

ANNUAL STATEMENT ON CORPORATE GOVERNANCE POLICY AND CORPORATE SOCIAL RESPONSIBILITY POLICY AND THE TRANSPARENCY ACT

PCI Biotech Holding ASA emphasises good corporate governance

The Norwegian Code of Practice for corporate governance is a guideline for listed companies to help regulate the division of roles between shareholders, the board of directors and executive management more comprehensively than is required by legislation.

PCI Biotech Holding ASA ("PCI Biotech" or "The Company") bases its policy for corporate governance on the Norwegian Code of Practice of 14 October 2021. Adherence to the code of practice is implemented on the basis of a "comply or explain principle".

The Board of Directors and management have resolved as a main principle to follow the recommendations of the Norwegian Corporate Governance Code ("the Code") to the extent not considered unreasonable due to the company size and stage of development. Explanations of non-conformance to the Code are provided if not fully implemented. PCI Biotech's compliance with the Code is described in this report and section numbers refer to the Code's chapters.

1. Implementation and reporting on corporate governance

PCI Biotech acknowledges the division of roles between shareholders, the Board of Directors, and the executive management team. PCI Biotech has implemented a sound corporate governance policy. Guidelines on corporate governance and statement of compliance with the Code is presented in the Company's annual report and website. The Company ensures that the policy is adopted by holding regular Board of Directors' meetings where the executive management team attends to present strategic, operational, and financial matters.

Corporate values are established with the purpose to establish a healthy corporate culture and preserve the Company's integrity by helping employees to comply with standards of good business conduct. Furthermore, the values are intended to be a tool for self-assessment and for further development of the Company's identity. Corporate values are important foundations for PCI Biotech's corporate governance. Ethical guidelines are also established and these guidelines are based on corporate values.

PCI Biotech adheres to the code of practice for corporate governance. The company has to date six deviations from the code and the reasons for the deviations and solutions selected are further explained under section 2.1, 6, 9 and 12.

2. Business

The objective and purpose of PCI Biotech's business are clearly defined and described in the articles of association. *"The Company's business activities shall include cancer treatment and drug delivery based on the PCI technology and other related activities, including participation in other companies with similar activities through equity, loan or by issue of guarantees."* The Company's articles of association are available at the Company's website and the Company's objectives and strategy are available in the annual report.

PCI Biotech has defined development programmes with clear objectives, strategies, and risk profiles for the company's business activities to enable PCI Biotech to create long-term value for its shareholders. The Board of Directors performs annual evaluations of the objectives, strategies, and risk profiles.

The company has implemented guidelines for how to integrate stakeholder considerations into its value creation in a sustainable manner, through corporate social responsibility and ethical guidelines.

2.1 Corporate social responsibility (CSR)

PCI Biotech is a Norwegian based company focusing on research and development within the field of cancer treatment. The PCI Biotech Group consists of 7 employees and the core competencies are possessed by these employees, while the group's other resources in research and development are mainly purchased from public and private research institutions and service providers across Europe and USA.

As of today, the Group has no sales or supply of services and a limited complexity in operations. The Group has established guidelines and policies in accordance with internal control policies for comparable businesses of similar size, complexity, and industry to fight corruption. This means that the group requires its directors and employees to demonstrate high ethical standards in business and interpersonal relationships. Other principles followed are prevention through awareness-raising, limitation of opportunities, high detection risk of, and zero tolerance for corruption.

The Group has established its own quality control system in line with authorities' requirements within the activities that the Group operates, in terms of production and storage of pharmaceutical products, and in connection with clinical studies. The quality control procedures are based on the relevant activities in relation to the different phases of operation and the development of procedures is thus a dynamic process. The Group is concerned that staff have appropriate training and experience in their business areas and staff are regularly updated within their business fields.

