(64)
Special termination benefits	8	12	—	—	1	1
Net periodic benefit cost/(credit) reported in income	$ (57)	$ (1,312)	$ (20)	$ (40)	$ (106)	$ (160)

[a] The third quarter of 2022 mainly reflects interim actuarial remeasurement gains, primarily driven by an increase in the discount rate, partially offset by unfavorable plan asset performance. The first nine months of 2022 mainly reflects interim actuarial remeasurement losses, primarily driven by unfavorable plan asset performance, partially offset by gains due to an increase in the discount rate. In the third quarter and first nine months of 2021, mainly reflects interim actuarial remeasurement gains, primarily due to favorable plan asset performance and an increase in the discount rate.

The components of net periodic benefit cost/(credit) other than the service cost component are primarily included in *Other (income)/deductions—net* (see *Note 4*).

For the nine months ended October 2, 2022, we contributed $207 million, $127 million, and $16 million to our U.S. Pension Plans, International Pension Plans, and Postretirement Plans, respectively, from our general assets, which include direct employer benefit payments.

Note 11. Earnings Per Common Share Attributable to Pfizer Inc. Common Shareholders

The following presents the detailed calculation of *EPS*:

	Three Months Ended		Nine Months Ended	
(MILLIONS)	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
EPS Numerator—Basic				
Income from continuing operations attributable to Pfizer Inc. common shareholders	$ 8,630	$ 8,159	$ 26,373	$ 18,834
Discontinued operations—net of tax	(21)	(13)	4	(248)
Net income attributable to Pfizer Inc. common shareholders	$ 8,608	$ 8,146	$ 26,378	$ 18,586
EPS Numerator—Diluted				
Income from continuing operations attributable to Pfizer Inc. common shareholders and assumed conversions	$ 8,630	$ 8,159	$ 26,373	$ 18,834
Discontinued operations—net of tax, attributable to Pfizer Inc. common shareholders and assumed conversions	(21)	(13)	4	(248)
Net income attributable to Pfizer Inc. common shareholders and assumed conversions	$ 8,608	$ 8,146	$ 26,378	$ 18,586
EPS Denominator				
Weighted-average number of common shares outstanding—Basic	5,607	5,609	5,606	5,597
Common-share equivalents: stock options and stock issuable under employee compensation plans	111	116	124	91
Weighted-average number of common shares outstanding—Diluted	5,718	5,725	5,729	5,688
Anti-dilutive common stock equivalents[a]	3	—	1	3

[a] These common stock equivalents were outstanding for the periods presented, but were not included in the computation of diluted EPS for those periods because their inclusion would have had an anti-dilutive effect.

Note 12. Contingencies and Certain Commitments

We and certain of our subsidiaries are subject to numerous contingencies arising in the ordinary course of business, including tax and legal contingencies. The following outlines our legal contingencies. For a discussion of our tax contingencies, see *Note 5B*.

A. Legal Proceedings

Our legal contingencies include, but are not limited to, the following:

- Patent litigation, which typically involves challenges to the coverage and/or validity of patents on various products, processes or dosage forms. An adverse outcome could result in loss of patent protection for a product, a significant loss of revenues from a product or impairment of the value of associated assets. We are the plaintiff in the majority of these actions.
- Product liability and other product-related litigation related to current or former products, which can include personal injury, consumer, off-label promotion, securities, antitrust and breach of contract claims, among others, and often involves highly complex issues relating to medical causation, label warnings and reliance on those warnings, scientific evidence and findings, actual, provable injury and other matters.
- Commercial and other asserted or unasserted matters, which can include acquisition-, licensing-, intellectual property-, collaboration- or co-promotion-related and product-pricing claims and environmental claims and proceedings, and can involve complexities that will vary from matter to matter.
- Government investigations, which often are related to the extensive regulation of pharmaceutical companies by national, state and local government agencies in the U.S. and in other jurisdictions.

Certain of these contingencies could result in increased expenses and/or losses, including damages, royalty payments, fines and/or civil penalties, which could be substantial, and/or criminal charges.

We believe that our claims and defenses in matters in which we are a defendant are substantial, but litigation is inherently unpredictable and excessive verdicts do occur. We do not believe that any of these matters will have a material adverse effect on our financial position. However, we could incur judgments, enter into settlements or revise our expectations regarding the outcome of matters, which could have a material adverse effect on our results of operations and/or our cash flows in the period in which the amounts are accrued or paid.

We have accrued for losses that are both probable and reasonably estimable. Substantially all of our contingencies are subject to significant uncertainties and, therefore, determining the likelihood of a loss and/or the measurement of any loss can be complex. Consequently, we are unable to estimate the range of reasonably possible loss in excess of amounts accrued. Our assessments, which result from a complex series of judgments about future events and uncertainties, are based on estimates and assumptions that have been deemed reasonable by management, but that may prove to be incomplete or inaccurate, and unanticipated events and circumstances may occur that might cause us to change those estimates and assumptions.

Amounts recorded for legal and environmental contingencies can result from a complex series of judgments about future events and uncertainties and can rely heavily on estimates and assumptions. For proceedings under environmental laws to which a governmental authority is a party, we have adopted a disclosure threshold of $1 million in potential or actual governmental monetary sanctions.

The principal pending matters to which we are a party are discussed below. In determining whether a pending matter is a principal matter, we consider both quantitative and qualitative factors to assess materiality, such as, among others, the amount of damages and the nature of other relief sought, if specified; our view of the merits of the claims and of the strength of our defenses; whether the action purports to be, or is, a class action and, if not certified, our view of the likelihood that a class will be certified by the court; the jurisdiction in which the proceeding is pending; whether related actions have been transferred to multidistrict litigation; any experience that we or, to our knowledge, other companies have had in similar proceedings; whether disclosure of the action would be important to a reader of our financial statements, including whether disclosure might change a reader's judgment about our financial statements in light of all of the information that is available to the reader; the potential impact of the proceeding on our reputation; and the extent of public interest in the matter. In addition, with respect to patent matters in which we are the plaintiff, we consider, among other things, the financial significance of the product protected by the patent(s) at issue. Some of the matters discussed below include those which management believes that the likelihood of possible loss in excess of amounts accrued is remote.

A1. Legal Proceedings—Patent Litigation

We are involved in suits relating to our patents, including but not limited to, those discussed below. Most involve claims by generic drug manufacturers that patents covering our products (or those of our collaboration/licensing partners to which we

have licenses or co-promotion rights and to which we may or may not be a party), processes or dosage forms are invalid and/or do not cover the product of the generic drug manufacturer. Also, counterclaims, as well as various independent actions, have been filed alleging that our assertions of, or attempts to enforce, patent rights with respect to certain products constitute unfair competition and/or violations of antitrust laws. In addition to the challenges to the U.S. patents that are discussed below, patent rights to certain of our products or those of our collaboration/licensing partners are being challenged in various other jurisdictions. Some of our collaboration or licensing partners face challenges to the validity of their patent rights in non-U.S. jurisdictions. For example, in April 2022, the U.K. High Court issued a judgment finding invalid a BMS patent related to Eliquis due to expire in 2026. In November 2022, BMS received permission to appeal the High Court's decision. Additional challenges remain pending in other jurisdictions. Also, for example, in July 2022, CureVac AG (CureVac) brought a patent infringement action against BioNTech and certain of its subsidiaries in the German Regional Court alleging that Comirnaty infringes certain German utility model patents and certain expired and unexpired European patents. Additional challenges involving Comirnaty patents may be filed against us and/or BioNTech in other jurisdictions in the future. In addition, in October 2022, Accord Healthcare Ltd. brought suit in the U.K. against the Regents of the University of California challenging the validity of the U.K. patent covering the active ingredient in Xtandi, which expires in 2028. Adverse decisions in these matters could have a material adverse effect on our results of operations. We are also party to patent damages suits in various jurisdictions pursuant to which generic drug manufacturers, payers, governments or other parties are seeking damages from us for allegedly causing delay of generic entry.

We also are often involved in other proceedings, such as inter partes review, post-grant review, re-examination or opposition proceedings, before the U.S. Patent and Trademark Office, the European Patent Office, or other foreign counterparts relating to our intellectual property or the intellectual property rights of others. Also, if one of our patents is found to be invalid by such proceedings, generic or competitive products could be introduced into the market resulting in the erosion of sales of our existing products. For example, several of the patents in our pneumococcal vaccine portfolio have been challenged in inter partes review and post-grant review proceedings in the U.S. Patent and Trademark Office. In addition, another patent was challenged in federal court in Delaware; and that case was settled in September 2021 on terms not material to the company. Other challenges to pneumococcal vaccine patents remain pending at the Patent Trial and Appeal Board and outside the U.S. The invalidation of any of the patents in our pneumococcal portfolio could potentially allow additional competitor vaccines, if approved, to enter the marketplace earlier than anticipated. In the event that any of the patents are found valid and infringed, a competitor's vaccine, if approved, might be prohibited from entering the market or a competitor might be required to pay us a royalty.

We are also subject to patent litigation pursuant to which one or more third parties seek damages and/or injunctive relief to compensate for alleged infringement of its patents by our commercial or other activities. For example, our Hospira subsidiaries are involved in patent and patent-related disputes over their attempts to bring generic pharmaceutical products to market. If one of our marketed products is found to infringe valid patent rights of a third party, such third party may be awarded significant damages or royalty payments, or we may be prevented from further sales of that product. Such damages may be enhanced as much as three-fold if we or one of our subsidiaries is found to have willfully infringed valid patent rights of a third party.

Actions In Which We Are The Plaintiff

Xeljanz (tofacitinib)
Beginning in 2017, we brought patent-infringement actions against several generic manufacturers that filed separate ANDAs with the FDA seeking approval to market their generic versions of tofacitinib tablets in one or both of 5 mg and 10 mg dosage strengths, and in both immediate and extended release forms. To date, we have settled actions with several manufacturers on terms not material to us. The remaining actions continue in the U.S. District Court for the District of Delaware as described below.

In October 2021, we brought a separate patent-infringement action against Sinotherapeutics Inc. (Sinotherapeutics) asserting the infringement and validity of our patent covering extended release formulations of tofacitinib that was challenged by Sinotherapeutics in its ANDA seeking approval to market a generic version of tofacitinib 11 mg extended release tablets.

In June 2022, we brought a separate patent infringement action against MSN Laboratories Private Ltd. (MSN) asserting the infringement and validity of our compound patent covering the active agreement that was challenged by MSN in its ANDAs seeking approval to market generic versions of tofacitinib immediate release tablets (5 mg, 10 mg) and oral solution 1 mg/mL. In August 2022, we settled our action against MSN on terms not material to us.

Inlyta (axitinib)
In 2019, Glenmark Pharmaceuticals Ltd. (Glenmark) notified us that it had filed an ANDA with the FDA seeking approval to market a generic version of Inlyta. Glenmark asserts the invalidity and non-infringement of the crystalline form patent for Inlyta that expires in 2030. In 2019, we filed suit against Glenmark in the U.S. District Court for the District of Delaware, asserting the validity and infringement of the crystalline form patent for Inlyta.

Ibrance (palbociclib)
Beginning in January 2021, several generic companies notified us that they had filed ANDAs with the FDA seeking approval to market generic versions of Ibrance tablets. The generic companies are challenging some or all of the following patents: (i) the composition of matter patent expiring in 2027; (ii) the composition of matter patent expiring in 2023; (iii) the method of use patent expiring in 2023; (iv) the crystalline form patent expiring in 2034; and (v) a tablet formulation patent expiring in 2036. We brought patent infringement actions against each of the generic filers in various U.S. federal courts, asserting the validity and infringement of the patents challenged by the generic companies. We have settled with one of these generic companies on terms not material to us, and we dismissed the patent infringement actions relating to the crystalline form of patent, the composition of matter patent expiring in 2023, the method of use patent, and the tablet formulation patent against the generic companies that had challenged these patents. The composition of matter patent expiring in 2027 remains in suit.

Eucrisa
Beginning in September 2021, several generic companies notified us that they had filed ANDAs with the FDA seeking approval to market generic versions of Eucrisa. The companies assert the invalidity and non-infringement of a composition of matter patent expiring in 2026, two method of use patents expiring in 2027, and one other method of use patent expiring in 2030. In September 2021, we brought patent infringement actions against the generic filers in the U.S. District Court for the District of Delaware, asserting the validity and infringement of the patents challenged by the generic companies.

Braftovi (encorafenib)
In August 2022, a generic company notified us that it had filed an ANDA with the FDA seeking approval to market a generic version of Braftovi. The company asserts the invalidity and non-infringement of, among others, a method of use patent expiring in 2033. In September 2022, we brought a patent infringement action against the generic company in the U.S. District Court for the District of Delaware, asserting the validity and infringement of the method of use patent expiring in 2033.

Mektovi (binimetinib)
Beginning in August 2022, several generic companies notified us that they had filed ANDAs with the FDA seeking approval to market generic versions of Mektovi. The companies assert the invalidity and non-infringement of two method of use patents expiring in 2030, a method of use patent expiring in 2031, two method of use patents expiring in 2033, and a product by process patent expiring in 2033. Beginning in September 2022, we brought patent infringement actions against the generic filers in the U.S. District Court for the District of Delaware, asserting the validity and infringement of all six patents.

Actions in Which We are the Defendant

Comirnaty
In March 2022, Alnylam Pharmaceuticals, Inc. (Alnylam) filed a complaint in the U.S. District Court for the District of Delaware against Pfizer and Pharmacia & Upjohn Co. LLC, our wholly owned subsidiary, alleging that Comirnaty infringes U.S. Patent No. 11,246,933, which was issued in February 2022, and seeking unspecified monetary damages. In July 2022, Alnylam filed a second complaint in the U.S. District Court for the District of Delaware against Pfizer, Pharmacia & Upjohn Co. LLC, BioNTech and BioNTech Manufacturing GmbH, alleging that Comirnaty infringes U.S. Patent No. 11,382,979, which was issued in July 2022, and seeking unspecified monetary damages.

In August 2022, ModernaTX, Inc. (ModernaTX) and Moderna US, Inc. (Moderna) sued Pfizer, BioNTech, BioNTech Manufacturing GmbH and BioNTech US Inc. in the U.S. District Court for the District of Massachusetts, alleging that Comirnaty infringes three U.S. patents. In its complaint, Moderna stated that it is seeking damages for alleged infringement occurring only after March 7, 2022.

In August 2022, ModernaTX filed a patent infringement action in Germany against Pfizer and certain subsidiary companies, as well as BioNTech and certain subsidiary companies, alleging that Comirnaty infringes two European patents. In September 2022, ModernaTX filed patent infringement actions in the U.K and in the Netherlands against Pfizer Inc. and certain subsidiary companies, as well as BioNTech and certain subsidiary companies, on the same two patents. In its complaints, Moderna stated that it is seeking damages for alleged infringement occurring only after March 7, 2022. In the U.K., Pfizer and BioNTech have brought an action against ModernaTX seeking to revoke these European patents.

Paxlovid
In June 2022, Enanta Pharmaceuticals, Inc. filed a complaint in the U.S. District Court for the District of Massachusetts against Pfizer alleging that the active ingredient in Paxlovid, nirmatrelvir, infringes U.S. Patent No. 11,358,953, which was issued in June 2022, and seeking unspecified monetary damages.

Matters Involving Pfizer and its Collaboration/Licensing Partners

Eliquis
In 2017, twenty-five generic companies sent BMS Paragraph-IV certification letters informing BMS that they had filed ANDAs seeking approval of generic versions of Eliquis, challenging the validity and infringement of one or more of the three patents listed in the Orange Book for Eliquis. One of the patents expired in December 2019 and the remaining patents currently are set to expire in 2026 and 2031. Eliquis has been jointly developed and is being commercialized by BMS and Pfizer. BMS and Pfizer filed patent-infringement actions against all generic filers in the U.S. District Court for the District of Delaware and the U.S. District Court for the District of West Virginia, asserting that each of the generic companies' proposed products would infringe each of the patent(s) that each generic filer challenged. Some generic filers challenged only the 2031 patent, some challenged both the 2031 and 2026 patent, and one generic company challenged all three patents. In August 2020, the U.S. District Court for the District of Delaware ruled that both the 2026 patent and the 2031 patent are valid and infringed by the proposed generic products. In August and September 2020, the generic filers appealed the District Court's decision to the U.S. Court of Appeals for the Federal Circuit. Prior to the August 2020 ruling, we and BMS settled with certain of the companies on terms not material to us, and we and BMS may settle with other generic companies in the future. In September 2021, the U.S. Court of Appeals for the Federal Circuit affirmed the District Court's decision.

Comirnaty
In July 2022, Pfizer, BioNTech and BioNTech Manufacturing GmbH filed a declaratory judgment complaint against CureVac in the U.S. District Court for the District of Massachusetts seeking a judgment of non-infringement for the following three patents relating to Comirnaty: U.S. Patent Nos. 11,135,312, 11,149,278, and 11,241,493. Outside of the U.S., in the U.K., Pfizer and BioNTech have sued CureVac seeking a judgment of invalidity of several patents and CureVac has made certain infringement counterclaims.

A2. Legal Proceedings—Product Litigation

We are defendants in numerous cases, including but not limited to those discussed below, related to our pharmaceutical and other products. Plaintiffs in these cases seek damages and other relief on various grounds for alleged personal injury and economic loss.

Asbestos
Between 1967 and 1982, Warner-Lambert owned American Optical Corporation (American Optical), which manufactured and sold respiratory protective devices and asbestos safety clothing. In connection with the sale of American Optical in 1982, Warner-Lambert agreed to indemnify the purchaser for certain liabilities, including certain asbestos-related and other claims. Warner-Lambert was acquired by Pfizer in 2000 and is a wholly owned subsidiary of Pfizer. Warner-Lambert is actively engaged in the defense of, and will continue to explore various means of resolving, these claims.

Numerous lawsuits against American Optical, Pfizer and certain of its previously owned subsidiaries are pending in various federal and state courts seeking damages for alleged personal injury from exposure to products allegedly containing asbestos and other allegedly hazardous materials sold by Pfizer and certain of its previously owned subsidiaries.

There also are a small number of lawsuits pending in various federal and state courts seeking damages for alleged exposure to asbestos in facilities owned or formerly owned by Pfizer or its subsidiaries.

