

D. Risk Factors

Operating in the pharmaceutical sector carries various inherent risks and uncertainties that may affect our business. In this section, we describe the risks and uncertainties that we consider material to our business, in that they may have a significant effect on our financial condition, results of operations, and/or reputation.

These risks have been categorised consistently with the “Risk Overview–Principal Risks” detailed from page 58 of AstraZeneca’s “Annual Report and Form 20-F Information 2022” included as exhibit 15.1 to this Form 20-F dated February 21, 2023, each of which are included below (in addition to other risks that we face). We believe that the forward-looking statements about AstraZeneca in this Form 20-F dated February 21, 2023, identified by words such as ‘anticipates’, ‘believes’, ‘expects’ and ‘intends’, are based on reasonable assumptions. However, forward-looking statements involve inherent risks and uncertainties such as those summarised below. They relate to events that may occur in the future, that may be influenced by factors beyond our control and that may have actual outcomes materially different from our expectations. Therefore, other risks, unknown or not currently considered material, could have a material adverse effect on our financial condition or results of operations.

Product pipeline risks	Impact
Failure or delay in the delivery of our pipeline or launch of new medicines	
<p>Our continued success depends on the development and successful launch of innovative new drugs.</p> <p>The development of pharmaceutical product candidates is a complex, risky and lengthy process involving significant resources. A project may fail at any stage of the process due to various factors, including: failure to obtain the required regulatory or marketing approvals, unfavourable clinical efficacy data, safety concerns, failure to demonstrate adequate cost-effective benefits to regulatory authorities and/or payers, and the emergence of competing products. More details of projects that have suffered setbacks or failures during 2022 can be found in the “Strategic Report–Therapy Area Review” on pages 18 to 33 of AstraZeneca’s “Annual Report and Form 20-F Information 2022” included as exhibit 15.1 to this Form 20-F dated February 21, 2023.</p> <p>Launch activities may be delayed by a number of factors, including: adverse findings in pre-clinical or clinical studies, regulatory demands, price negotiation, large-scale natural disasters or global pandemics, competitor activity, and technology transfer.</p> <p>In addition to developing products in-house, we continue to expand our portfolio through licensing arrangements and strategic collaborations which may not ultimately be successful.</p>	<p>Failure or delay in development of new product candidates could damage the reputation of our R&D capabilities, and materially adversely affect our future business and results of operations. See also “Failure to achieve strategic plans or meet targets or expectations” below.</p> <p>Delays to launches can lead to excess expenses in the manufacture of pre-launch inventories, marketing materials and sales force training. For the launch of products that are seasonal in nature, delays in regulatory approvals or manufacturing may delay launch to the next season which, in turn, may significantly reduce the return on costs incurred in preparing for the launch for that season. Furthermore, in immuno-oncology in particular, speed to market is critical given the large number of clinical trials being conducted by competitors. Delay of launch can also erode the term of patent exclusivity.</p> <p>Competition from other pharmaceutical companies means that we may have to pay a significant premium over book or market values for our acquisitions. Failure to complete collaborative projects in a timely, cost-effective manner may limit our ability to access a greater portfolio of products, IP, technology and shared expertise. In many cases we make milestone payments in advance of the commercialisation of the products, with no assurance of recouping costs.</p>
Failure to meet regulatory or ethical requirements for medicine development or approval	
<p>We are subject to laws and regulations that control our ability to market our pharmaceutical products. Our development programmes must meet many standards to prove that our products are safe, effective and of high quality. Health authorities, such as the FDA in the US and the EMA in the EU, can refuse to approve our products or they may require us to conduct additional clinical trials or scientific testing before they will approve them for marketing. Many factors influence a health authority’s decision to approve or reject a marketing application for a pharmaceutical product. These include advances in science and technology; new laws, regulations and policies; different standards for evaluating safety and effectiveness by health authorities; and input from the general public and public interest groups.</p> <p>Following approval, a health authority may require us to conduct additional clinical trials or scientific testing to address concerns raised after our products have been used by patients in the marketplace.</p>	<p>Delays in regulatory approvals could delay our ability to market our products and may adversely affect our revenue. In addition, post-approval requirements, including additional clinical trials, could result in increased costs. We seek to manage these risks, but policymaking by governments and health authorities can be unpredictable and unforeseen circumstances, such as public health emergencies, may strain health authority resources. These factors may delay the approval of our products.</p> <p>New data may impact a product’s approval status or can lead to labelling changes that may limit the use of a product.</p>

