To whom it may concern,

This letter sets forth public information previously provided by AstraZeneca and others which may prove helpful in estimating the financial performance of AstraZeneca after H1 2021 results.

Sell-side analysts who wish to contribute to company-collected consensus estimates are requested to submit updated numbers by Wednesday 20 October 2021; details are provided in the appendix. As usual, those analysts who contribute will automatically receive the consensus data in return.

AstraZeneca would like to highlight the following important considerations and prior disclosures:

1. Updated 2021 guidance
AstraZeneca updated its FY2021 guidance at H1 2021 results to reflect the closure of the Alexion transaction and the issuance of new shares. Total revenue is expected to increase by a low-twenties percentage, accompanied by faster growth in Core EPS to $5.05 to $5.40. Both measures are at constant exchange rates (CER). The guidance does not incorporate any revenue or profit impact from sales of the pandemic COVID-19 vaccine. In general, AstraZeneca continues to recognise the heightened risks and uncertainties from the effects of COVID-19, including the impact from potential new medicines for COVID-19 in clinical development. Core EPS guidance is based on the new number of shares (weighted average number of outstanding shares in 2021 expected to be 1,418m). Alexion will be consolidated in AstraZeneca’s financial statements from 21 July 2021.

2. Revenue - sales

2.1 Oncology
In December 2020, and effective from 1 March 2021, updates to the China national reimbursement drug list (NRDL) were announced. Tagrisso was included for 1st-line use in EGFR-mutated non-small cell lung cancer, enabling a higher number of patients to benefit from the medicine. The revenue per patient will be reduced by the lower price, but over time partly offset by the longer duration of use in the new setting. Please see below for anticipated impact to the gross margin.

Further, as noted in prior earnings calls, the Company saw the impact of the third COVID-19 wave with diagnosis rates in lung and ovarian cancer and chronic lymphocytic lymphoma c.30% lower vs. pre-COVID-19 levels in the U.S. On the H1 2021 results conference call it was noted that although a positive trajectory of improvement in diagnosis rates have been seen, rates are still below pre-COVID levels in the US.

2.2 Rare diseases
Alexion sales will be reported as a separate disease area. From 2022, Andexxa sales will move into CVRM and Koselugo sales will move into Rare diseases. Until then, these medicines will be reported in Rare diseases and Oncology respectively. Alexion sales will be consolidated from 21 July 2021.
2.3 Other medicines
In March 2021, Daiichi Sankyo and AstraZeneca announced the transfer of distribution and marketing rights for Nexium in Japan back to AstraZeneca. Nexium has been co-promoted in Japan since the launch in 2011. Following the transfer of rights, AstraZeneca will market, distribute and promote Nexium on its own in Japan from 15 September 2021.

In March 2017, AstraZeneca and Sanofi announced an agreement to develop and commercialise nirsevimab, a new RSV antibody. Sanofi will lead commercialisation activities and record revenues for nirsevimab and AstraZeneca will report its share of revenue as collaboration revenue. The two companies share all costs and profits. Swedish Orphan Biovitrum (Sobi) has the right to participate in payments that may be received by AstraZeneca from the US profits or losses for nirsevimab. Upon payment of a ($175m) milestone on regulatory submission, Sobi’s ongoing participation will amount to AstraZeneca’s full share of profits or losses in the US. AstraZeneca will continue to manufacture and supply nirsevimab globally and is entitled to an additional royalty from Sobi if profits from nirsevimab in the US exceed a pre-specified level. AstraZeneca is also entitled to potential net payments of approximately $110m on achievement of other nirsevimab profit and development-related milestones.

Synagis ex-US rights reverted to AstraZeneca on 30 June 2021 following the expiry of the former ex-US commercial rights agreement with AbbVie. Consequently, ex-US in market sales will be booked and recognised accordingly. It should be noted, that Synagis and Flumist are historically seasonal products.