The Group is concerned with animal welfare, human- and labour rights, social issues and sustainable development. The Group's management conducts regular performance reviews and internal evaluations, and the Group adapts according to Norwegian law within the area. Preclinical and clinical research is subject to strict government regulation on animal welfare, human rights, and social conditions in all the countries where the research and development work is carried out, including South Korea and Taiwan where the RELEASE trial had open sites at selected hospitals in 2021 and parts of 2022. The Group therefore considers that animal welfare, human rights, labour rights, and social issues are well taken care of, both internally and among its subcontractors. Regarding sustainable development, please see section 2.2.

The Group has not identified any material issues based on the corporate social responsibility procedures (CSR) performed in 2022. The implementation of further detailed specific objectives, strategies or action plans related to CSR, beyond the ones described above, has not yet been prioritised, but will be developed along with the continuous development of PCI Biotech's operations.

Non-conformance with the recommendation: The Group's operations are of such character that it does not significantly affect the environment and the Group therefore believes it is not appropriate to establish specific guidelines, policies, procedures and standards in this area, but environmental issues are included in PCI Biotech's ethical guidelines and please also see the separate reporting regarding sustainable development in section 2.2.

2.2 Sustainable development

PCI Biotech is concerned with sustainability, but has not used any specific reporting standards or guidelines for sustainability reporting other than the Code and this section for sustainable development is considered an integrated part of the CSR reporting. In general PCI Biotech's strategy and operations are focused on human welfare through its vision of '*unlocking the potential of innovative medicines*'. PCI Biotech focuses its development on anti-cancer product- and technology candidates. This vision and focus may directly contribute to one of the UN's seventeen sustainable development goals, goal #3 'Good health and well-being'. All international anti-cancer development is strictly regulated regarding animal welfare and high focus on safety and well-being for patients participating in clinical trials. PCI Biotech have internal routines securing that the Group and service providers comply with all relevant standard in these regards.

The Group's operations are of such character that they do not significantly affect the environment beyond normal course of business for a small biotech company, nevertheless the Company strives to minimise our environmental footprint in daily operations. Travelling and the need for shipment of

devices and materials for preclinical and clinical trials are identified as the activities with the most environmental impact. To keep the environmental impact to a minimum, devices that are no longer used are returned in bulk to the producer for recycling. Other shipments are optimised in collaboration with our service providers and collaborators to reduce the number of shipments. External meetings are evaluated for use of virtual meeting tools when appropriate, to limit travel to what is considered necessary from an operational and business development perspective.

2.3 Ethical guidelines

The ethical guidelines encompass the following elements: Core values, compliance with laws and regulations, working environment, interaction with different stakeholders, intragroup transactions, employees loyalty, conflicts of interest, confidentiality, environment, accounting, financial reporting, trading of Company shares, other employee activities and compliance with the ethical guidelines.

2.4 Equality and diversity

PCI Biotech's goal is to be a workplace with gender equality and where discrimination is not accepted. Respect for individuals is a cornerstone of our company values, accompanied by an including working environment. PCI Biotech strives to contribute to diversity and gender balance in recruitment processes, balanced with candidates' expertise and capacity. During 2022, there was no recruitment. PCI Biotech's total number of employees are 7, where of 3 are females and 4 are males. The management team consist of 3 employees, 1 female and 2 males. The Board composition comply with regulations for gender diversity with minimum 40% female representation for the current Board, with 2 females and 3 males.

2.5 Transparency Act

PCI Biotech strives to comply with the new implemented act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act). The Act shall promote enterprises' respect for fundamental human rights and decent working conditions and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions. PCI Biotech includes the Transparency Act in its corporate social responsibility work, and this section regarding transparency is considered an integrated part of the CSR reporting. To comply with the Transparency Act a statement that is to be published before 30th June 2023 is included under section 16 of this annual statement.

3. Equity and dividends

PCI Biotech's equity as of 31 December 2022 was NOK 57.4 million. The capital structure is regularly assessed in light of the Company's objectives, strategy and risk profile. The equity level is assessed as satisfactory per year-end 2022. To tailor the share capital to current operations the Group will seek to make a write-down of the share capital level during 2023.

To date the Company has not distributed any dividends and this dividend policy will apply as long as PCI Biotech is in a research and development phase. The Board of Directors has no mandate to approve the distribution of dividend.