D. Risk Factors

continued

Commercialisation risks	Impact
Failures or delays in the quality or execution of the Group's commercial strategies	
<p>Maximising the commercial potential of our new products underpins the success of our strategy and the delivery of our short- and medium-term targets. We may ultimately be unable to achieve commercial success for various reasons, including: difficulties in manufacturing sufficient quantities of the product; any price control measures imposed by governments and healthcare authorities; the outcome of negative negotiations with third-party payers; erosion of IP rights; failure to show a differentiated product profile and changes in prescribing habits.</p> <p>The ability to successfully carry out business in emerging markets can be more challenging than in established markets. Such challenges may include: volatility in economic or political climates; inadequate protection against crime (including counterfeiting, corruption and fraud) and inadvertent breaches of local and international law.</p>	<p>Failure to execute our commercial strategies or achieve the level of sales anticipated for a medicine could materially adversely impact our business or results of operations.</p> <p>Failure to leverage potential opportunities or appropriately manage risks in emerging markets may materially adversely affect our reputation, business or results of operations.</p>
Pricing affordability, access and competitive pressures	
<p>Continuing global pressures to reduce healthcare spending in response to political, socio-economic and financial factors may lead to cost containment measures being implemented by payers including:</p> <ul style="list-style-type: none"> > drug pricing system reforms > restrictive reimbursement policies (e.g., Germany Financial Stability Act) > payer consolidation in the US > new US government price-setting programs (Inflation Reduction Act) > price transparency > reference pricing > expedited approval of generic drugs and introduction of laws, regulations and policies which encourage generic utilisation > cost transparency. 	<p>Deterioration of, or lack of improvement in, socio-economic conditions could adversely affect supply and/or distribution in affected countries and the ability or willingness of customers to purchase our medicines, putting pressure on price and/or volumes. This could adversely affect our business or results of operations, for example, those health systems most severely impacted by downturn may seek alternative ways to settle their debts at a discount. Other customers may cease to trade, which may result in losses from writing off debts or a reduction in demand for products. Across the industry, a new government-run drug price-setting programme in the US could reduce the value of certain products sooner than planned, and impact the R&D pipeline as companies seek to avoid investing in lower yield products.</p>
Supply chain and business execution risks	Impact
Failure to maintain supply of compliant, quality medicines	
<p>We may experience challenges, delays or interruptions in the manufacturing and supply of our products for various reasons, including:</p> <ul style="list-style-type: none"> > Significant unforecasted demand growth or supply chain disruptions (e.g., natural disasters, COVID 19, geopolitics), which may lead to supply shortages or delays in construction of facilities to support future demand of our products. > The inability to supply products due to a product quality failure or regulatory compliance action such as licence withdrawal, product recall or change of regulatory standards (e.g., nitrosamines, where regulators have been introducing new limits/expectations for regulatory filings). <p>It is necessary for us to meet all regulations, including compliance with Good Manufacturing Practices (GMP) and Good Distribution Practices (GDP) and comparable regulatory dossier conditions of approval in all countries in which our products are licensed, manufactured or sold.</p> <p>We increasingly rely on third parties for the timely supply of goods (e.g., active ingredients, packaging components etc.), many of which are difficult to substitute in a timely manner or at all.</p>	<p>Supply chain difficulties may result in product shortages, which could lead to lost Product Sales and materially affect our reputation and results of operations.</p> <p>Failure to comply with all manufacturing regulations can result in negative regulatory inspection findings leading to the halting of manufacturing, product seizure, debarment or recalls which could have an adverse effect on our business, financial condition and results of operations.</p> <p>In the event of insolvency of third-party suppliers, it would be difficult to substitute in a timely manner or at all.</p>
Illegal trade in the Group's medicines	
<p>The illegal trade of pharmaceutical products, including counterfeiting, tampering, theft and illegal diversion (where products are found in a market where we did not send them and where they are not approved to be sold) may lead to a loss of public confidence in the integrity of medicines.</p>	<p>The incidence of illegal trade could materially adversely affect our reputation, financial performance and pose a direct risk to patient safety. In addition, concern about this issue may cause some patients to stop taking their medicines, with consequential risks to their health.</p> <p>If we are found liable for breaches in our supply chains, authorities may take action, financial or otherwise, that could restrict the distribution of our products.</p>

