

What science can do

AstraZeneca Annual Report and Form 20-F Information 2022



Chief Executive Officer's Review



“Our R&D success and revenue increase in 2022 demonstrate that we are on track to deliver industry-leading revenue growth through 2025 and beyond, and have set AstraZeneca on a path to deliver at least 15 new medicines before the end of the decade.”

\$44.4bn

Total Revenue (2021: \$37.4bn)

72

Regulatory events – submissions or approvals in major markets

The success of AstraZeneca is built on being true to our Purpose and living our Values to deliver for people, society and the planet.

2022 was a year of continued strong performance and execution of our long-term growth strategy. Total Revenue increased by 19% (25% at CER) to \$44.4 billion, with \$7.1 billion coming from our Rare Disease portfolio that was incorporated into the Group's results from 21 July 2021.

In our therapy areas, Total Revenue for Oncology increased by 15% (20% at CER); Cardiovascular, Renal & Metabolism by 13% (19% at CER); Respiratory & Immunology fell by 1% but rose 3% at CER; and Rare Disease rose by 4% (10% at CER).

In the US, Total Revenue was up 47% in 2022 and in Europe it grew by 9% (21% at CER). While Total Revenue in Emerging Markets fell by 4% (growth of 1% at CER), largely the result of the anticipated decline in growth in China, it grew in Established Rest of World during the year by 22% (40% at CER).

Pioneers in science

Our success is built on relentlessly pushing the boundaries of science to deliver life-changing medicines. In that regard, we made excellent progress in 2022 with a remarkable 72 regulatory events, either submissions or approvals for our medicines in major markets, and 29 pipeline progression events.

During the year, our pioneering science was evident across all therapy areas. For example, in BioPharmaceuticals, the DELIVER Phase III trial established *Forxiga* as the first heart failure (HF) medicine to demonstrate mortality benefit across the full ejection fraction range. This represents a population of patients, many of whom had previously had no treatment options.

Building on Alexion's 30-year history in Rare Disease, in 2022 we announced the positive high-level results of the ALPHA Phase III trial of danicopan, an investigational oral Factor D inhibitor, as an add-on to *Ultomiris* or *Soliris*

for the treatment of PNH (a rare and life-threatening blood disorder) in patients who experience clinically significant extravascular haemolysis.

In a year of many achievements, no one in the room at the American Society of Clinical Oncology annual meeting last June will forget the standing ovation that greeted the positive Phase III results for *Enhertu* in advanced HER2-low breast cancer. This was followed by its swift approval in the US as the first ever HER2-directed therapy in this indication and represents a major advance for patients with HER2-low metastatic breast cancer.

Our commitment to science was further demonstrated during the year by our announcement in April of plans for a new strategic R&D centre and Alexion headquarters in Kendall Square, Cambridge, MA, US. This move will bring together colleagues from across AstraZeneca and Alexion in a world-leading life sciences hub.

Of course, pushing boundaries sometimes means setbacks and we had some life-cycle management trials during the year that did not meet their primary objectives. However, 2022 was predominantly a year of scientific success, including the approval of three new medicines: *Imjudo* for liver cancer and non-small cell lung cancer (NSCLC); *Beyfortus* for the prevention of RSV, respiratory syncytial virus in infants; and *Airsupra* for asthma. We are also initiating new late-stage trials for high-potential medicines such as camizestrant, datopotamab deruxtecan and volrustomig.

Our R&D success and revenue increase in 2022 demonstrate that we are on track to deliver industry-leading revenue growth through 2025 and beyond, and have set AstraZeneca on a path to deliver at least 15 new medicines before the end of the decade.

Patients

As well as requiring us to follow the science, AstraZeneca's Values put patients first. In this regard, our industry-leading growth means more patients around the world are benefiting from our medicines and our continued commitment to innovate for patients and improve health outcomes – including the use of data, digital technologies and AI.

I am particularly proud of what we were able to achieve for patients in Japan in 2022, with a record-breaking five approvals for our cancer treatments in one day, and a remarkable total of 12 medicine approvals for the year. Also in 2022, cancer patients around the world benefited, not only from *Enhertu* and *Imjudo*, but also from *Imfinzi* and *Lynparza* which, taken together, saw eight new indication launches and 21 major market approvals.

Following last year's acquisition of Alexion, by combining resources, we have been able to bring treatments for rare diseases to patients in 10 more countries around the world, including the availability of Alexion's first medicine in China, *Soliris*.

