

Pharmacia Limited

Strategic report

Business review

The audited financial statements for the year ended 30 November 2024 are set out on pages 13 to 31.

The entity derives its revenue from intercompany charges for the use of its intellectual properties, which has decreased from £32.1m in 2023 to £20.9m in 2024. The company generated an after tax profit of £10,743,000 (2023: £18,917,000). Dividends of £189,000,000 were declared in 2024 (2023: £Nil).

The profit and loss account and statement of financial position are set out on pages 13 and 14 respectively. The development and performance of the company during the year was satisfactory, as was the position of the company at the year-end. It is anticipated this will continue into 2025.

Key Performance Indicators (KPIs) of revenue and profit have been discussed above in relation to the company. The company is managed on an integrated basis with other Pfizer Inc. group companies worldwide as part of Pfizer Inc.'s global healthcare business. Various other KPIs are monitored at a group level and the company's directors believe that analysis using these KPIs for the company is not necessary or appropriate for an understanding of the development, performance or position of the company's business. Further details are provided in the Pfizer Inc. consolidated annual review and financial report which are available from Pfizer Inc., 66 Hudson Boulevard East, New York, NY10001-2192, USA.

Principal risks and uncertainties

The principal risks and uncertainties for the company derive from the development, performance and position of the Pfizer Inc. group (of which the company is a part). During the year the principal factors which could cause risk and uncertainty for the Pfizer Inc. group and/or the company included:

- Our ability to successfully address comments received from regulatory authorities or obtain approval for new products and indications from regulators on a timely basis or at all;
- Regulatory decisions impacting labelling, 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 labelling, and/or availability or commercial potential;
- 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 realise the anticipated benefits of any such transactions in the anticipated time frame or at all;

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Strategic report (continued)

Principal risks and uncertainties (continued)

- 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 Pfizer or third-party facilities that Pfizer 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;
- Trends toward managed care and health care cost containment, and our ability to obtain or maintain timely or adequate pricing or favourable formulary placement for our products;
- Interest rate and foreign currency exchange rate fluctuations;
- Any significant issues involving our largest private or government customers, which account for a substantial portion of our revenues;
- The impact of the increased presence of counterfeit medicines, vaccines or other products in the pharmaceutical supply chain;
- Any significant issues related to the outsourcing of certain operational and staff functions to third parties;
- Any significant issues related to our third-party business arrangements, including modifications related to supply agreements or other contracts with customers including governments or other payors;
- Uncertainties related to general economic, political, business, industry, regulatory and market conditions including, without limitation, uncertainties related to the impact on us, our customers, suppliers and lenders and counterparties to our foreign-exchange and interest-rate agreements of challenging global economic conditions, such as inflation or interest rate fluctuations, and recent and possible future changes in global financial markets;
- The exposure of our operations globally to possible capital and exchange controls, economic conditions, expropriation, sanctions and/or other restrictive government actions, changes in intellectual property legal protections and remedies, unstable governments and legal systems and inter-governmental disputes;
- Any changes in business, political and economic conditions due to actual or threatened terrorist activity, geopolitical instability, political or civil unrest or military action, including the ongoing conflicts between Russia and Ukraine and in the Middle East and the resulting economic or other consequences;

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Strategic report (continued)

Principal risks and uncertainties (continued)