The Board of Directors has been authorised by the Company's General Assembly in May 2022 to increase the share capital by share issue of up to 2,790,000 shares in connection with the Company's employee incentive program and to issue shares in connection with private placements by an amount up to 10% of the share capital of the Company. The authorisations are valid to the next ordinary general assembly. Other than the above the Board of Directors has no general authorisation to issue shares.

4. Equal treatment of shareholders

PCI Biotech has only one class of shares and all shares have equal rights. Each share carries one vote.

The Board of Directors and management are committed to treat all shareholders equally. The Company had no transactions in own shares during 2022.

In the event of the Board of Directors resolving to issue new shares and waive the pre-emptive rights of existing shareholders, the Board of Directors intends to comply with the recommendation of the Norwegian Code of Practice for Corporate Governance that the justification for such waiver is noted in the Stock Exchange announcement relating to such a share issue.

5. Shares and tradability

The shares in PCI Biotech are freely tradable with no form of restriction. No restrictions regarding voting, ownership or tradability are placed on the shares in the Company's articles of association.

6. General Meetings

The Board of Director's facilitate that as many shareholders as possible may exercise their rights by participating at the General Meeting and that the General Meeting is an effective forum for both the views of shareholders and the Board of Director's.

The Chairman, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) are present at the Annual General Meeting, along with representation from the Nomination Committee and the Group auditor.

Shareholders who are unable to participate themselves may vote by proxy and a person can also be appointed to vote for the shareholders as a proxy. The Board of Directors may decide that shareholders may submit their votes in writing, including by use of electronic communication, in a period prior to the general meeting.

Notice of the meeting and relevant documents, including the proposal of the nomination committee, are made available on the company website three weeks in advance of the meeting. Notice of the meeting is sent to all shareholders individually, or to their depository banks, three weeks in advance of the meeting. The meeting notice includes information regarding shareholders' rights, guidelines for registering and voting at the meeting. The company provides information on the procedure for representation at the meeting through proxy, nominations of a person to vote on behalf of the shareholders and to the extent possible prepare a form which allows separate voting instructions for each matter, hereunder for individual candidates for appointment to the Group's governing bodies. The deadline for notice of attendance is set as close to the meeting as practically possible and in accordance with the provisions in the Articles of Association.

Non-conformance with the recommendation: PCI Biotech is a small company and has encouraged directors to attend the General Meeting. The entire Board has not usually attended the General Meeting as, thus far, the items on the agenda of the General Meeting have not required all directors to attend. The Chair of the Board is present, and other Board members participate on an ad hoc basis. From the Group's perspective, this is considered sufficient. The recommendation to implement routines to ensure an independent chairing of the meeting has not been applied, both for cost and convenience reasons based on the size of the company. From the Group's perspective, this is considered sufficient.

7. Nomination Committee

The requirement for a Nomination Committee and its guidelines follows from article 6 of the articles of association. The Nomination Committee's duties are to propose candidates for election to the Board of Directors and to propose remuneration. The Nomination Committee is required to justify its recommendations and encouraged to interact with shareholders, the Board of Directors and the Chief Executive Officer (CEO) in its work. The Nomination Committee's members, including the chairperson, are elected by the General Meeting for two years at a time, unless otherwise resolved by the General Meeting and the General Meeting may adopt instructions for the Nomination Committee. The Nomination Committee shall consist of minimum two members who shall be shareholders or representatives for the shareholders. The remuneration to the members of the Nomination Committee is determined by the General Meeting.

The Nomination Committee ensures that shareholders' views are taken into account when qualified members are nominated to the governing bodies of PCI Biotech. Shareholders are encouraged to

submit proposals to the Nomination Committee for candidates for election to the board of directors. Such proposals must be in writing and justified and be submitted minimum 2 months before the General Meeting if they are to be considered by the nomination committee.

None of the Committee's members represents PCI Biotech's management or Board and they are all considered to be independent of daily management and the Board. The Nomination Committee is considered to have a composition that reflects the common interests of the community of shareholders.

