

What science can do

AstraZeneca Annual Report and Form 20-F Information 2018



A global science-led business delivering medicines to patients through innovative science and excellence in development and commercialisation.

Our Purpose is to push the boundaries of science to deliver life-changing medicines. We want to be valued and trusted by our stakeholders as a source of great medicines over the long term.

Our strategic priorities

Reflect how we are working to achieve our Purpose

- 1. Achieve Scientific Leadership
- 2. Return to Growth
- 3. Be a Great Place to Work

A science-led innovation strategy

□ Strategy from page 18 and Key Performance Indicators from page 20.

Distinctive R&D capabilities:

Small molecules, oligonucleotides and other emerging drug platforms, as well as biologic medicines, including immunotherapies, and innovative delivery devices

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new molecular entities (NMEs) in Phase III/pivotal Phase II or under regulatory review, covering 15 indications



Broad R&D platform in three main areas

□ Achieve Scientific Leadership from page 25 and Therapy Area Review from page 50.

Oncology

Our ambition is to push the boundaries of science to change the practice of medicine, transform the lives of patients living with cancer, and ultimately eliminate cancer as a cause of death

Cardiovascular, Renal and Metabolism

As science uncovers commonalities between cardiovascular, renal and metabolic diseases and their associated complications, we aim to transform how they are understood and treated

Respiratory

Our research focuses on the underlying causes of respiratory diseases, using new modalities to pursue previously hard-to-reach targets, with the ambition of achieving remission or even cures for patients

Other Disease Areas

We are also selectively active in the areas of autoimmunity, neuroscience and infection

Portfolio of specialty and primary care products (Product Sales)

\$6,028m

29% of total

2017: \$4,024m
2016: \$3,383m

Sales growth of 50% (49% at CER), including:

Imfinzi sales of \$633 million, reflecting ongoing launches

Lynparza sales of \$647 million, representing growth of 118% (116% at CER), driven by expanded use in the treatment of ovarian cancer and first approvals for breast cancer

Tagrisso sales of \$1,860 million, representing growth of 95% (93% at CER)

\$6,710m

32% of total

2017: \$7,266m
2016: \$8,116m

Sales decline of 8% (8% at CER), including:

Crestor sales of \$1,433 million, down 39% (40% at CER) reflecting generic competition

Brilinta sales of \$1,321 million, representing growth of 22% (21% at CER), due to continued market penetration

Farxiga sales of \$1,391 million, with growth of 30% (30% at CER), including a sales increase of 45% in Emerging Markets (52% at CER) to \$336 million

\$4,911m

23% of total

2017: \$4,706m
2016: \$4,753m

Sales growth of 4% in the year (3% at CER), including:

Fasenra sales of \$297 million, performing exceptionally well in the countries where it was launched

Pulmicort sales growth of 9% (8% at CER) to \$1,286 million

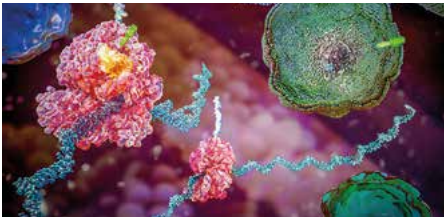
Symbicort sales decline of 9% (10% at CER) to \$2,561 million, as competitive price pressures in the US continued

\$3,400m

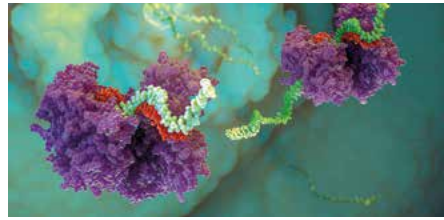
16% of total

2017: \$4,156m
2016: \$5,067m

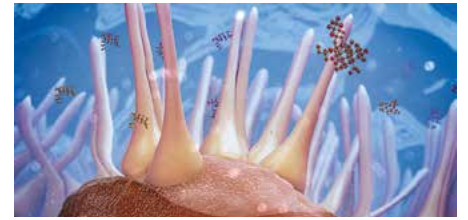
Product Sales declined by 18% (19% at CER) and represented 16% of total Product Sales, down from 21% in 2017



Oncology. See page 50.