D. Risk Factors

continued

Reliance on third-party goods and services

A significant proportion of AstraZeneca's annual costs relates to spend with third-party suppliers. The level of spend supports the length of our value chain from discovery to manufacture and commercialisation of our medicines.

Many of our business-critical operations are outsourced to third-party providers. We are, therefore, heavily reliant on these third parties to get medicines to patients, comply with applicable laws and regulations, while also ensuring prudent use of AstraZeneca financial resources.

Failure to successfully secure, onboard and manage outsourced services, particularly with inflationary pressures increasing, or the failure of outsourced providers to deliver timely services, and to the required level of quality, could materially adversely affect our reputation, our financial condition and operating results as well as our ability to deliver medicines to patients.

Failure to effectively manage third-party suppliers when external factors, including geopolitical tensions, or raw materials and components shortages, place increased pressure on AstraZeneca's ability to purchase goods and services may lead to major business disruption.

Any breach of security, whether physical, cyber or data related, or failure of these third parties to operate in a way that is consistent with laws or regulations, may lead to regulatory penalties, materially affect the results of operations and adversely impact our reputation.

Failure in information technology or cybersecurity

IT systems are the foundation of all critical business functions. Critical business processes and functions are increasingly dependent on partner and vendor IT stability and integrity. Our ability to deliver life-changing medicines is tightly coupled with continuous access to collaboration environments, global communications channels, applications and data. Uninterrupted service and high-fidelity IT systems remain a business imperative. In addition to availability and reliability, IT systems must comply with provisions specified in data security, privacy and individual protection laws.

Data is now considered the most valuable business commodity we must maintain continuous access to and protect. Data is often characterised as strictly confidential information. Examples of strictly confidential data include clinical trial records, personal information, intellectual property, R&D data, and compliance information. IT systems and data are potentially vulnerable to service interruptions and security breaches via attacks by malicious third parties or intentional or inadvertent actions by our employees or vendors. Attacks are of ever-increasing levels of sophistication and are made by groups and individuals with a wide range of motives and expertise, including organised criminal groups, 'hacktivists', nation states, employees and others.

The internet is our primary critical business transaction channel. The internet is increasingly exposed to geopolitical situational disruption.

Privacy legislation includes obligations to report data protection breaches to regulators and affected individuals within expedited timeframes.

Disruption to these IT systems and/or the internet (including breaches of data security or cybersecurity, failure to integrate new and existing IT systems) or failure to comply with additional requirements under applicable laws, could harm our reputation and materially adversely affect our financial condition or results of operations. While we invest heavily in the protection of our data and IT, we may be unable to prevent hardware or software failures or breaches which could result in disclosure of confidential information, damage to our reputation, regulatory penalties or sanctions, or financial loss. The inability to back-up and restore data effectively could lead to permanent loss of data that could, in turn, result in non-compliance with applicable laws and regulations and otherwise harm our business.

