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 1, 2023

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.)

66 Hudson Boulevard East, New York, New York 10001-2192
(Address of principal executive offices) (zip code)
(212) 733-2323
(Registrant's telephone number including area code)

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, $0.05 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 3, 2023, 5,646,413,292 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 27, 2023 and August 28, 2022, and for U.S. subsidiaries is as of and for the three and nine months ended October 1, 2023 and October 2, 2022. 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 2022 Form 10-K. We also have used several other terms in this Form 10-Q, most of which are explained or defined below:

2022 Form 10-K	Annual Report on Form 10-K for the fiscal year ended December 31, 2022
Alexion	Alexion Pharma International Operations Limited, a subsidiary of AstraZeneca PLC
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.
Arvinas	Arvinas, Inc.
Astellas	Astellas Pharma Inc., Astellas US LLC and Astellas Pharma US, Inc.
ATTR-CM	transthyretin amyloid cardiomyopathy
Biohaven	Biohaven Pharmaceutical Holding Company Ltd.
BioNTech	BioNTech SE
Biopharma	Global Biopharmaceuticals Business
Blackstone	Blackstone Life Sciences
BMS	Bristol-Myers Squibb Company
BOD	Board of Directors
CDC	U.S. Centers for Disease Control and Prevention
*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), Comirnaty (COVID-19 Vaccine, mRNA, 2023-2024 Formula), the Pfizer-BioNTech COVID-19 Vaccine (2023-2024 Formula), Comirnaty Original/Omicron BA.1, Comirnaty Original/Omicron BA.4/BA.5 and Comirnaty XBB.1.5.
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, Canada, Australia, 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, Eastern Europe, Central Europe, the Middle East, Africa and Turkey
EPS	earnings per share
ESG	Environmental, Social and Governance
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
Form 10-Q	This Quarterly Report on Form 10-Q for the quarterly period ended October 1, 2023
GAAP	Generally Accepted Accounting Principles
GBT	Global Blood Therapeutics, Inc.
GSK	GSK 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
LPS	loss per share
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
MDL	Multi-District Litigation
Meridian	Meridian Medical Technologies, Inc.
Moody's	Moody's Investors Service
mRNA	messenger ribonucleic acid
MSA	Manufacturing Supply Agreement
Mylan	Mylan N.V.
NDA	New Drug Application
Nimbus	Nimbus Therapeutics, LLC
nmCRPC	non-metastatic castration-resistant prostate cancer
NSCLC	non-small cell lung cancer
ODT	oral disintegrating tablet
Ono	Ono Pharmaceutical Co., Ltd.
OPKO	OPKO Health, Inc.
OTC	over-the-counter
*Paxlovid**	an oral COVID-19 treatment (nirmatrelvir tablets and ritonavir tablets)
PC1	Pfizer CentreOne
Pharmacia	Pharmacia LLC (formerly Pharmacia Corporation)
PIE	Pfizer Investment Enterprises Pte. Ltd. (a wholly-owned finance subsidiary of Pfizer)
Prevnar family	Includes Prevnar 13/Prevenar 13 (pediatric and adult) and Prevnar 20/Apexxnar (pediatric and adult)
PsA	psoriatic arthritis
QTD	Quarter-to-date or three months ended
RA	rheumatoid arthritis
RCC	renal cell carcinoma
R&D	research and development
RSV	respiratory syncytial virus
S&P	Standard & Poor's
Seagen	Seagen Inc.
SEC	U.S. Securities and Exchange Commission
SI&A	selling, informational and administrative
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
Vyndaqel family	Includes Vyndaqel, Vyndamax and Vynmac
WRDM	Worldwide Research, Development and Medical
YTD	Year-to-date or nine months ended

* The Pfizer-BioNTech COVID-19 Vaccine (2023-2024 Formula) and certain uses of Paxlovid have not been approved or licensed by the FDA. The Pfizer-BioNTech COVID-19 Vaccine (2023-2024 Formula) has been authorized by the FDA under an EUA to prevent COVID-19 in individuals aged 6 months through 11 years of age. Paxlovid has been authorized for emergency use by the FDA under an EUA for the treatment of mild-to-moderate COVID-19 in pediatric patients (12 years of age and older weighing at least 40 kg) who are at high risk for progression to severe COVID-19, including hospitalization or death. 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 U.S. Federal Food, Drug and Cosmetic Act 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 OPERATIONS
(UNAUDITED)

	Three Months Ended		Nine Months Ended	
(MILLIONS, EXCEPT PER SHARE DATA)	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Revenues	$ 13,232	$ 22,638	$ 44,247	$ 76,040
Costs and expenses:				
Cost of sales[a], [b]	9,269	6,063	17,391	24,696
Selling, informational and administrative expenses[a]	3,281	3,391	10,196	9,032
Research and development expenses[a]	2,711	2,696	7,864	7,813
Acquired in-process research and development expenses	67	524	122	880
Amortization of intangible assets	1,179	822	3,466	2,478
Restructuring charges and certain acquisition-related costs	155	199	377	580
Other (income)/deductions—net	(79)	(59)	(356)	1,063
Income/(loss) from continuing operations before provision/(benefit) for taxes on income/(loss)	(3,352)	9,001	5,187	29,498
Provision/(benefit) for taxes on income/(loss)	(964)	356	(320)	3,098
Income/(loss) from continuing operations	(2,388)	8,645	5,507	26,400
Discontinued operations—net of tax	12	(21)	11	4
Net income/(loss) before allocation to noncontrolling interests	(2,376)	8,623	5,518	26,404
Less: Net income attributable to noncontrolling interests	6	15	30	27
Net income/(loss) attributable to Pfizer Inc. common shareholders	$ (2,382)	$ 8,608	$ 5,488	$ 26,378
Earnings/(loss) per common share—basic:				
Income/(loss) from continuing operations attributable to Pfizer Inc. common shareholders	$ (0.42)	$ 1.54	$ 0.97	$ 4.70
Discontinued operations—net of tax	—	—	—	—
Net income/(loss) attributable to Pfizer Inc. common shareholders	$ (0.42)	$ 1.54	$ 0.97	$ 4.71
Earnings/(loss) per common share—diluted:				
Income/(loss) from continuing operations attributable to Pfizer Inc. common shareholders	$ (0.42)	$ 1.51	$ 0.96	$ 4.60
Discontinued operations—net of tax	—	—	—	—
Net income/(loss) attributable to Pfizer Inc. common shareholders	$ (0.42)	$ 1.51	$ 0.96	$ 4.60
Weighted-average shares—basic	5,646	5,607	5,642	5,606
Weighted-average shares—diluted	5,646	5,718	5,714	5,729

[a] Exclusive of amortization of intangible assets.
[b] See *Notes 8* and *13*.

See Accompanying Notes.

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

(MILLIONS)	Three Months Ended		Nine Months Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Net income/(loss) before allocation to noncontrolling interests	$ (2,376)	$ 8,623	$ 5,518	$ 26,404
Foreign currency translation adjustments, net	(109)	(918)	234	(2,549)
Unrealized holding gains/(losses) on derivative financial instruments, net	408	589	519	1,443
Reclassification adjustments for (gains)/losses included in net income/(loss)[a]	(67)	(615)	73	(972)
	341	(26)	593	471
Unrealized holding gains/(losses) on available-for-sale securities, net	(83)	(777)	30	(1,397)
Reclassification adjustments for (gains)/losses included in net income/(loss)[b]	51	606	(442)	1,094
	(32)	(171)	(411)	(303)
Reclassification adjustments related to amortization of prior service costs and other, net	(29)	(31)	(88)	(99)
Reclassification adjustments related to curtailments of prior service costs and other, net	(1)	2	(14)	(8)
	(30)	(29)	(102)	(107)
Other comprehensive income/(loss), before tax	170	(1,144)	313	(2,488)
Tax provision/(benefit) on other comprehensive income/(loss)	36	(33)	(17)	(149)
Other comprehensive income/(loss) before allocation to noncontrolling interests	$ 134	$ (1,111)	$ 330	$ (2,339)
Comprehensive income/(loss) before allocation to noncontrolling interests	$ (2,242)	$ 7,512	$ 5,848	$ 24,065
Less: Comprehensive income/(loss) attributable to noncontrolling interests	4	10	23	16
Comprehensive income/(loss) attributable to Pfizer Inc.	$ (2,247)	$ 7,503	$ 5,826	$ 24,049

[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 1, 2023	December 31, 2022
	(Unaudited)	
Assets		
Cash and cash equivalents	$ 3,148	$ 416
Short-term investments	41,033	22,316
Trade accounts receivable, less allowance for doubtful accounts: 2023—$465; 2022—$449	11,086	10,952
Inventories	10,204	8,981
Current tax assets	3,917	3,577
Other current assets	4,624	5,017
Total current assets	74,012	51,259
Equity-method investments	11,025	11,033
Long-term investments	3,214	4,036
Property, plant and equipment, less accumulated depreciation: 2023—$15,779; 2022—$15,174	17,862	16,274
Identifiable intangible assets	40,224	43,370
Goodwill	51,527	51,375
Noncurrent deferred tax assets and other noncurrent tax assets	8,350	6,693
Other noncurrent assets	8,808	13,163
Total assets	$ 215,021	$ 197,205
Liabilities and Equity		
Short-term borrowings, including current portion of long-term debt: 2023—$2,260; 2022—$2,560	$ 2,548	$ 2,945
Trade accounts payable	5,338	6,809
Dividends payable	—	2,303
Income taxes payable	1,898	1,587
Accrued compensation and related items	2,372	3,407
Deferred revenues	2,204	2,520
Other current liabilities	16,776	22,568
Total current liabilities	31,136	42,138
Long-term debt	61,048	32,884
Pension and postretirement benefit obligations	2,166	2,250
Noncurrent deferred tax liabilities	1,125	1,023
Other taxes payable	8,099	9,812
Other noncurrent liabilities	14,242	13,180
Total liabilities	117,817	101,288
Commitments and Contingencies		
Common stock	478	476
Additional paid-in capital	92,496	91,802
Treasury stock	(114,485)	(113,969)
Retained earnings	126,411	125,656
Accumulated other comprehensive loss	(7,966)	(8,304)
Total Pfizer Inc. shareholders' equity	96,934	95,661
Equity attributable to noncontrolling interests	270	256
Total equity	97,204	95,916
Total liabilities and equity	$ 215,021	$ 197,205

See Accompanying Notes.

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

	PFIZER INC. SHAREHOLDERS								
	Common Stock			Treasury Stock					
(MILLIONS, EXCEPT PER 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 2, 2023	9,561	$ 478	$ 92,329	(3,916)	$ (114,482)	$ 128,796	$ (8,102)	$ 99,019	$ 274	$ 99,293
Net income/(loss)						(2,382)		(2,382)	6	(2,376)
Other comprehensive income/(loss), net of tax							135	135	(2)	134
Cash dividends declared, per share: $—										
Common stock						—		—		—
Noncontrolling interests									(8)	(8)
Share-based payment transactions	1	—	167	—	(4)	(2)		161		161
Other			—		—	—		—	—	—
Balance, October 1, 2023	9,562	$ 478	$ 92,496	(3,916)	$ (114,485)	$ 126,411	$ (7,966)	$ 96,934	$ 270	$ 97,204

	PFIZER INC. SHAREHOLDERS								
	Common Stock			Treasury Stock					
(MILLIONS, EXCEPT PER 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/(loss)						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
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 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, 2023	9,519	$ 476	$ 91,802	(3,903)	$ (113,969)	$ 125,656	$ (8,304)	$ 95,661	$ 256	$ 95,916
Net income/(loss)						5,488		5,488	30	5,518
Other comprehensive income/(loss), net of tax							338	338	(8)	330
Cash dividends declared, per share: $0.82										
Common stock						(4,629)		(4,629)		(4,629)
Noncontrolling interests									(8)	(8)
Share-based payment transactions	43	2	694	(12)	(516)	(104)		77		77
Other			—			—		—	—	—
Balance, October 1, 2023	9,562	$ 478	$ 92,496	(3,916)	$ (114,485)	$ 126,411	$ (7,966)	$ 96,934	$ 270	$ 97,204

	PFIZER INC. SHAREHOLDERS								
	Common Stock			Treasury Stock					
(MILLIONS, EXCEPT PER 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/(loss)						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

See Accompanying Notes.

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

(MILLIONS)	Nine Months Ended October 1, 2023	Nine Months Ended October 2, 2022
Operating Activities		
Net income before allocation to noncontrolling interests	$ 5,518	$ 26,404
Discontinued operations—net of tax	11	4
Net income from continuing operations before allocation to noncontrolling interests	5,507	26,400
Adjustments to reconcile net income before allocation to noncontrolling interests to net cash provided by/(used in) operating activities:		
Depreciation and amortization	4,620	3,545
Asset write-offs and impairments	499	287
Deferred taxes	(1,584)	(3,399)
Share-based compensation expense	404	508
Benefit plan contributions in excess of expense/income	(467)	(532)
Inventory write-offs and related charges associated with COVID-19 products[(a)]	5,847	476
Other adjustments, net	(744)	1,481
Other changes in assets and liabilities, net of acquisitions and divestitures	(10,622)	(8,081)
Net cash provided by/(used in) operating activities	3,460	20,685
Investing Activities		
Purchases of property, plant and equipment	(2,863)	(2,235)
Purchases of short-term investments	(30,138)	(29,701)
Proceeds from redemptions/sales of short-term investments	18,018	35,087
Net (purchases of)/proceeds from redemptions/sales of short-term investments with original maturities of three months or less	(6,102)	(10,877)
Purchases of long-term investments	(166)	(1,627)
Proceeds from redemptions/sales of long-term investments	189	446
Acquisitions of businesses, net of cash acquired	(25)	(6,225)
Dividend received from the Consumer Healthcare JV	—	3,960
Other investing activities, net	(193)	(200)
Net cash provided by/(used in) investing activities	(21,282)	(11,373)
Financing Activities		
Proceeds from short-term borrowings	14	3,887
Payments on short-term borrowings	—	(3,887)
Net (payments on)/proceeds from short-term borrowings with original maturities of three months or less	(106)	870
Proceeds from issuance of long-term debt	30,831	—
Payments on long-term debt	(2,569)	(1,609)
Purchases of common stock	—	(2,000)
Cash dividends paid	(6,932)	(6,738)
Other financing activities, net	(613)	(342)
Net cash provided by/(used in) financing activities	20,624	(9,819)
Effect of exchange-rate changes on cash and cash equivalents and restricted cash and cash equivalents	(39)	(139)
Net increase/(decrease) in cash and cash equivalents and restricted cash and cash equivalents	2,764	(646)
Cash and cash equivalents and restricted cash and cash equivalents, at beginning of period	468	1,983
Cash and cash equivalents and restricted cash and cash equivalents, at end of period	$ 3,233	$ 1,338
Supplemental Cash Flow Information		
Cash paid during the period for:		
Income taxes	$ 2,907	$ 4,919
Interest paid	1,153	1,121
Interest rate hedges	98	28

[(a)] See *Notes 8* and *13*.

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 2022 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 2022 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 27, 2023 and August 28, 2022, and for U.S. subsidiaries is as of and for the three and nine months ended October 1, 2023 and October 2, 2022.

We manage our commercial operations through two operating segments, each led by a single manager: Biopharma and Business Innovation. Biopharma is the only reportable segment. See *Note 13A* below and *Note 17A* in our 2022 Form 10-K.

Business development activities impacted financial results in the periods presented. In March 2023, we and Seagen announced that the companies entered into an agreement under which we will acquire Seagen, a global biotechnology company that discovers, develops and commercializes transformative cancer medicines, for $229 in cash per Seagen share for a total enterprise value of approximately $43 billion. We expect to finance the transaction substantially through $31 billion of long-term debt issued in May 2023 (see *Note 7D*), and the balance from a combination of short-term financing and existing cash. The transaction was approved by Seagen's shareholders in May 2023. In October 2023, we received unconditional antitrust clearance from the EC on the proposed acquisition. The transaction is expected to close in late 2023 or early 2024, and remains subject to customary closing conditions, including receipt of required regulatory approvals. See *Note 2* below, as well as *Notes 1A* and *2* in our 2022 Form 10-K.

We have made certain reclassification adjustments to conform prior-period amounts to the current presentation for segment reporting.

B. New Accounting Standards Adopted in 2023

On January 1, 2023, we adopted a new accounting standard for supplier finance programs which requires increased disclosures in the notes to our financial statements. See *Note 8C*.

In the second quarter of 2023, we adopted new accounting standards on reference rate reform that provide temporary optional expedients and exceptions to the guidance for contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate that were discontinued after June 30, 2023. We applied certain of the optional expedients related to hedge accounting relationships. The main purpose of the expedients is to allow hedge accounting to continue uninterrupted and make it easier to apply the requirements to maintain hedge accounting during the transition period through December 31, 2024.

C. Revenues and Trade Accounts Receivable

Customers—Our prescription biopharmaceutical 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 and distributors. In the U.S., we primarily sell our vaccines directly to the federal government (including the CDC), wholesalers, individual provider offices, retail pharmacies and integrated delivery systems. 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 1, 2023	December 31, 2022
Reserve against ***Trade accounts receivable, less allowance for doubtful accounts***	$ 1,599	$ 1,200
Other current liabilities:		
Accrued rebates	5,083	4,479
Other accruals	436	430
Other noncurrent liabilities	640	612
Total accrued rebates and other sales-related accruals	$ 7,757	$ 6,722

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. When management becomes aware of certain customer-specific factors that impact credit risk, specific allowances for these known troubled accounts are recorded.

During the three and nine months ended October 1, 2023 and October 2, 2022, 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 1G* in our 2022 Form 10-K.

Note 2. Acquisitions, Divestitures, Equity-Method Investment and Research and Development Arrangement

A. Acquisitions

GBT—On October 5, 2022, we acquired GBT, a biopharmaceutical company dedicated to the discovery, development and delivery of life-changing treatments for underserved patient communities, starting with sickle cell disease. The total fair value of the consideration transferred was $5.7 billion ($5.2 billion, net of cash acquired). In connection with this business combination, we provisionally recorded: (i) $4.4 billion in *Identifiable intangible assets*, consisting of $3.0 billion of IPR&D and $1.4 billion of developed technology rights with a useful life of six years, (ii) $1.0 billion of *Goodwill,* (iii) $672 million of inventories to be sold over approximately three years, (iv) $523 million of net deferred tax liabilities and (v) $331 million of assumed long-term debt that was paid in full in the fourth quarter of 2022. The allocation of the consideration transferred to the assets acquired and liabilities assumed has not yet been finalized.

Biohaven—On October 3, 2022, we acquired Biohaven, the maker of Nurtec ODT/Vydura (rimegepant), an innovative therapy approved for both acute treatment of migraine and prevention of episodic migraine in adults. The total fair value of the consideration transferred was $11.8 billion, which includes the fair value of Pfizer's previous investment in Biohaven on the acquisition date of approximately $300 million. In connection with this business combination, we provisionally recorded: (i) $12.1 billion in *Identifiable intangible assets*, consisting of $11.6 billion of developed technology rights with a useful life of 11 years and $450 million of IPR&D, (ii) $828 million of *Goodwill*, (iii) $813 million of inventories to be sold over approximately two years, (iv) $398 million of trade accounts receivable, (v) $1.4 billion of assumed long-term debt that was paid in full in the fourth quarter of 2022, (vi) $550 million of net deferred tax liabilities and (vii) $526 million of *Other current liabilities*. The allocation of the consideration transferred to the assets acquired and liabilities assumed has not yet been finalized.

Arena—On March 11, 2022, we acquired Arena, a clinical stage company with development-stage therapeutic candidates in gastroenterology, dermatology and cardiology. The total fair value of the consideration transferred was $6.6 billion ($6.2 billion, net of cash acquired). The final allocation of the consideration transferred to the assets acquired and the liabilities assumed was completed in the first quarter of 2023. In connection with this business combination, we 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) $490 million of net deferred tax liabilities.

B. Divestitures

Divestiture of Early-Stage Rare Disease Gene Therapy Portfolio—On September 19, 2023, we completed an agreement with Alexion, under which Alexion purchased and licensed the assets of our early-stage rare disease gene therapy portfolio. This agreement is consistent with our previously announced strategy to pivot from viral capsid-based gene therapy approaches to

harnessing new platform technologies that we believe can have a transformative impact on patients, such as mRNA or in vivo gene editing. Under the terms of the agreement, Alexion will pay us total consideration of up to $1 billion, consisting of an upfront payment of $300 million paid at closing and future contingent milestone payments, plus tiered royalties based on annual net sales of the assets. In connection with the closing of the transaction, Pfizer recognized a $222 million pre-tax gain in *Other (income)/deductions—net* (see Note 4).

Discontinued operations—net of tax in the periods presented relate to post-close adjustments for previously divested businesses that were classified as discontinued operations. In the three and nine months ended October 1, 2023 and October 2, 2022, amounts recorded under interim agreements, including TSAs and MSAs, associated with these disposals were not material. Under agreements related to the 2020 spin-off and the combination of the Upjohn Business with Mylan to form Viatris, net amounts due to Viatris were $31 million as of October 1, 2023 and $94 million as of December 31, 2022. The cash flows associated with the agreements are included in *Net cash provided by/(used in) operating activities*. For information about the nature of these agreements, see *Note 2B* in our 2022 Form 10-K.

C. Equity-Method Investment

Haleon/Consumer Healthcare JV—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 historical consumer healthcare business of GSK and Pfizer following the demerger. We continue to own 32% of the ordinary shares of Haleon after the demerger.

The carrying value of our investment in Haleon was $10.8 billion as of both October 1, 2023 and December 31, 2022, and is reported in *Equity-method investments*. The fair value of our investment in Haleon as of October 1, 2023, based on quoted market prices of Haleon stock, was $12.3 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 value of our investment was effectively unchanged during the first nine months of 2023, primarily due to our share of Haleon's earnings of $341 million, partially offset by $183 million in pre-tax foreign currency translation adjustments (see Note 6) and $154 million in dividends. 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 Haleon's earnings generated in the second quarter of 2023, which we recorded in our operating results in the third quarter of 2023, was $122 million. Our total share of Haleon's earnings generated in the fourth quarter of 2022 and first six months of 2023, which we recorded in our operating results in the first nine months of 2023, was $341 million. 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. In the third quarter and first nine months of 2022, our equity-method income included in *Other (income)/deductions—net* also included charges of $118 million and $119 million, respectively, primarily for adjustments to our equity-method basis differences related to the separation of Haleon/the 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 Haleon/the Consumer Healthcare JV was not material to our results of operations in the third quarter and first nine months of 2023. See Note 4.