Cardiovascular, Renal and Metabolism. See page 56.



Respiratory. See page 62.

Global commercial presence, with strength in Emerging Markets (Product Sales)

Return to Growth from page 29.

Emerging Markets

\$6,891m

33% of total

2017: \$6,149m
2016: \$5,794m

Product Sales increased by 12% (13% at CER). New Medicines represented 15% of Emerging Market sales in the year, up from 10% in 2017

US

\$6,876m

33% of total

2017: \$6,169m
2016: \$7,365m

Product Sales increased by 11%. New Medicines represented 48% of Product Sales, up from 26% in 2017

Europe

\$4,459m

21% of total

2017: \$4,753m
2016: \$5,064m

Product Sales declined by 6% (10% at CER), reflecting the entry of generic *Crestor* medicines in various markets in 2017 and continued competitive and price pressures

Established Rest of World

\$2,823m

13% of total

2017: \$3,081m
2016: \$3,096m

Product Sales declined by 8% (9% at CER). New Medicines represented 24% of sales in the year, up from 13% in 2017. Performance reflected, in particular, the success of *Tagrisso* and *Forxiga*

Our talented employees

Committed to attracting, retaining and developing a talented and diverse workforce united in the pursuit of our Purpose and living our Values

Be a Great Place to Work from page 38.

64,600

employees
2017: 61,100
2016: 59,700

44.6%

of our senior roles are filled by women

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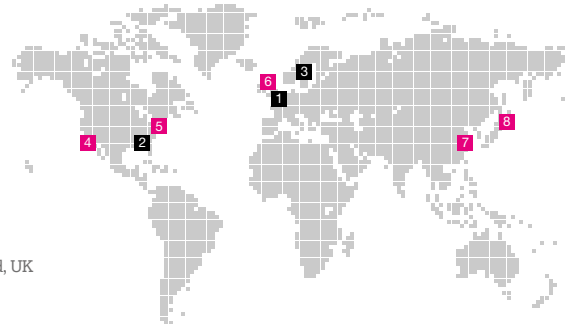
manuscripts published by our scientists in high-impact peer-reviewed journals

Strategic R&D centres

- 1. Cambridge, UK (HQ)
- 2. Gaithersburg, MD, US
- 3. Gothenburg, Sweden

Other R&D centres

- 4. California, US
- 5. Boston, MA, US
- 6. Alderley Park and Macclesfield, UK
- 7. Shanghai, China
- 8. Osaka, Japan



A sustainable business

Committed to operating in a way that recognises the interconnection between business growth, the needs of society and the limitations of our planet

Sustainability from page 42.

Priority

1

Broadening access to healthcare

Priority

2

Furthering ethics and transparency

Priority

3

Protecting the environment

100%

of employees trained in Code of Ethics



Our capital allocation priorities

Striking a balance between the interests of the business, our financial creditors and shareholders, and supporting our progressive dividend policy

Financial Review from page 74.

Distributions to shareholders

Dividend per Ordinary Share for 2018

\$0.90
Pence: 68.4
SEK: 7.92
Payment date: 10 September 2018

Dividends

\$3,484m

2017: \$3,519m
2016: \$3,561m

Proceeds from issue of shares

\$(34)m

2017: \$(43)m
2016: \$(47)m

Total

\$3,450m

2017: \$3,476m
2016: \$3,514m

1st interim dividend

\$0.90
Pence: 68.4
SEK: 7.92
Payment date: 10 September 2018

2nd interim dividend

\$1.90
Pence: 146.8
SEK: 17.46
Payment date: 27 March 2019

Total

\$2.80
Pence: 215.2
SEK: 25.38
2017: \$2.80
2016: \$2.80