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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

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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.



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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 franchises¹

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

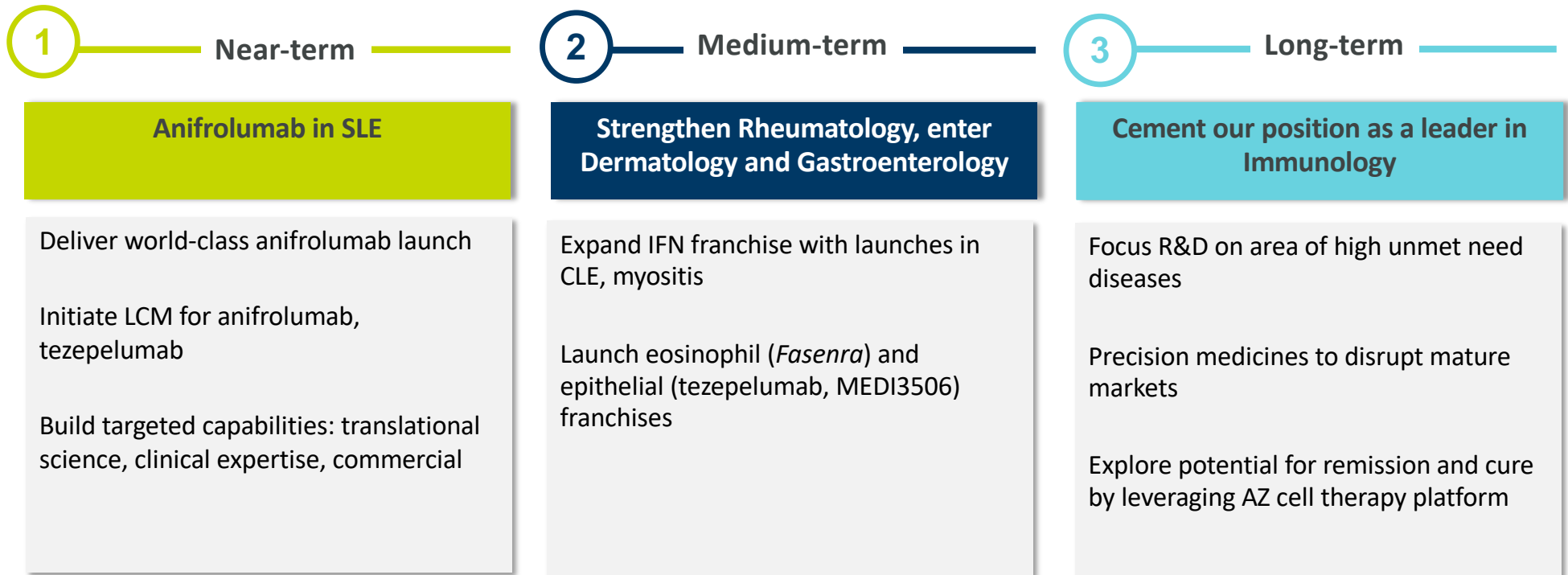
**Focused on science and patients
Innovative medicines in Oncology and BioPharmaceuticals²**

