Chairman's Address to Shareholders

Ladies and gentlemen, esteemed shareholders, and members of the board, a warm and heartfelt welcome to the **44th Annual General Meeting** of your company, AstraZeneca. First and foremost, I hope that all of you and your families are in good health and spirits.

It goes without saying that the last couple of years have been tumultuous be it global macro-economic environment, market uncertainties, or unforeseen disruptions. However, I firmly believe that these challenges have only made us stronger and more resilient. The efforts of our talented team, coupled with your trust as shareholders, have been instrumental in driving our progress. And we are grateful for your unwavering support and commitment to the success of AstraZeneca.

After the pandemic, as the world economies reopened, AstraZeneca India found itself at the forefront of shaping the future of the healthcare industry. Our commitment to industry-leading science has allowed us to revolutionize patient outcomes significantly. As an organization, we have wholeheartedly embraced the "Science Can We Can" mindset, and this approach has been the driving force behind our success. Our journey has been guided by a strong set of values that prioritize people, society, and the planet.

The Director's Report and Audited Financial Statements for the financial year ending on March 31, 2023, have been in your possession for a while. With your permission, I will proceed assuming that you are familiar with their content. Allow me to take this opportunity to share key updates on the progress made by AstraZeneca India in the previous financial year.

Dear Shareholders,

Despite the challenges posed by an ever-evolving business landscape, the Company has strived for excellence, innovation, and sustainable growth.

AstraZeneca's foundation lies in harnessing the power of science and pioneering innovation to create transformative medications that significantly improve the lives of patients. As a prominent global pharmaceutical company, AstraZeneca continuously delivers exceptional solutions and interventions, driven by strong commitment to its core values. Therefore, the Company firmly believes that its responsibility extends beyond profits to making a positive impact on society and the environment.

In the past year, the Company has achieved significant milestones across various fronts, with the dedication of its talented teams who have worked relentlessly to bring groundbreaking innovations to the market, delivering life-changing solutions to those in need. The Company's commitment to access to healthcare has been a driving force behind our efforts to make medicines affordable and available to a broader section of society. The Company is also actively investing in sustainable health systems and infrastructure to create a lasting positive impact on the communities.

The Company takes immense pride in being recognized as an exceptional workplace, where sustainability, inclusivity, and diversity are at the core. The relentless passion for cultivating a culture of continuous learning reinforces the dedication to achieving excellence across all aspects of the business. Together, with a shared sense of purpose, the Company aims to make a positive impact on patients' lives and contribute to a healthier and better future. I extend my heartfelt gratitude to each one of them for their unwavering commitment and passion.

Fiscal Year 2022-23

As a science-led biopharmaceutical company, our stakeholders value and trust us for consistently pushing the boundaries of scientific innovation. In FY 2022, the Company achieved remarkable milestones in terms of regulatory approvals, submissions, and pipeline advancements.

During FY2022-23, the Company recorded product sales of Rs. 9,417 million, exhibiting a significant growth of 24% compared to last year's sales of Rs. 7,614 million. Additionally, the Company achieved a total comprehensive income of Rs. 967 million, marking an impressive growth rate of 62% for the same period.

The Company's Growth through innovation strategy, in line with the global approach, has yielded significant success with groundbreaking molecules like--Tagrisso, Lynparza, Imfinzi, Fasenra, and Calquence.

- Lynparza became the first and only approved medicine targeting BRCAm in early breast cancer as adjuvant treatment for gBRCAm HER2-negative high-risk patients based on the OlympiA Phase III trial. This indication was launched in India in September 2022 and focused through evidence generation (prevalence study) and diagnostic patient support programme in 2023.
- Fasenra the first Biologic from AstraZeneca to treat Severe Eosinophilic Asthma (SEA) has touched more than 400 Patients. Fasenra has gained significant traction amongst Pulmonologists. It is regarded as the most effective, convenient and safe therapy for SEA.
- TOPAZ 1 – It is the first global phase 3 study to report positive results of Imfinzi in combination with chemotherapy as the first line treatment for advanced Biliary Tract Cancer (BTC), a treatment setting with no major global treatment advancement in over a decade.