Data loss could lead to public disclosure of confidential information which may damage our reputation, materially affect our business or results of operations, and expose us to legal risks and/or additional legal obligations. Public disclosure of sensitive information could materially adversely affect our reputation and business or operations results.

Cybersecurity insurance coverage limits may not protect against any future claim or claim proceeds may be delayed.

Failure to comply with regulatory disclosure requirements could cause reputational damage and a loss of public trust.

Failure of critical processes

Unexpected events and/or events beyond our control could result in the failure of critical processes within the Company or at third parties on whom we are reliant.

The business faces threats to business continuity from many directions. Examples of material threats include:

- > Disruption to our business or the global markets if there is instability in a particular geographic region, including as a result of war, terrorism, pandemics, armed conflicts, riots, unstable governments, civil insurrection or social unrest.
- > Natural disasters in areas of the world prone to extreme weather events, which may increase in frequency or severity as a result of climate change, and phenomena such as earthquakes.
- > Cyber threats similar to those detailed in the 'Failure in information technology or cybersecurity' section above.

Such material threats may heighten certain other risks, such as those relating to the delivery of the pipeline, launch of new medicines, or the manufacture and supply of medicines, and may lead to loss of revenue and have a materially adverse impact on our financial results.

D. Risk Factors

continued

Failure to collect and manage data in line with legal and regulatory requirements and strategic objectives

We are seeing significant change in global privacy laws with many countries creating new or strengthening existing laws regarding how organisations can process personal data, including the EU General Data Protection Regulation, the UK Data Protection Act, the US California Consumer Privacy Act and California Privacy Rights Act and Personal Information Protection Law in China. Such laws require us, for example, to maintain appropriate data security measures, implement measures to allow us to transfer personal data across country borders, and to provide timely notice to individuals and/or regulators if personal data is compromised.

Further, the interpretation of privacy laws may differ or may be inconsistent across jurisdictions, and other countries where we operate are also enforcing their own laws more aggressively and/or adopting tougher new measures.

AstraZeneca processes significant volumes of personal data, including sensitive data relating to health and genomics, which is subject to heightened protections and may attract increased attention under privacy laws. AstraZeneca uses personal data in all our core operations and thus the ability to process personal data in a lawful and compliant manner is essential to achieving our stated business aims.

Despite taking measures designed to ensure compliance with applicable privacy laws by our personnel and our third parties, non-compliance has occurred and may occur again in the future. If future instances of non-compliance are deemed significant, these may attract material regulatory sanctions or fines and corresponding reputational damage, orders to stop certain processing of personal data, or legal action on behalf of impacted individuals. Further, failure to protect personal data could lead to a competitive disadvantage, loss of trust from our stakeholders, including patients, and prevent us from delivering our strategic objectives.

If the scope of privacy laws is expanded or if the interpretation of existing laws or new laws are implemented, AstraZeneca and its third-party vendors may be required to change their business practices or data processing practices and policies. This may lead to substantial compliance-related costs or materially adversely impact our business and financial condition.

Failure to attract, develop, engage and retain a diverse, talented and capable workforce

We rely heavily on recruiting and retaining talented employees with a diverse range of skills and capabilities to meet our strategic objectives. Externally there is intense competition for well-qualified individuals, as the supply of people with certain skills or in specific geographic regions may be limited.

Ensuring our employees are continually developed and engaged with strategic objectives embeds commitment across the workforce.

The inability to attract and retain highly skilled personnel may weaken our succession plans for critical positions, impact the implementation of our strategic objectives and ultimately result in the failure of our business operations.

Failure to develop and engage our workforce could result in business disruption, a loss of productivity and higher turnover rates, all of which could materially adversely affect our business.

Legal, regulatory and compliance risks

Impact

Failure to meet regulatory or ethical expectations on environmental impact, including climate change

Environmental issues will become more material as healthcare systems embrace net-zero climate targets.

