

Compliance with the QCA Code

The Board of Directors is committed to developing and applying high standards of corporate governance appropriate to the Company's size and stage of development. The Board of Directors has adopted the QCA Code, revised in April 2018 as devised by the Quoted Companies Alliance.

The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies. The QCA Code takes key elements of good governance and applies them in a manner which is workable for the different needs of growing companies.

The Company sets out in the AIM Rule 26 section of the website, how it complies with the QCA Code and where it departs from the QCA Code and explanations of the reasons for doing so. This information is set out below. The Company reviews this information annually in accordance with the requirements of AIM Rule 26.

The QCA Code is constructed around ten broad principles. The QCA Code states what are considered to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. These are listed below together with a short explanation of how the Company applies each of the principles. Where the Company does not fully apply each principle an explanation as to why has also been provided:

Principle One: Business Model and Strategy

The Board has adopted a strategy for the Company's development which is summarised below.

Overview

BiVictriX Therapeutics plc ('BiVictriX' or 'the Company') is a UK-based drug discovery and development company focused on leveraging frontline clinical experience to develop a class of highly selective, next generation cancer therapeutics which exhibit superior potency, whilst eliminating treatment-related toxicities (i.e. harmful side effects).

Next generation approaches have the potential to save millions of lives, but currently can only be utilised to their full potential in certain cancer types, owing to the absence of truly 'cancer specific' targets.

BiVictriX's first-in-class approach utilises our proprietary Bi-Cygni® therapeutics which are designed to selectively target antigen co-expression fingerprints, or "twin antigens", on tumour cells, which are largely absent from healthy cells. Whereas this concept has been validated worldwide in a clinical diagnostic setting to support the diagnosis and monitoring of haematological cancers, it has not yet been widely used in a therapeutic setting.

The BiVictriX team has identified a diverse panel of novel cancer-specific "twin antigens", across a broad range of cancer indications. Our primary focus is to use these novel "twin-antigens" to develop more effective and safer therapeutics to target cancers that are expected to constitute orphan indications and current areas of high unmet medical need.

Future Growth Strategy

The Company intends to:

- **accelerate** the lead optimisation of BVX001 to reach key preclinical milestones on early (non-GLP) efficacy and safety;

- **initiate** the development of two new candidates, BVX002 and BVX003 to reach early preclinical proof of concept;
- **expand** the Company’s internal early-stage development capabilities to support the further optimisation of the Bi-Cygni® approach and to enable better access to partnerships with larger pharmaceutical companies;
- **consolidate** the intellectual property landscape surrounding further potential cancer-specific “twin antigen” fingerprints; and
- **secure** key collaborations with industry and academia to expand the Bi-Cygni® approach across other therapeutic platforms
- **establish** over time consistent and growing revenue streams through licensing arrangements with industrial partners comprising upfront option and licensing payments, programme milestone payments and ultimately royalties on commercial sales.

Principle Two: Understanding shareholder needs and expectations

The Board is committed to maintaining good communication and investor relations and having a constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. Consilium Strategic Communications (“Consilium”) provides Investor Relations services enabling investors to ask questions and provide feedback through either by phone or email.

Shareholders are invited to attend company investor presentations virtually or in person and to submit questions to the management. Such events are organised periodically during a financial year. All shareholders are encouraged to attend the Company’s annual general meeting and any other general meetings which are held during the year when possible.

The Company’s website is used to communicate with shareholders and investors by providing current information about the Company. Shareholder communications are answered, where possible or appropriate, by the Directors, Consilium or the Company’s Nominated Advise and Brokers.

Principle Three: Stakeholder engagement

The Board recognises that the long-term success of the Company is reliant upon the efforts of the employees of the Company and its customers, stakeholders, suppliers and regulators. The Board has put in place a range of processes and systems to ensure that there is close Board oversight and contact with its key resources and relationships and seeks feedback from all applicable stakeholder groups whenever possible.

The Company draws upon a range of different resources and relationships to drive the business forward and ultimately deliver value to shareholders.

- BiVictriX operates on a going concern basis by maintaining a minimum of 12 months working capital and is listed on the Alternative Investment Market (AIM) on the London Stock Exchange (ticker: BVX) whereby it can issue equity to raise additional funds. In addition, the Company seeks to augment the funding of its R&D programmes through third party industry and academic collaborations.
- BiVictriX is based in laboratories in Alderley Park, Cheshire. R&D relies upon the availability of state-of-the-art equipment and facilities provided on-site or accessible from third party suppliers.
- BiVictriX recognises that intellectual property is a complex matter and uses external experts to ensure that the patent portfolio is maintained and prosecuted in the most effective manner. The

Board expects the patent portfolio to expand and mature over the next few years.