2.4 COVID-19 vaccine and long acting antibody
AstraZeneca recorded COVID-19 pandemic vaccine revenues of $1,169m in H1 2021. Core EPS was negatively impacted by $0.04 from the COVID-19 vaccine during the same period. Gross profits from the pandemic vaccine will be mainly offset by increased R&D costs (including pharmacovigilance costs) and some SG&A costs in order to deliver the no profit/no loss approach the company has been pursuing. During the H1 call, AstraZeneca confirmed that it will continue to supply existing signed contracts at a no-profit basis but will transition to modest profit for new orders while remaining committed to equitable supply and affordable pricing. In addition, AstraZeneca continues to invest in novel COVID-19 vaccines and treatments as evidenced by recent announcements on PROVENT with development costs charged to R&D. AstraZeneca also continues to resource pharmacovigilance activities and collect long term data on its vaccines and therapeutics for Covid; quarterly fluctuations should be expected.

2.5 China
In June 2021, the results of the 5th round of government volume-based procurement (VBP) in China were announced including AstraZeneca medicines Pulmicort, Nexium IV, Casodex, Onglyza and Betaloc. AstraZeneca chose not to provide price concessions and as a result was not among the winners. However, irrespectively, and as per the current rules, these medicines are now faced with a mandatory price reduction (10-30%). The impact of NRDL and VBP on China revenues is expected to continue.

3. Revenue - collaboration revenue
No new collaborations or significant milestones have been announced to be booked in Q3 2021.

4. Gross margin
The core gross profit margin declined by six percentage points in H1 2021 to 73.8%. The performance predominantly reflected the significant impact of equitable supply, at no profit to AstraZeneca, of the pandemic COVID-19 vaccine, together with an increasing contribution from profit-sharing arrangements, primarily Lynparza, and the impact of the Chinese National Reimbursement Drug List (NRDL) and the volume-based procurement (VBP) patient-access programmes. A higher proportion of Oncology sales and increasing patient access in China partially offset these impacts. If excluding the impact from the pandemic COVID-19 vaccine, the Core gross margin was somewhat lower in the first half of 2021 compared to the same period last year due to the reasons mentioned above.
5. SG&A
Following a period of successful pipeline delivery and news flow, investments continue to be made in a number of new launches in multiple therapy areas including Saphnelo (lupus), and Forxiga in CKD in Europe and Japan. In addition prelaunch investments for several products continue to be made for Enhertu, Lynparza, AZD7442, tezepelumab and PT027.

6. Share based payments
Prior to acquisition Alexion costs in relation to share based compensation were excluded from the Company’s adjusted (non-GAAP) P&L. These share based compensation payments in 2020 for Alexion were $281m. Following consolidation of Alexion, and accounting for these under IFRS will result in these payments being included in AstraZeneca’s Core P&L (COGS, R&D and SG&A) going forward.

7. Other operating income
No divestments have been announced to be booked in Q3 2021.

8. Non-controlling interest
As previously communicated, no further accounting for non-controlling interests in relation to Acerta Pharma B.V. (Acerta) is anticipated in the future.

9. Outstanding number of shares
The outstanding number of shares was 1,549m as of end July 2021. 236m shares were issued as part of the Alexion transaction. The weighted number of outstanding shares during 2021 is expected to be 1,418m. For Q3 2021, the weighted number of outstanding shares are expected to be 1,494m.

10. Cash flow
In the Q1 2021 results announcement, it was announced that AstraZeneca exercised its option to acquire the remaining 45% of shares in Acerta in April 2021. The Acerta agreement initially provided that the remaining 45% of shares in Acerta would be acquired at a price of approximately $3bn net of certain costs and payments incurred by AstraZeneca and net of agreed future adjusting items, using a pre-agreed pricing mechanism. In October 2019, an amendment agreement came into effect which was disclosed as part of year-to-date and Q3 2019 results, changing the timing of payments and reducing the maximum consideration required to be made to acquire the remaining outstanding shares of Acerta if the options were exercised. The payments are to be made in similar annual instalments in 2022, 2023 and 2024. The changes to the terms were reflected in the assumptions that were used to calculate the amortised cost of the option liability as of 30 June 2021 of $2,375m.

