

The following is a presentation made to investors and analysts by AstraZeneca and posted on its website, www.astrazeneca.com, on December 12, 2020:



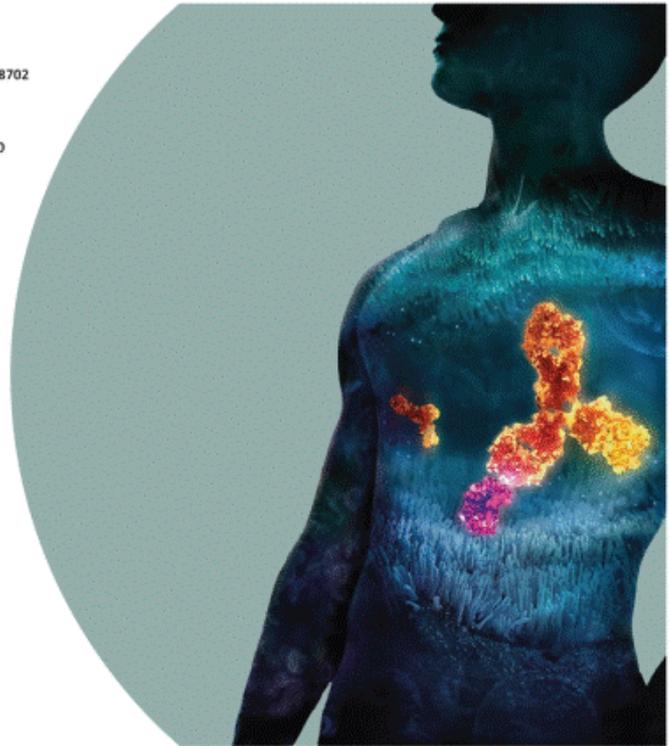
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# Accelerating AstraZeneca's strategic and financial development

AstraZeneca to acquire Alexion

12 December 2020

This webinar and conference call for investors and analysts is being recorded



# Forward-looking statements

This document may include statements that are or may be deemed to be forward-looking statements. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "envisages", "plans", "projects", "anticipates", "targets", "aims", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions and include, but are not limited to the ability of the parties to consummate the proposed acquisition on a timely basis or at all, the ability of the parties to satisfy the conditions precedent to consummation of the proposed acquisition, including the ability to secure the required regulatory approvals on the terms expected, at all or in a timely manner, the ability of AstraZeneca to successfully integrate Alexion's operations, and the ability of AstraZeneca to implement its plans, forecasts and other expectations with respect to Alexion's business after the completion of the proposed acquisition and realise expected synergies. Economic, competitive, governmental, technological and other factors that may affect AstraZeneca's and Alexion's operations are discussed in the section entitled "Risk Factors," in each of AstraZeneca's Annual Report on Form 20-F for the year ended 31 December 2019, and Alexion's Annual Report on Form 10-K for the year ended 31 December 2019, in each case as amended by any subsequent filings made with the SEC. These forward-looking statements include all matters that are not historical facts and involve predictions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect AstraZeneca's and Alexion's current views with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to AstraZeneca's or Alexion's results of operations, financial position, liquidity, prospects, growth or strategies and the industries in which they operate. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance. Save as required by law or regulation, AstraZeneca and Alexion disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements in this document that may occur due to any change in their expectations or to reflect events or circumstances after the date of this document.

Nothing in this document should be construed as a profit estimate or profit forecast. No statement in this document, including statements that the acquisition is accretive to core EPS or enhancing to core operating margins, should be interpreted to mean that earnings per share of AstraZeneca or Alexion for the current or future financial years would necessarily match or exceed the historical published earnings per share or core operating margins of AstraZeneca or Alexion.



# Disclaimer

## **Important additional information**

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In connection with the proposed acquisition, AstraZeneca intends to file a registration statement on Form F-4 with the SEC, which will include a document that serves as a prospectus of AstraZeneca and a proxy statement of Alexion (the "proxy statement/prospectus"), Alexion intends to file a proxy statement with the SEC (the "proxy statement") and each party will file other documents regarding the proposed acquisition with the SEC. Investors and security holders of Alexion are urged to carefully read the entire registration statement and proxy statement/prospectus or proxy statement and other relevant documents filed with the SEC when they become available because they will contain important information. A proxy statement/prospectus or a proxy statement will be sent to Alexion's shareholders. Investors and security holders will be able to obtain the registration statement and the proxy statement/prospectus or the proxy statement free of charge from the SEC's website or from AstraZeneca or Alexion as described in the paragraphs below.

## **Participants in the solicitation**

Alexion and certain of its directors, executive officers and employees may be deemed participants in the solicitation of proxies from Alexion shareholders in connection with the proposed acquisition. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the shareholders of Alexion in connection with the proposed acquisition, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement/prospectus or proxy statement when it is filed with the SEC. Information about the directors and executive officers of Alexion and their ownership of Alexion shares is set forth in the definitive proxy statement for Alexion's 2020 special meeting of shareholders, as previously filed with the SEC on 26 March 2020. Free copies of these documents may be obtained as described in the paragraphs above.