- With BiVictriX's emphasis on highly specific research, the Company depends upon a group of individuals working collaboratively both internally and with external academic groups. A network of collaborations and relationships with academia, key opinion leaders, clinicians, potential industry partners and regulators to ensure access to the latest thinking at an early stage and are therefore able to direct it towards commercially viable outcomes.

Principle Four: Managing risk and uncertainty

- The Group identifies, evaluates and manages the principal risks to the Group strategy in accordance with the corporate governance framework set out in the Corporate Governance Report. A bottom-up assessment of principal risks by the Senior Management Team is aggregated and validated to produce an overall assessment of those risks.
- We evaluate each principal risk at least twice per year based on the probability of the risk crystallising and the potential impact on the Group level. We consider both the inherent risk (i.e., level of risk before internal controls) and the residual risk (i.e., the remaining risk after the effect of existing controls is considered). Based on that assessment, we then determine whether any further actions are required to reduce the risk to within the risk appetite approved by the Board.
- The Board is responsible for the overall stewardship of our system of risk management. The Board has completed its assessment of the Group's principal and emerging risks and concludes that the current risk profile is within its tolerance range.
- Below are our principal risks, a summary of key controls and mitigating factors:

| Risk | Impact | Mitigation |
|---|--|---|
| The Company's operations are at an early stage of development | It might not be able to develop its proprietary technology or therapeutic programmes towards the clinic | Experienced Board Directors will support management to implement the Company's strategy, generate cash flow and access capital markets |
| Drug development programmes are at an early stage | Milestones may not be achieved or are delayed which could affect the timing of the Company's development and the delivery of its business strategy | Regular review of progress and effective decision making. Board expertise and experience support the management and project teams. |
| Attract and retain key management and employees in an increasingly competitive environment | The Company's ability to deliver on its business strategy | Attractive remuneration package including share options. Active board interaction with the team to communicate strategy and the benefits of driving forward an entrepreneurial, growth company. |
| The patent portfolio currently comprises seven patent families, which have not yet been granted | Negative impact on the Group's ability to protect its intellectual Property which underpins its commercial | Patent filing strategy includes new applications to build a broad portfolio. IP strategy covers technology |

| Risk | Impact | Mitigation |
|---|--|---|
| | strategy | and products. |
| The Company may have insufficient cash resources to fund its ongoing activities and investment in Research & Development. | Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interest in certain work programmes or projects and miss commercial opportunities. | Cash resources carefully deployed to maximise timely R&D investment to achieve value enhancing milestones |
| Competitors may develop new products | Could reduce the commercial potential of the Company's pipeline | Develop a focused product pipeline and closely monitor the commercial landscape. Adapt product plans if necessary to meet market changes. |

Principle Five: A Well-Functioning Board of Directors

The Board is considered to be well-balanced and is comprised of Michael Kauffman (Non-Executive Chairman), Tiffany Thorn (Chief Executive Officer), Robert Hawkins (Independent Non-Executive Director), Susan Lowther (Independent Non-Executive Director), Iain Ross (Non-Executive Director) and Drummond Paris (Senior Independent Non-Executive Director). Robert Hawkins, Susan Lowther, Michael Kauffman and Drummond Paris are considered to be independent.

The Board meets at least eight times per annum or any other time deemed necessary for the good management of the business and at a location agreed between the Board members. It has established an Audit Committee, particulars of which appear under Principle Nine. The time commitment formally required by the Company is an overriding principal that each Director will devote as much time as is required to carry out the roles and responsibilities that the Director has agreed to take on.

Notwithstanding that the Directors are based in various jurisdictions, the Company ensures that face to face meetings occur where practicable and are subject to Government healthcare regulations e.g. COVID restrictions.

The Directors are subject to re-election intervals as prescribed in the Articles.

Principle Six: Appropriate Skills and Experience of the Directors

The Company has put in place a board structure that provides a breadth and depth of skills and experience to deliver the strategy of the Company for the benefit of shareholders over the medium to long-term.

The Board currently consists of six Directors, who are supported by an experienced senior management team. The Board also intends to create a Scientific Advisory Board in due course.

The Directors are of the view that the Company does not currently require a Board-level Finance Director given its current stage of development and the fact that it has a financially qualified, part-time CFO.

As the Company grows and develops, the Board keeps its corporate governance framework under regular review to ensure it remains appropriate for the size, complexity and risk profile of the Company.

Currently, the Board has an appropriate balance of sector, financial, and public markets skills and experience and bring a range of skills and capabilities to the Company. The Board members are kept up-to-date on a regular basis on key issues and developments pertaining to the Company as well as their responsibilities as members of the Board.

Principle Seven: Evaluation of Board Performance

Internal evaluation of the Board and its individual Directors is seen as an important step in the development of the Board and accordingly an annual review of board performance is led by the Chairman in the form of peer appraisal, questionnaires and discussions to determine the effectiveness and performance in various areas as well as the Directors' continued independence and capacity. The criteria against which effectiveness is considered are aligned to the strategy of the Company and management forecasts and budgets.

