Aide memoire
May 2022

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 following Q1 2022 results.

Sell-side analysts who wish to contribute to company-collected consensus estimates are requested to submit updated numbers by Wednesday 25 May 2022; 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. 2022 guidance at constant exchange rates
AstraZeneca reiterated its 2022 guidance when announcing Q1 2022 results on 29 April 2022. The Company expects Total Revenue to grow by a high teens percentage and Core EPS to increase by a mid-to-high twenties percentage in 2022. Total Revenue from COVID-19 medicines (Vaxzevria and Evusheld) is anticipated to decline by a low-to-mid twenties percentage, with an expected decline in sales of Vaxzevria being partially offset by growth in Evusheld sales. The majority of vaccine revenue in 2022 is expected to come from initial contracts, for which most of remaining obligations are anticipated to be fulfilled by the second quarter of 2022. The Gross Profit Margin from the COVID-19 medicines is expected to be lower than the Company average.

Core Operating Expenses are expected to increase by a low-to-mid teens percentage, driven in substantial part by the full year integration of Alexion expenses. Emerging Markets Total Revenue, including China, is expected to grow mid-single-digits in FY 2022. China Total Revenue is expected to decline by a mid-single-digit percentage in FY 2022, primarily due to continued impact from NRDL and VBP programmes. However, AstraZeneca remains confident in the longer term outlook for Emerging Markets, driven by a large market opportunity, broader patient access and an increased mix of new medicines. Core Tax Rate of between 18-22% is anticipated for the full year. Variations in performance between quarters can be expected to continue.

2. Revenue - sales

2.1 Oncology
COVID-19 continues to affect testing and diagnosis rates in the Oncology space and on the Q1 2022 earnings call it was mentioned that diagnosis and treatment rates in the lung cancer space have remained between 5% to 15% below pre-COVID levels.

2.2 CVRM
In January 2022, it was announced that Seloken will be included in the 7th round of volume based procurement in China, expected to be implemented later in 2022. Total Seloken sales in Emerging markets were $951m in FY2021 with the vast majority of sales originating from China.

2.3 Evusheld
It has been announced that the US Government has agreed to buy an additional one million units of Evusheld. This is in addition to the 700,000 units announced in 2021, taking the total number of units ordered by the US Government to 1.7m. As previously communicated, AstraZeneca received financial support from the US Government for the development and supply of Evusheld. An agreement with the Government of Canada for the supply of 100,000 units has also been announced. Each unit contains one 150mg vial of tixagevimab and one 150mg vial of cilgavimab. The majority of US Government
deliveries took place in Q1 2022 with the remaining deliveries expected to be completed by the end of 2022. AstraZeneca has supply for 2m units and is continuing to work on expanding supply capacity.

3. Revenue - collaboration revenue
At the time of writing, no upfront payments have been announced to be booked in Q2 2022.

4. Gross margin
The Core gross profit margin declined by six percentage points to 74.2% in 2021 (vs. 2020) driven by the impact of equitable supply of Vaxzevria. With COVID-19 revenues anticipated to decline by a low-to-mid twenties percentage in 2022, the Core gross margin will improve vs. 2021 but will continue to be impacted by an increased 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, increasing patient access in China and the addition of a full year contribution from Alexion will partially offset these impacts. Excluding COVID-19 revenues, the Core gross margin in 2022 is expected to be broadly stable vs. 2021. In Q1 2022 the Core gross margin increased by four percentage points to 79.3% benefitting from the addition of Alexion and continuing mix shift to Oncology.

5. Operating costs
Core operating expenses are expected to increase by a low-to-mid teens percentage in 2022. Q1 2022 benefitted from favourable phasing of expenses. Operating expenses are expected to increase for the remainder of the year resulting in a lower Core operating margin in subsequent quarters.

6. Other operating income
At the time of writing, no new transactions have been announced to be booked in Q2 2022.

7. Outstanding number of shares
The outstanding number of shares was 1,549m as of end April 2022.

8. 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 first payment of $920m was paid in Q1 2022. The Acerta liability as per 31 March 2022 was $1,564m with $824m being shown in current other payables and $740m shown in non-current other payables.

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. AstraZeneca will pay additional conditional amounts of up to $1bn for the successful achievement of regulatory approvals and up to $4bn for sales-related milestones. 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](#).

On 17 March 2022, AstraZeneca announced a legal settlement with Chugai Pharmaceutical Co. Ltd. resolving all patent disputes between the two companies related to Ultomiris. Under the terms of the agreement Alexion will make a single payment of $775m in the second quarter of 2022.
As per Note 30 in the 2021 annual report and as highlighted on the Q1 2022 earnings call, additional potential milestone payments of up to $1.1 billion related to collaborations and partnerships, including Daiichi Sankyo, is anticipated to be paid during the remainder of year should the relevant criteria be achieved.

9. Currency impact
As mentioned in the Q1 2022 results announcement, if foreign-exchange rates for April to December 2022 were to remain at the average of rates seen in Q1 2022, it is anticipated that there would be a low single-digit adverse impact on Total Revenue and a mid single-digit adverse impact on Core EPS versus the financials at CER. However, QTD all key currencies have depreciated versus the US dollar compared to average Q1 2022 foreign-exchange rates. The Company’s foreign-exchange rate sensitivity analysis is contained in the Q1 2022 results announcement.

10. Table with recent key financial data

<table>
<thead>
<tr>
<th>$m</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>
<th>Q3 21</th>
<th>Q4 21</th>
<th>Q1 22</th>
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<tr>
<td>Product sales</td>
<td>6,311</td>
<td>6,048</td>
<td>6,520</td>
<td>7,011</td>
<td>7,257</td>
<td>8,045</td>
<td>9,741</td>
<td>11,498</td>
<td>10,980</td>
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<tr>
<td>y-o-y % (CER)</td>
<td>17%</td>
<td>9%</td>
<td>7%</td>
<td>11%</td>
<td>11%</td>
<td>27%</td>
<td>47%</td>
<td>65%</td>
<td>56%</td>
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<tr>
<td>Total revenue</td>
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<td>6,275</td>
<td>6,578</td>
<td>7,410</td>
<td>7,320</td>
<td>8,220</td>
<td>9,866</td>
<td>12,011</td>
<td>11,390</td>
</tr>
<tr>
<td>y-o-y % (CER)</td>
<td>17%</td>
<td>11%</td>
<td>3%</td>
<td>10%</td>
<td>11%</td>
<td>25%</td>
<td>48%</td>
<td>63%</td>
<td>60%</td>
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<td>Core R&amp;D</td>
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<td>Y-o-y % (CER)</td>
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<td>10%</td>
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<td>Y-o-y % (CER)</td>
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<td>3%</td>
<td>-1%</td>
<td>6%</td>
<td>7%</td>
<td>7%</td>
<td>29%</td>
<td>19%</td>
<td>25%</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>
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</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 505-506, 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 25 May 2022.

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).