# AstraZeneca's transformation has been pipeline-led



## Broad presence

Balanced specialty and primary-care franchises<sup>1</sup>

Leading emerging markets presence



## Strong pipeline

17 Phase III medicines and significant lifecycle projects

Advancing early and mid-stage pipeline



## Improving financials

Nine blockbuster medicines

Returned to sustainable revenue and earnings growth

Focus on operating leverage and cash flow

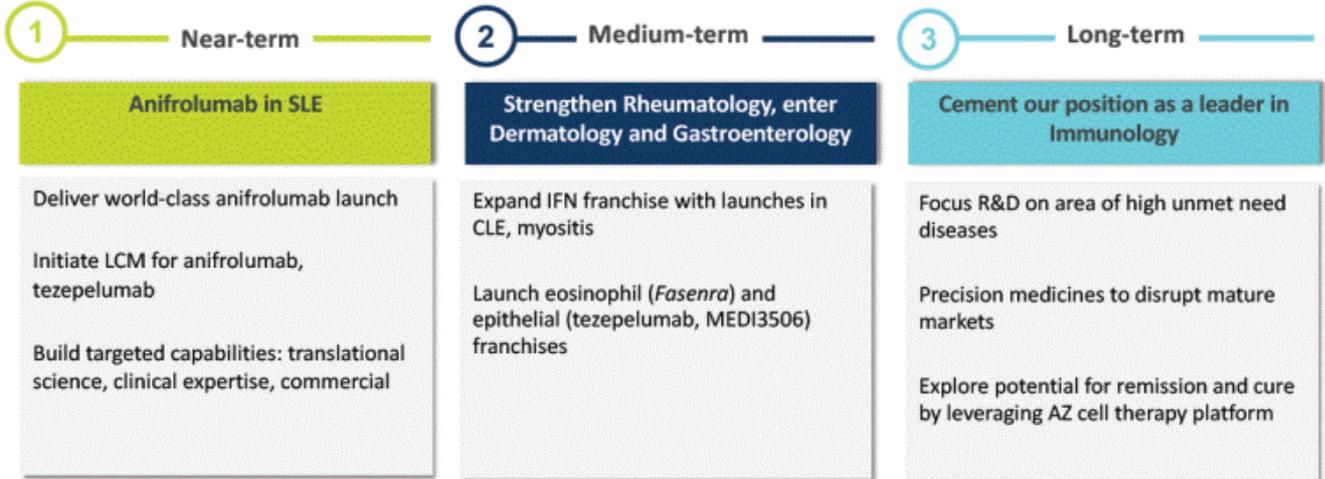
**Focused on science and patients  
Innovative medicines in Oncology and BioPharmaceuticals<sup>2</sup>**

1. In YTD 2020, speciality-care medicines (Oncology, Brilinta, Lokelma, Evrenzo and Fasenra) comprised 53% of total revenue. 2. Cardiovascular, Renal & Metabolism and Respiratory & Immunology.



# AstraZeneca has been expanding its Immunology effort

Focus on achieving leadership in diseases driven by IFN, eosinophilia and epithelial injury across Rheumatology, Dermatology and Gastroenterology



# Alexion is aligned with our strategy

Our external growth strategy is anchored in clear principles



## Aligns with AstraZeneca's strategy

- Deliver therapy area leadership
- Accelerate innovative science



**AstraZeneca adding value** through *therapy-area leadership, scientific complementarity, and/or geographical reach*



## Supports top-line growth



**Right price**, supporting attractive investment return



**Immediately accretive to core earnings**



**Integration manageable; organisation, footprint and culture**

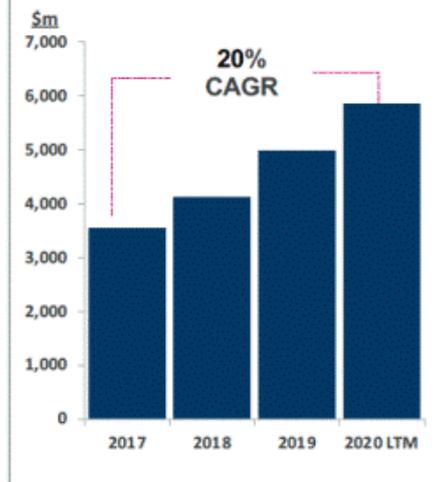


# Alexion is a global leader in immune-mediated rare diseases<sup>1</sup>

## Alexion: market-leading complement franchise

- Track record of success with significant progress made over the last several years (e.g. growth, LCM, pipeline expansion)
- Global leader in the complement system, a critical part of the immune system
- **Soliris**, the first blockbuster medicine from 2007 for a rare, immune-mediated blood disorder, PNH<sup>2</sup>, followed by aHUS<sup>3</sup>, gMG<sup>4</sup> and NMOSD<sup>5</sup>, expanding its use
- **Ultomiris**, 2nd-generation medicine launched in 2018 (LoE<sup>6</sup> 2035) with impressive ~70% switch of PNH patients from *Soliris*<sup>7</sup> to *Ultomiris* within 18 months of launch

## Successful commercial execution Revenue CAGR 20% 2017-2020 LTM



Source: Alexion financial statements, Bloomberg, FA, LTM as of September 2020

## Robust pipeline across immune-mediated and other rare diseases

		ALXN2040
		AG10
		CAEL-101
		ALXN1840
		Andexxa LCM
ALXN1830	ALXN2050	Ultomiris LCM
ALXN1720	cerdulatinib	Soliris LCM
Phase I	Phase II	Phase III
Pipeline in clinical development		
11 molecules in 20+ clinical studies across a range of indications		

Source: Alexion Capital Markets Day, October 2020; Company information December 2020.