In addition, succession planning for the Board and senior management team is routinely undertaken by the board as a whole.

Principle Eight: Corporate Culture

The Board recognises that its decisions regarding strategy and risk impact the corporate culture of the Company as a whole and that impacts the performance of the Company. The Board is very aware that the tone and culture set by the Board greatly impacts all aspects of the Company as a whole and the way that employees behave. The importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives.

The Board assessment of the culture within the Company at the present time is one where there is respect for all individuals, there is open dialogue within the Company and there is a commitment to provide the best service possible to all the Company's stakeholders.

In addition, the Company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings and relationships wherever they occur. The Company implements effective systems to counter bribery and corruption and as part of this it has adopted an anti-bribery and anti-corruption policy. The policy provides guidance to those working for the Company on how to recognise and deal with bribery and corruption issues and the potential consequences and applies to all persons working for the Company or on its behalf in any capacity, including employees at all levels, Directors, officers, consultants and agents.

The Company has also adopted a share dealing policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during closed periods which is in line with the Market Abuse Regulation). The Company takes all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing policy.

Principle Nine: Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board with the respective responsibilities of the Non-Executive Chairman and Chief Executive Officer arising as a consequence of

delegation by the Board. The Chairman is responsible for the effectiveness and leadership of the Board, promoting a culture of openness and debate by facilitating the effective contribution of Non-Executive Directors in particular and ensuring constructive relations between the Executive and the Non-Executive Directors. The Chairman is also responsible for ensuring that the Directors receive accurate, timely and clear information. Management of the Company's day-to-day business resides with the Chief Executive Officer and primary contact with shareholders has been delegated by the Board jointly to the Chairman and Chief Executive Officer.

Non-Executive Directors are appointed not only to provide independent oversight and constructive challenge to the Executive Director but also chosen to provide strategic advice and guidance. There is a rigorous and transparent procedure for the appointment of new Directors to the Board. The search for Board candidates is conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board.

The Company intends to create an Advisory Board for the purpose of providing additional insight and expertise in the areas the Company operates.

Audit & Risk and Remuneration Committees have been established with formally delegated duties and responsibilities and with written terms of reference. These committees are comprised solely of Non-Executive Directors. From time to time, other committees may be set up by the Board to consider specific issues when the need arises. The Company considers that, at this stage of its development, and given the current size of its Board, it is not necessary to establish a nominations committee. This position will be reviewed on a regular basis by the Board.

Audit & Risk Committee

The Audit & Risk Committee's role is to assist the Board with the discharge of its responsibilities in relation to internal and external financial reporting, audits and controls, including reviewing the Company's annual and half-yearly financial statements, reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors and the tendering process and reviewing the effectiveness of the Company's corporate governance, internal audit and controls, risk management, whistle-blowing and fraud-prevention systems. The ultimate responsibility for reviewing and approving the Company's annual report and accounts and its half-year reports remains with the Board.

The Audit & Risk Committee is chaired by Susan Lowther and its other members are Drummond Paris and Iain Ross. The Board has satisfied itself that the committee has recent and relevant financial experience, and that the committee as a whole has competence relevant to the sector in which the Company operates. The Audit Committee will normally meet not less than three times in each financial year and at such other times as the chair of the committee requires. It will have unrestricted access to the Company's auditors. As a matter of course, the Company's Chairman and Chief Executive Officer will be invited to attend Audit Committee meetings.

Remuneration Committee

A Remuneration Committee normally meets not less than three times in each financial year and at such other times as the chair of the committee requires. Remuneration Committee meetings are chaired by Drummond Paris as Senior Independent Director. They are attended by all Non-Executive Directors. The Chief Executive Officer is invited to attend to discuss staff remuneration, option packages and bonus schemes, but does not participate in discussions about Executive Director remuneration.

Principle Ten: Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The investors section of the Company's website provides all required regulatory information as well as additional information shareholders may find helpful including: information on Board members, advisors and significant shareholdings, a historical list of the Company's announcements, its corporate governance information, the Company's publications including historic annual reports and notices of annual general meetings, together with share price information.

The Company also takes a proactive approach to investor relations initiatives with ongoing support from Consilium, the Company's Financial PR and IR Advisers. These investor relations initiatives include, but are not limited to:

- responsive investor relations enquiry service for all investors to ask questions and provide feedback by phone or email;
- shareholder events in London and elsewhere;
- access to virtual investor presentations and Q&A sessions;
- the use of social media, in accordance with the Company's social media policy; and
- access to media commentary or video interviews providing a summary of company strategy and around other key developments.

Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. Through Consilium the Board also allows all investors to attend company investor presentations virtually or in person to submit questions to the management. In addition, all shareholders are encouraged to attend the Company's annual general meeting or any other general meetings that are held throughout the year when possible.