- Tagrisso has sustained its prominent position as the largest brand specialising in the treatment of Lung Cancer in India as per the recent IPSOS.
- Imfinzi was launched in October 2019 for the patients with unresectable, Stage III NSCLC whose disease has not progressed following platinum-based chemotherapy and radiation therapy.
- Rare Disease is the latest therapy area that the Company entered this year with the introduction of Koselugo for treatment of NF1 and has plans to expand the portfolio in the coming years.
- The much-awaited introduction of Enhertu is poised to revolutionise the treatment approach for HER2-expressing tumor types.

MACRO ECONOMIC OVERVIEW

As of 2023 GDP rankings, India holds the position as the 5th largest economy with an estimated GDP of USD 3.74 trillion. In 2022, India demonstrated its resilience against the COVID-19 pandemic and emerged as the fastest-growing major economy, recording a remarkable GDP growth of 6.8%.

The sharp rebound in the economy is a testament to India's strength in facing challenges and the inherent growth potential of its economy. Looking ahead, India is projected to maintain its position as the fastest-growing major economy, with an average GDP growth of 6.1% per year in the period from 2023 to 2024.

The country's economic growth will be bolstered by various factors, including the expansion of public digital platforms and the implementation of transformative initiatives like PM GatiShakti, the National Logistics Policy, and the Production-Linked Incentive schemes, aimed at boosting manufacturing output and driving economic progress.

Indian Pharmaceutical Market (IPM)

The estimated size of the Indian Pharmaceutical Market (IPM) for FY 2022-23 is Rs. 200,506 crore (USD 24.1 billion). The growth rate of 7.9% in value for this fiscal year is a significant drop compared to the previous year's growth rate of 18.2%. However, it represents an improvement over the growth rate of 4.3% achieved in FY 2020-21. The substantial increase in growth during the prior year was largely influenced by the base effect and the heightened demand for acute therapies such as respiratory and Covid-related treatments, anti-infectives, pain management, and vitamins & supplements.

Indian companies account to 82% share of the market (value) and achieved a growth rate of 8.5% in FY 2022-23 over the previous fiscal year, whereas multinational companies (MNCs) experienced a growth rate of 5.0%.

OPERATIONS

The Company’s facility demonstrated excellent safety and quality performance, maintaining zero Lost Time Injury and receiving no critical observations in internal and external quality audits. The supply performance was also outstanding, with 100% stock availability and no stockouts, ensuring a seamless and continuous supply to patients. Continuing on the lean and digital journey, the factory has been prioritizing low-cost/no-cost digital solutions. Implementing multiple power apps dashboards has enabled real-time data access, significantly improving process efficiency and delivering tangible benefits. Furthermore, to accomplish the ambitious goal of achieving zero carbon by 2025, the Operations team has developed a Carbon Zero glidepath. Several initiatives, such as ramping down air handling units and implementing heat pumps for HVAC systems, are in progress to support this endeavor. The factory has made remarkable progress in sustainability by utilizing 95-97% green energy. Additionally, the site has achieved zero discharge for effluent by treating and reusing water onsite, demonstrating a strong commitment to environmental responsibility.

OUTLOOK

In FY 2023-24, the Company will continue to prioritise investments in its focus areas in-line with its global growth platforms. The Company continues to be committed in making novel therapies/indications available for patients in India. A conducive regulatory pathway remains key for determining feasibility, and speed of new launches, and the Company will continue to pursue accelerated regulatory milestones – leveraging its stellar clinical operations, and evidence generation capabilities wherever applicable.

Your Company has introduced a couple of new indications and products in the recent past. Notable launches in the Cardiovascular – Renal – Metabolics (CVRM) business include Heart Failure (HF), and Chronic Kidney Disease (CKD) indications for Forxiga (Dapagliflozin). Our respiratory franchise also had a new inclusion into the portfolio last year. Fasenra (Benralizumab) is helping redefine management of severe asthma in the country. A few notable recent approvals in the Oncology include – use of Tagrisso (Osimertinib) in early-stage Non-Small Cell Lung Cancer (NSCLC) in patients with positive EGFR mutation, and use of Lynparza (Olaparib) in pancreatic, prostate and ovarian cancers.