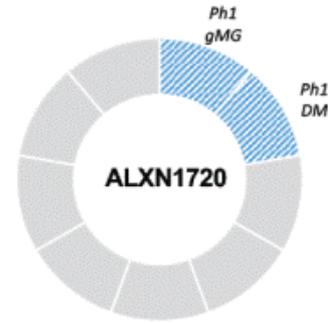
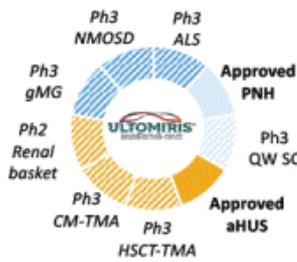
1. A rare disease is a disease impacting less than 200,000 patients in the US  
 2. Paroxysmal nocturnal haemoglobinuria 3. Atypical haemolytic uremic syndrome  
 4. Generalised myasthenia gravis 5. Neuromyelitis optica syndrome disorder  
 6. Loss of exclusivity (US) 7. US, Japan and Germany.



# Alexion: a pioneer innovator in C5 complement inhibition

## Bringing life-saving medicines to more patients

Ultomiris has achieved impressive ~70% conversion in 18 months in PNH across key geographies (US, JP, DE);  
Ultomiris aHUS conversion underway and tracking PNH



Haematology Neurology Nephrology



# Alexion: accelerating AZ's strategic and financial development

## Compelling scientific complementarity and synergy

- › Increased immunology presence: complement system research platform, currently applied in rare diseases
- › Pipeline further strengthened with 11 molecules<sup>1</sup> across 20+ clinical development programmes
- › Leveraging AstraZeneca's precision medicine capabilities

## Combination of two science and patient-centric organisations

- › Focus on science and innovation
- › Patient-centric organisations with high-touch patient support services

## Further-sustained, industry-leading revenue growth

- › Attractive growth in specialty and highly specialised / rare disease care
- › Leverage AstraZeneca's global geographical reach to accelerate Alexion's portfolio and pipeline
- › Double-digit revenue growth through 2025

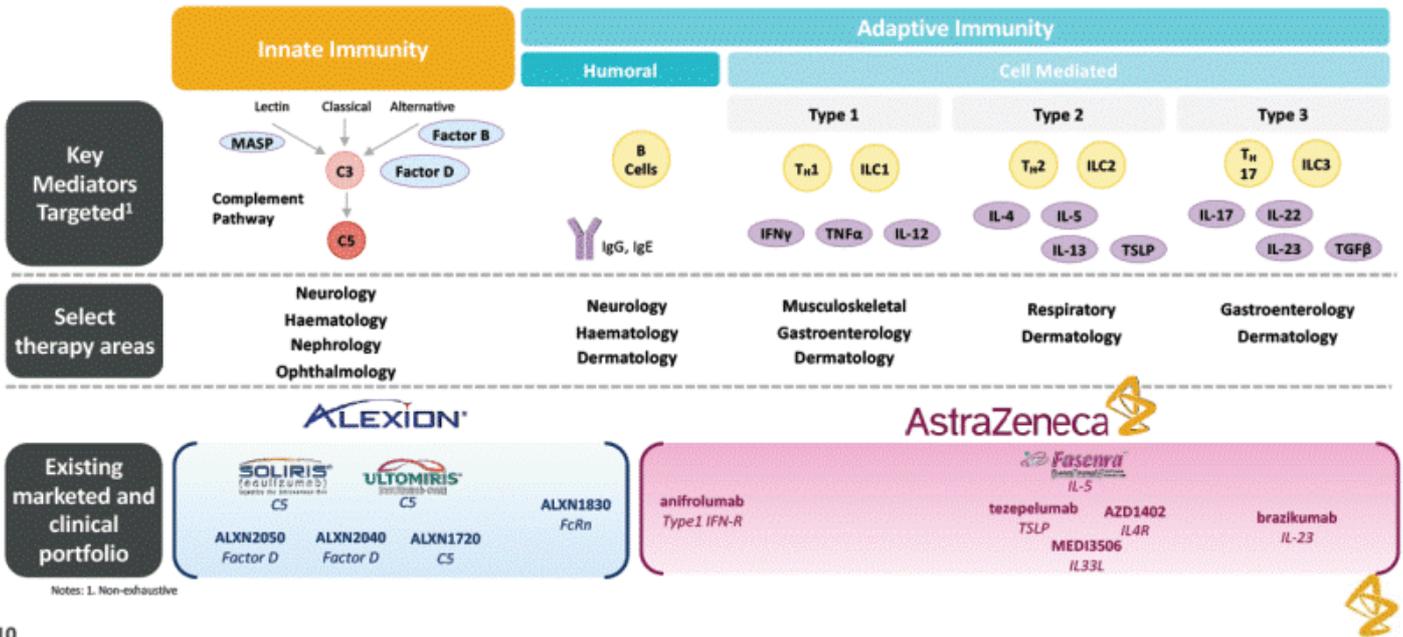
## Improved profitability and strengthened cash flow

