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PRESENTATION

Christopher Thomas Schott *- JPMorgan Chase & Co, Research Division - Senior Analyst*

Good afternoon and evening, everybody. I'm Chris Schott, pharma analyst here at JPMorgan. And it's my pleasure today to be hosting a fireside chat with Albert Bourla, the Chairman and CEO of Pfizer. First of all, Albert, thanks so much for joining us today.

Albert Bourla *- Pfizer Inc. - Chairman of the Board & CEO*

Thank you for having us, Chris. It's a great opportunity for me to talk to the investors.

QUESTIONS AND ANSWERS

Christopher Thomas Schott *- JPMorgan Chase & Co, Research Division - Senior Analyst*

Great. Well, maybe just to kick off. I know we're coming off a 2-day analyst meeting the company hosted earlier this week. And to me, that really highlighted both the growth in the core portfolio as well as the company's emerging pipeline. So maybe just as an opening question. What were the key takeaways you'd like to highlight to investors coming out of that event?

Albert Bourla *- Pfizer Inc. - Chairman of the Board & CEO*

I think what we tried to do and likely we did successfully was to demonstrate that the Pfizer that will emerge, the new Pfizer as we call it, post the separation of Upjohn and following also the already separation of our Consumer Business, will be a very, very different Pfizer. We are moving what used to be a conglomerate of businesses. We will be singularly focused on an innovation company, biopharma. From what we used to do, growing EPS through mainly M&As and share repurchases, to being a company that have organic growth at its core.

And also from being known for a fast follower in science into being known as a first-in-class science. So I think this was the message that we wanted to communicate. And in order to do that, we spoke about a very long journey that started in 2010, back when Ian Read realized that we need to fix the innovation core. And we were able to achieve during this decade a significant, dramatic, I would say, turnaround of the R&D we have seen, which allowed me to move fast to transform the company to what I'm just saying.

And also, we were able to demonstrate not only our pipeline and focusing on assets that we are very excited but with which maybe some of the investors were not very familiar, because they're focusing on some very well-known only assets. But also, we're able to demonstrate a company that it is having tremendous R&D machine productivity restored, from 17% success rate in Phase 2 to 3 with reduced sales cycle times. And also a very different culture, a culture that is required in the 21st century for a company, but it is having innovation in its core.

What I heard back from most of the investors was that you gave us a lot of food for thought. And now they're going to do their homework, and hopefully, they will see what we see clear.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes, absolutely. You mentioned the progress the company has made on its pipeline, and these improved success rates. And I think that's a really critical point, given some of the challenges all industry had faced over the last few decades. Can you just elaborate a little bit more in terms of what has enabled you to really make that pivot and get that higher R&D productivity? And a lot of changes have gone in the organization. But is there any -- as we think about what's different about Pfizer today versus the past, what are the key variables you think that you've kind of changed to enable that?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

There are so, so many things that had to be done to have that dramatic productivity. Let me start, we were having -- operating in 13 therapeutic areas we were thin. And I would say that in most of them, likely mediocre, and as a result, attracting mediocre talent. We focused down to 5 core therapeutic areas, scientific areas, and we doubled down research wise over there. And that allowed us to attract really the top talent that exists out there, so that we will be able to be successful. We have our research centers, not really where the science was happening. And we created, right now, our core centers, associates in La Jolla, in Pearl River, in places, hubs of innovation.

We had a very style ofR&D machine that had nothing to do with commercial and had nothing to do actually also with manufacturing. We created this structure that we are vertically integrated. So we have 6 biotechs, as we call them. It is the oncology biotech, where early science, clinical development and commercial, they are all in one unit, right? And they are competing for capital. They are competing for resources, and they are bringing their ideas to a group of executives at Pfizer, that we have a committee. And they're allocating lots of resources based on which ideas we think is the most novel, will have the best return on investment.

We created a distinct development organization. We were spread into thin pieces before. We put it all together, and that also increased dramatically the way we -- so I can go on and on, on things that we did. We were only in small molecules. We intensively went and created significant expertise in biologics so that we can combine small molecules and large molecules. And also Pfizer was traditionally very strong in chemistry, in our ability to make drugs. And that, of course, we doubled down.

So that's why I said, if you see the productivity that we have in Phase 2 success rates, it was 17% on a 3 years average now, I'm telling you. So it takes a lot of it, right? In '17 -- in '15, it was 17%. Now it's -- we are running at 53% on a 3 years average, and it is more than triple, right? So it's amazing how we were able to do that.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes, absolutely. One other big picture question. In your, I guess roughly 2 years as CEO now, I mean, you've really pivoted the company towards this innovative core. We've had the Consumer JV announcement, we've had the Upjohn divestiture. Can you just talk about the pros and cons you see of really committing the company to innovation and kind of, for better or for worse, kind of living and dying by this innovation engine that you're creating?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

Yes. It's not that dramatic, living or dying, but I would call it, it is a higher risk, higher reward strategy, right? And the reason why I did it was because I felt comfortable that I can do it. And I felt that now is the right time. Why I say now is the right time? We have a business of -- the innovative business, what we are -- that will remain post the innovation is growing 8% last year, 9% in the first half of the year, and we are projecting that will grow at 6% all the way to 2025. So we have a very strong growth momentum.

