Fourth-Quarter 2023 Earnings Conference Call Prepared Remarks
January 30, 2024

[Slide 4: Opening Remarks – Albert Bourla]

Albert Bourla – ***Pfizer Inc. – Chairman and Chief Executive Officer***

[Slide 5: 2023: Building on a Strong Foundation]

I'd like to begin with a few reflections on 2023.

We missed our initial internal projections and Street expectations predominantly related to our COVID products. This affected our stock price performance.

Despite this challenging year, there were a few great things that happened in 2023 that may have gotten lost amidst the missed expectations.

First, in 2023, Pfizer impacted the lives of ~618 million people around the world. We believe there is no other company that can reach as many people and patients as Pfizer. If you multiply that with our brand equity and awareness, it creates a connection with consumers that can be a very strong asset for us.

Second, despite the decline in revenue from our COVID products, as of the reported results for the first nine months of 2023, we were the #1 pharmaceutical company in terms of revenues from pharma-only products, a marked improvement from our #4 position in 2019.

Next, 2023 was a record year for FDA approvals with 9 new molecular entity approvals and many more approvals for new indications in already approved products, marking a very productive year of pipeline execution for Pfizer.

Finally, we closed the Seagen acquisition. In the current regulatory environment, being able to close such a large acquisition demonstrates our ability to successfully engage with regulatory bodies.

Our deliberate and strategic efforts throughout 2023 created a strong foundation to support us. We are now focused on maximizing the opportunities that have positioned us for success and our team is driving confidently as we start 2024.

From the advent of penicillin to the development of the COVID-19 vaccine, Pfizer has been at the forefront of medical and pharmaceutical breakthroughs for the past 175 years that have not only changed patient lives but have changed history.

Our strategy to continue to build on our proud history of innovation and commercial excellence is supported by the power and strength of our unmatched global scale and footprint, spanning commercial, financial, medical, regulatory, manufacturing and government relations.

We have a clear view of how we will deliver operational, commercial and financial success across our business.

[Slide 6: 2024 Key Priorities]

Our confidence stems from the opportunity we have to bring additional focus to our business by executing five strategic priorities. We will get into each in more detail but the 5 key priorities for Pfizer this year are to:

- Achieve world-class oncology leadership
- Deliver the next wave of pipeline innovation
- Maximize performance of our new products
- Expand margins by realigning our cost base
- Allocate capital to enhance shareholder value

I'm confident that Pfizer is well positioned to execute and that we can deliver meaningful value for our patients and our shareholders.

[Slide 7: Achieve World-Class Oncology Leadership]

Our first priority is to **achieve world-class oncology leadership**, which we believe we are in a strong position to do.

- As a reminder, one in three people will be diagnosed with cancer in their lifetime. Oncology represents one of the largest and fastest growing therapeutic areas.
- Completing the acquisition of Seagen doubled our oncology research and resources overnight, and meaningfully extended the reach and medical impact of our U.S. commercial and medical footprint, with a range of portfolio expansion opportunities boosted by Seagen's broad and deep pipeline.
- Seagen's in-line medicines are expected to immediately enhance Pfizer's top-line growth, and our combined portfolio provides the opportunity to lead genitourinary cancers and be a leader in breast cancer and deliver at least eight potential blockbuster products by 2030.
- We look forward to providing more information about our oncology platform at our Pfizer Oncology Innovation Day on February 29.

[Slide 8: Achieve World-Class Oncology Leadership: Selected Anticipated 2024 Key Catalysts]

As we build our leadership position, we have multiple potential key oncology catalysts in 2024 that we are acutely focused on:

On the **commercial** side, we expect:

- The **PADCEV** launch in locally advanced/metastatic bladder cancer in combination with pembrolizumab and **XTANDI** launch in nonmetastic castration-sensitive prostate cancer.

We are excited by the strength of the **PADCEV EV-302** data and recent FDA approval, as it represents an opportunity to broaden the reach of this potentially practice-changing, platinum-free regimen to even more patients in the frontline metastatic urothelial cancer setting.