Effexor
Beginning in 2011, actions, including purported class actions, were filed in various federal courts against Wyeth and, in certain of the actions, affiliates of Wyeth and certain other defendants relating to Effexor XR, which is the extended-release formulation of Effexor. The plaintiffs in each of the class actions seek to represent a class consisting of all persons in the U.S. and its territories who directly purchased, indirectly purchased or reimbursed patients for the purchase of Effexor XR or generic Effexor XR from any of the defendants from June 14, 2008 until the time the defendants' allegedly unlawful conduct ceased. The plaintiffs in all of the actions allege delay in the launch of generic Effexor XR in the U.S. and its territories, in violation of federal antitrust laws and, in certain of the actions, the antitrust, consumer protection and various other laws of certain states, as the result of Wyeth fraudulently obtaining and improperly listing certain patents for Effexor XR in the Orange Book, enforcing certain patents for Effexor XR and entering into a litigation settlement agreement with a generic drug manufacturer with respect to Effexor XR. Each of the plaintiffs seeks treble damages (for itself in the individual actions or on behalf of the putative class in the purported class actions) for alleged price overcharges for Effexor XR or generic Effexor XR in the U.S. and its territories since June 14, 2008. All of these actions have been consolidated in the U.S. District Court for the District of New Jersey.

In 2014, the District Court dismissed the direct purchaser plaintiffs' claims based on the litigation settlement agreement, but declined to dismiss the other direct purchaser plaintiff claims. In 2015, the District Court entered partial final judgments as to all settlement agreement claims, including those asserted by direct purchasers and end-payer plaintiffs, which plaintiffs

appealed to the U.S. Court of Appeals for the Third Circuit. In 2017, the U.S. Court of Appeals for the Third Circuit reversed the District Court's decisions and remanded the claims to the District Court.

Lipitor

Beginning in 2011, purported class actions relating to Lipitor were filed in various federal courts against, among others, Pfizer, certain Pfizer affiliates, and, in most of the actions, Ranbaxy Laboratories Ltd. (Ranbaxy) and certain Ranbaxy affiliates. The plaintiffs in these various actions seek to represent nationwide, multi-state or statewide classes consisting of persons or entities who directly purchased, indirectly purchased or reimbursed patients for the purchase of Lipitor (or, in certain of the actions, generic Lipitor) from any of the defendants from March 2010 until the cessation of the defendants' allegedly unlawful conduct (the Class Period). The plaintiffs allege delay in the launch of generic Lipitor, in violation of federal antitrust laws and/or state antitrust, consumer protection and various other laws, resulting from (i) the 2008 agreement pursuant to which Pfizer and Ranbaxy settled certain patent litigation involving Lipitor and Pfizer granted Ranbaxy a license to sell a generic version of Lipitor in various markets beginning on varying dates, and (ii) in certain of the actions, the procurement and/or enforcement of certain patents for Lipitor. Each of the actions seeks, among other things, treble damages on behalf of the putative class for alleged price overcharges for Lipitor (or, in certain of the actions, generic Lipitor) during the Class Period. In addition, individual actions have been filed against Pfizer, Ranbaxy and certain of their affiliates, among others, that assert claims and seek relief for the plaintiffs that are substantially similar to the claims asserted and the relief sought in the purported class actions described above. These various actions have been consolidated for pre-trial proceedings in a Multi-District Litigation in the U.S. District Court for the District of New Jersey.

In September 2013 and 2014, the District Court dismissed with prejudice the claims of the direct purchasers. In October and November 2014, the District Court dismissed with prejudice the claims of all other Multi-District Litigation plaintiffs. All plaintiffs appealed the District Court's orders dismissing their claims with prejudice to the U.S. Court of Appeals for the Third Circuit. In addition, the direct purchaser class plaintiffs appealed the order denying their motion to amend the judgment and for leave to amend their complaint to the Court of Appeals. In 2017, the Court of Appeals reversed the District Court's decisions and remanded the claims to the District Court.

Also, in 2013, the State of West Virginia filed an action in West Virginia state court against Pfizer and Ranbaxy, among others, that asserts claims and seeks relief on behalf of the State of West Virginia and residents of that state that are substantially similar to the claims asserted and the relief sought in the purported class actions described above.

EpiPen (Direct Purchaser)

In February 2020, a lawsuit was filed in the U.S. District Court for the District of Kansas against Pfizer, its current and former affiliates King and Meridian, and various Mylan entities, on behalf of a purported U.S. nationwide class of direct purchaser plaintiffs who purchased EpiPen devices directly from the defendants. Plaintiffs in this action generally allege that Pfizer and Mylan conspired to delay market entry of generic EpiPen through the settlement of patent litigation regarding EpiPen, and thereby delayed market entry of generic EpiPen in violation of federal antitrust law. Plaintiffs seek treble damages for alleged overcharges for EpiPen since 2011. In July 2021, the District Court granted defendants' motion to dismiss the direct purchaser complaint, without prejudice. In September 2021, plaintiffs filed an amended complaint. In August 2022, the District Court granted Pfizer's motion to dismiss the complaint.

Nexium 24HR and Protonix

A number of individual and multi-plaintiff lawsuits have been filed against Pfizer, certain of its subsidiaries and/or other pharmaceutical manufacturers in various federal and state courts alleging that the plaintiffs developed kidney-related injuries purportedly as a result of the ingestion of certain proton pump inhibitors. The cases against Pfizer involve Protonix and/or Nexium 24HR and seek compensatory and punitive damages and, in some cases, treble damages, restitution or disgorgement. In 2017, the federal actions were ordered transferred for coordinated pre-trial proceedings to a Multi-District Litigation in the U.S. District Court for the District of New Jersey. As part of our Consumer Healthcare JV transaction with GSK, the JV has agreed to assume, and to indemnify Pfizer for, liabilities arising out of such litigation to the extent related to Nexium 24HR.

Docetaxel

- *Personal Injury Actions*

A number of lawsuits have been filed against Hospira and Pfizer in various federal and state courts alleging that plaintiffs who were treated with Docetaxel developed permanent hair loss. The significant majority of the cases also name other defendants, including the manufacturer of the branded product, Taxotere. Plaintiffs seek compensatory and punitive damages. Additional lawsuits have been filed in which plaintiffs allege they developed blocked tear ducts following their treatment with Docetaxel.

In 2016, the federal cases were transferred for coordinated pre-trial proceedings to a Multi-District Litigation in the U.S. District Court for the Eastern District of Louisiana. In 2022, the eye injury cases were transferred for coordinated pre-trial proceedings to a Multi-District Litigation in the U.S. District Court for the Eastern District of Louisiana.

- *Mississippi Attorney General Government Action*

In 2018, the Attorney General of Mississippi filed a complaint in Mississippi state court against the manufacturer of the branded product and eight other manufacturers including Pfizer and Hospira, alleging, with respect to Pfizer and Hospira, a failure to warn about a risk of permanent hair loss in violation of the Mississippi Consumer Protection Act. The action seeks civil penalties and injunctive relief.

Zantac

A number of lawsuits have been filed against Pfizer in various federal and state courts alleging that plaintiffs developed various types of cancer, or face an increased risk of developing cancer, purportedly as a result of the ingestion of Zantac. The significant majority of these cases also name other defendants that have historically manufactured and/or sold Zantac. Pfizer has not sold Zantac since 2006, and only sold an OTC version of the product. In 2006, Pfizer sold the consumer business that included its Zantac OTC rights to Johnson & Johnson and transferred the assets and liabilities related to Zantac OTC to Johnson & Johnson in connection with the sale. Plaintiffs in these cases seek compensatory and punitive damages.

In February 2020, the federal actions were transferred for coordinated pre-trial proceedings to a Multi-District Litigation in the U.S. District Court for the Southern District of Florida. Plaintiffs in the Multi-District Litigation have filed against Pfizer and many other defendants a master personal injury complaint, asserting a consolidated consumer class action alleging, among other things, claims under consumer protection statutes of all 50 states, and a medical monitoring complaint seeking to certify medical monitoring classes under the laws of 13 states. In addition, (i) Pfizer has received service of Canadian class action complaints naming Pfizer and other defendants, and seeking compensatory and punitive damages for personal injury and economic loss, allegedly arising from the defendants' sale of Zantac in Canada; and (ii) the State of New Mexico and the Mayor and City Council of Baltimore separately filed civil actions against Pfizer and many other defendants in state courts, alleging various state statutory and common law claims in connection with the defendants' alleged sale of Zantac in those jurisdictions. In April 2021, a Judicial Council Coordinated Proceeding was created in the Superior Court of California in Alameda County to coordinate personal injury actions against Pfizer and other defendants filed in California state court. Coordinated proceedings have also been created in other state courts.

Chantix

Beginning in August 2021, a number of putative class actions have been filed against Pfizer in various U.S. federal courts following Pfizer's voluntary recall of Chantix due to the presence of a nitrosamine, N-nitroso-varenicline. Plaintiffs assert that they suffered economic harm purportedly as a result of purchasing Chantix or generic varenicline medicines sold by Pfizer. Plaintiffs seek to represent nationwide and state-specific classes and seek various remedies, including damages and medical monitoring. Similar putative class actions have been filed in Canada and Israel, where the product brand is Champix.

A3. Legal Proceedings—Commercial and Other Matters

Monsanto-Related Matters

In 1997, Monsanto Company (Former Monsanto) contributed certain chemical manufacturing operations and facilities to a newly formed corporation, Solutia Inc. (Solutia), and spun off the shares of Solutia. In 2000, Former Monsanto merged with Pharmacia & Upjohn Company to form Pharmacia. Pharmacia then transferred its agricultural operations to a newly created subsidiary, named Monsanto Company (New Monsanto), which it spun off in a two-stage process that was completed in 2002. Pharmacia was acquired by Pfizer in 2003 and is a wholly owned subsidiary of Pfizer.

In connection with its spin-off that was completed in 2002, New Monsanto assumed, and agreed to indemnify Pharmacia for, any liabilities related to Pharmacia's former agricultural business. New Monsanto has defended and/or is defending Pharmacia in connection with various claims and litigation arising out of, or related to, the agricultural business, and has been indemnifying Pharmacia when liability has been imposed or settlement has been reached regarding such claims and litigation.

In connection with its spin-off in 1997, Solutia assumed, and agreed to indemnify Pharmacia for, liabilities related to Former Monsanto's chemical businesses. As the result of its reorganization under Chapter 11 of the U.S. Bankruptcy Code, Solutia's indemnification obligations relating to Former Monsanto's chemical businesses are primarily limited to sites that Solutia has owned or operated. In addition, in connection with its spin-off that was completed in 2002, New Monsanto assumed, and agreed to indemnify Pharmacia for, any liabilities primarily related to Former Monsanto's chemical businesses, including, but not limited to, any such liabilities that Solutia assumed. Solutia's and New Monsanto's assumption of, and agreement to indemnify Pharmacia for, these liabilities apply to pending actions and any future actions related to Former Monsanto's chemical businesses in which Pharmacia is named as a defendant, including, without limitation, actions asserting environmental claims, including alleged exposure to polychlorinated biphenyls. Solutia and/or New Monsanto are defending Pharmacia in connection with various claims and litigation arising out of, or related to, Former Monsanto's chemical businesses, and have been indemnifying Pharmacia when liability has been imposed or settlement has been reached regarding such claims and litigation.

Environmental Matters

In 2009, as part of our acquisition of Wyeth, we assumed responsibility for environmental remediation at the Wyeth Holdings LLC (formerly known as, Wyeth Holdings Corporation and American Cyanamid Company) discontinued industrial chemical facility in Bound Brook, New Jersey. Since that time, we have executed or have become a party to a number of administrative settlement agreements, orders on consent, and/or judicial consent decrees, with the U.S. Environmental Protection Agency and/or New Jersey Department of Environmental Protection to perform remedial design, removal and remedial actions, and related environmental remediation activities at the Bound Brook facility. We have accrued for the currently estimated costs of these activities.

We are a party to a number of other proceedings brought under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, and other state, local or foreign laws in which the primary relief sought is the cost of past and/or future remediation.

Contracts with Iraqi Ministry of Health

In 2017, a number of U.S. service members, civilians, and their families brought a complaint in the U.S. District Court for the District of Columbia against a number of pharmaceutical and medical devices companies, including Pfizer and certain of its subsidiaries, alleging that the defendants violated the U.S. Anti-Terrorism Act. The complaint alleges that the defendants provided funding for terrorist organizations through their sales practices pursuant to pharmaceutical and medical device contracts with the Iraqi Ministry of Health, and seeks monetary relief. In July 2020, the District Court granted defendants' motions to dismiss and dismissed all of plaintiffs' claims. In January 2022, the Court of Appeals reversed the District Court's decision. In February 2022, the defendants filed for en banc review of the Court of Appeals' decision.

Allergan Complaint for Indemnity

In 2019, Pfizer was named as a defendant in a complaint, along with King, filed by Allergan Finance LLC (Allergan) in the Supreme Court of the State of New York, asserting claims for indemnity related to Kadian, which was owned for a short period by King in 2008, prior to Pfizer's acquisition of King in 2010. This suit was voluntarily discontinued without prejudice in January 2021.

Viatris Securities Litigation

In October 2021, a putative class action was filed in the Court of Common Pleas of Allegheny County, Pennsylvania on behalf of former Mylan N.V. shareholders who received Viatris common stock in exchange for Mylan shares in connection with the spin-off of the Upjohn Business and its combination with Mylan (the Transactions). Viatris, Pfizer, and certain of each company's current and former officers, directors and employees are named as defendants. The complaint alleges that the defendants violated certain provisions of the Securities Act of 1933 in connection with certain disclosures made in or omitted from the registration statement and related prospectus issued in connection with the Transactions. Plaintiff seeks damages, costs and expenses and other equitable and injunctive relief.

A4. Legal Proceedings—Government Investigations

We are subject to extensive regulation by government agencies in the U.S., other developed markets and multiple emerging markets in which we operate. Criminal charges, substantial fines and/or civil penalties, limitations on our ability to conduct business in applicable jurisdictions, corporate integrity or deferred prosecution agreements, as well as reputational harm and increased public interest in the matter could result from government investigations in the U.S. and other jurisdictions in which we do business. These matters often involve government requests for information on a voluntary basis or through subpoenas after which the government may seek additional information through follow-up requests or additional subpoenas. In addition, in a qui tam lawsuit in which the government declines to intervene, the relator may still pursue a suit for the recovery of civil damages and penalties on behalf of the government. Among the investigations by government agencies are the matters discussed below.

Greenstone Investigations

- *U.S. Department of Justice Antitrust Division Investigation*

Since July 2017, the U.S. Department of Justice's Antitrust Division has been investigating our former Greenstone generics business. We believe this is related to an ongoing broader antitrust investigation of the generic pharmaceutical industry. We have produced records relating to this investigation.

- *State Attorneys General and Multi-District Generics Antitrust Litigation*

In April 2018, Greenstone received requests for information from the Antitrust Department of the Connecticut Office of the Attorney General. In May 2019, Attorneys General of more than 40 states plus the District of Columbia and Puerto Rico filed a complaint against a number of pharmaceutical companies, including Greenstone and Pfizer. The matter has been consolidated with a Multi-District Litigation in the Eastern District of Pennsylvania. As to Greenstone and Pfizer, the complaint alleges

anticompetitive conduct in violation of federal and state antitrust laws and state consumer protection laws. In June 2020, the State Attorneys General filed a new complaint against a large number of companies, including Greenstone and Pfizer, making similar allegations, but concerning a new set of drugs. This complaint was transferred to the Multi-District Litigation in July 2020. The Multi-District Litigation also includes civil complaints filed by private plaintiffs and state counties against Pfizer, Greenstone and a significant number of other defendants asserting allegations that generally overlap with those asserted by the State Attorneys General.

Subpoena & Civil Investigative Demand relating to Tris Pharma/Quillivant XR

In October 2018, we received a subpoena from the U.S. Attorney's Office for the Southern District of New York (SDNY) seeking records relating to our relationship with another drug manufacturer and its production and manufacturing of drugs including, but not limited to, Quillivant XR. We responded to that subpoena in full and have had no communication with the SDNY in connection with the subpoena since June 2019. Additionally, in September 2020, we received a Civil Investigative Demand (CID) from the Texas Attorney General's office seeking records of a similar nature to those requested by the SDNY. We are producing records in response to this request.

Government Inquiries relating to Meridian Medical Technologies

In February 2019, we received a CID from the U.S. Attorney's Office for the SDNY. The CID seeks records and information related to alleged quality issues involving the manufacture of auto-injectors at the Meridian site. In August 2019, we received a HIPAA subpoena from the U.S. Attorney's Office for the Eastern District of Missouri seeking similar records and information. We are producing records in response to these requests.

U.S. Department of Justice/SEC Inquiry relating to Russian Operations

In June 2019, we received an informal request from the U.S. Department of Justice's Foreign Corrupt Practices Act (FCPA) Unit seeking documents relating to our operations in Russia. In September 2019, we received a similar request from the SEC's FCPA Unit. We have produced records pursuant to these requests.

Docetaxel—Mississippi Attorney General Government Investigation

See *Legal Proceedings—Product Litigation—Docetaxel—Mississippi Attorney General Government Investigation* above for information regarding a government investigation related to Docetaxel marketing practices.

U.S. Department of Justice Inquiries relating to India Operations

In March 2020, we received an informal request from the U.S. Department of Justice's Consumer Protection Branch seeking documents relating to our manufacturing operations in India, including at our former facility located at Irrungattukottai in India. In April 2020, we received a similar request from the U.S. Attorney's Office for the SDNY regarding a civil investigation concerning operations at our facilities in India. We are producing records pursuant to these requests.

U.S. Department of Justice/SEC Inquiry relating to China Operations

In June 2020, we received an informal request from the U.S. Department of Justice's FCPA Unit seeking documents relating to our operations in China. In August 2020, we received a similar request from the SEC's FCPA Unit. We have produced records pursuant to these requests.

Zantac—State of New Mexico and Mayor and City Council of Baltimore Civil Actions

See *Legal Proceedings—Product Litigation—Zantac* above for information regarding civil actions separately filed by the State of New Mexico and the Mayor and City Council of Baltimore alleging various state statutory and common law claims in connection with the defendants' alleged sale of Zantac in those jurisdictions.

Government Inquiries relating to Biohaven

In June 2022, the U.S. Department of Justice's Commercial Litigation Branch and the U.S. Attorney's Office for the Western District of New York issued a CID relating to Biohaven. The CID seeks records and information related to, among other things, engagements with health care professionals and co-pay coupons cards. Biohaven is a wholly-owned subsidiary that we acquired in October 2022. We are producing records in response to these requests.

B. Guarantees and Indemnifications

In the ordinary course of business and in connection with the sale of assets and businesses and other transactions, we often indemnify our counterparties against certain liabilities that may arise in connection with the transaction or that are related to events and activities prior to or following a transaction. If the indemnified party were to make a successful claim pursuant to the terms of the indemnification, we may be required to reimburse the loss. These indemnifications are generally subject to various

restrictions and limitations. Historically, we have not paid significant amounts under these provisions and, as of October 2, 2022, the estimated fair value of these indemnification obligations is not material to Pfizer. See *Note 2C* for a description of the March 2022 indemnity provided by Pfizer to GSK in connection with the issuance of notes by the Consumer Healthcare JV. In conjunction with the completion of GSK's demerger transactions in July 2022, GSK's guarantee and our related indemnification of GSK's guarantee were terminated.