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

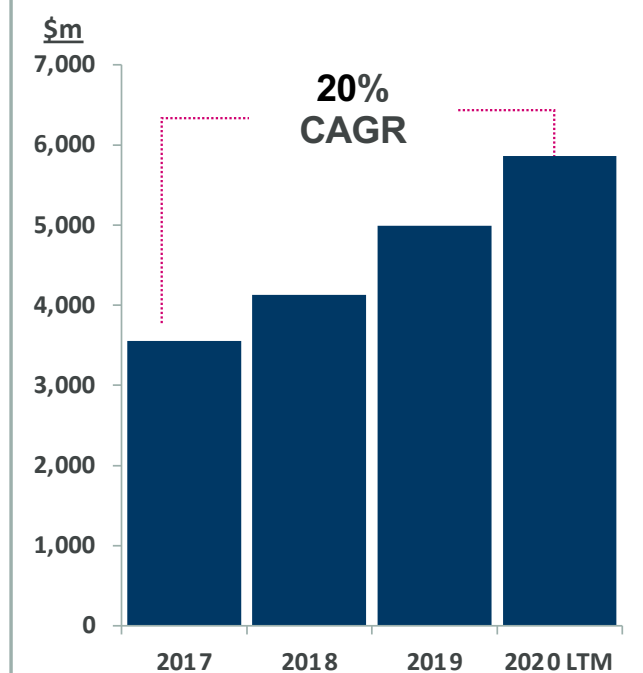


Alexion is a global leader in immune-mediated rare diseases¹

Alexion: market-leading complement franchise

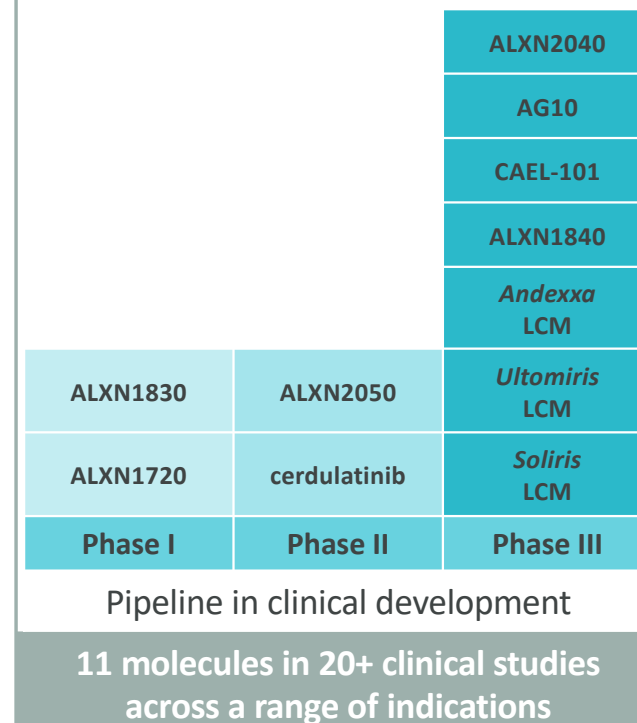
- Track record of success with significant progress made over the last several years (e.g. growth, LCM, pipeline expansion)
- Global leader in the complement system, a critical part of the immune system
- **Soliris**, the first blockbuster medicine from 2007 for a rare, immune-mediated blood disorder, PNH², followed by aHUS³, gMG⁴ and NMOSD⁵, expanding its use
- **Ultomiris**, 2nd-generation medicine launched in 2018 (LoE⁶ 2035) with impressive ~70% switch of PNH patients from *Soliris*⁷ 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



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.



Scientific leadership

Shared purpose and values

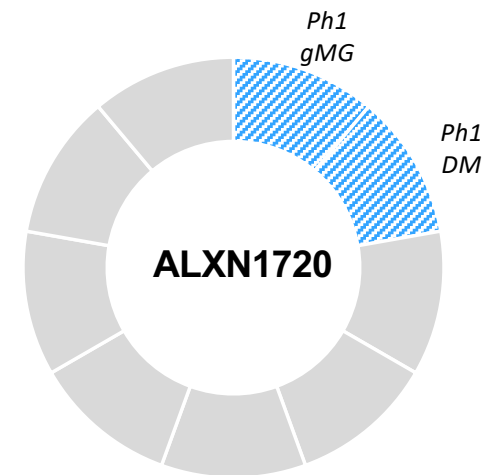
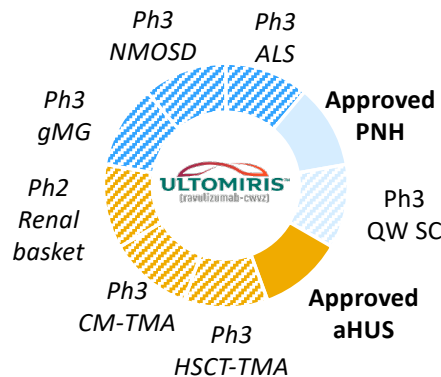
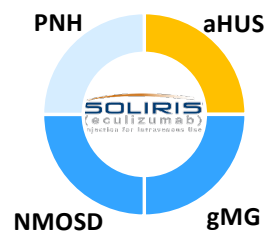
Industry-leading growth

Strong financials

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 molecules¹ 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