Summarized financial information for our equity-method investee, Haleon/the Consumer Healthcare JV, for the three and nine months ending June 30, 2023, the most recent period available, and for the three and nine months ending June 30, 2022, is as follows:

	Three Months Ended		Nine Months Ended	
(MILLIONS)	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net sales	$ 3,490	$ 3,218	$ 10,379	$ 10,164
Cost of sales	(1,323)	(1,196)	(4,211)	(3,830)
Gross profit	$ 2,167	$ 2,022	$ 6,168	$ 6,334
Income from continuing operations	403	226	1,133	1,303
Net income	403	226	1,133	1,303
Income attributable to shareholders	382	210	1,066	1,256

D. Research and Development Arrangement

Research and Development Funding Arrangement with Blackstone—In April 2023, we entered into an arrangement with Blackstone under which we will receive up to a total of $550 million in 2023 through 2026 to co-fund our quarterly development costs for specified treatments. As there is substantive transfer of risk to the financial partner, the development funding is recognized by us as an obligation to perform contractual services. We are recognizing the funding as a reduction of *Research and development expenses* using an attribution model over the period of the related expenses. The reduction to *Research and development expenses* for the third quarter and first nine months of 2023 was $43 million and $88 million, respectively. If successful, upon regulatory approval in the U.S. or certain major markets in the EU for the indications based on the applicable clinical trials, Blackstone will be eligible to receive approval-based fixed milestone payments of up to $468 million contingent upon the successful results of the clinical trials. Fixed milestone payments due upon approval will be recorded as intangible assets and amortized to *Amortization of intangible assets* over the shorter of the term of the agreement or estimated commercial life of the product. Following potential regulatory approval, Blackstone will be eligible to receive a combination of fixed milestone payments of up to $550 million in total based on achievement of certain levels of cumulative applicable net sales, as well as royalties based on a mid-to-high single digit percentage of the applicable net sales. Fixed sales-based milestone payments will be recorded as intangible assets and amortized to *Amortization of intangible assets* over the shorter of the term of the agreement or estimated commercial life of the product, and royalties on net sales will be recorded as *Cost of sales* when incurred.

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

A. Transforming to a More Focused Company Program

In 2019, we announced that we would be incurring costs associated with our Transforming to a More Focused Company Program, a multi-year effort to ensure our cost base aligns appropriately with our operating structure following Pfizer's transformation into a more focused, innovative science-based global biopharmaceutical business. This program includes activities to (i) restructure our corporate enabling functions to appropriately support our operating structure; (ii) transform our commercial go-to-market model; and (iii) optimize our manufacturing network and R&D operations.

The activities associated with transforming our commercial go-to-market model are substantially complete. Activities associated with restructuring our corporate enabling functions and optimizing our manufacturing network and R&D operations are ongoing and are expected to be substantially completed by the end of 2023. The costs to restructure our corporate enabling functions, and to optimize our R&D operations and reduce cycle times, as well as to further prioritize our internal R&D portfolio, primarily include severance and implementation costs. The costs to optimize our manufacturing network largely include severance, implementation costs, product transfer costs, site exit costs, and accelerated depreciation.

From the start of this program in the fourth quarter of 2019 through October 1, 2023, we incurred costs of $3.9 billion, of which $1.5 billion ($1.1 billion of restructuring charges) is associated with Biopharma. We have incurred approximately 90% of total expected costs to date, and we expect the remaining costs to be substantially incurred through 2023.

B. Key Activities

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

	Three Months Ended		Nine Months Ended	
(MILLIONS)	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Restructuring charges/(credits):				
Employee terminations	$ 16	$ 158	$ 77	$ 293
Asset impairments	40	17	45	44
Exit costs/(credits)	15	2	44	31
Restructuring charges/(credits)[a]	71	177	165	368
Transaction costs[b]	5	—	14	42
Integration/pre-integration costs and other[c]	78	22	198	170
Restructuring charges and certain acquisition-related costs	155	199	377	580
Net periodic benefit costs/(credits) recorded in *Other (income)/deductions—net*	—	—	(7)	(5)
Additional depreciation—asset restructuring recorded in our condensed consolidated statements of operations, mainly in *Cost of sales*[d]	5	7	28	22
Implementation costs recorded in our condensed consolidated statements of operations as follows[e]:				
Cost of sales	16	14	43	40
Selling, informational and administrative expenses	71	136	196	344
Research and development expenses	29	—	59	—
Total implementation costs	116	150	298	384
Total costs associated with acquisitions and cost-reduction/productivity initiatives	$ 276	$ 357	$ 696	$ 982

[a] Primarily represents cost-reduction initiatives. Restructuring charges/(credits) associated with Biopharma: charges of $1 million and credits of $22 million for the three and nine months ended October 1, 2023, respectively, and charges of $62 million and $108 million for the three and nine months ended October 2, 2022, respectively.
[b] Represents external costs for banking, legal, accounting and other similar services.
[c] Represents external, incremental costs directly related to integrating acquired businesses and our proposed acquisition of Seagen, such as expenditures for consulting and the integration of systems and processes, and certain other qualifying costs. In the nine months ended October 1, 2023, integration/pre-integration costs and other were mostly related to our acquisitions of Biohaven and GBT and our proposed acquisition of Seagen. In the 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 that was recognized as post-closing compensation expense.
[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, 2022[a]	$ 1,196	$ —	$ 8	$ 1,204
Provision/(credit)	77	45	44	165
Utilization and other[b]	(700)	(45)	(39)	(784)
Balance, October 1, 2023[c]	$ 573	$ —	$ 12	$ 585

[a] Included in *Other current liabilities* ($991 million) and *Other noncurrent liabilities* ($213 million).
[b] Other activity includes adjustments for foreign currency translation that are not material.
[c] Included in *Other current liabilities* ($447 million) and *Other noncurrent liabilities* ($137 million).

Note 4. Other (Income)/Deductions—Net

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

	Three Months Ended		Nine Months Ended	
(MILLIONS)	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Interest income	$ (523)	$ (70)	$ (1,015)	$ (114)
Interest expense	695	311	1,521	925
Net interest expense[a]	173	240	505	811
Royalty-related income	(260)	(239)	(737)	(628)
Net (gains)/losses on asset disposals	—	7	(2)	6
Net (gains)/losses recognized during the period on equity securities[b]	393	112	709	1,353
Income from collaborations, out-licensing arrangements and sales of compound/product rights	(10)	(4)	(84)	(17)
Net periodic benefit costs/(credits) other than service costs	(92)	(306)	(260)	(294)
Certain legal matters, net[c]	71	77	246	175
Certain asset impairments[d]	—	200	264	200
Haleon/Consumer Healthcare JV equity method (income)/loss[e]	(131)	51	(354)	(283)
Other, net[f]	(222)	(198)	(643)	(260)
Other (income)/deductions—net	$ (79)	$ (59)	$ (356)	$ 1,063

[a] The decrease in net interest expense in the third quarter and first nine months of 2023 reflects higher interest expense driven by our $31 billion aggregate principal amount of senior unsecured notes issued in May 2023 as part of the financing for our proposed acquisition of Seagen, which was more than offset by higher interest income on the investment of the net proceeds from the debt issuance.

[b] The net losses in the third quarter of 2023 include, among other things, unrealized losses of $312 million related to our investments in Cerevel Therapeutics Holdings, Inc. (Cerevel) and Allogene Therapeutics, Inc (Allogene). The net losses in the first nine months of 2023 include, among other things, unrealized losses of $606 million related to our investments in BioNTech, Cerevel and Allogene. The net losses in the first nine months of 2022 included, among other things, unrealized losses of $974 million related to our investments in BioNTech, Cerevel and Arvinas.

[c] The third quarter of 2023 includes legal obligations related to pre-acquisition matters and certain product liability expenses related to products discontinued and/or divested by Pfizer. The first nine months of 2023 primarily includes certain product liability and other legal expenses related to products discontinued and/or divested by Pfizer and legal obligations related to pre-acquisition matters. The third quarter and first nine months of 2022 primarily included certain product liability and other legal expenses related to products discontinued and/or divested by Pfizer.

[d] The first nine months of 2023 primarily represents intangible asset impairment charges, including $128 million associated with Other business activities, related to IPR&D and developed technology rights for acquired software assets and reflects unfavorable pivotal trial results and updated commercial forecasts, and $120 million associated with our Biopharma segment resulting from the discontinuation of a study related to an out-licensed IPR&D asset for the treatment of prostate cancer, acquired in our Array BioPharma Inc. (Array) acquisition. The third quarter and first nine months of 2022 represented an intangible asset impairment charge associated with our Biopharma segment, representing an IPR&D asset for the unapproved indication of symptomatic dilated cardiomyopathy due to a mutation of the gene encoding the lamin A/C protein, acquired in our Array acquisition, and was a result of the Phase 3 trial reaching futility at a pre-planned interim analysis.

[e] See *Note 2C*.

[f] The third quarter and first nine months of 2023 includes, among other things, a $222 million gain on the divestiture of our early-stage rare disease gene therapy portfolio to Alexion. The first nine months of 2023 also includes, among other things, dividend income of $213 million from our investment in ViiV and $211 million from our investment in Nimbus resulting from Takeda Pharmaceutical Company Limited's acquisition of Nimbus's oral, selective allosteric tyrosine kinase 2 (TYK2) inhibitor program subsidiary.

Additional information about the intangible assets that were impaired during 2023 follows:

	Fair Value[a]				Nine Months Ended October 1, 2023
(MILLIONS)	Amount	Level 1	Level 2	Level 3	Impairment
Intangible assets—Licensing agreements and other[b]	$ —	$ —	$ —	$ —	$ 120
Intangible assets—IPR&D[b]	—	—	—	—	94
Intangible assets—Developed technology rights[b]	—	—	—	—	34
Total	$ —	$ —	$ —	$ —	$ 248

[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 1E* in our 2022 Form 10-K.

[b] Reflects intangible assets written down to fair value in 2023. 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/(Loss) from Continuing Operations

Our effective tax rate for continuing operations was 28.8% for the third quarter of 2023, compared to 4.0% for the third quarter of 2022, and was (6.2)% for the first nine months of 2023, compared to 10.5% for the first nine months of 2022. The positive effective tax rate for the third quarter of 2023 reflects a tax benefit on a pre-tax loss primarily resulting from changes in forecast and jurisdictional mix of earnings. The tax benefit for the third quarter of 2023 and the negative effective tax rate for the first nine months of 2023, compared to the tax provisions for the third quarter and first nine months of 2022, were primarily due to changes in forecast and jurisdictional mix of earnings. The tax provisions for the third quarter and first nine months of 2022 also included tax benefits related to global income tax resolutions in multiple tax jurisdictions spanning multiple tax years that included the closing of U.S. Internal Revenue Service 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 fifth annual installment of this liability was paid by its April 18, 2023 due date. The sixth annual installment is due April 15, 2024 and is reported in current *Income taxes payable* as of October 1, 2023. 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. With respect to Pfizer, tax years 2016-2018 are under audit. Tax years 2019-2023 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 and certain related audits, appeals and investigations in certain major international tax jurisdictions dating back to 2012.

See *Note 5D* in our 2022 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 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Foreign currency translation adjustments, net[a]	$ (28)	$ 20	$ (33)	$ (165)
Unrealized holding gains/(losses) on derivative financial instruments, net	80	47	108	177
Reclassification adjustments for (gains)/losses included in net income/(loss)	(5)	(72)	(16)	(97)
	75	(25)	91	80
Unrealized holding gains/(losses) on available-for-sale securities, net	(10)	(97)	4	(175)
Reclassification adjustments for (gains)/losses included in net income/(loss)	6	76	(55)	137
	(4)	(21)	(51)	(38)
Reclassification adjustments related to amortization of prior service costs and other, net	(7)	(7)	(21)	(23)
Reclassification adjustments related to curtailments of prior service costs and other, net	(1)	—	(3)	(3)
	(7)	(8)	(24)	(26)
Tax provision/(benefit) on other comprehensive income/(loss)	$ 36	$ (33)	$ (17)	$ (149)

[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, 2022	$ (8,360)	$ (412)	$ 220	$ 248	$ (8,304)
Other comprehensive income/(loss)[b]	274	501	(360)	(78)	338
Balance, October 1, 2023	$ (8,086)	$ 89	$ (140)	$ 170	$ (7,966)

[a] Amounts do not include foreign currency translation adjustments attributable to noncontrolling interests.
[b] Foreign currency translation adjustments include net losses related to our equity-method investment in Haleon (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 1, 2023			December 31, 2022		
(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	$ 13,193	$ —	$ 13,193	$ 1,588	$ —	$ 1,588
Available-for-sale debt securities:						
Government and agency—non-U.S.	18,236	—	18,236	15,915	—	15,915
Government and agency—U.S.	5,832	—	5,832	1,313	—	1,313
Corporate and other	2,179	—	2,179	1,514	—	1,514
	26,247	—	26,247	18,743	—	18,743
Total short-term investments	39,440	—	39,440	20,331	—	20,331
Other current assets						
Derivative assets:						
Interest rate contracts	1	—	1	—	—	—
Foreign exchange contracts	712	—	712	714	—	714
Total other current assets	713	—	713	714	—	714
Long-term investments						
Equity securities with readily determinable fair values[a]	2,118	2,112	6	2,836	2,823	13
Available-for-sale debt securities:						
Government and agency—non-U.S.	138	—	138	280	—	280
Corporate and other	73	—	73	72	—	72
	211	—	211	352	—	352
Total long-term investments	2,329	2,112	217	3,188	2,823	365
Other noncurrent assets						
Derivative assets:						
Interest rate contracts	1	—	1	—	—	—
Foreign exchange contracts	413	—	413	364	—	364
Total derivative assets	414	—	414	364	—	364
Insurance contracts[b]	718	—	718	665	—	665
Total other noncurrent assets	1,132	—	1,132	1,028	—	1,028
Total assets	$ 43,613	$ 2,112	$ 41,501	$ 25,261	$ 2,823	$ 22,439
Financial liabilities:						
Other current liabilities						
Derivative liabilities:						
Interest rate contracts	$ 4	$ —	$ 4	$ 10	$ —	$ 10
Foreign exchange contracts	193	—	193	694	—	694
Total other current liabilities	197	—	197	704	—	704
Other noncurrent liabilities						
Derivative liabilities:						
Interest rate contracts	533	—	533	321	—	321
Foreign exchange contracts	738	—	738	864	—	864
Total other noncurrent liabilities	1,270	—	1,270	1,185	—	1,185
Total liabilities	$ 1,468	$ —	$ 1,468	$ 1,889	$ —	$ 1,889

[a] Long-term equity securities of $127 million as of October 1, 2023 and $143 million as of December 31, 2022 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 $61 billion as of October 1, 2023 and $33 billion as of December 31, 2022. The estimated fair value of such debt, using a market approach and Level 2 inputs, was $57 billion as of October 1, 2023 and $30 billion as of December 31, 2022.

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 1, 2023 and December 31, 2022. 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 1, 2023	December 31, 2022
Short-term investments		
Equity securities with readily determinable fair values[a]	$ 13,193	$ 1,588
Available-for-sale debt securities	26,247	18,743
Held-to-maturity debt securities	1,593	1,985
Total Short-term investments	$ 41,033	$ 22,316
Long-term investments		
Equity securities with readily determinable fair values[b]	$ 2,118	$ 2,836
Available-for-sale debt securities	211	352
Held-to-maturity debt securities	50	48
Private equity securities at cost[b]	834	800
Total Long-term investments	$ 3,214	$ 4,036
Equity-method investments	11,025	11,033
Total long-term investments and equity-method investments	$ 14,239	$ 15,069
Held-to-maturity cash equivalents	$ 384	$ 679

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

Debt Securities

Our investment portfolio consists of investment-grade debt securities issued across diverse governments, corporate and financial institutions:

	October 1, 2023							December 31, 2022			
		Gross Unrealized			Contractual or Estimated 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.	$ 18,528	$ 16	$ (170)	$ 18,374	$ 18,236	$ 138	$ —	$ 15,946	$ 297	$ (48)	$ 16,195
Government and agency—U.S.	5,833	—	(1)	5,832	5,832	—	—	1,313	—	—	1,313
Corporate and other	2,257	—	(6)	2,252	2,179	73	—	1,584	7	(4)	1,586
Held-to-maturity debt securities											
Time deposits and other	944	—	—	944	898	35	11	1,171	—	—	1,171
Government and agency—non-U.S.	1,084	—	—	1,084	1,080	3	1	1,542	—	—	1,542
Total debt securities	$ 28,646	$ 16	$ (176)	$ 28,486	$ 28,225	$ 249	$ 12	$ 21,556	$ 304	$ (53)	$ 21,807

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 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Net (gains)/losses recognized during the period on equity securities[a]	$ 393	$ 112	$ 709	$ 1,353
Less: Net (gains)/losses recognized during the period on equity securities sold during the period	(1)	(5)	(48)	(84)
Net unrealized (gains)/losses during the reporting period on equity securities still held at the reporting date[b]	$ 394	$ 116	$ 757	$ 1,436

[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 1, 2023, there were cumulative impairments and downward adjustments of $188 million and upward adjustments of $213 million. Impairments, downward and upward adjustments were not significant in the third quarters and first nine months of 2023 and 2022.

C. Short-Term Borrowings

Short-term borrowings include:

(MILLIONS)	October 1, 2023	December 31, 2022
Current portion of long-term debt, principal amount	$ 2,250	$ 2,550
Other short-term borrowings, principal amount[a]	288	385
Total short-term borrowings, principal amount	2,538	2,935
Net fair value adjustments	10	10
Total *Short-term borrowings, including current portion of long-term debt*, carried at historical proceeds, as adjusted	$ 2,548	$ 2,945

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

D. Long-Term Debt

Issuance

In May 2023, we issued, through our wholly-owned finance subsidiary, PIE, the following senior unsecured notes as part of the financing for our proposed acquisition of Seagen[a], [b]:

(MILLIONS)		Principal
Interest Rate	Maturity Date	October 1, 2023
4.65%[c]	May 19, 2025	$ 3,000
4.45%[c]	May 19, 2026	3,000
4.45%[c]	May 19, 2028	4,000
4.65%[c]	May 19, 2030	3,000
4.75%	May 19, 2033	5,000
5.11%[c]	May 19, 2043	3,000
5.30%	May 19, 2053	6,000
5.34%[c]	May 19, 2063	4,000
Total long-term debt issued in the second quarter of 2023[d]		$ 31,000

[a] The notes are fully and unconditionally guaranteed on a senior unsecured basis by Pfizer Inc. PIE was formed to finance a portion of the consideration for the proposed acquisition of Seagen and has no assets or operations and will have no assets or operations, other than as related to the issuance, administration and repayment of the notes and any other debt securities that it may issue in the future.
[b] The notes may be redeemed by us at any time, in whole, or in part, at a make-whole redemption price plus accrued and unpaid interest.
[c] The notes are subject to a special mandatory redemption (at a price equal to 101% of the aggregate principal amount of such series of notes, plus any accrued and unpaid interest) under certain circumstances if the proposed acquisition of Seagen is terminated or does not close by an agreed upon date.
[d] The weighted average effective interest rate for the notes at issuance was 4.93%.

The following outlines our senior unsecured long-term debt* and the weighted-average stated interest rate by maturity:

(MILLIONS)	October 1, 2023	December 31, 2022
Notes due 2024 (3.9% for 2022)[a]	$ —	$ 2,250
Notes due 2025 (3.9% for 2023 and 0.8% for 2022)	3,750	750
Notes due 2026 (3.7% for 2023 and 2.9% for 2022)	6,000	3,000
Notes due 2027 (2.2% for 2023 and 2.1% for 2022)	995	1,000
Notes due 2028 (4.6% for 2023 and 4.8% for 2022)	5,660	1,660
Notes due 2029 (3.5% for 2023 and 2022)	1,750	1,750
Notes due 2030-2034 (4.1% for 2023 and 2.9% for 2022)	12,000	4,000
Notes due 2035-2039 (5.8% for 2023 and 2022)	8,026	8,017
Notes due 2040-2044 (4.1% for 2023 and 3.6% for 2022)	7,931	4,903
Notes due 2045-2049 (4.1% for 2023 and 2022)	3,500	3,500
Notes due 2050-2063 (5.0% for 2023 and 2.7% for 2022)	11,250	1,250
Total long-term debt, principal amount	$ 60,862	$ 32,080
Net fair value adjustments related to hedging and purchase accounting	677	959
Net unamortized discounts, premiums and debt issuance costs	(491)	(175)
Other long-term debt	—	20
Total long-term debt, carried at historical proceeds, as adjusted	$ 61,048	$ 32,884
Current portion of long-term debt, carried at historical proceeds, as adjusted (not included above (3.9% for 2023 and 3.7% for 2022))	$ 2,260	$ 2,560

***** Our long-term debt is generally redeemable by us at any time at varying redemption prices plus accrued and unpaid interest.
[a] Reclassified to the current portion of long-term debt.

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, Canadian dollar and Chinese renminbi, 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:

	October 1, 2023			December 31, 2022		
		Fair Value			Fair Value	
(MILLIONS)	Notional	Asset	Liability	Notional	Asset	Liability
Derivatives designated as hedging instruments:						
Foreign exchange contracts[a]	$ 27,979	$ 960	$ 781	$ 26,603	$ 838	$ 1,196
Interest rate contracts	6,250	2	537	2,250	—	331
		962	1,319		838	1,527
Derivatives not designated as hedging instruments:						
Foreign exchange contracts	$ 17,428	165	149	$ 29,814	240	362
Total		$ 1,127	$ 1,468		$ 1,078	$ 1,889

[a] The notional amount of outstanding foreign exchange contracts hedging our intercompany forecasted inventory sales was $4.7 billion as of October 1, 2023 and $4.4 billion as of December 31, 2022.