In addition, in connection with our entry into certain agreements and other transactions, our counterparties may be obligated to indemnify us. For example, in November 2020, we and Mylan completed the transaction to spin-off our Upjohn Business and combine it with Mylan to form Viatris. As part of the transaction and as previously disclosed, each of Viatris and Pfizer has agreed to assume, and to indemnify the other for, liabilities arising out of certain matters. Also, our global agreement with BioNTech to co-develop a mRNA-based coronavirus vaccine program aimed at preventing COVID-19 infection, includes certain indemnity provisions pursuant to which each of BioNTech and Pfizer has agreed to indemnify the other for certain liabilities that may arise in connection with certain third-party claims relating to Comirnaty.

We have also guaranteed the long-term debt of certain companies that we acquired and that now are subsidiaries of Pfizer. See *Note 7D*.

C. Contingent Consideration for Acquisitions

We may be required to make payments to sellers for certain prior business combinations that are contingent upon future events or outcomes. For additional information, see *Note 1E* in our 2021 Form 10-K.

Note 13. Segment, Geographic and Other Revenue Information

A. Segment Information

We manage our commercial operations through two operating segments, Biopharma and PC1, which are each led by a single manager. Biopharma is the only reportable segment. Each operating segment has responsibility for its commercial activities. Regional commercial organizations market, distribute and sell our products and are supported by global platform functions that are responsible for the research, development, manufacturing and supply of our products and global corporate enabling functions. Biopharma receives its R&D services from WRDM and GPD. These services include IPR&D projects for new investigational products and additional indications for in-line products. Each operating segment has a geographic footprint across developed and emerging markets. Our chief operating decision maker uses the revenues and earnings of the operating segments, among other factors, for performance evaluation and resource allocation.

After the organizational changes in the third quarter of 2022 (see *Note 1A*), the new commercial structure within Biopharma is designed to better support and optimize performance across three broad therapeutic areas:

- Primary Care consists of the former Internal Medicine and Vaccines product portfolios, as well as COVID-19 products and potential future mRNA products.
- Specialty Care consists of the former Inflammation & Immunology, Rare Disease and Hospital (excluding Paxlovid) product portfolios.
- Oncology consists of the former Oncology product portfolio.

Other Costs and Business Activities—Certain pre-tax costs are not allocated to our operating segment results, such as costs included in Other business activities that are associated with: (i) R&D and medical expenses managed by our WRDM and GPD organizations; (ii) corporate enabling functions and other corporate costs; (iii) overhead costs primarily associated with our manufacturing operations; and (iv) our share of earnings from Haleon/the Consumer Healthcare JV. Additionally, all amortization of intangible assets, acquisition-related items, and certain significant items, representing substantive and/or unusual, and in some cases recurring, items that are evaluated on an individual basis by management and that, either as a result of their nature or size, would not be expected to occur as part of our normal business on a regular basis, are not allocated to our operating segment results. Beginning in the first quarter of 2022, acquisition-related items may now include purchase accounting impacts that previously were included as part of a reconciling item entitled "Purchase accounting adjustments" that we no longer separately present, such as the incremental charge to cost of sales from the sale of acquired inventory that was written up to fair value, depreciation related to the increase/decrease in fair value of acquired fixed assets, amortization related to the increase in fair value of acquired debt, and the fair value changes for contingent consideration. The operating results of PC1 are included in Other business activities.

Segment Assets—We manage our assets on a total company basis, not by operating segment, as our operating assets are shared or commingled. Therefore, our chief operating decision maker does not regularly review any asset information by operating

segment and, accordingly, we do not report asset information by operating segment. Total assets were $195 billion as of October 2, 2022 and $181 billion as of December 31, 2021.

Selected Income Statement Information

The following provides selected income statement information by reportable segment:

	Three Months Ended				Nine Months Ended			
	Revenues		Earnings[a]		Revenues		Earnings[a]	
(MILLIONS)	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
Reportable Segment:								
Biopharma	$ 22,319	$ 23,513	$ 14,665	$ 11,848	$ 75,066	$ 56,101	$ 45,222	$ 29,952
Other business activities[b]	319	521	(4,007)	(3,303)	974	1,348	(9,820)	(7,778)
Reconciling Items:								
Amortization of intangible assets	—	—	(822)	(980)	—	—	(2,478)	(2,778)
Acquisition-related items	—	—	(62)	(41)	—	—	(331)	(14)
Certain significant items[c]	—	—	(773)	318	—	—	(3,095)	1,102
	$ 22,638	$ 24,035	$ 9,001	$ 7,843	$ 76,040	$ 57,450	$ 29,498	$ 20,484

[a] *Income from continuing operations before provision/(benefit) for taxes on income.* Biopharma's earnings include dividend income from our investment in ViiV of $112 million in the third quarter of 2022 and $38 million in the third quarter of 2021, and $237 million in the first nine months of 2022 and $127 million in the first nine months of 2021. In connection with the organizational changes effective in the third quarter of 2022, certain functions transferred between Biopharma and corporate enabling functions and certain activities were realigned within the GPD organization. We have reclassified $105 million of costs for the first six months of 2022, $57 million of costs in the third quarter of 2021 and $153 million of costs in the first nine months of 2021 from corporate enabling functions, which are included in Other business activities, to Biopharma to conform to the current period presentation.

[b] Other business activities include revenues and costs associated with PC1 and costs that we do not allocate to our operating segments, per above, including acquired IPR&D expenses in the periods presented. In the third quarter and first nine months of 2022, earnings include $426 million of acquired IPR&D expenses for an upfront payment related to the closing of the acquisition of ReViral, as well as a charge to *Cost of sales* of approximately $400 million related to excess raw materials for Paxlovid. Earnings in the first nine months of 2022 also include write-offs to *Cost of sales* of inventory, related to COVID-19 products that have exceeded or are expected to exceed their approved shelf-lives prior to being used, of $516 million. In the third quarter and first nine months of 2021, earnings include $706 million of acquired IPR&D expenses associated with our collaboration with Arvinas.

[c] Certain significant items are substantive and/or unusual, and in some cases recurring, items (as noted above). Earnings in the first nine months of 2022 includes, among other items: (i) net losses on equity securities of $1.3 billion recorded in *Other (income)/deductions—net* and (ii) restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring of $701 million ($344 million recorded in *Selling, informational and administrative expenses* and the remaining amounts primarily recorded in *Restructuring charges and certain acquisition-related costs*). Earnings in the first nine months of 2021 includes, among other items: (i) net gains on equity securities of $1.6 billion recorded in *Other (income)/deductions—net* and (ii) actuarial valuation and other pension and postretirement plan gains of $932 million recorded in *Other (income)/deductions—net*, partially offset by (iii) restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring of $1.1 billion ($310 million recorded in *Selling, informational and administrative expense*s and the remaining amount primarily recorded in *Restructuring charges and certain acquisition-related costs*). Earnings in the third quarter of 2021 includes, among other items: (i) actuarial valuation and other pension and postretirement plan gains of $899 million recorded in *Other (income)/deductions—net,* partially offset by (ii) restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring of $823 million ($150 million recorded in *Selling, informational and administrative expense*s and the remaining amount primarily recorded in *Restructuring charges and certain acquisition-related costs*). For additional information, see *Notes 3* and *4*.

B. Geographic Information

The following summarizes revenues by geographic area:

	Three Months Ended			Nine Months Ended		
(MILLIONS)	October 2, 2022	October 3, 2021	% Change	October 2, 2022	October 3, 2021	% Change
United States	$ 13,851	$ 7,020	97	$ 33,991	$ 22,066	54
Developed Europe	3,136	6,221	(50)	14,705	13,836	6
Developed Rest of World	2,351	4,498	(48)	10,671	8,617	24
Emerging Markets	3,300	6,296	(48)	16,673	12,930	29
Revenues	$ 22,638	$ 24,035	(6)	$ 76,040	$ 57,450	32

C. Other Revenue Information

Significant Customers—For information on our significant wholesale customers, see *Note 17C* in our 2021 Form 10-K. Additionally, revenues from the U.S. government represented 38% and 27% of total revenues for the three and nine months ended October 2, 2022, respectively, and primarily represent sales of Paxlovid and Comirnaty. Accounts receivable from the

U.S. government represented 44% of total trade accounts receivable as of October 2, 2022, and primarily relate to sales of Paxlovid and Comirnaty.

Significant Product Revenues

The following provides detailed revenue information for several of our major products:

(MILLIONS)		Three Months Ended		Nine Months Ended	
PRODUCT	**PRIMARY INDICATION OR CLASS**	Oct. 2, 2022	Oct. 3, 2021	Oct. 2, 2022	Oct. 3, 2021
TOTAL REVENUES[a]		**$ 22,638**	**$ 24,035**	**$ 76,040**	**$ 57,450**
GLOBAL BIOPHARMACEUTICALS BUSINESS (BIOPHARMA)[a, b]		**$ 22,319**	**$ 23,513**	**$ 75,066**	**$ 56,101**
Primary Care		**$ 15,846**	**$ 16,680**	**$ 55,676**	**$ 35,804**
Comirnaty direct sales and alliance revenues[c]	Active immunization to prevent COVID-19	4,402	12,977	26,477	24,277
Paxlovid	COVID-19 infection (high risk population)	7,514	—	17,099	—
Eliquis alliance revenues and direct sales	Nonvalvular atrial fibrillation, deep vein thrombosis, pulmonary embolism	1,464	1,346	5,001	4,470
Prevnar family[d]	Pneumococcal disease	1,607	1,447	4,601	3,971
Premarin family	Symptoms of menopause	110	148	327	420
Nimenrix	Meningococcal ACWY disease	79	51	221	145
BMP2	Development of bone and cartilage	58	71	201	186
FSME-IMMUN/TicoVac	Tick-borne encephalitis disease	67	47	177	161
Toviaz	Overactive bladder	30	56	130	174
Trumenba	Meningococcal B disease	60	52	108	102
Chantix/Champix	An aid to smoking cessation treatment in adults 18 years of age or older	4	7	8	409
All other Primary Care	Various	451	479	1,326	1,490
Specialty Care		**$ 3,404**	**$ 3,749**	**$ 10,267**	**$ 11,205**
Vyndaqel/Vyndamax	ATTR-CM and polyneuropathy	602	501	1,766	1,454
Xeljanz	RA, PsA, UC, active polyarticular course juvenile idiopathic arthritis, ankylosing spondylitis	502	610	1,304	1,734
Enbrel (Outside the U.S. and Canada)	RA, juvenile idiopathic arthritis, PsA, plaque psoriasis, pediatric plaque psoriasis, ankylosing spondylitis and nonradiographic axial spondyloarthritis	230	283	767	888
Sulperazon	Bacterial infections	178	181	598	515
Inflectra	Crohn's disease, pediatric Crohn's disease, UC, pediatric UC, RA in combination with methotrexate, ankylosing spondylitis, PsA and plaque psoriasis	131	172	403	485
Ig Portfolio[e]	Various	124	99	356	311
BeneFIX	Hemophilia B	99	104	325	328
Zavicefta	Bacterial infections	98	107	302	306
Genotropin	Replacement of human growth hormone	90	95	261	284
Zithromax	Bacterial infections	71	66	250	198
Medrol	Anti-inflammatory glucocorticoid	79	109	235	320
Fragmin	Treatment/prevention of venous thromboembolism	60	74	202	223
Somavert	Acromegaly	70	70	202	203
Refacto AF/Xyntha	Hemophilia A	58	69	188	235
Vfend	Fungal infections	51	51	171	204
All other Anti-infectives	Various	374	455	1,123	1,384
All other Specialty Care	Various	586	702	1,816	2,134
Oncology		**$ 3,070**	**$ 3,085**	**$ 9,124**	**$ 9,091**
Ibrance	HR-positive/HER2-negative metastatic breast cancer	1,283	1,381	3,841	4,039
Xtandi alliance revenues	mCRPC, nmCRPC, mCSPC	320	309	878	879
Inlyta	Advanced RCC	252	256	760	742
Zirabev	Treatment of mCRC; unresectable, locally advanced, recurrent or metastatic NSCLC; recurrent glioblastoma; metastatic RCC; and persistent, recurrent or metastatic cervical cancer	146	96	432	311
Bosulif	Philadelphia chromosome–positive chronic myelogenous leukemia	141	136	425	395
Xalkori	ALK-positive and ROS1-positive advanced NSCLC	118	116	362	371
Ruxience	Non-hodgkin's lymphoma, chronic lymphocytic leukemia, granulomatosis with polyangiitis (Wegener's Granulomatosis) and microscopic polyangiitis	120	124	357	343

(MILLIONS)		Three Months Ended		Nine Months Ended	
PRODUCT	**PRIMARY INDICATION OR CLASS**	Oct. 2, 2022	Oct. 3, 2021	Oct. 2, 2022	Oct. 3, 2021
Retacrit	Anemia	87	110	308	322
Sutent	Advanced and/or metastatic RCC, adjuvant RCC, refractory GIST (after disease progression on, or intolerance to, imatinib mesylate) and advanced pancreatic neuroendocrine tumor	75	142	287	537
Lorbrena	ALK-positive metastatic NSCLC	99	67	247	193
Bavencio alliance revenues	Locally advanced or metastatic urothelial carcinoma; metastatic Merkel cell carcinoma; immunotherapy and tyrosine kinase inhibitor combination for patients with advanced RCC	73	54	198	122
Aromasin	Post-menopausal early and advanced breast cancer	66	56	187	159
Besponsa	Relapsed or refractory B-cell acute lymphoblastic leukemia	55	50	164	145
Braftovi	In combination with Mektovi for metastatic melanoma in patients with a $BRAF^{V600E/K}$ mutation and, in combination with Erbitux® (cetuximab)[f], for the treatment of $BRAF^{V600E}$ -mutant mCRC after prior therapy	58	47	156	136
Trazimera	HER-positive breast cancer and metastatic stomach cancers	51	45	149	131
Mektovi	In combination with Braftovi for metastatic melanoma in patients with a $BRAF^{V600E/K}$ mutation	45	41	129	112
All other Oncology	Various	80	53	243	155
PFIZER CENTREONE[b]		**$ 319**	**$ 521**	**$ 974**	**$ 1,348**
Total Alliance revenues included above		**$ 1,689**	**$ 2,068**	**$ 6,320**	**$ 5,718**

[a] On December 31, 2021, we completed the sale of our Meridian subsidiary. Prior to its sale, Meridian was managed as part of the former Hospital therapeutic area (see footnote (b) below). Beginning in the fourth quarter of 2021, the financial results of Meridian are reflected as discontinued operations. See *Note 1A*.

[b] See *Note 1A* for information about our recent organizational changes. PC1 includes revenues from our contract manufacturing, including certain Comirnaty-related manufacturing activities performed on behalf of BioNTech ($7 million and $108 million for the third quarter and the first nine months of 2022, respectively, and $187 million and $274 million for the third quarter and the first nine months of 2021, respectively), and revenues from our active pharmaceutical ingredient sales operation, as well as revenues related to our manufacturing and supply agreements with former legacy Pfizer businesses/partnerships, including but not limited to, transitional manufacturing and supply agreements with Viatris following the spin-off of the Upjohn Business. Prior to the fourth quarter of 2021, PC1 was managed within our former Hospital product portfolio.

[c] Excludes revenues for certain Comirnaty-related manufacturing activities performed on behalf of BioNTech, which are included in the PC1 contract development and manufacturing organization.

[d] Prevnar family include revenues from Prevnar 13/Prevenar 13 (pediatric and adult) and Prevnar 20/Apexxnar (adult).

[e] Immunoglobulin (Ig) portfolio includes the revenues from Panzyga, Octagam and Cutaquig.

[f] Erbitux® is a registered trademark of ImClone LLC.

Remaining Performance Obligations—Contracted revenue expected to be recognized from remaining performance obligations for firm orders in long-term contracts to supply Comirnaty to our customers totaled approximately $22 billion as of October 2, 2022, which includes amounts received in advance and deferred, as well as amounts that will be invoiced as we deliver these products to our customers in future periods. Of this amount, we expect to recognize revenue of approximately $9 billion in 2022, $13 billion in 2023 and $200 million in 2024. Remaining performance obligations are based on foreign exchange rates as of the end of the third quarter of 2022 and exclude arrangements with an original expected contract duration of less than one year.

Deferred Revenues—Our deferred revenues primarily relate to advance payments received or receivable from various government or government sponsored customers in international markets for supply of Comirnaty and Paxlovid. The deferred revenues related to Comirnaty and Paxlovid total $6.2 billion as of October 2, 2022, with $6.1 billion and $126 million recorded in current and noncurrent liabilities, respectively. The deferred revenues related to Comirnaty total $3.3 billion as of December 31, 2021, with $3.0 billion and $249 million recorded in current liabilities and noncurrent liabilities, respectively. There were no deferred revenues associated with Paxlovid as of December 31, 2021. The increase in Comirnaty and Paxlovid deferred revenues during the first nine months of 2022 was primarily the result of additional advance payments received as we entered into new or amended contracts, including new advance payments received for Paxlovid contracts, less amounts recognized in *Revenues* as we delivered the products to our customers and the impact of foreign exchange. During the third quarter and first nine months of 2022, we recognized revenue of $68 million and $2.5 billion, respectively, that was included in the balance of Comirnaty deferred revenues as of December 31, 2021. The Comirnaty and Paxlovid deferred revenues as of October 2, 2022 will be recognized in *Revenues* proportionately as we transfer control of the products to our customers and satisfy our performance obligation under the contracts, with the amounts included in current liabilities expected to be recognized in *Revenues* within the next 12 months, and the amounts included in noncurrent liabilities expected to be recognized in *Revenues* in the last three months of 2023 and in the first quarter of 2024. Deferred revenues associated with contracts for other products were not significant as of October 2, 2022 or December 31, 2021.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW OF OUR PERFORMANCE, OPERATING ENVIRONMENT, STRATEGY AND OUTLOOK

References to operational variances pertain to period-over-period changes that exclude the impact of foreign exchange rates. Although foreign exchange rate changes are part of our business, they are not within our control and since they can mask positive or negative trends in the business, we believe presenting operational variances excluding these foreign exchange changes provides useful information to evaluate our results.

