

# What science can do

AstraZeneca Annual Report and Form 20-F Information 2020



## Chief Executive Officer's Review

AstraZeneca's many achievements in 2020 demonstrated the power of living our Values to push the boundaries of science to deliver life-changing medicines.

"I am confident that we will continue to deliver more progress for patients and sustained, compelling results."



Despite the impact of the COVID-19 pandemic, our performance in 2020 ensured that we were able to continue delivering value for patients and shareholders as well as for society. The announcement of our proposed acquisition of Alexion is further evidence of our intention to drive long-term value creation for shareholders and make an even bigger difference to the lives of patients.

### Delivering our strategic priorities

As demonstrated throughout this Annual Report, the value we delivered in 2020 was made possible through the progress we made against all our strategic priorities and across the whole organisation:

#### 1. Deliver Growth and Therapy Area

**Leadership:** We delivered strong results in 2020, despite the adverse impact of the pandemic, with Product Sales up 10% (11% at CER) to \$25,890 million. Sales grew in all regions, while Total Revenue from our New Medicines<sup>1</sup> improved by 33% (33% at CER) to \$13,950 million.

**2. Accelerate Innovative Science:** We had remarkable pipeline and regulatory performances in 2020, with 29 approvals of new medicines or life-cycle management indications in major markets. Despite the occasional setback, which is to be expected, we also had 14 data or regulatory designations for accelerated, priority or other expedited review in major markets.

**3. Be a Great Place to Work:** 2020 brought focus to our inclusion and diversity activities, while employee survey results confirmed we remained a great place to work. We also made good progress with our ambition of leading in sustainability.

Building a sustainable company includes building financial sustainability. In 2020, that meant results in line with guidance given throughout the year and more than half of Total Revenue coming from our New Medicines.

### COVID-19 and living our Values

I am proud of everyone in AstraZeneca who achieved so much in the face of the biggest health crisis the world has encountered in more than a generation. I am even more proud of the fact that, despite the pandemic, employees worked tirelessly to ensure the safety of patients, and their continued access to care and medicines. We also focused on protecting our staff and critical operations. Working with partners across the world, we played a leading role in the process of scientific innovation to combat the virus and contributed more broadly to society, including with emergency relief.

While delivering our growth through innovation strategy and responding to the pandemic may seem different challenges, the key to our success is the same in both: being true to our Purpose and living our Values.

### We follow the science

Our response to the pandemic was led by science and included our landmark agreement with the University of Oxford for the global development, production and supply of *COVID-19 Vaccine AstraZeneca*. We committed to doing this at no profit during the pandemic and to providing the broad and equitable supply of billions of vaccine doses around the world. We continue to work around the clock to deliver these as speedily as possible while retaining the highest of quality standards.

Our response to the pandemic also included the repurposing of our existing compounds and the development of our potential long-acting antibody (LAAB) combination against the virus, AZD7442.

As soon as the gene sequence of the SARS-CoV-2 virus was published in January 2020, our teams worked rapidly to screen thousands of antibodies and, in just 99 days, identified a combination of two potent neutralising antibodies that is designed to reduce the risk of resistance developed by the virus and engineered to increase the durability of the therapy for six to 12 months following a single administration. By running all our usual early development processes in parallel rather than sequentially, we were able to start Phase I trials of AZD7442 in August and Phase III trials in October, thereby reducing to months processes that normally take years.

### We put patients first

Throughout the pandemic, we put patients first by working closely with investigators to find solutions and by accelerating the use of digital health technologies in R&D to keep our clinical trials running. For example, we were able to continue more than 80% of our studies. We did so by moving to new ways of working and using digital solutions, such as electronic consent, remote data collection and using devices to collect patient data from home. Our teams also helped patients continue to receive their treatment. For example, we made more than 2,400 shipments to patients' homes in more than 60 studies across 35 countries.

<sup>1</sup> Tagrisso, Imfinzi, Lynparza, Calquence, Enhertu, Koselugo, Farxiga, Brilinta, Lokelma, roxadustat, Fasenna, Bevespi and Breztri.

# Chief Executive Officer's Review

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# 33%

Total Revenue from New Medicines improved by 33% to \$13,950 million

# 29

29 approvals of new medicines or life-cycle management indications in major markets

# 99.9%

Sourced 99.9% of our imported electricity globally from renewable sources in 2020

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“I am proud of everyone in AstraZeneca who achieved so much in the face of the biggest health crisis the world has encountered in more than a generation.”

