Putting patients first by protecting the supply of today's medicines and the discovery of tomorrow's

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Agenda

- Introduction to AstraZeneca
- What Brexit means for us & our industry
- How we are addressing Brexit risks
- What you can do to prepare for Brexit
- Questions

AstraZeneca: Who we are

A global, science-led biopharmaceutical company

$22.5bn

Total Revenue (FY 2017)

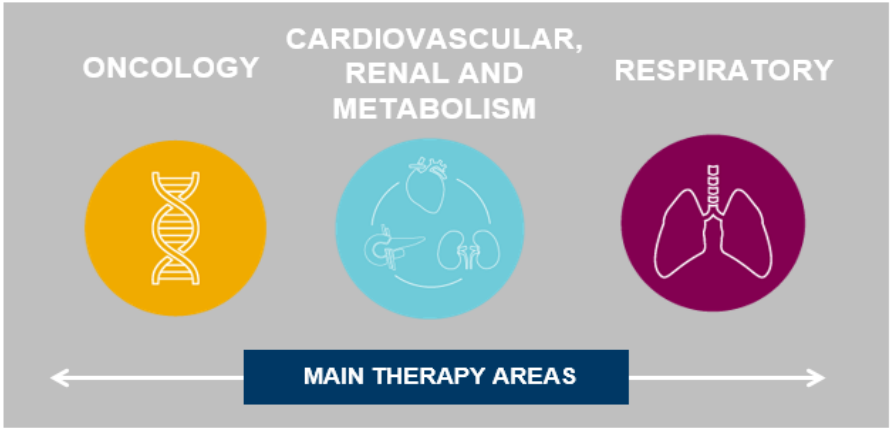
61,100

employees

Operating in >100 countries

(Manufacturing in 18)

Three areas of strategic focus



What does Brexit mean for AstraZeneca? Potential impacts & risks

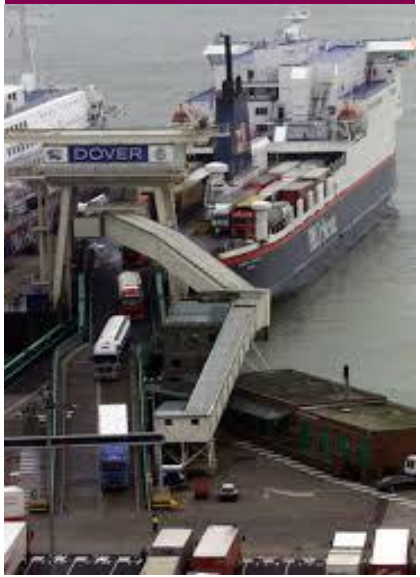
Regulation

EUROPEAN MEDICINES AGENCY
SCIENCE MEDICINES HEALTH

?

MHRA
Regulating Medicines and Medical Devices

Trade



People

Science

How is the Healthcare Industry addressing these risks?
Proactive advocacy to protect supply

Ask of govt:

- Suitable **Transition Period**
- **Status quo during the transition**: Regulation, trade, people, R&D
- Deep & **comprehensive UK-EU free trade** agreement including:
  - Close **regulatory relationship** EU-UK
  - Best possible **trading arrangements** for UK & EU
  - Continued **UK involvement in clinical trials and research**
  - Continued UK access to **global talent**

Outcomes:

✓ **Transition Period** - politically agreed (Mar 2019-Dec 2020), *not legally ratified*

✓ Through the transition period:

- ✓ **Regulation** - UK stays under EMA jurisdiction during transition period
- ✓ **Trade** - UK remains part of the Single Market and Customs Union during transition period
- ✓ **People** - EU nationals maintain same rights in the UK as before transition/ reciprocal for UK citizens in the EU
- ✓ **R&D -** Commitment to enabling continuing participation in EU R&D funding, unwritten by UK Gov't

How AZ is addressing these risks?

Securing a Brexit that puts our patients and our people first

Cross functional team working on Brexit risks since UK referendum

Risks mapped and immediate mitigation actions identified/taken

Active advocacy to UK government and EU

Working with suppliers to ensure their readiness

Beyond the transition period
Key Brexit supply risks & mitigation

	1 Regulation	2 Trade	3 Trade
Risk	**Loss of mutual recognition for quality & release testing** UK- EU disrupting supply and requiring duplicate testing UK and an EU member state	**Tariffs & duties** for movement of semi-finished or finished goods between the EU and UK and UK & ROW markets where EU negotiated terms now apply	New border controls & customs procedures create **congestion and delay** (at least early transition)
Response	Duplication of **Quality Assurance and Quality Control testing** in both the UK and Europe	Advocating a comprehensive **Free Trade Agreements** between UK and EU	Advocating **frictionless customs arrangements** between the UK and EU

What are your Brexit-Ready Supply Questions?

1. What is the physical flow of your products and do you understand the UK-EU interactions that will change post Brexit?

2. What risks can you act on now and what is outside your control?

3. What are your “no regret” actions?

4. Is your organisation aligned on what you act on now Vs where you “watch and wait?”

5. How well do you understand your supplier risks?