- › Core operating margin significantly enhanced in the short-term; continued margin expansion. Synergies c.\$500m p.a.<sup>2</sup>
- › Double-digit Core EPS accretion for the first three years
- › Strong cash flow, rapid debt deleveraging with an ambition to increase the dividend
- › Strong, investment-grade credit rating to provide strategic and financial flexibility



# Combined R&D capabilities cover both adaptive & innate immunity

## Improved ability to identify attractive new targets



# Complement system research platform applicable in many diseases

Therapeutic areas	Complement technology platform									
	Rare diseases				Common diseases					
Oncology*	Glioblastoma				Lung	Renal	Breast	Gastric	NHL	Prostate
Haematology	Cold agglutinin disease	<b>PNH</b>	TTP	<i>wAIHA</i>						
Nephrology	<b>aHUS</b>			<i>C3G</i>	<i>IgA nephropathy</i>		Haemodialysis			
Neurology	<i>GBS</i>	<b>gMG</b>	<b>NMOSD</b>	<i>Dermatomyositis</i>	Multiple sclerosis	Mood disorders	Dementia	Neurotrauma		
Respiratory					Asthma	Acute respiratory distress syndrome		COPD		
Cardiovascular	Antiphospholipid syndrome				CAD	CHF	Myocardial infarction	Stroke	Diabetic angiopathy	
Rheumatology	ANCA vasculitis				Rheumatoid arthritis		Psoriatic arthritis	Osteoarthritis		
Dermatology	Pemphigoid	Pemphigus	Hereditary angioedema							
Ophthalmology	Uveitis				<i>Macular degeneration</i>		Glaucoma			
Gastroenterology					Crohn's disease		Ulcerative colitis			
Other	Snake bite	Post-infection HUS			Anaphylaxis	Transplant rejection	Sepsis	NAFLD	COVID-19	

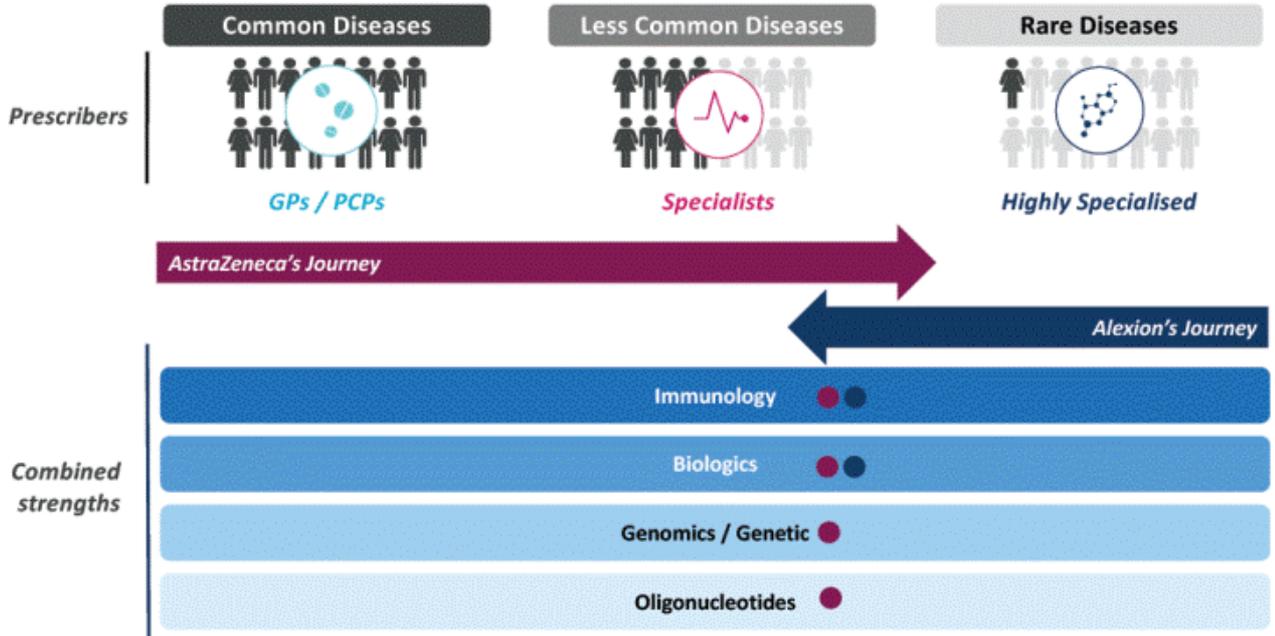
Abbreviations: aHUS, atypical haemolytic uremic syndrome; ANCA, Anti-neutrophil cytoplasmic antibody-associated vasculitis; C3G, C3 glomerulopathy; CAD, coronary artery disease; CHF, chronic heart failure; COPD, chronic obstructive pulmonary disease; DM, dermatomyositis; GBS, Guillain-Barré syndrome; gMG, generalised myasthenia gravis; HUS, haemolytic uremic syndrome; NAFLD, non-alcoholic fatty liver disease; NHL, non-Hodgkin lymphoma; NMOSD, neuromyelitis optica syndrome disorder; PNH, paroxysmal haemoglobinuria; TTP, thrombotic thrombocytopenia purpura; wAIHA, warm autoimmune haemolytic anaemia. **Bold**: Alexion marketed medicine; *italic*: Alexion pipeline indication. \*Chart shows select cancer types.