The following summarizes information about the gains/(losses) incurred to hedge or offset operational foreign exchange or interest rate risk exposures:

	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 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Derivative Financial Instruments in Cash Flow Hedge Relationships:						
Foreign exchange contracts[b]	$ —	$ —	$ 359	$ 528	$ 20	$ 558
Amount excluded from effectiveness testing and amortized into earnings[c]	—	—	49	61	46	57
Derivative Financial Instruments in Fair Value Hedge Relationships:						
Interest rate contracts	(213)	(124)	—	—	—	—
Hedged item	195	124	—	—	—	—
Derivative Financial Instruments in Net Investment Hedge Relationships:						
Foreign exchange contracts	—	—	297	680	—	—
Amount excluded from effectiveness testing and amortized into earnings[c]	—	—	5	78	35	32
Non-Derivative Financial Instruments in Net Investment Hedge Relationships[d]:						
Foreign currency long-term debt	—	—	22	49	—	—
Derivative Financial Instruments Not Designated as Hedges:						
Foreign exchange contracts	57	(420)	—	—	—	—
	$ 39	$ (420)	$ 733	$ 1,396	$ 102	$ 647

	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					
(MILLIONS)	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Derivative Financial Instruments in Cash Flow Hedge Relationships:						
Interest rate contracts	$ —	$ —	$ 68	$ —	$ —	$ —
Foreign exchange contracts[b]	—	—	312	1,339	(210)	872
Amount excluded from effectiveness testing and amortized into earnings[c]	—	—	139	105	136	100
Derivative Financial Instruments in Fair Value Hedge Relationships:						
Interest rate contracts	(210)	(346)	—	—	—	—
Hedged item	192	346	—	—	—	—
Derivative Financial Instruments in Net Investment Hedge Relationships:						
Foreign exchange contracts	—	—	14	1,613	—	—
Amount excluded from effectiveness testing and amortized into earnings[c]	—	—	81	63	102	95
Non-Derivative Financial Instruments in Net Investment Hedge Relationships[d]:						
Foreign currency short-term borrowings	—	—	—	26	—	—
Foreign currency long-term debt	—	—	5	119	—	—
Derivative Financial Instruments Not Designated as Hedges:						
Foreign exchange contracts	173	(832)	—	—	—	—
	$ 155	$ (832)	$ 620	$ 3,264	$ 29	$ 1,068

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

[b] The amounts reclassified from OCI into COS were:
- a net gain of $49 million in the third quarter of 2023;
- a net gain of $195 million in the first nine months of 2023;
- a net gain of $125 million in the third quarter of 2022; and
- a net gain of $227 million in the first nine months of 2022.

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 $302 million 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 20 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 long-term debt carrying values as of October 1, 2023 and December 31, 2022 were $790 million and $795 million, respectively.

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

	October 1, 2023			December 31, 2022		
		Cumulative Amount of Fair Value Hedging Adjustment Increase/(Decrease) to Carrying Amount			Cumulative Amount of Fair Value Hedging Adjustment Increase/(Decrease) to Carrying Amount	
(MILLIONS)	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	$ —	$ —	$ 8	$ —	$ —	$ 10
Long-term debt	$ 6,709	$ (513)	$ 973	$ 2,235	$ (321)	$ 1,042

[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 2022 Form 10-K.

As of October 1, 2023, the largest investment exposures in our portfolio consisted primarily of money market funds mainly invested in U.S. Treasury and government debt, as well as sovereign debt instruments issued by the U.S., Germany, Canada, France, the U.K., and Japan.

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 1, 2023, the aggregate fair value of these derivative financial instruments that are in a net payable position was $941 million, for which we have posted collateral of $1.0 billion with a corresponding amount reported in *Short-term investments*. As of October 1, 2023, the aggregate fair value of our derivative financial instruments that are in a net receivable position was $333 million, for which we have received collateral of $256 million 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 1, 2023	December 31, 2022
Finished goods	$ 2,892	$ 2,603
Work-in-process	6,515	5,519
Raw materials and supplies	797	859
Inventories[a]	$ 10,204	$ 8,981
Noncurrent inventories not included above[b]	$ 1,416	$ 5,827

[a] The increase from December 31, 2022 of $1.2 billion reflects higher inventory levels for certain products due to supply recovery, new product launches and changes in net market demand, partially offset by $0.7 billion in inventory write-offs for Paxlovid and Comirnaty.

[b] Included in *Other noncurrent assets*. The decrease from December 31, 2022 of $4.4 billion is primarily driven by inventory write-offs for Paxlovid of $4.2 billion and, to a lesser extent, inventory write-offs for Comirnaty of $0.7 billion, partially offset by increases due to inventory build. The charges and

corresponding inventory write-offs were based on our analysis of Paxlovid and Comirnaty inventory levels as of October 1, 2023 in relation to our commercial outlook for both products. Based on our current estimates and assumptions, there are no recoverability issues for the remaining 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 $533 million as of October 1, 2023 and $5.2 billion as of December 31, 2022.

C. Supplier Finance Program Obligation

We maintain voluntary supply chain finance agreements with several participating financial institutions. Under these agreements, participating suppliers may voluntarily elect to sell their accounts receivable with Pfizer to these financial institutions. Our suppliers negotiate their financing agreements directly with the respective financial institutions and we are not a party to these agreements. We have no economic interest in our suppliers' decision to participate and we pay the financial institutions the stated amount of confirmed invoices on the original maturity dates, which is generally within 90 to 120 days of the invoice date. The agreements with the financial institutions do not require Pfizer to provide assets pledged as security or other forms of guarantees for the supplier finance program. All outstanding amounts related to suppliers participating in such financing arrangements are recorded within trade payables in our consolidated balance sheet. As of October 1, 2023 and December 31, 2022, respectively, $781 million and $849 million of our trade payables to suppliers who participate in these financing arrangements were outstanding.

Note 9. Identifiable Intangible Assets

A. Identifiable Intangible Assets

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

	October 1, 2023			December 31, 2022		
(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[a]	$ 86,001	$ (59,146)	$ 26,855	$ 85,604	$ (56,307)	$ 29,297
Brands	922	(869)	53	922	(844)	78
Licensing agreements and other	2,368	(1,446)	922	2,237	(1,397)	841
	89,290	(61,461)	27,830	88,763	(58,548)	30,215
Indefinite-lived intangible assets						
Brands	827		827	827		827
IPR&D[b]	10,803		10,803	11,357		11,357
Licensing agreements and other	764		764	971		971
	12,394		12,394	13,155		13,155
Identifiable intangible assets[c]	$ 101,684	$ (61,461)	$ 40,224	$ 101,919	$ (58,548)	$ 43,370

[a] The increase in the gross carrying amount includes, among other things, $495 million of capitalized milestones and the transfer of $450 million from IPR&D to developed technology rights as a result of the approval in the U.S. for Zavzpret nasal spray, and a $90 million capitalized milestone as a result of the approval of Ngenla in the U.S. (all in the second quarter of 2023).

[b] The decrease in the gross carrying amount mainly reflects the transfer from IPR&D to developed technology rights as a result of the approval in the U.S. of Zavzpret nasal spray.

[c] The decrease is primarily due to amortization expense of $3.5 billion and impairments of $248 million (see *Note 4*), partially offset by additions of $681 million mostly related to milestone payments for the approvals in the U.S. for Zavzpret nasal spray and Ngenla.

Note 10. Pension and Postretirement Benefit Plans

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

	Pension Plans					
	U.S.		International		Postretirement Plans	
	Three Months Ended					
(MILLIONS)	Oct. 1, 2023	Oct. 2, 2022	Oct. 1, 2023	Oct. 2, 2022	Oct. 1, 2023	Oct. 2, 2022
Service cost	$ —	$ —	$ 21	$ 29	$ 3	$ 7
Interest cost	147	151	73	38	5	7
Expected return on plan assets	(194)	(195)	(77)	(72)	(11)	(12)
Amortization of prior service cost/(credit)	—	—	—	—	(29)	(31)
Actuarial (gains)/losses[(a)]	(11)	(193)	—	—	—	—
Curtailments	—	—	—	—	—	(1)
Special termination benefits	—	1	—	—	—	—
Net periodic benefit cost/(credit) reported in income	$ (58)	$ (235)	$ 17	$ (6)	$ (32)	$ (30)

	Pension Plans					
	U.S.		International		Postretirement Plans	
	Nine Months Ended					
(MILLIONS)	Oct. 1, 2023	Oct. 2, 2022	Oct. 1, 2023	Oct. 2, 2022	Oct. 1, 2023	Oct. 2, 2022
Service cost	$ —	$ —	$ 65	$ 89	$ 9	$ 22
Interest cost	442	387	216	121	16	21
Expected return on plan assets	(583)	(685)	(229)	(229)	(33)	(35)
Amortization of prior service cost/(credit)	1	1	—	(1)	(90)	(99)
Actuarial (gains)/losses[(a)]	4	231	3	—	—	—
Curtailments	—	—	(1)	—	(12)	(14)
Special termination benefits	6	8	—	—	—	1
Net periodic benefit cost/(credit) reported in income	$ (131)	$ (57)	$ 53	$ (20)	$ (109)	$ (106)

[(a)] The third quarter of 2022 mainly reflected 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 reflected interim actuarial remeasurement losses, primarily driven by unfavorable plan asset performance, partially offset by gains due to 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 1, 2023, we contributed $125 million, $128 million, and $28 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/(Loss) Per Common Share Attributable to Pfizer Inc. Common Shareholders

The following presents the detailed calculation of EPS/(LPS):

(MILLIONS)	Three Months Ended		Nine Months Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
EPS/(LPS) Numerator				
Income/(loss) from continuing operations attributable to Pfizer Inc. common shareholders	$ (2,394)	$ 8,630	$ 5,477	$ 26,373
Discontinued operations—net of tax	12	(21)	11	4
Net income/(loss) attributable to Pfizer Inc. common shareholders	$ (2,382)	$ 8,608	$ 5,488	$ 26,378
EPS/(LPS) Denominator				
Weighted-average common shares outstanding—Basic	5,646	5,607	5,642	5,606
Common-share equivalents[a]	—	111	72	124
Weighted-average common shares outstanding—Diluted	5,646	5,718	5,714	5,729
Anti-dilutive common stock equivalents[b]	58	3	2	1

[a] For the three months ended October 1, 2023, due to the net loss attributable to Pfizer Inc. common shareholders, weighted average common-share equivalents of 56 million shares were not included in the computation of diluted LPS because their inclusion would have had an anti-dilutive effect.

[b] 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, guarantees and indemnifications. The following outlines our legal contingencies, guarantees and indemnifications. 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 (or those of our collaboration/licensing partners to which we have licenses or co-promotion rights), including but not limited to, those discussed below. We face 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 May 2023, the Court of Appeal dismissed BMS's appeal and in October 2023, the Supreme Court refused BMS's permission to appeal. Additional challenges are pending in other jurisdictions. Also, 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. 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, as well as court proceedings relating to our intellectual property or the intellectual property rights of others, including challenges to such rights initiated by us. Also, if one of our patents (or one of our collaboration/licensing partner's 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, as well as 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. If one of our marketed products (or a product of our collaboration/licensing partners to which we have licenses or co-promotion rights) 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 abbreviated new drug applications (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 November 2022, we filed an additional patent-infringement action against Sinotherapeutics relating to its challenge of our extended release formulation and method of treatment patents in its ANDA seeking approval to market a generic version of tofacitinib 22 mg extended release tablets.

In June 2023, we brought a patent infringement action against Aurobindo Pharma Limited and Aurobindo Pharma USA, Inc. (collectively, Aurobindo) asserting the infringement and validity of our basic compound patent, in connection with Aurobindo's ANDA seeking approval to market a generic version of tofacitinib 11 mg extended release tablets. Also in June 2023, we brought a patent infringement action against Sun Pharmaceutical Industries Limited and Sun Pharmaceutical Industries, Inc. (collectively, Sun) asserting the infringement and validity of our basic compound patent, in connection with Sun's ANDA seeking approval to market a generic version of tofacitinib 5 mg and 10 mg immediate release tablets. In June 2023, we also brought a patent infringement action against Annora Pharma Private Limited (Annora) and Hetero USA, Inc. (Hetero) asserting the infringement and validity of our basic compound patent, in connection with Annora's ANDA seeking approval to market a generic version of tofacitinib 1 mg/mL oral solution. In August 2023, we reached settlement agreements with each of Sun and Annora on terms not material to the Company.

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. We have settled with one of these generic companies on terms not material to us, and have dismissed the patent infringement actions against all other generic companies except for the action against Synthon Pharmaceuticals Inc. and its affiliated entities, in which we have asserted the infringement and validity of the composition of matter patent, expiring in 2027.

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. In July 2023, we reached a settlement agreement with one generic company on terms not material to the Company and in July and August 2023, we reached settlement agreements with the remaining generic companies on terms not material to the Company.

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.

In August 2022 we received notice from Teva Pharmaceuticals, Inc. (Teva) that it had filed an ANDA seeking approval to market a generic version of Mektovi. Teva asserts the invalidity and non-infringement of two method of use patents expiring in 2033 and a product by process patent expiring in 2033. In June 2023, we brought a patent infringement action against Teva in the U.S. District Court for the District of Delaware, asserting the validity and infringement of the three patents.

Vyndaqel-Vyndamax (tafamidis/tafamidis meglumine)
Beginning in June 2023, several generic companies notified us that they had filed ANDAs with the FDA seeking approval to market generic versions of tafamidis capsules (61 mg) or tafamidis meglumine capsules (20 mg), challenging some or all of the patents listed in the FDA's Orange Book for Vyndamax (tafamidis) and Vyndaqel (tafamidis meglumine). Scripps Research Institute (Scripps) owns the composition of matter patent and the method of treatment patents covering the products, and Pfizer is the exclusive licensee. Pfizer separately owns the crystalline form patent. Beginning in August 2023, we and Scripps 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 in suit. Pfizer is the sole plaintiff in actions that assert only the infringement and validity of the crystalline form patent.

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 Company LLC, our wholly owned subsidiary, alleging that Comirnaty infringes a U.S. patent 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 Company LLC, BioNTech and BioNTech Manufacturing GmbH, alleging that Comirnaty infringes a U.S. patent issued in July 2022, and seeking unspecified monetary damages. In May 2023, Alnylam filed a separate complaint in the U.S. District Court for the District of Delaware against Pfizer and Pharmacia & Upjohn Company LLC alleging that Comirnaty infringes four U.S. patents issued on various dates in 2023 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 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 and certain subsidiary companies, as well as BioNTech and certain subsidiary companies, on the same two European patents. In its complaints, ModernaTX stated that it is seeking damages for alleged infringement occurring after March 7, 2022. In the U.K., Pfizer and BioNTech have brought an action against ModernaTX seeking to revoke these two European patents, which was consolidated with the September 2022 action filed by ModernaTX. In November 2023, one of the European patents was revoked by the European Patent Office. ModernaTX has filed additional patent infringement actions against Pfizer and BioNTech in certain other ex-U.S. jurisdictions.

In April 2023, Arbutus Biopharma Corporation (Arbutus) and Genevant Sciences GmbH (Genevant) filed a complaint in the U.S. District Court for the District of New Jersey against Pfizer and BioNTech alleging that Comirnaty and its manufacture infringe five U.S. patents, and seeking unspecified monetary damages.

In June 2023, Promosome LLC filed a complaint in the U.S. District Court for the Southern District of California against Pfizer and BioNTech alleging that Comirnaty and its manufacture infringe a U.S. patent and seeking unspecified monetary damages. In October 2023, Promosome LLC dismissed the action with prejudice and the action was dismissed by the Court.

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 a U.S. patent issued in June 2022, and seeking unspecified monetary damages.

Abrysvo
In August 2023, GlaxoSmithKline Biologics SA and GlaxoSmithKline LLC filed a complaint in the U.S. District Court for the District of Delaware against Pfizer alleging that the active ingredient in Abrysvo infringes four U.S. patents. The complaint seeks unspecified monetary damages and a permanent injunction against sales of Abrysvo for use in adults over 60 years of age. In addition, we have challenged certain of GSK's RSV vaccine patents in certain ex-U.S. jurisdictions, including the U.K., the Netherlands and Belgium, and GSK has asserted that Abrysvo infringes these patents.

Matters Involving Pfizer and its Collaboration/Licensing Partners

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 three U.S. patents relating to Comirnaty. In May 2023, the case was transferred to the U.S. District Court for the Eastern District of Virginia. Also in May 2023, CureVac asserted that Comirnaty infringes the three patents that were the subject of our declaratory judgment complaint, and asserted that Comirnaty infringes six additional U.S. patents.

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.

Xtandi (enzalutamide)
In July 2022, Medivation LLC and Medivation Prostate Therapeutics LLC (wholly owned subsidiaries of Pfizer); Astellas Pharma Inc., Astellas US LLC and Astellas Pharma US, Inc.; and The Regents of the University of California filed a patent-infringement suit in the U.S. District Court for the District of New Jersey against Zydus Pharmaceuticals (USA) Inc. and Zydus Lifesciences Limited (collectively, Zydus). In April 2023, the case against Zydus was dismissed without prejudice. In December 2022, the same entities filed a patent-infringement suit in the U.S. District Court for the District of New Jersey against Sun in connection with those companies' respective ANDAs seeking approval to market generic versions of enzalutamide. In October 2023, the case against Sun was settled on terms not material to Pfizer. The generic manufacturers challenged the composition of matter patent, which expires in 2027, covering enzalutamide and pharmaceutical compositions thereof, for treating prostate cancer.

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 Limited (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 MDL 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 MDL 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, and plaintiffs appealed to the U.S. Court of Appeals for the Tenth Circuit. In October 2023, the parties reached an agreement to settle the litigation on terms not material to Pfizer. The settlement is subject to court approval.

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 MDL 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 MDL 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 MDL in the U.S. District Court for the Southern District of Florida (the Federal MDL Court). Plaintiffs in the MDL filed against Pfizer and many other defendants a master personal injury complaint, a consolidated consumer class action complaint 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 December 2022, the Federal MDL Court granted defendants' Daubert

motions to exclude plaintiffs' expert testimony and motion for summary judgment on general causation, which has resulted in the dismissal of all complaints in the litigation. Plaintiffs have appealed the Federal MDL Court's rulings.

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. The large majority of the state court cases have been filed in the Superior Court of Delaware in New Castle County.

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. In December 2022, the federal actions were transferred for coordinated pre-trial proceedings to a MDL in the U.S. District Court for the Southern District of New York. 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, the New Jersey Department of Environmental Protection and/or federal and state natural resource trustees to perform remedial design, removal and remedial actions, and related environmental remediation activities, and to resolve alleged damages to natural resources, at the Bound Brook facility. We have accrued for the currently estimated costs of these activities.

We are also 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. In February 2023, the Court of Appeals denied defendants' en banc petitions.

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. An amended complaint was filed in January 2023, and 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, as well as related communications. Plaintiff seeks damages, costs and expenses and other equitable and injunctive relief.

Breach of Contract – Comirnaty

In September 2023, Pfizer and BioNTech Manufacturing GmbH initiated formal proceedings against the Republic of Poland in Belgium's Court of First Instance of Brussels. Pfizer and BioNTech are seeking an order from the Court holding the Republic of Poland to its commitments for COVID-19 vaccine orders, which were placed by the Republic of Poland as part of their contract signed in May 2021.

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 MDL 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 MDL in July 2020. The MDL 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 issued by the U.S. Attorney's Office for the Eastern District of Missouri, in coordination with the Department of Justice's Consumer Protection Branch, seeking similar records and information. We have produced records in response to these and subsequent 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 Action* 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. In March 2023, the California Department of Insurance issued a subpoena seeking records similar to those requested by the CID. Biohaven is a wholly-owned subsidiary that we acquired in October 2022. We are producing records in response to these requests.

U.S. Department of Justice Inquiry relating to Mexico Operations

In March 2023, we received an informal request from the U.S. Department of Justice's FCPA Unit seeking documents relating to our operations in Mexico. We are producing records pursuant to this request.

Government Inquiries relating to Xeljanz

In April 2023, we received a HIPAA subpoena issued by the U.S. Attorney's Office for the Western District of Virginia, in coordination with the Department of Justice's Commercial Litigation Branch, seeking records and information related to programs Pfizer sponsored in retail pharmacies relating to Xeljanz. We are producing records pursuant to this request.

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 1, 2023, the estimated fair value of these indemnification obligations is not material to Pfizer.

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.

See *Note 7D* for information on Pfizer Inc.'s guarantee of the debt issued by PIE in May 2023.

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

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. See *Note 1D* in our 2022 Form 10-K.

Note 13. Segment, Geographic and Other Revenue Information

A. Segment Information

We manage our commercial operations through two operating segments, each led by a single manager: Biopharma and Business Innovation, an operating segment established in the first quarter of 2023 that includes PC1, our contract development and manufacturing organization and a leading supplier of specialty active pharmaceutical ingredients, and Pfizer Ignite, a recently launched offering that provides strategic guidance and end-to-end R&D services to select innovative biotech companies that align with Pfizer's R&D focus areas. 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. In consideration of planned future investments in oncology, including the proposed acquisition of Seagen, we are reorganizing our R&D operations. Beginning in July 2023, discovery to early- and late-phase clinical development for oncology is performed by a new end-to-end Oncology Research and Development (ORD) platform function and discovery to early- and late-phase clinical development for all remaining therapeutic areas is consolidated into the Pfizer Research and Development (PRD) platform function. ORD and PRD replace our former WRDM and Global Product Development (GPD) organizational design. Biopharma receives its R&D services from ORD and PRD. 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.

Other Business Activities and Reconciling Items—Other business activities include the operating results of Business Innovation as well as certain pre-tax costs not allocated to our operating segment results, such as costs associated with: (i) R&D and medical expenses managed by our ORD and PRD 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. Reconciling items include the following items, transactions and events that are not allocated to our operating segments: (i) all amortization of intangible assets; (ii) acquisition-related items; and (iii) 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.

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 $215 billion as of October 1, 2023 and $197 billion as of December 31, 2022.

Selected Statement of Operations Information

The following provides selected information by reportable segment:

	Three Months Ended				Nine Months Ended			
	Revenues		Earnings[a]		Revenues		Earnings[a]	
(MILLIONS)	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Reportable Segment:								
Biopharma	$ 12,930	$ 22,319	$ 7,545	$ 14,665	$ 43,320	$ 75,066	$ 25,484	$ 45,222
Other business activities[b]	302	319	(8,782)	(4,007)	928	974	(14,387)	(9,820)
Reconciling Items:								
Amortization of intangible assets			(1,179)	(822)			(3,466)	(2,478)
Acquisition-related items			(227)	(62)			(778)	(331)
Certain significant items[c]			(708)	(773)			(1,666)	(3,095)
	$ 13,232	$ 22,638	$ (3,352)	$ 9,001	$ 44,247	$ 76,040	$ 5,187	$ 29,498

[a] *Income/(loss) from continuing operations before provision/(benefit) for taxes on income/(loss).* Biopharma's earnings include dividend income from our investment in ViiV of $30 million in the third quarter of 2023 and $112 million in the third quarter of 2022, and $213 million in the first nine months of 2023 and $237 million in the first nine months of 2022.