Essentially, the recent approval doubles the addressable population, which had already doubled this past spring.

We are also looking forward to **Phase 3 Data readouts** from:

- **Vepdegestrant** in second line HR+ mBC and **Braftovi** in 1L *BRAF* CRC

We also plan to advance our late-stage pipeline with **Phase 3 Study Starts** of:

- **CDK4**i in post-CDK4/6 mBC and **B6A** in NSCLC

Building on Pfizer's pipeline of potential medicines across breast cancer, genitourinary cancer, hematology and CRC, our **CDK4** inhibitor could be a compelling follow-on to IBRANCE.

And finally, in the **early-stage pipeline**, we look forward to initiating first-in-patient studies of **four new ADC candidates** this year, where we believe we have acquired the expertise to be a leader.

[Slide 9: Deliver Next Wave of Pipeline Innovation]

Our second priority is to **deliver the next wave of pipeline innovation** with discovery and development across our therapeutic areas outside of Oncology in Vaccines, Anti-Infectives, Internal Medicine Metabolic Diseases, and Inflammation and Immunology.

In 2024, we plan to continue to make meaningful investments in R&D. In fact, Pfizer's R&D budget is one of the highest in the industry, and supports our robust pipeline. We are pursuing cutting-edge science across modalities and platforms to deliver the next generation of potential breakthroughs. We are also leveraging AI and other digital tools across the value chain to increase speed and success rates.

Starting first with our **4th-generation PCV vaccine candidate**, which recently entered the clinic and received FDA Fast Track designation. Building on our deep heritage with PREVNAR, we aim to solidify our leadership in the pneumococcal vaccine space by increasing valency and serotype immunogenicity while maintaining our unique FDA label which includes both IPD and pneumococcal pneumonia in adults.

Respiratory vaccine combinations are another area where we are poised to lead, building upon our successful COVID vaccine. With the first-generation standalone mRNA flu vaccine, data demonstrated superior relative efficacy versus a recommended flu vaccine in 18–64-year-olds, but did not meet success criteria for immunogenicity for the B strains. Our second-generation flu vaccine was tested in a phase 2 COVID/Flu combination study for 18–64-year-olds and has shown encouraging results in both the A and B strains. This new construct has now moved into a Phase 3 COVID/Flu combination trial.

Moving next to **GBT-601**. Our next-generation and potentially best-in-class HbS polymerization inhibitor represents a potential step-wise evolution over Oxbryta for sickle cell disease. Recent data presented at ASH 2023 demonstrated multiple blood parameters approaching normal ranges with treatment, suggesting GBT-601 may have the potential to deliver strong efficacy with the convenience of a once-daily pill.

I've reaffirmed our commitment to our emerging **cardiometabolic programs**, with several early clinical development compounds.

On the other end of the weight management spectrum, we have **Ponsegromab**, a GDF15 neutralizing antibody for cancer cachexia with Phase 2 data expected later this year. Ponsegromab has the potential to be first-in-class and the first FDA-approved treatment for cancer cachexia, which accounts for 20-30% of all cancer deaths.

[Slide 10: Maximize Performance of New Products]

Our third priority is to **maximize the performance of our new products** and core franchises through a relentless focus on execution, to continue growing our top line.

- To do this we are prioritizing and focusing, while leveraging data to make changes quickly and adapt.
- Our Pfizer U.S. Commercial and Pfizer International Commercial organizations will leverage a more focused, efficient structure to drive executional excellence in their respective markets and expand reach to drive growth over the next several years. To discuss a few examples:
    - We continue to be very enthusiastic about the potential of **Nurtec** to help the more than one billion people living with migraines worldwide. As access and prescriptions in the U.S. and globally continue to increase, we will continue to focus on direct-to-consumer marketing and reducing barriers to access and affordability for HCPs and patients.