Source: Luchini et al., *Front Immunol*, 2019; Morgan & Harris, *Nature Reviews Drug Discovery* 2015; Ohtsuki et al., *J Am Heart Assoc*, 2019; Qiu et al., *Ann Nutr Metab*, 2019; Ristano et al., *Nature Reviews Immunology*, 2020; Shahini et al., *Nature*, 2017.



# Convergence of two patient-centric care deliveries

Scientific platforms supporting complementary development and commercial channels



## Strong C5 franchise, and a number of innovative assets

### Market-leading and highly durable C5 franchise (*Soliris / Ultomiris*)

- › Proven impressive product conversion expertise; next generation innovative C5 formulations
- › Multi-pronged expansion in neurology driven by *Ultomiris* (late stage) and ALXN1720 (early stage)
- › Indication expansion into other disease areas with high unmet needs (ALS, HSCT-TMA, CM-TMA, renal basket)

### Factor D platform: potential for new Complement franchise

- › Potential for transformational new oral therapy in PNH
- › Significant potential in nephrology, including in areas of high unmet needs (e.g. IgAN, C3G)

### *Andexxa*: strong synergy with AstraZeneca's CVRM presence

- › Compelling clinical profile in an area of high unmet need
- › Large commercial opportunity driven by growing Factor Xa patients

### ALXN1840 (Wilson Disease): near-term launch opportunity in an area with significant unmet need

- › Differentiated, competitive clinical profile
- › Potential to be the first new Wilson Disease medicine in decades

### CAEL-101: medium-term opportunity in a severe, multi-organ haematological disorder

- › Differentiated, competitive clinical profile with potential to change standard of care
- › Substantial commercial opportunity



## Complementary cultures with shared focus on patients

- **Two companies with shared mission and purpose – to create value for patients through delivery of innovative medicines**
  - › Opportunity for shared learnings and innovation across spectrum of primary care, specialty care and rare diseases
    - AstraZeneca: Strong history in primary care with increasing focus on specialty care and precision medicine
    - Alexion: Specialised rare disease field force, high-touch patient services organisation, end-to-end supply chain, innovative technologies for patient-finding and diagnoses critical to success in rare disease
  - › Talented global workforce dedicated to mission-driven performance
  - › Emphasis on building a culture that empowers colleagues and supports long-term success
- **Track record for innovation and leadership in respective therapy areas of focus**
  - › AstraZeneca has a heritage of scientific innovation with first PPI, first EGFRi, first EGFR-790Mi, first PARPi, first immunotherapy for Stage III NSCLC, best-in-class HER2 ADC
  - › Alexion is a leader in complement biology and other rare diseases with first C5i, first long-acting C5i, first therapies for HPP and LAL-D, first new therapy for gMG in decades and first NMOSD therapy, first specific Xa inhibitor reversal agents
- **Combination creates biopharmaceutical innovator with industry-leading, diverse portfolio**
  - › Joint history of portfolio and pipeline diversification benefits combined company
  - › Opportunity for greater investment in science to develop transformative medicines



# A new pure-play biopharma innovator with strong profitability, and industry-leading science and growth

## Broad Presence

Leading commercial infrastructure in NA, Europe, APAC and EMs

Balanced primary care, specialty care and rare diseases franchises

Global R&D platform across multiple centres of excellence

## Strong Pipeline

Scientific leadership in Oncology, CVRM and Respiratory & Immunology, with strong expertise in rare diseases

28 Phase III medicines and significant lifecycle projects

Advancing pipeline with breadth and depth of mechanisms

## Superior Financials

9 blockbuster medicines<sup>1</sup>, growing to 12 by 2023<sup>2</sup>

Fastest growing global biopharmaceutical company

Sustainable revenue growth and robust earnings

Strong operating leverage and cash flow generation

**Combination of two science and patient-centric organisations  
Increased operating leverage underpinning strong financial flexibility**

15 1. Defined as product with end-sales in excess of \$1bn globally in 2019. Products include: Tazrisso, Lynparzo, Imfinzi, Farisigo, Calquence, Fasenna, Symbicort, Brilinta, Nexium, Crestor and Pulmicort  
2. Defined as product with end-sales in excess of \$1bn globally in 2023. Products include: Tazrisso, Lynparzo, Imfinzi, Farisigo, Calquence, Fasenna, Symbicort, Brilinta, Enhertu, Ultomiris, Soliris and Strensiq. Excludes Nexium



# Stronger innovative portfolio to drive sustainable growth

## Oncology \$10.8bn | +17%<sup>1</sup>

- Lung, ovarian, breast, prostate and blood cancers
- *Tagrisso, Imfinzi, Lynparza, Calquence, Enhertu*
- Nine late-stage projects, incl. NMEs<sup>2</sup> capivasertib, tremelimumab, monalizumab and savolitinib
- Mid-stage pipeline, incl. oral SERD, datopotamab deruxtecan, etc.