We have the benefit in the next 6 years, we don't have to be tested by LOEs because most of them have gone to -- this year, we have the last one with Chantix. We have the benefit of having a machine -- R&D machine, but the productivities, the day and the night with what we had before. So our ability to create results by pouring resources over there, it is 3, 4x better than what used to be. That is a very important note coming from me.

And then I have a substrate. The substrate, which means the clinical programs and the scientists that they can progress them. It's very recent. It's very diverse. It's not that I say we're going to have 6% CAGR on the top line, double-digit on the bottom line, because I have these 2 mega blockbusters that if they are successful, I will make it. It's all over the place. From multiple therapeutic areas for many, many, many products. And that gives me confidence that the statistics should work. It's very different.

So when I risk adjust these projections, it's very, very clear that you have high probability to achieve this risk adjustment because exactly it's based in a very, very big base.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. I think you touched on this, but on that 6% revenue CAGR, I know there's been some disconnect between that guidance and Street expectations. But I guess what I'm hearing from you and what I heard at the analyst meeting was a very, very confident tone from the company in terms of the ability to hit that number. So I guess, how much of that is just -- it's not like one piece is the breadth of the pipeline and the risk adjustments. On the other half of it is kind of some confidence in the core business. But maybe just elaborate a little bit on what you see as the disconnect versus The Street with regards to that near-term CAGR?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

Yes. Let me speak why I'm confident, and then we will speak about the disconnect. It's around math, because I think what was good about our 2 days that we just had was we didn't speak generally. We gave projections, so people can go and test them, challenge them and look at this company.

Let's start with the base. $41.6 billion is the mid of our guidance for this year. Everybody believes that it's likely a probable number, right? Then let's do the math, 6% for 5 years. That tells us that we should be ending around $55.6 billion in -- to achieve this 6% growth in 2025. This is $14 billion, right? So we need to add from now until 2025, $14 billion of revenue.

We presented that we are going to grow our -- only our organic pipeline -- excuse me, our current in-line products will grow 8% of this forecast, right? And by the way, reading all the analysts, likely we sent back a little bit on the 8, right? Most of the analysts, they are believing that it's much higher number of the organic. So -- but if we take our number of $8 billion, okay? That remains 4 -- excuse me, $6 billion to add from pipeline from now until. And we presented a pipeline that its peak revenues will do $35 billion to $40 billion. But we said that in year 2025, we'll do $15 billion in non-risk-adjusted. And then from $15 billion to go to $6 billion, this is 40% sans.

So even if we discuss that, I don't think this is (inaudible). So we can discuss it if it is or not, because we believe it is, right? But even if we discuss that maybe it's not this, the risk adjustment is so dramatic, particularly if you feel that the in-line portfolio will perform better. But I feel you can be very, very comfortable about the 6% growth.

Now 6% growth in our business is going to be certainly double digit the EPS. Certainly, double digit the EPS. So that's -- now what is the disconnect? I think, it's very clear because you can go and see investor and analysts modeling, and you can find that a lot of the pipeline assets that we're having, they're not modelled at all. It's not that -- the big disconnect, it's not we're having $3 billion and they have $2 billion, okay? The big disconnect is they have no vaccines. They have no rare disease, no gene therapy, no any of that. Although they are in pivotal studies. These are not things in early science. They are in pivotal Phase 3 studies with successful Phase 2, of course, go to Phase 3.

So this is why I believe that we feel comfortable, and I believe that by providing those assumptions and by providing this granularity, a lot of the investors will do their math right now, and hopefully, they will see what we see. I don't disagree that we need to deliver also. So obviously, we need to execute on that. But that's the case for everything in life.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. Yes. Yes. That makes a lot of sense, though. So I think it seems like we were all kind of focused on a handful of assets, and I certainly came away from the meeting with 5 or 6 products on my like to-do list of things to dig into a little more detail. So it was very helpful on that front. Maybe last kind of bigger picture one before we kind of jump into COVID and in the core business. Just the longer-term outlook. So we look beyond 2026, you hit this LOE cycle, which I think you were talking about high teens billion-dollar of LOEs in that, let's call it, 2026 through 2029 period. I guess, it's about 35% or so of that target 2025 revenue. So you've got a lot in the pipeline, you've talked about some high unadjusted peak sales opportunities. But just how do you think about, over the next few years, positioning Pfizer to get ready for that next kind of big cycle of LOEs? Do you think you've got the internal assets you need or should we be also thinking about the company looking externally more to just get ready for that period of time, wherever you're facing, later part of the decade.