    - With **Oxbryta**, we will continue to educate HCPs and patients on the importance of proactively treating the underlying cause of sickle cell disease by reframing treatment goals to chronic/proactive treatment.
    - With **Abrysvo**, we are focused on increasing overall RSV market growth and market share by establishing RSV vaccination as a year-round discussion and expanding our retail contracting and offerings.
    - With **Elrexfio**, we are focused on educating HCPs in both academic institutions and in the community, awareness building and new patient trialists.
    - Coming off the initial launch of **Velsipity**, we are focused on helping ensure patient access to Velsipity as a first-line advanced therapy oral option.
    - With **Litfulo**, we continue to accelerate the consideration of advanced systemic treatments for appropriate alopecia areata patients and further unlock access to Litfulo.
- In addition, we continue to protect and grow our core franchises and key blockbusters (including Prevnar, Vyndaqel and Eliquis), while exploring further opportunities to advance a number of innovative combination regimens.
- We believe we are well positioned to bring our global commercial manufacturing and supply capabilities to accelerate current and future marketed products.

We believe all these components support our growth potential through 2024 and drive growth potential into 2025.

We plan to provide updates throughout the year on how we are advancing these strategic priorities.

With that, I will turn the call over to Dave who will discuss our financial performance, our initiative to realign our cost base, and our capital allocation strategy to enhance shareholder value.

[Slide 11: Financial Review – David Denton]

David Denton – ***Pfizer Inc. – Chief Financial Officer, Executive Vice President***

Thank you, Albert, and good morning.

As we enter 2024, we are clearly focused on a small number of critical priorities. They include

- building a world-class Oncology organization,
- ensuring our next wave of pipeline innovations,
- maximizing our new product portfolio performance with a more efficient commercial structure, and
- right-sizing our cost base.

With that said, let me start with our full-year and fourth-quarter results, then touch on our capital allocation priorities. I'll finish with a few comments on 2024 guidance and the near-term expectations that set this year as a foundational year to drive our growth potential in the latter half of the decade.

[Slide 12: FY 2023 Revenues and Adjusted Diluted EPS]

For the full year 2023, we recorded revenues of $58.5 billion, achieving 7% operational growth, solidly in line with our expectations when excluding contributions from Comirnaty and Paxlovid. The significant sales decline in our COVID products, including a $3.5 billion revenue reversal for Paxlovid, were the primary drivers of an overall 41% operational decrease year-over-year. And with the expectation that Seagen will be a substantial growth contributor in 2024 and beyond, our full year and fourth-quarter results included approximately $120 million in Seagen product revenue after the close of the acquisition on December 14th.

On the bottom line, we reported full year 23 diluted EPS of $0.37, a 93% Year-over-year decline, and Adjusted diluted EPS of $1.84, down 72% Year-over-year. This decline is primarily due to:

- a significant decrease in sales for both Comirnaty and Paxlovid;
- the impact of a $3.5 billion revenue reversal for Paxlovid recorded in the fourth quarter related to an expected return of an estimated 6.5 million unused EUA-labeled treatment courses from the U.S. government; and
- a non-cash inventory write-off and other charges of $5.6 billion recorded in the third quarter for Paxlovid and to a lesser extent Comirnaty.

[Slide 13: Quarterly Statement of Operations Highlights]

Turning to the quarter, I'd like to highlight we delivered a solid 8% year-over-year operational revenue growth excluding Comirnaty and Paxlovid. Contributing to this strong performance were our newly approved RSV vaccine, Abrysvo (Uh-BRIZ-voh), as well as Vyndaqel, and Eliquis; partially offset by lower revenues for Ibrance and the Prevnar Family.

However, our Q4 results, both top and bottom-line, continued to be significantly, and negatively, impacted by our COVID products on a year-over-year basis. Revenues declined 42% operationally, the result of a significant decrease in both Comirnaty and Paxlovid sales.

Adjusted Cost of Sales as a percentage of revenues increased by 12 percentage points driven primarily by the $3.5 billion non-cash Paxlovid revenue reversal, and to a much lesser extent, unfavorable changes in sales mix.