1. Total revenue last four quarters as of Q3 2020 2. New molecular entity.

## Rare diseases \$5.9bn | +24%<sup>3</sup>

ALEXION

- *Soliris, Ultomiris*
- *Strensiq, Kanuma*
- *Soliris LCM<sup>4</sup>, Ultomiris LCM, Andexxa LCM*; four other late-stage projects (ALXN1840, CAEL-101, AG10, ALXN2040); four early to mid-stage pipeline projects (ALXN1720, ALXN1830, ALXN2050, cerdulatinib)

3. Revenue last four quarters as of Q3 2020 4. Lifecycle management (new approvals/indications).

## CVRM<sup>5</sup>, R&I - Organ protection and immune-mediated diseases \$10.0bn | +5%<sup>6</sup>

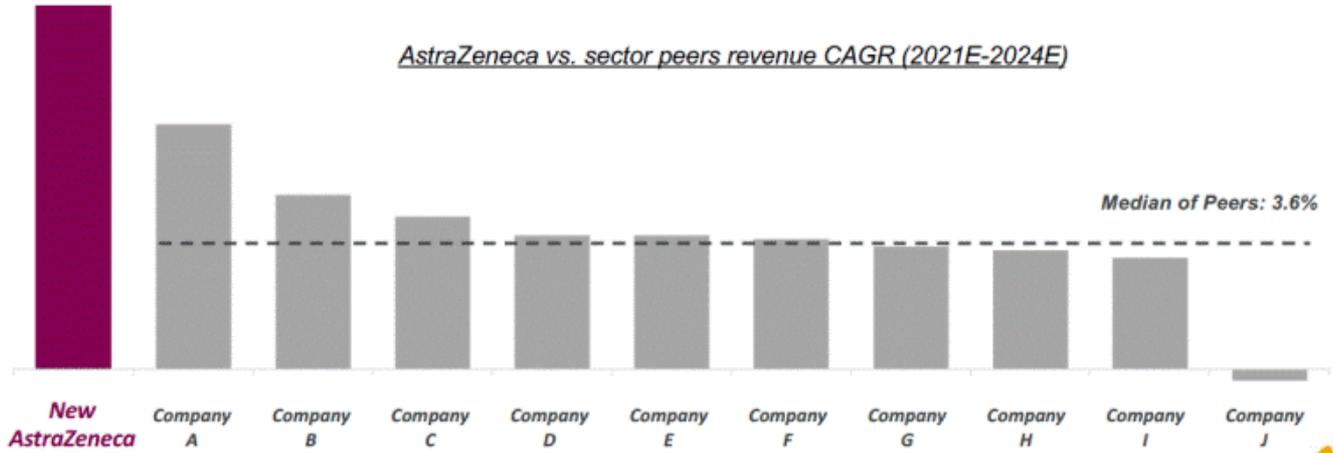
- **Heart**  
*Farxiga, Brilinta, Andexxa*, pipeline
- **Kidney**  
*Farxiga, Lokelma, Evrenzo*, pipeline
- **Liver**  
Pipeline in NASH<sup>7</sup>
- **Lung**  
*Symbicort, Fasenna, Breztri/Trixeo*, tezepelumab, PT027, early pipeline
- **Other immune-mediated diseases**  
*Fasenna*, tezepelumab, brazikumab, anifrolumab

5. Cardiovascular, Renal & Metabolism 6. Total revenue last four quarters as of Q3 2020, includes New CVRM and Respiratory & Immunology. Rest of CVRM and Other medicines excluded 7. Non-alcoholic steatohepatitis.



# The combination cements AstraZeneca's growth leadership

## AZ double-digit revenue growth



# Rare diseases is a strong growth driver

Accelerating growth and innovation in an area of high unmet needs

Rare diseases are a significant burden to global public health



>7,000

rare diseases are known to exist today

5%

have FDA-approved medicines

Source: EvaluatePharma, Orphan Drug Report, 2020.

Worldwide rare disease market sales forecast

Low double-digit CAGR (%)

\$66bn  
Worldwide rare disease market

2020E

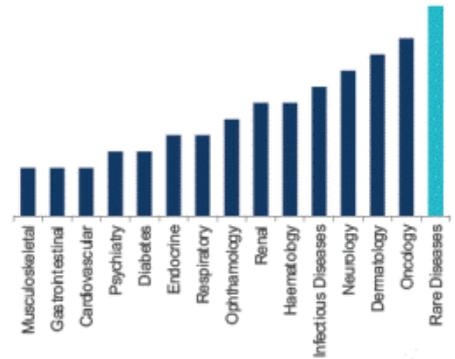
2026E

Source: EvaluatePharma, 2020.