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

I think our internal pipeline, the current internal clinical pipeline is coming also, but I don't speak about it. Will it (inaudible) in place? We also set the numbers accurate, okay? We will have over 5, 6 years' period. 6 years from now, an LOE that will give us gradually, not in 1 year, right, (inaudible). Keep in mind that we spoke that our current pipeline, it is $35 billion to $40 billion at peak sales. Almost none of them will have the peak in 2025 where I just discussed that will be $15 billion. So basically, you should see the $35 billion to $40 billion and then risk-adjusted, if you take again the 50% risk adjustment, it is $20 billion. So if you take 40% risk adjustment, okay, it is in the range that we are losing.

So that's why I say that we are going to replace. And of course, we have -- we are speaking about 10 years from now, right? So just to...

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Nothing can possibly change in that timeline.

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

A little bit of context in what you have discussed. Tremendous investments in early science right now. That's why we have attracted some of the best scientists that also I was very happy to showcase yesterday. And they will deliver. But it's very clear that now, all our business development strategy is focused on this period. We want to have Phase 2, Phase 3-ready assets, but once they are coming under our machine, we'll deliver launches in this time frame, '24, '25, '26, '27, '28 and -- to complement our pipeline. And those assets, again, we are looking Phase 2, Phase 3 and in the 5 areas that we are very, very good now, 6 areas because we have also the Hospital business unit that also is having some great opportunities right now, particularly with the COVID and all the importance of antibiotic resistance.

But those are the assets that we are focusing right now. So we will make fewer mistakes in selecting them, we will make fewer mistakes in developing them, and we will complement our current pipeline. My goal is to present towards the end of the decade, not towards 2025.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. Excellent. Why don't we pivot now over to COVID. And before I do that, I just want to mention, for anyone in the audience who wants to ask questions, I think there's a little box you can enter your questions and it will filter over to me, and I'll make sure we either weave those in or ask them towards the end.

But maybe with that, just shifting gears to the COVID vaccine. It's obviously something incredibly important topic for everybody on this webcast everywhere in the world, I guess. But just to set the stage, remind us of your current expectations of when you'll be able to communicate efficacy results here? When we should think about a full data set being submitted? Just trying to figure the latest on timeline just so we're all on the same page in terms of the latest communication. I know this is evolving quickly.

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

Yes. I will be then repeating what I just said 2 days ago, 1 week ago.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

I figure it'd just be better safe than sorry.

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

Everybody will understand it. We have a model right now. The study has been already -- we are done. Today, we are done with 30,000, and we continue with the 44,000, but we have already recruited the 30,000 patients. This is an event-based study. So we have to make some calculations when we expect enough events so that we can have interim analysis that could provide efficacy. And of course, to have your study at interim analysis readout, you need to have very strong reference, right? So we are taking our best case -- excuse me, we are taking in our base case of efficacy. Not very high efficacy, not very low also, in the middle.

And then we are taking the current range of events of what is the disease burden, right? And we calculate that we should be able to have a conclusive readout of the efficacy before the end of October. A lot of people are focusing because end of October is 3 days before the election. For me, this is completely artificial date, right? I couldn't care less when we are speaking about the COVID-19. Can it be a week earlier? If we have more events, yes. Can it be a week later? If we get -- but this is basically what I'm saying. This is when we will have events. I don't say this is the day that we will be able to submit to FDA or to other authorities, although we will try to be able to be ready to submit with the speed of light once we have the results ready.

And then it is up to regulators to see if they have enough. What we plan to submit is what they have asked us in terms of -- we feel that we will be able to submit what they have asked in terms of the guidelines that they put out there. And then of course comes the supplies. We are not going to have -- I told multiple times. We are going to have approximately 100 million doses globally in 2020. We will make it 1.3 billion doses globally in 2021. The doses are gone, already are sold with the binding. I mean, the doses of -- the first of 2020 and the first 6 months of 2021 is already gone, Angela [Hwang] represented already $500 million binding agreements. If we are successful, the governments will have to buy this amount, right? Which means that it's not going to be, I think, publicly available for everyone, right? It's going to be available for those that the government, the health authorities will decide to distribute the product. If they decide they give to first -- they will have -- let's say, the U.S. government, they're part of the 100 million doses that we'll produce globally in 2020.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. What is -- I know you've expanded the study or looking to expand the study to add some kind of additional patient groups, higher-risk patient groups in. Does that do anything in terms of timelines or powering assumptions for the overall study? Or is that almost viewed just kind of like just incremental as you're looking to kind of look at the broadest possible population as you've seen more safety on the vaccine?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