Overall, our Adjusted operating expenses declined 10% compared to Q4 last year.

Adjusted SI&A Expenses increased 1% operationally in the quarter primarily driven by the timing of marketing and promotional activities, including those related to recently launched and acquired products.

Consistent with our strategy we have been focused on re-prioritizing our R&D spending to enhance overall returns.

Adjusted R&D Expenses decreased 24% operationally, driven primarily by lower spending across both vaccine programs and certain acquired assets, as well as lower compensation-related expenses.

Both our Reported diluted loss per share of $(0.60) and our Adjusted diluted earnings per share of ten cents for the quarter were negatively impacted by the $3.5 billion Paxlovid revenue reversal, which dampened reported Adjusted diluted EPS by approximately $(0.54). Continued declines in both Comirnaty and Paxlovid sales also negatively affected our performance in the quarter.

Foreign exchange movements had an immaterial impact compared to last year's fourth quarter.

As we are increasingly focused on prioritizing our investments to drive forward-looking growth, our GAAP results include a $1.4 billion intangible asset impairment charge associated with etrasimod, based on a change in development plans for additional indications and overall revenue expectations, but I will point out that this product is still projected to contribute over a billion dollars in peak annual sales. Additionally, we recorded a nearly $1 billion intangible asset impairment for Prevnar 13 reflecting a transition to vaccines with higher sero-type coverage.

[Slide 14: Efficient Cash Deployment Strategy Focused on Three Pillars]

As discussed in prior quarters, our capital allocation strategy is designed to enhance shareholder value and is based on three core pillars: growing our dividend, reinvesting in the business, and making share repurchases after de-levering our balance sheet.

For 2023, we:

- Returned $9.2 billion to shareholders via our quarterly dividend;
- Invested $10.7 billion in internal R&D;
- And, invested approximately $44 billion in completed business development transactions, net of cash acquired, essentially all for the acquisition of Seagen

Our expectation is to maintain and grow our dividend while de-levering our capital structure—with a gross leverage target of 3.25x and a goal to preserve our credit rating and access to Tier-1 commercial paper.

Upon achieving our de-levering goals we anticipate returning to a more balanced capital allocation strategy, inclusive of share repurchases.

[Slide 15: Reaffirms 2024 Financial Guidance]

Given we issued our full-year 2024 revenue and Adjusted diluted EPS guidance on December 13th, let me hit a few highlights.

We expect total company full-year 2024 revenues to be in the range of $58.5 to $61.5 billion, which reflects our expectation of strong contributions across our product portfolio. Importantly, excluding Comirnaty and Paxlovid, we anticipate operational revenue growth of 8%-10%.

We remain confident on delivering at least $4 billion of net savings from our cost-realignment program by the end of the year. We believe right sizing the cost base will put us on a strong footing towards margin expansion and increased operational efficiency moving forward.

We expect Adjusted diluted EPS to be in the range of $2.05 to $2.25 for the full-year 2024—and as a reminder, this range is inclusive of an anticipated $(0.40) of earnings dilution from the Seagen acquisition, with the vast majority of this dilution resulting from the financing costs associated with the deal.

Cycling into 2024, we have significantly invested in our business to fuel our longer-term growth, and the foundation is set to deliver on our commitment to enhance shareholder value. We are acutely focused on driving near term performance while solidifying our growth expectations for the back half of the decade.

And with that, I'd like to turn it back over to Albert to start the Q&A session.