In July 2020, AstraZeneca and Daiichi Sankyo announced a collaboration on datopotamab deruxtecan. AstraZeneca will pay Daiichi Sankyo an upfront payment of $1bn in staged payments: $350m was paid in 2020, $325m paid in 2021 and $325m due in 2022. For more details, please see the announcement.

In March 2019, AstraZeneca entered a collaboration with Daiichi Sankyo on Enhertu. AstraZeneca paid an upfront payment of $1.35m (half in 2019 and remaining part in 2020). In addition, there are potential contingent payments of up to $5.55bn including $3.8bn in regulatory milestones and $1.75bn for sales-related milestones. For more details, please see announcement.

The increase in net cash inflow from operating activities of $1,647m in H1 2021 was primarily driven by a decrease in working capital, of which $893m related to the movement in pandemic COVID-19 vaccine working capital balances within trade and other payables, trade and other receivables and inventories. These balances are anticipated to reverse in due course.

On 29 September 2021, AstraZeneca announced the full acquisition of Caelum Biosciences. Alexion will pay Caelum the agreed option exercise price of approximately $150m, with the potential for additional payments of up to $350m upon achievement of regulatory and commercial milestones.
11. Currency impact
AstraZeneca’s foreign-exchange rate sensitivity analysis is contained within the operating and financial review section of the H1 2021 results announcement. If foreign-exchange rates for July to December 2021 were to remain at the average of rates seen in H1 2021, it is anticipated that there would be a low single-digit favourable impact on Total Revenue and Core EPS.

12. Table with recent key financial data

<table>
<thead>
<tr>
<th>$m</th>
<th>Q3 19</th>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>Q1 21</th>
<th>Q2 21</th>
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<tr>
<td>Product sales</td>
<td>6,132</td>
<td>6,250</td>
<td>6,311</td>
<td>6,048</td>
<td>6,520</td>
<td>7,011</td>
<td>7,257</td>
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<td>y-o-y % (CER)</td>
<td>18%</td>
<td>9%</td>
<td>17%</td>
<td>9%</td>
<td>7%</td>
<td>11%</td>
<td>11%</td>
<td>27%</td>
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<tr>
<td>Total revenue</td>
<td>6,406</td>
<td>6,645</td>
<td>6,354</td>
<td>6,275</td>
<td>6,578</td>
<td>7,410</td>
<td>7,320</td>
<td>8,220</td>
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<tr>
<td>Y-o-y % (CER)</td>
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<td>5%</td>
<td>17%</td>
<td>11%</td>
<td>3%</td>
<td>10%</td>
<td>11%</td>
<td>25%</td>
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<tr>
<td>Core R&amp;D</td>
<td>-1,321</td>
<td>-1,494</td>
<td>-1,336</td>
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<td>-1,707</td>
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<tr>
<td>Y-o-y % (CER)</td>
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<td>4%</td>
<td>9%</td>
<td>9%</td>
<td>10%</td>
<td>12%</td>
<td>18%</td>
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<tr>
<td>Core SG&amp;A</td>
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<tr>
<td>Y-o-y % (CER)</td>
<td>9%</td>
<td>9%</td>
<td>7%</td>
<td>3%</td>
<td>-1%</td>
<td>6%</td>
<td>7%</td>
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If there are any questions, please feel free to contact us.