At the same time, we worked hard to accelerate patient-centred care. In the case of chronic kidney disease (CKD), only 12% of cases are currently diagnosed and we are working with digital partners to increase awareness, expand early diagnosis and transform CKD management.

In the case of respiratory diseases, where patients are at greater risk if they contract COVID-19, it can typically take seven years for severe asthma to be diagnosed and treated. We therefore use digital tools, such as chatbots which, in 2020, helped more than 200,000 patients self-diagnose and seek specialist consultation. We are also working with healthcare systems to remove barriers to better care and accelerating homecare: the number of patients self-administering *Fasenra* more than doubled in 2020, offering them a safer way to manage their condition in the context of a higher vulnerability to COVID-19.

### **We are entrepreneurial**

During the year, by changing the way we work, we were able to serve an estimated 200,000 new cancer patients against a background that saw a 40% drop in the number of patients who would typically be diagnosed with cancer. Partnering closely with health authorities, we delivered nearly 20 new launches across our major markets, including patient-friendly dosing of *Imfinzi* in the US and Europe that halved the number of hospital visits needed by patients.

Additionally, we sought to reduce the impact of the pandemic on cancer outcomes by, for example, launching a ‘New Normal, Same Cancer’ campaign, which we co-created with seven leading global patient coalitions, to encourage patients whose care had been interrupted to re-engage with the healthcare system. We also transformed the patient experience by enabling continuity of care and connectivity between healthcare practitioners and patients with the accelerated launch of HAYA, our fully-integrated oncology patient care management platform. It has been launched in Europe and will be deployed more widely as a result of the positive response.

### **We play to win**

For us, playing to win in 2020 meant working hard to manage our global supply chain flows and inventory in order to protect the supply of medicines to our patients. That included the challenging management of more than 1,300 global logistics routes and moving available product as close to the patient as possible, as borders closed or restrictions were put in place around the world. It also involved staff temperature monitoring and carrying out more than 22,000 COVID-19 assessments to ensure all our operations sites could remain open.

As a result of our efforts, we delivered 91 on-time launches during the year, including the successful launch of *Imfinzi* in China early in the COVID-19 outbreak.

Overall, our actions allowed us to achieve outstanding stock availability levels of 99.5% throughout our global markets.

### **We do the right thing**

Doing the right thing ensures that we are a great place to work, both through how each of us contributes to the enterprise and, more broadly, to society. That includes embracing the power of diversity and leading the way to avoid a climate catastrophe. Inclusion and diversity foster creativity, generate innovation and drive performance. In 2020, that was exemplified by colleagues from across AstraZeneca coming together to create a comprehensive plan to address racial equity issues that include the design and enrolment into clinical trials, as well as how to attract, retain and develop ethnic minority talent.

Ambition Zero Carbon is our flagship commitment to help reduce our carbon footprint – for our health and the health of the planet. To achieve this, we are following a greenhouse gas hierarchy of avoiding, reducing, substituting and, only if necessary, compensating for our greenhouse gas emissions. We are making good progress, which includes sourcing 99.9% of our imported electricity globally from renewable sources in 2020.

### **Appreciation and looking ahead**

In closing, I want to thank my colleagues on the SET and across AstraZeneca. In particular, I want to congratulate Jeff Pott who, in addition to his role as General Counsel, has taken over as Chief Human Resources Officer from Fiona Cicconi. Fiona left at the end of 2020 to undertake a similar role at an iconic technology company and I want to thank her for her leadership in making us a great place to work.

Our performance in 2020 marked a significant step forward for AstraZeneca. We delivered double-digit revenue growth to leverage improved profitability and cash generation. The consistent achievements in the pipeline, accelerating performance of our business and the success of the COVID-19 vaccine demonstrated what we can achieve. The proposed acquisition of Alexion is intended to accelerate our commercial and scientific evolution even further.

Thanks to the focus on an industry-leading pipeline and consistent execution, I am confident that we will deliver more progress for patients and sustained, compelling results.



**Pascal Soriot**  
Chief Executive Officer

For more information on our strategy and 2020 performance, see Our Strategy and Key Performance Indicators from page 18 and Performance in 2020 from page 24.