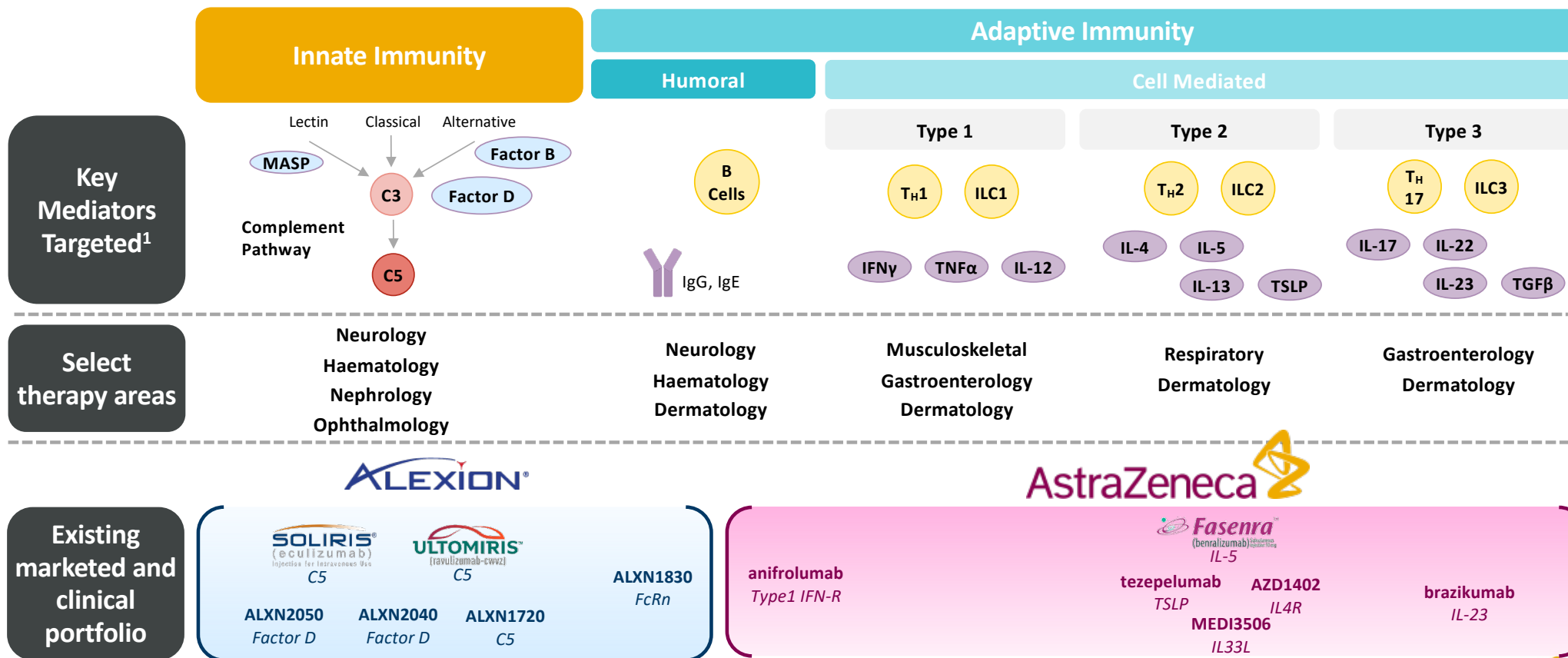
Improved profitability and strengthened cash flow

- › Core operating margin significantly enhanced in the short-term; continued margin expansion. Synergies c.\$500m p.a.²
- › 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



Notes: 1. Non-exhaustive



Complement system research platform applicable in many diseases

Complement technology platform

Therapeutic areas	Rare diseases				Common diseases						
	Oncology*	Glioblastoma				Lung	Renal	Breast	Gastric	NHL	Prostate
Haematology	Cold agglutinin disease	PNH	TTP	<i>wAIHA</i>							
Nephrology	aHUS		<i>C3G</i>	<i>IgA nephropathy</i>	Haemodialysis						
Neurology	<i>GBS</i>	gMG	NMOSD	<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		