Our Business and Strategy—We apply science and our global resources to bring therapies to people that extend and significantly improve their lives through the discovery, development, manufacture, marketing, sale and distribution of biopharmaceutical products worldwide. Beginning in the fourth quarter of 2021, we reorganized our commercial operations and began to manage our commercial operations through a global structure consisting of two operating segments: Biopharma and PC1. Beginning in the third quarter of 2022, we made several additional organizational changes to further transform our operations to better leverage our expertise in certain areas and in anticipation of potential future new product launches. Biopharma is the only reportable segment. See *Note 1A*. We expect to incur costs of approximately $700 million in connection with separating Upjohn, of which approximately 85% has been incurred since inception and through the third quarter of 2022. These charges include costs and expenses related to separation of legal entities and transaction costs.

For additional information about our business, strategy and operating environment, see the *Item 1. Business* section and *Overview of Our Performance, Operating Environment, Strategy and Outlook* section within MD&A of our 2021 Form 10-K.

Our Business Development Initiatives—We are committed to strategically capitalizing on growth opportunities, primarily by advancing our own product pipeline and maximizing the value of our existing products, but also through various business development activities. Our significant recent business development activities include the transactions discussed in *Note 2* and the following:

Acquisition of Global Blood Therapeutics, Inc. (GBT)—On October 5, 2022, we acquired GBT, a biopharmaceutical company dedicated to the discovery, development and delivery of life-changing treatments that provide hope to underserved patient communities, starting with sickle cell disease, for $68.50 per share, in cash, for payments of approximately $5.3 billion, net of cash acquired, plus repayment of third-party debt of $331 million.

Acquisition of Biohaven—On October 3, 2022, we acquired Biohaven, the maker of Nurtec ODT (rimegepant), an innovative dual-acting migraine therapy approved for both acute treatment and episodic prevention of migraine in adults. The transaction includes the acquisition of Biohaven's CGRP programs, including rimegepant, zavegepant and a portfolio of five pre-clinical CGRP assets. Under the terms of the agreement, we acquired all outstanding common shares of Biohaven not already owned by us for $148.50 per share, in cash, for payments of approximately $11.5 billion, plus repayment of third-party debt of $863 million and redemption of Biohaven's redeemable preferred stock for $495 million. Effective immediately prior to the closing of the acquisition, Biohaven completed the spin-off of Biohaven Ltd. (NYSE: BHVN), distributing Biohaven Ltd.'s shares to Biohaven shareholders. Biohaven Ltd. is a new publicly traded company that retained Biohaven's non-CGRP development stage pipeline compounds. Pfizer, a Biohaven shareholder, received a pro rata portion of Biohaven Ltd.'s shares in the distribution and currently owns approximately 1.5% of Biohaven Ltd.

This acquisition follows on the November 2021 collaboration for the commercialization of rimegepant and zavegepant outside the U.S., in connection with which Pfizer acquired 2.6% of Biohaven's common stock (see *Note 2D*). Biohaven Ltd. will also have the right to receive tiered royalties from Pfizer on any annual net sales of rimegepant and zavegepant in the U.S. in excess of $5.25 billion.

For a description of the more significant recent transactions through February 24, 2022, the filing date of our 2021 Form 10-K, see *Note 2* in our 2021 Form 10-K.

Our Third Quarter 2022 and First Nine Months of 2022 Performance

Revenues—*Revenues* decreased $1.4 billion, or 6%, in the third quarter of 2022 to $22.6 billion from $24.0 billion in the third quarter of 2021, reflecting an operational decrease of $441 million, or 2%, as well as an unfavorable impact of foreign exchange of $957 million, or 4%. The operational decrease was primarily driven by a decline in Comirnaty, partially offset by growth from Paxlovid. Revenues increased $18.6 billion, or 32%, in the first nine months of 2022 to $76.0 billion from $57.4 billion in the first nine months of 2021, reflecting an operational increase of $21.6 billion, or 38%, as well as an unfavorable impact of foreign exchange of $3.0 billion, or 5%. The operational increase was primarily driven by growth from Paxlovid and Comirnaty.

Excluding the impact of Paxlovid and Comirnaty, revenues increased 2% operationally in both the third quarter and first nine months of 2022, reflecting strong growth in Eliquis, the Prevnar family and Vyndaqel/Vyndamax, partially offset by declines in

Xeljanz, Sutent and certain Comirnaty-related manufacturing activities performed on behalf of BioNTech, which are included in the PC1 contract development and manufacturing organization. Revenues in the first nine months of 2022 were also negatively impacted by declines in Chantix/Champix.

See the *Analysis of the Condensed Consolidated Statements of Income—Revenues by Geography* and *Revenues—Selected Product Discussion* sections for more information, including a discussion of key drivers of our revenue performance. For information regarding the primary indications or class of certain products, see *Note 13C.*

Income from Continuing Operations Before Provision/(Benefit) for Taxes on Income—The increase in *Income from continuing operations before provision/(benefit) for taxes on income* of $1.2 billion in the third quarter of 2022, compared to the same period in 2021, was primarily attributable to decreases in *Cost of sales* and *Restructuring charges and certain acquisition-related costs*, partially offset by: (i) lower revenues; (ii) lower net periodic benefit credits associated with pension and other postretirement plans; (iii) net losses on equity securities in the third quarter of 2022 versus net gains on equity securities in the third quarter of 2021 and (iv) an increase in *Selling, informational and administrative expenses.*

The increase in *Income from continuing operations before provision/(benefit) for taxes on income* of $9.0 billion in the first nine months of 2022, compared to the same period in 2021, was primarily attributable to higher revenues, partially offset by: (i) an increase in *Cost of sales;* (ii) net losses on equity securities in the first nine months of 2022 versus net gains on equity securities in the first nine months of 2021; (iii) lower net periodic benefit credits associated with pension and other postretirement plans and (iv) increases in *Research and development expenses* and *Selling, informational and administrative expenses.*

See the *Analysis of the Condensed Consolidated Statements of Income* within MD&A and *Note 4* for additional information.

For information on our tax provision and effective tax rate, see the *Provision/(Benefit) for Taxes on Income* section within MD&A and *Note 5*.

Our Operating Environment—We, like other businesses in our industry, are subject to certain industry-specific challenges. These include, among others, the topics listed below, as well as in the *Item 1. Business—Government Regulation and Price Constraints* and *Item 1A. Risk Factors* sections, and the *Overview of Our Performance, Operating Environment, Strategy and Outlook—Our Operating Environment* section of the MD&A of our 2021 Form 10-K.

Intellectual Property Rights and Collaboration/Licensing Rights—The loss, expiration or invalidation of intellectual property rights, patent litigation settlements with manufacturers and the expiration of co-promotion and licensing rights can have a material adverse effect on our revenues. Certain of our products have experienced patent-based expirations or loss of regulatory exclusivity in certain markets in the last few years, and we expect certain products to face increased generic competition over the next few years. While additional patent expiries will continue, we expect a moderate impact of reduced revenues due to patent expiries from 2022 through 2025. We continue to vigorously defend our patent rights against infringement, and we will continue to support efforts that strengthen worldwide recognition of patent rights while taking necessary steps to help ensure appropriate patient access.

For additional information on patent rights we consider most significant in relation to our business as a whole, see the *Item 1. Business—Patents and Other Intellectual Property Rights* section of our 2021 Form 10-K. For a discussion of recent developments with respect to patent litigation, see *Note 12A1.*

Regulatory Environment/Pricing and Access—Government and Other Payer Group Pressures—Governments globally, as well as private third-party payers in the U.S., may use a variety of measures to control costs, including, among others, proposing pricing reform or legislation, employing formularies to control costs, cross country collaboration and procurement, price cuts, mandatory rebates, health technology assessments, forced localization as a condition of market access, "international reference pricing" (i.e., the practice of a country linking its regulated medicine prices to those of other countries), quality consistency evaluation processes and volume-based procurement. We anticipate that these and similar initiatives will continue to increase pricing and access pressures globally. In the U.S., in August 2022, President Biden signed into law the IRA, which includes significant drug pricing provisions, including (i) inflation rebates, where drug manufacturers must pay a rebate to the government if the prices of their covered single-source drugs and biologics rise faster than the rate of inflation; (ii) Medicare Part D redesign whereby beneficiaries' out-of-pocket costs are capped, payment obligation for initial coverage is redistributed with drug manufacturers paying 10% on all drugs and the coverage gap is eliminated, as well as requiring Part D plans to pay a larger portion of the catastrophic phase with drug manufacturers covering 20% of the costs; and (iii) Medicare negotiation, which requires the Secretary of the U.S. Department of Health and Human Services (HHS) to negotiate prices for certain drugs covered by Medicare Part B and Part D through a Drug Price Negotiation Program. We continue to evaluate the impact of the IRA on our business, operations and financial condition and results as the full effect of the IRA on our business and the pharmaceutical industry remains uncertain. In addition, in October 2022, President Biden signed an executive order that instructs the Secretary of HHS to consider whether to select for testing new health care payment and delivery models that would lower drug costs and promote access to innovative drug therapies for beneficiaries enrolled in the Medicare and Medicaid

programs. Also in the U.S., we implemented a policy in 2022 that will help improve contract pharmacy integrity. HHS has sent letters to numerous manufacturers that have also implemented contract pharmacy integrity initiatives expressing the view that their programs are in violation of the 340B statute, and referring those programs for potential enforcement action. We believe that our program is consistent with the statute. Additional legal or legislative developments with respect to the 340B program may have an adverse impact on our integrity initiative, and we may face enforcement action or penalties, depending upon such developments. For additional information, see the *Item 1. Business—Pricing Pressures and Managed Care Organizations* and *—Government Regulation and Price Constraints* and the *Item 1A. Risk Factors—Pricing and Reimbursement* sections in our 2021 Form 10-K and the *Overview of Our Performance, Operating Environment, Strategy and Outlook—Our Operating Environment* section of the MD&A in our 2021 Form 10-K.

Product Supply—We periodically encounter supply delays, disruptions and shortages, including due to voluntary product recalls. In response to requests from various regulatory authorities, manufacturers across the pharmaceutical industry, including Pfizer, are evaluating their product portfolios for the potential presence or formation of nitrosamines. This has led to recalls, including our voluntary recall of Chantix in 2021 and additional voluntary recalls initiated for other products in 2022 due to the presence of nitrosamines above the applicable acceptable intake limit, and may lead to additional recalls or other market actions for Pfizer products. For information on our Chantix recall in 2021 and risks related to product manufacturing, see the *Item 1A. Risk Factors—Product Manufacturing, Sales and Marketing Risks* section of our 2021 Form 10-K.

The Global Economic Environment—In addition to the industry-specific factors discussed above, we, like other businesses of our size and global extent of activities, are exposed to economic cycles. For additional information, see the *Overview of Our Performance, Operating Environment, Strategy and Outlook—The Global Economic Environment* section of the MD&A of our 2021 Form 10-K.

Russia/Ukraine Conflict—Our global operations may be impacted by certain factors in the global economic environment including impacts of political or civil unrest or military action, including the armed conflict between Russia and Ukraine. Consistent with our commitment to putting patients first, we are maintaining the supply of medicines to Russia, including the provision of needed medicines to patients already enrolled in clinical trials. Effective March 14, 2022, Pfizer is donating the equivalent of profits of our Russian subsidiary to causes that provide direct humanitarian support to the people of Ukraine, in addition to our ongoing efforts to support the humanitarian response in the region. To date, we have donated $20 million to 10 global and local non-governmental organizations to support humanitarian relief and response efforts. We will continue to support Ukrainian relief efforts through this method until peace is achieved. Additionally, we are not initiating new clinical trials in Russia, have stopped recruiting new patients in our ongoing clinical trials in the country, and halted all new investments with local suppliers intended to build manufacturing capacity in Russia. For both the nine months ended October 2, 2022 and the fiscal year ended December 31, 2021, the business of our Russia and Ukraine subsidiaries represented less than 1% of our consolidated revenues and assets, and while we are monitoring the effects of the armed conflict between Russia and Ukraine, the situation continues to evolve and the long-term implications, including the broader economic consequences of the conflict, are difficult to predict at this time. While as of now, we do not anticipate any significant negative impacts on our business from this conflict, continued regional instability, geopolitical shifts, potential additional sanctions and other restrictive measures against Russia, neighboring countries or allies of Russia, any retaliatory measures taken by Russia, neighboring countries or allies of Russia, and actions by our customers or suppliers in response to such measures could adversely affect the global macroeconomic environment, our operations, currency exchange rates and financial markets, which could in turn adversely impact our business and results of operations.

COVID-19 Pandemic—The COVID-19 pandemic has impacted our business, operations and financial condition and results.

Our Response to COVID-19

Pfizer is continuing to help lead the global effort to confront the COVID-19 pandemic by advancing a vision for industry-wide collaboration while continuing to make significant investments in breakthrough science and global manufacturing.

- *Comirnaty*
  - We have collaborated with BioNTech to jointly develop Comirnaty, a mRNA-based coronavirus vaccine to help prevent COVID-19. For additional information, including information regarding EUAs for a booster dose of an Omicron-adapted bivalent vaccine for individuals ages 5 years and older, see the *Product Developments* section within MD&A. We continue to evaluate our vaccine and the short- and long-term safety and efficacy of Comirnaty. We are also studying monovalent, bivalent and variant-adapted vaccine candidates to potentially help prevent COVID-19 caused by variants of concern, as well as a next-generation mRNA vaccine candidate.
  - The companies have entered into agreements to supply pre-specified doses of Comirnaty in 2022 with multiple developed and emerging countries around the world and are continuing to deliver doses of Comirnaty to governments under such agreements. We also signed agreements with multiple countries to supply Comirnaty doses in 2023 and are currently negotiating similar potential agreements with multiple countries as well. Additionally, we will continue our efforts to help

ensure equitable access to Comirnaty and anticipate delivering at least two billion doses to low- and middle-income countries—one billion of which were delivered in 2021 and approximately 600 million of which were delivered in the first nine months of 2022. Certain of the aforementioned doses to low- and middle-income countries are being supplied to the U.S. government at a not-for-profit price to be donated to the world's poorest nations.

- While to date sales of Comirnaty in the U.S. have been to the government, we expect in 2023, sales of Comirnaty in the U.S. will transition to commercial market sales only as we anticipate the expiration of current contracts and depletion of the vaccines purchased through them. Internationally, we expect sales of Comirnaty in international developed markets to generally be under government contracts in 2023, and in emerging markets, under a combination of private channels and government contracts; in both cases, we expect to generally transition to commercial markets in 2024.
- As of November 1, 2022, we forecasted approximately $34 billion of revenues for Comirnaty in 2022, with gross profit to be split evenly with BioNTech, which includes doses expected to be delivered in fiscal 2022, primarily under contracts signed as of mid-October 2022.

- *Paxlovid*
  - In December 2021, the FDA authorized the emergency use of Paxlovid, a novel oral COVID-19 treatment, for the treatment of mild-to-moderate COVID-19 in adults and pediatric patients (12 years of age and older weighing at least 40 kg [88 lbs]) with positive results of direct SARS-CoV-2 viral testing, and who are at high risk for progression to severe COVID-19, including hospitalization or death. Paxlovid has been granted an authorization or approval in many other countries. In June 2022, we submitted an NDA to the FDA for approval of Paxlovid for the treatment of COVID-19 in both vaccinated and unvaccinated individuals who are at high risk for progression to severe illness from COVID-19 consistent with the current EUA. For additional information, see the *Product Developments* section within MD&A.
  - We continue to evaluate Paxlovid in other populations, including in non-hospitalized, symptomatic, pediatric patients with a confirmed diagnosis of COVID-19 who are at risk of progression to severe disease (Phase 2/3 study, EPIC-PEDS (Evaluation of Protease Inhibition for COVID-19 in Pediatric Patients)) and those who are immunocompromised, hospitalized with severe COVID-19 and at increased risk for poor outcomes due to the disease (Phase 2, EPIC-Hos (Evaluation of Protease Inhibition for COVID-19 in Hospitalized Patients)). We are also studying Paxlovid in those who are pregnant.
  - We have entered into agreements to supply pre-specified courses of Paxlovid to multiple countries, such as the U.S. and U.K., as well as agreements with UNICEF and the Global Fund to supply low- and middle-income countries. Through the nine months of 2022, we have shipped 31 million treatment courses globally, and we have capacity to meet the demand for Paxlovid in a flexible manner going forward.
  - As of November 1, 2022, we forecasted approximately $22 billion of revenues for Paxlovid in 2022, which includes treatment courses expected to be delivered in fiscal 2022, primarily relating to supply contracts signed or committed as of mid-October 2022.

Impact of COVID-19 on Our Business and Operations

As part of our on-going monitoring and assessment, we have made certain assumptions regarding the pandemic for purposes of our operational planning and financial projections, including assumptions regarding the duration, severity and the global macroeconomic impact of the pandemic, as well as COVID-19 vaccine and oral COVID-19 treatment revenues, supply and contracts, which remain dynamic. Despite careful tracking and planning, we are unable to accurately predict the extent of the impact of the pandemic on our business, operations and financial condition and results due to the uncertainty of future developments. We are focused on all aspects of our business and are implementing measures aimed at mitigating issues where possible, including by using digital technology to assist in operations for our commercial, manufacturing, R&D and corporate enabling functions globally.

As discussed in our 2021 Form 10-K, in addition to our introduction of Comirnaty and Paxlovid, our business and operations were impacted by the pandemic in various ways; certain of those impacts have continued in 2022. For additional detail and discussion on the impact of the COVID-19 pandemic on certain of our products, sales and marketing, supply chain and clinical trials, see the *Analysis of the Condensed Consolidated Statements of Income—Revenues by Geography* and *Revenues—Selected Product Discussion* sections within MD&A and the *Overview of Our Performance, Operating Environment, Strategy and Outlook—The Global Economic Environment* and *—COVID-19 Pandemic* sections of the MD&A of our 2021 Form 10-K.

We will continue to pursue efforts to maintain the continuity of our operations while monitoring for new developments related to the pandemic. Future developments could result in additional favorable or unfavorable impacts on our business, operations or financial condition and results. If we experience significant disruption in our manufacturing or supply chains or significant disruptions in clinical trials or other operations, if demand for our products is significantly reduced as a result of the COVID-19 pandemic, or if demand for our COVID-19 vaccine or oral COVID-19 treatment is reduced or no longer exists, we could experience a material adverse impact on our business, operations and financial condition and results.

For additional information, see the *Item 1A. Risk Factors—COVID-19 Pandemic* section and the *Overview of Our Performance, Operating Environment, Strategy and Outlook* section of the MD&A of our 2021 Form 10-K.