[b] Other business activities include revenues and costs associated with Business Innovation and costs that we do not allocate to our operating segments, per above, including acquired IPR&D expenses in the periods presented. Earnings in the third quarter and first nine months of 2023 include approximately $5.6 billion and $5.8 billion, respectively, of inventory write-offs and related charges to *Cost of sales* mainly due to lower-than-expected demand for our COVID-19 products. Earnings in the first nine months of 2022 included COVID-19-related charges of approximately $0.9 billion to *Cost of sales*, composed of (i) inventory write-offs of approximately $0.5 billion related to COVID-19 products that exceeded or were expected to exceed their approved shelf-lives prior to being used and (ii) charges of approximately $0.4 billion, primarily related to excess raw materials for Paxlovid recorded in the third quarter of 2022.

[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 2023 include, among other items, net losses on equity securities of $711 million recorded in *Other (income)/deductions—net*. Earnings in the first nine months of 2022 included, 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 amount primarily recorded in *Restructuring charges and certain acquisition-related costs*). See Note 4.

B. Geographic Information

The following summarizes revenues by geographic area:

	Three Months Ended			Nine Months Ended		
(MILLIONS)	October 1, 2023	October 2, 2022	% Change	October 1, 2023	October 2, 2022	% Change
United States	$ 7,804	$ 13,851	(44)	$ 22,497	$ 33,991	(34)
Developed Europe	1,981	3,136	(37)	7,217	14,705	(51)
Developed Rest of World	1,073	2,351	(54)	4,852	10,671	(55)
Emerging Markets	2,373	3,300	(28)	9,681	16,673	(42)
Revenues	$ 13,232	$ 22,638	(42)	$ 44,247	$ 76,040	(42)

In May 2023, we and our collaboration partner, BioNTech, amended our contract with the EC to deliver COVID-19 vaccines to the EU. The amended agreement includes rephasing of delivery of doses annually through 2026 and an aggregate volume reduction, providing additional flexibility for EU member states. The EC will maintain access to future adapted COVID-19 vaccines and the ability to donate doses, in alignment with the original agreement. See Note 13C.

C. Other Revenue Information

Significant Customers—For information on our significant wholesale customers, see *Note 17C* in our 2022 Form 10-K. Additionally, revenues from the U.S. government represented 7% of total revenues for the nine months ended October 1, 2023 and primarily represent sales of Paxlovid and Comirnaty. 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 represented sales of Paxlovid and Comirnaty. Accounts receivable from the U.S. government represented 4% of total trade accounts receivable as of December 31, 2022 and primarily related to sales of Paxlovid and Comirnaty. Due to the transition of Comirnaty and the

expected transition of Paxlovid to commercial market sales in the second half of 2023, revenues from the U.S. government for the three months ended October 1, 2023 and accounts receivable from the U.S. government as of October 1, 2023 were not material.

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. 1, 2023	Oct. 2, 2022	Oct. 1, 2023	Oct. 2, 2022
TOTAL REVENUES		**$ 13,232**	**$ 22,638**	**$ 44,247**	**$ 76,040**
GLOBAL BIOPHARMACEUTICALS BUSINESS (BIOPHARMA)		**$ 12,930**	**$ 22,319**	**$ 43,320**	**$ 75,066**
Primary Care		**$ 6,287**	**$ 15,846**	**$ 23,602**	**$ 55,676**
Comirnaty direct sales and alliance revenues[a]	Active immunization to prevent COVID-19	1,307	4,402	5,859	26,477
Eliquis alliance revenues and direct sales	Nonvalvular atrial fibrillation, deep vein thrombosis, pulmonary embolism	1,498	1,464	5,135	5,001
Prevnar family	Active immunization to prevent pneumonia, invasive disease and otitis media caused by Streptococcus pneumoniae	1,854	1,607	4,835	4,601
Paxlovid	COVID-19 in certain high-risk patients	202	7,514	4,414	17,099
Nurtec ODT/Vydura	Acute treatment of migraine and prevention of episodic migraine	233	—	646	1
Abrysvo	Active immunization to prevent RSV infection	375	—	375	—
Premarin family	Symptoms of menopause	92	110	299	327
BMP2	Bone graft for spinal fusion	82	58	252	201
FSME-IMMUN/TicoVac	Active immunization to prevent tick-borne encephalitis disease	91	67	237	177
Nimenrix	Active immunization against invasive meningococcal ACWY disease	43	79	121	221
Trumenba	Active immunization to prevent invasive disease caused by Neisseria meningitidis group B	58	60	108	108
All other Primary Care	Various	452	485	1,321	1,463
Specialty Care		**$ 3,757**	**$ 3,404**	**$ 11,021**	**$ 10,267**
Vyndaqel family	ATTR-CM and polyneuropathy	892	602	2,360	1,766
Xeljanz	RA, PsA, UC, active polyarticular course juvenile idiopathic arthritis, ankylosing spondylitis	503	502	1,210	1,304
Enbrel (Outside the U.S. and Canada)	RA, juvenile idiopathic arthritis, PsA, plaque psoriasis, pediatric plaque psoriasis, ankylosing spondylitis and nonradiographic axial spondyloarthritis	208	230	627	767
Sulperazon	Bacterial infections	122	178	619	598
Ig Portfolio[b]	Various	140	124	428	356
Genotropin	Replacement of human growth hormone	158	90	379	261
Zavicefta	Bacterial infections	130	98	378	302
Inflectra	Crohn's disease, pediatric Crohn's disease, UC, pediatric UC, RA in combination with methotrexate, ankylosing spondylitis, PsA and plaque psoriasis	121	131	373	403
BeneFIX	Hemophilia B	107	99	321	325
Medrol	Anti-inflammatory glucocorticoid	89	79	263	235
Zithromax	Bacterial infections	60	71	254	250
Oxbryta	Sickle cell disease	85	—	232	—
Somavert	Acromegaly	69	70	200	202
Refacto AF/Xyntha	Hemophilia A	61	58	177	188
Fragmin	Treatment/prevention of venous thromboembolism	57	60	175	202
Vfend	Fungal infections	46	51	153	171
Cresemba	Fungal infections	40	41	141	114
Bicillin	Bacterial infections	37	36	134	108
Cibinqo	Atopic dermatitis	37	11	91	17
All other Anti-infectives	Various	270	298	820	900
All other Specialty Care	Various	527	575	1,687	1,799
Oncology		**$ 2,885**	**$ 3,070**	**$ 8,696**	**$ 9,124**
Ibrance	HR-positive/HER2-negative metastatic breast cancer	1,244	1,283	3,635	3,841
Xtandi alliance revenues	mCRPC, nmCRPC, mCSPC	313	320	877	878
Inlyta	Advanced RCC	252	252	773	760

(MILLIONS)		Three Months Ended		Nine Months Ended	
PRODUCT	**PRIMARY INDICATION OR CLASS**	Oct. 1, 2023	Oct. 2, 2022	Oct. 1, 2023	Oct. 2, 2022
Bosulif	Philadelphia chromosome–positive chronic myelogenous leukemia	160	141	463	425
Lorbrena	ALK-positive metastatic NSCLC	159	99	393	247
Zirabev	Treatment of mCRC; unresectable, locally advanced, recurrent or metastatic NSCLC; recurrent glioblastoma; metastatic RCC; and persistent, recurrent or metastatic cervical cancer	100	146	335	432
Ruxience	Non-hodgkin's lymphoma, chronic lymphocytic leukemia, granulomatosis with polyangiitis (Wegener's Granulomatosis) and microscopic polyangiitis	88	120	302	357
Xalkori	ALK-positive and Proto-Oncogene 1, Receptor Tyrosine Kinase-positive advanced NSCLC	86	118	283	362
Retacrit	Anemia	82	87	262	308
Aromasin	Post-menopausal early and advanced breast cancer	76	66	225	187
Bavencio alliance revenues[(c)]	Locally advanced or metastatic urothelial carcinoma; metastatic Merkel cell carcinoma; immunotherapy and tyrosine kinase inhibitor combination for patients with advanced RCC	18	73	186	198
Besponsa	Relapsed or refractory B-cell acute lymphoblastic leukemia	54	55	171	164
Braftovi	In combination with Mektovi for metastatic melanoma in patients with a $BRAF^{V600E/K}$ mutation and, in combination with Erbitux® (cetuximab)[(d)], for the treatment of $BRAF^{V600E}$ -mutant mCRC after prior therapy	56	58	156	156
Sutent	Advanced and/or metastatic RCC, adjuvant RCC, refractory gastrointestinal stromal tumors (after disease progression on, or intolerance to, imatinib mesylate) and advanced pancreatic neuroendocrine tumor	42	75	136	287
Mektovi	In combination with Braftovi for metastatic melanoma in patients with a $BRAF^{V600E/K}$ mutation	45	45	127	129
Trazimera	HER2-positive breast cancer and metastatic stomach cancers	—	51	67	149
All other Oncology	Various	110	80	304	243
BUSINESS INNOVATION[(e)]		**$ 302**	**$ 319**	**$ 928**	**$ 974**
Pfizer CentreOne[(f)]	Various	291	318	903	972
Pfizer Ignite	Various	10	1	25	1
Total Alliance revenues included above		**$ 1,645**	**$ 1,689**	**$ 5,672**	**$ 6,320**

[(a)] Excludes revenues for certain Comirnaty-related manufacturing activities performed on behalf of BioNTech, which are included in the PC1 contract development and manufacturing organization. See footnote (f) below.

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

[(c)] In March 2023, it was announced that our alliance with Merck KGaA to co-develop and co-commercialize Bavencio (avelumab) would terminate. Effective June 30, 2023, Merck KGaA took full control of the global commercialization of Bavencio. Beginning in the third quarter of 2023, the related profit share was replaced by a 15% royalty to Pfizer on net sales of Bavencio, which is recorded in *Other (income)/deductions—net*. We and Merck KGaA will continue to operationalize our respective ongoing clinical trials for Bavencio; and Merck KGaA will control all future R&D activities.

[(d)] Erbitux® is a registered trademark of ImClone LLC.

[(e)] See *Note 13A* above for information about Business Innovation. Prior-period financial information has been revised to reflect the current period presentation.

[(f)] PC1 includes revenues from our contract manufacturing, including certain Comirnaty-related manufacturing activities performed on behalf of BioNTech ($11 million for the first nine months of 2023 and $108 million for the first nine months of 2022, 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.

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 $9 billion as of October 1, 2023, 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, current contract terms provide for expected delivery of product with contracted revenue from 2023 through 2026, the timing of which may be renegotiated. Remaining performance obligations are based on foreign exchange rates as of the end of our fiscal third quarter of 2023 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. The deferred revenues related to Comirnaty totaled $3.2 billion as of October 1, 2023, with $2.1 billion and $1.0 billion recorded in current liabilities and noncurrent liabilities, respectively. The deferred revenues related to Comirnaty totaled $2.5 billion as of December 31, 2022, with $2.4 billion and $77 million recorded in current liabilities and noncurrent liabilities, respectively. The increase in Comirnaty deferred revenues during the first nine months of 2023 was primarily the result of additional advance payments received as we entered into amended contracts and the impact of foreign exchange, partially offset by amounts recognized in *Revenues* as we delivered the products to our customers. During the third quarter and first nine months of 2023, we recognized

revenue of approximately $140 million and $2.1 billion, respectively, that was included in the balance of Comirnaty deferred revenues as of December 31, 2022. The Comirnaty deferred revenues as of October 1, 2023 will be recognized in *Revenues* proportionately as we transfer control of the product 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* from 2024 through 2026. Deferred revenues associated with contracts for other products were not significant as of October 1, 2023 or December 31, 2022.

Note 14. Subsequent Event

Amended Paxlovid Supply Agreement with the U.S. Government— On October 13, 2023, we announced an amended agreement with the U.S. government, which will facilitate the expected transition of Paxlovid to traditional commercial markets in November 2023, with prices to be negotiated with commercial payers and a copay assistance program for eligible privately insured patients, as the U.S. government begins to discontinue the distribution of EUA-labeled Paxlovid. We will ensure commercial readiness by providing NDA-labeled commercial supply to all channels by the end of 2023. However, EUA-labeled Paxlovid will remain available free-of-charge to all eligible patients until the end of 2023, and therefore, we expect only minimal uptake of NDA-labeled commercial product before January 1, 2024. Components of this agreement include: (i) a non-cash return of any remaining EUA-labeled U.S. government inventory at the end of 2023, estimated to be 7.9 million treatment courses, with an associated revenue reversal of approximately $4.2 billion to be recorded in the fourth quarter of 2023; (ii) the conversion of those remaining EUA-labeled treatment courses previously purchased by the U.S. government to a volume-based credit, which will support continued access to Paxlovid through a U.S. government patient assistance program operated by Pfizer (which will provide the estimated 7.9 million treatment courses of FDA-approved, NDA-labeled Paxlovid free of charge to all eligible uninsured, Medicare and Medicaid patients through 2024, and to eligible uninsured and underinsured patients through 2028); and (iii) the creation in 2024 of a U.S. Strategic National Stockpile of 1.0 million treatment courses to enable future pandemic preparedness through 2028, to be managed and supplied by Pfizer at no cost to the U.S. government or taxpayers. While we will recognize revenue as the estimated 8.9 million treatment courses are delivered, there is no cash compensation for these treatment courses.

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

GENERAL

The following MD&A is intended to assist the reader in understanding our financial condition and results of operations, including an evaluation of the amounts and certainty of cash flows from operations and from outside sources, and is provided as a supplement to and should be read in conjunction with the condensed consolidated financial statements and related notes in *Item 1. Financial Statements* in this Form 10-Q.

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 because 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.

OVERVIEW OF OUR PERFORMANCE, OPERATING ENVIRONMENT, STRATEGY AND OUTLOOK

Our Business and Strategy—Pfizer Inc. is a research-based, global biopharmaceutical company. We apply science and our global resources to bring therapies to people that extend and significantly improve their lives. In 2023, we are making additional investments in both R&D and SI&A to support Pfizer's near- and longer-term growth plans, including to support anticipated new launches, commercial launch of COVID-19 products, potential pipeline programs and recently acquired assets. We manage our commercial operations through a global structure consisting of two operating segments: Biopharma and Business Innovation. Biopharma is the only reportable segment. See *Note 13A*.

Since inception through the third quarter of 2023, we have incurred substantially all costs of approximately $700 million in connection with separating Upjohn. These charges include costs and expenses related to separation of legal entities and transaction costs.

In the fourth quarter of 2022, we began taking steps through our Transforming to a More Focused Company restructuring program to optimize our end-to-end R&D operations to reduce costs and cycle times as well as to further prioritize our internal R&D portfolio in areas where our capabilities are differentiated while increasing external innovation efforts to leverage an expanding and productive biotech sector. See *Note 3*. For a description of savings related to this program, see the *Costs and Expenses—Restructuring Charges and Other Costs Associated with Acquisitions and Cost-Reduction/Productivity Initiatives* section within MD&A.

In July 2023, we announced that in consideration of planned future investments in oncology, including the proposed acquisition of Seagen, we are reorganizing our R&D operations. See *Note 13A*.

In October 2023, we announced that we launched a multi-year, enterprise-wide cost realignment program that aims to realign our costs with our longer-term revenue expectations. The program is expected to deliver annual net cost savings of at least $3.5 billion, of which approximately $1.0 billion is expected to be realized in 2023 and at least an additional $2.5 billion is expected to be realized in 2024 compared to the midpoint of SI&A and R&D expense guidance provided on August 1, 2023. The costs to achieve the savings associated with the new cost realignment program are expected to be approximately $3.0 billion, of which the majority is expected to be cash. These costs will primarily include severance and implementation costs. We will continue to refine the estimated savings and their associated costs over the remainder of the year and will incorporate them into our full-year guidance for 2024.

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 2022 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 *Notes 1A* and *2*, including the proposed acquisition of Seagen, as well as the following:

Proposed Acquisition of Telavant Holdings, Inc. (Telavant)—In October 2023, we and Roivant Sciences Ltd. (Roivant) entered into a definitive agreement with Roche Holdings Inc. (Roche) through which Roche would acquire Telavant for an upfront payment of $7.1 billion and a contingent milestone payment of $150 million. Roivant currently owns approximately 75% and we currently own approximately 25% of Telavant. Telavant was created through an arrangement between Roivant and us under which we out-licensed the global development and manufacturing rights and the U.S. and Japan commercialization rights to our anti-TL1a antibody PF-06480605, now RVT-3101, to Telavant in exchange for our ownership interest in Telavant and Roivant's agreement to fund the ongoing R&D of RVT-3101. Under the original agreement, we retained commercialization rights to RVT-3101 outside of the U.S. and Japan and will continue to retain these rights after the acquisition of Telavant by Roche. In connection with this new transaction, Telavant's development, manufacturing and U.S. and Japan commercialization

rights will transfer to Roche. Roche's acquisition of Telavant is subject to customary closing conditions including U.S. anti-trust approval and is expected to close in the fourth quarter of 2023 or the first quarter of 2024. Upon closing of the transaction, we will receive a portion of the upfront cash payment from Roche based on our ownership interest and we will record a pre-tax gain of approximately $1.7 billion in *Other (income)/deductions—net*.

Agreement with Flagship Pioneering, Inc. (Flagship)—In July 2023, we and Flagship announced that we have partnered to create a new pipeline of innovative medicines. Under the terms of the novel agreement, we and Flagship will each invest $50 million upfront to explore opportunities to develop 10 single-asset programs by leveraging Flagship's ecosystem of more than 40 human health companies and multiple biotechnology platforms. Pfizer will fund and have an option to acquire each selected development program. Flagship and its bioplatform companies will be eligible to receive up to $700 million in milestones and royalties for each successfully commercialized program.

For a description of the more significant recent transactions through February 23, 2023, the filing date of our 2022 Form 10-K, see *Note 2* in our 2022 Form 10-K.

Our Third Quarter 2023 and First Nine Months of 2023 Performance

Revenues—*Revenues* decreased $9.4 billion, or 42%, in the third quarter of 2023 to $13.2 billion from $22.6 billion in the third quarter of 2022, reflecting an operational decrease of $9.3 billion, or 41%, as well as a de minimis impact of foreign exchange of $94 million. The operational decrease was primarily driven by declines in Paxlovid and Comirnaty. Excluding contributions from Comirnaty and Paxlovid, revenues increased $1.1 billion, or 10%, operationally, reflecting U.S. revenues from Abrysvo following launch of the older adult indication; revenues from Nurtec ODT/Vydura and Oxbryta; and strong growth from the Vyndaqel family and the Prevnar family.

Revenues decreased $31.8 billion, or 42%, in the first nine months of 2023 to $44.2 billion from $76.0 billion in the first nine months of 2022, reflecting an operational decrease of $30.7 billion, or 40%, as well as an unfavorable impact of foreign exchange of $1.1 billion, or 1%. The operational decrease was primarily driven by declines in Comirnaty and Paxlovid. Excluding contributions from Comirnaty and Paxlovid, revenues increased $2.2 billion, or 7%, operationally, reflecting revenues from Nurtec ODT/Vydura and Oxbryta; strong growth from the Vyndaqel family; U.S. revenues from Abrysvo following launch of the older adult indication; and growth from the Prevnar family and Eliquis.

As of October 31, 2023, on a total company basis, we forecasted revenues in 2023 of $58 billion to $61 billion, reflecting an operational decline of 40% at the midpoint compared to 2022 revenues, due to expected revenue declines from our COVID-19 products, partially offset by expected operational growth from our non-COVID-19 in-line portfolio, new product and indication launches and recently acquired products. We expect these revenue declines will also have an unfavorable impact on *Income from continuing operations before provision/(benefit) for taxes on income*.

See the *Revenues by Geography* and *Revenues—Selected Product Discussion* sections for more information, including a discussion of key drivers of our revenue performance. See also *The Global Economic Environment—COVID-19* section below for information about our COVID-19 products, including expectations, risks and uncertainties. For information regarding the primary indications or class of certain products, see *Note 13C*.

Income/(Loss) from Continuing Operations Before Provision/(Benefit) for Taxes on Income/(Loss)—*Loss from continuing operations before provision/(benefit) for taxes on income/(loss)* in the third quarter of 2023 was $3.4 billion, compared to income of $9.0 billion in the same period in 2022, primarily due to lower revenues and increases in *Cost of sales* and *Amortization of intangible assets*, partially offset by lower *Acquired in-process research and development expenses.*

The decrease in Income from continuing operations before provision for taxes on income of $24.3 billion, to $5.2 billion in the first nine months of 2023 from $29.5 billion in the first nine months of 2022, was primarily due to lower revenues and increases in *Selling, informational and administrative expenses* and *Amortization of intangible assets*, partially offset by lower *Cost of sales*, lower *Acquired in-process research and development expenses*, lower net losses on equity securities and lower net interest expense.

See the *Analysis of the Condensed Consolidated Statements of Operations* section within MD&A and *Note 4*. See also *The Global Economic Environment—COVID-19* section below for information about our COVID-19 products, including expectations, risks and uncertainties. For information on our tax provision and effective tax rate, see the *Provision/(Benefit) for Taxes on Income/(Loss)* 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 2022 Form 10-K and the *Item 1A. Risk Factors* section of this Form 10-Q.

Intellectual Property Rights and Collaboration/Licensing Rights—The loss, expiration or invalidation of intellectual property rights, patent litigation settlements and judgments, 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 2023 through 2025. We anticipate a more significant impact of reduced revenues from patent expiries in 2026 through 2030 as several of our in-line products experience patent-based expirations. 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, see the *Item 1. Business—Patents and Other Intellectual Property Rights* and the *Item 1A. Risk Factors—Intellectual Property Protection* sections of our 2022 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, legislative or regulatory pricing reforms, drug formularies (including tiering and utilization management tools), 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., we expect to see continued focus by Congress and the Biden Administration on regulating pricing. The drug pricing provisions of the IRA, which was signed into law in August 2022, began to be implemented in 2023 and implementation efforts will continue over the next several years. In August 2023, the Biden Administration unveiled the first round of medicines subject to the "Medicare Drug Price Negotiation Program," which requires manufacturers of select drugs to engage in a process with the Federal government to set new Medicare prices which would go into effect in 2026. Among the medicines included in the first round is Eliquis. 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, changes to the Medicaid program or the federal 340B drug pricing program, including legal or legislative developments at the federal or state level with respect to the 340B program, could have a material impact on our business. 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, and the *Overview of Our Performance, Operating Environment, Strategy and Outlook—Our Operating Environment* section of the MD&A of our 2022 Form 10-K.