Your Company will maintain a strong focus on cost optimization and controls. Management is undertaking measures to reduce unproductive discretionary and non-customer facing spends. Management also continues to develop simple and more efficient processes to encourage accountability and improve decision making and communication.

Corporate Social Responsibility (CSR)

AstraZeneca strategically engages with local government bodies and health departments of Karnataka, including the Ministry of Health and Family Welfare (MoHFW) and NCD Cell, as well as national health mission teams. This collaboration strengthens grassroots connections and enables the refinement of strategies for effective work in new communities.

Our flagship initiative, the Ganga Godavari Screening Programme, continues to prioritize early detection of cancer in underserved communities, specifically focusing on women aged between 30 to 60 years. Now in its third year, the program has expanded its reach to multiple regions and established collaborations with the Indian Cancer Society (ICS) and CAPED India to amplify its impact. The programme continues to identify cancer incidence in women through preventative screening camps, benefitting over 8,500 women in underserved communities.

Our global initiative, the 'Young Health Programme,' is dedicated to empowering young individuals to make informed health choices. Through this program, we have positively impacted the lives of 500,000 individuals by establishing health information centers in New Delhi and Karnataka. This initiative is implemented through peer educators who serve as influential figures within their communities. Their role involves spreading awareness about the harmful effects of behaviours like tobacco and alcohol consumption, smoking, and unhealthy lifestyles. Due to the program's impact on the society, the Company has expanded it to Karnataka, where six Health Information Centers (HICs) now operate effectively in various communities. These centers play a crucial role in empowering young people, raising awareness among parents and teachers, strengthening health services, and advocating for institutional support and policy environments to prevent non-communicable diseases (NCDs).

AstraZeneca acknowledges the vital connection between a healthy planet and the well-being of people, and therefore has adopted a science-based approach to proactively manage its environmental impact. As part of the Company’s Ambition Zero Carbon initiative, we are actively investing in biodiversity and nature conservation. One of the key programs contributing to this mission is the AZ Forest program. AstraZeneca collaborates with local governments and non-profit organizations across the globe to restore forests and promote biodiversity through tree planting initiatives. In India, the Company has partnered with the SankalpTaru Foundation to plant and maintain geo-tagged trees, enabling individual tracking and remote monitoring of their growth progress. These environmental initiatives play a crucial role in AstraZeneca's commitment to achieving a healthier planet. With the Ambition Zero Carbon strategy highlights the company's dedication to combating climate change. Since 2020, through the AZ Forest program, the Company has successfully planted over 10.5 million trees worldwide, including significant efforts in India. Furthermore, the Company is working closely with local communities to ensure the sustainability of the plantation sites, fostering long-term environmental stewardship.

In collaboration with the Make-A-Wish Foundation, AstraZeneca pledged to fulfill the wishes of approximately 550 critically ill children throughout the country. This initiative aimed to bolster treatment adherence and strengthen the commitment to care. AstraZeneca India supported a series of 11 events, both virtual and in-person, held across various cities, including Bangalore, New Delhi, Mumbai, Kolkata, Vellore, Chennai, Hyderabad, and Ahmedabad. The goal was to connect with as many children between the ages of 3 to 18 as possible, creating joyful memories and spreading happiness.

ACKNOWLEDGMENTS

I would like to take this opportunity to express my sincere appreciation for the support of all our stakeholders including shareholders, employees, business associates, bankers, Government departments, State Government of Karnataka, the health care community and last but not the least, patients, for their confidence reposed in AstraZeneca.

I also want to thank you for the invaluable trust in AstraZeneca and your active involvement has been greatly appreciated by the Board. Finally, I thank my colleagues on the Board for their contribution and commitment to the growth of the Company and for their wise counsel and support.

Narayan K Seshadri

Chairman