We have also remained at the frontline in the fight against COVID-19, with independent analysis showing that our vaccine, *Vaxzevria*, saved more than six million lives in its first year. Our long-acting antibody combination, *Evusheld*, continues to play an important role helping to protect those most vulnerable to COVID-19. However, as the COVID-19 virus continues to evolve, so too must our response, and we have commenced a late-stage trial for our next-generation COVID-19 long-acting antibody.

We were honoured when *TIME* magazine announced that *Evusheld* had been named on its annual list of the Best Inventions, which features 200 extraordinary innovations changing our lives. Additionally, our top-three ranking in the 2022 Access to Medicine Index is external recognition of our focus on increasing equitable and affordable access to our life-changing treatments.

AstraZeneca's role in society

In addition to helping patients and in line with our value of doing the right thing, we work to create healthier societies, collaborating with partners to tackle major health challenges.

We are working to identify barriers and give more people equitable access to healthcare. For example, our Healthy Heart Africa programme is committed to reducing hypertension and the burden of cardiovascular disease. We work with partners to raise awareness and offer training, screening and reduced cost treatment, where applicable. By the end of 2022, the programme had launched in nine countries and conducted more than 32 million screenings for high blood pressure since launch, with plans for further expansion.

Our Young Health Programme, which helps young people make informed choices about their health, provides a further example. So far, we have reached more than nine million young people with health information in 39 countries.

Given the multiple challenges facing the world today, we continue to do all we can to ensure healthcare systems are more resilient, effective and sustainable. We used the opportunities provided by a pandemic-delayed EXPO 2020 in Dubai to collaborate across the health, private and academic sectors to launch multiple initiatives in support of our science, therapy areas and a sustainable healthcare network across the Middle East and Africa.

Our Partnership for Health System Sustainability and Resilience is a collaboration with the London School of Economics and the World Economic Forum (WEF) and continues its work to strengthen global health systems. It is now active in more than 30 countries.

At the WEF annual meeting in January 2023, our Chair, Leif Johansson, led AstraZeneca's advocacy for the continued prioritisation of health as the foundation for strong societies and economies, as well as the need to encourage a fundamental re-evaluation of health as a long-term investment for the future.

Looking after the planet

We continue to make important progress with our own science-led Ambition Zero Carbon strategy. By the end of December 2022, we had achieved a 59% reduction in our Scope 1 and 2 greenhouse gas emissions compared to our 2015 baseline. Our efforts include a partnership with Honeywell to develop a next-generation respiratory inhaler which will have a near-zero global warming potential.

We are also playing a leading role in accelerating change across the health sector, including through the Sustainable Markets Initiative (SMI) which was launched by HM King Charles III in 2021. Ahead of COP27 in 2022, the SMI Health Systems Task Force, which I am honoured to champion, announced shared commitments and actions to reduce emissions in line with the pathway to limit global warming to 1.5°C and deliver the transition to net-zero health systems.

My thanks to all AstraZeneca colleagues

In January 2023, after almost 25 years with AstraZeneca, Katarina Ageborg, our Executive Vice-President Global Sustainability, Chief Compliance Officer and President, AstraZeneca AB in Sweden, retired. I am grateful to her for the integral role she played in AstraZeneca becoming a global leader in sustainability and in our re-emergence as one of the world's most innovative biopharmaceutical companies.

I would like to extend my thanks to all our 84,000 employees for the part they played in achieving our strong results in 2022. I would especially like to recognise the efforts of those who ensured that our medicines reached patients across the world and contributed to our support for humanitarian relief.

Our Chair

My particular thanks must go, of course, to Leif Johansson who has chaired our Board for the decade in which I have been leading AstraZeneca. I am grateful to him, not only for his skilled leadership of the Board but also for all he has done for AstraZeneca as Chair. More than that, he has been a great colleague and friend.

I will miss Leif when he steps down after this year's AGM. The last 10 years has shown what AstraZeneca and its people can achieve. I am energised at the prospect of working more closely with Michel Demaré, our new Chair, and by what more we can do for people, society and the planet, thereby earning further returns for shareholders who have entrusted their funds to us.

Pascal Soriot
Chief Executive Officer



The Terra Carta Seal recognises global corporations that are demonstrating their commitment to, and momentum towards, the creation of genuinely sustainable markets.

For more information on our strategy, see Our Strategy and Key Performance Indicators from page 14.