The nomination committee currently consists of the following three members: Jónas Einarsson (chairperson), Erik Must and Trond Johansen. The current members have been elected by the general meeting with a term until the Company's ordinary general meeting in 2023. The Nomination Committee's contact details are available at PCI Biotech's website.

8. Board of Directors, composition and independence

The Board of Directors is composed to ensure that the Board of Directors can operate independently, attend the common interest for all shareholders and the Company's need for expertise, capacity and diversity. The shareholders elect between three and seven members to the Board of Directors, including the Chair and they are elected for one-year terms by the General Meeting. The Board of Directors is presented on the company website. All board members are considered to be independent from the Company's day-to-day management, main shareholders and material business connections. All board members are encouraged to be shareholders and their shareholdings are disclosed in the Annual Report.

9. Work of the Board of Directors

It is the responsibility of the Board of Directors to ensure that the Company has a well-functioning internal control environment in accordance with the regulations that apply to its activities and to supervise daily management and activities of the company in general. In addition, the Board of Directors is responsible for appointment of Chief Executive Officer (CEO) and convening and preparing for general meetings. The Board of Directors has implemented instructions for the Board and the executive management, with focus on allocation of internal responsibilities and duties. These instructions includes handling of agreements with related parties, including whether an independent valuation must be obtained, and disclosure of such agreements in the annual directors' report. The objectives, responsibilities and functions of the Board of Directors and the CEO are in compliance with rules and standards applicable for the Company.

The Board of Directors should ensure that members of the Board and executive personnel make the Company aware of any material interests that they may have in items to be considered by the Board of Directors. The Board of Directors' consideration of material matters in which the Chairman of the Board is, or has been, personally involved, shall be chaired by another member of the Board.

The Board of Directors adopts an annual plan for its work, which includes objectives, strategy and implementation. The CEO is responsible for keeping the Board of Directors informed about the company's activities, position and financial and operational developments. The Board of Directors evaluates its performance and expertise annually and the evaluation is made available to the Nomination Committee. The Company has not established a separate Audit Committee in accordance with the exemption in the Norwegian Public Limited Liability Companies Act. The Company has not established a separate Remuneration Committee. The Board of Directors in its entirety serves as both Audit and Remuneration Committee.

The Board conducted twelve meetings in 2022. Board members had the following attendance at these meetings:

Hans Peter Bøhn, 12/12
Hilde Furberg, 12/12
Christina Herder 11/12

Lars Viksmoen, 11/12
Andrew Hughes 12/12

Non-conformance with the recommendation: PCI Biotech has not established separate Audit and Remuneration Committees. The Board of Directors believes that this is most appropriate given the Company's limited size and complexity. The Board of Directors will, depending on the Company's performance, consider appointing separate Audit and Remuneration Committees at a future date.

10. Risk management and internal control

It is the responsibility of the Board of Directors to ensure that the Company has sound internal controls and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. Significant risks include strategic risks, market risks, financial risks, liquidity risks and operational risks including risks related to development of products. The internal control systems also include company values, code of ethics and corporate social responsibility. The Company's significant risk areas and internal control systems are assessed on an on-going basis and at least once a year by the Board of Directors.

Please also refer to The Board of Directors report, for a description of relevant risk factors.

11. Remuneration of the Board of Directors

The General Meeting determines the remuneration to the Board of Directors based on a proposal from the Nomination Committee. Remuneration reflects the Board of Directors responsibility, expertise, time commitment and the business complexity. The remuneration is not linked to the Company's performance, and no share options are granted to Directors. Detailed information on the remuneration of the Board of Directors can be found in the Annual Report.

Board members or companies to which they are connected should not undertake separate assignments for the Group in addition to the Board appointment. If they nevertheless do, the whole Board is to be informed. Fees for such assignments are to be approved by the Board. If remuneration has been paid above the normal Board fee, this is to be specified in the annual report.