It does affect the timeline, but it was not done for this. And also let me be clear. It does not affect the October timeline because the October timeline will come from the already enrolled. So it will not make any difference. It could make a difference on the back end if we have to go into November, for example. That could help us having more events because now, we have, let's say, bigger population. So that it is, let's say, kind of an insurance policy in case that the events, because of the disease burden is slowing down, will not be enough. So that's the case. But the reason why we did it was really because after 30,000, and we also presented the safety profile of the product, which is very benign. Out of 30,000, let's say, people, 15,000 on the vaccine already being vaccinated, we feel much more comfortable about the safety. So we go to very vulnerable populations now. We go to 16 years old we were not going before. We are going to HIV patients to hepatitis C or B. So patients that have chronic conditions, but you need

to feel that they are -- yes, you have a safe product before you go to them. And this is what we're doing. Also, we will increase diversity in the course of that.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Makes sense. In terms of -- I don't know if you can comment at all on this, but on that October timeline, have you commented at all in terms of how much alpha you're putting on the various interims versus the final analysis? I guess I'm trying to still get my hands around October, is there a lot of the powering of the study based on these interims? Or is this when you look at the profile that's shaping up, is this something you're pretty confident that you can hit on those interims, but still leave enough powering that if something goes off, that you're going to get to where you need to be at the end?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

No. We have -- I think what Kathrin said yesterday that maybe some didn't maybe catch a lot, is that we have a low threshold of 60% efficacy. FDA has asked 50%, we're a bar higher because we are very confident, right? So when I say that will come in October, I'm using sampling and efficacy in between, right, of what we have. Okay. If -- and also an event rate that it is, let's say, is coming. But if the event rate would bring us the events, obviously, in interim to stop, you need to have higher than 60% efficacy, right, because you need to go (inaudible) final to have it -- to stop with a 60% efficacy.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. On the market evolution over time, I think you've talked a lot, and we've seen, obviously, a tremendous amount of demand from governments for product in this kind of pandemic phase. But just latest thoughts about how the market evolves, I guess, both first in the pandemic phase, but then as we think about the longer-term role a COVID vaccine will play in the market. Just how are you thinking about the longer-term opportunity, I guess, for the product for generations?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

We are preparing and investing for a longer-term opportunity. It's not 100% that this will be the case, but we're preparing for that. It will depend on multiple fronts. Are we going to have a vaccine that provides for life immunity or a vaccine that will need to be repeated with 1 dose, of course, with a booster every, let's say, a year or every 2 years. So remains to be seen. We are looking here. Also, is the virus going to stay the same or is it going to start changing like the flu virus is changing every year. Also that it is another reason why, for example, we would like -- we would have to have more repeated vaccinations.

From ours, the good news is that in both cases, because we have the mRNA technology, we can -- it's ideal for both scenarios because, one, you can boost it. The like -- with the RNA of the COVID, it doesn't inject any protein in your body, right? You only create the proteins yourself above the virus. So it's very easy to boost, and you have good results from boosting. The other one, the mRNA technology, you can change your vaccine just by someone sending you a file, a digital file with the sequence of the new strain, and then you create a template that has the new sequence and then you -- chemically, you produce the new vaccine and you just change one component of your vaccine and there you go. You have your -- as we are doing in flu. But in flu, because of the older technologies, takes months to be able to produce. That will take weeks. So that's why I feel that we are very confident. And we are preparing for that manufacturing-wise, particularly.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

That makes a lot of sense. On the differentiation among vaccines, that's very clear in terms of the longer-term dynamics, do you think that we'll see significant differences between the efficacy levels or the profiles of the vaccines based on the initial Phase 3 studies? Or do you see the differentiation coming more as we think about the longer-term dynamics, who can adapt, I guess, fastest to the evolving landscape that we'll see with COVID?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

I can't say with certainty. But what I can say is that we tested four vaccines, which were the same technology, not different. And they were very different in both efficacy and safety, their profiles, okay? So as a result, I don't think it would be unthinkable that you will see differences between different vaccines in terms of efficacy. But of course, the study needs to be completed so that you can really say with certainty, but that's the case.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

A couple of other ones on this before we move to the core business. It seems like companies are taking very different approaches to pricing on the vaccine. And I think part of that is influenced by some of the government support for some manufacturers versus companies like Pfizer that have been funding this on their own. How do you see pricing evolving over time, given what seems like very different starting points that the various companies are articulating?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

Yes. First of all, I think it's good that private companies are taking different pricing approaches because that's the essence of a free market, but we price our product based on the value that you think you are bringing or based on other considerations. There's nothing that I mean that the others, they don't have value to you.

Also, one thing it is that we didn't take money so that we don't have any restrictions. Because I can imagine, if you take money, then you have to -- a little bit to explain about your pricing. So -- but that's not the point. Let's focus, first of all, that right now, I believe, we are in a pandemic phase. And the pandemic phase is characterized, 5 up, 5 down, by relatively low prices. Our price is more or less low, right, we gave in the U.S.