SIGNIFICANT ACCOUNTING POLICIES AND APPLICATION OF CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

For a description of our significant accounting policies, see *Note 1* in our 2021 Form 10-K. Of these policies, the following are considered critical to an understanding of our consolidated financial statements as they require the application of the most subjective and the most complex judgments: Acquisitions (*Note 1E*); Fair Value (*Note 1F*); Revenues (*Note 1H*); Asset Impairments (*Note 1M*); Tax Assets and Liabilities and Income Tax Contingencies (*Note 1Q*); Pension and Postretirement Benefit Plans (*Note 1R*); and Legal and Environmental Contingencies (*Note 1S*).

For a discussion about the critical accounting estimates and assumptions impacting our consolidated financial statements, see the *Significant Accounting Policies and Application of Critical Accounting Estimates and Assumptions* section within MD&A in our 2021 Form 10-K. See also *Note 1D* in our 2021 Form 10-K for a discussion about the risks associated with estimates and assumptions.

For a discussion of a recently adopted accounting standard, see *Note 1B*. For a discussion of presentation changes for *Acquired in-process research and development expenses*, see *Note 1D*.

ANALYSIS OF THE CONDENSED CONSOLIDATED STATEMENTS OF INCOME

Revenues by Geography

The following presents worldwide revenues by geography:

	Three Months Ended								
	Worldwide		U.S.		International		World-wide	U.S.	Inter-national
(MILLIONS)	Oct. 2, 2022	Oct. 3, 2021	Oct. 2, 2022	Oct. 3, 2021	Oct. 2, 2022	Oct. 3, 2021	% Change in Revenues		
Operating segments:									
Biopharma	$ 22,319	$ 23,513	$ 13,748	$ 6,899	$ 8,571	$ 16,614	(5)	99	(48)
Pfizer CentreOne	319	521	103	121	216	400	(39)	(15)	(46)
Total revenues	$ 22,638	$ 24,035	$ 13,851	$ 7,020	$ 8,786	$ 17,014	(6)	97	(48)

	Nine Months Ended								
	Worldwide		U.S.		International		World-wide	U.S.	Inter-national
(MILLIONS)	Oct. 2, 2022	Oct. 3, 2021	Oct. 2, 2022	Oct. 3, 2021	Oct. 2, 2022	Oct. 3, 2021	% Change in Revenues		
Operating segments:									
Biopharma	$ 75,066	$ 56,101	$ 33,700	$ 21,657	$ 41,366	$ 34,444	34	56	20
Pfizer CentreOne	974	1,348	291	409	683	939	(28)	(29)	(27)
Total revenues	$ 76,040	$ 57,450	$ 33,991	$ 22,066	$ 42,049	$ 35,384	32	54	19

Third Quarter of 2022 vs. Third Quarter of 2021

The following provides an analysis of the change in worldwide revenues by geographic areas in the third quarter of 2022:

	Three Months Ended October 2, 2022		
(MILLIONS)	Worldwide	U.S.	International
Operational growth/(decline):			
Worldwide declines from Comirnaty, Xeljanz and Ibrance, partially offset by worldwide growth from Paxlovid, Eliquis, Prevnar family, Vyndaqel/Vyndamax, Xtandi and Inlyta[(a)]	$ (226)	$ 6,849	$ (7,075)
Decline from PC1[(a)]	(180)	(18)	(162)
Lower revenues for Sutent, primarily reflecting lower volume demand in Europe following its loss of exclusivity in January 2022	(61)	(4)	(57)
Other operational factors, net	26	4	22
Operational growth/(decline), net	(441)	6,831	(7,272)
Unfavorable impact of foreign exchange	(957)	—	(957)
Revenues increase/(decrease)	$ (1,397)	$ 6,831	$ (8,228)

[(a)] See the *Analysis of the Condensed Consolidated Statements of Income—Revenues—Selected Product Discussion* within MD&A for additional analysis.

Emerging markets revenues decreased $3.0 billion, or 48%, in the third quarter of 2022 to $3.3 billion from $6.3 billion in the third quarter of 2021, reflecting an operational decrease of $2.8 billion, or 45%, and an unfavorable impact from foreign exchange of approximately 3%. The operational decrease in emerging markets was primarily driven by declines from Comirnaty and certain Comirnaty-related manufacturing activities performed on behalf of BioNTech, partially offset by growth from Paxlovid.

First Nine Months of 2022 vs. First Nine Months of 2021

The following provides an analysis of the worldwide change in revenues by geographic areas in the first nine months of 2022:

	Nine Months Ended October 2, 2022		
(MILLIONS)	Worldwide	U.S.	International
Operational growth/(decline):			
Worldwide growth from Paxlovid, Comirnaty, Eliquis, Prevnar family, Vyndaqel/Vyndamax and Inlyta, partially offset by worldwide declines from Xeljanz and Ibrance[a]	$ 22,507	$ 12,440	$ 10,066
Decline from PC1[a]	(332)	(118)	(214)
Lower revenues for Chantix/Champix and Sutent:			
• The decrease in Chantix/Champix was driven by the ongoing global pause in shipments of Chantix due to the presence of N-nitroso-varenicline above an acceptable level of intake set by various global regulators, the ultimate timing for resolution of which may vary by country • The decrease for Sutent primarily reflects lower volume demand in Europe and the U.S. following its loss of exclusivity in January 2022 and August 2021, respectively	(632)	(386)	(246)
Other operational factors, net	42	(11)	53
Operational growth/(decline), net	21,585	11,925	9,659
Unfavorable impact of foreign exchange	(2,995)	—	(2,995)
Revenues increase/(decrease)	$ 18,590	$ 11,925	$ 6,665

[a] See the *Analysis of the Condensed Consolidated Statements of Income—Revenues—Selected Product Discussion* within MD&A for additional analysis.

Emerging markets revenues increased $3.7 billion, or 29%, in the first nine months of 2022 to $16.7 billion from $12.9 billion in the first nine months of 2021, reflecting an operational increase of $4.4 billion, or 34%, and an unfavorable impact from foreign exchange of approximately 5%. The operational increase in emerging markets was primarily driven by growth from Comirnaty, Paxlovid and Nimenrix, partially offset by declines in certain Comirnaty-related manufacturing activities performed on behalf of BioNTech, as well as the Prevnar family.

Revenue Deductions—Our gross product revenues are subject to a variety of deductions, which generally are estimated and recorded in the same period that the revenues are recognized. These deductions represent estimates of related obligations and, as such, knowledge and judgment are required when estimating the impact of these revenue deductions on gross sales for a reporting period. Historically, adjustments to these estimates to reflect actual results or updated expectations, have not been material to our overall business and generally have been less than 1% of revenues. Product-specific rebates, however, can have a significant impact on year-over-year individual product revenue growth trends.

The following presents information about revenue deductions:

	Three Months Ended		Nine Months Ended	
(MILLIONS)	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
Medicare rebates	$ 195	$ 175	$ 582	$ 546
Medicaid and related state program rebates	223	252	689	904
Performance-based contract rebates	851	883	2,518	2,424
Chargebacks	1,946	1,618	5,480	4,567
Sales allowances	1,334	1,216	3,905	3,569
Sales returns and cash discounts	247	267	845	726
Total	$ 4,796	$ 4,411	$ 14,019	$ 12,737

Revenue deductions are primarily a function of product sales volume, mix of products sold, contractual or legislative discounts and rebates.

For information on our accruals for revenue deductions, including the balance sheet classification of these accruals, see *Note 1C*.

Revenues—Selected Product Discussion

Biopharma

(MILLIONS)

Product	Period	Global Revenues	Region	Revenue Oct. 2, 2022	Revenue Oct. 3, 2021	% Change Total	% Change Oper.	Operational Results Commentary
Comirnaty[(a)]	**QTD**	**$4,402** **Down 65%** **(operationally)**	U.S.	$ 2,908	$ 1,586	83		QTD declines largely driven by a previously announced amendment to the supply agreement with the EC whereby all doses scheduled for delivery in June through August 2022 would instead be delivered in the fourth quarter of 2022 and similar shifts in scheduled deliveries to other developed countries, as well as slower demand in emerging markets. Declines were partially offset by growth in the U.S., driven primarily by deliveries of the Omicron BA.4/BA.5-adapted bivalent booster, following its EUA in late-August 2022, as well as the granting of an EUA in June 2022 for a primary vaccination series for children 6 months to less than 5 years of age.
			Int'l.	1,494	11,391	(87)	(86)	
			Worldwide	$ 4,402	$ 12,977	(66)	(65)	YTD performance was largely driven by operational growth in international markets, led by increased sales of doses to serve emerging markets and increased deliveries to certain international developed markets in the first six months of 2022, as well as the granting of an EUA in the U.S. in October 2021 for a primary vaccination series for children 5 to 11 years of age and QTD U.S. growth drivers noted above, partially offset by QTD declines noted above.
	YTD	**$26,477** **Up 14%** **(operationally)**	U.S.	$ 6,303	$ 5,657	11		
			Int'l.	20,174	18,619	8	14	
			Worldwide	$ 26,477	$ 24,277	9	14	
Paxlovid	**QTD**	**$7,514** *	U.S.	$ 5,044	$ —	*		Driven by the U.S. launch under EUA in December 2021 and international launches in late 2021 and early 2022 following regulatory approvals or EUAs.
			Int'l.	2,470	—	*	*	
			Worldwide	$ 7,514	$ —	*	*	
	YTD	**$17,099** *	U.S.	$ 10,514	$ —	*		
			Int'l.	6,584	—	*	*	
			Worldwide	$ 17,099	$ —	*	*	
Eliquis	**QTD**	**$1,464** **Up 15%** **(operationally)**	U.S.	$ 835	$ 629	33		Growth driven primarily by continued oral anti-coagulant adoption and market share gains in non-valvular atrial fibrillation in the U.S., as well as favorable changes in channel mix in the U.S., partially offset by declines in certain emerging markets.
			Int'l.	628	717	(12)	(1)	
			Worldwide	$ 1,464	$ 1,346	9	15	
	YTD	**$5,001** **Up 16%** **(operationally)**	U.S.	$ 2,979	$ 2,440	22		In addition, YTD performance was impacted by growth in oral anti-coagulant adoption and market share gains in certain markets in Europe, partially offset by the non-recurrence of an $80 million favorable adjustment related to the Medicare "coverage gap" provision recorded in the first quarter of 2021 in the U.S.
			Int'l.	2,022	2,030	—	10	
			Worldwide	$ 5,001	$ 4,470	12	16	
Prevnar family	**QTD**	**$1,607** **Up 14%** **(operationally)**	U.S.	$ 1,089	$ 850	28		Growth primarily driven by the adult indications in the U.S. due to strong patient demand following the launch of Prevnar 20 for the eligible adult population, partially offset by unfavorable timing of government and private purchasing of Prevnar 13 for the pediatric indication globally and adult indication internationally.
			Int'l.	517	596	(13)	(7)	
			Worldwide	$ 1,607	$ 1,447	11	14	
	YTD	**$4,601** **Up 18%** **(operationally)**	U.S.	$ 3,010	$ 2,130	41		YTD growth was partially offset by competitive pressures in China for the pediatric indication.
			Int'l.	1,591	1,841	(14)	(9)	
			Worldwide	$ 4,601	$ 3,971	16	18	
Ibrance	**QTD**	**$1,283** **Down 3%** **(operationally)**	U.S.	$ 872	$ 883	(1)		Global declines primarily driven by prior-year clinical trial purchases internationally, planned price decreases that recently went into effect in international developed markets, and continued increase in the proportion of patients accessing Ibrance through the U.S. Patient Assistance Program.
			Int'l.	411	498	(17)	(6)	
			Worldwide	$ 1,283	$ 1,381	(7)	(3)	
	YTD	**$3,841** **Down 2%** **(operationally)**	U.S.	$ 2,493	$ 2,539	(2)		YTD declines were partially offset by higher volumes in emerging markets.
			Int'l.	1,347	1,500	(10)	(1)	
			Worldwide	$ 3,841	$ 4,039	(5)	(2)	
Vyndaqel/ Vyndamax	**QTD**	**$602** **Up 29%** **(operationally)**	U.S.	$ 329	$ 228	44		Growth largely driven by continued strong uptake of the ATTR-CM indication, primarily in developed Europe and the U.S., partially offset by a planned price decrease that went into effect in Japan in the second quarter of 2022.
			Int'l.	273	273	—	15	
			Worldwide	$ 602	$ 501	20	29	
	YTD	**$1,766** **Up 28%** **(operationally)**	U.S.	$ 890	$ 658	35		
			Int'l.	876	796	10	22	
			Worldwide	$ 1,766	$ 1,454	21	28	
Xeljanz	**QTD**	**$502** **Down 14%** **(operationally)**	U.S.	$ 345	$ 410	(16)		Declines driven primarily by decreased prescription volumes globally resulting from ongoing shifts in prescribing patterns related to JAK class label changes.
			Int'l.	157	201	(22)	(11)	
			Worldwide	$ 502	$ 610	(18)	(14)	
	YTD	**$1,304**	U.S.	$ 802	$ 1,132	(29)		In addition, YTD was impacted by declines in net price due to unfavorable changes in channel mix and unfavorable wholesaler inventory buying patterns in the U.S.

	YTD	**Down 22%**	Int'l.	502	602	(17)	(9)	
		(operationally)	Worldwide	$ 1,304	$ 1,734	(25)	(22)	

(MILLIONS)				Revenue		% Change		
Product	**Period**	**Global Revenues**	**Region**	**Oct. 2, 2022**	**Oct. 3, 2021**	**Total**	**Oper.**	**Operational Results Commentary**
Xtandi	**QTD**	**$320**	U.S.	$ 320	$ 309	3		Performance largely due to steady demand growth across the mCRPC, nmCRPC, and mCSPC indications. YTD demand growth was offset largely by unfavorable changes in channel mix and fluctuating enrollment rates in the Xtandi Patient Assistance Program.
		Up 3%	Int'l.	—	—	—	—	
		(operationally)	Worldwide	$ 320	$ 309	3	3	
	YTD	**$878**	U.S.	$ 878	$ 879	—		
		Flat	Int'l.	—	—	—	—	
		(operationally)	Worldwide	$ 878	$ 879	—	—	
Inlyta	**QTD**	**$252**	U.S.	$ 152	$ 151	—		Growth primarily reflects continued adoption in emerging markets of combinations of certain immune checkpoint inhibitors and Inlyta for the first-line treatment of patients with advanced RCC. YTD growth also driven by continued adoption in developed Europe.
		Up 3%	Int'l.	100	104	(4)	6	
		(operationally)	Worldwide	$ 252	$ 256	(1)	3	
	YTD	**$760**	U.S.	$ 454	$ 448	1		
		Up 6%	Int'l.	306	294	4	13	
		(operationally)	Worldwide	$ 760	$ 742	2	6	

Pfizer CentreOne

(MILLIONS)				Revenue		% Change		
Operating Segment	**Period**	**Global Revenues**	**Region**	**Oct. 2, 2022**	**Oct. 3, 2021**	**Total**	**Oper.**	**Operational Results Commentary**
PC1	**QTD**	**$319**	U.S.	$ 103	$ 121	(15)		Declines primarily driven by lower COVID-19 manufacturing activities performed on behalf of customers, including Comirnaty supply to BioNTech, and lower manufacturing of divested products under manufacturing and supply agreements.
		Down 35%	Int'l.	216	400	(46)	(40)	
		(operationally)	Worldwide	$ 319	$ 521	(39)	(35)	
	YTD	**$974**	U.S.	$ 291	$ 409	(29)		
		Down 25%	Int'l.	683	939	(27)	(23)	
		(operationally)	Worldwide	$ 974	$ 1,348	(28)	(25)	

[a] Comirnaty includes direct sales and alliance revenues related to sales of the Pfizer-BioNTech COVID-19 vaccine, which are recorded within our Primary Care therapeutic area. It does not include revenues for certain Comirnaty-related manufacturing activities performed on behalf of BioNTech, which are included in PC1. See *Note 13C*.

* Indicates calculation not meaningful.

See the *Item 1. Business—Patents and Other Intellectual Property Rights* section of our 2021 Form 10-K for information regarding the expiration of various patent rights, *Note 12* for a discussion of recent developments concerning patent and product litigation relating to certain of the products discussed above, and *Note 13C* for information regarding the primary indications or class of the selected products discussed.

Costs and Expenses

Costs and expenses follow:

	Three Months Ended			Nine Months Ended		
(MILLIONS)	October 2, 2022	October 3, 2021	% Change	October 2, 2022	October 3, 2021	% Change
Cost of sales	$ 6,063	$ 9,932	(39)	$ 24,696	$ 21,085	17
Percentage of *Revenues*	26.8 %	41.3 %		32.5 %	36.7 %	
Selling, informational and administrative expenses	3,391	2,899	17	9,032	8,599	5
Research and development expenses	2,696	2,681	1	7,813	6,914	13
Acquired in-process research and development expenses	524	762	(31)	880	1,000	(12)
Amortization of intangible assets	822	968	(15)	2,478	2,743	(10)
Restructuring charges and certain acquisition-related costs	199	646	(69)	580	667	(13)
Other (income)/deductions—net	(59)	(1,696)	(97)	1,063	(4,043)	*

* Indicates calculation not meaningful.

Cost of Sales

Cost of sales decreased $3.9 billion in the third quarter of 2022, primarily due to:

- a reduction of $4.1 billion due to lower sales of Comirnaty (see the *Analysis of the Condensed Consolidated Statements of Income—Revenues—Selected Product Discussion* within MD&A); and
- a $600 million favorable impact of foreign exchange and hedging activity,

partially offset by:

- an increase of $800 million for Paxlovid, including a charge of $400 million related to excess raw materials.

Cost of sales increased $3.6 billion in the first nine months of 2022, mainly due to:

- an unfavorable impact of $3.4 billion due to increased sales of Comirnaty, which includes a charge for the 50% gross profit split with BioNTech and applicable royalty expenses;
- an increase of $1.8 billion for Paxlovid, which includes the charge of $400 million discussed above; and
- a $450 million write off of inventory related to COVID-19 products that have exceeded or are expected to exceed their approved shelf-lives prior to being used, which was recorded in the second quarter of 2022,

partially offset by:

- a $2.0 billion favorable impact of foreign exchange and hedging activity.

The decrease in *Cost of sales* as a percentage of revenues in the third quarter of 2022 was primarily driven by favorable changes in sales mix, including significant sales of Paxlovid, and lower sales of Comirnaty, as well as the favorable impacts of foreign exchange and hedging activity, partially offset by the charge of $400 million related to Paxlovid discussed above.

The decrease in *Cost of sales* as a percentage of revenues in the first nine months of 2022 was primarily due to the favorable impacts of Paxlovid, foreign exchange and hedging activity, partially offset by the unfavorable impact of Comirnaty, as well as the $450 million inventory write-off related to COVID-19 products and the charge of $400 million related to Paxlovid discussed above.