Sincere regards,
The AZN IR Team

<table>
<thead>
<tr>
<th>Contact Information</th>
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<tbody>
<tr>
<td>Chris Sheldon</td>
<td>+44 7825 105 353</td>
</tr>
<tr>
<td>Christer Gruvris</td>
<td>+44 203 749 5711</td>
</tr>
<tr>
<td>Josie Afolabi</td>
<td>+44 203 749 5631</td>
</tr>
<tr>
<td>Tom Waldron</td>
<td>+44 7385 033 717</td>
</tr>
<tr>
<td>Lauren Swales</td>
<td>+44 7789 595 458</td>
</tr>
<tr>
<td>Philip Sparks</td>
<td>+44 7826 549 396</td>
</tr>
<tr>
<td>Morgan Sanford</td>
<td>+1 203 856 0420</td>
</tr>
<tr>
<td>Jennifer Kretzmann</td>
<td>+44 203 749 5824</td>
</tr>
<tr>
<td>US toll-free</td>
<td>+1 301 398 3251</td>
</tr>
</tbody>
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Appendix for contributing sell-side analysts (references are made to an Excel spreadsheet distributed separately)

Guidelines for completing the template
Please enter your data into the orange shaded cells. All other cells will fill in automatically. Please do not alter the format of the template (for example by adding or deleting rows) and wherever possible please submit your information to us in this newly issued template rather than in an historic version.

Tab 1 (Income Statement - AZ Group) should be completed on an as reported basis. We continue to capture the expected currency effects on total revenue and earnings, and the currency assumption of major currencies against USD. We are again seeking to supplement this with additional data (see details for schedules requested under tabs 2-5). Tab 2 (Income Statement - Core) should be completed on a Core basis.

Tab 3 (Collaboration Revenue) outlines the partnered medicines for which Collaboration Revenue is expected. Milestone/royalty payments are collected on separate lines. The costs associated with the AZ restructuring programme should be outlined separately on Tab 4 (Restructuring). Detailed commentary is always welcome to provide clarity and to reduce the scope for misinterpretation.

Tab 5 (Summary Cash Flow & Balance Sheet) consists of an abbreviated Cash Flow Statement and Consolidated Statement of Financial Position. Product sales data by both region and medicine should be entered into Tab 6 (Group product sales). Total product sales are linked from the Income Statement tab in row 9 and is then broken down by region in the reconciliation in rows 11-29. If Rest of World product sales are not currently forecast to the level of detail in the template, please enter a total ROW forecast in row 17.

We continue to collect medicine forecasts by geographic region for a number of medicines. Please complete the rows shaded in orange where regional breakdown of forecasts is available (ROW is a sub-total of Europe, Est. ROW & Emerging Markets).

For some of the medicines in collaboration (Enhertu and tezepelumab), we are also collecting WW forecasts (rows 476-477, memo lines only). We anticipate this will allow analysts to reflect the appropriate financial treatment of these collaborations as it relates to sales, collaboration revenue and costs of goods sold.

Please note we continue to request information on pipeline risk adjustments and we hope you share our view that this is a valuable addition to the collection: If you use a risk adjusted approach to forecasting pipeline product sales, please enter your product sales forecasts after risk adjustments, as before, but also provide the probability of success % where asked for in the template (i.e. if you include 75% of product sales in your Income Statement, the probability of success is 75%).

If you use a binary approach, please enter 100% next to the included medicines and 0% where you have actively decided to exclude product sales. Please leave blank where you have simply not considered a certain potential medicine (e.g. because of its stage of development).

Peak sales estimates are collected on Tab 7 (Pipeline peak sales). Please provide the probability of success (POS) if using a risk adjusted approach – if not risk adjusted, please enter 100%.

Please return to christer.gruvris@astrazeneca.com by Wednesday 20 October 2021.

Should you have any queries on how to complete this template, please do not hesitate to contact Christer Gruvris. In return, we will provide a consensus core and reported P&L for AstraZeneca Group, which will give you a good view of market assumptions. We will also provide consensus detail for Collaboration Revenue, Restructuring costs, Summary of Cash Flow & Statement of Financial Position, and product sales split by Region (providing sufficient analysts complete).