Everybody can make the calculations, it's $19.5 per dose, right? Let's say, for simplicity, $20. Not $40. And we said that no one globally will get better price for equal volumes, right? (inaudible). So if you see, it's a good assumption to assess that, okay, an average price of the U.S. is the average price. It's a very low price, I think, right? It is a price that it is on the lower end of any old technology flu vaccines right now, and for a product that will be in high demand as much as you make yourself right now.

So the reason why we do that because we need to play our role in society, okay? We are bringing a vaccine that will be free for all Americans, at least, and in many European countries. They are also -- the governments are saying will be free for their citizens and to give it in a very reasonable price so that governments can do that. That will be high volumes, low price, I think, type of a pay period.

After the pandemic, I think we will enter into a much more -- if eventually there is a need for re-vaccinations, into a much more regular vaccine business, which will be characterized not by the billions of doses that will be consumed in 2021, but with normal vaccinations of the populations and likely a price that it is much more closer to the innovative prices of other vaccines. So this is how I see about the market.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. That makes sense. And then if I just think if all goes well with development, I mean, it seems like you've got a very significant sales opportunity with this product as we look out to 2021 and into 2022 as we go through the pandemic phase, if nothing else. Would you think about that sales upside as being used to maybe accelerate some of the R&D initiatives that we're seeing elsewhere in the pipeline? Or should investors be thinking of that being more of an upside event that largely should flow to the bottom line as we think about as we kind of are trying to put our hands around what sales number could be, but probably what Pfizer does with the cash flow from those revenues, I guess?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

As every year, investors will have to wait for the guidance of 2021. But we can see how we are going to allocate the dollars. But in principle, what I want to say is that right now, we are not constrained on our R&D machine in terms of an artificial ceiling. When it comes to early R&D, of course, we have budget (inaudible) otherwise, it's like an open space that you can spend as much as you want. But when it comes to development, which comes to projects to move Phase 2, Phase 3. If we have projects that they are having good return, we fund them right now. And I don't see that we have any difficulty to do it, irrelevant of COVID. So it doesn't mean because you have more money that we are going to fund projects that we couldn't before because we can fund them. And also it doesn't mean that if we don't have the incremental money, that we will start the R&D just to engineer an EPS. No, we are long-term thinkers. We will do what we have to do to create value for the company. So we will fund the projects that they have a good return on investment.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. Very helpful. Maybe in the last 15 minutes here, just pivoting over to the core business and some of the pipeline assets that you highlighted. I want to start first on immunology. Abrocitinib seems like one of your kind of mega blockbusters in the pipeline, and we've seen some kind of very interesting Phase 3 data so far. Can you just elaborate a little bit more in terms of that $3 billion-plus target on the asset? How you're thinking about how that market fits in the atopic derm space relative to Dupixent? Do we see -- is this mostly market share gains? Is this market expansion? Just a little bit more color about how you see the landscape evolving for that product. Again, it seems like one of the kind of the big ones in the pipeline over the next few years.

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

Look, just to give a magnitude of how big the market can be, right, for rheumatoid arthritis, which is one of the biggest markets in immunology right now. There are in the U.S. approximately 33 million patients, right, for atopic dermatitis, in the U.S. only. 33 million payers. This is 10x larger to start with. 10x larger. Secondly, the satisfaction with the current medications of this market is very low. 60% of the people cannot achieve a clearance of their skin. The market potential is gigantic, I think. This is why some people say, yes, but competition. We need competition because we need to develop the market. So it's going to be clearly a market development initiative, which plays to our strength. Pfizer is known from the Lipitors, from the pneumococcal, but we -- from currently the ATTR cardiomyopathy, right? But we know how to create market. This is our strength.

And when -- now, markets, not that they don't exist, markets where the need is there. But in atopic dermatitis, the need is there. And there is room not for 1, for 5 JAKs. It's not that we are the best and we'll have the biggest (inaudible)

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. Yes. So it's -- you just see a lot of white space to play in with this. This is still kind of a really underpenetrated market from a (inaudible)

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

I don't think you can call it white space, because white space -- because I think the market in terms of patients is there and the risk satisfaction is there, it's not that we bring the right solution, which is not biologic and all that.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. Can I ask just on the expectation around label for this? I know, obviously, we'll see at the time. But are you looking -- I think it was a question yesterday at the Analyst Day, but we've seen pretty much every JAK approved so far has had a black box on DVT. So I guess my question is, one, are you assuming that this program could be different in that it's a single indication? We obviously haven't seen a signal. And two, even if we saw a black box, do you think that actually matters in how clean the safety seems to be on the Phase 3 so far?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