Selling, Informational and Administrative (SI&A) Expenses

SI&A expenses increased $492 million in the third quarter of 2022, primarily due to:

- an increase of $290 million for Paxlovid and Comirnaty marketing and promotional expenses and a higher provision for U.S. healthcare reform fees based on sales of Paxlovid and Comirnaty; and
- an increase of $125 million for marketing and promotional expenses for recently launched products,

partially offset by:

- a $112 million favorable impact of foreign exchange.

SI&A expenses increased $433 million in the first nine months of 2022, mainly due to:

- an increase of $720 million for Paxlovid and Comirnaty marketing and promotional expenses and a higher provision for U.S. healthcare reform fees based on sales of Paxlovid and Comirnaty; and
- an increase of $300 million for marketing and promotional expenses for recently launched products,

partially offset by:

- a decrease of $270 million in our liability to be paid to participants of our supplemental savings plan; and
- a $244 million favorable impact of foreign exchange.

Research and Development (R&D) Expenses

R&D expenses increased $15 million in the third quarter, primarily due to:

- increased costs of $290 million to develop recently acquired assets, as well as investments for certain oncology and non-COVID-19 vaccines programs,

partially offset by:

- lower spending of $270 million on programs to prevent and treat COVID-19 and various late-stage clinical programs.

R&D expenses increased $898 million in the first nine months of 2022, primarily driven by increased costs of $800 million to develop recently acquired assets, as well as investments across multiple late-stage clinical programs, including development costs and at-risk manufacturing related to programs to prevent and treat COVID-19.

Acquired In-Process Research and Development (IPR&D) Expenses

Acquired IPR&D expenses decreased $237 million in the third quarter of 2022, primarily reflecting an upfront payment to Arvinas and a premium paid on our equity investment in Arvinas totaling $706 million in the third quarter of 2021, partially offset by an upfront payment of $426 million related to the closing of the acquisition of ReViral in the third quarter of 2022.

Acquired IPR&D expenses decreased $120 million in the first nine months of 2022, largely due to:

- the payments to Arvinas in the third quarter of 2021; and
- the acquisition of Amplyx Pharmaceuticals, Inc. in the second quarter of 2021,

partially offset by:

- the upfront payment related to the closing of the acquisition of ReViral in the third quarter of 2022;
- an upfront payment to Biohaven and a premium paid on our equity investment in Biohaven totaling $263 million in the first quarter of 2022; and
- a $76 million premium paid on our equity investment in BioNTech to develop a potential mRNA vaccine against shingles in the first quarter of 2022.

See *Note 2A* and *2D* for additional information.

Amortization of Intangible Assets

Amortization of intangible assets decreased $146 million in the third quarter and $265 million in the first nine months of 2022, primarily as a result of lower amortization of Comirnaty sales milestones to BioNTech.

Restructuring Charges and Other Costs Associated with Acquisitions and Cost-Reduction/Productivity Initiatives

Transforming to a More Focused Company Program—For a description of our program, as well as the anticipated and actual costs, see *Note 3.* The program savings discussed below may be rounded and represent approximations. In connection with restructuring our corporate enabling functions, we expect gross cost savings of $1.0 billion, or net cost savings, excluding merit and inflation growth and certain real estate cost increases, of $700 million, to be achieved primarily from 2021 through 2022. In connection with transforming our marketing strategy, we expect net cost savings of $1.4 billion, to be achieved primarily from 2022 through 2024. In connection with manufacturing network optimization, we expect net cost savings of $550 million to be achieved primarily from 2020 through 2023.

Certain qualifying costs for this program were recorded in the first three quarters of 2022 and 2021 and are reflected as Certain Significant Items and excluded from our non-GAAP measure of Adjusted Income. See the *Non-GAAP Financial Measure: Adjusted Income* section within MD&A.

In addition to this program, we continuously monitor our operations for cost reduction and/or productivity opportunities, especially in light of the losses of exclusivity and the expiration of collaborative arrangements for various products.

Other (Income)/Deductions—Net

The period-over-period changes were primarily driven by:

- net losses on equity securities in 2022 versus net gains recognized in 2021;
- lower net periodic benefit credits associated with pension and postretirement plans incurred in 2022 compared to 2021; and
- an intangible asset impairment charge recorded in the third quarter of 2022.

See *Note 4* for additional information.

Provision/(Benefit) for Taxes on Income

	Three Months Ended			Nine Months Ended		
(MILLIONS)	October 2, 2022	October 3, 2021	% Change	October 2, 2022	October 3, 2021	% Change
Provision/(benefit) for taxes on income	$ 356	$ (328)	*	$ 3,098	$ 1,603	93
Effective tax rate on continuing operations	4.0 %	(4.2)%		10.5 %	7.8 %	

* Indicates calculation not meaningful.

For information about our effective tax rate and the events and circumstances contributing to the changes between periods, as well as details about discrete elements that impacted our tax provisions, see *Note 5.*

Discontinued Operations

For information about our discontinued operations, see *Note 2B*.

PRODUCT DEVELOPMENTS

A comprehensive update of Pfizer's development pipeline was published as of November 1, 2022 and is available at www.pfizer.com/science/drug-product-pipeline. It includes an overview of our research and a list of compounds in

development with targeted indication and phase of development, as well as mechanism of action for some candidates in Phase 1 and all candidates from Phase 2 through registration.

The following provides information as of the date of this filing about significant marketing application-related regulatory actions by, and filings pending with, the FDA and regulatory authorities in the EU and Japan.

The tables below include filing and approval milestones for products that have occurred in the last twelve months and generally do not include approvals that may have occurred prior to that time. The tables include filings with regulatory decisions pending (even if the filing occurred outside of the last twelve-month period).

COVID-19 Vaccine Products

PATIENT POPULATION AND DATE OF APPROVAL/FILING														
COVID-19 VACCINE PRODUCT[a]	**PRIMARY SERIES OR BOOSTER**	**16 Years of age and older**			**12-15 Years of age**			**5-11 Years of age**			**6 Months through 4 Years of age**		
		U.S.	**EU**	**JAPAN**	**U.S.**	**EU**	**JAPAN**	**U.S.**	**EU**	**JAPAN**	**U.S.**	**EU**	**JAPAN**
Comirnaty	Primary	30-µg 2-dose primary[b] **Approved** Aug. 2021	**CMA** Dec. 2020	**Cond. J-NDA** Feb. 2021	**EUA** May 2021	**CMA** May 2021	**Cond. J-NDA** May 2021	10-µg 2-dose primary[c] **EUA** Oct. 2021	**CMA** Nov. 2021	**Cond. J-NDA** Jan. 2022	3-µg 3-dose primary **EUA** June 2022	**CMA** Oct. 2022	**Cond. J-NDA** Oct. 2022
	Booster	30-µg booster dose[d] **EUA**[e] Dec. 2021	**CMA** Oct. 2021	**Cond. J-NDA** Nov. 2021	**EUA**[e] Jan. 2022	**CMA** Feb. 2022	**Cond. J-NDA** Jan. 2022	10-µg booster dose **EUA**[e] May 2022	**CMA** Sep. 2022	**Cond. J-NDA** June 2022			
Comirnaty Original/Omicron BA.4/BA.5 Vaccine[f]	Booster	30-µg booster dose **EUA** Aug. 2022	**CMA** Sep. 2022	**Cond. J-NDA** Oct. 2022	**EUA** Aug. 2022	**CMA** Sep. 2022	**Cond. J-NDA** Oct. 2022	10-µg booster dose **EUA** Oct. 2022	**Filed** Sep. 2022				
Comirnaty Original/Omicron BA.1 Vaccine	Booster	30-µg booster dose	**CMA** Sep. 2022	**Cond. J-NDA** Sep. 2022		**CMA** Sep. 2022	**Cond. J-NDA** Sep. 2022						

[a] All COVID-19 vaccine products listed in this table are being developed in collaboration with BioNTech.
[b] FDA has authorized a third 30-µg primary series dose to individuals 12 years of age and older with certain kinds of immunocompromise.
[c] FDA has authorized a third 10-µg primary series dose to individuals 5-11 years of age with certain kinds of immunocompromise.
[d] FDA has authorized a second booster dose in adults ages 50 years and older who have previously received a first booster of any authorized COVID-19 vaccine. The FDA also has authorized a second booster dose for individuals 12 years of age and older who have been determined to have certain kinds of immunocompromise and who have received a first booster dose of any authorized COVID-19 vaccine.
[e] Comirnaty wild-type booster in these populations has been replaced by the booster of the Pfizer-BioNTech COVID-19 Vaccine, Bivalent (Original and Omicron BA.4/BA.5).
[f] Refers to the Pfizer-BioNTech COVID-19 Vaccine, Bivalent (Original and Omicron BA.4/BA.5) and Comirnaty Original/Omicron BA.4/BA.5 Vaccine.

Other Products

PRODUCT	DISEASE AREA	APPROVED/FILED*		
		U.S.	EU	JAPAN
Cibinqo (abrocitinib)	Atopic dermatitis	**Approved** Jan. 2022	**Approved** Dec. 2021	**Approved** Sep. 2021
Xeljanz (tofacitinib)	Ankylosing spondylitis	**Approved** Dec. 2021	**Approved** Nov. 2021	
Myfembree (relugolix fixed dose combination)[a]	Uterine fibroids (combination with estradiol and norethindrone acetate)	**Approved** May 2021		
	Endometriosis (combination with estradiol and norethindrone acetate)	**Approved** Aug. 2022		
Lorbrena/Lorviqua (lorlatinib)	First-line ALK-positive NSCLC	**Approved** Mar. 2021	**Approved** Jan. 2022	**Approved** Nov. 2021
Ngenla (somatrogon)[b]	Pediatric growth hormone deficiency	**Filed** Jan. 2021	**Approved** Feb. 2022	**Approved** Jan. 2022
Prevnar 20/Apexxnar (Vaccine)[c]	Immunization to prevent invasive and non-invasive pneumococcal infections (adults)	**Approved** June 2021	**Approved** Feb. 2022	
TicoVac (Vaccine)	Immunization to prevent tick-borne encephalitis	**Approved** Aug. 2021		
Paxlovid[d] **(nirmatrelvir [PF-07321332]; ritonavir)**	COVID-19 infection (high risk population)	**EUA** Dec. 2021	**CMA** Jan. 2022	**Approved** Feb. 2022
Nurtec ODT/Vydura (rimegepant)	Acute migraine	**Approved** Feb. 2020	**Approved** Apr. 2022	
	Migraine prevention	**Approved** May 2021	**Approved** Apr. 2022	
ritlecitinib (PF-06651600)	Alopecia areata	**Filed** Sep. 2022	**Filed** Sep. 2022	**Filed** Sep. 2022
zavegepant (intranasal)	Acute migraine	**Filed** May 2022		

* For the U.S., the filing date is the date on which the FDA accepted our submission. For the EU, the filing date is the date on which the EMA validated our submission.

[a] Being developed in collaboration with Myovant. In June 2022, the FDA accepted for review a sNDA for Myfembree (relugolix 40 mg, estradiol 1 mg, and norethindrone acetate 0.5 mg) proposing updates to Myfembree's U.S. Prescribing Information based on safety and efficacy data from the Phase 3 LIBERTY randomized withdrawal study in premenopausal women with heavy menstrual bleeding associated with uterine fibroids for up to two years. The Prescription Drug User Fee Act goal date for this sNDA is January 29, 2023.

[b] Being developed in collaboration with OPKO. In January 2022, Pfizer and OPKO received a Complete Response Letter (CRL) from the FDA for the BLA for somatrogon. Discussions are ongoing with the FDA regarding the CRL and how to best address their concerns.

[c] In October 2021, the CDC's ACIP voted to recommend Prevnar 20 for routine use in adults. Specifically, the ACIP voted to recommend the following: (i) adults 65 years of age or older who have not previously received a pneumococcal conjugate vaccine or whose previous vaccination history is unknown should receive a pneumococcal conjugate vaccine (either pneumococcal 20-valent conjugate vaccine (PCV20) or pneumococcal 15-valent conjugate vaccine (PCV15)). If PCV15 is used, this should be followed by a dose of pneumococcal polysaccharide vaccine (PPSV23); and (ii) adults aged 19 years of age or older with certain underlying medical conditions or other risk factors who have not previously received a pneumococcal conjugate vaccine or whose previous vaccination history is unknown should receive a pneumococcal conjugate vaccine (either PCV20 or PCV15). If PCV15 is used, this should be followed by a dose of PPSV23. The recommendations were published in the Morbidity and Mortality Weekly Report on January 28, 2022. The publication also notes "for adults who have received pneumococcal conjugate vaccine (PCV13) but have not completed their recommended pneumococcal vaccine series with PPSV23, one dose of Prevnar 20 may be used if PPSV23 is not available." In October 2022, the CDC's ACIP voted to recommend a single dose of Prevnar 20 to help protect adults previously vaccinated with Prevnar 13 or both Prevnar 13 and PPSV23 against invasive disease and pneumonia caused by the 20 Streptococcus pneumoniae serotypes in Prevnar 20.

[d] In January 2022, the EMA approved the CMA of Paxlovid for treating COVID-19 in adults who do not require supplemental oxygen and who are at increased risk of the disease becoming severe. In June 2022, we announced the submission of an NDA to the FDA for approval of Paxlovid for the treatment of COVID-19 in both vaccinated and unvaccinated individuals who are at high risk for progression to severe illness from COVID-19.

In December 2021, in light of the results from the completed required postmarketing safety study of Xeljanz, ORAL Surveillance (A3921133), the U.S. label for Xeljanz was revised. In addition, in October 2022, the PRAC of the EMA concluded their assessment of JAK inhibitors authorized for inflammatory diseases in the EU, including Xeljanz and Cibinqo, and recommended that risk minimization measures, including special warnings and precautions for use, should be revised for such JAK inhibitors. The resulting label changes are expected to be finalized in January 2023. For additional information, see *Item 1A. Risk Factors—Post-Authorization/Approval Data* and the *Product Development* sections of our 2021 Form 10-K.

In China, the following products received regulatory approvals in the last twelve months: Cresemba for fungal infection and Besponsa for second line acute lymphoblastic leukemia, both in December 2021; Paxlovid for COVID-19 infection in February 2022; Cibinqo for atopic dermatitis in April 2022; Lorbrena for non-small cell lung cancer (first line and second line therapy) in April 2022.

The following provides information about additional indications and new drug candidates in late-stage development:

	PRODUCT/CANDIDATE	PROPOSED DISEASE AREA
LATE-STAGE CLINICAL PROGRAMS FOR ADDITIONAL USES AND DOSAGE FORMS FOR IN-LINE AND IN-REGISTRATION PRODUCTS	Ibrance (palbociclib)[a]	ER+/HER2+ metastatic breast cancer
	Xtandi (enzalutamide)[b]	Non-metastatic high-risk castration sensitive prostate cancer
	Talzenna (talazoparib)	Combination with Xtandi (enzalutamide) for first-line mCRPC
		Combination with Xtandi (enzalutamide) for DNA Damage Repair (DDR)-deficient mCSPC
	PF-06482077 (Vaccine)	Immunization to prevent invasive and non-invasive pneumococcal infections (pediatric)
	somatrogon (PF-06836922)[c]	Adult growth hormone deficiency
	Braftovi (encorafenib) and Erbitux® (cetuximab)[d]	First-line $BRAF^{v600E}$-mutant mCRC
	Braftovi (encorafenib) and Mektovi (binimetinib) and Keytruda® (pembrolizumab)[e]	$BRAF^{v600E}$-mutant metastatic or unresectable locally advanced melanoma
	Paxlovid (nirmatrelvir [PF-07321332]; ritonavir)	COVID-19 infection (pediatric)
	zavegepant (oral)	Migraine prevention
NEW DRUG CANDIDATES IN LATE-STAGE DEVELOPMENT	aztreonam-avibactam (PF-06947387)	Treatment of infections caused by Gram-negative bacteria with limited or no treatment options
	fidanacogene elaparvovec (PF-06838435)[f]	Hemophilia B
	giroctocogene fitelparvovec (PF-07055480)[g]	Hemophilia A
	PF-06425090 (Vaccine)	Immunization to prevent primary clostridioides difficile infection
	PF-06886992 (Vaccine)	Immunization to prevent serogroups meningococcal infection (adolescent and young adults)
	PF-06928316 (Vaccine)	Immunization to prevent respiratory syncytial virus infection (maternal)
		Immunization to prevent respiratory syncytial virus infection (older adults)
	sasanlimab (PF-06801591)	Combination with Bacillus Calmette-Guerin for non-muscle-invasive bladder cancer
	fordadistrogene movaparvovec (PF-06939926)	Duchenne muscular dystrophy (ambulatory)
	marstacimab (PF-06741086)	Hemophilia
	elranatamab (PF-06863135)[h]	Multiple myeloma triple-class refractory
		Multiple myeloma double-class exposed
		Newly diagnosed multiple myeloma
	Omicron-based mRNA vaccine[i]	Immunization to prevent COVID-19 (adults)
	etrasimod (PF-07915503)	Ulcerative colitis (moderately to severely active)
	VLA15 (PF-07307405) vaccine[j]	Immunization to prevent Lyme Disease
	PF-07252220 (quadrivalent mRNA-based vaccine)	Immunization to prevent influenza
	inclacumab (PF-07940370)	Sickle Cell Disease

[a] Being developed in collaboration with The Alliance Foundation Trials, LLC.
[b] Being developed in collaboration with Astellas.
[c] Being developed in collaboration with OPKO.
[d] Erbitux® is a registered trademark of ImClone LLC. In the EU, we are developing in collaboration with the Pierre Fabre Group. In Japan, we are developing in collaboration with Ono Pharmaceutical Co., Ltd.
[e] Keytruda® is a registered trademark of Merck Sharp & Dohme Corp. In the EU, we are developing in collaboration with the Pierre Fabre Group. In Japan, we are developing in collaboration with Ono Pharmaceutical Co., Ltd.
[f] Being developed in collaboration with Spark Therapeutics, Inc.
[g] Being developed in collaboration with Sangamo Therapeutics, Inc.
[h] Multiple myeloma triple-class refractory is currently in a Phase 2 registration-enabling study.
[i] Being developed in collaboration with BioNTech.
[j] Being developed in collaboration with Valneva SE.

Myfembree combination with estradiol and norethindrone acetate for contraceptive efficacy is currently enrolling in a Phase 3 study as of November 2022 as a potential label update rather than a distinct registration, and has been removed from the table above.

For additional information about our R&D organization, see the *Item 1. Business—Research and Development* section of our 2021 Form 10-K.