Disclosure Notice*: This material represents prepared remarks for Pfizer Inc.'s earnings conference call and is not an official transcript. Except where otherwise noted, the information contained in these prepared remarks is as of January 30, 2024. We assume no obligation to update any forward-looking statements contained in these prepared remarks as a result of new information or future events or developments.*

These prepared remarks contain forward-looking statements about, among other topics, our anticipated operating and financial performance, including financial guidance and projections; reorganizations; business plans, strategy, goals and prospects; our Environmental, Social and Governance (ESG) priorities, strategy and goals; 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 and projections, potential pricing and reimbursement, potential market dynamics, including patient demand, market size and utilization rates and growth, performance, timing of exclusivity and potential benefits; strategic reviews; capital allocation objectives; an enterprise-wide cost realignment program, which we launched in October 2023 (including anticipated costs, savings and potential benefits); dividends and share repurchases; plans for and prospects of our

acquisitions, dispositions and other business development activities, including our recent acquisition of Seagen, and our ability to successfully capitalize on growth opportunities and prospects; manufacturing and product supply; our ongoing efforts to respond to COVID-19, including our plans and expectations regarding Comirnaty (as defined in our fourth quarter of 2023 earnings release) and our oral COVID-19 treatment (Paxlovid); and our expectations regarding the impact of COVID-19 on our business, operations and financial results. Given their forward-looking nature, these statements involve substantial risks, uncertainties and potentially inaccurate assumptions and we cannot assure that any outcome expressed in these forward-looking statements will be realized in whole or in part. You can identify these statements by the fact that they use future dates or use 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. Pfizer's financial guidance is based on estimates and assumptions that are subject to significant uncertainties.

Among the factors that could cause actual results to differ materially from past results and future plans and projected future results are the following:

<u>Risks Related to Our Business, Industry and Operations, and Business Development:</u>

- *the outcome of research and development (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 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 U.S. Food and Drug Administration or the European Medicines Agency, 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; uncertainties regarding the ability to obtain, and the scope of, recommendations by technical or advisory committees; and the timing of, and ability to obtain, pricing approvals and product launches, all of which could impact the availability or commercial potential of our products and product candidates;*

- *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;*
- *the success and impact of external business development activities, such as the recent acquisition of Seagen, 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 further 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 or partnered 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 COVID-19) on our business, operations and financial condition and results, including impacts on our employees, manufacturing, supply chain, sales and marketing, research and development and clinical trials;*
- *risks and uncertainties related to our efforts to develop and commercialize our COVID-19 products, as well as challenges related to their manufacturing, supply and distribution, including, among others, the risk that as the market for COVID-19 products becomes more endemic and seasonal, demand for any of our COVID-19 products has and may continue to be reduced or not meet expectations, or may no longer exist, which has and may continue to lead to reduced revenues, excess inventory on-hand and/or in the channel which, for Paxlovid and Comirnaty, has resulted in significant inventory write-offs in 2023 and could continue to result in inventory write-offs or other unanticipated charges; challenges related to the transition to the commercial market for our COVID-19 products; uncertainties related to the public's demand for vaccines, boosters and COVID-19 treatments; risks related to our ability to accurately forecast and achieve our revenue forecasts for Comirnaty and Paxlovid or any potential future COVID-19 vaccines or treatments; uncertainties inherent in R&D, including the ability to meet anticipated clinical endpoints, commencement and/or completion dates for clinical trials, regulatory submission dates, regulatory approval dates and/or*