Worldwide sales growth by therapy area (2020E-2026E)

Low double-digit %

CAGR in worldwide rare disease market

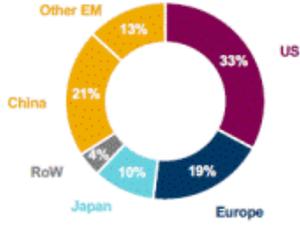


Source: EvaluatePharma, World Preview 2020, Outlook to 2026.

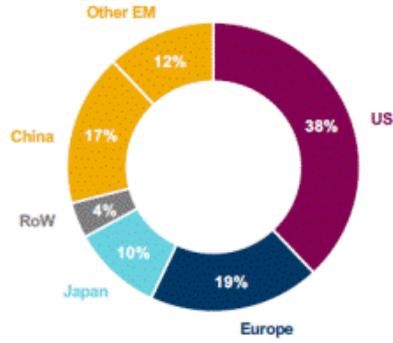


# Strengthening US presence and leveraging global footprint

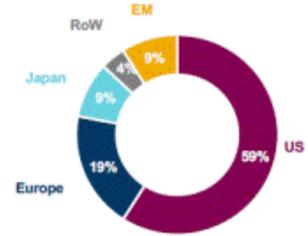
## AstraZeneca



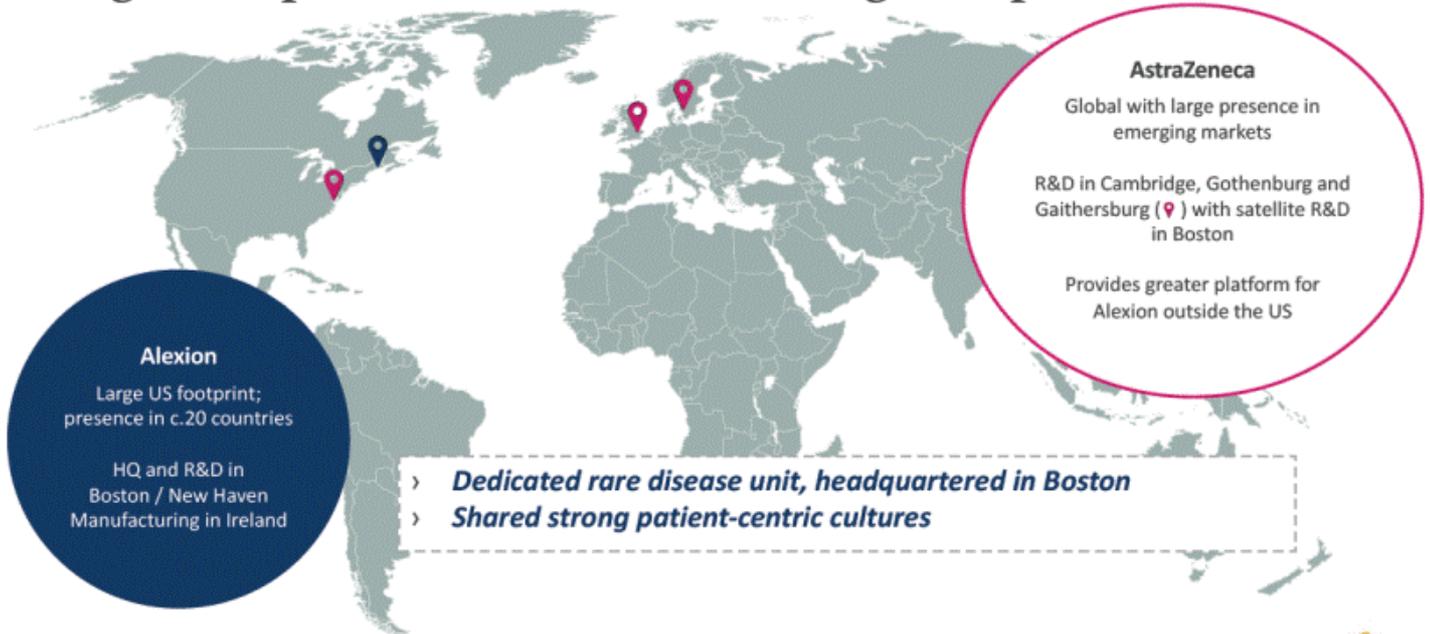
## Combined company



## Alexion



## Integration provides enhanced US and global presence



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## Attractive financial profile with strong revenue growth

Pro-forma financials (last twelve months<sup>1</sup>)

**10%**

Revenue growth

**32%**

Core operating profit margin

**\$32bn**

Revenue

**\$11bn**

EBITDA

**\$28bn**

Net debt<sup>2</sup>

Source: Pro-forma financial metrics based on data from company financial statements over the last four quarters. EBITDA based on reported (AstraZeneca) and GAAP operating profit plus D&A (Alexion). All numbers are before any acquisition costs and synergies.