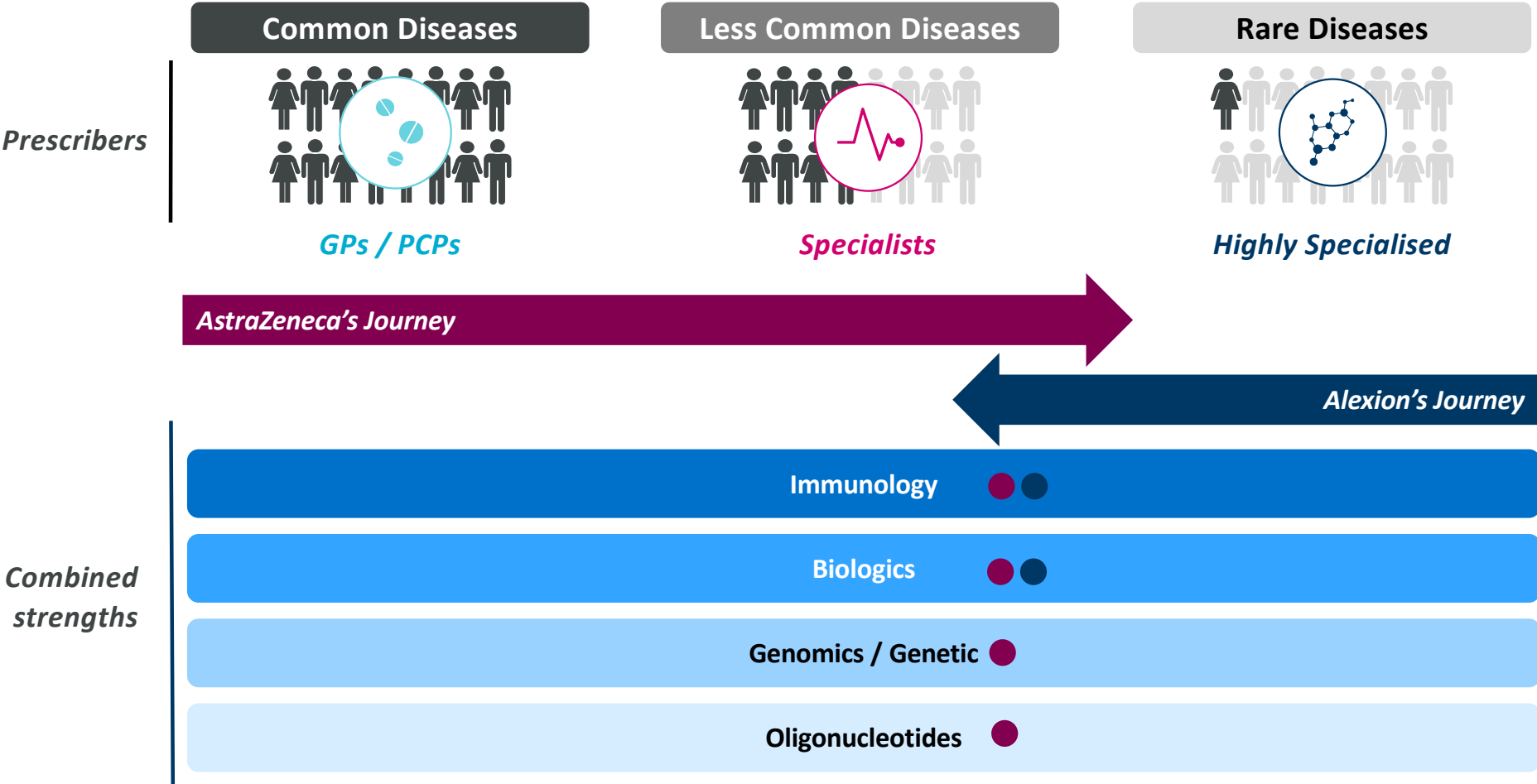
Abbreviations: aHUS, atypical haemolytic uremic syndrome; ANCA, Anti-neutrophil cytoplasmic antibody-associated vasculitis; C3G, C3 glomerulopathy; CAD, coronary artery disease; CHF, chronic heart failure; COPD, chronic obstructive pulmonary disease; DM, dermatomyositis; GBS, Guillain-Barré syndrome; 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; Risitano 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 medicines¹, growing to 12 by 2023²

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



Stronger innovative portfolio to drive sustainable growth

Oncology \$10.8bn | +17%¹

- Lung, ovarian, breast, prostate and blood cancers
- *Tagrisso, Imfinzi, Lynparza, Calquence, Enhertu*
- Nine late-stage projects, incl. NMEs² 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%³

ALEXION®

- *Soliris, Ultomiris*
- *Strensiq, Kanuma*
- *Soliris LCM⁴, 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).