Impact of Recent Tornado in Rocky Mount, North Carolina (NC)—Our manufacturing facility in Rocky Mount, NC was damaged by a tornado in July 2023. The facility is a key producer of sterile injectables and is responsible for manufacturing nearly 25 percent of all our sterile injectables—including anesthesia, analgesia, and micronutrients—which is nearly eight percent of all the sterile injectables used in U.S. hospitals. As of the date of the filing of this Form 10-Q, the majority of the facility's manufacturing lines have restarted. This expedited restart is the first step toward full recovery for the facility, as Pfizer restarts production through a phased approach, with full production across the site's three manufacturing suites anticipated by the end of 2023. While manufacturing has resumed, the supply of medicines impacted by the tornado is expected to be affected through at least mid-2024.

During the third quarter of 2023, we recorded $209 million to *Cost of sales* for inventory losses, overhead costs related to the period in which the facility could not operate, and incremental costs resulting from the tornado damage. We continue to evaluate the financial impact of the tornado on our business and may record additional losses and/or costs in future periods in order to bring our facility fully back online, but we are unable to predict them, along with insurance recoveries, with certainty at this time.

Product Supply—We periodically encounter supply delays, disruptions and shortages, including due to voluntary product recalls and natural or man-made disasters. 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 FDA interim acceptable intake limit, and may lead to additional recalls or other market actions for Pfizer products.

Except for the recent tornado in Rocky Mount, NC discussed above, we have not seen a significant disruption of our supply chain in the first nine months of 2023 and to date, and all of our manufacturing sites globally have continued to operate at or near normal levels; however, we continue to see heightened demand in the industry for certain components and raw materials, which could potentially result in constraining available supply leading to a possible future impact on our business. We are continuing to monitor and implement mitigation strategies in an effort to reduce any potential risk or impact including active supplier management, qualification of additional suppliers and advanced purchasing to the extent possible. For information on

risks related to product manufacturing, see the *Item 1A. Risk Factors—Product Manufacturing, Sales and Marketing Risks* section of our 2022 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. See the *Overview of Our Performance, Operating Environment, Strategy and Outlook—The Global Economic Environment* section of the MD&A of our 2022 Form 10-K.

COVID-19—In response to COVID-19, we have developed Paxlovid and collaborated with BioNTech to jointly develop Comirnaty, including an Omicron XBB.1.5-adapted monovalent vaccine. As part of our strategy for COVID-19, we are continuing to make significant additional investments in breakthrough science and global manufacturing. This includes continuing to evaluate Comirnaty and Paxlovid, including against new variants of concern, developing variant adapted vaccine candidates and developing potential combination respiratory vaccines and potential next generation vaccines and therapies. We are also evaluating Paxlovid for additional populations. See the *Product Developments* section within MD&A.

In the first nine months of 2023 and to date, we principally sold Comirnaty globally under government contracts. In September 2023, Comirnaty transitioned to traditional commercial market sales in the U.S., triggered by the expiration of current contracts and the COVID-19 vaccines from Pfizer and BioNTech purchased through them becoming either depleted or not used following the introduction of a new variant vaccine. 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 start transitioning to commercial markets in 2024.

In the first nine months of 2023 and to date, we principally sold Paxlovid globally to government agencies and distributors. Internationally, for Paxlovid, we are continuing the transition to commercial markets and are expecting most revenue to be generated through commercial channels in 2024. On October 13, 2023, we announced an amended agreement with the U.S. government, which will facilitate the expected transition of Paxlovid to traditional commercial markets in November 2023, with minimal uptake of NDA-labeled commercial product expected before January 1, 2024. See *Note 14*.

To date, the majority of demand for our COVID-19 products in 2023 has been fulfilled by existing supply of products that were delivered to governments and recorded as revenues in 2022. As of October 31, 2023, we forecasted Comirnaty revenues of approximately $11.5 billion in 2023, down 70% from 2022 results, with gross profit to be split evenly with BioNTech, and Paxlovid revenues of approximately $1 billion in 2023, down 95% from 2022 results. This forecast reflects an expected $9 billion revenue decline, composed of $7 billion for Paxlovid and $2 billion for Comirnaty, versus forecasted revenues as of August 1, 2023, primarily due to an expected $4.2 billion non-cash sales-return of EUA-labeled Paxlovid from the U.S. government, lower-than-expected vaccination- and infection-rates, and delayed commercialization in the U.S. for Paxlovid. These forecasts are based on estimates and assumptions that are subject to significant uncertainties, including, among others, patient demand, which could be significantly impacted by the infectiousness and severity of the predominant strains of the SARS-CoV-2 virus during 2023, proportion of the population that receives a vaccine or is treated with an oral antiviral treatment, number of symptomatic infections, and market share of Comirnaty and Paxlovid.

For information on the impact of COVID-19 on our business, operations and financial condition and results and risks associated with COVID-19 and our COVID-19 products, as well as COVID-19 intellectual property disputes, see the *Item 1A. Risk Factors—COVID-19, —Intellectual Property Protection* and *—Third-Party Intellectual Property Claims* sections and the *Overview of Our Performance, Operating Environment, Strategy and Outlook* section of the MD&A of our 2022 Form 10-K, as well as *Notes 8A*, *12A1*, *13* and the *Forward-Looking Information and Factors that May Affect Future Results* section of this Form 10-Q.

Israel/Hamas Conflict—Our global operations may be impacted by the armed conflict between Israel and Hamas that began on October 7, 2023. For both the nine months ended October 1, 2023 and the fiscal year ended December 31, 2022, the business of our Israel subsidiary represented less than 1% of our consolidated revenues and assets. We are closely monitoring developments in this conflict, including evaluating potential impacts to our business, customers, suppliers, employees, and operations in Israel and elsewhere in the Middle East. At this time, impacts to the Company are uncertain and subject to change given the volatile nature of the situation.

Russia/Ukraine Conflict—Our global operations may be impacted by the armed conflict between Russia and Ukraine. For both the nine months ended October 1, 2023 and the fiscal year ended December 31, 2022, 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, including financial institutions, 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. For additional information on our response to the armed conflict between Russia and Ukraine as well as risks associated with the conflict, see the *Item 1A. Risk Factors—Global Operations* section and the *Overview of Our Performance, Operating Environment, Strategy and Outlook* section of the MD&A of our 2022 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 2022 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 1D*); Fair Value (*Note 1E*); Revenues (*Note 1G*); 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 of our 2022 Form 10-K. See also *Note 1C* in our 2022 Form 10-K for a discussion about the risks associated with estimates and assumptions.

For a discussion of recently adopted accounting standards, see *Note 1B*.

ANALYSIS OF THE CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

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. 1, 2023	Oct. 2, 2022	Oct. 1, 2023	Oct. 2, 2022	Oct. 1, 2023	Oct. 2, 2022	% Change		
Operating segments:									
Biopharma	$ 12,930	$ 22,319	$ 7,717	$ 13,748	$ 5,214	$ 8,571	(42)	(44)	(39)
Business Innovation	302	319	88	103	214	216	(5)	(15)	(1)
Total revenues	$ 13,232	$ 22,638	$ 7,804	$ 13,851	$ 5,427	$ 8,786	(42)	(44)	(38)

	Nine Months Ended								
	Worldwide		U.S.		International		World-wide	U.S.	Inter-national
(MILLIONS)	Oct. 1, 2023	Oct. 2, 2022	Oct. 1, 2023	Oct. 2, 2022	Oct. 1, 2023	Oct. 2, 2022	% Change		
Operating segments:									
Biopharma	$ 43,320	$ 75,066	$ 22,208	$ 33,700	$ 21,112	$ 41,366	(42)	(34)	(49)
Business Innovation	928	974	289	291	639	683	(5)	(1)	(6)
Total revenues	$ 44,247	$ 76,040	$ 22,497	$ 33,991	$ 21,750	$ 42,049	(42)	(34)	(48)

Third Quarter of 2023 vs. Third Quarter of 2022

The following provides an analysis of the change in worldwide revenues by geographic areas in the third quarter of 2023:

(MILLIONS)	Three Months Ended October 1, 2023		
	Worldwide	U.S.	International
Operational growth/(decline):			
Worldwide declines from Paxlovid	$ (7,304)	$ (5,044)	$ (2,260)
Worldwide declines from Comirnaty	(3,091)	(1,913)	(1,178)
Worldwide growth from the Vyndaqel family, the Prevnar family, Eliquis, Xeljanz and Inlyta, partially offset by declines from Ibrance and Xtandi	529	438	91
U.S. revenues from Abrysvo following launch of the older adult indication in July of 2023	375	375	—
Revenues from Nurtec ODT/Vydura and Oxbryta, which were acquired in the fourth quarter of 2022	317	310	7
Other operational factors, net	(138)	(212)	74
Operational growth/(decline), net	(9,311)	(6,047)	(3,265)
Unfavorable impact of foreign exchange	(94)	—	(94)
Revenues increase/(decrease)	$ (9,406)	$ (6,047)	$ (3,359)

Emerging markets revenues decreased $927 million, or 28%, in the third quarter of 2023 to $2.4 billion from $3.3 billion in the third quarter of 2022, reflecting an operational decrease of $780 million, or 24%, and an unfavorable impact from foreign exchange of 4%. The operational decrease in emerging markets was primarily driven by declines from Comirnaty and Paxlovid as well as lower Sulperazon revenues largely driven by volume-based procurement in China, partially offset by growth from Eliquis and Lorbrena.

First Nine Months of 2023 vs. First Nine Months of 2022

The following provides an analysis of the worldwide change in revenues by geographic areas in the first nine months of 2023:

(MILLIONS)	Nine Months Ended October 1, 2023		
	Worldwide	U.S.	International
Operational growth/(decline):			
Worldwide declines from Comirnaty	$ (20,351)	$ (4,962)	$ (15,389)
Worldwide declines from Paxlovid	(12,517)	(8,554)	(3,963)
Worldwide growth from the Vyndaqel family, the Prevnar family, Eliquis and Inlyta, partially offset by declines from Ibrance, Xeljanz and Xtandi	892	916	(23)
Revenues from Nurtec ODT/Vydura and Oxbryta, which were acquired in the fourth quarter of 2022	878	863	15
U.S. revenues from Abrysvo following launch of the older adult indication in July of 2023	375	375	—
Other operational factors, net	38	(131)	169
Operational growth/(decline), net	(30,686)	(11,495)	(19,191)
Unfavorable impact of foreign exchange	(1,107)	—	(1,107)
Revenues increase/(decrease)	$ (31,793)	$ (11,495)	$ (20,298)

Emerging markets revenues decreased $7.0 billion, or 42%, in the first nine months of 2023 to $9.7 billion from $16.7 billion in the first nine months of 2022, reflecting an operational decrease of $6.4 billion, or 39%, and an unfavorable impact from foreign exchange of 3%. The operational decrease in emerging markets was primarily driven by declines from Comirnaty, partially offset by growth from Paxlovid, Lorbrena and Zavicefta.

See the *Revenues—Selected Product Discussion* section within MD&A for additional analysis.

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 the 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:

(MILLIONS)	Three Months Ended		Nine Months Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Medicare rebates	$ 286	$ 195	$ 718	$ 582
Medicaid and related state program rebates	406	223	1,228	689
Performance-based contract rebates	1,363	851	3,784	2,518
Chargebacks	2,627	1,946	7,216	5,480
Sales allowances	1,732	1,334	4,841	3,905
Sales returns and cash discounts	379	247	1,130	845
Total	$ 6,793	$ 4,796	$ 18,918	$ 14,019

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)				Revenue		% Change		
Product	**Period**	**Global Revenues**	**Region**	**Oct. 1, 2023**	**Oct. 2, 2022**	**Total**	**Oper.**	**Operational Results Commentary**
Comirnaty[a]	**QTD**	**$1,307**	U.S.	$ 995	$ 2,908	(66)		QTD declines largely driven by lower U.S. government contracted deliveries and lower contracted deliveries and demand in international markets, due to anticipated transition to new variant vaccines globally and to traditional U.S. commercial market sales beginning in September 2023.
		Down 70%	Int'l.	312	1,494	(79)	(79)	
		(operationally)	Worldwide	$ 1,307	$ 4,402	(70)	(70)	
	YTD	**$5,859**	U.S.	$ 1,340	$ 6,303	(79)		YTD declines largely driven by lower contracted deliveries and demand in international markets and lower U.S. government contracted deliveries, due to anticipated transition to new variant vaccines globally and to traditional U.S. commercial market sales beginning in September 2023.
		Down 77%	Int'l.	4,519	20,174	(78)	(76)	
		(operationally)	Worldwide	$ 5,859	$ 26,477	(78)	(77)	
Eliquis	**QTD**	**$1,498**	U.S.	$ 883	$ 835	6		Growth driven primarily by continued oral anti-coagulant adoption and market share gains in the non-valvular atrial fibrillation indication in the U.S. and certain markets in Europe, partially offset by declines due to LOE and generic competition in certain international markets.
		Up 3%	Int'l.	615	628	(2)	(1)	
		(operationally)	Worldwide	$ 1,498	$ 1,464	2	3	
	YTD	**$5,135**	U.S.	$ 3,296	$ 2,979	11		
		Up 4%	Int'l.	1,838	2,022	(9)	(6)	
		(operationally)	Worldwide	$ 5,135	$ 5,001	3	4	
Prevnar family	**QTD**	**$1,854**	U.S.	$ 1,310	$ 1,089	20		QTD growth primarily driven by: • the adult indications in the U.S. driven by strong patient demand for Prevnar 20 for the eligible adult population, and • the pediatric indication in the U.S. due to the approval of Prevnar 20 and associated stocking, partially offset by lower market share due to competitive entry, as well as • growth of the pediatric indication for Prevenar 13 in certain emerging markets.
		Up 15%	Int'l.	544	517	5	5	
		(operationally)	Worldwide	$ 1,854	$ 1,607	15	15	YTD growth primarily driven by the adult indications in the U.S. due to strong patient demand for Prevnar 20 for the eligible adult population, as well as growth of Prevenar 13 in certain emerging markets, partially offset by the Prevnar pediatric indication in the U.S. driven by lower market share due to competitor entry and unfavorable timing of purchases.
	YTD	**$4,835**	U.S.	$ 3,210	$ 3,010	7		
		Up 6%	Int'l.	1,624	1,591	2	6	
		(operationally)	Worldwide	$ 4,835	$ 4,601	5	6	
Paxlovid	**QTD**	**$202**	U.S.	$ —	$ 5,044	*		QTD declines primarily driven by: • No third quarter U.S. sales in anticipation of commercial transition, and • lower contractual deliveries in most international markets.
		Down 97%	Int'l.	202	2,470	(92)	(91)	
		(operationally)	Worldwide	$ 202	$ 7,514	(97)	(97)	
	YTD	**$4,414**	U.S.	$ 1,960	$ 10,514	(81)		YTD declines primarily driven by the above factors as well as no second quarter U.S. sales, partially offset by strong demand in China under the temporary National Reimbursement Drug List (which ended on April 1, 2023) due to surge in COVID-19 infection during the first quarter of 2023.
		Down 73%	Int'l.	2,454	6,584	(63)	(60)	
		(operationally)	Worldwide	$ 4,414	$ 17,099	(74)	(73)	

(MILLIONS)				Revenue		% Change		
Product	**Period**	**Global Revenues**	**Region**	**Oct. 1, 2023**	**Oct. 2, 2023**	**Total**	**Oper.**	**Operational Results Commentary**
Ibrance	**QTD**	**$1,244**	U.S.	$ 838	$ 872	(4)		Declines primarily driven by lower demand globally due to competitive pressure, lower clinical trial purchases internationally, and planned price decreases in certain international developed markets.
		Down 3%	Int'l.	406	411	(1)	(1)	
		(operationally)	Worldwide	$ 1,244	$ 1,283	(3)	(3)	
	YTD	**$3,635**	U.S.	$ 2,438	$ 2,493	(2)		
		Down 4%	Int'l.	1,197	1,347	(11)	(8)	
		(operationally)	Worldwide	$ 3,635	$ 3,841	(5)	(4)	
Vyndaqel family	**QTD**	**$892**	U.S.	$ 511	$ 329	55		Growth largely driven by continued strong uptake of the ATTR-CM indication, primarily in the U.S. and developed Europe. YTD growth partially offset by a planned price decrease that went into effect in Japan in the second quarter of 2022.
		Up 47%	Int'l.	381	273	40	36	
		(operationally)	Worldwide	$ 892	$ 602	48	47	
	YTD	**$2,360**	U.S.	$ 1,329	$ 890	49		
		Up 35%	Int'l.	1,031	876	18	20	
		(operationally)	Worldwide	$ 2,360	$ 1,766	34	35	
Xeljanz	**QTD**	**$503**	U.S.	$ 371	$ 345	8		QTD growth driven primarily by higher net price in the U.S. due to favorable changes in channel mix, partially offset by decreased prescription volumes globally resulting from ongoing shifts in prescribing patterns related to label changes. YTD declines driven primarily by decreased prescription volumes globally resulting from ongoing shifts in prescribing patterns related to label changes.
		Up 1%	Int'l.	132	157	(16)	(15)	
		(operationally)	Worldwide	$ 503	$ 502	—	1	
	YTD	**$1,210**	U.S.	$ 794	$ 802	(1)		
		Down 6%	Int'l.	416	502	(17)	(13)	
		(operationally)	Worldwide	$ 1,210	$ 1,304	(7)	(6)	
Xtandi	**QTD**	**$313**	U.S.	$ 313	$ 320	(2)		QTD decline driven by lower net price mainly due to unfavorable changes in channel mix, partially offset by higher demand. YTD performance driven by higher demand, offset by lower net price mainly due to unfavorable changes in channel mix.
		Down 2%	Int'l.	—	—	—	—	
		(operationally)	Worldwide	$ 313	$ 320	(2)	(2)	
	YTD	**$877**	U.S.	$ 877	$ 878	—		
		Flat	Int'l.	—	—	—	—	
		(operationally)	Worldwide	$ 877	$ 878	—	—	
Inlyta	**QTD**	**$252**	U.S.	$ 153	$ 152	1		Growth primarily reflects continued growth in emerging markets and the U.S. driven by the adoption of combinations of certain immune checkpoint inhibitors and Inlyta for the first-line treatment of patients with advanced RCC, partially offset by lower volumes and lower net price in certain European markets.
		Up 1%	Int'l.	98	100	(2)	1	
		(operationally)	Worldwide	$ 252	$ 252	—	1	
	YTD	**$773**	U.S.	$ 476	$ 454	5		
		Up 3%	Int'l.	297	306	(3)	1	
		(operationally)	Worldwide	$ 773	$ 760	2	3	
Nurtec ODT/Vydura	**QTD**	**$233**	U.S.	$ 227	$ —	*		Driven by the acquisition of Biohaven in the fourth quarter of 2022, after which Nurtec ODT/Vydura is now a Pfizer-owned product, compared to the third quarter and first nine months of 2022, during which Pfizer only had commercialization rights outside of the U.S. under a collaboration and license agreement with Biohaven. See *Notes 2A* and *2E* of our 2022 Form 10-K.
		*	Int'l.	6	—	*	*	
			Worldwide	$ 233	$ —	*	*	
	YTD	**$646**	U.S.	$ 633	$ —	*		
		*	Int'l.	13	1	*	*	
			Worldwide	$ 646	$ 1	*	*	

Business Innovation

(MILLIONS)				Revenue		% Change		
Operating Segment	**Period**	**Global Revenues**	**Region**	**Oct. 1, 2023**	**Oct. 2, 2023**	**Total**	**Oper.**	**Operational Results Commentary**
Business Innovation	**QTD**	**$302**	U.S.	$ 88	$ 103	(15)		QTD declines primarily driven by lower revenues from our active pharmaceutical ingredient sales operation and lower manufacturing of divested products under manufacturing and supply agreements. YTD declines primarily driven by a reduction in Comirnaty supply to BioNTech and lower revenues from our active pharmaceutical ingredient sales operation, partially offset by higher COVID-19 manufacturing activities performed on behalf of customers.
		Down 7%	Int'l.	214	216	(1)	(3)	
		(operationally)	Worldwide	$ 302	$ 319	(5)	(7)	
	YTD	**$928**	U.S.	$ 289	$ 291	(1)		
		Down 4%	Int'l.	639	683	(6)	(6)	
		(operationally)	Worldwide	$ 928	$ 974	(5)	(4)	

[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 customer group. It does not include revenues for certain Comirnaty-related manufacturing activities performed on behalf of BioNTech, which are included in PC1, which is part of the Business Innovation operating segment. See *Note 13C*.

* Indicates calculation not meaningful.

See the *Item 1. Business—Patents and Other Intellectual Property Rights* section of our 2022 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 additional information regarding the primary indications or class of the selected products discussed above.

Costs and Expenses

Costs and expenses follow:

(MILLIONS)	Three Months Ended			Nine Months Ended		
	October 1, 2023	October 2, 2022	% Change	October 1, 2023	October 2, 2022	% Change
Cost of sales	$ 9,269	$ 6,063	53	$ 17,391	$ 24,696	(30)
Percentage of *Revenues*	70.0 %	26.8 %		39.3 %	32.5 %	
Selling, informational and administrative expenses	3,281	3,391	(3)	10,196	9,032	13
Research and development expenses	2,711	2,696	1	7,864	7,813	1
Acquired in-process research and development expenses	67	524	(87)	122	880	(86)
Amortization of intangible assets	1,179	822	43	3,466	2,478	40
Restructuring charges and certain acquisition-related costs	155	199	(22)	377	580	(35)
Other (income)/deductions—net	(79)	(59)	33	(356)	1,063	*

* Indicates calculation not meaningful.

Cost of Sales

Cost of sales increased $3.2 billion in the third quarter of 2023, primarily due to:

- a non-cash charge of $5.6 billion recorded in the third quarter of 2023 for inventory write-offs and related charges ($4.7 billion for Paxlovid and $0.9 billion for Comirnaty); and
- $209 million in inventory losses, overhead costs related to the period in which the facility could not operate, and incremental costs resulting from tornado damage to our manufacturing facility in Rocky Mount, NC,

partially offset by:

- a reduction of $2.6 billion due to lower sales of Comirnaty; and
- a reduction of $405 million due to lower sales of Paxlovid.