Notes 1: based on reported information as of 30/09/2020. Based on actual exchange rates 2: includes c.\$13.5bn acquisition debt financing associated with cash consideration

21 These statements are based on US GAAP financial results for Alexion. These statements may be subject to amendment by AstraZeneca when stated in the Class 1 Circular and based on AstraZeneca's accounting policies.\*



# Capital-allocation priorities

## Alexion supports value creation

Immediately earnings-accretive, value-enhancing opportunities

Investment in the business

Maintaining a strong, investment-grade credit rating

Supporting the progressive dividend policy



# Details and timeline

## Anticipated closing in Q3 2021

### Proposed key terms

- Price \$175 per share of Alexion
- Each shareholder of Alexion will receive
  - \$60 in cash
  - 2.1243 AstraZeneca American depositary shares (ADS) (Nasdaq: AZN)
- Total equity offer consideration \$39.4bn<sup>1</sup>
  - \$13.5bn in cash, initially financed by underwritten bridge financing facility
  - \$25.9bn in AstraZeneca ADSs/shares

**Total consideration**  
**\$39.4bn**

### Anticipated timeline

- Following anticipated closing in Q3 2021, Alexion shareholders will own ~15% of the combined company
- Transaction subject to customary approvals, including by both sets of shareholders anticipated in Q2 2021
- Until closing, both companies will continue to operate as separate entities

**Anticipated closing**  
**in Q3 2021**

<sup>1</sup> Based on AstraZeneca ADS price of \$54.135



# Alexion: accelerating AZ's strategic and financial development

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- › Double-digit revenue growth through 2025

## Improved profitability and strengthened cash flow

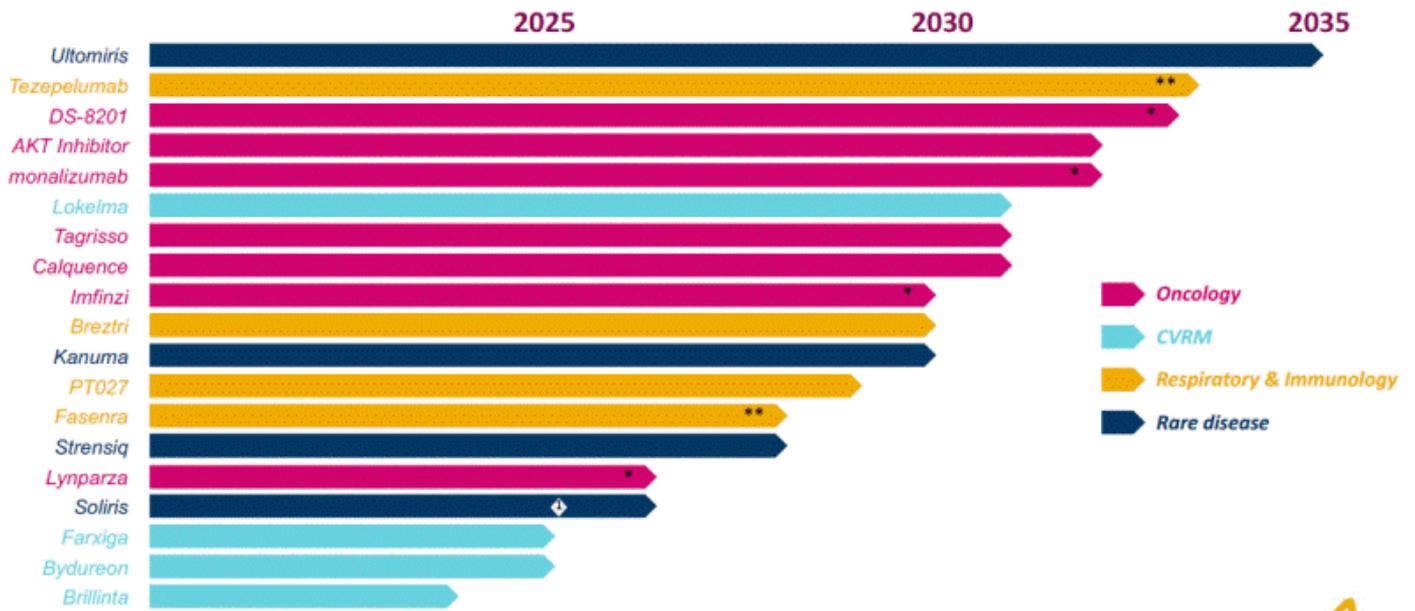
- › Core operating margin significantly enhanced in the short-term; continued margin expansion. Synergies c.\$500m p.a.<sup>2</sup>
- › Double-digit Core EPS accretion for the first three years
- › Strong cash flow, rapid debt deleveraging with an ambition to increase the dividend
- › Strong, investment-grade credit rating to provide strategic and financial flexibility



# Q&A



# Growth sustainability underpinned by longevity beyond 2030



Notes: US patent expiry. \* Exclusivity period projected to extend beyond patent expiry due to patent restoration; \*\* Data exclusivity exceeds patent expiry.  
 1. Amgen IFR settled to grant Amgen a non-exclusive, royalty-free license to sell an eculizumab product in the US from March 1, 2025.