I can't -- it's early to speak about it. It's also something regulators should do. What I want to point out is that when we had the black box in Xeljanz, given that the safety profile was so well known, we didn't see any real impact. Actually, the product continued to grow volumes. Very, very high.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. Yes. Okay. And then just on the earlier-stage pipeline immunology, I mean, just it struck me like how broad of a range of JAKs and take 2s you have in development. If you were to highlight 1 or 2 from that portfolio we should be really watching, what are the most exciting kind of next-generation immunology products beyond abrocitinib we should be paying attention to?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

Yes. The ones that we presented, I think, are the most exciting and the most also early. And so alopecia areata is a very big one. The (inaudible) topical -- I know maybe other topical such as -- as I said, the market will be tremendous. The strategy, I want to explain what -- why we you took this strategy. One, it is that you take -- we invest all indications in 1 molecule. We find one and then we invest. That gives you magnitude. That gives you economy of scale. You can develop it much faster and cheaper. The other is what we are doing. We are having 10 different diseases and we are having 5 different molecules. And we try to see which one of them is better for this disease or combined is better for this disease, and then we develop it for this disease.

Obviously, it takes a little bit more time, it takes a little bit more cost. But then you should be having a tailor-made medicine. That in the case that the market will become saturated because it's not in the beginning, as I said. Okay. Then you can play because you have -- you can stand out from competition. That is exactly what we do with this strategy. And we will see if we are right or wrong.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. Yes. So your view would be even if relative to, again, let's just say, what AbbVie did with Humira. If you've got best-in-class efficacy and profile, in your view, it doesn't matter if there's an asset that maybe has many indications and a rebate kind of dollar they can play with, that you're going to be able to get access with that best-in-class product, regardless of the kind of competitive landscape. Is that kind of how we should be thinking about it?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

I think we are going to get a lot of prescription. Now speaking about -- because the physicians will prefer the one that is tailored. Now all of that physicians are doing when you don't have an artificial barrier by the payer that will have restrictions in access. And it was something that we did face with Xeljanz, but we were able to overcome it, right?

So now we have very basically unlimited access with Xeljanz. And now we have also got a very big product. So I think now we have a critical mass in the space, not to mention that we have critical mass with payers, to be able to overcome, let's say, with artificial barriers and provide access to all patients that they need.

So it is only the prescription habits of the physicians that will make based on their scientific knowledge, the decision that will prevail. And this is what we want because that's why we are developing so robust data set.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Great. Moving over to Rare Disease for a few questions. With VYNDAQEL, you're now pointing to patient identification and treatment rates above a typical rare disease asset. I guess in terms of what's enabled you to get to such rapid kind of identification and uptake of a product like this? And is this something you see being able to be applied not just within cardiology, but in other verticals as we think about the rare disease portfolio evolving? So is there something that's reproducible in terms of what you did here that you see broadly applicable in rare disease?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

I think yes. And by the way, what we did here is not different than what we did with the statins market when we developed that, or the pneumococcal market when we developed, or with the JAK market with Xeljanz, of course, was the first when we developed. And it is the same here. And by the way, it is the same that we do with the other rare diseases. Even if their numbers are not that high as in ATTR cardiomyopathy. But we have done it with being able to help patients, help identification of patients when they have the disease and being able to be brought to a specialist that can confirm this diagnosis.

So by the way, we did the same with hemophilia. Hemophilia, right? We were playing a role in hemophilia for years now. And we have so many medicines coming for hemophilia that will have a very, very broad coverage of hemophilia patients right now.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. And can you touch briefly, you mentioned hemophilia, but hemophilia and DMD. When I talk to investors, these seem to be 2 that the #1 question I get is how do you differentiate yourself in the market given some competitors who are maybe a bit earlier in development. Can you just talk a little bit about those 2 in particular, what you see unique about the Pfizer programs and approach, either clinical program, manufacturing that really allows us to stand out over time?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

I think it is the end-to-end capability that will allow us to differentiate. I mean there are a lot of competitors that they don't have exactly that to start with, right? For example, manufacturing, you mentioned, okay? When you have your own manufacturing and you build it in advance, having thinking big and being able to resolve any type of limitations that will be the bottleneck in a lot of gene therapies, for example. That's a very big plus, right? The fact that we can market, we are -- with rare diseases, and we have a single business unit, that knows commercial, how to do these things and knows how to communicate information.

And at the end of the day, will come down also to the profile of the products. Now if the profiles are different, I think that plays a key role. If the profiles are similar, I think we have a significant advantage because of our size and of our commercial and manufacturing capability. But I believe that we will have -- and we strive to demonstrate with a lot of data experience. So -- but we will see how that will play out eventually.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Even if you can't get the superiority, though, your view is even if we've got comparable data that you can just bring the org -- the end-to-end capabilities, the strength of the organization just will enable you to outperform on that.