12. Remuneration of executive personnel

The Board has established guidelines on the determination of salaries and other remuneration of executive management in accordance with § 6–16a of the Norwegian Public Companies Act. The remuneration guidelines shall be communicated to and approved by the Annual General Meeting. The remuneration guidelines seek to contribute to the alignment of interests between the shareholders and executive management and sets out the main principles in determining the salary and other remuneration for the executive management. Performance-related remuneration is linked to long-term value creation for shareholders and is based on quantifiable factors that can be influenced by the executive management. A share option scheme is part of the remuneration policy, and the scheme is approved by the general meeting.

Non-conformance with the recommendation: The established guidelines for other performance-based remuneration of executive management do not set an absolute limit in terms of potential future value per awarded share option. As a corrective action share options awarded in 2022 were awarded with a value cap of 20 times the strike price. Great care is taken by the BoD when awarding share options to executive management and based on all elements of the guidelines for performance-based remuneration, and the value cap on share options awarded in 2022, the current guidelines are considered appropriate.

13. Information and communication

The Company presents its financial statements in accordance with IFRS, and procedures have been established to ensure compliance with IFRS interim and annual reporting requirements. The Company's management, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for preparing the financial statements, and financial reports are approved by the Board of Directors prior to publication. PCI Biotech reports in accordance with the rules in the Norwegian Securities Trading Act, as well as with the requirements specified by the Oslo Børs for companies with listed shares.

The Group's report on corporate social responsibility is integrated into the annual report. The Board has set an IR policy for PCI Biotech's reporting of financial and other information. The Board has approved guidelines and procedures relating to the handling of insider information and trading in the company's shares.

The Company's guidelines for reporting of financial and other information are based on transparency and take into account the requirement for equal treatment of all participants in the securities market. The Company is committed to report financial results and other relevant information on an accurate and timely basis. The Company publishes a financial calendar on an annual basis, including dates for release of interim and annual reports and dates for general meetings. PCI Biotech considers it important to inform shareholders about the Group's development and economic and financial status. Management members are available for discussions with shareholders, other than through general meetings, to develop a balanced understanding of such shareholders' situation and focus, subject however to the provisions in legislation and regulations. The Chair of the Board ensures that shareholders' viewpoints are communicated to the entire Board.

14. Take-overs

The Board of Directors endorses the principles concerning equal treatment of all shareholders. In the event of a take-over bid, it is obliged to act in accordance with the requirements of Norwegian law and in accordance with the applicable principles for good corporate governance.

The Board of Directors will not hinder or obstruct takeover bids for PCI Biotech's activities or shares. The Board will ensure that shareholders are given sufficient information and time to form an opinion on an offer. If a takeover offer is received, the Board will issue a statement with a recommendation as to whether shareholders should or should not accept the offer.

A transaction that in fact is a business disposal shall be approved by a General Meeting.

15. Auditor

Ernst & Young AS (EY) is the appointed auditor of PCI Biotech.

The auditor shall annually in writing confirm to the Board of Directors that he/she satisfies established requirements for independence and objectivity. The auditor participates at least one Board of Directors meeting per year, where he/she present auditors plan for the audit, the assessment of the Company's internal control and participate during the approval of the annual accounts. The auditor has a minimum of one meeting per year with the Board of Directors without the presence of the Executive Management. The Board of Directors has established separate guidelines for use of non-audit services. Fees paid to the external auditor for audit and non-audit services are reported in the Company's Annual Report, which are, in turn, approved by the Annual General Meeting. The auditor is requested to participate at the Annual General Meeting for consideration of the annual financial statement.

16. Statement of Transparency Act

PCI Biotech strives to comply with the new implemented act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act). The Act applies to larger enterprises and applies to PCI Biotech being a listed company. The Act shall promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.

The enterprises shall carry out due diligence in accordance with the OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises. Due diligence means, among other things, identifying and assessing actual and potential adverse impacts on fundamental human rights and decent working conditions that the enterprise has either caused or contributed toward, or that are directly linked with the enterprise's operations, products or services via the supply chain or business partners.