Our environmental targets and performance will have increased scrutiny by investors, governments and non-governmental organisations.

Environmental considerations are becoming embedded in the public procurement of goods and services, including medicinal products and devices.

Specific materials used to manufacture medicines, or used as excipients or propellants, are coming under increased regulation and may be subject to time-limited exemptions or potential phase-out.

The physical impacts of climate change could impact the resilience of our business operations and supply chain.

Investors are increasingly focusing on environmental issues. We continue to see an increased requirement to quantify the impact of specific environmental issues and to disclose our strategy, targets and performance.

Failure to maximise our environmental sustainability credentials could expose us to increased regulatory risk and put us at a commercial disadvantage relative to our peers. This could adversely impact our financial results and lead to reputational damage.

Failure to proactively manage the physical risks associated with climate change could impact the resilience of our operations and supply chain. This could result in supply interruptions, loss of stock and adversely impact our financial results.

D. Risk Factors

continued

Safety and efficacy of marketed medicines is questioned

Our ability to accurately assess, prior to launch, the eventual safety or efficacy of a new product once in broader clinical use can only be based on data available at that time, which is inherently limited due to relatively short periods of product testing and relatively small clinical study patient samples.

Any unforeseen safety concerns or adverse events relating to our products, or failure to comply with laws, rules and regulations relating to provision of appropriate warnings concerning the dangers and risks of our products that result in injuries, could expose us to large product liability damages claims, settlements and awards, particularly in the US. Adverse publicity relating to the safety of a product, or of other competing products, may increase the risk of product liability claims. Details of material product liability litigation matters can be found in “Financial Statements—Notes to the Group Financial Statements—Note 30—Commitments, contingent liabilities and contingent assets” on pages 192 to 198 of AstraZeneca’s “Annual Report and Form 20-F Information 2022”, included as exhibit 15.1 to Form 20-F dated February 21, 2023.

Serious safety concerns or adverse events relating to our products could lead to product recalls, seizures, loss of product approvals, declining sales and interruption of supply, and could materially adversely impact patient access, our reputation and financial revenues. Significant product liability claims could also arise which could be costly, divert management attention, or damage our reputation and demand for our products.

Unfavourable resolution of such current and similar future product liability claims could subject us to enhanced damages, consumer fraud and/or other claims, including civil and criminal governmental actions. This could require us to make significant provisions in our accounts relating to legal proceedings and could materially adversely affect our financial condition or results of operations, particularly where such circumstances are not covered by insurance.

Adverse outcome of litigation and/or governmental investigations

Our business is subject to a wide range of laws and regulations around the world. We have been, and may continue to be, subject to various legal proceedings and governmental investigations.

Actual or perceived failure to comply with laws or regulations has historically and may in the future result in AstraZeneca and/or its employees being investigated by government agencies and authorities and/or in civil legal proceedings. Relevant authorities have wide-ranging administrative powers to deal with any failure to comply with laws, regulations or continuing regulatory oversight, and this could affect us, whether such failure is our own or that of our contractors or external partners. In particular, the manufacturing, marketing, exportation, promotional, clinical, pharmacovigilance, and pricing practices of pharmaceutical manufacturers, as well as the manner in which manufacturers interact with regulatory agencies, purchasers, prescribers and patients, are subject to extensive regulation, litigation and governmental investigation. Moreover, such laws, rules and regulations are subject to change. Details of material litigations and governmental investigations can be found in “Financial Statements—Notes to the Group Financial Statements—Note 30—Commitments, contingent liabilities and contingent assets” on pages 192 to 198 of AstraZeneca’s “Annual Report and Form 20-F Information 2022”, included as exhibit 15.1 to Form 20-F dated February 21, 2023.