- 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 impact of, and risks and uncertainties related to, restructurings and internal reorganisations, 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, organisational disruption, adverse effects on employee morale, retention issues or other unintended consequences;
- Legislation or regulatory action including, without limitation, laws related to pharmaceutical product pricing, intellectual property, medical regulation, environmental protections, reimbursement or access, including, in particular, continued government-mandated reductions in prices and access restrictions for certain biopharmaceutical products to control costs in those markets;
- Legal defence costs, insurance expenses, settlement costs and contingencies, including without limitation, those related to actual or alleged environmental contamination;
- The risk and impact of tax related litigation and investigations;
- Any significant breakdown or interruption of our IT systems and infrastructure (including cloud services);
- Any business disruption, theft of confidential or proprietary information, security threats on facilities or infrastructure, extortion or integrity compromise resulting from a cyber-attack or other malfeasance by, but not limited to, nation states, employees, business partners or others;
- Risks and challenges related to the use of artificial intelligence-based software;
- The risk that our currently pending or future patent applications may not be granted on a timely basis or at all, or any patent-term extensions that we seek may not be granted on a timely basis, if at all; and
- Risks to our products, patents and other intellectual property, such as: (i) claims of invalidity that could result in 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.

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Strategic report (continued)

Section 172 Companies Act 2006 Statement

The company's governance architecture and processes are operated to ensure that all relevant matters are considered by the board in its principal decision-making. While discharging their duties, s.172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long term
- interests of the company's employees
- need to foster the company's business relationships with suppliers, customers and others
- impact of the company's operations on the community and environment
- desirability of the company maintaining a reputation for high standards of business conduct and
- need to act fairly as between members of the company

In the performance of its duty to promote the success of the company and its long term priorities, the board has agreed to a number of matters, including listening to and considering the views of shareholders and the company's other stakeholders to build trust and ensure it fully understands the potential impacts of the decisions it makes for our stakeholders, the environment and the communities in which we operate.

The company has engaged with its main stakeholder groups, including our patients, shareholders, consumers, customers, and group employees, as further detailed in the stakeholder engagement section in the directors' report and the feedback from the engagement has been considered by the directors during the decision-making process.

The interaction with stakeholders at a group level, and the impact of these interactions, are set out in the Pfizer Inc. consolidated annual review and financial report which are available from Pfizer Inc., 66 Hudson Boulevard East, New York, NY10001-2192, USA.

By order of the board

DocuSigned by:

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DI Highton
Director

Date: 24 July 2025

Pharmacia Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 30 November 2024.

A review of the performance of the company's business during the year, the principal risks and uncertainties facing the company and its future prospects are included in the Strategic report set out on pages 2 to 5 which should be read in conjunction with the directors' report.

Financial instruments

The overall objective of Pfizer's financial risk management programme is to seek to minimise the impact of foreign exchange rate movements and interest rate movements on its earnings. These financial exposures are managed through operational means and by using various financial instruments. These practices may change as economic conditions change.

Directors

The directors, who held office from 1 December 2023 and to the date of this report, unless otherwise stated, were:

DJ Harnett (resigned 01 May 2024)
DI Highton
EJ Pearson
S Rienow (resigned 08 October 2024)
SL Sainsbury (appointed 01 May 2024)
J McGinley (appointed 11 October 2024)

Going concern

The company has assessed the principal risks and other matters, at the reporting date and at the date of approval of the financial statements. In doing so management considered the company's performance, reserves and intercompany agreements governing its operations which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period. Based on these considerations, the directors believe that it remains appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Stakeholder engagement

The company aims to build enduring relationships with governments, regulators, patients, customers, partners, suppliers and communities in the areas where it operates. The company works with its business partners in an honest, respectful and responsible way and seeks to work with others who share the company's commitments to safety, ethics and compliance.

The company's activities affect a wide variety of individuals and organisations. The company engages with these stakeholders and listens to their differing needs and priorities as an everyday part of its business and uses the input and feedback to inform its decision making.

On behalf of the company, the Pfizer Inc. group participates in industry and trade associations that offer opportunities to share good practice and collaborate on issues of importance.

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Directors' report (continued)

Streamlined Energy and Carbon Reporting

The company, as a low energy user, is exempt from making detailed disclosures of energy and carbon information under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Political contributions

The company made no political donations or incurred any political expenditure during the year (2023: £nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

DocuSigned by:

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DI Highton

Date: 24 July 2025

Director

Ramsgate Road

Sandwich

Kent, CT13 9NJ