launch dates, as well as risks associated with pre-clinical and clinical data (including Phase 1/2/3 or Phase 4 data for Comirnaty or any vaccine candidate in the BNT162 program or Paxlovid or any future COVID-19 treatment) in any of our studies in pediatrics, adolescents or adults or real world evidence, including the possibility of unfavorable new pre-clinical, clinical or safety data and further analyses of existing pre-clinical, clinical or safety data or further information regarding the quality of pre-clinical, clinical or safety data, including by audit or inspection; the ability to produce comparable clinical or other results for Comirnaty, any vaccine candidate or other vaccines that may result from the BNT162 program, Paxlovid or any future COVID-19 treatment or any other COVID-19 program, including the rate of effectiveness and/or efficacy, safety and tolerability profile observed to date, in additional analyses of the Phase 3 trial for any such products and additional studies, in real-world data studies or in larger, more diverse populations following commercialization; the ability of Comirnaty or any future vaccine to prevent, or Paxlovid or any future COVID-19 treatment to be effective against, COVID-19 caused by emerging virus variants; the risk that use of Comirnaty or Paxlovid will lead to new information about efficacy, safety or other developments, including the risk of additional adverse reactions, some of which may be serious; 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; whether and when additional data from the BNT162 program, Paxlovid or other COVID-19 programs will be published in scientific journal publications and, if so, when and with what modifications and interpretations; whether regulatory authorities will be satisfied with the design of and results from existing or future pre-clinical and clinical studies; whether and when submissions to request emergency use or conditional marketing authorizations for Comirnaty or any future vaccines in additional populations, for a potential booster dose for Comirnaty, or any potential future vaccine or vaccine candidates (including potential future annual boosters or re-vaccinations), and/or biologics license and/or EUA applications or amendments to any such applications may be filed in particular jurisdictions for Comirnaty or any other potential vaccine or vaccine candidates, and if obtained, whether or when such EUA or licenses, or existing EUAs, will expire or terminate; whether and when submissions to request emergency use or conditional marketing authorizations for Paxlovid or any future COVID-19 treatment and/or any drug applications and/or EUA applications or amendments to any such applications for any indication for Paxlovid or any future COVID-19 treatment may be filed in particular jurisdictions, and if obtained, whether or when such EUA or licenses, or existing EUAs, will expire or terminate; whether and when any application that may be pending or filed for Comirnaty, any vaccine candidate or other vaccines that may result from the BNT162 program, Paxlovid or any future COVID-19 treatment or any other COVID-19 program may be approved by particular regulatory authorities, which will depend on myriad factors, including making a determination as to whether the vaccine's or drug's benefits outweigh its known risks and

determination of the vaccine's or drug's efficacy and, if approved, whether it will be commercially successful; decisions by regulatory authorities impacting labeling or marketing, manufacturing processes, safety and/or other matters that could affect the availability or commercial potential of any vaccine or drug, including the authorization or approval of products or therapies developed by other companies; disruptions in the relationships between us and our collaboration partners, clinical trial sites or third-party suppliers, including our relationship with BioNTech; the risk that other companies may produce competitive products that may be superior in terms of efficacy, safety, affordability, convenience, or a number of other competitive factors; risks related to the availability or cost of raw materials to manufacture or test any such products; challenges related to our vaccine's formulation and attendant storage, distribution and administration requirements, including risks related to storage and handling after delivery by us; challenges and risks related to medication errors such as prescribing or dispensing the wrong strength, improper dosing and self-administration errors; the risk that we may not be able to successfully develop other vaccine formulations, booster doses or potential future vaccines, potential combination respiratory vaccines or next generation COVID-19 treatments; the risk that we may not be able to recoup costs associated with our R&D and manufacturing efforts; risks associated with any changes in the way we approach or provide research funding for the BNT162 program, Paxlovid or any other COVID-19 program; challenges and risks associated with the pace of our development programs; the risk that we may not be able to maintain manufacturing capacity or access to logistics or supply channels commensurate with global demand for our COVID-19 products, which would negatively impact our ability to supply our COVID-19 products within the projected time periods; whether and when additional supply or purchase agreements will be reached or existing agreements will be modified; uncertainties regarding the ability to obtain recommendations from vaccine or treatment advisory or technical committees and other public health authorities and uncertainties regarding the commercial impact of any such recommendations; pricing and access challenges for such products; challenges related to public confidence in, or awareness of Comirnaty, Paxlovid or any future COVID-19 product candidates, including challenges driven by misinformation or disinformation, access, concerns about clinical data integrity, or prescriber and pharmacy education; trade restrictions; potential third-party royalties or other claims related to Comirnaty or Paxlovid; and competitive developments;