CVRM⁵, R&I - Organ protection and immune-mediated diseases \$10.0bn | +5%⁶

- **Heart**
Farxiga, Brilinta, Andexxa, pipeline
- **Kidney**
Farxiga, Lokelma, Evrenzo, pipeline
- **Liver**
Pipeline in NASH⁷
- **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.



Scientific leadership

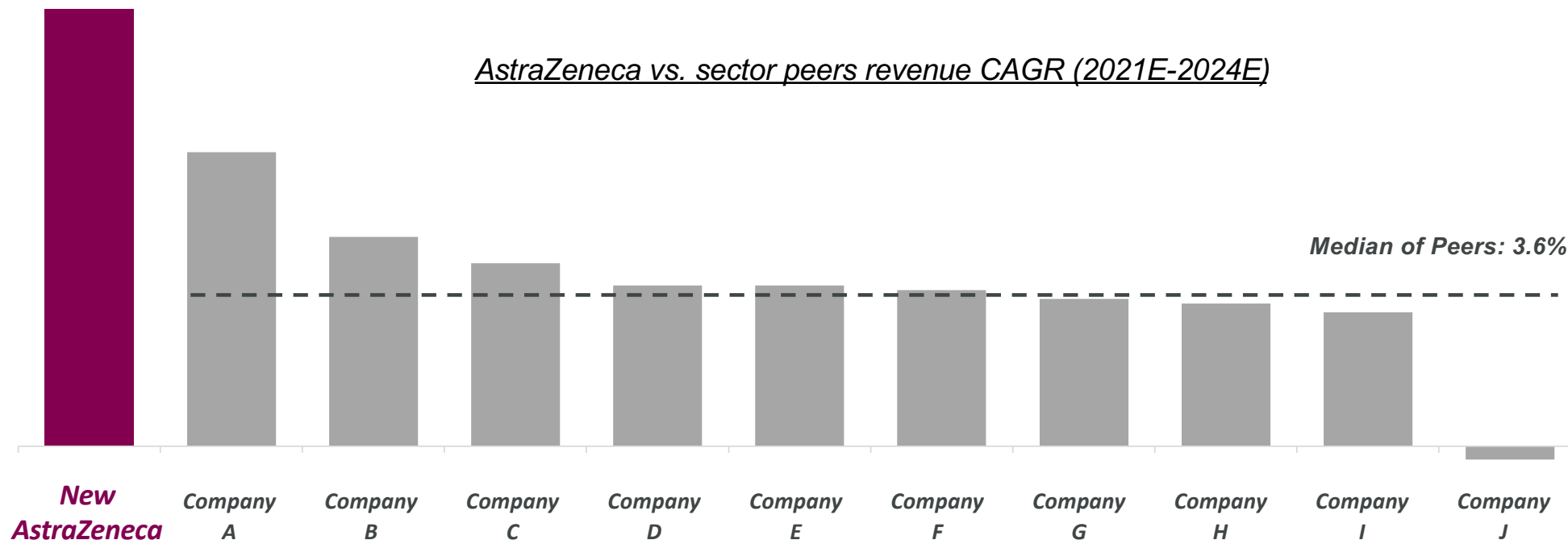
Shared purpose and values

Industry-leading growth

Strong financials

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