Many companies, including AstraZeneca, have been subject to legal claims asserted by federal and state governmental authorities and private payers and consumers, which have resulted in substantial expense and other significant consequences. Governmental investigations or proceedings could result in us becoming subject to civil or criminal sanctions and/or being forced to pay fines or damages. Civil litigation, particularly in the US, is inherently unpredictable, and unexpectedly high awards for damages can result from an adverse result. In many cases, litigation adversaries may claim enhanced damages in extremely high amounts. Government investigations, litigations, and other legal proceedings, regardless of the outcome, could be costly, divert management attention, or damage our reputation and demand for our products.

Unfavourable resolutions to current and similar future proceedings against us that could subject us to criminal liability, fines, penalties or other monetary or non-monetary remedies, including enhanced damages, require us to make significant provisions in our accounts relating to legal proceedings and could materially adversely affect our business or results of operations.

D. Risk Factors

continued

IP risks related to our products

IP protection provides the foundation for continued investment in developing innovative medicines to improve patient health. However, the pharmaceutical industry is experiencing pressure from governments and other healthcare payers to impose limits on IP protections in an effort to manage healthcare costs. Additionally, policymakers are progressively leveraging regulations to expedite the approval of generic drugs and encourage generic drug utilisation. These policies may drive accelerated utilisation of generic alternatives to our products following expiry or loss of our IP rights. We also recognise increasing use of compulsory licensing in some countries in which we operate.

We are subject to numerous patent challenges relating to various products or processes and assertions of non-infringement of our patents. A loss in any of these challenges could result in loss of patent protection on the covered product and a risk to the revenue generated by the product. We also face the risk that our products may be found to infringe patents owned or licensed by third parties and be subject to monetary damages or compelled to cease sales of the infringing product, resulting in a potential risk to revenue. These challenges threaten the value of our investment in pharmaceutical development. Details of material patent litigation matters can be found in “Financial Statements–Notes to the Group Financial Statements–Note 30–Commitments, contingent liabilities and contingent assets” on pages 192 to 198 of AstraZeneca’s “Annual Report and Form 20-F Information 2022”, included as exhibit 15.1 to this Form 20-F dated February 21, 2023.

If we are unable to obtain, defend and enforce our IP, we may experience accelerated and intensified competition. Also, if our products are found to infringe a third-party patent, we may be subject to monetary damages or compelled to cease sales of the infringing product. These negative outcomes could have an adverse, material impact on our financial results.

Economic and financial risks

Impact

Failure to achieve strategic plans or meet targets or expectations

When we communicate our business strategy, targets or performance expectations, all such statements are forward-looking and based on assumptions and judgements, all of which are subject to significant inherent risks and uncertainties.

To achieve our strategic objectives, we must continue to develop commercially viable new products and successfully integrate new organisations we have acquired. There can be no guarantee that our strategy or expectations will materialise. Any failure to successfully implement our business strategy may frustrate the achievement of our financial targets, which may therefore materially damage our brand, business, financial position or results of operations.

Geopolitical and/or macroeconomic volatility disrupts the operation of our global business

Operating in more than 100 countries, we are subject to political, socio-economic and financial factors around the world. A sustained global economic downturn or pervasive levels of high inflation may adversely impact financial markets and/or exacerbate pressure from governments and other healthcare payers on medicine prices and other cost control measures in order to limit healthcare spending.

Geopolitical tensions may lead to the imposition or escalation of trade controls, tariffs, taxes or other restrictions to market access which may increase our costs or reduce revenues.

The most recent global financial crisis caused extreme volatility and disruptions in the capital and credit markets. A severe or prolonged economic downturn, such as the most recent global financial crisis, could result in a variety of risks to our business, including weakened demand for medicines and our ability to raise additional capital when needed or on favourable terms, if at all. A weak or declining economy could strain our suppliers, possibly resulting in supply disruption, or cause delays in payments for our services by third-party payers.