Cost of sales decreased $7.3 billion in the first nine months of 2023, mainly due to:

- a reduction of $12.7 billion due to lower sales of Comirnaty; and
- a reduction of $1.2 billion due to lower sales of Paxlovid,

partially offset by:

- a non-cash charge of $5.8 billion for inventory write-offs and related charges ($4.8 billion for Paxlovid and $1.0 billion for Comirnaty); and
- $209 million in inventory losses, overhead costs related to the period in which the facility could not operate, and incremental costs resulting from tornado damage to our manufacturing facility in Rocky Mount, NC.

The increase in *Cost of sales* as a percentage of revenues in the third quarter and in the first nine months of 2023 was mainly driven by the non-cash charge of $5.6 billion discussed above, partially offset to a much lesser extent by favorable changes in sales mix.

Selling, Informational and Administrative Expenses

Selling, informational and administrative expenses decreased $109 million in the third quarter of 2023, primarily due to:

- a decrease of $325 million due to a lower provision for U.S. healthcare reform fees related to Comirnaty and Paxlovid; and
- a $140 million decrease in spending on products across multiple customer groups,

partially offset by:

- an increase of $320 million for marketing and promotional expenses for recently acquired and launched products.

Selling, informational and administrative expenses increased $1.2 billion in the first nine months of 2023, primarily due to:

- an increase of $780 million in marketing and promotional expenses for recently acquired and launched products;
- an increase of $450 million for the expected Paxlovid commercial launch;
- a $285 million increase in spending on products across multiple customer groups; and
- an increase of $200 million in our liability to be paid to participants of our supplemental savings plan,

partially offset by:

- a decrease of $490 million due to a lower provision for U.S. healthcare reform fees related to Comirnaty and Paxlovid.

Research and Development Expenses

Research and development expenses increased $14 million in the third quarter of 2023, primarily due to:

- increased investments of $280 million, mainly to develop recently acquired assets, as well as activities to support upcoming product launches,

partially offset by:

- a decrease of $260 million mainly due to lower compensation-related expenses.

Research and development expenses increased $51 million in the first nine months of 2023, primarily driven by:

- increased costs of $560 million to develop recently acquired assets, activities to support upcoming product launches as well as ongoing late stage internal medicine programs,

partially offset by:

- lower spending of $430 million mainly for ongoing late stage vaccine and hospital programs as well as lower compensation-related expenses; and
- a decrease of $80 million in the value of the portfolio performance share grants reflecting the decrease in the price of Pfizer's common stock.

Acquired In-Process Research and Development Expenses

Acquired in-process research and development expenses decreased $457 million in the third quarter of 2023 and decreased $759 million in the first nine months of 2023, primarily reflecting the non-recurrence of an upfront payment of $426 million related to the closing of the acquisition of ReViral Ltd. in the third quarter of 2022. The decrease for the first nine months of 2023 also reflects the non-recurrence of (i) an upfront payment to Biohaven and a premium paid on our equity investment in Biohaven totaling $263 million and (ii) a $76 million premium paid on our equity investment in BioNTech to develop a potential mRNA vaccine against shingles, both recorded in the first quarter of 2022.

Amortization of Intangible Assets

Amortization of intangible assets increased $357 million in the third quarter of 2023 and $987 million in the first nine months of 2023, primarily as a result of amortization of intangible assets from our acquisitions of Biohaven and GBT, as well as higher amortization of intangible assets related to Prevnar, partially offset by fully amortized assets.

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 3A*. The program savings discussed below may be rounded and represent approximations. In connection with restructuring our corporate enabling functions, we achieved 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, in the two year period from 2021 through 2022. In connection with transforming our commercial go-to market 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. In connection with optimizing our end-to-end R&D operations, we expect net cost savings of $2.3 billion to be achieved primarily from 2023 through 2025.

Certain qualifying costs for this program in all periods since inception were recorded and reflected as Certain Significant Items and excluded from our non-GAAP measure of Adjusted Income/(Loss). See the *Non-GAAP Financial Measure: Adjusted Income/(Loss)* 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. In October 2023, we announced that we launched a multi-year, enterprise-wide cost realignment program that aims to realign our costs with our longer-term revenue expectations. See the *Overview of Our Performance, Operating Environment, Strategy and Outlook—Our Business and Strategy* section within MD&A.

Other (Income)/Deductions—Net

The favorable period-over-period change of $19 million for the third quarter of 2023, compared to the third quarter of 2022, was primarily driven by (i) a gain on the divestiture of our early-stage rare disease gene therapy portfolio to Alexion in the third quarter of 2023 (see *Note 2B*), (ii) the non-recurrence of an asset impairment charge incurred in the third quarter of 2022, and (iii) equity income from our investment in Haleon in the third quarter of 2023 versus equity losses in the third quarter of 2022, partially offset by (iv) higher net losses on equity securities, and (v) lower net periodic benefit credits associated with pension and postretirement plans recorded in the third quarter of 2023.

The favorable period-over-period change of $1.4 billion for the first nine months of 2023, compared to the first nine months of 2022, was primarily driven by (i) lower net losses on equity securities, (ii) lower net interest expense, (iii) a gain on the divestiture of our early-stage rare disease gene therapy portfolio to Alexion (see *Note 2B*), and (iv) higher dividend income.

See *Note 4*.

Provision/(Benefit) for Taxes on Income/(Loss)

(MILLIONS)	Three Months Ended			Nine Months Ended		
	October 1, 2023	October 2, 2022	% Change	October 1, 2023	October 2, 2022	% Change
Provision/(benefit) for taxes on income/(loss)	$ (964)	$ 356	*	$ (320)	$ 3,098	*
Effective tax rate on continuing operations	28.8 %	4.0 %		(6.2)%	10.5 %	

* 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 October 31, 2023 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.

This section 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

Beginning with the original monovalent Pfizer-BioNTech COVID-19 Vaccine, initially authorized for emergency use, to Comirnaty (COVID-19 Vaccine, mRNA, 2023-2024 Formula), approved by the FDA for individuals 12 years and older and Pfizer-BioNTech COVID-19 Vaccine (2023-2024 Formula) authorized by the FDA for emergency use for individuals 6 months through 11 years of age, efforts to stay current with circulating COVID-19 strains have resulted in the rapid development of targeted, adapted vaccines for licensure in the U.S., Europe, Japan and other markets. The adapted vaccines have included two bivalent formulations (Original and Omicron BA.1, not authorized in the U.S., and Original and Omicron BA.4/BA.5). As updated COVID-19 vaccines are formulated to more closely target currently circulating vaccines, prior vaccine formulations are generally no longer utilized in a majority of the markets.

The 2023-2024 Formula includes a monovalent (single) component that corresponds to the Omicron sub-variant XBB.1.5 of severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The table below summarizes the approval of the 2023-2024 Formula in the markets indicated:

Product	Indication	Regulatory Status		
		U.S.[a]	EU	Japan
Comirnaty (COVID-19 Vaccine, mRNA, 2023-2024 Formula)	Active immunization to prevent COVID-19 caused by SARS-CoV-2 for individuals 6 months through 4 years of age	**Authorized** September 2023	**Approved** August 2023	**Approved** September 2023
	Active immunization to prevent COVID-19 caused by SARS-CoV-2 for individuals 5 through 11 years of age	**Authorized** September 2023	**Approved** August 2023	**Approved** September 2023
	Active immunization to prevent COVID-19 caused by SARS-CoV-2 in individuals 12 years of age and older	**Approved** September 2023	**Approved** August 2023	**Approved** September 2023

[a] In September 2023, Pfizer and BioNTech announced the FDA approved a regulatory application for their Omicron XBB.1.5-adapted monovalent COVID-19 vaccine for individuals 12 years of age and older (Comirnaty (COVID-19 Vaccine, mRNA, 2023-2024 Formula)). The FDA also granted EUA for the Omicron XBB.1.5-adapted monovalent COVID-19 vaccine for individuals 6 months through 11 years of age (Pfizer-BioNTech COVID-19 Vaccine (2023-2024 Formula)).

Other Products

PRODUCT	INDICATION OR PROPOSED INDICATION	APPROVED/FILED*		
		U.S.	EU	JAPAN
Ngenla (somatrogon)[a]	Pediatric growth hormone deficiency	**Approved** June 2023	**Approved** February 2022	**Approved** January 2022
Prevnar 20/Apexxnar (Vaccine)	Active immunization to prevent pneumonia, invasive disease and otitis media caused by Streptococcus pneumoniae (adults)	**Approved** June 2021	**Approved** February 2022	**Filed** September 2023
	Active immunization to prevent pneumonia, invasive disease and otitis media caused by Streptococcus pneumoniae (pediatric)	**Approved** April 2023	**Filed** November 2022	**Filed** March 2023
TicoVac (Vaccine)	Active immunization to prevent tick-borne encephalitis disease	**Approved** August 2021		**Filed** March 2023
Paxlovid[b] **(nirmatrelvir and ritonavir)**	COVID-19 in high-risk adults	**Approved** May 2023	**Approved** February 2023	**Approved** February 2022
Nurtec ODT/Vydura (rimegepant)	Acute treatment of migraine with or without aura (adults)	**Approved** February 2020	**Approved** April 2022	
	Prevention of episodic migraine (adults)	**Approved** May 2021	**Approved** April 2022	
Litfulo/Ritfulo (ritlecitinib)	Alopecia areata	**Approved** June 2023	**Approved** September 2023	**Approved** June 2023
Zavzpret (zavegepant) (intranasal)	Acute treatment of migraine with or without aura (adults)	**Approved** March 2023		
Penbraya (PF-06886992) (Vaccine)	Active immunization to prevent serogroups ABCWY meningococcal infections (adolescent and young adults)	**Approved** October 2023	**Filed** June 2023	
Abrysvo (Vaccine)	Active immunization to prevent RSV infection (maternal)	**Approved** August 2023	**Approved** August 2023	**Filed** February 2023
	Active immunization to prevent RSV infection (older adults)	**Approved** May 2023	**Approved** August 2023	**Filed** May 2023
Velsipity (etrasimod)	Ulcerative colitis (moderately to severely active)	**Approved** October 2023	**Filed** November 2022	
Braftovi (encorafenib) and Mektovi (binimetinib)	$BRAF^{V600E}$-mutant metastatic non-small cell lung cancer	**Approved** October 2023		
Elrexfio (elranatamab)	Multiple myeloma triple-class relapsed/refractory	**Approved** August 2023	**Filed** January 2023	**Filed** June 2023
Talzenna (talazoparib)	Combination with Xtandi (enzalutamide) for adult patients with homologous recombination repair (HRR) gene-mutated mCRPC[c]	**Approved** June 2023	**Filed** February 2023	**Filed** February 2023
fidanacogene elaparvovec (PF-06838435)[d]	Hemophilia B	**Filed** June 2023	**Filed** June 2023	
Xtandi (enzalutamide)[e]	Non-metastatic castration-sensitive prostate cancer (nmCSPC) with high risk of biochemical recurrence (BCR)	**Filed** August 2023	**Filed** September 2023	

* 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 OPKO.

[b] Previously authorized under EUA in the U.S. (December 2021) and approved by the FDA in high-risk adults (May 2023). Remains under EUA for children (12-18 years of age; >88lbs) in the U.S.

[c] Listed patient population applies to U.S. only. Patient population in the filed application in the EU is an all-comers population in men with mCRPC.

[d] Being developed in collaboration with Spark Therapeutics, Inc.

[e] Being developed in collaboration with Astellas.

In China, the following products received regulatory approvals in the last twelve months: Xeljanz for the treatment of adult patients with active psoriatic arthritis in October 2022; Prevenar 13 in infants and children aged 6 weeks to 15 months, in April 2023; Staquis (crisaborole) for the topical treatment of mild to moderate atopic dermatitis patients aged 3 months and older in August 2023; and Litfulo (ritlecitinib), a once-daily oral treatment, for individuals 12 years of age and older with severe alopecia areata (AA) in October 2023.

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
	Talzenna (talazoparib)	Combination with Xtandi (enzalutamide) for DNA Damage Repair (DDR)-deficient mCSPC
	Ngenla (somatrogon) [b]	Adult growth hormone deficiency
	Braftovi (encorafenib) and Erbitux® (cetuximab)[c]	First-line $BRAF^{V600E}$-mutant mCRC
	Braftovi (encorafenib) and Mektovi (binimetinib) and Keytruda® (pembrolizumab)[d]	$BRAF^{V600E/K}$-mutant metastatic or unresectable locally advanced melanoma
	Paxlovid (nirmatrelvir; ritonavir)	COVID-19 in high-risk children (6-11 years of age; >88lbs)
	zavegepant (oral)	Prevention of chronic migraine (adults)
	Litfulo (ritlecitinib)	Vitiligo
	Elrexfio (elranatamab)	Multiple myeloma double-class exposed
		Newly diagnosed multiple myeloma post-transplant maintenance
		Newly diagnosed multiple myeloma transplant-ineligible
	Oxbryta (voxelotor)	Sickle cell disease (pediatric)
	Eliquis (apixaban)	Venous thromboembolism (pediatric)
	Abrysvo (vaccine)	Active immunization to prevent RSV infection in high-risk adults
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
	giroctocogene fitelparvovec (PF-07055480)[e]	Hemophilia A
	PF-06425090 (Vaccine)	Immunization to prevent primary clostridioides difficile infection
	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
	VLA15 (PF-07307405) vaccine[f]	Immunization to prevent Lyme disease
	PF-07252220 (quadrivalent mRNA-based vaccine)	Immunization to prevent influenza
	Vepdegestrant (PF-07850327)[g]	Breast cancer metastatic - 2nd line ER+/HER2-
	inclacumab (PF-07940370)	Sickle cell disease
	PF-06823859	Dermatomyositis, polymyositis

[a] Being developed in collaboration with The Alliance Foundation Trials, LLC.
[b] Being developed in collaboration with OPKO.
[c] 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.
[d] 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.
[e] Being developed in collaboration with Sangamo Therapeutics, Inc.
[f] Being developed in collaboration with Valneva SE.
[g] Being developed in collaboration with Arvinas.

For additional information about our R&D organization, see *Note 13* and the *Item 1. Business—Research and Development* section of our 2022 Form 10-K.

NON-GAAP FINANCIAL MEASURE: ADJUSTED INCOME/(LOSS)

Adjusted income/(loss) 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/(loss), certain components of Adjusted income/(loss) and Adjusted diluted EPS/(LPS) 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/(loss)	*Net income/(loss) 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/(loss) measure	
Adjusted diluted EPS/(LPS)	*EPS/(LPS) 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/(loss) 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/(loss), which is derived from Adjusted income/(loss). 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 ESG metrics, and may be further modified by our Compensation Committee's assessment of other factors.

Adjusted income/(loss) and its components and Adjusted diluted EPS/(LPS) 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/(loss) attributable to Pfizer Inc. common shareholders*, components of *Net income/(loss) attributable to Pfizer Inc. common shareholders* and *EPS/(LPS) 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.

Adjusted Income/(Loss) and Adjusted Diluted EPS/(LPS)

Amortization of Intangible Assets—Adjusted income/(loss) excludes all amortization of intangible assets.

Acquisition-Related Items—Adjusted income/(loss) excludes certain acquisition-related items, which are composed 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. Acquisition-related items may include purchase accounting impacts 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.

Discontinued Operations—Adjusted income/(loss) excludes 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 product portfolio 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/(loss) measure for the compensation in respect of the restated periods, but are presented for consistency across all periods.

Certain Significant Items—Adjusted income/(loss) excludes 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, or legal matters related to divested products or businesses. 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 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 2022 Form 10-K.

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 SHARE DATA)	Three Months Ended October 1, 2023				
	Cost of sales[a]	Selling, informational and administrative expenses[a]	Other (income)/deductions—net[a]	Net income/(loss) attributable to Pfizer Inc. common shareholders[a],[b]	Earnings/(loss) per common share attributable to Pfizer Inc. common shareholders—diluted[c]
GAAP Reported	**$ 9,269**	**$ 3,281**	**$ (79)**	**$ (2,382)**	**$ (0.42)**
Amortization of intangible assets	—	—	—	1,179	
Acquisition-related items	(127)	(2)	(8)	227	
Discontinued operations[d]	—	—	—	(13)	
Certain significant items:					
Restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring[e]	(20)	(71)	—	185	
(Gains)/losses on equity securities[f]	—	—	(393)	393	
Actuarial valuation and other pension and postretirement plan (gains)/losses	—	—	6	(6)	
Other[g]	(216)	(4)	85	137	
Income tax provision—non-GAAP items				(687)	
Non-GAAP Adjusted	$ 8,906	$ 3,205	$ (388)	$ (968)	$ (0.17)

Data presented will not (in all cases) aggregate to totals. (MILLIONS, EXCEPT PER SHARE DATA)	Nine Months Ended October 1, 2023				
	Cost of sales[a]	Selling, informational and administrative expenses[a]	Other (income)/deductions—net[a]	Net income/(loss) attributable to Pfizer Inc. common shareholders[a],[b]	Earnings/(loss) per common share attributable to Pfizer Inc. common shareholders—diluted
GAAP Reported	**$ 17,391**	**$ 10,196**	**$ (356)**	**$ 5,488**	**$ 0.96**
Amortization of intangible assets	—	—	—	3,466	
Acquisition-related items	(360)	(7)	(158)	778	
Discontinued operations[d]	—	—	—	(11)	
Certain significant items:					
Restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring[e]	(70)	(196)	—	450	
Certain asset impairments[f]	—	—	(264)	264	
(Gains)/losses on equity securities[f]	—	—	(711)	711	
Actuarial valuation and other pension and postretirement plan (gains)/losses	—	—	—	—	
Other[g]	(238)	(18)	21	242	
Income tax provision—Non-GAAP items				(1,478)	
Non-GAAP Adjusted	$ 16,723	$ 9,974	$ (1,466)	$ 9,908	$ 1.73

Data presented will not (in all cases) aggregate to totals. (MILLIONS, EXCEPT PER 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/(loss) attributable to Pfizer Inc. common shareholders[a],[b]	Earnings/(loss) 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	3	(2)	(12)	62	
Discontinued operations[d]	—	—	—	15	
Certain significant items:					
Restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring[e]	(20)	(137)	—	306	
Certain asset impairments[f]	—	—	(200)	200	
(Gains)/losses on equity securities[f]	—	—	(111)	111	
Actuarial valuation and other pension and postretirement plan (gains)/losses	—	—	193	(193)	
Other[g]	(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 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/(loss) attributable to Pfizer Inc. common shareholders[a], [b]	Earnings/(loss) 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	12	(5)	(51)	331	
Discontinued operations[d]	—	—	—	(9)	
Certain significant items:					
Restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring[e]	(62)	(344)	—	701	
Certain asset impairments[f]	—	—	(200)	200	
(Gains)/losses on equity securities[f]	—	—	(1,348)	1,348	
Actuarial valuation and other pension and postretirement plan (gains)/losses	—	—	(225)	225	
Other[g]	(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

[a] Items that reconcile GAAP Reported to non-GAAP Adjusted balances are shown pre-tax. Our effective tax rates for GAAP Reported income/(loss) from continuing operations were: 28.8% and (6.2)% in the three and nine months ended October 1, 2023, respectively, and 4.0% and 10.5% in the three and nine months ended October 2, 2022, respectively. See Note 5. Our effective tax rates for non-GAAP Adjusted income/(loss) were 22.3% and 10.4% in the three and nine months ended October 1, 2023, respectively, and 4.4% and 11.9% in the three and nine months ended October 2, 2022, respectively.

[b] The amounts for the three and nine months ended October 1, 2023 and October 2, 2022 include reconciling amounts for *Research and development expenses* that are not material.

[c] For the third quarter of 2023, basic weighted-average shares outstanding of 5,646 million (excluding common share equivalents) were used to calculate GAAP Reported and non-GAAP Adjusted *Loss per common share attributable to Pfizer Inc. common shareholders—diluted*.

[d] See Note 2B.

[e] 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.

[f] See Note 4.

[g] For the third quarter and first nine months of 2023, the total *Cost of sales* adjustments of $216 million and $238 million, respectively, primarily include $209 million in inventory losses, overhead costs related to the period in which the facility could not operate, and incremental costs resulting from tornado damage to our manufacturing facility in Rocky Mount, NC. For the third quarter of 2023, the total *Other (income)/deductions—net* adjustment of $85 million primarily includes a $222 million gain on the divestiture of our early-stage rare disease gene therapy portfolio to Alexion, partially offset by charges of $71 million for certain legal matters, representing legal obligations related to pre-acquisition matters and certain product liability expenses related to products discontinued and/or divested by Pfizer. For the first nine months of 2023, the total *Other (income)/deductions—net* adjustment of $21 million primarily includes (i) the $222 million gain on the divestiture of our early-stage rare disease gene therapy portfolio to Alexion, and (ii) dividend income of $211 million related to our investment in Nimbus resulting from Takeda Pharmaceutical Company Limited's acquisition of Nimbus's oral, selective allosteric tyrosine kinase 2 (TYK2) inhibitor program subsidiary, partially offset by charges of (i) $246 million for certain legal matters, primarily representing certain product liability and other legal expenses related to products discontinued and/or divested by Pfizer and legal obligations related to pre-acquisition matters, and (ii) $92 million mostly related to our equity-method accounting pro-rata share of intangible asset amortization and impairments, costs of separating from GSK and restructuring costs recorded by Haleon. For the third quarter of 2022, the total *Other (income)/deductions—net* adjustment of $325 million primarily included charges of (i) $212 million mostly representing our equity-method accounting pro rata share of costs of separating from GSK recorded by Haleon/the Consumer Healthcare JV, and adjustments to our equity-method basis differences which are also related to the separation of Haleon/the Consumer Healthcare JV from GSK, and (ii) $77 million for certain legal matters, representing certain product liability and other legal expenses related to products discontinued and/or divested by Pfizer. For the first nine months of 2022, the total *Other (income)/deductions—net* adjustment of $536 million primarily included charges of (i) $273 million mostly representing our equity-method accounting pro rata share of restructuring charges and costs of separating from GSK recorded by Haleon/the Consumer Healthcare JV, and adjustments to our equity-method basis differences which are also related to the separation of Haleon/the Consumer Healthcare JV from GSK, and (ii) $175 million for certain legal matters, primarily representing certain product liability and other legal expenses related to products discontinued and/or divested by Pfizer.