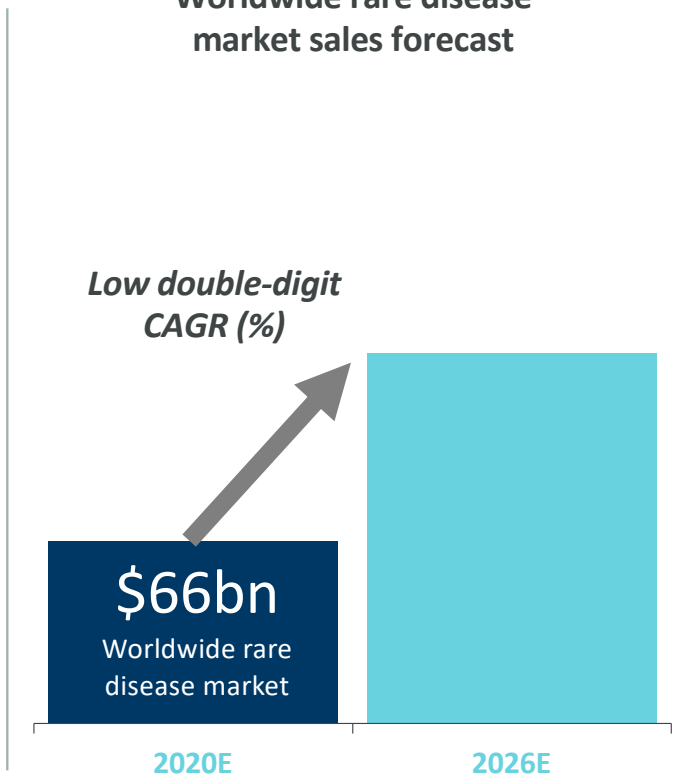
>7,000

rare diseases are known to exist today

5%

have FDA-approved medicines

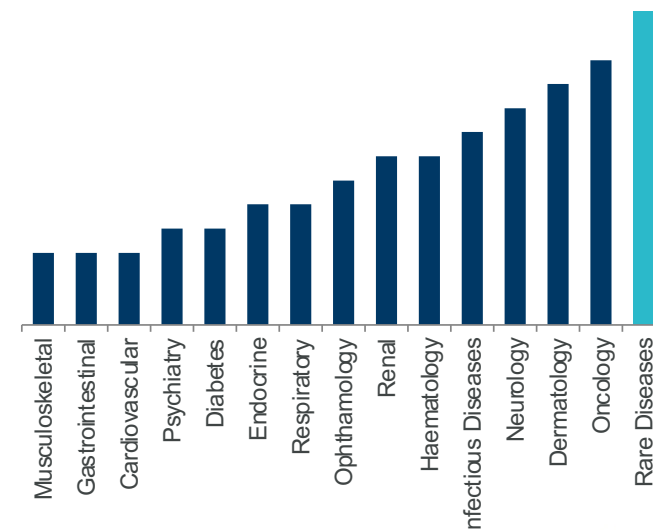
Worldwide rare disease market sales forecast



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

Low double-digit %

CAGR in worldwide rare disease market



Source: EvaluatePharma, Orphan Drug Report, 2020.

Source: EvaluatePharma, 2020.