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

I believe the secret is biopharma -- no, biotech with a scale of a big pharma. When you have a head of rare diseases, but it is like a CEO of a biotech that is doing several assets in rare diseases, and they're having $5 billion, $6 billion of maybe sales, and they are focusing only on rare diseases. That's the speed and dedication that you have. And then you have the big platform of Pfizer with commercial capabilities all over the world, with

manufacturing capabilities all over the world, with scientific capabilities are over the world. I think if you have equal profiles, I think that gives us a significant advantage.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes, absolutely. Last couple of minutes here, just doing a speed round on the last couple of products, there's so much to talk about the pipeline here. But the broader -- the vaccine business, maybe a similar question here. This was one of, I guess, the areas for me that was less appreciated in the pipeline with both the RSV maternal vaccine, the pentavalent meningitis vaccine. But can you just talk a little bit about those products and how you see those markets evolving, how you see them differentiating themselves. Because, again, that's an area that, again, I find that it's probably getting less attention by The Street and what could be some fairly significant product opportunities that are now in registrational studies. So can you just give us a couple of minutes on each of those, just what we should be focusing on? And what profile you're excited about that you're seeing emerge there?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

I think you are right, because I think that The Street is modeling right now only 2 of the 7, 2 of the 7, right? Of the 2 that they are modeling, it is the 20 adults that we are funding this quarter and the 20 pediatric, right? The rest, and now they are confused with the COVID, they don't know what to do with $500 million times how much. They don't know really how. And I'm not -- with -- I'm very humble now that I say. They are confused because everybody is confused because there's a lot of uncertainty, right? It's not fair. But this is the third. But I don't think anyone is modeling clostridium difficile. There are 50,000 deaths every year. This is, I mean, unbelievable burden from the -- for the health care system. There is no vaccine. Pentavalent. There is no vaccine about pentavalent in here. Lyme disease. There's no vaccine for Lyme disease. The RSV, there's no vaccine for RSV. Streptococcus b there is no vaccine for streptococcus b, in maternal particularly.

So all of that, they are first-in-class, from what we know because there are some efforts in -- some were already 4 years ago. If someone wants to come will be very late if we are successful.

But for example, RSV, there are some others. We believe we have fundamentally the best profile with what we do. So I think the vaccines portfolio is going to be a very, very successful driver of the new Pfizer. And by the way, this is the business unit that has proven in action, what we did, we are a biotech with a scale of big pharma when they were able to start later than competition their clinical program and start Phase 3 the same day, right? And right now, let's say, I don't want to say if we are ahead or not because it doesn't make any difference. And I think that -- I hope everybody will get approved because, as I said, the demand will be multiples of the offer, all the way to '21.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. Excellent. And our last minute here. You highlighted a lot of earlier-stage pipeline across all the verticals. If I had to narrow it down to 2 or 3 that you're most excited about, what are the 2 or 3 of those earlier-stage pipeline assets that you think we should be watching as we either get proof-of-concept data or as we see these move into registrational studies in the near term?

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

No. I think the internal medicine are the ones because they are really early. That we've not been paying too much attention. And I think some of the data, they are revolutionary. If you see 8 kilos of lost weight, okay? These are significant that if we are able to move them through the finish line because they are early. Vupa, for example, right? If we are able to move -- the $3 billion is nothing, I think, right? That's the question. Because they are very early. So the chances that some of them fail is still quite high.

Other than that, I think we spoke a lot about the vaccines or the gene therapy. We spoke about the immunology assets. So in every singular category -- of course, oncology. Oncology, right now, particularly following the acquisition of the Boulder unit that we have right now, we have tremendous chemical and drug making capabilities, particularly in brain penetrants, right? this unit will provide 2 INDs per year.

I'm very confident about it. And it has been integrated in a tremendously good way. So we kept all their integrity as they are, they can do their thing. And we gave them resources that they didn't have before. So oncology, we had La Jolla, which was tremendous capabilities on biology, hitting the targets, biological targets identifying. And then we have also a unit that has a unique capability to make drugable be undrugable. So once you have a biological target to be able to make it a drug for it. I think this is also one of the most exciting areas that we have.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Great. Well, that's a good way to end it. And again, really appreciate the time, and it seems like obviously exciting couple of years ahead as we see all this data play out. So Albert, thanks again for joining us today. And thanks, everyone, for listening in.

Albert Bourla - *Pfizer Inc. - Chairman of the Board & CEO*

Thank you very much, Chris.

