

What science can do

AstraZeneca Annual Report and Form 20-F Information 2019



We are a global, science-led, patient-focused, pharmaceutical company. We have transformed our pipeline and returned to growth. As a result of continued pipeline delivery and commercial execution, we are now entering a new stage in our journey.

This is focused on enhanced innovation and the sustainable delivery of life-changing medicines that improve patient outcomes and health experience.

Our strategic priorities

□ Strategy from page 17 and Key Performance Indicators from page 20.

Reflect how we are working to achieve our Purpose: to push the boundaries of science to deliver life-changing medicines

- 1. Deliver Growth and Therapy Area Leadership
- 2. Accelerate Innovative Science
- 3. Be a Great Place to Work

A science-led innovation strategy

□ Innovative science from page 25.

Distinctive R&D capabilities

Small molecules, biologics, protein engineering and innovative delivery devices, as well as new scientific modalities, new technologies and new biology

8 new molecular entities (NMEs) in Phase III/ pivotal Phase II or under regulatory review covering 13 indications



Broad R&D platform in three main areas

□ Innovative science from page 25 and Therapy Area Review from page 54.

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 & Metabolism

We are committed to the seamless management of heart failure, cardiovascular, renal and metabolic diseases, improving patient outcomes and decreasing the mortality rate

Respiratory

We aim to transform the treatment of respiratory diseases through our inhaled combination medicines, biologics for unmet medical need and scientific advances, with the ambition of achieving remission or even cures for patients

Other Disease Areas

We have medicines and vaccines in other disease areas that have an important impact for patients

Portfolio of specialty and primary care medicines (Product Sales)

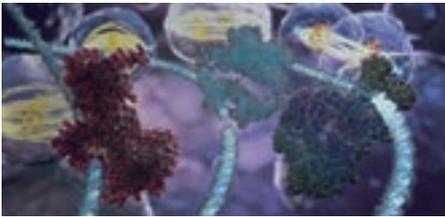
2019	2018	2017	2016
\$8,667m 37% of total	\$6,906m 29% of total	\$5,391m 23% of total	\$2,601m 11% of total
2018: \$6,028m 2017: \$4,024m	2018: \$6,710m 2017: \$7,266m	2018: \$4,911m 2017: \$4,706m	2018: \$3,400m 2017: \$4,156m

Sales growth of 44% (47% at CER), including:
Tagrisso sales of \$3,189 million, representing growth of 71% (74% at CER)
Imfinzi sales of \$1,469 million, representing growth of 132% (133% at CER)
Lynparza sales of \$1,198 million, representing growth of 85% (89% at CER)
 The performance of legacy medicines included a decline in *Faslodex* sales of 13% (11% at CER) to \$892 million, reflecting the launch of multiple generic medicines

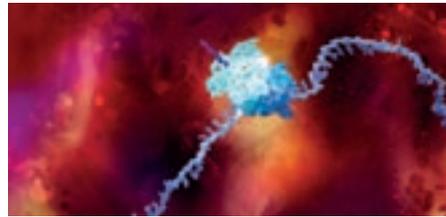
Sales growth of 3% (6% at CER), including:
Brilinta sales of \$1,581 million, representing growth of 20% (23% at CER), due to continued patient uptake for ACS and post-MI
Farxiga sales of \$1,543 million, with growth of 11% (14% at CER), reflecting pricing pressure in the US and a sales increase of 40% in Emerging Markets (48% at CER) to \$471 million
Crestor sales of \$1,278 million, down 11% (8% at CER), reflecting generic competition and the effect of volume-based procurement in China

Sales growth of 10% in the year (13% at CER), including:
Symbicort sales of \$2,495 million, down 3% (stable CER), as competitive price pressures in the US continued
Pulmicort sales of \$1,466 million, representing growth of 14% (18% at CER), with Emerging Market sales up 20% (24% at CER) representing 81% of global sales
Fasenra sales of \$704 million, up by 137% (139% at CER), with strong sales growth in the US, Europe and Japan

Product Sales declined by 24% (21% at CER) and represented 11% of total Product Sales, down from 16% in 2018. This included *Nexium* sales down by 13% (11% at CER) to \$1,483 million



Oncology. See page 54.



Cardiovascular, Renal & Metabolism. See page 60.



Respiratory. See page 66.

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

□ Delivering growth from page 31.

Emerging Markets

\$8,165m

35% of total
2018: \$6,891m
2017: \$6,149m

Product Sales increased by 18% (24% at CER). New Medicines¹ represented 23% of Emerging Market sales in the year, up from 15% in 2018

US

\$7,747m

33% of total
2018: \$6,876m
2017: \$6,169m

Product Sales increased by 13%, reflecting the success of the new Oncology medicines

Europe

\$4,350m

18% of total
2018: \$4,459m
2017: \$4,753m

Product Sales declined by 2% (grew 2% at CER), reflecting a strong performance by our Oncology medicines, offset by a decline in *Nexium* and legacy Respiratory medicines

Established Rest of World

\$3,303m

14% of total
2018: \$2,823m
2017: \$3,081m

Product Sales grew by 17% (18% at CER) reflecting the strong performance of New Medicines in Japan. We are also impacted by divestments in Canada and *Symbicort* analogues competition in Australia

Our talented and diverse employees

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

□ A great place to work: Employees from page 44.

70,600

employees
2018: 64,600
2017: 61,100

45.4%

of our senior roles are filled by women

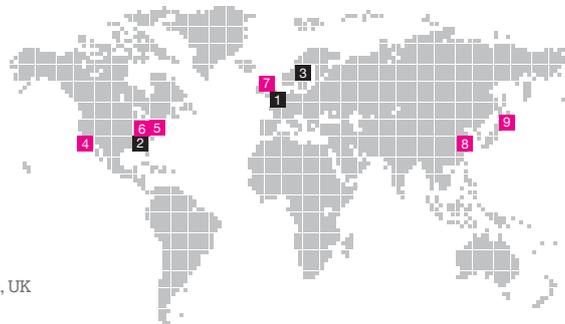
91

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

>3,100

employees with PhDs

- Strategic R&D centres**
1. Cambridge, UK (HQ)
2. Gaithersburg, MD, US
3. Gothenburg, Sweden
- Other R&D centres and offices**
4. South San Francisco, CA, US
5. Boston, MA, US
6. New York, NY, US
7. Alderley Park and Macclesfield, UK
8. Shanghai, China
9. 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 51.

Priority

1
Access to healthcare



Priority

2
Environmental protection



Priority

3
Ethics and transparency



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 78.

Distributions to shareholders

Dividends

\$3,592m
2018: \$3,484m
2017: \$3,519m

Proceeds from issue of shares²

\$(3,525)m
2018: \$(34)m
2017: \$(43)m

Total

\$67m
2018: \$3,450m
2017: \$3,476m

R&D expenditure

\$6,059m
2018: \$5,932m
2017: \$5,757m

Credit rating (Standard & Poor's)

BBB+
Long-term: stable outlook

Credit rating (Moody's)

A3
Long-term: negative outlook

¹ *Brilinta, Tagrisso, Imfinzi, Lynparza, Calquence, Farxiga, Lokelma, Fasenna, Bevespi and Breztri.*
² In April 2019, the Company completed a placing of 44,386,214 new Ordinary Shares of \$0.25 each in the Company. For more information, see page 263.