NON-GAAP FINANCIAL MEASURE: ADJUSTED INCOME

Adjusted income is an alternative measure of performance used by management to evaluate our overall performance as a supplement to our GAAP reported performance measures. As such, we believe that investors' understanding of our performance is enhanced by disclosing this measure. We use Adjusted income, certain components of Adjusted income and

Adjusted diluted EPS to present the results of our major operations—the discovery, development, manufacture, marketing, sale and distribution of biopharmaceutical products worldwide—prior to considering certain income statement elements as follows:

Measure	Definition	Relevance of Metrics to Our Business Performance
Adjusted income	*Net income attributable to Pfizer Inc. common shareholders*[a] before the impact of amortization of intangible assets, certain acquisition-related items, discontinued operations and certain significant items	• Provides investors useful information to: ◦ evaluate the normal recurring operational activities, and their components, on a comparable year-over-year basis ◦ assist in modeling expected future performance on a normalized basis • Provides investors insight into the way we manage our budgeting and forecasting, how we evaluate and manage our recurring operations and how we reward and compensate our senior management[b]
Adjusted cost of sales, Adjusted selling, informational and administrative expenses, Adjusted research and development expenses and Adjusted other (income)/deductions—net	*Cost of sales, Selling, informational and administrative expenses, Research and development expenses* and *Other (income)/deductions—net*[a], each before the impact of amortization of intangible assets, certain acquisition-related items, discontinued operations and certain significant items, which are components of the Adjusted income measure	
Adjusted diluted EPS	*EPS attributable to Pfizer Inc. common shareholders—diluted*[a] before the impact of amortization of intangible assets, certain acquisition-related items, discontinued operations and certain significant items	

[a] Most directly comparable GAAP measure.

[b] The short-term incentive plans for substantially all non-sales-force employees worldwide are funded from a pool based on our performance, measured in significant part versus three budgeted metrics, one of which is Adjusted diluted EPS (as defined for annual incentive compensation purposes), which is derived from Adjusted income and accounts for 40% of the bonus pool funding tied to financial performance. Additionally, the payout for performance share awards is determined in part by Adjusted net income, which is derived from Adjusted income. Beginning in the first quarter of 2022, we no longer exclude any expenses for acquired IPR&D from our non-GAAP Adjusted results but we continue to exclude certain of these expenses for our financial results for annual incentive compensation purposes. The bonus pool funding, which is largely based on financial performance, is adjusted by our R&D pipeline performance, as measured by four metrics, and performance against certain of our environmental, social and governance (ESG) metrics, and may be further modified by our Compensation Committee's assessment of other factors.

Adjusted income and its components and Adjusted diluted EPS are non-GAAP financial measures that have no standardized meaning prescribed by GAAP and, therefore, are limited in their usefulness to investors. Because of their non-standardized definitions, they may not be comparable to the calculation of similar measures of other companies and are presented to permit investors to more fully understand how management assesses performance. A limitation of these measures is that they provide a view of our operations without including all events during a period, and do not provide a comparable view of our performance to peers. These measures are not, and should not be viewed as, substitutes for their most directly comparable GAAP measures of *Net income attributable to Pfizer Inc. common shareholders*, components of *Net income attributable to Pfizer Inc. common shareholders* and *EPS attributable to Pfizer Inc. common shareholders—diluted*, respectively.

We also recognize that, as internal measures of performance, these measures have limitations, and we do not restrict our performance-management process solely to these measures. We also use other tools designed to achieve the highest levels of performance. For example, our R&D organization has productivity targets, upon which its effectiveness is measured. In addition, total shareholder return, both on an absolute basis and relative to a publicly traded pharmaceutical index, plays a significant role in determining payouts under certain of our incentive compensation plans.

Beginning in the first quarter of 2022, our reconciliation of certain GAAP reported to non-GAAP adjusted information is updated to reflect the following, and prior-period information has been revised to conform to the current period presentation:

Adjusted Income and Adjusted Diluted EPS

Acquired IPR&D—Non-GAAP Adjusted financial measures include expenses for all acquired IPR&D costs incurred in connection with upfront and milestone payments on collaboration and in-license agreements, including premiums on equity securities, as well as asset acquisitions of acquired IPR&D. Previously, certain of these items were excluded from our non-GAAP adjusted results. Acquired IPR&D expenses that previously would have been excluded from non-GAAP Adjusted income but are now included in both GAAP Reported income and non-GAAP Adjusted income were approximately: (i) $426 million pre-tax ($389 million, net of tax), or $0.07 per share, in the third quarter of 2022; (ii) $765 million pre-tax ($665 million, net of tax), or $0.12 per share, in the first nine months of 2022; (iii) $706 million pre-tax ($540 million, net of tax), or $0.09 per share, in the third quarter of 2021 and (iv) $892 million pre-tax ($726 million, net of tax), or $0.13 per share, in the first nine months of 2021.

Amortization of Intangible Assets—We began excluding all amortization of intangibles from non-GAAP Adjusted income, compared to excluding only amortization of intangibles related to large mergers or acquisitions under the prior methodology, and presenting it as a separate reconciling line. Previously, the adjustment under the prior methodology was included as part of a reconciling line entitled "Purchase accounting adjustments" that we no longer separately present. The impact of this policy change resulted in benefits of $0.01 and $0.04 on Adjusted diluted EPS in the third quarter and first nine months of 2022, respectively, and $0.02 and $0.07 in the third quarter and first nine months of 2021, respectively.

Acquisition-Related Items—Adjusted income continues to exclude certain acquisition-related items, which are comprised of transaction, integration, restructuring charges and additional depreciation costs for business combinations because these costs are unique to each transaction and represent costs that were incurred to restructure and integrate businesses as a result of an acquisition. We have made no adjustments for resulting synergies. Beginning in the first quarter of 2022, acquisition-related items may now include purchase accounting impacts that previously would have been included as part of a reconciling line entitled "Purchase accounting adjustments" that we no longer separately present, such as: (i) the incremental charge to cost of sales from the sale of acquired inventory that was written up to fair value; (ii) depreciation related to the increase/decrease in fair value of acquired fixed assets; (iii) amortization related to the increase in fair value of acquired debt and (iv) the fair value changes for contingent consideration.

Discontinued Operations—Adjusted income continues to exclude the results of discontinued operations, as well as any related gains or losses on the disposal of such operations. We believe that this presentation is meaningful to investors because, while we review our therapeutic areas and product lines for strategic fit with our operations, we do not build or run our business with the intent to discontinue parts of our business. Restatements due to discontinued operations do not impact compensation or change the Adjusted income measure for the compensation in respect of the restated periods, but are presented for consistency across all periods.

Certain Significant Items—Adjusted income continues to exclude certain significant items representing substantive and/or unusual items that are evaluated individually on a quantitative and qualitative basis. Certain significant items may be highly variable and difficult to predict. Furthermore, in some cases it is reasonably possible that they could reoccur in future periods. For example, although major non-acquisition-related cost-reduction programs are specific to an event or goal with a defined term, we may have subsequent programs based on reorganizations of the business, cost productivity or in response to LOE or economic conditions. Legal charges to resolve litigation are also related to specific cases, which are facts and circumstances specific and, in some cases, may also be the result of litigation matters at acquired companies that were inestimable, not probable or unresolved at the date of acquisition. Gains and losses on equity securities, and pension and postretirement actuarial remeasurement gains and losses have a very high degree of inherent market volatility, which we do not control and cannot predict with any level of certainty and because we do not believe including these gains and losses assists investors in understanding our business or is reflective of our core operations and business. Unusual items represent items that are not part of our ongoing business; items that, either as a result of their nature or size, we would not expect to occur as part of our normal business on a regular basis; items that would be non-recurring; or items that relate to products we no longer sell.

See the *Reconciliations of GAAP Reported to Non-GAAP Adjusted information—Certain Line Items* below for a non-inclusive list of certain significant items and the *Non-GAAP Financial Measure: Adjusted Income* section within MD&A of our 2021 Form 10-K for additional information.

Reconciliations of GAAP Reported to Non-GAAP Adjusted Information—Certain Line Items

Data presented will not (in all cases) aggregate to totals. (MILLIONS, EXCEPT PER COMMON SHARE DATA)	Three Months Ended October 2, 2022				
	Cost of sales[a]	Selling, informational and administrative expenses[a]	Other (income)/deductions—net[a]	Net income attributable to Pfizer Inc. common shareholders[a]	Earnings per common share attributable to Pfizer Inc. common shareholders—diluted
GAAP reported	**$ 6,063**	**$ 3,391**	**$ (59)**	**$ 8,608**	**$ 1.51**
Amortization of intangible assets	—	—	—	822	
Acquisition-related items[b]	3	(2)	(12)	62	
Discontinued operations[c]	—	—	—	15	
Certain significant items:					
Restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring[d]	(20)	(137)	—	306	
Certain asset impairments[e]	—	—	(200)	200	
(Gains)/losses on equity securities	—	—	(111)	111	
Actuarial valuation and other pension and postretirement plan (gains)/losses	—	—	193	(193)	
Other[f]	(8)	(12)	(325)	349	
Income tax provision—non-GAAP items				(109)	
Non-GAAP adjusted	$ 6,038	$ 3,239	$ (515)	$ 10,172	$ 1.78

Data presented will not (in all cases) aggregate to totals. (MILLIONS, EXCEPT PER COMMON SHARE DATA)	Nine Months Ended October 2, 2022				
	Cost of sales[a]	Selling, informational and administrative expenses[a]	Other (income)/deductions—net[a]	Net income attributable to Pfizer Inc. common shareholders[a]	Earnings per common share attributable to Pfizer Inc. common shareholders—diluted
GAAP reported	**$ 24,696**	**$ 9,032**	**$ 1,063**	**$ 26,378**	**$ 4.60**
Amortization of intangible assets	—	—	—	2,478	
Acquisition-related items[b]	12	(5)	(51)	331	
Discontinued operations[c]	—	—	—	(9)	
Certain significant items:					
Restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring[d]	(62)	(344)	—	701	
Certain asset impairments[e]	—	—	(200)	200	
(Gains)/losses on equity securities	—	—	(1,348)	1,348	
Actuarial valuation and other pension and postretirement plan (gains)/losses	—	—	(225)	225	
Other[f]	(24)	(47)	(536)	621	
Income tax provision—Non-GAAP items				(1,107)	
Non-GAAP adjusted	$ 24,621	$ 8,635	$ (1,298)	$ 31,165	$ 5.44

Data presented will not (in all cases) aggregate to totals. (MILLIONS, EXCEPT PER COMMON SHARE DATA)	Three Months Ended October 3, 2021				
	Cost of sales[a]	Selling, informational and administrative expenses[a]	Other (income)/deductions—net[a]	Net income attributable to Pfizer Inc. common shareholders[a]	Earnings per common share attributable to Pfizer Inc. common shareholders—diluted
GAAP reported	**$ 9,932**	**$ 2,899**	**$ (1,696)**	**$ 8,146**	**$ 1.42**
Amortization of intangible assets	—	(9)	(1)	980	
Acquisition-related items	6	(1)	(47)	41	
Discontinued operations[c]	—	—	—	17	
Certain significant items:					
Restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring[d]	(28)	(150)	—	823	
(Gains)/losses on equity securities	—	—	400	(400)	
Actuarial valuation and other pension and postretirement plan (gains)/losses	—	—	899	(899)	
Other[f]	(11)	(20)	(126)	159	
Income tax provision—non-GAAP items				(1,587)	
Non-GAAP adjusted	$ 9,899	$ 2,719	$ (570)	$ 7,279	$ 1.27

Data presented will not (in all cases) aggregate to totals. (MILLIONS, EXCEPT PER COMMON SHARE DATA)	Nine Months Ended October 3, 2021				
	Cost of sales[a]	Selling, informational and administrative expenses[a]	Other (income)/deductions—net[a]	Net income attributable to Pfizer Inc. common shareholders[a]	Earnings per common share attributable to Pfizer Inc. common shareholders—diluted
GAAP reported	**$ 21,085**	**$ 8,599**	**$ (4,043)**	**$ 18,586**	**$ 3.27**
Amortization of intangible assets	—	(29)	(2)	2,778	
Acquisition-related items	17	(2)	(31)	14	
Discontinued operations[c]	—	—	—	353	
Certain significant items:					
Restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring[d]	(82)	(310)	—	1,057	
(Gains)/losses on equity securities	—	—	1,597	(1,597)	
Actuarial valuation and other pension and postretirement plan (gains)/losses	—	—	932	(932)	
Other[f]	(45)	(119)	(200)	370	
Income tax provision—Non-GAAP items				(1,976)	
Non-GAAP adjusted	$ 20,975	$ 8,140	$ (1,747)	$ 18,653	$ 3.28

[a] Items that reconcile GAAP Reported to non-GAAP Adjusted balances are shown pre-tax. Our effective tax rates for GAAP reported income from continuing operations were: 4.0% and 10.5% in the three and nine months ended October 2, 2022, respectively, and (4.2)% and 7.8% in the three and nine months ended October 3, 2021, respectively. See *Note 5*. Our effective tax rates on non-GAAP adjusted income were: 4.4% and 11.9% in the three and nine months ended October 2, 2022, respectively, and 14.7% and 15.7% in the three and nine months ended October 3, 2021, respectively.

[b] Acquisition-related items in the three and nine months ended October 2, 2022 primarily represent integration and other costs for the acquisition of Arena in March 2022. See *Note 2A*.

[c] Relates to the previously divested Meridian subsidiary and post-closing adjustments for other previously divested businesses. See *Note 2B*.

[d] Includes employee termination costs, asset impairments and other exit costs related to our cost-reduction and productivity initiatives not associated with acquisitions. See *Note 3*.

[e] See *Note 4*.

[f] For the third quarter of 2022, the total *Other (income)/deductions—net* adjustment of $325 million primarily includes charges of $212 million mostly representing our equity-method accounting pro rata share of costs of preparing for separation from GSK recorded by Haleon/the GSK Consumer Healthcare JV, and adjustments to our equity-method basis differences which are also related to the separation of Haleon/the GSK Consumer Healthcare JV from GSK, and charges of $77 million for certain legal matters. For the first nine months of 2022, the total *Other (income)/deductions—net* adjustment of $536 million primarily includes charges of $273 million mostly representing our equity-method accounting pro rata share of restructuring charges and costs of preparing for separation from GSK recorded by Haleon/the GSK Consumer Healthcare JV, and adjustments to our equity-method basis differences which are also related to the separation of Haleon/the GSK Consumer Healthcare JV from GSK, and charges of $175 million for certain legal matters. For the third quarter of 2021, the total *Other (income)/deductions—net* adjustment of $126 million primarily includes charges of $64 million for certain legal matters and charges of $55 million mostly representing our equity-method accounting pro rata share of restructuring charges and costs of preparing for separation from GSK recorded by the GSK Consumer Healthcare JV. For the first nine months of 2021, amounts in *Selling, informational and administrative expenses* of $119 million primarily include costs for consulting, legal, tax and advisory services associated with a non-recurring internal reorganization of legal entities. For the first nine months of 2021, the total *Other (income)/deductions—net* adjustment of $200 million primarily includes charges of $136 million mostly representing our equity-method accounting pro rata share of restructuring charges and costs of preparing for separation from GSK recorded by the GSK Consumer Healthcare JV, and charges of $92 million for certain legal matters. The third quarter and first nine months of 2022 and 2021 include insignificant reconciling amounts for *Research and development expenses*.

ANALYSIS OF THE CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Cash Flows from Continuing Operations

(MILLIONS)	Nine Months Ended October 2, 2022	Nine Months Ended October 3, 2021	Drivers of change
Cash provided by/(used in):			
Operating activities from continuing operations	$ 20,685	$ 26,993	The change was driven primarily by (i) a decrease in the change in amounts due to BioNTech for the gross profit split for Comirnaty (see *Note 8*), as well as (ii) the impact of timing of receipts and payments in the ordinary course of business, partially offset by (iii) higher net income adjusted for non-cash items, including an increase from non-cash unrealized losses on equity securities recognized in 2022, compared to unrealized gains recognized in 2021.
Investing activities from continuing operations	$ (11,373)	$ (19,951)	The change was driven mainly by a $19.2 billion increase in redemptions of short-term investments with original maturities of greater than three months and $4.0 billion of dividends received from our Haleon/GSK Consumer Healthcare JV investment that were allocated to investing activities, partially offset by $6.2 billion cash paid for the acquisition of Arena, net of cash acquired, a $3.7 billion increase in net purchases of short-term investments with original maturities of three months or less, and a $3.4 billion increase in purchases of short-term investments with original maturities of greater than three months.
Financing activities from continuing operations	$ (9,819)	$ (6,465)	The change was driven mostly by $2.0 billion purchases of the Company's common stock in 2022 and a $997 million decrease in proceeds from the issuance of long-term debt.

Cash Flows from Discontinued Operations—Cash flows from discontinued operations relate to previously divested businesses (see *Note 2B*).

ANALYSIS OF FINANCIAL CONDITION, LIQUIDITY, CAPITAL RESOURCES AND MARKET RISK

Due to our significant operating cash flows, which is a key strength of our liquidity and capital resources and our primary funding source, as well as our financial assets, access to capital markets, revolving credit agreements, and available lines of credit, we believe that we have, and will maintain, the ability to meet our liquidity needs to support ongoing operations, our capital allocation objectives, and our contractual and other obligations for the foreseeable future. For additional information, including information about off-balance sheet arrangements, see the *Analysis of Financial Condition, Liquidity, Capital Resources and Market Risk* section within MD&A in our 2021 Form 10-K. For information about the sources and uses of our funds, as well as our operating cash flows, see our condensed consolidated statements of cash flows, condensed consolidated balance sheets, condensed consolidated statements of equity, and the *Analysis of the Condensed Consolidated Statements of Cash Flows* within MD&A. For information on our money market funds, available-for sale-debt securities and long-term debt, see *Note 7*.

Debt Capacity—Lines of Credit—As of October 2, 2022, we had access to a $7 billion committed U.S. revolving credit facility expiring in 2026, which may be used for general corporate purposes including to support our commercial paper borrowings. In addition to the U.S. revolving credit facility, our lenders have provided us an additional $332 million in lines of credit, of which $302 million expire within one year. Essentially all lines of credit were unused as of October 2, 2022.

Capital Allocation Framework—Our capital allocation framework is primarily devised to facilitate (i) the achievement of medical breakthroughs through R&D investments and business development activities and (ii) returning capital to shareholders through dividends and share repurchases. See the *Overview of Our Performance, Operating Environment, Strategy and Outlook* section within this MD&A and within the MD&A of our 2021 Form 10-K.

