

## Chief Executive Officer's Review



“Our vision for health is not a short-term one. While maintaining our focus on discovering new small and large molecules, we are also increasing investment behind new modalities..”

# \$45.8bn

Total Revenue (2022: \$44.4bn)

# 56

Regulatory events – submissions or approvals in major markets

2023 was a year in which we continued to grow the business and deliver for patients. At the same time, we are investing for the future benefit of people, society and the planet.

2023 was a year of strong growth and execution of our long-term growth strategy as Total Revenue increased by 3% (6% at CER) to \$45.8 billion. Excluding COVID-19 medicines, Total Revenue increased by 13% (15% at CER) to \$45.5 billion.

### Continued growth in our therapy areas

Our ability to grow the business builds on our broad-based, diverse sources of revenue across our therapy areas and regions.

In our therapy areas, Total Revenue in 2023 for Oncology increased by 19% (21% at CER); Cardiovascular, Renal & Metabolism by 15% (18% at CER); and Respiratory & Immunology by 7% (10% at CER). Vaccines & Immune Therapies Total Revenue fell by 72% (71% at CER) as demand for COVID-19 medicines fell away, while Rare Disease rose by 10% (12% at CER).

In our regions, Total Revenue in the US was up 6% in 2023, in Europe it grew by 10% (8% at CER) and by 2% (9% at CER) in Emerging Markets. Total Revenue fell by 14% (8% at CER) in Established Rest of World. Excluding COVID-19 medicines, Total Revenue grew in all regions.

Our financial performance was matched by our operational performance, with 282 successful on-time launches during the year, overall supply performance of more than 99% and zero critical observations reported from 49 external inspections. This represents an outstanding performance that ensures a continuous supply of high-quality medicines to patients.

### Innovating in science

AstraZeneca has one of the leading development pipelines in the sector and its strength in 2023 was evidenced by first approvals for three new medicines – the first year in our eight-year goal of launching at least 15 new molecular entities (NMEs) between 2023 and 2030.

*Airsupra* was approved for the first time in January 2023 for use as an as-needed treatment to reduce risk of asthma exacerbations. In November, *Truqap* in combination with *Faslodex* was approved for certain patients with advanced HR-positive breast cancer. And, right at the end of 2023, AstraZeneca and Ionis' *Wainua* was approved for the treatment of the polyneuropathy of hereditary transthyretin-mediated amyloidosis in adults. It is the only approved treatment that can be self-administered with an auto-injector.

The good news continued in January 2024 with first approval of *Voydeya*, a first-in-class oral, Factor D inhibitor developed as an add-on to proven standard of care *Ultomiris* or *Soliris* to address the needs of a small subset of patients with paroxysmal nocturnal haemoglobinuria.

The broad strength of our pipeline was exemplified by the fact that we achieved 56 regulatory events during the year, either submissions or approvals for our medicines in major markets. Additionally, we recorded 30 pipeline progression events, either NME Phase II starts or Phase III investment decisions. Of course, pushing boundaries sometimes means setbacks and, while we had some clinical trials during the year that did not meet their primary objectives, we are committed to improving health outcomes and learn from all our trials. Overall, 2023 was predominantly a year of scientific success and our pipeline progress indicates our ability to deliver longer-term sustainable growth.

Importantly, the science in each of our therapy areas is making a real difference to the lives of people around the world. For example, in Oncology, *Enhertu*, the antibody drug conjugate we are developing with Daiichi Sankyo, is approved around the world for the treatment of HER2-mutated breast, lung and gastric cancers. In addition, in 2023, it received not one, but two more US Breakthrough Therapy Designations for multiple types of HER2-expressing tumours and HER2-positive colorectal cancer. Additionally, in January 2024, it was granted Priority Review in the US for patients with a range of metastatic HER2-positive solid tumours.

These designations demonstrate the impact regulatory authorities believe *Enhertu* can have. Dato-DXd is also being developed with Daiichi Sankyo, and pivotal trial data announced during the year underlined our confidence in its potential to replace conventional chemotherapy for many patients with advanced lung and breast cancers.

In BioPharmaceuticals, data from the *Forxiga* DELIVER trial was critical in informing a Class 1a recommendation in updated European Society of Cardiology Heart Failure guidelines. We have further strengthened our pipeline with CinCor's candidate drug, baxdrostat for blood pressure lowering, with Quell to develop, manufacture and commercialise engineered T-regulatory cell therapies for autoimmune-driven diseases, and with Eccogene's novel agent, AZD5004 for the treatment of obesity and broader cardiometabolic conditions.