ANALYSIS OF THE CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(MILLIONS)	Nine Months Ended October 1, 2023	Nine Months Ended October 2, 2022	Drivers of change
Cash provided by/(used in):			
Operating activities	$ 3,460	$ 20,685	The change was primarily driven by a decrease in net income adjusted for non-cash items and the timing of receipts and payments in the ordinary course of business, including a decrease in advance payments for Comirnaty and Paxlovid and net changes in inventory greater than one year (see *Note 8A*).
Investing activities	$ (21,282)	$ (11,373)	The change was driven mainly by $12.7 billion greater net purchases of short-term investments in 2023 and a $4.0 billion dividend received from the Consumer Healthcare JV in 2022 that was allocated to investing activities, partially offset by $6.2 billion cash used to acquire Arena, net of cash acquired, in 2022 and a $1.5 billion decrease in purchases of long-term investments.
Financing activities	$ 20,624	$ (9,819)	The change was driven mainly by $30.8 billion of proceeds from the issuance of long-term debt in 2023.

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

Our historically robust operating cash flows, which we expect to continue, is a key strength of our liquidity and capital resources and our primary funding source. We believe as a result of this, together with our financial assets, access to capital markets, revolving credit agreements, and available lines of credit, 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 information about the sources and uses of our funds and capital resources, 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* section within MD&A. For information on our money market funds, available-for sale-debt securities and long-term debt, see *Note 7*.

For information about our diverse sources of funds, off-balance sheet arrangements, contractual and other obligations, global economic conditions, market risk and LIBOR, see the *Analysis of Financial Condition, Liquidity, Capital Resources and Market Risk* section within MD&A of our 2022 Form 10-K. For more information on guarantees and indemnifications, see *Note 12B*.

Debt Issuance—In May 2023, we completed a public offering of $31 billion aggregate principal amount of senior unsecured notes as part of the financing for our proposed acquisition of Seagen. The net proceeds have been invested in short-term investments in a combination of money market funds and available-for-sale debt securities until the completion of the proposed acquisition. See *Notes 7A* and *7D*.

Credit Ratings—The cost and availability of financing are influenced by credit ratings, and an increase or decrease in our credit rating could have a beneficial or adverse effect on financing. Our long-term debt is rated high-quality by both S&P and Moody's. In March 2023, following the announcement of the proposed acquisition of Seagen, Moody's changed its outlook on our long-term debt to Negative; S&P downgraded our short-term rating from A-1+ to A-1. In October 2023, following the announcement of the amended Paxlovid supply agreement with the U.S. government and updated 2023 guidance, S&P changed its outlook on our long-term debt to Negative.

As of the date of the filing of this Form 10-Q, the ratings assigned to our commercial paper and senior unsecured long-term debt:

NAME OF RATING AGENCY	Pfizer Short-Term Rating	Pfizer Long-Term Rating	Outlook/Watch
Moody's	P-1	A1	Negative Outlook
S&P	A-1	A+	Negative Outlook

These ratings are not recommendations to buy, sell or hold securities and the ratings are subject to revision or withdrawal at any time by the rating organizations. Each rating should be evaluated independently of any other rating.

Debt Capacity—Lines of Credit—As of the date of the filing of this Form 10-Q, we had access to a total of $15 billion in committed U.S. revolving credit facilities, consisting of an $8.0 billion facility maturing in November 2024 and a $7 billion facility maturing in November 2028, which may be used for general corporate purposes including to support our global commercial paper borrowings. In addition to the U.S. revolving credit facilities, our lenders have provided us an additional $298 million in lines of credit, of which $268 million expire within one year. Essentially all lines of credit were unused as of the date of the filing of this Form 10-Q.

Capital Allocation Framework—Our capital allocation framework is primarily devised to facilitate the achievement of medical breakthroughs through R&D investments and business development activities and returning capital to shareholders through dividends and share repurchases. We expect to finance the proposed acquisition of Seagen substantially through $31 billion of long-term debt issued in May 2023, and the balance from a combination of short-term financing and existing cash. See *Note 1A* and the *Item 1A. Risk Factors* section for additional information about our proposed acquisition of Seagen. On October 4, 2023, our BOD declared a dividend of $0.41 per share, payable on December 4, 2023, to shareholders of record at the close of business on November 10, 2023. At October 1, 2023, our remaining share-purchase authorization was $3.3 billion, with no repurchases in the first nine months of 2023. See *Note 12* in our 2022 Form 10-K for more information on our publicly announced share-purchase plans.

Our financing plan for Seagen does not involve monetizing any portion of our Haleon stake. Our intentions with respect to our Haleon stake are set out in our Schedule 13D (as amended) initially filed with the SEC on July 27, 2022.

NEW ACCOUNTING STANDARDS

Recently Adopted Accounting Standards

See *Note 1B*.

Recently Issued Accounting Standard, Not Adopted as of October 1, 2023

Standard/Description	Effective Date	Effect on the 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.

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, including financial guidance and projections;
- 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 and projections; potential pricing and reimbursement; potential market dynamics, size and utilization rates; 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 growth opportunities and prospects;
- 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, performance and effects, including, among others, plans for and prospects of our proposed acquisition of Seagen, including expectations regarding financing and closing of the transaction; the expected benefits of the organizational changes to our operations; our 2023 revenue expectations; our ongoing 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 for the commercial market for Comirnaty and

Paxlovid; our expectations regarding the impact of COVID-19 on our business; the expected impact of patent expiries and generic competition; the expected pricing pressures on our products and the anticipated impact to our business; the availability of raw materials for 2023; the benefits expected from our business development transactions; our anticipated operating cash flows and liquidity position; the anticipated costs, savings and potential benefits from certain of our initiatives, including our enterprise-wide cost realignment program, which we launched in October 2023, and our Transforming to a More Focused Company program; our expectations regarding the impact from the recent tornado on our manufacturing facility in Rocky Mount, NC; 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 2022 Form 10-K and the *Item 1A. Risk Factors* section of this Form 10-Q.

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 2022 Form 10-K, the *Item 1A. Risk Factors* section of this Form 10-Q 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 2022 Form 10-K, the *Item 1A. Risk Factors* section of this Form 10-Q or within MD&A, or other risks currently unknown, could have a material adverse effect on our business, financial condition or results of operations, 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 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, 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, 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 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 products; significant transaction costs; and unknown liabilities;
- risks and uncertainties related to Pfizer's proposed acquisition of Seagen, including, among other things, risks related to the satisfaction or waiver of the conditions to closing the proposed acquisition (including the failure to obtain necessary regulatory approvals) in the anticipated timeframe or at all, including the possibility that the proposed acquisition does not close; risks related to the ability to realize the anticipated benefits of the proposed acquisition, including the possibility that

the expected benefits from the acquisition will not be realized or will not be realized within the expected time period; the risk that the businesses will not be integrated successfully; disruption from the transaction making it more difficult to maintain business and operational relationships; negative effects of the announcement or the consummation of the proposed acquisition on the market price of Pfizer's common stock and/or operating results; significant transaction costs; unknown liabilities; the risk of litigation and/or regulatory actions related to the proposed acquisition or Seagen's business; risks related to the financing of the transaction; other business effects and uncertainties, including the effects of industry, market, business, economic, political or regulatory conditions; future exchange and interest rates; changes in tax and other laws, regulations, rates and policies; the impact of the proposed acquisition on future business combinations or disposals; uncertainties regarding the commercial success of Pfizer's and Seagen's commercialized and pipeline products; the uncertainties inherent in R&D; whether and when drug applications may be filed in any jurisdictions for Pfizer's or Seagen's pipeline products; whether and when any such applications may be approved by regulatory authorities, which will depend on myriad factors, including making a determination as to whether the product's benefits outweigh its known risks and determination of the product's efficacy and, if approved, whether any such products will be commercially successful; and competitive developments;

- 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, R&D and clinical trials;
- risks and uncertainties related to our efforts to continue to develop and commercialize Comirnaty and Paxlovid or any potential future COVID-19 vaccines, treatments or combinations, 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 the third quarter of 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 adherence to vaccines, boosters and treatments; and risks related to our ability to achieve our revenue forecasts for Comirnaty and Paxlovid or any potential future COVID-19 vaccines or treatments;
- 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 and monetary policy actions 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, including contract negotiations or renegotiations with government customers;
- 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;
- 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, 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 recent tornado at our manufacturing facility in Rocky Mount, NC;
- 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 their economic 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 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 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., such as China or Europe, including, without limitation, laws related to pharmaceutical product pricing, intellectual property, medicine safety, environmental impact of medicines, 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 those related to actual or alleged environmental contamination;
- the risk and impact of an adverse decision or settlement and the risk related to 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 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 adoption of global minimum taxation requirements outside the U.S. generally effective in most jurisdictions
  January 1, 2024 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, 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;
- 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 LOE; (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.

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 2022 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 within MD&A of this Form 10-Q and of our 2022 Form 10-K and to the *Item 1A. Risk Factors* section of our 2022 Form 10-K. We are including the following risk factors, which should be read in conjunction with the risk factors discussed in the *Item 1A. Risk Factors* section of our 2022 Form 10-K.

PROPOSED ACQUISITION OF SEAGEN

We may be unable to complete the acquisition of Seagen within the anticipated timeframe or at all, which could prevent us from receiving the anticipated benefits from the acquisition in the anticipated timeframe or at all.

On March 12, 2023, we entered into a merger agreement with Seagen. The transaction is expected to close in late 2023 or early 2024, and remains subject to customary closing conditions, including receipt of required regulatory approvals. As a result, there is no assurance that the acquisition will be consummated in the anticipated timeframe or at all. In addition, Pfizer may be required to pay Seagen a reverse termination fee of approximately $2.22 billion, subject to certain limitations set forth in the merger agreement, if the merger agreement is terminated by either party as a result of certain antitrust and/or foreign direct investment law-related conditions. Any failure to consummate the acquisition in the anticipated timeframe or at all could prevent Pfizer from receiving the expected benefits from the acquisition. See *Note 1* and the *Forward-Looking Information and Factors That May Affect Future Results* section within MD&A.

We have expended and will continue to expend significant time and resources in connection with the acquisition of Seagen and have incurred substantial indebtedness to fund the acquisition.

Pfizer has expended and will continue to expend significant management time and resources and expenses related to the acquisition of Seagen, many of which must be paid regardless of whether the acquisition is consummated. For example, such time, resources and expenses are being and will continue to be incurred in connection with seeking regulatory approvals for the transaction. We intend to finance a portion of the transaction with the proceeds from the $31 billion of long-term debt issued in May 2023, plus additional short-term indebtedness to be issued prior to the acquisition, which indebtedness may limit our operating or financial flexibility relative to our current position.

We may not be successful in identifying and executing potential business development transactions, such as our acquisition of Seagen, or realizing the financial and strategic goals that were contemplated at the time of any historical or potential business development transaction, which could have an adverse impact on our ability to meet our growth objectives.

We have established significant growth goals, which we plan to achieve, in part, by accelerating revenue growth by not only advancing our own product pipelines and maximizing the value of our existing products, but also through various forms of business development activities, which can include alliances, licenses, JVs, collaborations, equity- or debt-based investments, dispositions, divestments, mergers and acquisitions. Our proposed acquisition of Seagen is part of that accelerated revenue growth plan. We view our business development activity as an enabler of our strategies and seek to generate growth by pursuing opportunities and transactions that have the potential to strengthen our business and our capabilities. The success of our business development activities is dependent on the availability and accurate evaluation of appropriate opportunities, competition from others that are seeking similar opportunities and our ability to successfully identify, structure and execute transactions, including the ability to satisfy or waive closing conditions in the anticipated timeframes, or at all, and our ability to successfully integrate acquired businesses and develop and commercialize acquired products. Pursuing, executing and consummating these transactions may require substantial investment, which may require us to obtain additional equity or debt

financing, which could result in increased leverage and/or a downgrade of our credit ratings or limit our operating or financial flexibility relative to our current position. The success of our business development transactions depends on our ability to realize the anticipated benefits of these transactions and is subject to numerous risks and uncertainties, many of which are outside of our control, including the possibility that the expected benefits from such transactions will not be realized or will not be realized within the expected time period. Unsuccessful clinical trials, regulatory hurdles and commercialization challenges may adversely impact revenue and income contribution from acquired products and businesses. We may fail to generate expected revenue growth for our existing products, product pipeline and acquired products or businesses or we may fail to achieve anticipated cost savings, such as those expected with respect to Seagen, within expected time frames or at all, which may impact our ability to meet our growth objectives. In certain transactions, we may agree to provide certain transition services for an extended period of time, which may divert our focus and resources that would otherwise be invested into maintaining or growing our business. Similarly, the accretive impact anticipated from transactions may not be realized or may be delayed. Integration of these products or businesses may result in the loss of key employees, the disruption of ongoing business, including third-party relationships, or inconsistencies in standards, controls, procedures and policies. Further, while we seek to mitigate risks and liabilities through, among other things, due diligence, we may be exposed to risks and liabilities as a result of business development transactions. There is no assurance that we will be able to acquire attractive businesses or enter into strategic business relationships on favorable terms ahead of our competitors, or that such acquisitions or strategic business development relationships will be accretive to earnings or improve our competitive position.

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

The following summarizes purchases of our common stock during the third quarter of 2023:

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 3 through July 30, 2023	14,608	$ 38.14	—	$ 3,292,882,444
July 31 through August 27, 2023	57,757	$ 35.49	—	$ 3,292,882,444
August 28 through October 1, 2023	28,145	$ 34.73	—	$ 3,292,882,444
Total	100,510	$ 35.66	—	

[a] Represents (i) 98,065 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 2,445 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 MD&A of this Form 10-Q and *Note 12* in our 2022 Form 10-K.

ITEM 5. OTHER INFORMATION

During the three months ended October 1, 2023, none of our directors or officers adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

ITEM 6. EXHIBITS

Exhibit 10.1	-	Amended and Restated Pfizer Inc. Global Performance Plan
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 8, 2023

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

EXHIBIT 10.1

Pfizer Inc. Global Performance Plan
Amended and Restated October 2023

SECTION 1. PURPOSE

The purpose of the Pfizer Inc. Global Performance Plan (the "GPP" or the "Plan") is to foster a culture where colleagues are committed to, and focused on, high performance. The GPP is designed to attract, motivate, and engage a high performing, committed workforce that contributes to the achievement of the Company's annual financial and strategic and operational goals. The Plan is restated effective October 4, 2023.

SECTION 2. DEFINITIONS

As used in the Plan, the following terms shall have the meanings set forth below:

(a) "Affiliate" shall mean (i) any Person that directly, or through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company or (ii) any entity in which the Company has a significant equity interest, as determined by the Committee, and (iii) the employees of such entity or Person are eligible to participate in the Plan, as determined by the Committee.
(b) "Award" shall mean any cash incentive award granted pursuant to the provisions of the Plan.
(c) "Board" shall mean the Board of Directors of the Company.
(d) "Cause" shall mean a willful breach of duty in the course of service or employment and shall include, but not be limited to, a termination of employment for significant, willful breach of Company policy, inadequate work performance due to intentional or deliberate misconduct or intentional or deliberate failure to act, destruction of Company property, commission of unlawful acts against or reflecting on the Company, or similar occurrences. No act or failure to act shall be deemed "willful" unless done, or omitted to be done, not in good faith and without reasonable belief that the action or omission was in the best interest of the Company and its Affiliate. The Committee, or its designee, the Chief People Experience Officer, Executive Vice President or the Senior Vice President, Total Rewards, or its or his or her respective successors, in its or his or her sole and absolute discretion, shall determine whether a termination of employment is for "Cause."
(e) "CEO" shall mean the Chief Executive Officer of the Company.
(f) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time and any successor thereto.
(g) "Committee" shall mean the Compensation Committee of the Board or such other persons or committee to whom it has delegated any authority, as may be appropriate.
(h) "Company" shall mean Pfizer Inc., a Delaware corporation.
(i) "Compliance Written Warning" shall mean a Written Warning Letter resulting from a Compliance investigation issued by the Company or an Affiliate to an Employee.
(j) "Eligible Earnings" shall mean:
    1) For Group 1 Countries: a Participant's daily salary paid (as well as any lump-sum payment made in lieu of a merit increase) over the course of a Performance Period adjusted for any portion of the year in which the Participant was not eligible for the Plan, or to reflect a change in salary or salary grade.
    2) For Group 2 Countries: a Participant's base salary as of the immediately preceding December 31st unless there is a change in status as a full-time or part-time Employee.
    3) For Participants in the ELTI Program: a Participant's daily salary paid (as well as any lump-sum payment made in lieu of a merit increase) over the course of the Performance Period adjusted for any portion of the year in which the Participant was not eligible under the Plan, or to reflect a change in salary or salary grade.

    For Participants located in the United States, "Eligible Earnings" shall not include the following: incentive payments or other special payments (e.g., special recognition awards, discretionary awards, etc.), imputed income for life insurance and other Company-paid or subsidized benefits and perquisites, income from long-term incentive awards, reimbursed relocation expenses, relocation allowances, COLA payments or any allowance related to a global assignment, reimbursements or payments that are not pay for services (e.g., automobile and other forms of allowances), separation payments, short-term disability payments in excess of 90 days of each unrelated disability, payments in excess of the first 90 days of a continuous approved paid leave, long-term disability payments, workers' compensation payments and/or any similar payments that are generally not deemed base salary.

    For Participants outside the United States, Eligible Earnings will be determined based on the local competitive practices and/or regulatory requirements of the Participant's location but are generally limited to regular base salary and do not include allowances.
(k) "ELTI Program" shall mean the Company's Executive Long-Term Incentive Program.
(l) "ELTI Separation Plan" shall mean the Company's Executive Long-Term Incentive Separation Plan.
(m) "Employee" shall mean any employee of the Company or any Affiliate. For any and all purposes under this Plan, the term "Employee" shall not include a person hired as an independent contractor, leased employee, consultant or a person otherwise designated by the Committee, the Company or an Affiliate at the time of hire as not eligible to

participate in or receive benefits under the Plan or not on the payroll, even if such ineligible person is subsequently determined to be a common law employee of the Company or an Affiliate or otherwise an employee by any governmental or judicial authority. Unless otherwise determined by the Committee in its sole discretion, for purposes of the Plan, an Employee shall be considered to have terminated employment or services and to have ceased to be an Employee if his or her employer ceases to be an Affiliate, even if he or she continues to be employed by such employer.

(n) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(o) "Executive Leadership Team" shall mean the team of corporate executive officers of the Company reporting directly to the CEO of the Company and including the CEO.

(p) "Group 1 and Group 2 Countries" shall mean the countries as set forth in Appendix A hereto.

(q) "IFW" shall mean an Incident Final Warning issued by the Company or an Affiliate to the Employee.

(r) "Incentive Pool" shall mean the fund underlying the Plan from which payments of Awards are made. The Committee in its discretion may choose to establish an Incentive Pool that funds more than one Performance Period.

(s) "Incentive Award Opportunity" shall mean, effective starting with the 2021 performance year, the total potential cash compensation opportunity underlying an Award for a Performance Period ranging from zero to two and one-half times (0%-250%) a Participant's Incentive Target Percentage. "Incentive Target Percentage" shall mean the targeted level of compensation underlying an Award granted to a Participant for a Performance Period, expressed as a percentage of the Participant's Eligible Earnings.

(t) "Incentive Target Amount" shall mean the targeted level of compensation underlying an Award granted to a Participant for a Performance Period, expressed as a fixed value.

(u) "Involuntary Termination" shall mean a termination of an Employee's employment with the Company or an Affiliate by the Company or Affiliate as defined by the applicable severance plan.

(v) "Key Employee" means an Employee treated as a "specified employee" as of his or her Separation from Service under Code Section 409A(a)(2)(B)(i), i.e., a key employee (as defined in Code Section 416(i) without regard to paragraph (5) thereof) of the Company or its Affiliates if the Company's stock is publicly traded on an established securities market or otherwise. Key Employees shall be determined under rules adopted by the Company in accordance with Section 409A. Notwithstanding the foregoing, the Chief People Experience Officer, Executive Vice President or the Senior Vice President, Total Rewards, or the successor or the designee of either, may, under the alternative permissible methods allowable under Section 409A, adopt an alternative identification and effective date for purposes of determining which employees are Key Employees.

(w) "Participant" shall mean an Employee who is selected by management, the Committee or the Board from time to time in their sole discretion to receive an Award under the Plan.

(x) "Performance Period" shall mean the period selected by the Committee from time to time during which any performance goals specified by the Committee with respect to any Awards to be granted under the Plan are to be measured, which can include the calendar year.

(y) "Performance-Related Termination" shall mean an involuntary termination of employment because the Employee does not meet the performance or other essential requirements of his or her job. The determination of whether the Employee's termination is a Performance-Related Termination shall be made by the Chief People Experience Officer, Executive Vice President or the Senior Vice President, Total Rewards, or his or her respective successors or the designee of either, in his or her sole and absolute discretion.

(z) "Person" shall mean any individual, corporation, partnership, association, limited liability company, joint-stock company, trust, unincorporated organization or government or political subdivision thereof.

(aa) "Retirement" shall mean having attained either: (1) a minimum age of 55 and a minimum of 10 years of continuous and uninterrupted service, or (2) age 62 and a minimum of 5 years of continuous and uninterrupted service (except that (2) becomes effective April 1, 2022 for US Grade 19 and below), at the time of a Participant's separation from the Company, unless determined otherwise, and which shall also constitute a Separation from Service for United States Participants, or (3) as determined under local law for all other Participants.

(ab) "Section 409A" shall mean Section 409A of the Code and the regulations and other guidance issued thereunder by the U.S. Treasury or Internal Revenue Service.

(ac) "Separation from Service" means a "separation from service" within the meaning of Section 409A.

(ad) "Target Incentive Award" shall mean the level of cash compensation underlying an Award granted to a Participant for a Performance Period, calculated in accordance with Section 5 of the Plan.

(ae) "Termination Due to Curtailments or Cessations of Operations, Reorganizations, Position Eliminations, or Job Restructurings Due to a Change in Required Competencies or Qualification for Position" shall mean an involuntary termination as the direct result of curtailment or cessation of operations, reorganization or position elimination, or job restructuring due to a change in required competencies or qualification for the position. The determination of whether a curtailment or cessation of operations, reorganization or position elimination, job restructuring or change in competencies or qualifications has occurred is the sole determination of the Chief People Experience Officer, Executive Vice President or the Senior Vice President, Total Rewards, or his or her respective successors or the designee of either, in his or her sole and absolute discretion.