In September 2022, our BOD declared a dividend of $0.40 per share, payable on December 5, 2022, to shareholders of record at the close of business on November 4, 2022.

In the first quarter of 2022, we purchased 39 million shares of our common stock at a cost of $2.0 billion under our publicly announced share purchase plan. See *Note 12* in our 2021 Form 10-K and *Unregistered Sales of Equity Securities and Use of Proceeds* in Part II, Item 2 for more information. At October 2, 2022, our remaining share-purchase authorization was approximately $3.3 billion.

In keeping with Pfizer's transformation into a more focused, global leader in science-based innovative medicines and vaccines, we intend to exit our 32% ownership interest in Haleon in a disciplined manner, with the objective of maximizing value for our shareholders. See *Note 2C*.

Off-Balance Sheet Arrangements—For information about off-balance sheet arrangements, see the *Analysis of Financial Condition, Liquidity, Capital Resources and Market Risk* section within MD&A in our 2021 Form 10-K. For more information on guarantees and indemnifications, see *Note 12B*.

In March 2022, in connection with GSK's previously announced planned demerger, the Consumer Healthcare JV issued notes of $8.75 billion, €2.35 billion and £700 million with various maturities. GSK guaranteed the notes and we agreed to indemnify GSK for 32% of any amount payable by GSK. In conjunction with the completion of GSK's demerger transactions in July 2022, GSK's guarantee and our related indemnification of GSK's guarantee were terminated. See *Note 2C*.

Global Economic Conditions—Beginning in our second quarter of 2022, our operations in Turkey function in a hyperinflationary economy. The impact to Pfizer is not considered material. For more information about global economic conditions, see the *Overview of Our Performance, Operating Environment, Strategy and Outlook—The Global Economic Environment* section within MD&A.

For additional information about our diverse sources of funds, global economic conditions, and information about credit ratings, market risk and LIBOR, see the *Analysis of Financial Condition, Liquidity, Capital Resources and Market Risk* section within MD&A in our 2021 Form 10-K.

NEW ACCOUNTING STANDARDS

Recently Adopted Accounting Standard

See *Note 1B*.

Recently Issued Accounting Standards, Not Adopted as of October 2, 2022

Standard/Description	Effective Date	Effect on the Financial Statements
Reference rate reform provides temporary optional expedients and exceptions to the guidance for contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued after 2021 because of reference rate reform. The new guidance provides the following optional expedients: 1. Simplify accounting analyses under current U.S. GAAP for contract modifications. 2. Simplify the assessment of hedge effectiveness and allow hedging relationships affected by reference rate reform to continue. 3. Allow a one-time election to sell or transfer debt securities classified as held to maturity that reference a rate affected by reference rate reform.	Elections can be adopted prospectively at any time through December 31, 2022.	We are assessing the impact, but currently do not expect this new guidance to have a material impact on our consolidated financial statements.
In June 2022, the FASB issued final guidance to clarify that a **contractual restriction on the sale of an equity security** is not considered part of the unit of account of the equity security and, therefore, is not considered when measuring fair value. Recognizing a contractual sale restriction as a separate unit of account is not permitted.	January 1, 2024, with early adoption permitted.	We are assessing the impact, but currently do not expect this new guidance to have a material impact on our consolidated financial statements.
In September 2022, the FASB issued final guidance to enhance transparency about an entity's use of **supplier finance programs**. Under the final guidance, the buyer in a supplier finance program is required to disclose information about the key terms of the program, outstanding confirmed amounts as of the end of the period, a rollforward of such amounts during each annual period, and a description of where in the financial statements outstanding amounts are presented.	January 1, 2023, except for the amendment on rollforward information, which is effective January 1, 2024. Early adoption is permitted.	We are assessing the impact, but currently we expect this new guidance to result in increased disclosure in the notes to financial statements.

FORWARD-LOOKING INFORMATION AND FACTORS THAT MAY AFFECT FUTURE RESULTS

This Form 10-Q contains forward-looking statements. We also provide forward-looking statements in other materials we release to the public, as well as public oral statements. Given their forward-looking nature, these statements involve substantial risks, uncertainties and potentially inaccurate assumptions.

We have tried, wherever possible, to identify such statements by using words such as "will," "may," "could," "likely," "ongoing," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "assume," "target," "forecast,"

“guidance,” “goal,” “objective,” “aim,” “seek,” “potential,” “hope” and other words and terms of similar meaning or by using future dates.

We include forward-looking information in our discussion of the following, among other topics:

- our anticipated operating and financial performance, reorganizations, business plans, strategy and prospects;
- expectations for our product pipeline, in-line products and product candidates, including anticipated regulatory submissions, data read-outs, study starts, approvals, launches, clinical trial results and other developing data, revenue contribution, growth, performance, timing of exclusivity and potential benefits;
- strategic reviews, capital allocation objectives, dividends and share repurchases;
- plans for and prospects of our acquisitions, dispositions and other business development activities, and our ability to successfully capitalize on these opportunities;
- sales, expenses, interest rates, foreign exchange rates and the outcome of contingencies, such as legal proceedings;
- expectations for impact of or changes to existing or new government regulations or laws;
- our ability to anticipate and respond to macroeconomic, geopolitical, health and industry trends, pandemics, acts of war and other large-scale crises; and
- manufacturing and product supply.

In particular, forward-looking information in this Form 10-Q includes statements relating to specific future actions and effects, including, among others, the expected benefits of the organizational changes to further transform our operations, our efforts to respond to COVID-19, including our plans and expectations regarding Comirnaty and Paxlovid, and any potential future vaccines or treatments; the forecasted revenue, demand, manufacturing and supply of Comirnaty and Paxlovid, including expectations of the commercial market for Comirnaty; our expectations regarding the impact of COVID-19 on our business; the expected impact of patent expiries and competition from generic manufacturers; the expected pricing pressures on our products and the anticipated impact to our business; the availability of raw materials for 2022; the expected charges and/or costs in connection with the spin-off of the Upjohn Business and its combination with Mylan; the benefits expected from our business development transactions; our anticipated liquidity position; the anticipated costs and savings from certain of our initiatives, including our Transforming to a More Focused Company program; and our planned capital spending.

Given their nature, we cannot assure that any outcome expressed in these forward-looking statements will be realized in whole or in part. Actual outcomes may vary materially from past results and those anticipated, estimated, implied or projected. These forward-looking statements may be affected by underlying assumptions that may prove inaccurate or incomplete, or by known or unknown risks and uncertainties, including those described in this section and in the *Item 1A. Risk Factors* section in our 2021 Form 10-K.

Therefore, you are cautioned not to unduly rely on forward-looking statements, which speak only as of the date of this Form 10-Q. We undertake no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law. You are advised, however, to consult any further disclosures we make on related subjects.

Some of the factors that could cause actual results to differ are identified below, as well as those discussed in the *Item 1A. Risk Factors* section in our 2021 Form 10-K and within MD&A. We note these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. The occurrence of any of the risks identified below, in the *Item 1A. Risk Factors* section in our 2021 Form 10-K or within MD&A, or other risks currently unknown, could have a material adverse effect on our business, financial condition or results, or we may be required to increase our accruals for contingencies. It is not possible to predict or identify all such factors. Consequently, you should not consider the following to be a complete discussion of all potential risks or uncertainties:

Risks Related to Our Business, Industry and Operations, and Business Development

- the outcome of R&D activities, including, the ability to meet anticipated pre-clinical or clinical endpoints, commencement and/or completion dates for our pre-clinical or clinical trials, regulatory submission dates, and/or regulatory approval and/or launch dates; the possibility of unfavorable pre-clinical and clinical trial results, including the possibility of unfavorable new pre-clinical or clinical data and/or further analyses of existing pre-clinical or clinical data; risks associated with preliminary, early stage or interim data; the risk that pre-clinical and clinical trial data are subject to differing interpretations and assessments, including during the peer review/publication process, in the scientific community generally, and by regulatory authorities; and whether and when additional data from our pipeline programs will be published in scientific journal publications, and if so, when and with what modifications and interpretations;
- our ability to successfully address comments received from regulatory authorities such as the FDA or the EMA, or obtain approval for new products and indications from regulators on a timely basis or at all; regulatory decisions impacting labeling, including the scope of indicated patient populations, product dosage, manufacturing processes, safety and/or other matters, including decisions relating to emerging developments regarding potential product impurities; the impact of, or uncertainties

regarding the ability to obtain, recommendations by technical or advisory committees; and the timing of pricing approvals and product launches;

- claims and concerns that may arise regarding the safety or efficacy of in-line products and product candidates, including claims and concerns that may arise from the outcome of post-approval clinical trials, which could impact marketing approval, product labeling, and/or availability or commercial potential, including uncertainties regarding the commercial or other impact of the results of the Xeljanz ORAL Surveillance (A3921133) study or actions by regulatory authorities based on analysis of ORAL Surveillance or other data, including on other JAK inhibitors in our portfolio;
- the success and impact of external business development activities, including the ability to identify and execute on potential business development opportunities; the ability to satisfy the conditions to closing of announced transactions in the anticipated time frame or at all; the ability to realize the anticipated benefits of any such transactions in the anticipated time frame or at all; the potential need for and impact of additional equity or debt financing to pursue these opportunities, which could result in increased leverage and/or a downgrade of our credit ratings; challenges integrating the businesses and operations; disruption to business and operations relationships; risks related to growing revenues for certain acquired products; significant transaction costs; and unknown liabilities;
- competition, including from new product entrants, in-line branded products, generic products, private label products, biosimilars and product candidates that treat or prevent diseases and conditions similar to those treated or intended to be prevented by our in-line products and product candidates;
- the ability to successfully market both new and existing products, including biosimilars;
- difficulties or delays in manufacturing, sales or marketing; supply disruptions, shortages or stock-outs at our facilities or third-party facilities that we rely on; and legal or regulatory actions;
- the impact of public health outbreaks, epidemics or pandemics (such as the COVID-19 pandemic), including the impact of vaccine mandates where applicable, on our business, operations and financial condition and results, including impacts on our employees, manufacturing, supply chain, sales and marketing, R&D and clinical trials;
- risks and uncertainties related to our efforts to develop and commercialize a vaccine to help prevent COVID-19 and an oral COVID-19 treatment, as well as challenges related to their manufacturing, supply and distribution;
- risks related to our ability to achieve our revenue forecasts for Comirnaty and Paxlovid or any potential future COVID-19 vaccines or treatments, including, among other things, whether and when additional supply or purchase agreements will be reached, the risk that demand for any products may be reduced or no longer exist and the possibility that COVID-19 will diminish in severity or prevalence or disappear entirely, which may lead to reduced revenues or excess inventory;
- trends toward managed care and healthcare cost containment, and our ability to obtain or maintain timely or adequate pricing or favorable formulary placement for our products;
- interest rate and foreign currency exchange rate fluctuations, including the impact of possible currency devaluations in countries experiencing high inflation rates;
- any significant issues involving our largest wholesale distributors or government customers, which account for a substantial portion of our revenues;
- the impact of the increased presence of counterfeit medicines or vaccines in the pharmaceutical supply chain;
- any significant issues related to the outsourcing of certain operational and staff functions to third parties; and any significant issues related to our JVs and other third-party business arrangements;
- uncertainties related to general economic, political, business, industry, regulatory and market conditions including, without limitation, uncertainties related to the impact on us, our customers, suppliers and lenders and counterparties to our foreign-exchange and interest-rate agreements of challenging global economic conditions, such as inflation, and recent and possible future changes in global financial markets;
- any changes in business, political and economic conditions due to actual or threatened terrorist activity, geopolitical instability, civil unrest or military action;
- the impact of product recalls, withdrawals and other unusual items, including uncertainties related to regulator-directed risk evaluations and assessments, including our ongoing evaluation of our product portfolio for the potential presence or formation of nitrosamines;
- trade buying patterns;
- the risk of an impairment charge related to our intangible assets, goodwill or equity-method investments;
- the impact of, and risks and uncertainties related to, restructurings and internal reorganizations, as well as any other corporate strategic initiatives, and cost-reduction and productivity initiatives, each of which requires upfront costs but may fail to yield anticipated benefits and may result in unexpected costs or organizational disruption;

Risks Related to Government Regulation and Legal Proceedings

- the impact of any U.S. healthcare reform or legislation or any significant spending reductions or cost controls affecting Medicare, Medicaid or other publicly funded or subsidized health programs, including the IRA, or changes in the tax treatment of employer-sponsored health insurance that may be implemented;
- U.S. federal or state legislation or regulatory action and/or policy efforts affecting, among other things, pharmaceutical product pricing, intellectual property, reimbursement or access or restrictions on U.S. direct-to-consumer advertising; limitations on interactions with healthcare professionals and other industry stakeholders; as well as pricing pressures for our products as a result of highly competitive insurance markets;
- legislation or regulatory action in markets outside of the U.S., including China, affecting pharmaceutical product pricing, intellectual property, reimbursement or access, including, in particular, continued government-mandated reductions in prices and access restrictions for certain biopharmaceutical products to control costs in those markets;
- the exposure of our operations globally to possible capital and exchange controls, economic conditions, expropriation and other restrictive government actions, changes in intellectual property legal protections and remedies, as well as the impact of political unrest or civil unrest or military action, including the ongoing conflict between Russia and Ukraine and the continued economic consequences, unstable governments and legal systems and inter-governmental disputes;
- legal defense costs, insurance expenses, settlement costs and contingencies, including those related to actual or alleged environmental contamination;
- the risk and impact of an adverse decision or settlement and the adequacy of reserves related to legal proceedings;
- the risk and impact of tax related litigation;
- governmental laws and regulations affecting our operations, including, without limitation, the recently enacted IRA, changes in laws and regulations or their interpretation, including, among others, changes in tax laws and regulations internationally and in the U.S., the potential adoption of global minimum taxation requirements and potential changes to existing tax law by the current U.S. Presidential administration and Congress;

Risks Related to Intellectual Property, Technology and Security

- any significant breakdown or interruption of our information technology systems and infrastructure (including cloud services);
- any business disruption, theft of confidential or proprietary information, extortion or integrity compromise resulting from a cyber-attack or other malfeasance by third parties, including, but not limited to, nation states, employees, business partners or others;
- the risk that our currently pending or future patent applications may not be granted on a timely basis or at all, or any patent-term extensions that we seek may not be granted on a timely basis, if at all; and
- our ability to protect our patents and other intellectual property, such as against claims of invalidity that could result in LOE; claims of patent infringement, including asserted and/or unasserted intellectual property claims; challenges faced by our collaboration or licensing partners to the validity of their patent rights; and in response to any pressure, or legal or regulatory action by, various stakeholders or governments that could potentially result in us not seeking intellectual property protection for or agreeing not to enforce or being restricted from enforcing intellectual property related to our products, including Comirnaty and Paxlovid.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information required by this item is incorporated by reference from the discussion in the *Analysis of Financial Condition, Liquidity, Capital Resources and Market Risk* section within MD&A of our 2021 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective in alerting them in a timely manner to material information required to be disclosed in our periodic reports filed with the SEC.

During our most recent fiscal quarter, there has not been any change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Certain legal proceedings in which we are involved are discussed in *Note 12A*.

ITEM 1A. RISK FACTORS

We refer to the *Overview of Our Performance, Operating Environment, Strategy and Outlook—Our Operating Environment* and *—The Global Economic Environment* sections and the *Forward-Looking Information and Factors That May Affect Future Results* section of the MD&A of this Form 10-Q and of our 2021 Form 10-K and to the *Item 1A. Risk Factors* section of our 2021 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following summarizes purchases of our common stock during the third quarter of 2022:

Period	Total Number of Shares Purchased[a]	Average Price Paid per Share[a]	Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Value of Shares That May Yet Be Purchased Under the Plan[b]
July 4 through July 31, 2022	29,527	$ 52.06	—	$ 3,292,882,444
August 1 through August 28, 2022	18,768	$ 50.29	—	$ 3,292,882,444
August 29 through October 2, 2022	85,565	$ 45.46	—	$ 3,292,882,444
Total	133,860	$ 47.59	—	

[a] Represents (i) 131,564 shares of common stock surrendered to the Company to satisfy tax withholding obligations in connection with the vesting of awards under our long-term incentive programs and (ii) the open market purchase by the trustee of 2,296 shares of common stock in connection with the reinvestment of dividends paid on common stock held in trust for employees who deferred receipt of performance share awards.

[b] See the *Analysis of Financial Condition, Liquidity, Capital Resources and Market Risk—Capital Allocation Framework* section within the MD&A of this Form 10-Q and *Note 12* in our 2021 Form 10-K.

ITEM 6. EXHIBITS

Exhibit 31.1	-	Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2	-	Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.1	-	Certification by the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.2	-	Certification by the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101:		
EX-101.INS		XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
EX-101.SCH		Inline XBRL Taxonomy Extension Schema
EX-101.CAL		Inline XBRL Taxonomy Extension Calculation Linkbase
EX-101.LAB		Inline XBRL Taxonomy Extension Label Linkbase
EX-101.PRE		Inline XBRL Taxonomy Extension Presentation Linkbase
EX-101.DEF		Inline XBRL Taxonomy Extension Definition Document
Exhibit 104		Cover Page Interactive Data File—the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Pfizer Inc.
(Registrant)

Dated: November 9, 2022

/s/ Jennifer B. Damico
Jennifer B. Damico
Senior Vice President and Controller
(Principal Accounting Officer and
Duly Authorized Officer)

EXHIBIT 31.1

Certification by the Chief Executive Officer Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Albert Bourla, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pfizer Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2022

/s/ ALBERT BOURLA
Albert Bourla
Chairman and Chief Executive Officer

EXHIBIT 31.2

Certification by the Chief Financial Officer Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, David M. Denton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pfizer Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2022

/s/ DAVID M. DENTON
David M. Denton
Chief Financial Officer, Executive Vice President

EXHIBIT 32.1

Certification by the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, I, Albert Bourla, hereby certify that, to the best of my knowledge, the Quarterly Report on Form 10-Q of Pfizer Inc. for the fiscal quarter ended October 2, 2022 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, and that the information contained in that Report fairly presents, in all material respects, the financial condition and results of operations of Pfizer Inc.

/s/ ALBERT BOURLA
Albert Bourla
Chairman and Chief Executive Officer

November 9, 2022

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

EXHIBIT 32.2

Certification by the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, I, David M. Denton, hereby certify that, to the best of my knowledge, the Quarterly Report on Form 10-Q of Pfizer Inc. for the fiscal quarter ended October 2, 2022 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, and that the information contained in that Report fairly presents, in all material respects, the financial condition and results of operations of Pfizer Inc.

/s/ DAVID M. DENTON
David M. Denton
Chief Financial Officer, Executive Vice President

November 9, 2022

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.