Measures taken to limit healthcare spending may lead to lower than anticipated rates of growth in some markets and an adverse impact on revenues and profitability. Additionally, there can be no guarantee that measures we take to mitigate the impact of inflation will be effective. If such measures do not deliver to the extent anticipated, the Group could incur an additional \$300 million in costs attributable to inflationary pressure in the year ending December 31, 2023.

Any escalation in barriers to the global free flow of medicines is likely to increase costs to serve affected markets which may lead to downward pressure on margins. While the introduction of severe sanctions is unlikely in relation to medicines, it could occur if matters escalate significantly and could impact processes for the commercialisation of medicines and levels of sales in affected markets.

Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business.

D. Risk Factors

continued

Failure in financial control or the occurrence of fraud

Effective internal controls assist in the provision of reliable Financial Statements and the detection and prevention of fraud. Testing of internal controls provides only limited assurance over the accuracy of Financial Statements and may not prevent or detect misstatements or fraud.

Significant resources may be required to remediate any deficiency in internal controls. Any such deficiency may trigger related investigations and may result in fines being levied against individual Directors or officers. Serious fraud may lead to prosecution of senior management.

Unexpected deterioration in the Group's financial position

Movements in exchange rates against the US dollar, our reporting currency, impact our reported results. The key currencies of Product Sales and costs are: US dollar, Chinese renminbi, euro, Japanese yen, Swedish krona and pound sterling.

The majority of our cash is invested in AAA credit-rated institutional money market funds, fixed income securities issued by government, financial and non-financial entities and collateralised and non-collateralised bank deposits. Our credit exposure is a mix of US, EU and rest of world default risk across these institutions.

We invest in a large number of projects in an effort to develop a successful portfolio of approved products. Our consolidated balance sheet therefore contains significant investments in intangible assets, including goodwill. Our ability to realise value on these investments depends on regulatory approvals, market acceptance, competition and legal developments.

Our defined benefit post-retirement obligations (primarily in the UK, Sweden and the US) can materially change in value, but are largely backed by assets invested in growth and liability hedging portfolios, which hedge some of the risks inherent in liability valuations.

Although we maintain relevant insurance coverage for risks arising within the Group, we may not be able to maintain our insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses.

Tax law is complex leading to the risk of different interpretations. Revenue authorities can make conflicting claims to the profits taxed in individual countries leading to double taxation. Tax laws can change following action by international bodies such as the Organisation for Economic Co-operation and Development (OECD) or individual governments.

FX rate movements may materially adversely affect our financial condition or results of operations.

In a sustained economic downturn, such institutions may cease to trade and there can be no guarantee that we will be able to access the full value of our investments.

We expect that some of our intangible assets will become impaired in the future. Impairment losses may materially adversely affect our financial condition or results of operations.

Solvency headroom could fall, leading to higher contributions if there are: falls in assets; increases in liability valuations (from falls in bond yields, increases in inflation or lower mortality); or changes in regulations. As liability valuation risks are hedged, significant collateral may need to be posted, which in extreme circumstances could lead to a short-term liquidity risk in some pension schemes and a request to the Group to provide temporary liquidity.

Uninsured losses, or those where an insurer denies coverage, could materially adversely affect our financial condition.

The resolution of tax disputes can result in incremental tax costs, a reallocation of profits or losses between jurisdictions, or even double taxation. They are costly, divert management attention and may adversely affect our reputation.

If tax treaties are withdrawn or amended, this could materially adversely affect our financial position.

For details of our financial risk management policies, see "Strategic Report—Financial Review—Financial risk management" on page 73 and for details of current tax disputes, see "Financial Statements—Notes to the Group Financial Statements—Note 30—Commitments, contingent liabilities and contingent assets" on pages 192 to 198, in each case of AstraZeneca's "Annual Report and Form 20-F Information 2022" included as exhibit 15.1 to this Form 20-F dated February 21, 2023.

Changes in tax regimes could result in a material impact on the Group's cash tax liabilities and tax charge, resulting in either an increase or a reduction in financial results.