Project Matrix
Post-EGM Legends

Forward-Looking Statements

This communication contains "forward-looking statements". Such forward-looking statements may include, without limitation, statements about the proposed combination of Upjohn Inc. ("Newco") and Mylan, which will immediately follow the proposed separation of the Upjohn business (the "Upjohn Business") from Pfizer Inc. ("Pfizer") (the "proposed transaction"), the expected timetable for completing the proposed transaction, the benefits and synergies of the proposed transaction, future opportunities for the combined company and products and any other statements regarding Pfizer's, Mylan's, the Upjohn Business's or the combined company's future operations, financial or operating results, capital allocation, dividend policy, debt ratio, anticipated business levels, future earnings, planned activities, anticipated growth, market opportunities, strategies, competitions, and other expectations and targets for future periods. Forward looking statements may often be identified by the use of words such as "will", "may", "could", "should", "would", "project", "believe", "anticipate", "expect", "plan", "estimate", "forecast", "potential", "pipeline", "intend", "continue", "target", "seek" and variations of these words or comparable words. Because forward-looking statements inherently involve risks and uncertainties, actual future results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: ongoing challenges and uncertainties posed by the COVID-19 pandemic for businesses and governments around the world; the parties' ability to meet expectations regarding the timing, completion and accounting and tax treatments of the proposed transaction; changes in relevant tax and other laws; the parties' ability to consummate the proposed transaction; the conditions to the completion of the proposed transaction not being satisfied or waived on the anticipated timeframe or at all; the regulatory approvals required for the proposed transaction not being obtained on the terms expected or on the anticipated schedule or at all; inherent uncertainties involved in the estimates and judgments used in the preparation of financial statements and the providing of estimates of financial measures, in accordance with U.S. GAAP and related standards or on an adjusted basis; the integration of Mylan and the Upjohn Business being more difficult, time consuming or costly than expected; Mylan's, the Upjohn Business's and the combined company's failure to achieve expected or targeted future financial and operating performance and results; the possibility that the combined company may be unable to achieve expected benefits, synergies and operating efficiencies in connection with the proposed transaction within the expected time frames or at all or to successfully integrate Mylan and the Upjohn Business; customer loss and business disruption being greater than expected following the proposed transaction; the retention of key employees being more difficult following the proposed transaction; Mylan's, the Upjohn Business's or the combined company's liquidity, capital resources and ability to obtain financing; any regulatory, legal or other impediments to Mylan's, the Upjohn Business's or the combined company's ability to bring new products to market, including but not limited to where Mylan, the Upjohn Business or the combined company uses its business judgment and decides to

manufacture, market and/or sell products, directly or through third parties, notwithstanding the fact that allegations of patent infringement(s) have not been finally resolved by the courts (i.e., an "at-risk launch"); success of clinical trials and Mylan's, the Upjohn Business's or the combined company's ability to execute on new product opportunities; any changes in or difficulties with Mylan's, the Upjohn Business's or the combined company's manufacturing facilities, including with respect to remediation and restructuring activities, supply chain or inventory or the ability to meet anticipated demand; the scope, timing and outcome of any ongoing legal proceedings, including government investigations, and the impact of any such proceedings on Mylan's, the Upjohn Business's or the combined company's consolidated financial condition, results of operations and/or cash flows; Mylan's, the Upjohn Business's and the combined company's ability to protect their respective intellectual property and preserve their respective intellectual property rights; the effect of any changes in customer and supplier relationships and customer purchasing patterns; the ability to attract and retain key personnel; changes in third-party relationships; actions and decisions of healthcare and pharmaceutical regulators; the impacts of competition; changes in the economic and financial conditions of the Upjohn Business or the business of Mylan or the combined company; the impact of outbreaks, epidemics or pandemics, such as the COVID-19 pandemic; uncertainties regarding future demand, pricing and reimbursement for Mylan's, the Upjohn Business's or the combined company's products; and uncertainties and matters beyond the control of management and other factors described under "Risk Factors" in each of Pfizer's, Newco's and Mylan's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission ("SEC"). These risks, as well as other risks associated with Mylan, the Upjohn Business, the combined company and the proposed transaction are also more fully discussed in the Registration Statement on Form S-4, as amended, which includes a proxy statement/prospectus (as amended, the "Form S-4"), which was filed by Newco with the SEC on October 25, 2019 and declared effective by the SEC on February 13, 2020, the Registration Statement on Form 10, which includes an information statement (the "Form 10"), which was filed by Newco with the SEC on June 12, 2020 and declared effective by the SEC on June 30, 2020, a definitive proxy statement, which was filed by Mylan with the SEC on February 13, 2020 (the "Proxy Statement"), and a prospectus, which was filed by Newco with the SEC on February 13, 2020 (the "Prospectus"). You can access Pfizer's, Mylan's and Newco's filings with the SEC through the SEC website at www.sec.gov or through Pfizer's or Mylan's website, as applicable, and Pfizer and Mylan strongly encourage you to do so. Except as required by applicable law, Pfizer, Mylan and Newco undertake no obligation to update any statements herein for revisions or changes after this communication is made.