Our medicines are now helping patients with rare diseases in 70 markets – 18 more than 2021. Treatments include *Ultomiris* for multiple indications, including neuromyelitis optica spectrum disorder (NMOSD), a progressive autoimmune disease that impacts the central nervous system. With no relapses observed in the pivotal CHAMPION-NMOSD trial, *Ultomiris* marks a significant advance for these patients. Regulatory reviews are ongoing, including in the US, and it is already approved in the EU and Japan.

### People, society and the planet

All AstraZeneca's achievements are down to the skills and capabilities of its people, and I am delighted to see that we have a highly engaged workforce, with 86% believing that we are a great place to work. I am also pleased with the progress we are making in creating an inclusive multinational and multicultural environment where everyone belongs, and using this diversity as a competitive advantage. I am particularly proud that 50% of our senior roles are filled by women.

Looking beyond AstraZeneca, 2023 was the year in which the world recognised that the climate crisis is a health crisis. This was no more apparent than at COP28 in Dubai where,

for the first time, health was on the agenda and AstraZeneca was able to play a leading role in a dedicated Health Day that discussed the transition to low-carbon, climate-resilient health systems.

AstraZeneca is working to decarbonise healthcare and is doing so in collaboration with peers, stakeholders and suppliers. Since 2015, there has been a 68% reduction in our Scope 1 and 2 greenhouse gas (GHG) emissions and, during 2023, we concluded agreements in the UK and in the US to use renewable natural gas, or biomethane, to supply clean heat to our sites. In addition, through our power purchase agreement in Sweden, we are expanding the country's wind energy capacity. Also in 2023, we strengthened our investment in nature-based solutions by expanding our AZ Forest programme to include planting and maintaining 200 million trees across six continents by 2030. Overall, through our Ambition Zero Carbon strategy we are on track to halve our entire value chain Scope 1, 2 and 3 footprint by 2030 and, through AZ Forest, we aim to become carbon negative for all residual GHG emissions from 2030 onwards, removing more from the atmosphere than we emit.

Of course, our greatest contribution to human health is through our medicines and securing a future where people have access to affordable, sustainable healthcare. Through our access to healthcare programmes, we have reached more than 66 million people, while our Partnership for Health System Sustainability and Resilience is fostering joint learning and acting as a catalyst to strengthen health systems in more than 30 countries. We are not resting there and are advancing a health equity strategy that will build on our existing access programmes to enable more equitable global health outcomes.

### Investing in future health

Our vision for health is not a short-term one. While maintaining our focus on discovering new small and large molecules, we are also increasing investment behind new modalities that we believe have the potential to revolutionise outcomes for patients. We are exploring modalities such as cell, gene and RNA therapies, epigenetics and oligonucleotides to unlock entirely new treatment approaches and are excited by their curative potential.

Our own efforts in these new modalities are supplemented by external expertise. In 2023, we announced the proposed acquisition of biotechnology company, Gracell, to further our cell therapy ambitions across oncology and autoimmune diseases, and an agreement with Collectis, a clinical-stage biotechnology company, to accelerate cell therapy as well as genomic medicine. We also acquired a portfolio of preclinical rare disease gene therapies and our proposed acquisition of

Icosavax, focused on developing differentiated, high-potential vaccines using an innovative, protein virus-like particle platform, will build on our expertise in respiratory syncytial virus.

We operate across the whole life-cycle of a medicine and, in November, we launched Evinova, a health-tech business designing and leveraging digital tools to accelerate innovation across the life sciences sector, the delivery of clinical trials as well as better health outcomes.

As shown throughout this Report, our efforts to push the boundaries of science are helped by artificial intelligence and new digital technologies that allow us to discover and deliver new treatments faster than ever before and drive a step-change in the diagnosis, monitoring and treatment of patients.

### Colleagues

In closing, I want to thank all the AstraZeneca team for the part they have played in an exceptional year and for what we have been able to achieve for people, society and the planet.

Thanks also go to my colleagues on the Senior Executive Team where, during the year, we welcomed Sharon Barr, who joined as Executive Vice President, BioPharmaceuticals R&D to replace Mene Pangalos, who retires in 2024. Sharon brings outstanding experience from Alexion and a track record of driving productivity, innovation and delivery of medicines. I want to thank Mene for his remarkable contribution to AstraZeneca and all he has done to transform how we approach R&D. In particular, I would like to pay tribute to the role he played in AstraZeneca's response to the COVID-19 pandemic. The quality of the medicines he has brought to patients, and the pipeline and capabilities he has built, will be his legacy for many years to come.

In the year when we said farewell to Leif Johansson as Chair, I would like to close by extending my thanks to his successor, Michel Demaré, who continues to ensure we pursue our Purpose of pushing the boundaries of science to deliver life-changing medicines.



**Pascal Soriot**  
Chief Executive Officer