SECTION 3. ADMINISTRATION

The Plan shall be administered by the Compensation Committee or its delegate which for this purpose includes the Chief People Experience Officer, Executive Vice President and the Senior Vice President, Total Rewards, or his or her successor. The Committee and/or its delegate shall have full power and authority (i) to establish the rules and regulations relating to the Plan

and the terms and conditions and amounts of any individual Award, (ii) to interpret the Plan and those rules and regulations, (iii) to select Participants for the Plan, (iv) to determine each Participant's Incentive Target Percentage or Incentive Target Amount, Target Incentive Award and Incentive Award Opportunity, performance goals and Awards, (v) to make all factual and other determinations in connection with the Plan, and (vi) to take all other actions necessary, advisable or appropriate for the proper administration of the Plan, including the delegation of such authority or power, where appropriate. The Committee may, in its sole and absolute discretion, and subject to the provisions of the Plan, from time-to-time delegate any or all of its authority to administer the Plan to any other persons or committee as it deems necessary or appropriate for the proper administration of the Plan.

All powers of the Committee or its delegate shall be executed in their sole and absolute discretion, in the best interest of the Company, not as a fiduciary, and in keeping with the objectives of the Plan and need not be uniform as to similarly situated individuals. The decisions of the Committee or its delegate with respect to the administration of the Plan, including all such rules and regulations, interpretations, selections, determinations, approvals, decisions, delegations, amendments, terminations and other actions, shall be final and binding on the Company and all employees of the Company, including all Participants and their respective beneficiaries, except as otherwise provided by law.

The Committee shall be authorized to make adjustments in Awards and or the funding of the Incentive Pool in recognition of unusual or nonrecurring events affecting the Company or its financial statements including, but not limited to, acquisitions, divestitures or similar extraordinary events or changes in applicable laws, regulations, court rulings or accounting principles. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry it into effect. In the event that the Company shall assume outstanding employee benefit awards or the right or obligation to make future such awards in connection with the acquisition of or combination with another corporation or business entity, the Committee may, in its discretion, make such adjustments in the Awards or the Incentive Pool in accordance with the Plan as it shall deem appropriate.

SECTION 4. ELIGIBILITY

(a) Any Employee shall be eligible to be selected as a Participant; however, only those Employees identified as Participants by the Committee or its designee, with respect to a Performance Period shall participate in the Plan for such Performance Period. Any Employee newly hired by the Company after October 1 shall not become eligible to participate in the Plan until the January 1 immediately following his or her hire date, except as waived by the Committee or their designee in its or their sole and absolute discretion. An Employee may only participate in one annual cash incentive plan sponsored by the Company or any Affiliate with respect to a Performance Period. As such, any Employee who is a participant in a sales incentive program or another cash incentive plan with respect to a Performance Period is not eligible to participate in the Plan.

(b) Any Employee who is performing services in the United States or Puerto Rico and is eligible to receive an award for a Performance Period who is issued a Compliance Written Warning during such Performance Period, may not receive an Award in excess of the lesser of (i) Ninety percent (90%) of his or her Target Incentive Award, or (ii) Ninety percent (90%) of his or her award prior to consideration of the Participant's performance as set forth in Section 5(a)(4). Any Employee who is performing services in the U.S. or Puerto Rico and is eligible to receive an award for a Performance Period who is issued an IFW during such Performance Period, may not receive an Award in excess of the lesser of (i) Seventy-Five percent (75%) of his or her Target Incentive Award, or (ii) Seventy-Five percent (75%) of his or her award prior to consideration of the Participant's performance as set forth in Section 5(a)(4).

SECTION 5. AWARDS

(a) Under the Plan, the Committee may grant Awards to Participants from time to time with respect to a Performance Period based upon the achievement of performance objectives over the Performance Period. Award payments are earned based upon the following:

1) The initial targeted Incentive Pool is equal to the sum of the Target Incentive Awards for all Participants for the Performance Period.
2) The final funding of the Incentive Pool is determined by the Committee, in its discretion, based on the Company's performance against pre-set annual goals for the following financial and performance measures: (i) revenue, (ii) adjusted diluted earnings per share (EPS), (iii) cash flow from operations, (iv) pipeline achievements, (v) environmental, sustainability and governance (ESG) achievements, and (vi) any other factors adopted by the Committee.

3) Once the final funding is determined, Incentive Pool dollars are allocated to the business unit, division or function in which a Participant worked during the Performance as determined by the CEO.

4) A Participant's actual Award is determined based on his or her Target Incentive Award as calculated under Section 5(A) and (B) below, as adjusted by the business unit, division and country performance funding factors stated above for the Performance Period as applicable, and further adjusted by the individual's performance against their applicable objectives, as assessed by the Participant's manager and management in accordance with procedures, guidelines and/or metrics established by the Committee, or its designee, from time to time.

5) A Participant's Target Incentive Award is calculated as set forth below:

(A) Where a Participant's Target Incentive Award is based on the Incentive Target Percentage, the Target Incentive Award is calculated as:

i. Group 1 Countries: the sum of the product of a Participant's Eligible Earnings for the portion of the Performance Period that the Participant is eligible to participate in the Plan, multiplied by the Incentive Target Percentage for the Participant's salary grade in the respective period of eligibility.

ii. Group 2 Countries: the product of a Participant's Eligible Earnings as of the immediately preceding December 31st, multiplied by the Incentive Target Percentage in effect on December 31st for the Participant's salary grade, pro-rated for the number of months during the Performance Period in which he or she is eligible to participate in the Plan.

iii. For Participants in the ELTI Program: the sum of the product of the Participant's Eligible Earnings for the portion of the Performance Period in which he or she is eligible to participate in the Plan (adjusted for changes in grades, Incentive Target Percentages or eligibility, as applicable), multiplied by the Incentive Target Percentage for the Participant's salary grade in the respective period of eligibility. However, if the Participant's salary grade has not been reduced since January 1, 2022 and his/her Target Incentive Award for the 2021 performance year is higher than the calculated amount under this Section 5 for the current Performance Period, then the 2021 Target Incentive Award shall be the Participant's Incentive Target Amount for such year. This provision shall apply until such time as the Target Incentive Award for such future Performance Period exceeds the 2021 Target Incentive Award.

(B) Where a Participant's Target Incentive Award is based on the Incentive Target Amount, the Target Incentive Award is calculated as 1/365th /366th of the annual fixed Incentive Target Amount for each day within a month the Participant is eligible to participate in the Plan.

(b) A Participant's final Award shall be capped at 250% of the Target Incentive Award which is the maximum Incentive Award Opportunity.

(c) Notwithstanding the foregoing, any Award may also be subject to such other terms and conditions as the Committee shall deem advisable or appropriate from time to time, consistent with the provisions of the Plan as herein set forth, including but not limited to, the pro-ration or adjustment of Target Incentive Awards, Incentive Target Percentages and/or Incentive Award Opportunities, and Incentive Target Amounts, based upon a Participant's date of hire, re-hire, change in position and/or salary grade (including a change in position or other similar change that causes the Participant to no longer be eligible for the Plan), change in local base salary, or transfer to a different business unit or division during a Performance Period. In addition, any Awards granted to Participants may contain such other provisions as may be necessary to meet the requirements of the Code and/or related regulations issued thereunder in order to satisfy or comply with relevant law.

SECTION 6. PAYMENT OF AWARDS

Unless otherwise required by local law or local payroll schedules for Participants located outside of the United States, Awards will be paid in a lump sum on or prior to the 15th day of the third month of the year immediately following the year in which the close of the Performance Period occurs in accordance with the applicable short-term deferral exception provisions of Section 409A, or, in accordance with procedures established by the Committee and the applicable provisions of Section 409A, on a deferred basis pursuant to Section 9 hereof, if applicable. However, any payment may be delayed or deferred upon the reasonable anticipation that the making of the payment would violate Federal securities laws or other applicable law such as Section 409A, provided that the payment is made at the earliest date that the Committee reasonably anticipates it can be made without such violation. In the case of any Involuntary Termination, payment may be delayed until the receipt of any release required by the Company or by an applicable severance plan.

SECTION 7. SPECIAL PAYMENT EVENTS

Notwithstanding anything to the contrary in Section 6 of the Plan, the following payment terms shall apply to Awards in the following events:

(a) Voluntary Termination - If a Participant voluntarily terminates his or her employment (other than due to Retirement) prior to the end of the Performance Period, he or she is ineligible for an Award or any payment with respect to an Award for such Performance Period. If a Participant voluntarily terminates his or her employment after the end of the Performance Period, he or she is eligible for an Award or any payment with respect to an Award for such Performance Period under the applicable provisions of this Plan at the Committee's discretion.

(b) Involuntary Termination - If a Participant's employment is terminated as the result of an Involuntary Termination prior to the end of the Performance Period, his or her Target Incentive Award will be pro-rated based on actual days of eligibility (excluding any non-working Notice Period as defined in the applicable severance plan), his or her Eligible Earnings (excluding any Eligible Earnings during any non-working Notice Period as defined in the applicable severance plan), and his or her Incentive Target Percentage or Incentive Target Award during the Performance Period. The proration factor is the number of days in the Performance Period up to the date of the first day of the non-working Notice Period (as defined in the applicable severance plan) divided by 365/366 days. The Company can determine, in its sole discretion, to pay a different amount, including lower than target or no Award, based on the latest forecasted performance and/or expected funding for the Performance Period with consideration of individual, business unit, division and/or function performance. Such Award, if any, will be paid as soon as administratively practicable after the Participant's termination (subject to the return of any release, as applicable), but not later than March 15th of the year following termination.

If a Participant is involuntarily terminated after the end of the Performance Period, he or she is eligible for an Award or any payment with respect to an Award for such Performance Period under the applicable provisions of this Plan. If a Participant's employment is terminated as the result of an Involuntary Termination and such Participant is also eligible for Retirement, such Award will be paid on a pro-rated basis in accordance with Section 7(c) subject to the Company's discretion.

Terminations for Cause or Performance-Related Terminations - If a Participant's employment is terminated for Cause or constitutes a Performance-Related Termination prior to the end of the Performance Period, he or she is ineligible for an Award in respect of the year of termination, unless otherwise required by local law. If a Participant is terminated for Cause or Performance-Related Termination after the end of the Performance Period, he or she may be eligible for an Award or any payment with respect to an Award for such Performance Period under the applicable provisions of this Plan subject to Company's discretion.

(c) Retirement - If a Participant retires during the Performance Period, he or she may be eligible, in the Company's discretion, for a prorated Target Incentive Award using the calculation in Section 7(b) above. The Company can determine, in its sole discretion, to pay a different amount based on the latest forecasted performance and/or expected funding for the Performance Period with consideration of individual, business unit, division and/or function performance, including in the event that the latest forecasted funding level is below target, in which case the Company may pay an amount lower than target or no Award. Such Award will be paid as soon as administratively practicable after the retirement but not later than March 15th of the year following termination and in accordance with the applicable funding of the Participant's business unit or division. If a Participant retires after the end of the Performance Period, he or she is eligible for an Award or any payment with respect to an Award for such Performance Period under the applicable provisions of this Plan for an active Participant.

(d) Short-Term Disability or Leave of Absence - If a Participant is on short-term disability (STD) or an approved paid leave of absence under the Family & Medical Leave Act (or other similar law) during a Performance Period and has at least 90 days of Eligible Earnings within the Performance Period, he or she is eligible for a Target Incentive Award for such Performance Period. Such Award will be pro-rated to exclude the time the Participant is considered on STD or paid leave, as determined by the Committee or its designee, and will be based on the actual days of eligibility for the Plan. A Participant shall be considered eligible for the Plan during the first 90 days of STD or paid leave. If eligible, the Company can determine, in its sole discretion, to pay a different amount based on the latest forecasted performance and/or expected funding for the

Performance Period with consideration of individual, business unit, division and/or function performance, including in the event that the latest forecasted funding level is below target, in which case the Company may pay an amount lower than target or no Award. Such Award, if any, will be paid as soon as practicable after the performance criteria have been met but not later than March 15th of the year following termination. If a Participant is on an approved Military leave of absence under the Company's Military Leave Policy and is eligible for differential pay, the calculation of the differential pay shall include the payment of an Award as if such Participant were actively employed.

(e) Death - If a Participant dies during a Performance Period, in the Committee's discretion, the pro-rated Target Incentive Award will be paid to the Participant's estate as soon as administratively possible following the Participant's death, and in any event no later than December 31st of the first year following the year of the Participant's death. The Company can determine, in its sole discretion, to pay a different amount based on the latest forecasted performance and/or expected funding for the Performance Period with consideration of individual, business unit, division and/or function performance, including in the event that the latest forecasted funding level is below target, in which case the Company may pay an amount lower than target or no Award.

SECTION 8. AMENDMENT AND TERMINATION

The Company reserves the right in its sole and absolute discretion to amend or terminate the Plan, at any time, including after the end of the Performance Period and prior to payment of the Award, with or without notice, by action of the Executive Leadership Team or the Committee, as applicable. This right includes, but is not limited to, eligibility for an Award, determination of Incentive Pool funding, the modification of incentive measures, performance targets and/or performance results. This right also includes the modification of the terms of the Plan, as may be necessary or desirable, to comply with applicable laws and local customs of countries in which the Company operates or has employees. The Company's obligation to pay compensation as herein provided is subject to any applicable orders, rules or regulations of any government agency or office having authority to regulate the payment of wages, salaries and other forms of compensation.

The Committee may delegate to another committee or person, as it may appoint, the authority to take any action consistent with the terms of the Plan, either before or after an Award has been granted, which such other committee or person deems necessary or advisable to comply with any government laws or regulatory requirements of a foreign country, including but not limited to, modifying or amending the terms and conditions governing any Awards, or establishing any local country plans as sub-plans to this Plan. In addition, under all circumstances, the Committee or its delegate which for this purpose includes the Chief People Experience Officer, Executive Vice President and the Senior Vice President, Total Rewards, may make non-substantive administrative changes to the Plan as to conform with or take advantage of governmental requirements, statutes or regulations.

Notwithstanding the foregoing, the Committee or its designee may amend the terms of any Award heretofore granted, prospectively or retroactively, in order to cure any potential defects under Section 409A, in a manner deemed appropriate by the Committee in its sole discretion and absolute discretion, without the consent of the Participant.

SECTION 9. DEFERRAL OF AWARDS UNDER THE COMPANY'S DEFERRED COMPENSATION PLAN

Except as otherwise provided in this Plan, the Committee may provide upon the granting of an Award hereunder, that it is eligible to be deferred under, and pursuant to the terms and conditions of, the Pfizer Inc Deferred Compensation Plan, as such plan may be amended from time to time. Any such deferral shall be in accordance with the terms of such plan and in compliance with the applicable provisions of Section 409A.

SECTION 10. TAX CONSIDERATIONS

(a) For Participants in the United States**,** Award payments under the Plan will be treated as taxable income for the year in which the Participant receives the payment. The Company and its Affiliates shall be authorized to withhold appropriate amounts from such payments to satisfy all federal, state and local tax withholding requirements and any other authorized deductions due in respect of an Award payment hereunder and to take such other action as may be deemed necessary in the opinion of the Company or Affiliate to satisfy all obligations for the payment of such taxes.

Notwithstanding anything herein to the contrary, the terms of the Plan are intended to, and shall be interpreted and applied so as to, comply in all respects with Section 409A. The Committee may amend the terms of any Award heretofore granted, prospectively or retroactively, in order to cure any potential defects under Section 409A, in a manner deemed appropriate by the Committee in its sole and absolute discretion, without the consent of the Participant. Nothing in this Section 10 shall be construed as an admission that any of the compensation and/or benefits payable under this Plan constitutes "deferred compensation" subject to Section 409A. Furthermore, the Company does not represent, covenant or guarantee that any particular Award made under the Plan will be exempt from Section 409A and/or will avoid unfavorable tax consequences to the Participant (e.g., Section 409A penalties).

(b) For Participants located outside of the United States, local country rules on taxation and withholding treatment will apply.

SECTION 11. RECOUPMENT

In the event of a significant restatement of the Company's consolidated financial statements (other than a restatement resulting from a change in accounting principles), the Committee will review Awards made under the Plan for performance for the fiscal periods affected by the restatement. If the Committee determines that an Award would have been lower (or would not have been made) if it had been based on the restated results, the Committee may, to the extent permitted by applicable law, seek recoupment of all or any portion of such Award as it deems appropriate, in its sole and absolute discretion, after a review of all relevant facts and circumstances. Any recoupment may be in addition to any other remedies that may be available to the Company under applicable law. Nothing contained in this paragraph will limit the Company's ability to seek recoupment, in appropriate circumstances and as permitted or required by applicable law (including Section 10D of the Securities Exchange Act of 1934, as amended), of any amounts from any Employee, whether or not the Employee is a senior executive. If a Participant owes any outstanding debt, including but not limited to loans, vacation and salary and expense advances, to the Company or any Affiliates, any Award payable to the Participant under this Plan, to the extent such amount is exempt from Section 409A, shall be reduced by the full amount of such debt, as permitted by law.

SECTION 12. GENERAL PROVISIONS

(a) Awards under this Plan are considered variable compensation and as such are not guaranteed.
(b) No Employee shall have the right to be selected to receive an Award under this Plan or, having been so selected, to be selected to receive a future Award. Neither the Award nor any benefits arising out of this Plan shall constitute part of a Participant's employment or service contract with the Company or any Affiliate and, accordingly, this Plan and the benefits hereunder may be terminated at any time in the sole and exclusive discretion of the Company without giving rise to liability on the part of the Company or any Affiliate for severance payments.
(c) No Employee shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Employees or Participants under the Plan.
(d) Nothing in the Plan or any Award granted under the Plan shall be deemed to constitute an employment or service contract or confer or be deemed to confer on any Employee or Participant any right to continue in the employ or service of, or to continue any other relationship with, the Company or any Affiliate or limit in any way the right of the Company or any Affiliate to terminate an Employee's employment or Participant's service at any time, with or without Cause.
(e) Except as otherwise required by the terms of the Plan, recipients of Awards under the Plan shall not be required to make any payment or provide consideration other than the rendering of services.
(f) If any provision of the Plan is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan, it shall be stricken and the remainder of the Plan shall remain in full force and effect.
(g) Awards may be granted and paid to Participants who are foreign nationals or employed outside the United States, or both, on such terms and conditions different from those applicable to Awards to Participants employed in the United States as may, in the judgment of the Committee, be necessary or desirable in order to recognize differences in local law or tax policy. The Committee also may impose conditions on the payment of Awards in order to minimize the Company's obligation with respect to tax equalization for Employees on assignments outside their home country.
(h) If approved by the Committee in its sole discretion, an Employee's absence or leave because of military or governmental service, disability or other reason shall not be considered an interruption of employment for any purpose under the Plan; provided, however, that to the extent an Award under this Plan is subject to Section 409A, such absence or leave shall be considered a Separation from Service to the extent provided by Section 409A.

SECTION 13. GOVERNING LAW

The provisions of the Plan shall be construed, regulated and administered according to the laws of the State of New York without giving effect to principles of conflicts of law, except to the extent superseded by any controlling Federal statute.

APPENDIX A

Group 1 Countries

(Accumulation Of Monthly Daily Earnings and Targets)

AUS	AUSTRALIA		KAZ	KAZAKHSTAN
AUT	AUSTRIA		KOR	KOREA, REPUBLIC OF
ZAE	AZERBAIJAN		LVA	LATVIA
BLR	BELARUS		LTU	LITHUANIA
BEL	BELGIUM		LUX	LUXEMBOURG
BIH	BOSNIA & HERZEGOVINA		MYS	MALAYSIA
BOL	BOLIVIA		MEX	MEXICO
BRA	BRAZIL		NLD	NETHERLANDS
BGR	BULGARIA		NZL	NEW ZEALAND
CAN	CANADA		NIC	NICARAGUA
CHL	CHILE		NOR	NORWAY
CHN	CHINA		PAN	PANAMA
COL	COLOMBIA		PAK	PAKISTAN
			PRY	PARAGUAY
CYP	CYPRUS		PHL	PHILIPPINES
CRI	COSTA RICA		POL	POLAND
HRV	CROATIA		PRT	PORTUGAL
CZE	CZECH REPUBLIC		ROU	ROMANIA
DNK	DENMARK		RUS	RUSSIAN FEDERATION
DOM	DOMINICAN REPUBLIC		SRB	SERBIA
			SGP	SINGAPORE
SLV	EL SALVADOR		SVK	SLOVAKIA
EST	ESTONIA		SVN	SLOVENIA
FIN	FINLAND		ESP	SPAIN
FRA	FRANCE		SWE	SWEDEN
GEO	GEORGIA		CHE	SWITZERLAND
DEU	GERMANY		TWN	TAIWAN
GRC	GREECE		THA	THAILAND
GTM	GUATEMALA		TUR	TURKEY
HND	HONDURAS		UKR	UKRAINE
HKG	HONG KONG		GBR	UNITED KINGDOM
HUN	HUNGARY		USA	UNITED STATES
IND	INDIA		VEN	VENEZUELA
IDN	INDONESIA		VNM	VIETNAM
IRL	IRELAND		URY	URUGUAY
ISR	ISRAEL			
ITA	ITALY			
JPN	JAPAN			

Group 2 Countries (December 31 Salary and Target)	
DZA	ALGERIA
ARG	ARGENTINA
BHR	BAHRAIN
CMR	CAMEROON
IVC	COTE D'IVOIRE (IVORY COAST)
EGY	EGYPT
ECU	ECUADOR
GHA	GHANA
IRN	IRAN (ISLAMIC REPUBLIC OF)
IRQ	IRAQ
JOR	JORDAN
KEN	KENYA
KWT	KUWAIT
LBN	LEBANON
LBY	LIBYAN ARAB JAMAHIRIYA
MAR	MOROCCO
NGA	NIGERIA
OMN	OMAN
PER	PERU
QAT	QATAR
SAU	SAUDI ARABIA
SEN	SENEGAL
ZAF	SOUTH AFRICA
SDN	SUDAN
SYR	SYRIAN ARAB REPUBLIC
TUN	TUNISIA
ARE	UNITED ARAB EMIRATES
YEM	YEMEN

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 8, 2023

/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 8, 2023

/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 1, 2023 (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 8, 2023

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 1, 2023 (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 8, 2023

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.