Due diligence shall be carried out regularly and in proportion to the size of the enterprise, the nature of the enterprise, the context of its operations, and the severity and probability of adverse impacts on fundamental human rights and decent working conditions.

Enterprises shall publish an account of due diligence and the account shall at least include:

- a) a general description of the enterprise's structure, area of operations, guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions
- b) information regarding actual adverse impacts and significant risks of adverse impacts that the enterprise has identified through its due diligence
- c) information regarding measures the enterprise has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.

Duty to account for due diligence:

PCI Biotech confirms performance of due diligence in Q1 2023 in accordance with the above, and report the following:

- a) PCI Biotech is a biopharmaceutical company. The nature of operations is to perform research and development with the aim to develop novel therapies through its photochemical internalisation technology platform, within the two focus areas; fimaNAC and fimaVACC. The Group is domiciled in Norway, located at Oslo Cancer Cluster Innovation Park, and consist of the parent company PCI Biotech Holding ASA and the wholly owned subsidiary PCI Biotech AS. The Group is in pre-clinical and pre-commercial phase and has 7 employees per year-end 2022. The Group has no sales or supply of goods or services and a limited complexity in its operations.

PCI Biotech's business relationships can be categorised as service providers of standard professional services (legal, intellectual property, business development, contract research organisations etc.), academic institutions (pre-clinical research) or life-science related professionals (biotech's, pharma, key opinion leaders etc.), and other suppliers of consumables. PCI Biotech's main consumables are materials for *in vitro* and *in vivo* preclinical research commonly available across European and US based suppliers. The lead drug candidate, fimaporfin, is available on stock for internal purposes. The previous batch was produced in 2019 in Europe and there is no immediate need for production of a new batch.

The Group is concerned with human- and labour rights, social issues and sustainable development. Fundamental human rights and decent working conditions for employees are handled by compliance to standard Norwegian employment regulations, annual (minimum) individual employee meetings,

established remuneration policy, regular workload reporting, regular management and employee assembly meetings, annual risk assessments, established EHS routines, onboarding and training routines, whistle-blowing routines, and ethical guidelines. For external affairs the company has implemented corporate social responsibility guidelines and core values follows by the ethical guidelines.

b) The first due diligence was performed in Q1 2023. The assessment approach and methodology were based on the Transparency Act, section 4. Duty to carry out due diligence. To tailor the due diligence process to PCI Biotech's size, nature and context of operations, and the severity and probability of adverse impacts on fundamental human rights and decent working conditions, a risk-based approach was applied. All suppliers were screened based upon product/service volume higher than NOK 0.1 million for the year of 2022 and expected future annual volumes, supplier category, and country of origin.

This risk-based due diligence did not result in identification of suppliers or business partners with underlying significant risks of severe adverse impacts on fundamental human rights and decent working conditions caused or contributed toward by PCI Biotech, or increased risk for potential adverse impacts during 2023. Based on this risk-based due diligence no further procedures toward PCI Biotech's supply chain and business partners were performed.

For internal affairs compliance with fundamental human rights and decent working conditions were secured based on review of the above-described internal control routines. The review did not identify any actual adverse impacts or significant risks of adverse impacts on fundamental human rights and decent working conditions caused by PCI Biotech's operations during 2022, or increased risk for potential adverse impacts during 2023.

c) PCI Biotech is concerned with human- and labour rights, and social issues. Based upon PCI Biotech's size, nature and context of operations, the potential severity and probability of adverse impacts on fundamental human rights and decent working conditions, and the outcome of the first due diligence performed in Q1 2023, it is not implemented specific guidelines, procedures or measures for handling of actual and potential adverse impacts on fundamental human rights and decent working conditions caused by, or directly linked via, our supply chain or business partners outside of the general corporate social responsibility guidelines and core values as stated in PCI Biotech's ethical guidelines. PCI Biotech is prepared for implementation of such additional guidelines and procedures when deemed appropriate based upon the outcome of regular due diligence assessments or if there are changes to PCI Biotech's size, and nature and context of operations that negatively impact the potential severity and probability of adverse impacts.