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



Scientific leadership

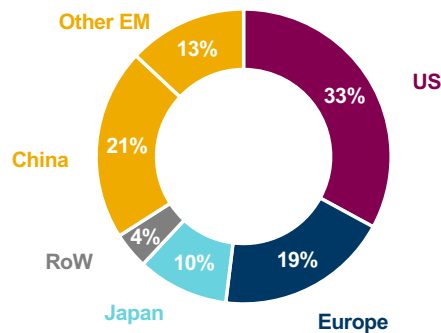
Shared purpose and values

Industry-leading growth

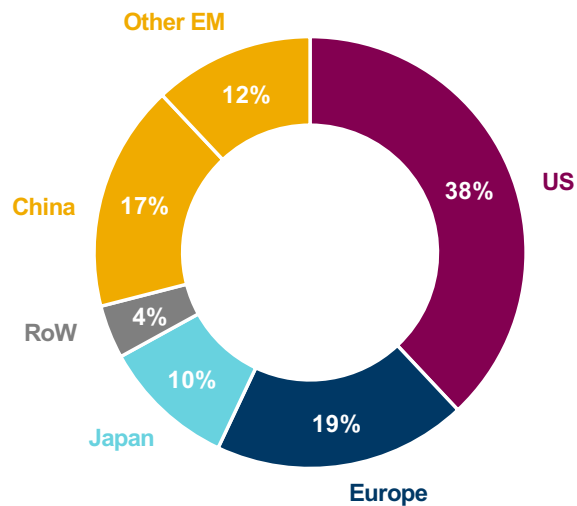
Strong financials

Strengthening US presence and leveraging global footprint

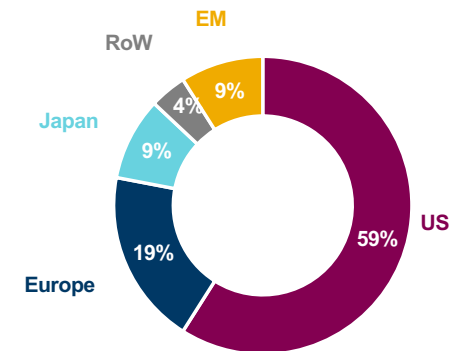
AstraZeneca



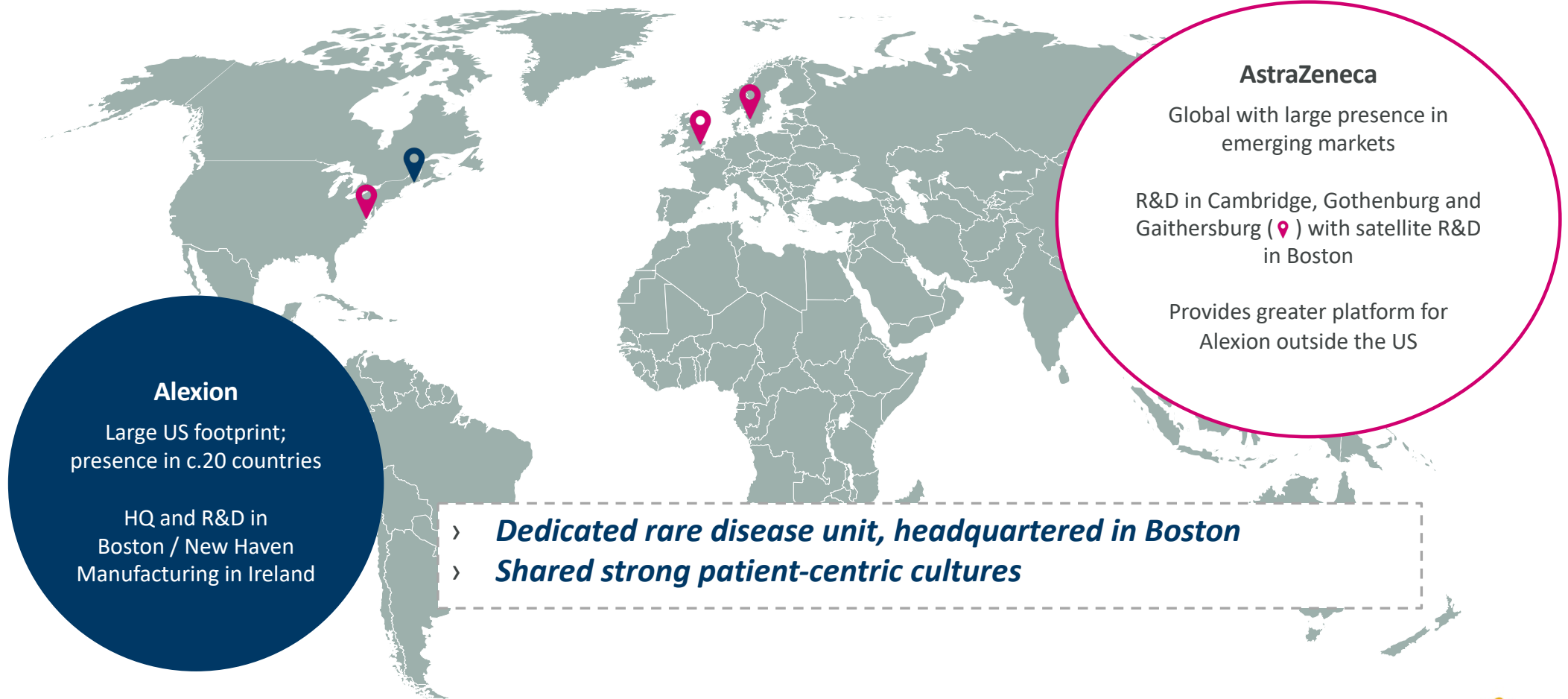
Combined company



Alexion



Integration provides enhanced US and global presence



Attractive financial profile with strong revenue growth

Pro-forma financials (last twelve months¹)

10%

Revenue growth

32%

Core operating profit margin

\$32bn

Revenue

\$11bn

EBITDA

\$28bnNet debt²

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 exchanges rates 2. includes c.\$13.5bn acquisition debt financing associated with cash consideration

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 \$39.4bn¹
 - \$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**

1. Based on AstraZeneca ADS price of \$54.135



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 molecules¹ across 20+ clinical development programmes
- › Leveraging AstraZeneca's precision medicine capabilities

Combination of two science and patient-centric organisations

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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.²
- › 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