- *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 currency devaluations and monetary policy actions in countries experiencing high inflation or deflation 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, vaccines or other products in the pharmaceutical supply chain;*
- *any significant issues related to the outsourcing of certain operational and staff functions to third parties;*
- *any significant issues related to our JVs and other third-party business arrangements, including modifications related to supply agreements or other contracts with customers including governments or other payors;*
- *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 or interest rate fluctuations, and recent and possible future changes in global financial markets;*
- *the exposure of our operations globally to possible capital and exchange controls, economic conditions, expropriation, sanctions and/or other restrictive government actions, changes in intellectual property legal protections and remedies, unstable governments and legal systems and inter-governmental disputes;*
- *the impact of disruptions related to climate change and natural disasters, including uncertainties related to the impact of the tornado at our manufacturing facility in Rocky Mount, NC in 2023;*
- *any changes in business, political and economic conditions due to actual or threatened terrorist activity, geopolitical instability, political or civil unrest or military action, including the ongoing conflicts between Russia and Ukraine and in the Middle East and the resulting economic or other consequences;*
- *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 growth strategies, 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, organizational disruption, adverse effects on employee morale, retention issues or other unintended consequences;*
- *the ability to successfully achieve our climate goals and progress our environmental sustainability and other ESG priorities;*

Risks Related to Government Regulation and Legal Proceedings:

- *the impact of any U.S. healthcare reform or legislation or any significant spending reduction or cost control efforts affecting Medicare, Medicaid or other publicly funded or subsidized health programs, including the Inflation Reduction Act of 2022, 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 biopharmaceutical markets;*
- *legislation or regulatory action in markets outside of the U.S., such as China or Europe, including, without limitation, laws related to pharmaceutical product pricing, intellectual property, medical regulation, environmental protections, 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;*
- *legal defense costs, insurance expenses, settlement costs and contingencies, including without limitation, those related to actual or alleged environmental contamination;*
- *the risk and impact of an adverse decision or settlement and risk related to the adequacy of reserves related to legal proceedings;*
- *the risk and impact of tax related litigation and investigations;*
- *governmental laws and regulations affecting our operations, including, without limitation, the Inflation Reduction Act of 2022, changes in laws and regulations or their interpretation, including, among others, changes in tax laws and regulations internationally and in the U.S., the adoption of global minimum taxation requirements outside the U.S. generally effective in most jurisdictions since January 1, 2024 and potential changes to existing tax law by the current U.S. Presidential administration and Congress, including the proposed "Tax Relief for American Families and Workers Act of 2024";*

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, security threats on facilities or infrastructure, extortion or integrity compromise resulting from a cyber-attack or other malfeasance by, but not limited to, nation states, employees, business partners or others;*
- *risks and challenges related to the use of artificial intelligence-based software;*

- *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*
- *risks to our products, patents and other intellectual property, such as: (i) claims of invalidity that could result in loss of exclusivity; (ii) claims of patent infringement, including asserted and/or unasserted intellectual property claims; (iii) claims we may assert against intellectual property rights held by third parties; (iv) challenges faced by our collaboration or licensing partners to the validity of their patent rights; or (v) any pressure, or legal or regulatory action by, various stakeholders or governments that could potentially result in us not seeking intellectual property protection or agreeing not to enforce or being restricted from enforcing intellectual property rights related to our products, including Comirnaty and Paxlovid.*

We cannot guarantee that any forward-looking statement will be realized. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. Investors are cautioned not to put undue reliance on forward-looking statements. A further list and description of risks, uncertainties and other matters can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and in our subsequent reports on Form 10-Q, in each case including in the sections thereof captioned "Forward-Looking Information and Factors That May Affect Future Results" and "Item 1A. Risk Factors," and in our subsequent reports on Form 8-K.

These prepared remarks include discussion of certain financial measures that were not prepared in accordance with generally accepted accounting principles (GAAP). Reconciliations of those non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Company's Current Report on Form 8-K dated January 30, 2024 available at www.pfizer.com.

These prepared remarks may include 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.

The information contained on our website or any third-party website is not incorporated by reference into this earnings release.

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